

NEWMARK

# Marin County Office Market Overview

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4Q25

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# U.S. Market Observations



## Economy

- Marin County's unemployment rate decreased by 60 basis points from 4.6% to 4.0% between August and November of 2025 and is now 40 basis points below the United States unemployment rate. It is now 150 basis points below California's unemployment rate of 5.5%.
- The three office using sectors: Information, Professional and Business Services, and Financial Activities all experienced negative year-over-year growth. The Education and Health sectors experienced the largest year over year growth.



## Leasing Market Fundamentals

- Net absorption in the fourth quarter of 2025 was a positive 10,206 square feet. This was largely driven by small deals done in Northern San Rafael and Novato.
- Average weighted full service asking rates across Marin County increased over the last quarter by 10 basis points to \$3.47 per square foot. Hybrid work trends continued to inspire downsizing into quality buildings.



## Major Transactions

- In Southern Marin, the two-building, 116,937 square foot office park at 1 & 3 Harbor Drive in Sausalito was purchased by Bayspring Real Estate Partners for \$32 million, or \$274 per square foot. The property was 69% at the time of sale and is a redevelopment project.
- In Central San Rafael, 523 4th Street was purchased by Mill Creek Residential for \$7,000,000 or \$543.69 per square foot. This office was purchased for land value at \$518.36 per square foot and is going to be developed into a 210-unit apartment.
- Prima Medical Foundation and Marin General Hospital both renewed their 10,159 square foot and 9,545 square foot suites at 100 Drakes Landing in Larkspur.
- SC Marketing group leased 5,311 of new space at 6 Hamilton Landing in Novato.



## Outlook

- The Marin County office market, with a vacancy of 19.6%, is faring well when compared to nearby urban metros.
- The flight to quality will continue as companies search for high quality office space with on site amenities to attract workers back to office.
- Demolition of the +720,000 former Fireman's Fund Campus in Novato is almost complete, with 44 acres of the 65-acre property to be developed into +1,081 residential units.
- Office inventory expected to decrease as 4040 Civic Center hits the market with 134,000 square feet of office space potentially converted to residential use.
- The AI boom in San Francisco is causing housing prices in the Bay Area to increase, especially due to companies no longer allowing work from home from out-of-area locations.

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## Table of Contents

1. Economy
2. Leasing Market Fundamentals
3. Appendix / Tables

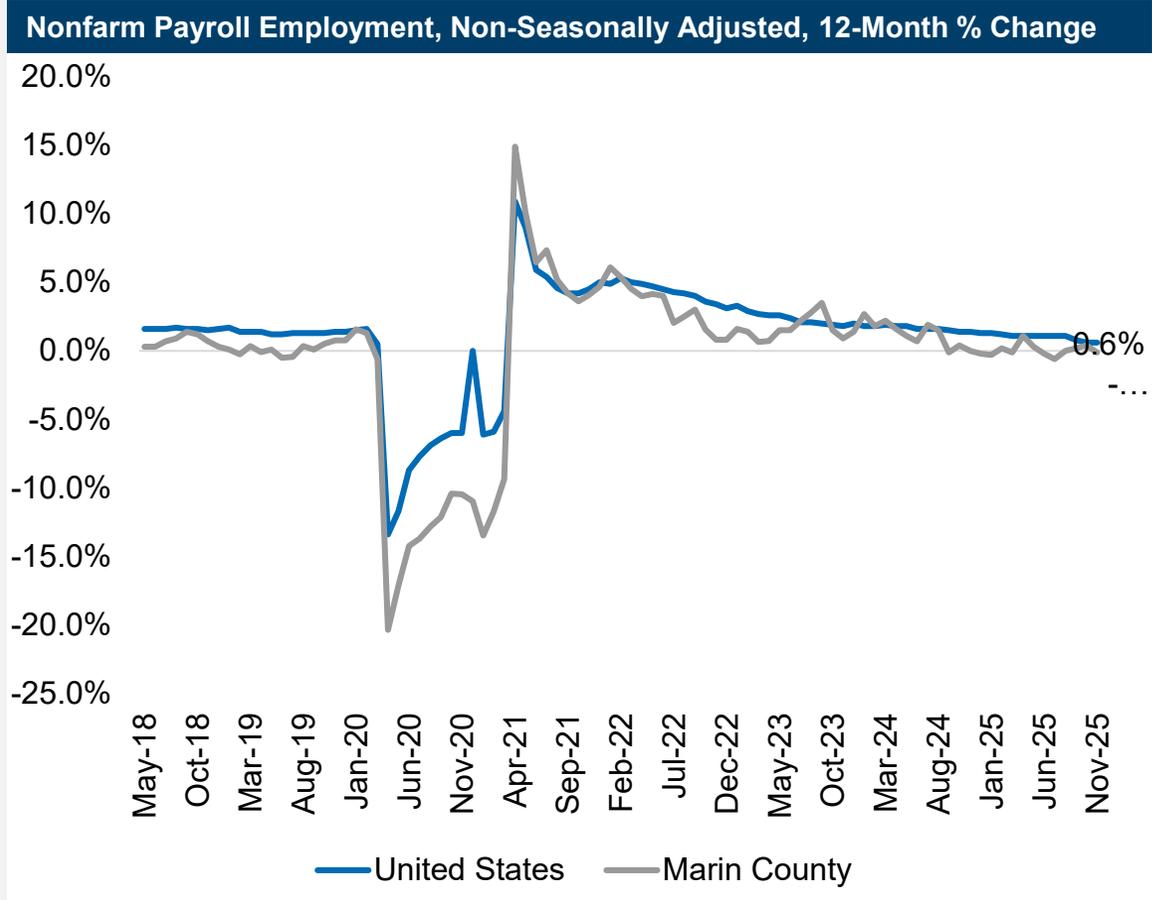
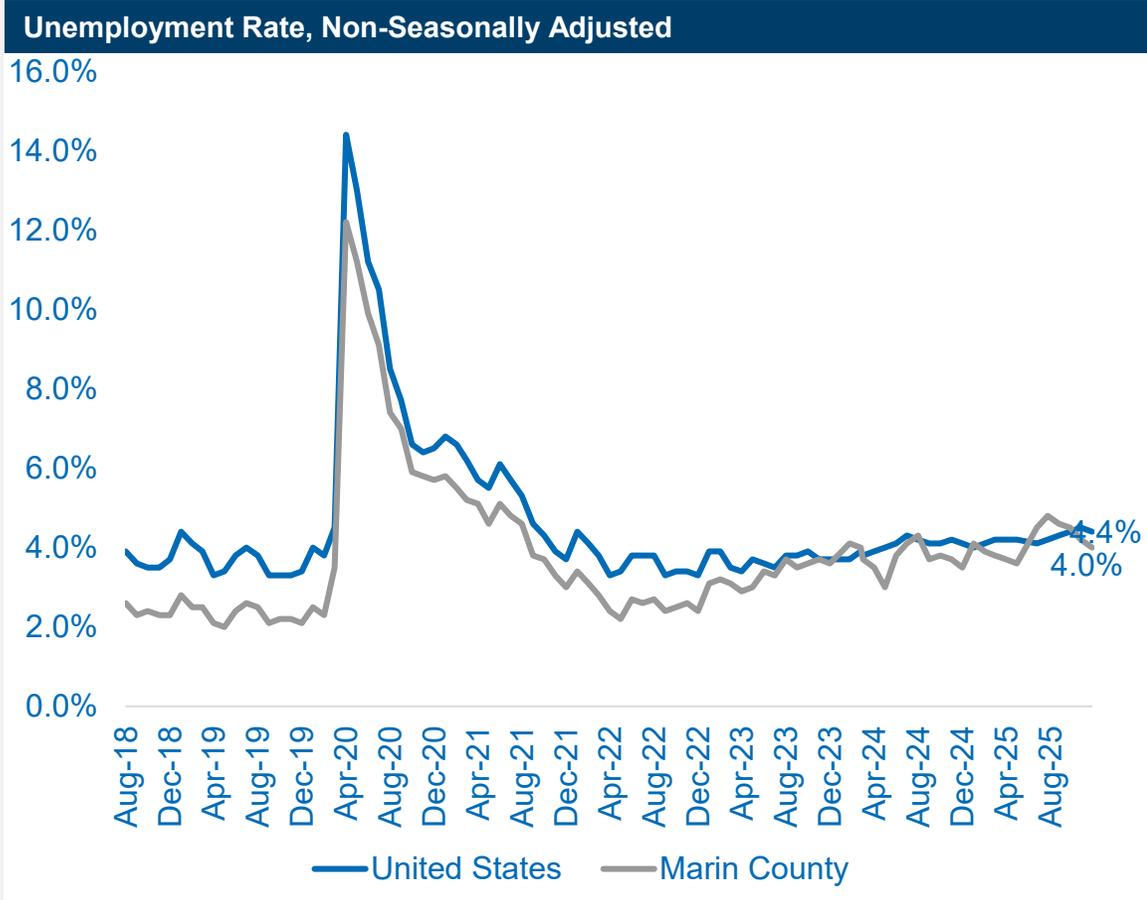
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## Economy



# Marin Employment Increased

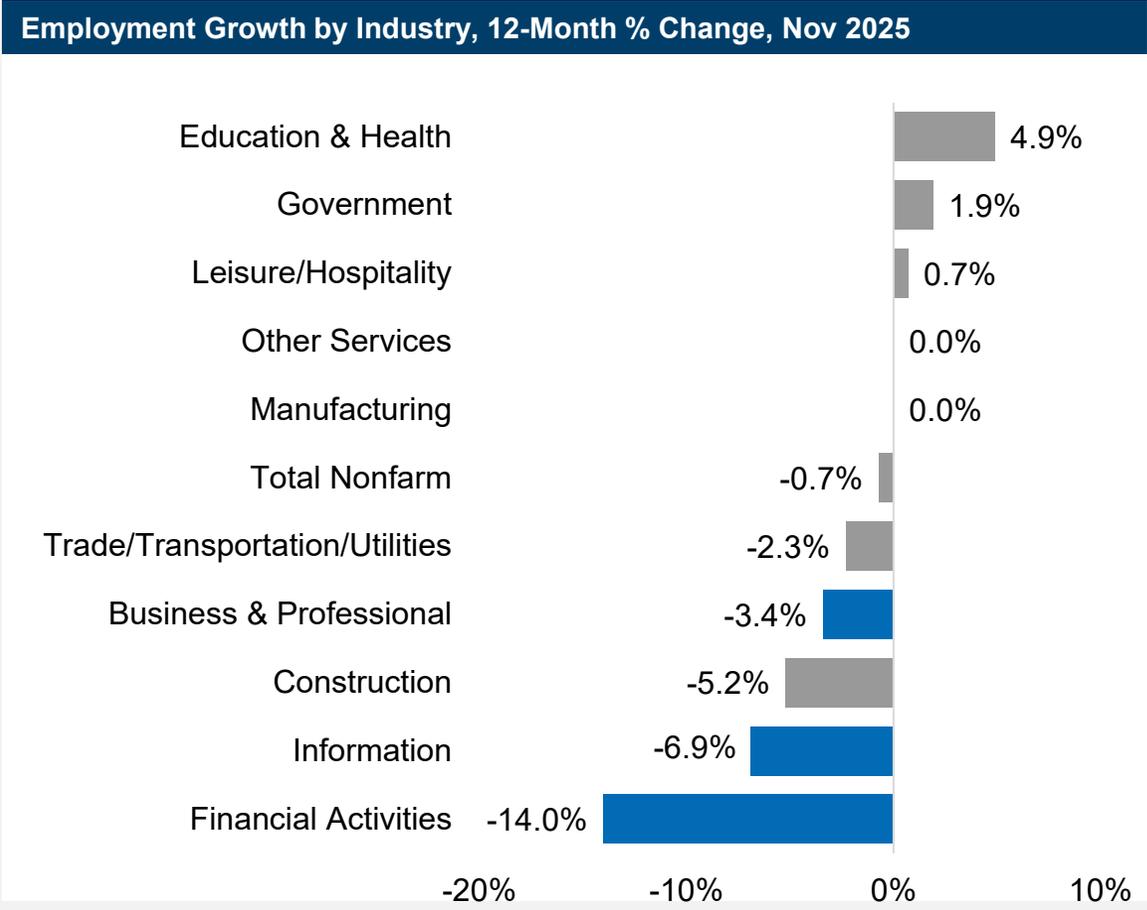
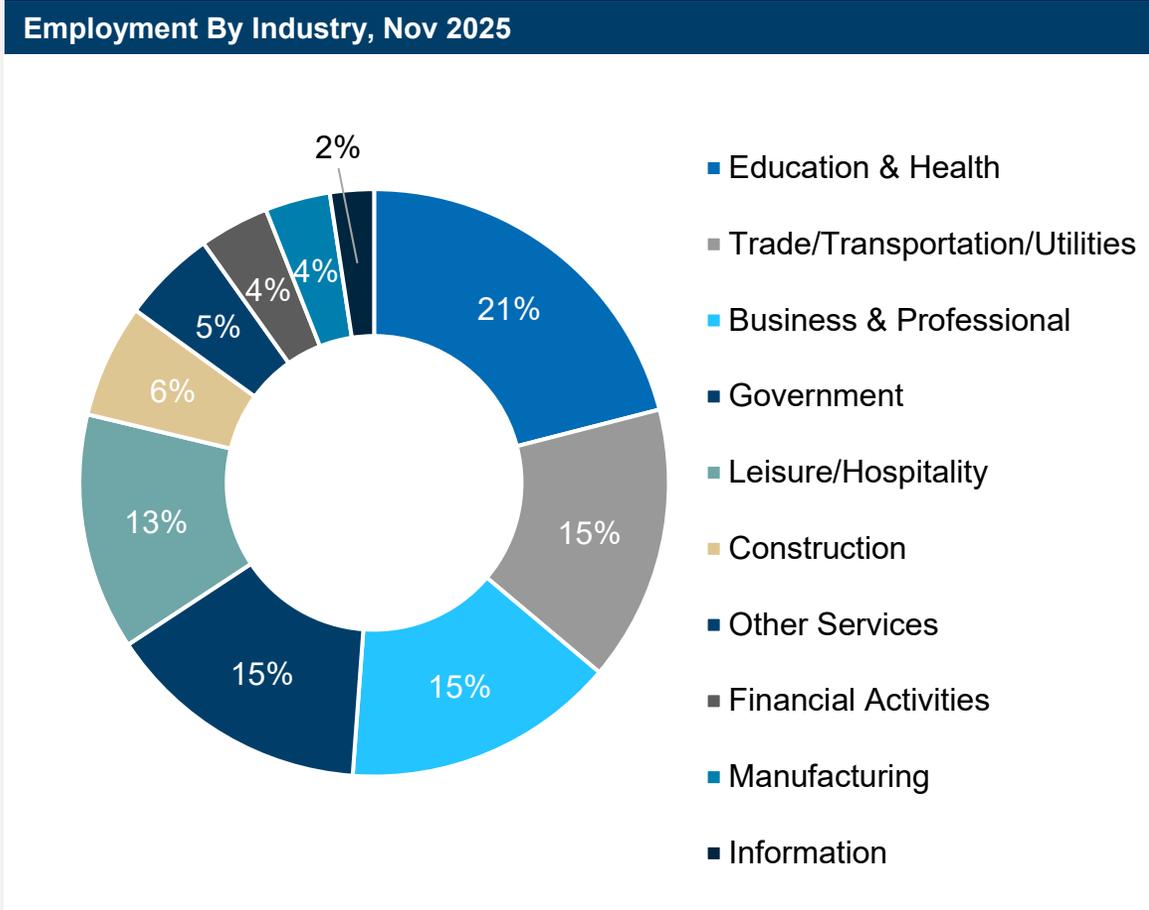
Marin County's unemployment rate decreased by 60 basis points between August and November of 2025. At 4.0%, the unemployment rate in Marin County was 40 basis points lower than the national rate.



Source: U.S. Bureau of Labor Statistics, Oakland-Hayward-Berkeley Metropolitan Division (comprised of Alameda and Contra Costa Counties)

# Office-Using Employment Down Year-Over-Year

The Education and Health sector had the most employees in Marin County, followed by Trade/Transportation/Utilities and Business & Professional Services. All office using sectors in Marin County experienced negative year-over-year growth.



Source: U.S. Bureau of Labor Statistics, Oakland-Hayward-Berkeley Metropolitan Division (comprised of Alameda and Contra Costa Counties)



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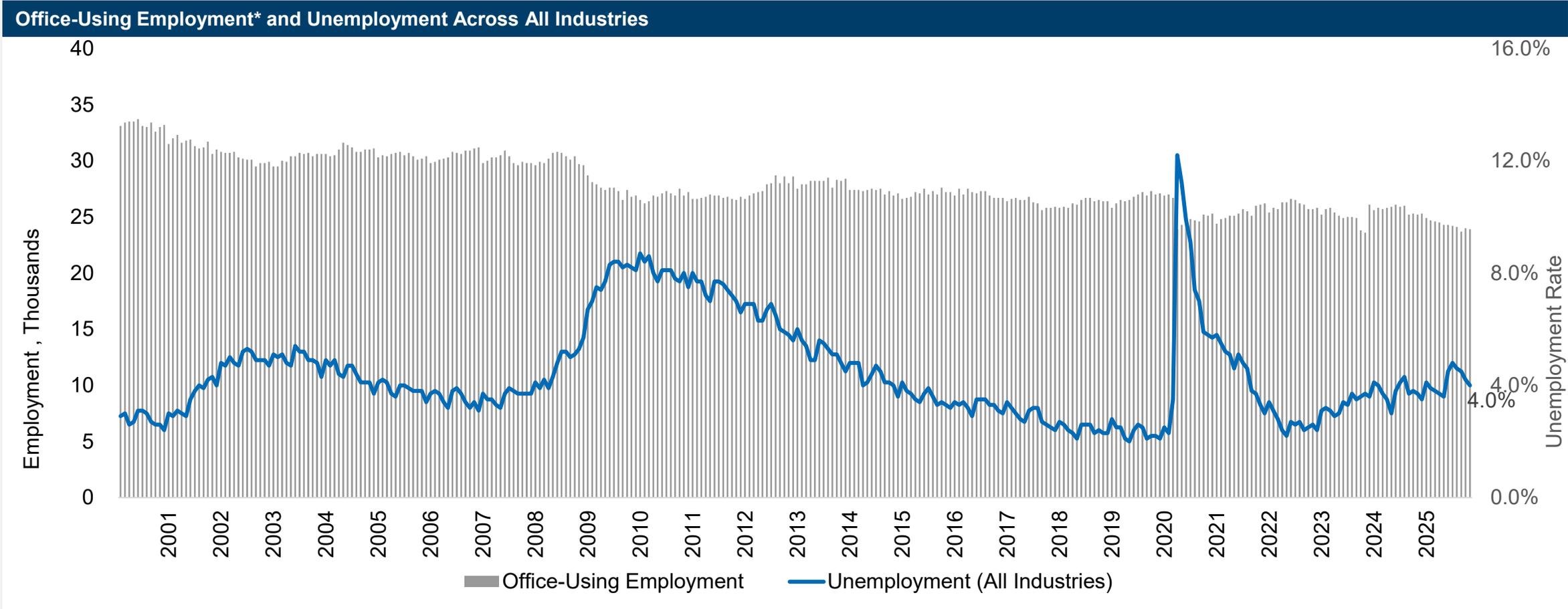
## Leasing Market Fundamentals

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4Q25

# Office-Using Employment Remained Below Pre-Pandemic Totals

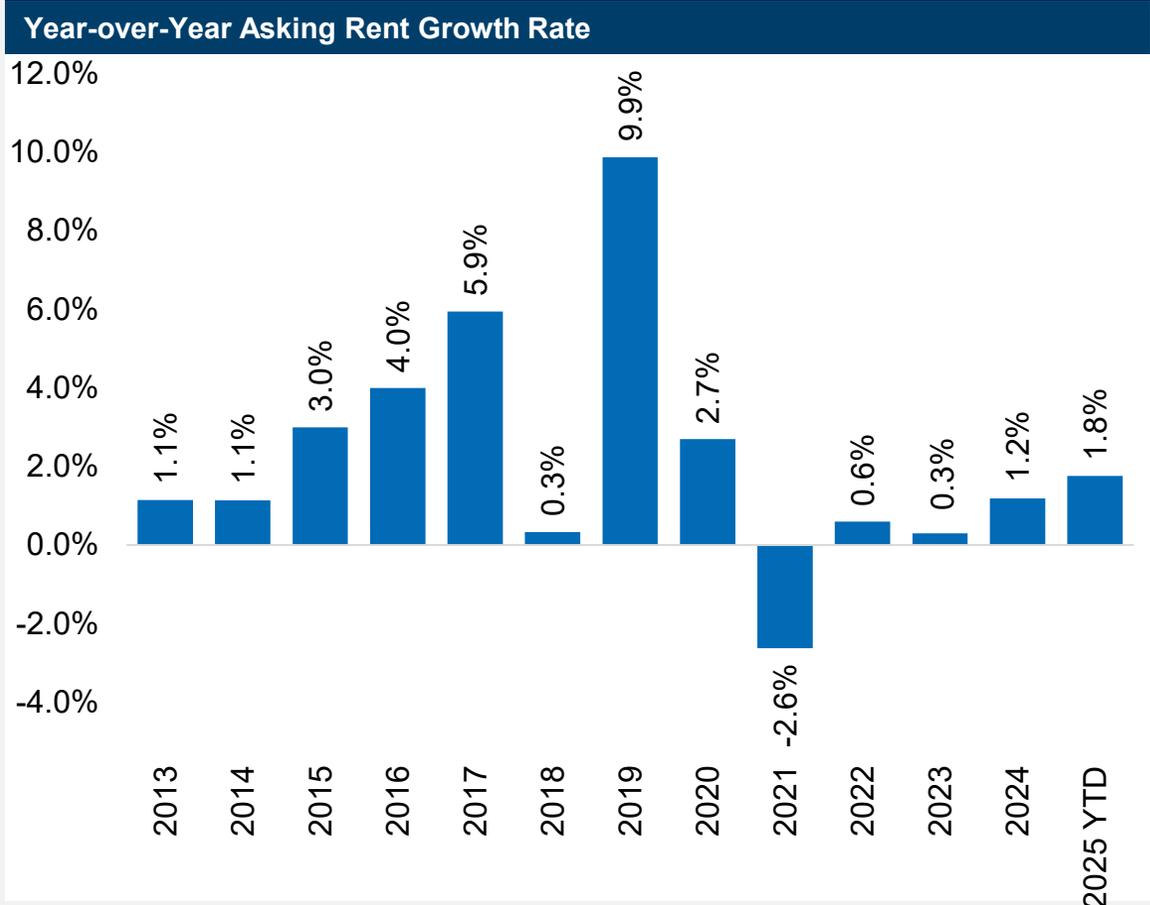
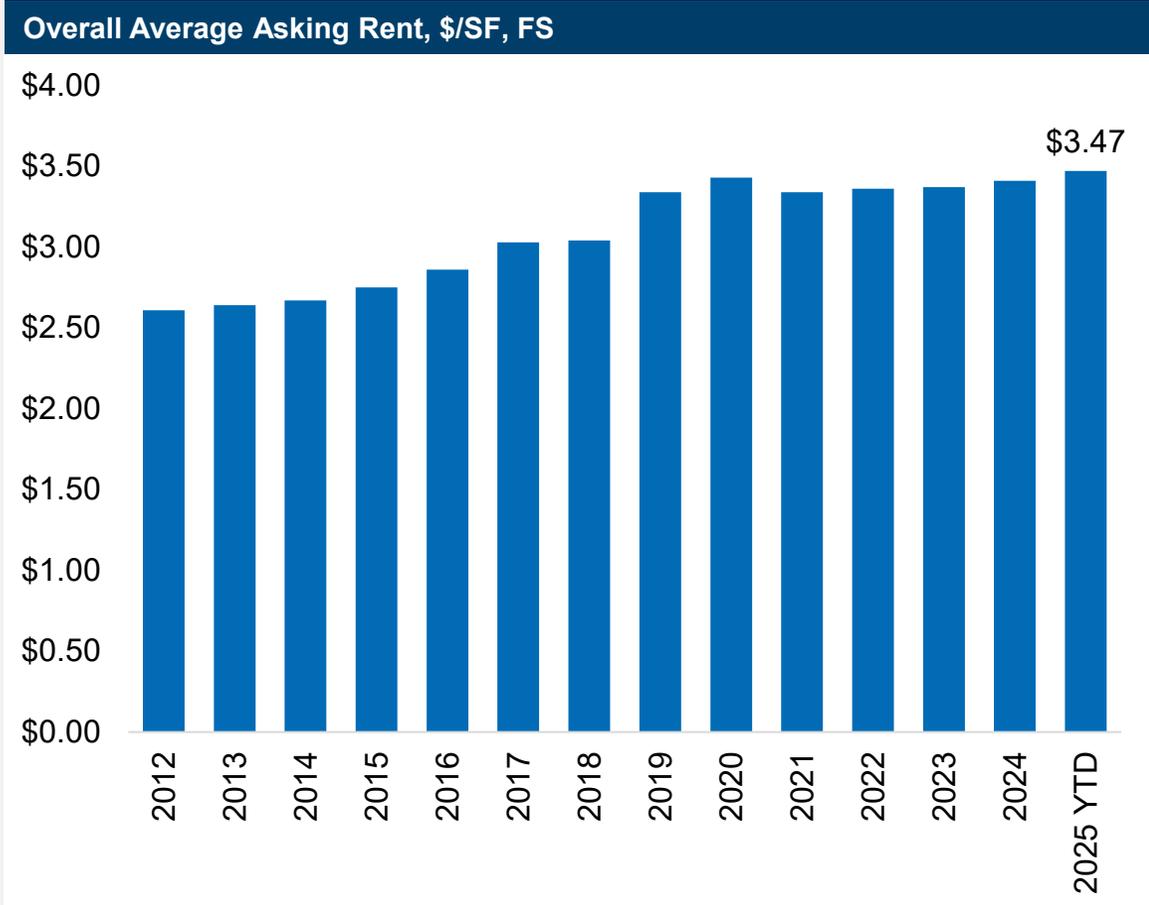
The number of office jobs in Marin County was roughly 2,000 less than pre-pandemic levels in 2019. The unemployment rate in Marin County has dropped by 60 basis points between August and November and now is only increased by 50 basis points since the beginning of 2025.



Source: U.S. Bureau of Labor Statistics, Oakland-Hayward-Berkeley Metropolitan Division (comprised of Alameda and Contra Costa Counties). Note: November 2025 data is preliminary.  
 \*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

# Office Asking Rents Slightly Increase

Asking rents in Marin County have slightly increased by 10 basis points over the course of the fourth quarter of 2025. It is expected that asking rents will remain constant into the foreseeable future.



# Marin County Office 4Q25 Notable Transactions

## Notable 4Q25 Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
Prima Medical Foundation	100 Drakes Landing Road Bldg A	Marin Central	Renewal	10,159
Marin General Hospital	100 Drakes Landing Road Bldg A	Marin Central	Renewal	9,545
SC Marketing Group, Inc	6 Hamilton Landing Bldg 6	Novato	Direct	5,311

## Notable 4Q25 Sale Transactions

Building Address	Square Footage	Buyer	Seller	Submarket	Sale Price	Price Per Square Foot
1 & 3 Harbor Drive	116,937	Bayspring Real Estate Partners	Seagate Properties	Marin Southern	\$32,000,000	\$274
523 4 <sup>th</sup> Street	12,875	Mill Creek Residential	Seagull Prime Real Estate	Central San Rafael	\$7,000,000	\$544
300 Tamal Plaza	19,882	Chelsea Pacific Group	Norman Ciampi	Marin Central	\$6,045,000	\$304

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## Appendix

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**Jack Baughman**

*Research Analyst*

*North Bay Research*

Jack.Baughman@nmrk.com

**San Rafael Office**

1101 Fifth Avenue, Ste 370

San Rafael, CA 94901

t 415-526-7676

**New York Headquarters**

125 Park Ave.

New York, NY 10017

t 212-372-2000

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