



NEWMARK

Greater Oakland Office Market Overview

4Q25

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U.S. Market Observations



Economy

- The unemployment rate for the East Bay increased by 40 basis points from August to November, and at 5.5% was 110 basis points higher than the national unemployment rate.
- Job growth year-over-year only increased in Education and Health and Other Services. The three office using sectors, Information, Business and Professional Services, and Financial Activities all experienced negative growth.
- The U.S. economy remains in a state of heightened uncertainty, driven by the President Trump's recent tariff actions and evolving interest rate policy. These developments will be closely monitored for their potential impact on the market throughout 2026.



Leasing Market Fundamentals

- Net absorption in the fourth quarter of 2025 totaled negative 31,964 square feet, marking the 14th negative quarter out of the last 15.
- Vacancy increased by 20 basis points to 22.8% in the fourth quarter of 2025.
- No new office construction projects commenced in the Greater Oakland market during this period, with active development and leasing primarily driven by life science facilities.



Major Transactions

- Renewals included MBH Architects' renewal of 21,955 square feet in Alameda at 960 Atlantic Avenue and LaunchDarkly's renewal of 20,744 square feet of space at 1999 Harrison Street in Lake Merritt.
- Yerba Madre signed a new 16,719 square foot lease at 1910 Broadway in Lake Merritt, Oakland.
- There were several sales during the fourth quarter:
 - 415 20th Street in Oakland was purchased by Behring Company from Bayhill Ventures for \$6.8 million, or \$86,41 per square foot.
 - 2001-2015 Broadway in Oakland was purchased by Ahmed Izzuddin from HP Investors/Goldman Sachs for \$4.5 million, or \$77,82 per square foot.
 - 1700 Broadway was purchased by Self-Help Credit Union from Agata Holdings for \$3.5 million, or \$122.55 per square foot.



Outlook

- The Oakland office market is in the middle of a basis reset, and we expect buildings to continue to trade hands. New owners are able to be more aggressive and tend to transact more frequently.
- Companies in the Oakland market such as MBH and LaunchDarkly continue to downsize.
- We saw another note sale at 2201 Broadway, as B3 Investors purchased the note for the 197,870-square-foot building for \$14.0M, and we expect note sales to continue.
- Tenants got the best value from transactions that made use of existing second-generation build outs.

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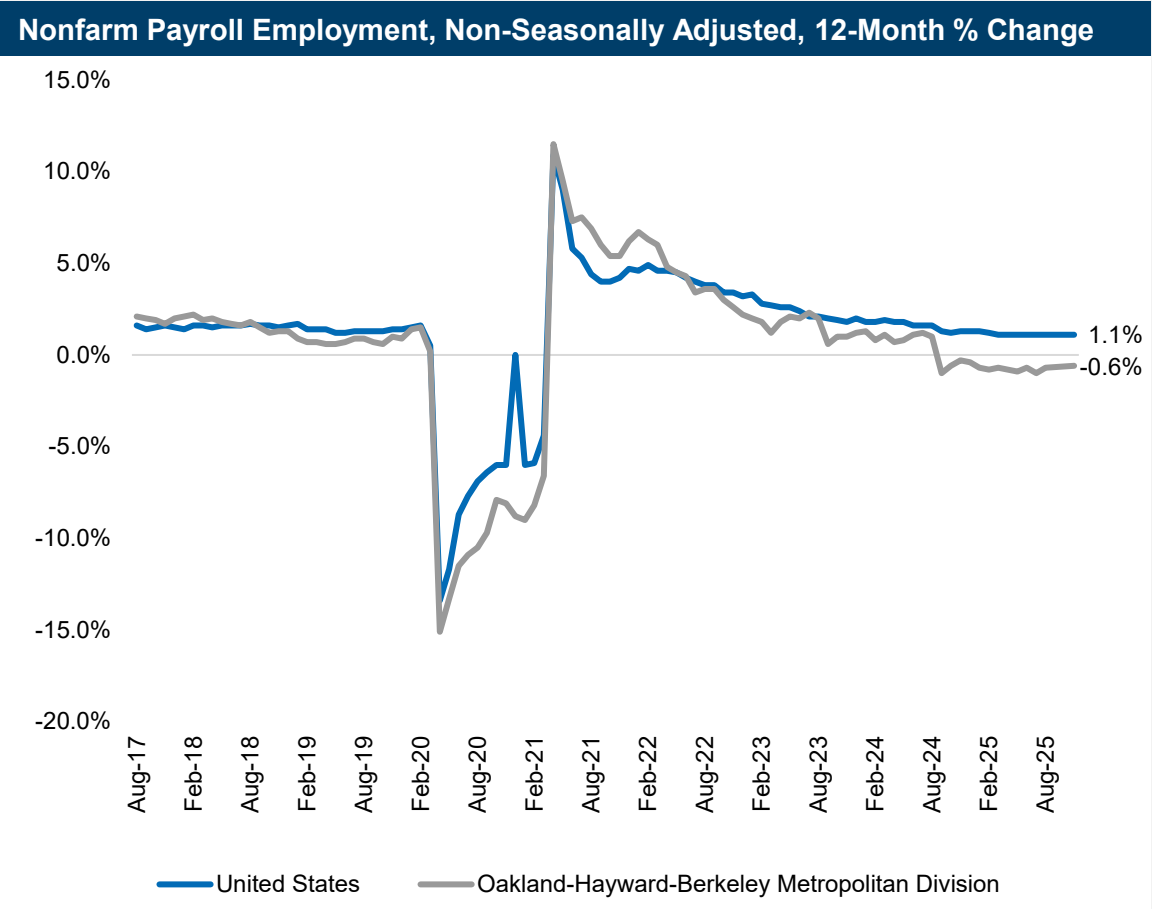
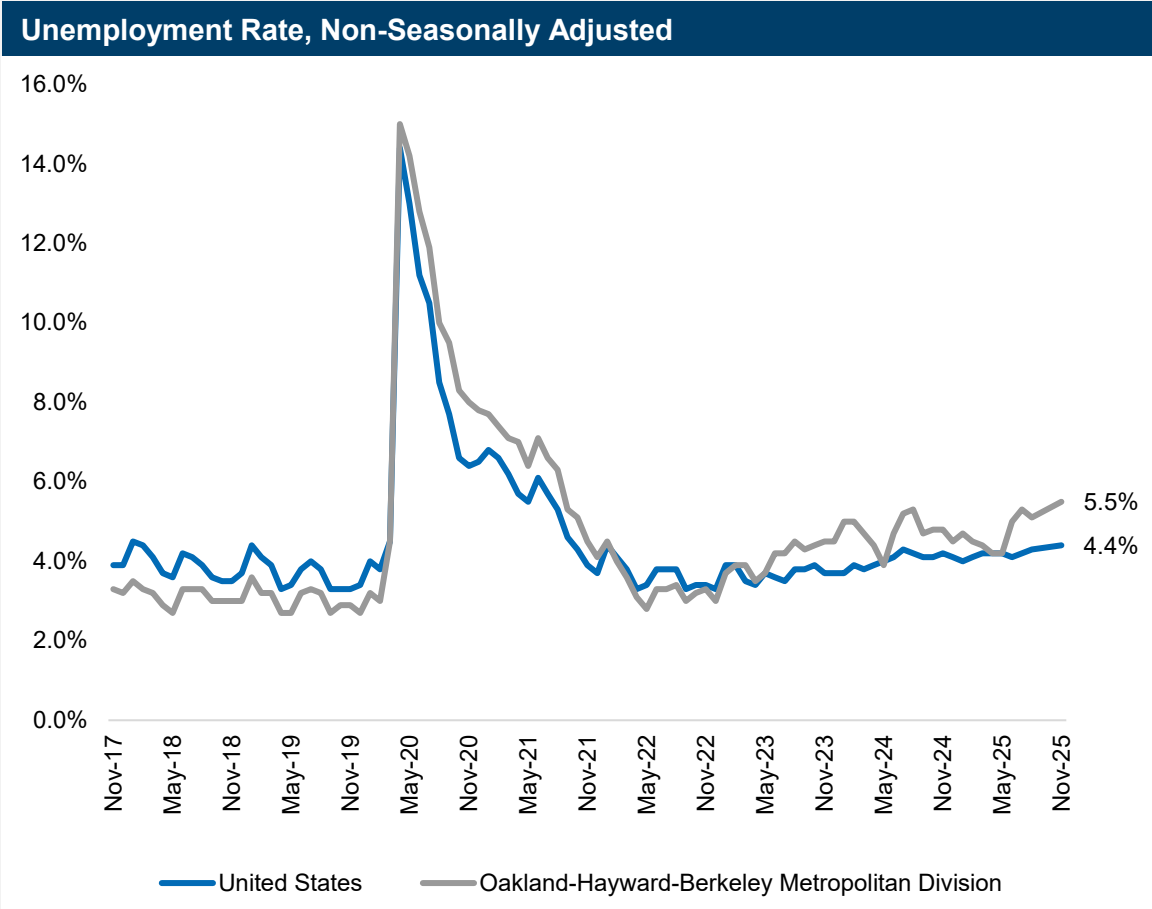
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Economy



Metro Employment Trends Signal a Slight Comeback

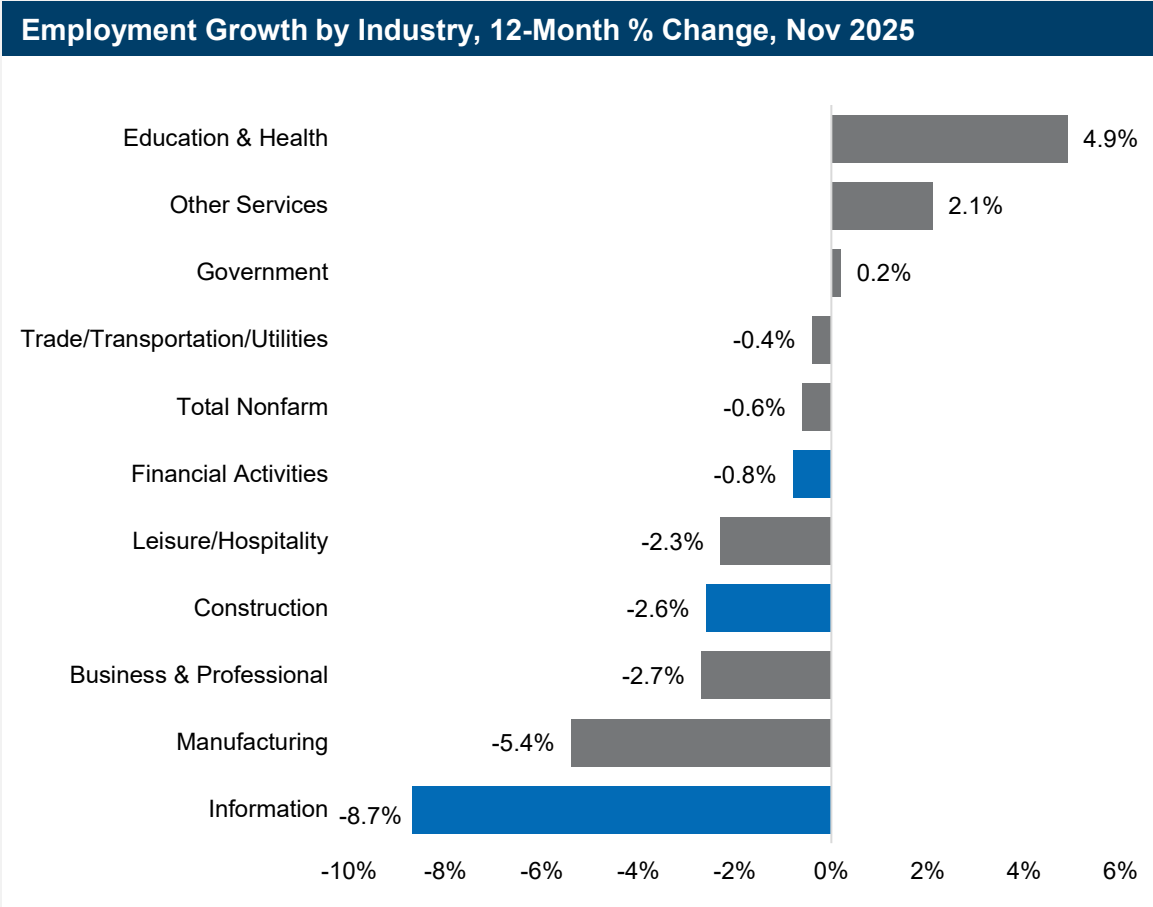
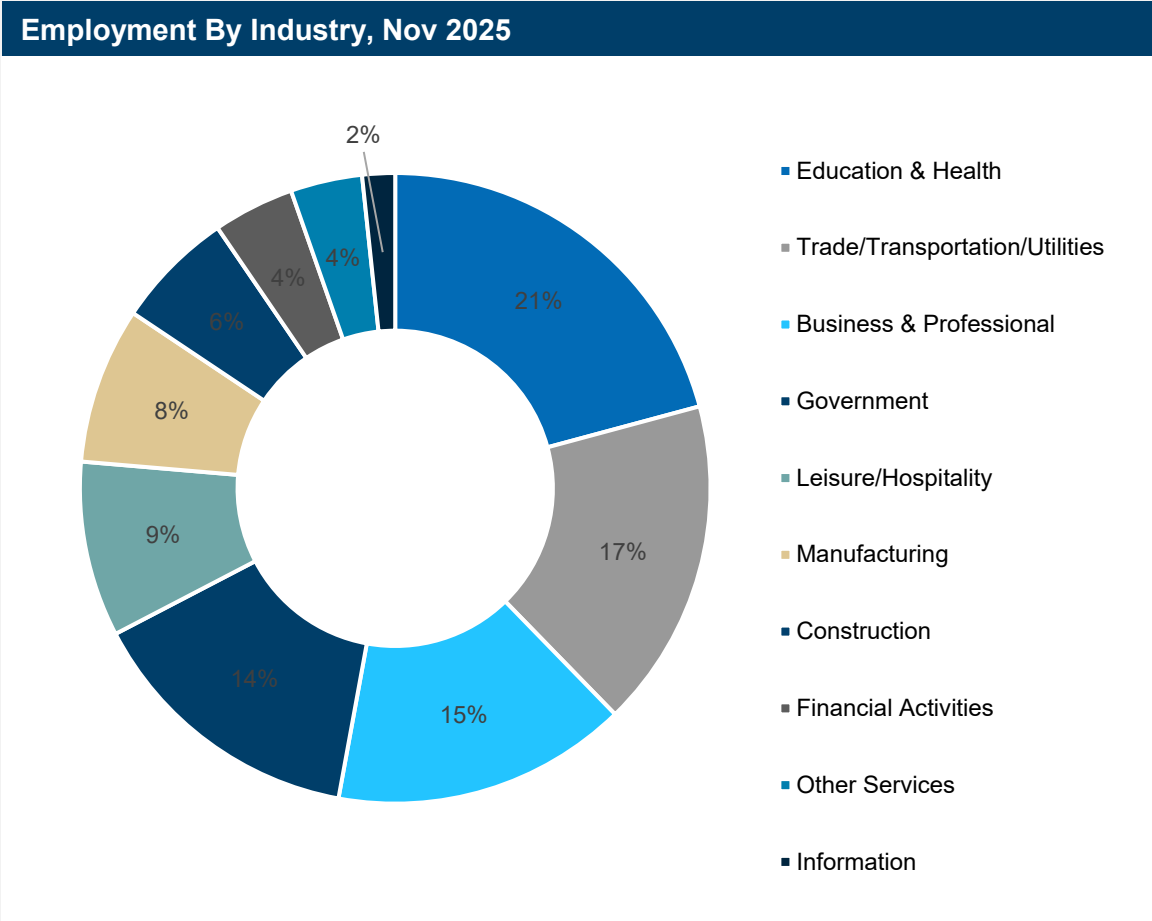
The current unemployment rate for the East Bay increased by 40 basis points from August to November, and at 5.5% was 110 basis points higher than the national unemployment rate. Unemployment rates remained above pre-pandemic levels.



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

Office-Using Employment Down

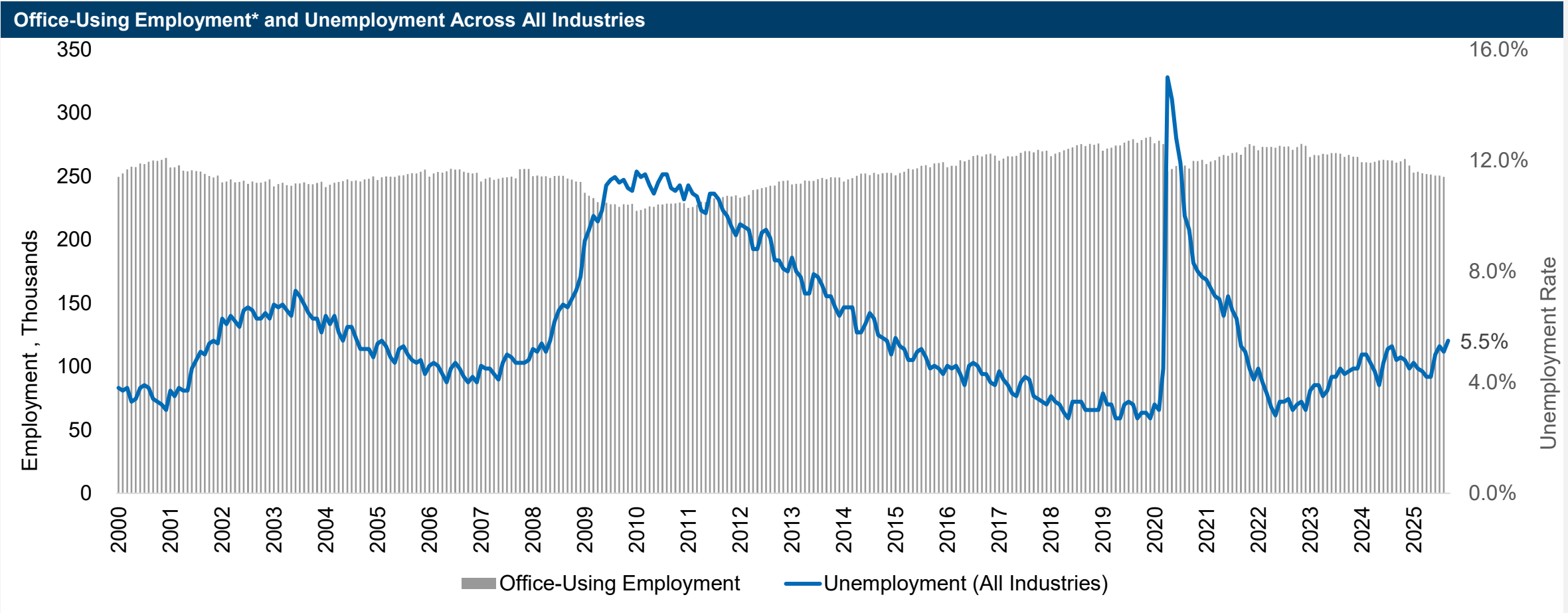
Office using sectors continued to experience negative growth over a 12-month period, with the Information sector experiencing the most negative growth.



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

Overall Office-Using Employment Still Lower than Pre-Pandemic

The number of office jobs in the East Bay has yet to recover to pre-pandemic levels, with about 30 thousand fewer office-using jobs. Office-using employment is now just below early-2015 levels.



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.



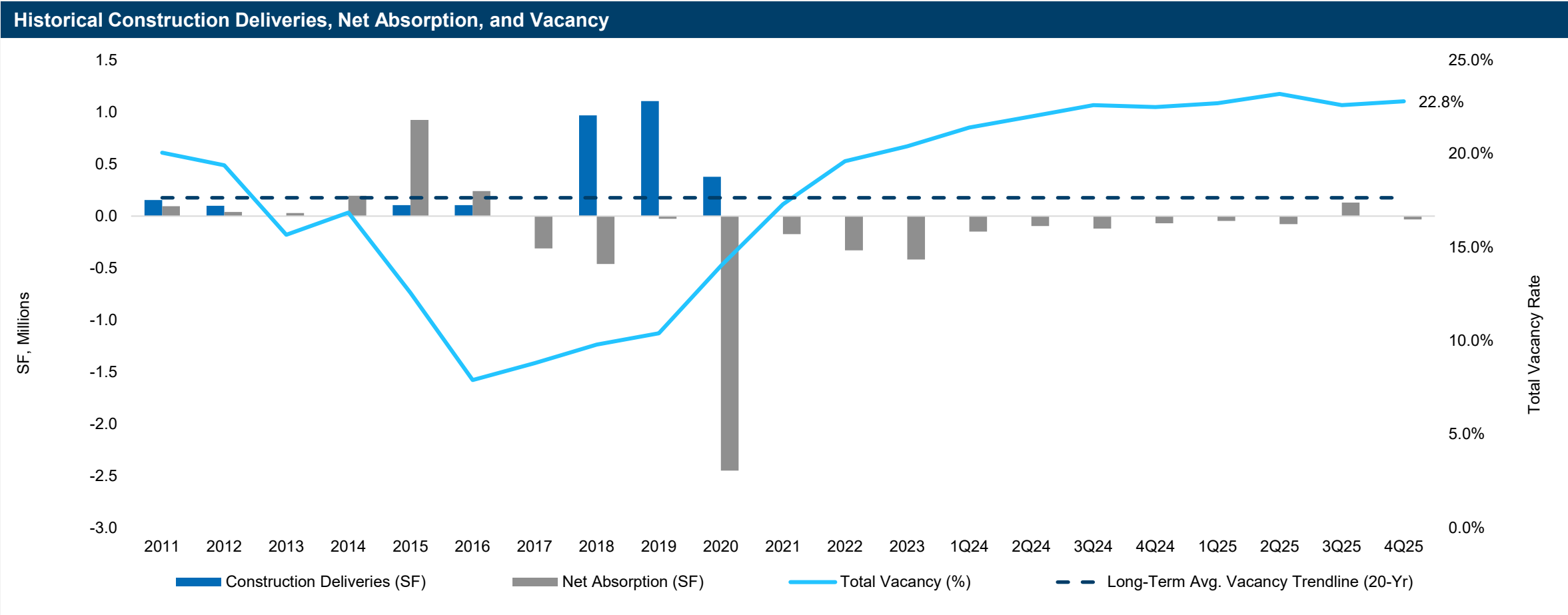
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Leasing Market Fundamentals

4Q25

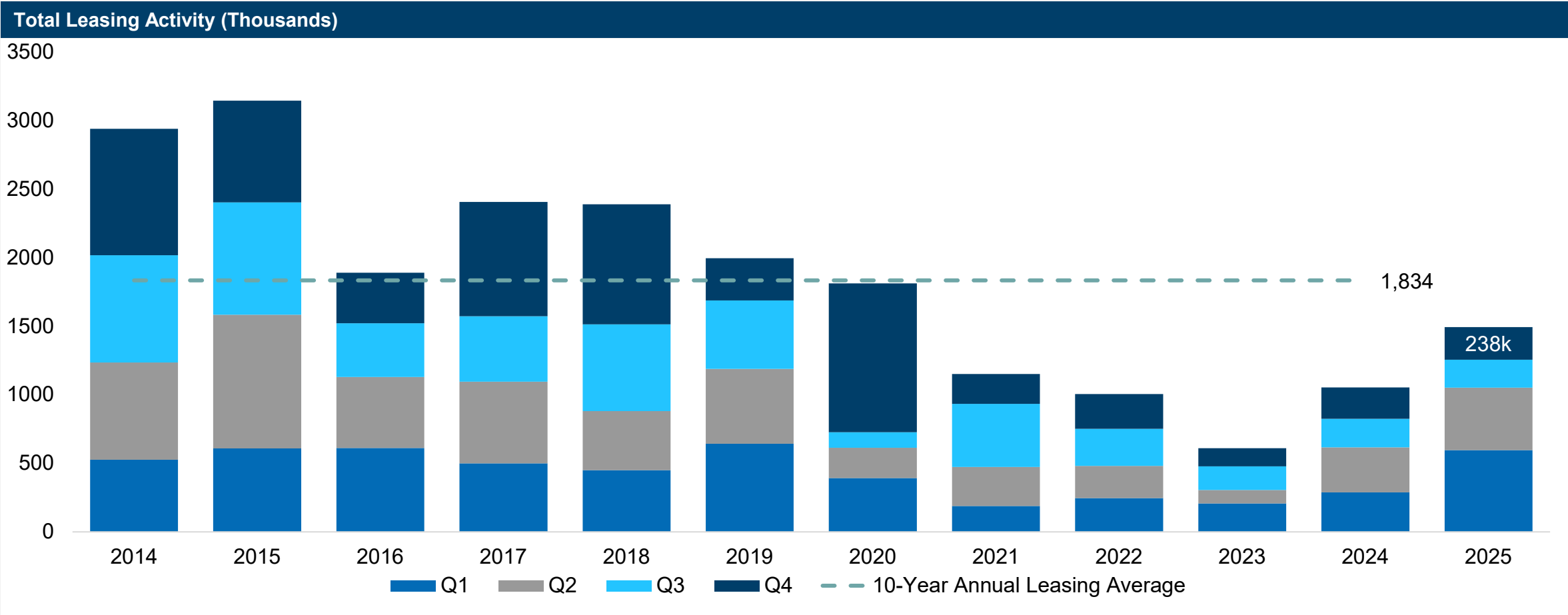
Greater Oakland Office Vacancy Decreased

Vacancy rates increased slightly by 20 basis points to 22.8% as the Greater Oakland market closed the fourth quarter of 2025 with a negative absorption of 31,964 square feet. Lake Merritt continues to outperform the rest of the market.



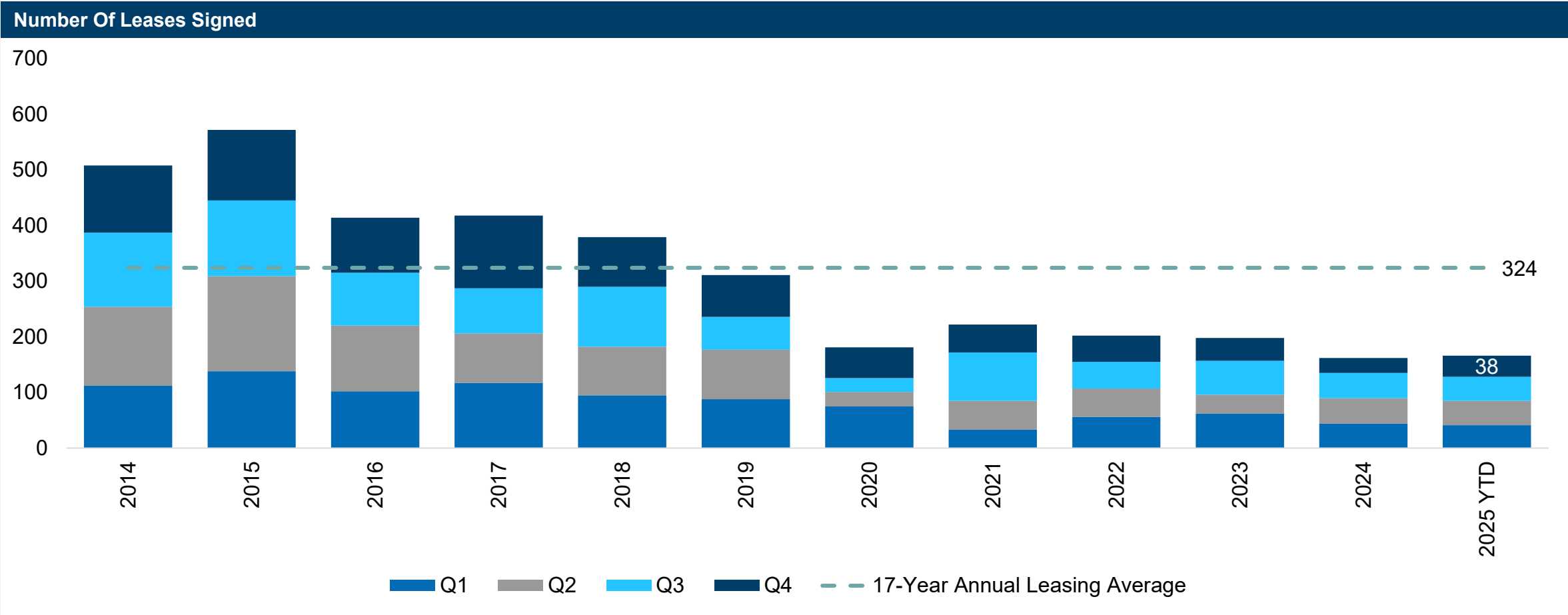
Greater Oakland Office Leasing Activity 4Q25

Leasing in the Greater Oakland market still has not reached pre pandemic levels, however 2025 was the strongest leasing year since 2020. The fourth quarter of 2025 out-leased the fourth quarter of 2024 by ten thousand square feet.



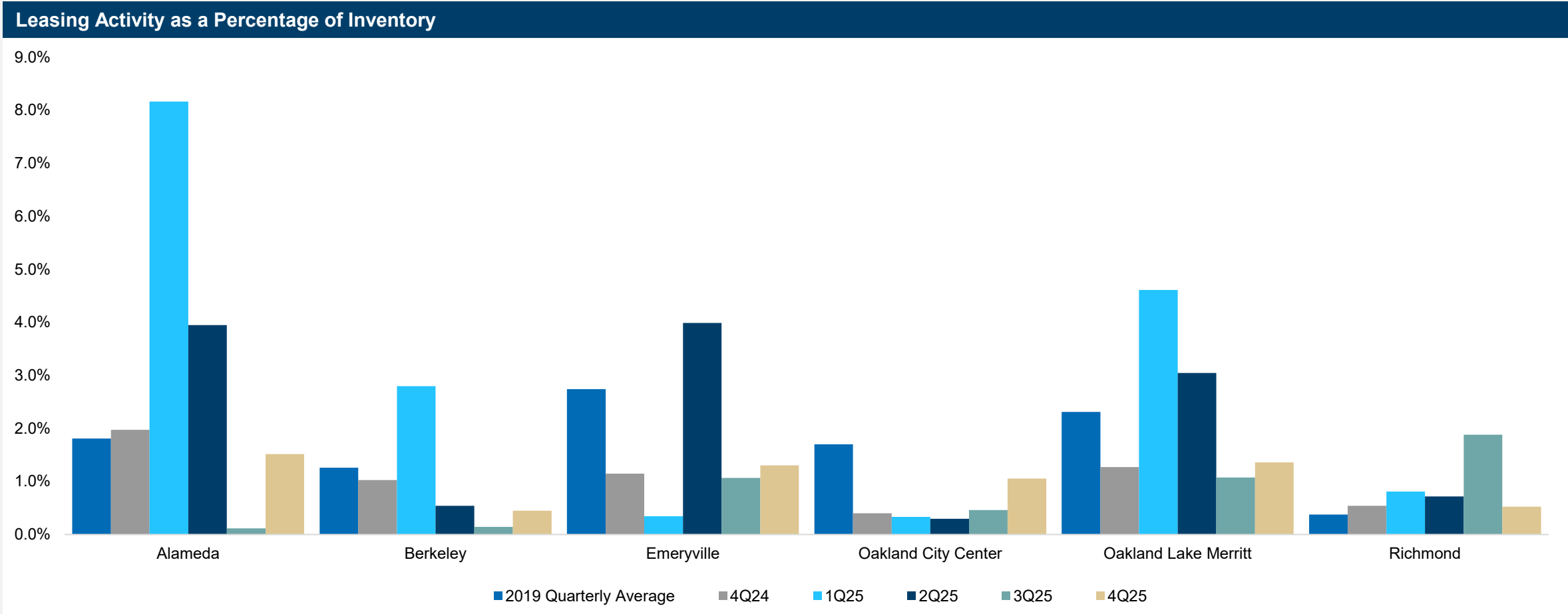
Slight Decrease in Signed Leases in the Fourth Quarter

Leasing activity experienced a modest decrease in the fourth quarter of 2025 compared to the third, however remained relatively steady. The majority of these new leases were concentrated in Lake Merritt, highlighting the area’s continued appeal to tenants during this period.



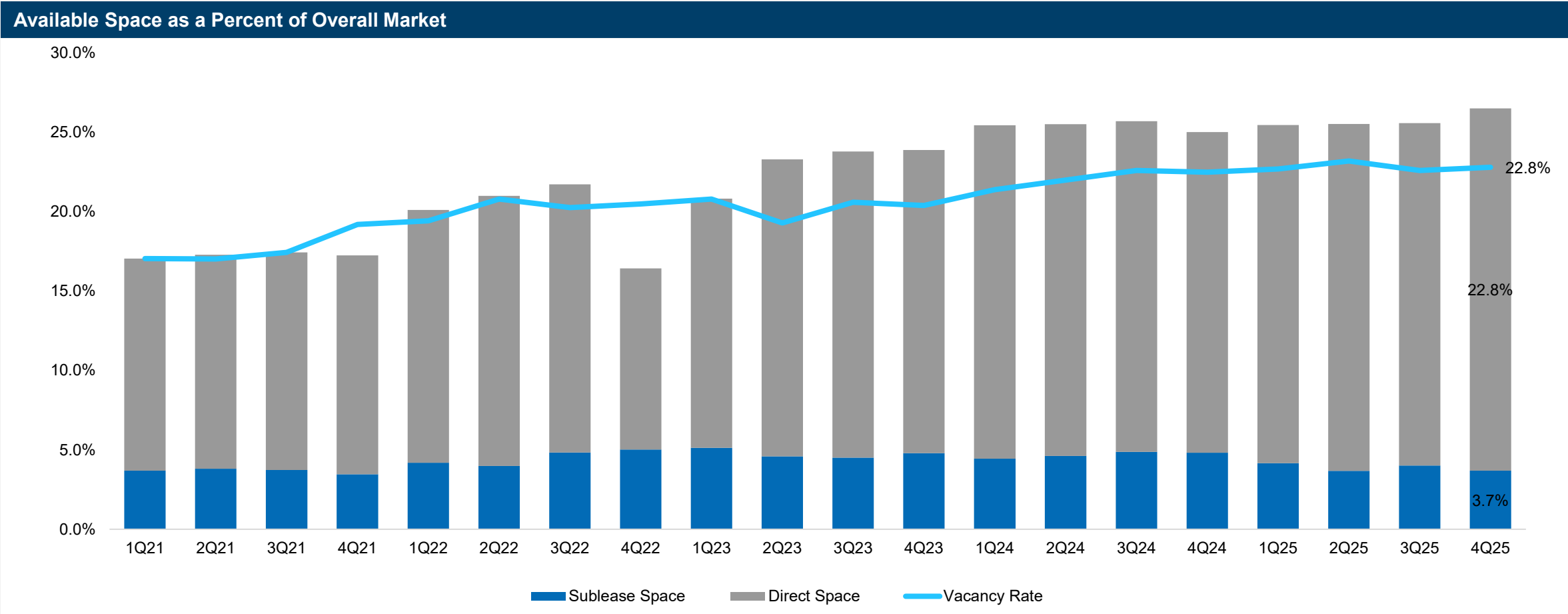
Leasing Activity Relative to Inventory

In the fourth quarter of 2025, Alameda, downtown Oakland’s two submarkets and Emeryville demonstrated the strongest leasing activity relative to available inventory. Berkeley had the slowest leasing quarter compared to inventory.



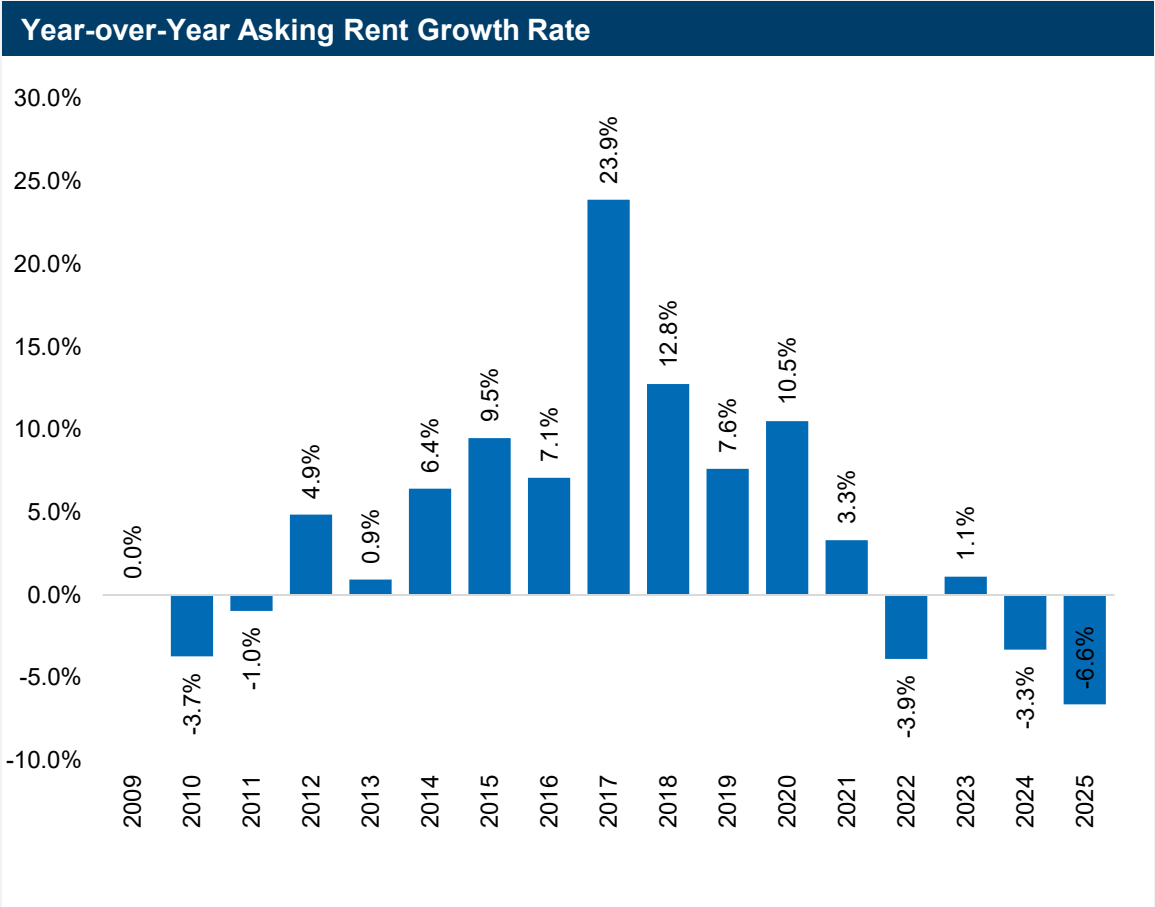
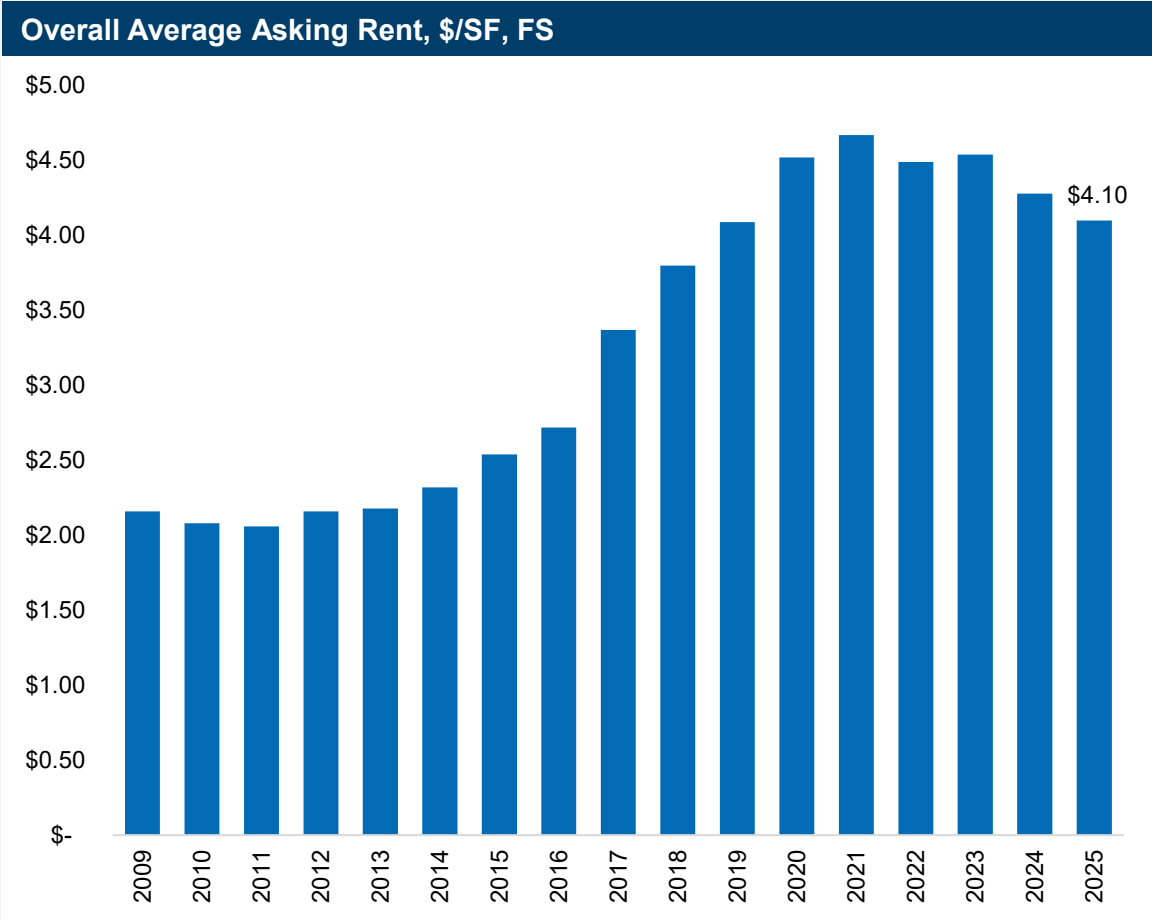
Availability and Vacancy Experiences Slight Decrease in the Market

In the fourth quarter of 2025, the Greater Oakland market recorded 31,964 square feet of negative absorption, resulting in an increase in both availability and vacancy rates. While there still is over 900,000 square feet of sublease space, the sublease availability decreased by 30 basis points in the fourth quarter. Tenant demand continued to focus primarily on spaces of 10,000 square feet or less, highlighting sustained interest from small to mid-sized companies.



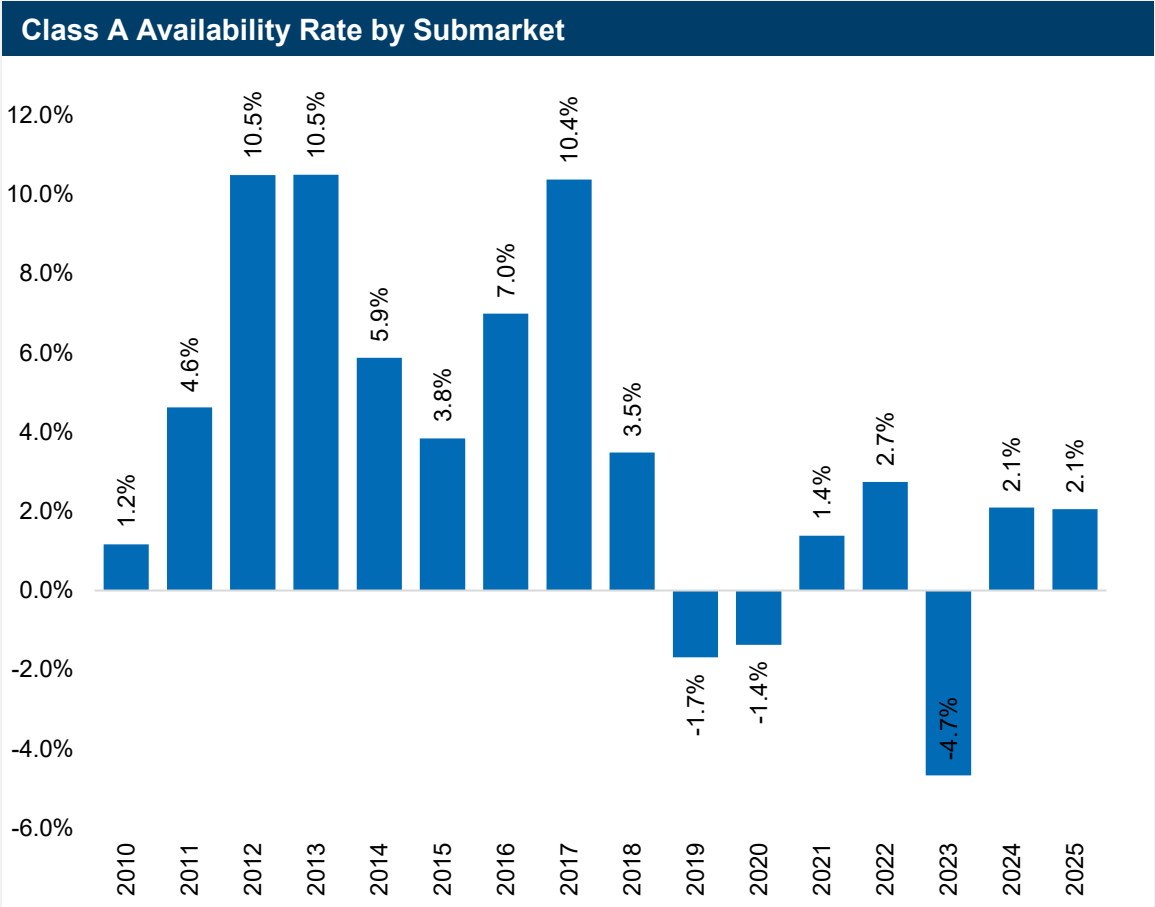
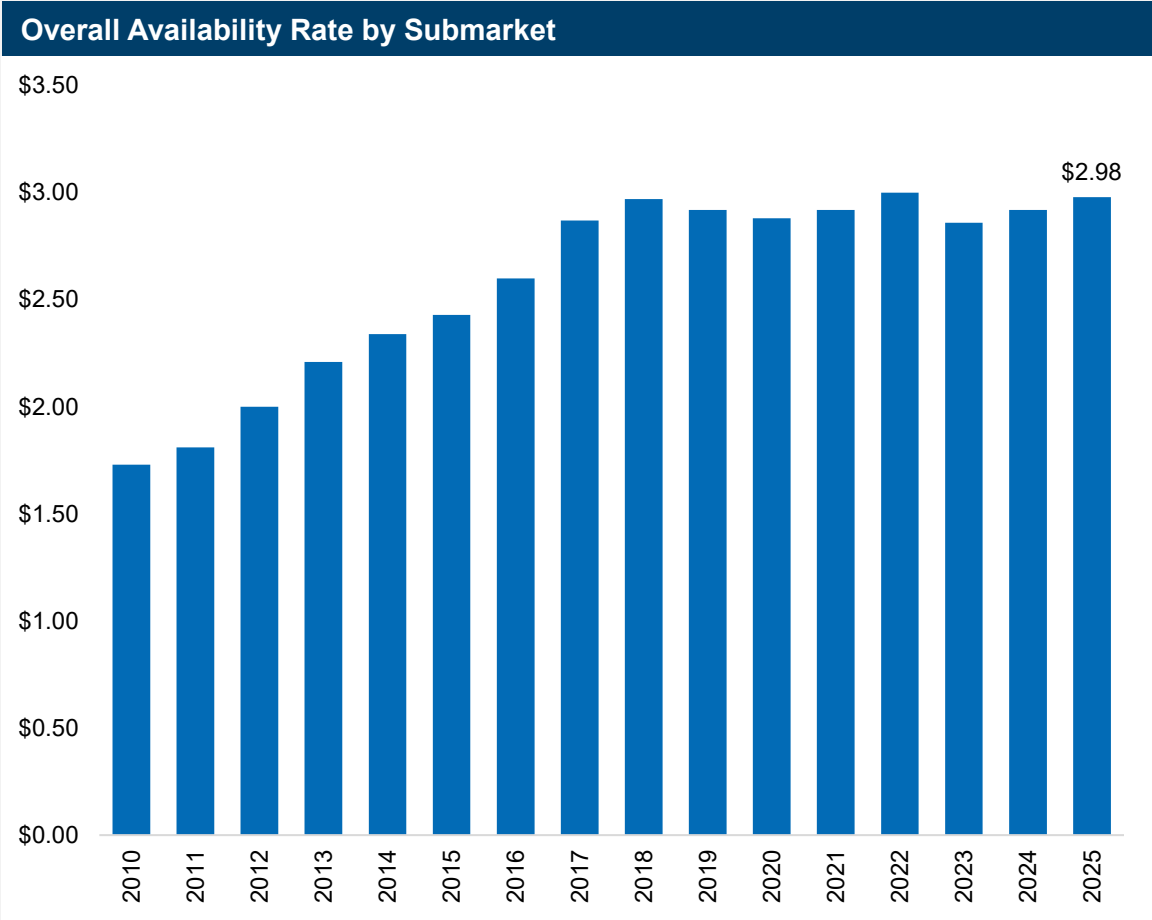
Rents Decrease Over the Third Quarter

Rents adjusted to \$4.10 in the fourth quarter of 2025, creating more opportunities for tenants to secure quality spaces. Landlords are beginning to concede lower rents in order to retain tenants and procure new ones. Since 2023, rents have continued to fall, with no end in sight.



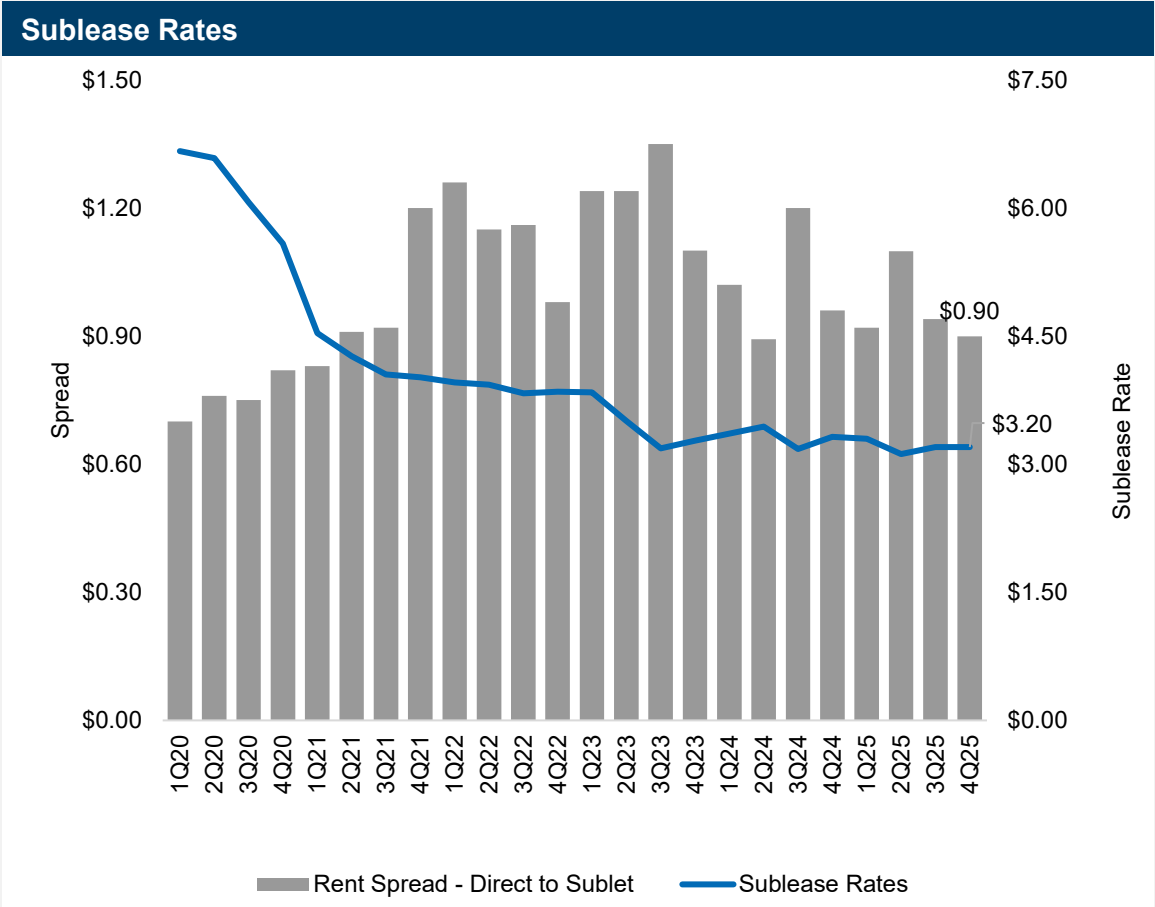
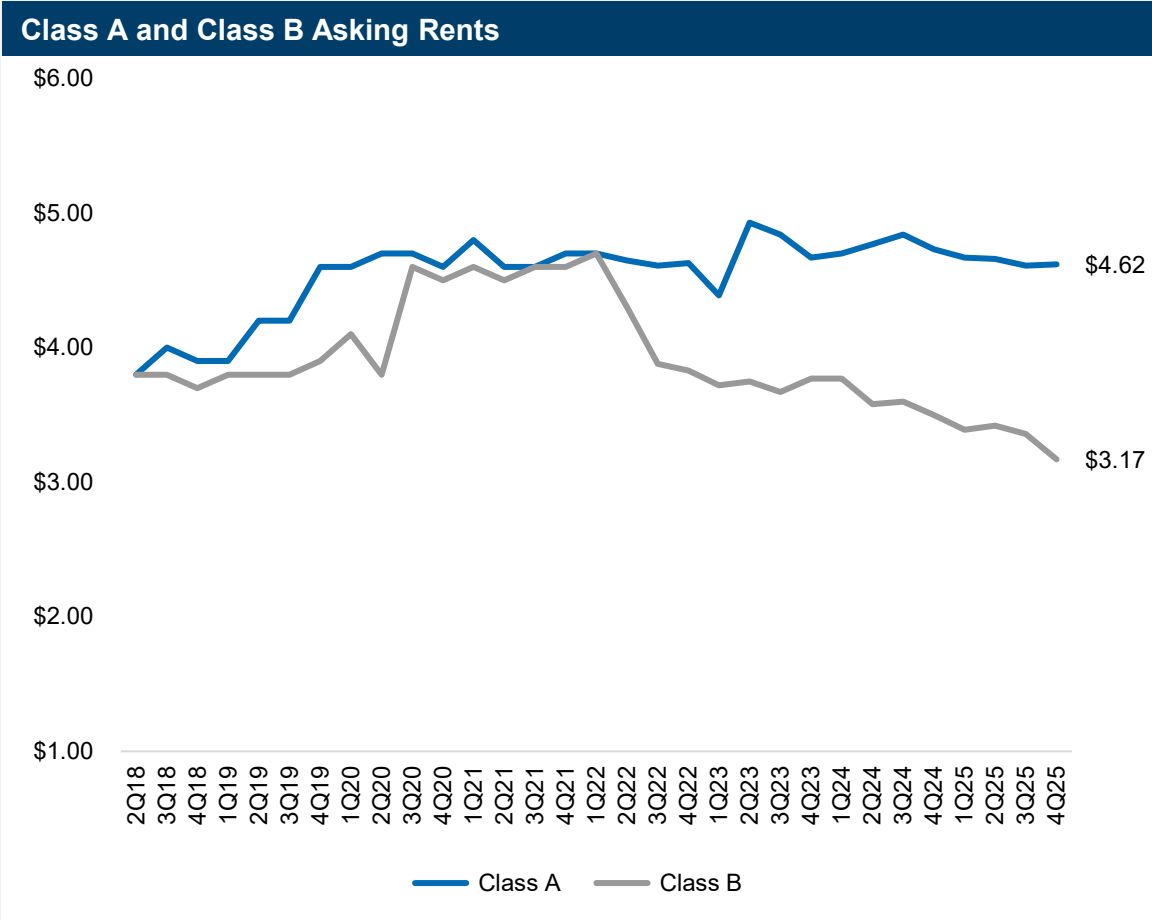
Office Asking Rents Stay Consistent

Overall asking rates have remained steady over the course of the fourth quarter of 2025. There has been a slight 2.1% increase year over year, this is largely due to more inexpensive class B space being leased, driving up the average rate.



Class A vs. B Rents

In the fourth quarter of 2025, asking rents for Class A space remained constant, while class B rents dropped by \$0.19. Meanwhile, direct rents overall dropped by \$0.04, and sublease rates remained constant, narrowing the rent spread between direct and sublease space. Despite overall rent softening, tenant demand remained focused on properties with strong amenity offerings and convenient access to public transit, which continued to outperform the broader market.



Fourth Quarter Lease Transactions

There were two leasing transactions over 20,000 square feet in the Greater Oakland office market for the fourth quarter of 2025, both were renewals. Alameda, downtown Oakland, and Emeryville signed the largest leases of the quarter.

Notable 4Q25 Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
MBH Architects	960 Atlantic Avenue	Alameda –Marina Village	Renewal	21,955
LaunchDarkly	1999 Harrison Street	Oakland – Lake Merritt	Renewal	20,744
Yerba Madre	1910 Broadway	Oakland – Lake Merritt	Direct	16,719
MedAmerica	2100 Powell Street	Emeryville	Renewal	12,423

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Appendix

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Greater Oakland Office Market Statistics

Office Market Stats 4Q25

	Total Inventory (SF)	Total Availability (SF)	Sublease Availability (SF)	Total Availability Rate	Sublease Availability Rate	Total Vacancy Rate	Qtr Net Absorp. (SF)	Direct FS Asking Rent (Price/SF)
Alameda	2,556,868	393,791	121,162	15.4%	4.7%	5.9%	1,217	\$3.42
Harbor Bay	1,325,891	90,171	74,170	6.8%	5.6%	1.2%	0	\$2.74
Marina Village	1,230,977	303,620	46,992	24.7%	3.8%	10.9%	1,217	\$3.80
Berkeley	2,921,215	534,399	54,362	18.3%	1.9%	18.0%	-43,852	\$3.42
Emeryville	3,501,660	1,159,143	226,014	33.1%	6.5%	22.0%	62,019	\$4.19
Oakland	14,348,810	4,381,150	519,804	30.5%	3.6%	28.3%	-54,592	\$4.21
Airport	1,911,482	225,389	0	11.8%	0.0%	12.5%	-62,292	\$2.20
Jack London Square	1,457,791	272,427	12,659	18.7%	0.9%	18.5%	-29,790	\$2.69
City Center	5,736,739	2,500,809	297,970	43.6%	5.2%	40.2%	-18,375	\$4.44
Lake Merritt	5,242,798	1,382,525	209,175	26.4%	4.0%	23.9%	55,865	\$4.47
Richmond	1,652,041	155,059	0	9.4%	0.0%	10.9%	3,244	\$2.54
Greater Oakland	24,980,594	6,623,542	921,342	26.5%	3.7%	22.8%	-31,964	\$4.10

Jack Baughman
Research Analyst
East Bay Research
Jack.Baughman@nmrk.com

Greater Oakland
1111 Broadway, Suite 100
Oakland, CA 94607
T 510-923-6200

New York Headquarters
125 Park Ave.
New York, NY 10017
t 212-372-2000

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