



Greater Oakland Office Market

Oakland Vacancy Rates Remain High

The Greater Oakland office market continued to see record-high vacancy rates in the third quarter of 2022. While leasing activity saw an increase compared to the previous quarter, expiring leases continued to add space to the growing vacancy rate.

Vacancy rates experienced an increase of 30 basis points this quarter, the smallest increase in vacancy rate of 2022. Despite the relatively minor change in vacancy, asking rents continue to drop while spaces remain on the market for longer periods of time. Leasing activity had a significant increase over the second quarter of 2022, which pushed net absorption into the positive for the second time this year. Most of the negative absorption in the Greater Oakland market was primarily due to expiring leases returning to the market.

Lease renewals made up the largest portion of the deals that were finalized during this quarter, with renewals amounting to 55.0% of all leased square footage, while direct leases accounted for 41.0%.

Emeryville accounted for the largest portion of gross absorption in the third quarter of 2022. Emeryville leases made up 45.0% of all office leasing activity. Despite Emeryville making up the largest share of market activity, every submarket experienced a large jump in activity. Alameda, which experienced the lowest increase in leasing, still experienced almost a 50.0% increase in leasing activity over the second quarter of 2022.

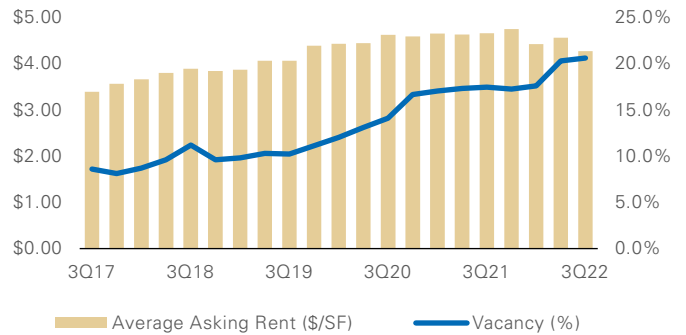
New Construction in Life Science

Phase 1 of BioMed’s Emery Yards project has begun. The Emeryville construction will include a 285,000-square-foot life science building, with a planned delivery date in the first quarter of 2024. The largest delivery of the quarter was Stockbridge Capital’s 220,710-square-foot lab and office building at 1951 Harbor Bay Pkwy. in Alameda. The property was pre-leased to Exelixis in the fourth quarter of 2019.

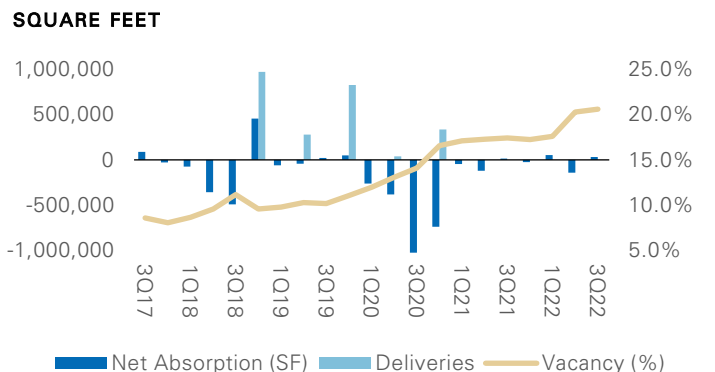
Market Summary

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory (SF)	28.1M	27.9M	28.6M	↑
Vacancy Rate	20.6%	20.3%	17.0%	↑
Qtr Net Abs (SF)	33K	-139K	-45K	↑
Total FS Asking Rent	\$4.24/SF	\$4.56/SF	\$4.65/SF	↓
Under Const (SF)	0	0	0	↔

Asking Rent and Vacancy Rate



Net Absorption v New Construction & Vacancy



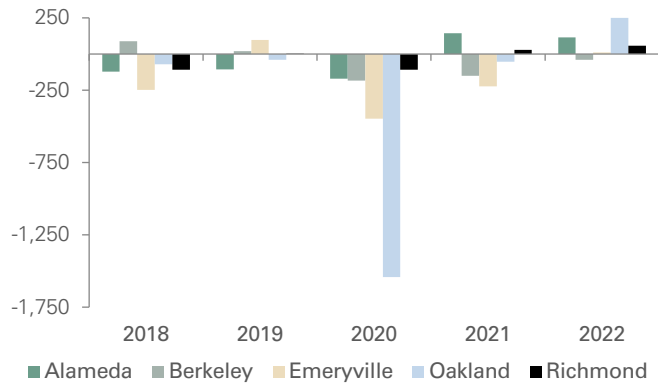
RESEARCH 3Q 2022

Asking rents for life science space in the East Bay continue to hold in the \$4.50/SF to \$6.75/SF range in the North East Bay. In the Southern East Bay submarket, life science asking rents are closer to a range of \$4.00/SF and \$4.95/SF.

Life science continues to maintain a significant market share, with life science deals making up around 50% of the leasing in the market.

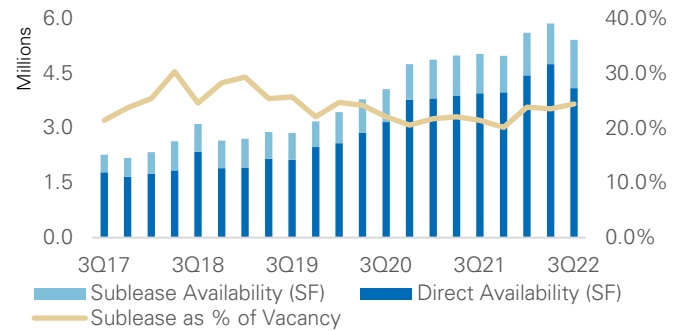
Net Absorption By City

SQUARE FEET, THOUSANDS



Sublease and Direct Availability

SQUARE FEET, MILLIONS



Select Lease/User Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
Amyris Biotechnologies	5885 Hollis St	Emeryville	Lease Renewal	162,186
Upside Foods	804 Heinz Ave	Berkeley – West	Lease Renewal	37,500
Geosyntec Consultants	1111 Broadway	Oakland – City Center	Lease Renewal	24,271
Sepion Technologies	950 Marina Village Pkwy	Alameda – Marina Village	New Lease	24,000
Lucira Health	2600 10 th St	Berkeley – West	New Lease	20,400

Select Investment Sale Transactions

Building(s)	Submarket	Sale Price	\$/SF	Square Feet
7700 Edgewater Dr	Oakland – Airport	\$35,700,000	\$171	207,740
1387 S Marina Wy	Richmond	\$14,750,000	\$227	64,800

Overall Submarket Statistics								
	Total Inventory (SF)	Direct Availability (SF)	Sublease Availability (SF)	Total Availability Rate	Qtr Gross Absorption (SF)	Qtr Net Absorption (SF)	YTD Net Absorption (SF)	Total FS Asking Rent (Price/SF)
Alameda	3,668,441	242,754	35,414	7.6%	47,590	8,941	86,133	\$2.61
Harbor Bay	2,020,834	169,874	2,293	8.5%	13,590	(25,059)	45,419	\$2.61
Marina Village	1,647,607	72,880	33,121	6.4%	34,000	34,000	40,714	-
Berkeley	3,472,541	361,808	18,102	10.9%	57,900	21,513	28,822	\$3.53
Emeryville	4,496,875	819,197	488,722	29.1%	185,854	(31,191)	77,535	\$6.37
Oakland	14,606,941	2,688,943	777,657	23.7%	125,135	61,693	(261,738)	\$4.41
Airport	2,127,895	132,751	16,039	7.0%	11,436	(16,227)	(22,259)	\$2.45
Jack London Square	1,477,791	135,213	7,927	9.7%	3,672	3,672	(2,369)	\$3.03
City Center	5,767,635	1,558,324	485,528	35.4%	67,773	42,970	(200,164)	\$4.85
Lake Merritt	5,233,620	862,655	268,163	21.6%	42,254	31,278	(36,946)	\$4.13
Richmond	1,839,345	104,167	0	5.7%	0	(27,000)	16,284	\$2.23
Greater Oakland	28,086,143	4,748,283	1,358,577	20.9%	416,479	33,956	(57,243)	\$4.24
Select Class A Submarket Statistics								
	Total Inventory (SF)	Direct Availability (SF)	Sublease Availability (SF)	Total Availability Rate	Qtr Gross Absorption (SF)	Qtr Net Absorption (SF)	YTD Net Absorption (SF)	Total FS Asking Rent (Price/SF)
Emeryville	2,782,066	517,012	448,811	27.6%	171,490	(44,567)	(7,217)	\$6.50
Downtown Oakland	7,537,019	1,932,939	411,745	31.1%	55,601	20,052	(239,554)	\$4.54
City Center	3,390,846	1,204,556	200,087	35.7%	33,832	55,066	(115,582)	\$4.87
Lake Merritt	4,146,173	550,808	237,896	19.0%	21,769	(35,014)	(123,972)	\$3.83
Greater Oakland	16,545,902	2,655,394	915,809	21.6%	275,178	9,372	(131,564)	\$4.65
Select Class B Submarket Statistics								
	Total Inventory (SF)	Direct Availability (SF)	Sublease Availability (SF)	Total Availability Rate	Qtr Gross Absorption (SF)	Qtr Net Absorption (SF)	YTD Net Absorption (SF)	Total FS Asking Rent (Price/SF)
Emeryville	1,573,502	182,183	29,788	13.5%	0	(52,523)	15,113	\$5.00
Downtown Oakland	2,924,236	911,149	213,956	38.5%	54,426	(8,244)	(59,996)	\$4.42
City Center	1,836,789	602,509	144,280	40.7%	33,941	(28,111)	(100,597)	\$4.80
Lake Merritt	1,087,447	308,640	69,676	34.8%	20,485	19,867	40,601	\$4.39
Greater Oakland	11,297,330	1,822,096	330,989	19.1%	123,762	(128,934)	(81,161)	\$3.87

RESEARCH 3Q 2022

HISTORICAL GROSS ABSORPTION

	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Alameda	12,406	148,567	27,862	114,251	87,221	81,276	32,026	47,590
Berkeley	0	15,999	2,804	52,236	30,342	26,969	6,938	57,900
Emeryville	146,922	70,106	44,568	6,340	74,387	36,016	55,299	185,854
Oakland	92,583	20,938	219,531	296,278	167,846	78,820	79,301	125,135
Richmond	1,620	0	753	0	59,485	0	0	0
GREATER OAKLAND	253,531	255,610	295,518	469,105	419,281	241,952	223,891	416,479

HISTORICAL NET ABSORPTION

	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Alameda	(99,925)	148,567	0	20,333	55,221	62,997	14,195	40,116
Berkeley	(68,592)	(15,340)	(37,105)	(25,477)	(73,008)	24,386	(17,077)	(46,711)
Emeryville	(22,320)	20,581	(61,667)	(121,924)	(61,053)	40,025	69,467	(97,090)
Oakland	(490,600)	(198,688)	(19,450)	151,619	14,784	(132,464)	(190,967)	(30,022)
Richmond	(53,555)	0	-2,52	(10,177)	40,007	58,175	(14,891)	14,145
GREATER OAKLAND	(734,992)	(44,880)	(118,474)	14,374	(24,049)	53,119	(169,273)	(119,562)

HISTORICAL AVAILABILITY RATE

	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Alameda	15.91%	11.63%	11.63%	10.46%	8.16%	10%	9.8%	7.4%
Berkeley	6.70%	7.15%	7.32%	8.98%	11.11%	13.3%	14.5%	14.6%
Emeryville	17.78%	18.85%	20.09%	22.75%	23.83%	24.4%	23.2%	27.6%
Oakland	19.40%	20.77%	20.52%	20.02%	19.61%	27.4%	26.2%	25.0%
Richmond	12.85%	12.85%	12.85%	13.28%	11.62%	7.6%	7.6%	6.3%
GREATER OAKLAND	16.64%	17.05%	17.30%	17.44%	17.25%	20.1%	21%	20.6%

HISTORICAL ASKING RENT

	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Alameda	\$2.60	\$2.50	\$2.49	\$3.61	\$3.87	\$2.61	\$2.61	\$2.61
Berkeley	\$3.52	\$3.49	\$3.48	\$3.49	\$3.53	\$3.54	\$3.53	\$3.53
Emeryville	\$4.36	\$4.32	\$4.38	\$4.37	\$4.85	\$6.42	\$6.44	\$6.37
Oakland	\$5.04	\$5.02	\$4.99	\$5.00	\$5.00	\$4.69	\$4.19	\$4.41
Richmond	\$2.04	\$1.96	\$1.96	\$2.03	\$2.03	\$1.87	\$1.85	\$2.23
GREATER OAKLAND	\$4.59	\$4.65	\$4.63	\$4.66	\$4.75	\$4.42	\$4.11	\$4.24

For more information:

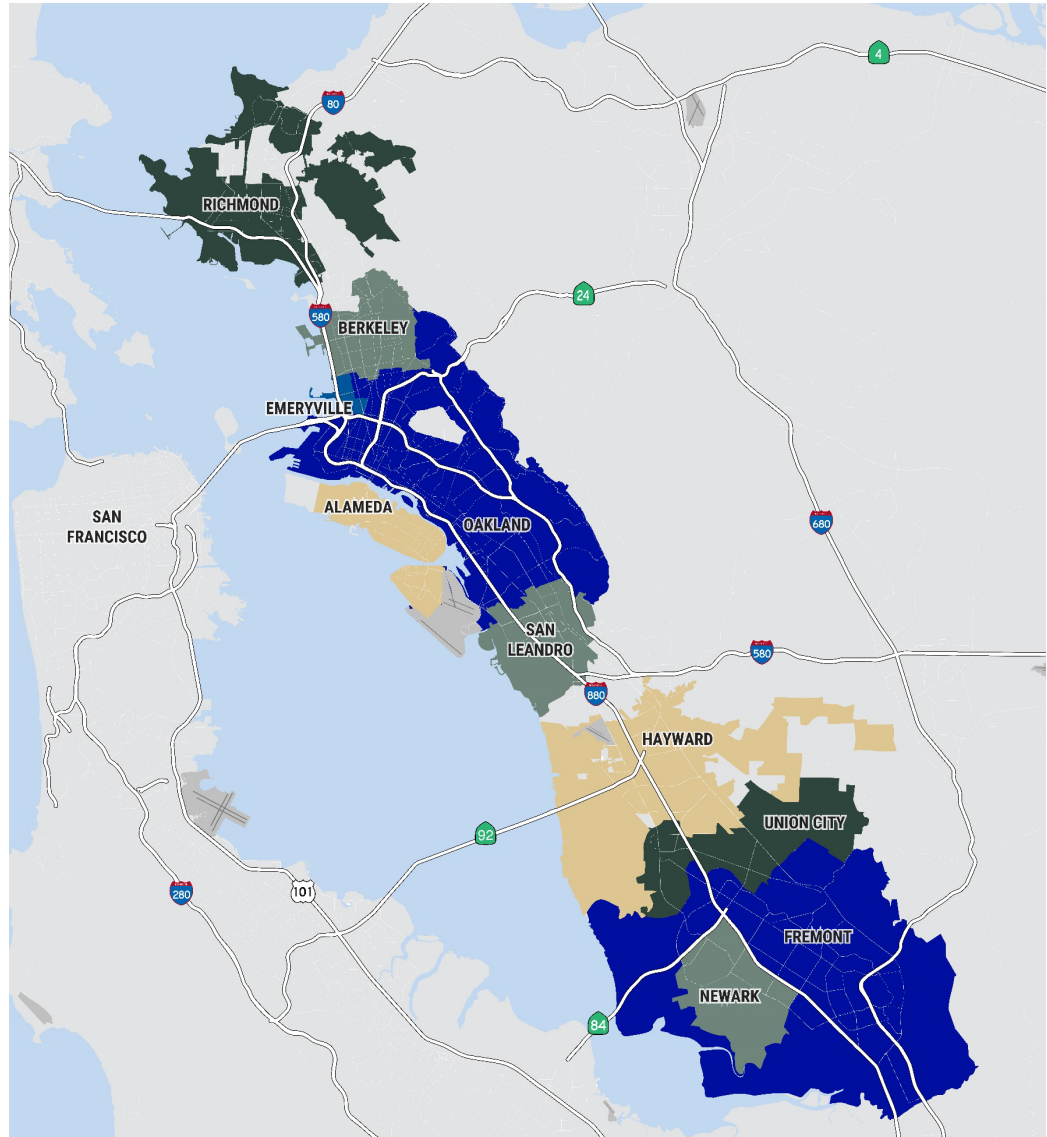
Newmark

1111 Broadway, Suite 100
Oakland, CA 94607
t 510-923-6200
Corporate CA RE #: 00832933

Benjamin Lewis

Research Analyst
Benjamin.Lewis@nrmk.com

nrmk.com



Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at ngkf.com/research.

All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark has not verified any such information, and the same constitutes the statements and representations only of the source thereof not of Newmark. Any recipient of this publication should independently verify such information and all other information that may be material to any decision the recipient may make in response to this publication and should consult with professionals of the recipient's choice with regard to all aspects of that decision, including its legal, financial and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download or in any other way reproduce this publication or any of the information it contains. This document is intended for informational purposes only, and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter.