

FIGURES | OAKLAND INDUSTRIAL | Q4 2024

# Vacancy stabilization leads to two consecutive quarters of positive absorption

▲ 5.8%  
 Vacancy Rate

▲ 165.9K  
 SF Net Absorption

▼ 753.5K  
 SF Under Construction/Renovation

▶ \$1.36  
 NNN / Lease Rate  
 Existing Properties

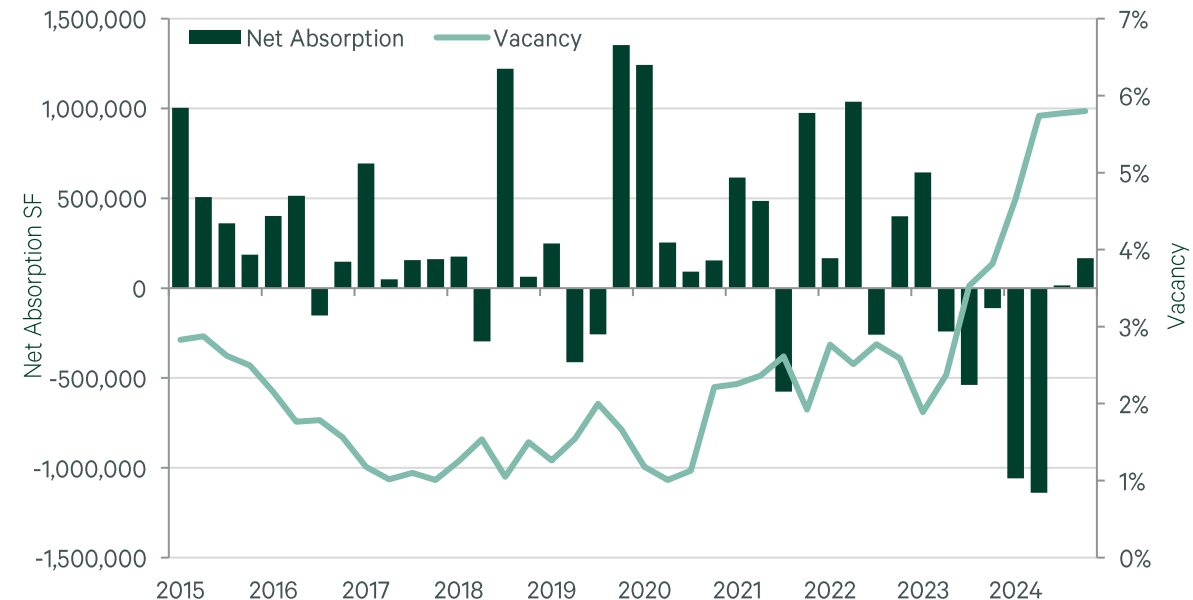
▲ 282.2K  
 Industrial Using Employment  
 Alameda & Contra Costa

Note: Arrows indicate change from previous quarter.

## INDUSTRIAL MARKET HIGHLIGHTS

- The total population of Alameda and Contra Costa Counties stood at 2.80 million, an increase of 0.24% from the previous quarter and up 0.92% from Q4 2023. Total labor force increased 0.21%, from 1.390 million to 1.393 million, while total industrial using employment increased by 0.32%, from 281.3K during Q3 2024 to 282.2K at the end of Q4 2024. The unemployment rate increased quarter-over-quarter (QoQ) by 5 basis points (bps) from 4.84% to 4.89% and up 40 bps year-over-year (YoY) from 4.5%.
- The overall vacancy rate increased nominally QoQ to 5.8%. This represents a 200 bps increase YoY from the 3.8% reported during Q4 2023. The current availability rate grew by only 20 bps QoQ to 7.8%.
- This quarter had 165,928 sq. ft. of positive net absorption with 1.6 million sq. ft. of gross leasing activity. This brings the year-to-date 2024 total to 2.0 million sq. ft. of negative net absorption and 6.1 million sq. ft. of gross leasing.
- Warehouse/distribution space represented 73% of total leasing volume. New leases, when compared to renewals, were 59% of the total gross leasing volume.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2024

INDUSTRIAL OVERVIEW

The Oakland/East Bay industrial market currently contains just under 127M sq. ft. of inventory. LogistiCenter at Enterprise was delivered vacant this quarter, adding 219,656 sq. ft. to the industrial inventory and vacancy. The overall vacancy rate increased nominally to 5.8%, while the overall availability rate increased to 7.8%, up 15 bps QoQ.

Leasing activity increased by 19.4% QoQ from 1.3M sq. ft. during Q3 2024 to 1.6M sq. ft. at the end of 2024. Despite the positive quarterly growth, Y-o-Y leasing activity during 2024 decreased 18% to 6.1M sq. ft. New leases outpaced new vacancy additions in Q4, resulting in a positive net absorption of 165,928 sq. ft. 2024 concluded with two consecutive quarters of positive absorption. Sublease additions to the market slowed during the quarter, adding only 59,436 sq. ft. of available space. Overall landlord direct asking rates decreased to \$1.36 NNN per sq. ft. per month.

Tenant demand increased by 13% QoQ to 3.96M sq. ft. and the number of tenants seeking over 50,000 sq. ft. remained stable at 25. There were four leases signed for over 100,000 sq. ft. during the quarter. Renewals comprised a growing segment of quarterly leasing activity, as 10 of the top 20 Q4 lease transactions were renewals. Four of the top five sale transactions this quarter involved user sales, highlighted by Beeline Group purchasing their facility at 2350-2354 Davis Ave in Hayward. WPT Capital Advisors acquired the Pinole Distribution Center, located at 6000-6025 Giant Road, for \$132.5M (\$256 psf).

The Oakland/East Bay industrial market had just under 754,000 sq. ft. under construction/renovation in Q4. Prologis Nexus at 1345 Doolittle Drive in San Leandro is the only large-scale project currently under renovation for 266,000 sq. ft. The market is in continual need for class A, high clear-height warehouse developments but the development pipeline only has a few projects that could start construction during 2025 and 2026.

FIGURE 2: Submarket Statistics

| Submarket           | Net Rentable Area | Total Vacancy (%) | Total Availability (%) | Average Asking Lease Rate (\$) |        | Q4 Net Absorption | YTD Net Absorption |
|---------------------|-------------------|-------------------|------------------------|--------------------------------|--------|-------------------|--------------------|
|                     |                   |                   |                        | Mfg.                           | Whs.   |                   |                    |
| Richmond            | 13,670,422        | 6.8%              | 8.7%                   | \$1.40                         | \$1.40 | (8,170)           | (9,743)            |
| Berkeley            | 4,712,858         | 2.6%              | 2.6%                   | \$1.50                         | \$1.75 | 8,150             | (9,994)            |
| Emeryville          | 2,270,994         | 7.4%              | 7.4%                   | \$1.50                         | \$1.75 | 0                 | (11,279)           |
| Oakland             | 33,037,491        | 7.5%              | 9.1%                   | \$1.00                         | \$1.30 | (63,944)          | (989,457)          |
| Alameda             | 3,911,303         | 6.0%              | 8.6%                   | \$1.30                         | \$1.30 | 0                 | (115,299)          |
| San Leandro         | 19,817,184        | 5.7%              | 6.8%                   | \$1.40                         | \$1.40 | (98,248)          | (443,426)          |
| San Lorenzo         | 1,184,671         | 11.2%             | 11.2%                  | \$1.10                         | \$1.10 | (121,686)         | (121,686)          |
| Hayward             | 35,567,810        | 4.6%              | 7.9%                   | \$1.40                         | \$1.40 | 406,870           | (173,219)          |
| Union City          | 12,572,242        | 4.4%              | 6.8%                   | \$1.40                         | \$1.40 | 42,956            | (142,543)          |
| Oakland Ind. Market | 126,744,975       | 5.8%              | 7.8%                   | 1.36                           | 1.36   | 165,928           | (2,017,096)        |
| Manufacturing       | 33,421,895        | 3.8%              | 5.1%                   | 1.33                           | N/A    | 220,795           | (1,677,265)        |
| Warehouse           | 93,323,080        | 6.5%              | 8.8%                   | N/A                            | 1.36   | (54,867)          | (339,831)          |

Source: CBRE Research, Q4 2024

FIGURE 3: Notable Lease Transactions Q4 2024

| Tenant                             | Location                               | SF Leased | Type      |
|------------------------------------|--|-----------|-----------|
| Forward Air*                       | 30108-30118 Eigenbrodt Way, Union City | 135,860   | Warehouse |
| Nor-Cal Moving Services            | 31129-31145 Wiegman Rd, Hayward        | 125,700   | Warehouse |
| American Tire Distributors*        | 2600 Goodrick Ave, Richmond            | 121,295   | Warehouse |
| US Auto Force                      | 2000 Maritime St, Oakland              | 116,415   | Warehouse |
| Great Way Trading & Transportation | 30973-30995 Santana St, Hayward        | 95,904    | Warehouse |

Source: CBRE Research, Q4 2024

\* Renewal

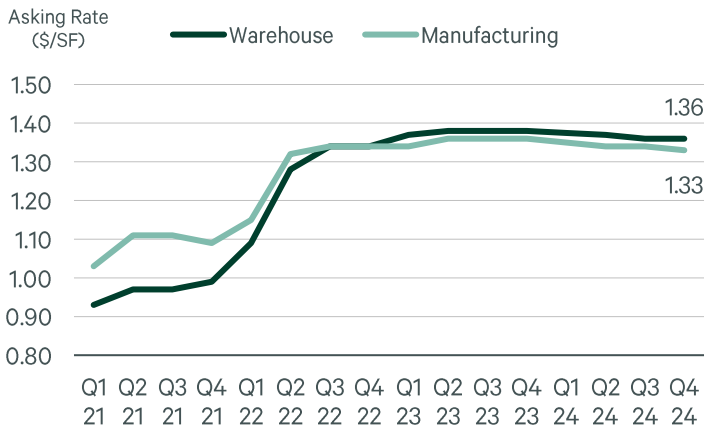
FIGURE 4: Notable Sale Transactions Q4 2024

| Buyer                    | Location                        | SF Sold | Sale Price \$/SF      |
|--------------------------|---------------------------------|---------|-----------------------|
| WPT Capital Advisors     | 6000-6025 Giant Rd, Richmond    | 517,894 | \$132.5M<br>\$256 psf |
| Beeline Group*           | 2350-2354 Davis Ave, Hayward    | 144,936 | \$41M<br>\$283 psf    |
| BNB Builders*            | 14492 Doolittle Dr, San Leandro | 20,000  | \$6.1M<br>\$306 psf   |
| Pacific Uniform Service* | 25393 Huntwood Ave, Hayward     | 18,000  | \$3.75M<br>\$208 psf  |
| Santa Clara Systems*     | 2000 N Loop Rd, Alameda         | 17,000  | \$5.5M<br>\$323 psf   |

Source: CBRE Research, Q4 2024

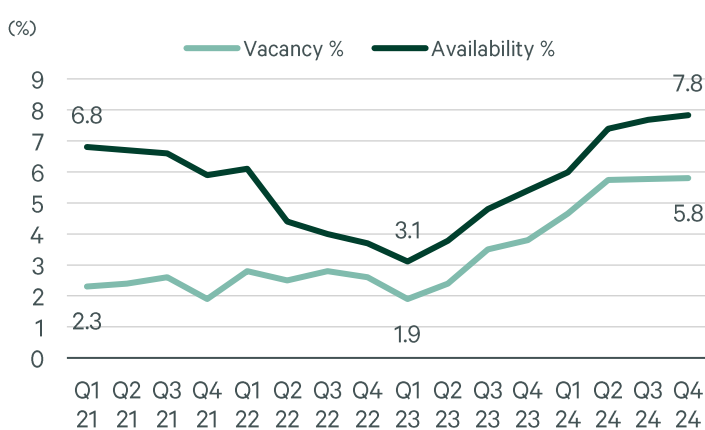
\* User Sale

FIGURE 5: Lease Rates



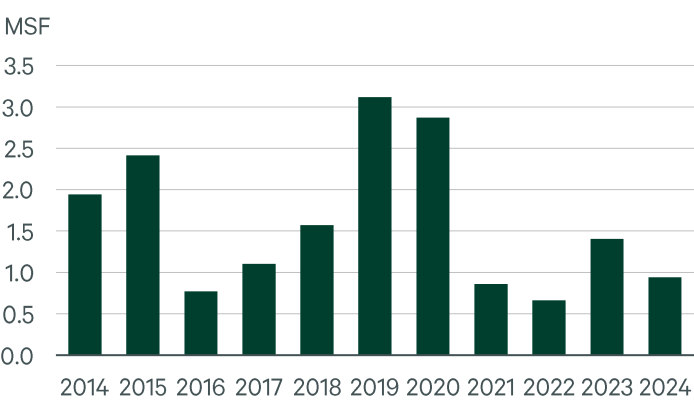
Source: CBRE Research, Q4 2024

FIGURE 6: Vacancy & Availability



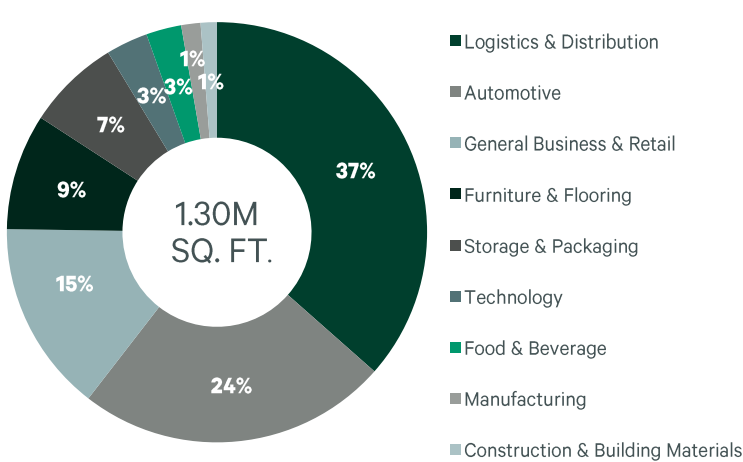
Source: CBRE Research, Q4 2024

FIGURE 7: Construction Completions



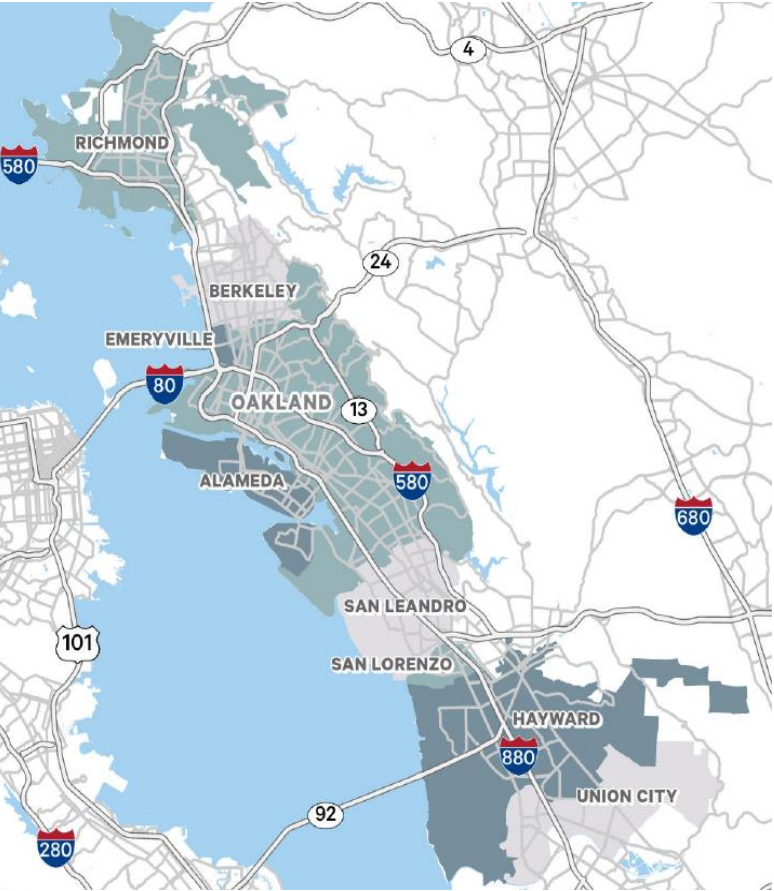
Source: CBRE Research, Q4 2024

FIGURE 8: Top 25 Leases of the Quarter by Industry



Source: CBRE Research, Q4 2024

Submarket Map



Source: CBRE Research, Location Intelligence

Definitions

Average Asking Rate Direct Monthly Lease Rates, Triple Net (NNN). Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy + Sublease Vacancy.

CBRE’s market report analyzes existing single- and multi-tenant industrial buildings that total 5,000+ sq. ft. within defined submarkets, including owner-occupied buildings. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

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