

FIGURES | OAKLAND INDUSTRIAL | Q2 2025

# Tenant demand strengthens as overall vacancy grows

▲ 6.8%

Vacancy Rate

▼ (679.9)K

SF Net Absorption

▼ 202.4K

SF Under Construction/Renovation

▼ \$1.34

NNN / Lease Rate  
Existing Properties

▲ 283.4K

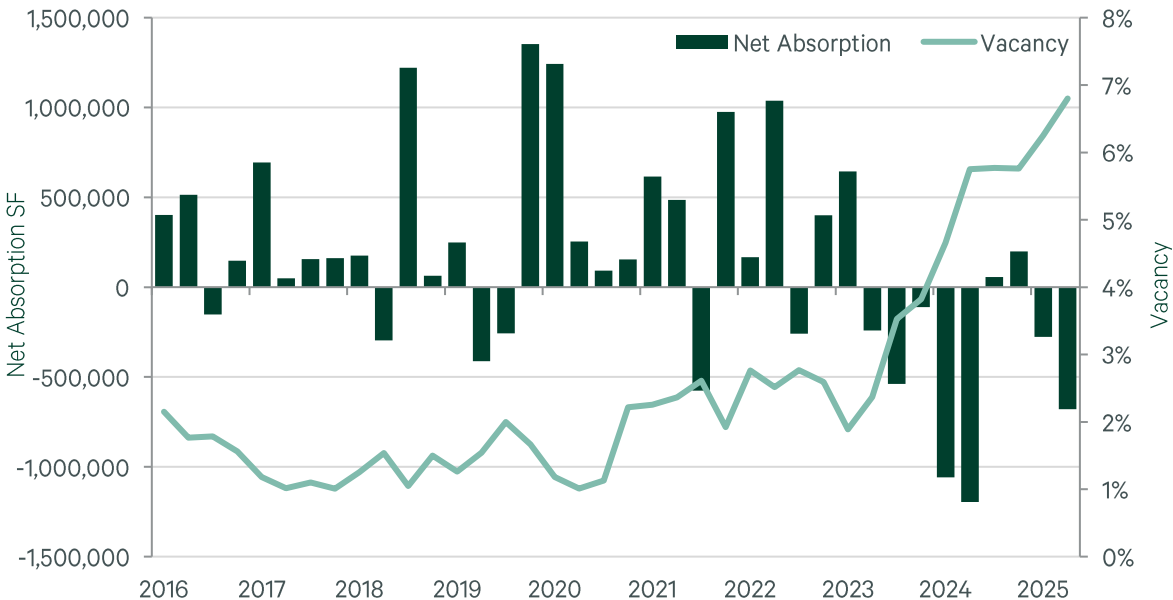
Industrial Using Employment  
Alameda & Contra Costa

Note: Arrows indicate change from previous quarter.

## INDUSTRIAL MARKET HIGHLIGHTS

- The total population of Alameda and Contra Costa Counties stood at 2.82 million, an increase of 0.23% from the previous quarter and up 0.94% from Q2 2024. Total labor force increased 0.05%, from 1.397 million to 1.398 million, while total industrial using employment increased by 0.20%, from 282.8K in Q1 2025 to 283.4K in Q2 2025. The unemployment rate increased quarter-over-quarter (QoQ) by 2 basis points (bps) from 4.95% to 4.97% and up 23 bps year-over-year (YoY) from 4.75%.
- The overall vacancy rate increased slightly QoQ to 6.8%. This represents a 90 bps increase YoY from the 5.9% reported during Q2 2024. The current availability rate increased 40 bps QoQ to 8.2%.
- This quarter had 679,857 sq. ft. of negative net absorption with 1.63M sq. ft. of gross leasing activity. In comparison, Q2 2024 had 1.20M sq.ft. of negative absorption with 1.17M sq.ft. in gross leasing. There are currently 188 leases over 20K sq. ft., totaling 13.7M sq. ft., set to expire by the end of 2027. This could lead to an uptick in tenant activity in the near term.
- Total leasing activity for Q2 was 1,628,720 sq. ft. with warehouse representing 92% of the total. New leases, when compared to renewals, were 53% of the total leasing activity.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q2 2025

INDUSTRIAL OVERVIEW

The Oakland/East Bay industrial market currently consists of just under 127M sq.ft. of inventory. The overall vacancy rate increased 55 bps QoQ to 6.8%, while the overall availability rate increased 23 bps QoQ to 8.2%.

Leasing activity decreased 19.0% QoQ, from 2.0M sq. ft. in Q1 2025 to 1.6M sq. ft. in Q2. Despite this quarterly decline, leasing activity rose 38.0% YoY, up from 1.2M sq. ft. reported a year ago. New vacancies outpaced new leases in Q2, resulting in 679,857 sq. ft. of negative net absorption. Contributing to this was the addition of 37 new availabilities under 30K sq. ft., totaling 373,590 sq. ft. Additionally, 1951 Fairway Dr. in San Leandro added 130,738 sq. ft. of warehouse space to the market. Overall, direct asking rates from landlords declined slightly to \$1.34 NNN per sq. ft. per month.

Tenant demand increased 16.0% QoQ, rising from 3.1M sq. ft. to 3.6M sq. ft. The number of tenants seeking over 20,000 sq. ft. rose from 36 to 37. During the quarter, four leases were signed for over 100,000 sq. ft. up 33.0% YoY. Renewals outpaced new leases, as 8 of the top 10 lease transactions were renewals, totaling 776,988 sq. ft. Four of the top five sale transactions this quarter were investor sales, highlighted by Outrigger Industrial's purchase of 727 Kennedy Street in Oakland for \$16.5M (\$70 psf). They plan to redevelop the building into a modern logistics center, renaming the property to Kennedy Logistics Center.

This industrial market had no construction deliveries during the quarter. Currently, Portside Commerce Center at 1411 Harbor Way in Richmond, comprising 202,371 sq.ft. of warehouse space is the only active construction project underway.

Despite increasing vacancy and continued negative absorption, tenant interest is clearly gaining momentum. A notable uptick in inquiries this quarter points to a tangible rise in market engagement, suggesting that leasing activity may be poised for a rebound. These early signals suggest that leasing activity is well positioned for the second half of the year.

FIGURE 2: Submarket Statistics

| Submarket           | Net Rentable Area | Total Vacancy (%) | Total Availability (%) | Average Asking Lease Rate (\$) |        | Q2 Leasing Activity | YTD Leasing Activity | Q2 Net Absorption | YTD Net Absorption |
|---------------------|-------------------|-------------------|------------------------|--------------------------------|--------|---------------------|----------------------|-------------------|--------------------|
|                     |                   |                   |                        | Mfg.                           | Whs.   |                     |                      |                   |                    |
| Richmond            | 13,670,422        | 7.1%              | 9.0%                   | \$1.00                         | \$1.38 | 38,489              | 138,053              | (11,577)          | (45,146)           |
| Berkeley            | 4,665,238         | 1.6%              | 1.6%                   | N/A                            | \$1.78 | 17,472              | 19,928               | 17,472            | 11,697             |
| Emeryville          | 2,242,594         | 7.3%              | 7.3%                   | \$1.23                         | \$1.95 | 22,302              | 33,473               | 0                 | (2,540)            |
| Oakland             | 32,787,391        | 7.3%              | 8.1%                   | \$1.37                         | \$1.20 | 446,860             | 990,634              | (39,628)          | 11,397             |
| Alameda             | 3,911,303         | 8.9%              | 8.9%                   | \$1.70                         | \$1.34 | 0                   | 43,355               | (113,465)         | (113,465)          |
| San Leandro         | 20,171,528        | 8.0%              | 9.3%                   | \$1.09                         | \$1.40 | 598,120             | 1,069,606            | (320,462)         | 45,109             |
| San Lorenzo         | 1,184,671         | 11.2%             | 11.2%                  | N/A                            | \$1.19 | 0                   | 0                    | 0                 | 0                  |
| Hayward             | 35,603,044        | 6.8%              | 9.1%                   | \$1.40                         | \$1.42 | 459,210             | 822,892              | (155,248)         | (880,762)          |
| Union City          | 12,571,742        | 4.4%              | 5.2%                   | \$1.42                         | \$1.31 | 46,267              | 524,016              | (56,949)          | 16,812             |
| Oakland Ind. Market | 126,807,933       | 6.8%              | 8.2%                   | \$1.34                         | \$1.34 | 1,628,720           | 3,641,957            | (679,857)         | (956,898)          |
| Manufacturing       | 33,424,678        | 4.2%              | 4.9%                   | \$1.26                         |        | 123,740             | 428,724              | (139,327)         | (178,113)          |
| Warehouse           | 93,383,255        | 7.7%              | 9.4%                   |                                | \$1.35 | 1,504,980           | 3,213,233            | (540,530)         | (778,785)          |

Source: CBRE Research, Q2 2025

FIGURE 3: Notable Lease Transactions

| Tenant                | Location                              | SF Leased | Type      |
|-----------------------|---------------------------------------|-----------|-----------|
| Ferguson Enterprises* | 1934 & 1936 Fairway Dr, San Leandro   | 237,404   | Warehouse |
| Service West          | 8380 Pardee Dr, Oakland               | 155,000   | Warehouse |
| Confidential*         | 2009-2013 Farallon Dr, San Leandro    | 125,809   | Warehouse |
| Mission Foods*        | 2704-2748 W Winton Ave, Hayward       | 122,731   | Warehouse |
| Tuopu*                | 610-640 85 <sup>th</sup> Ave, Oakland | 73,804    | Warehouse |

Source: CBRE Research, Q2 2025

\* Renewal

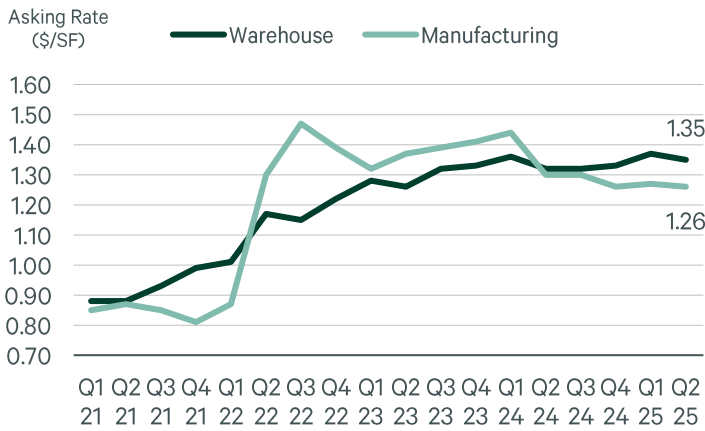
FIGURE 4: Notable Sale Transactions

| Buyer                | Location                          | SF Sold | Sale Price \$/SF      |
|----------------------|-----------------------------------|---------|-----------------------|
| Outrigger Industrial | 727 Kennedy St, Oakland           | 233,696 | \$16.55M<br>\$71 psf  |
| Prologis             | 3508-3530 Depot Rd, Hayward       | 27,702  | \$13.83M<br>\$500 psf |
| Prescott Properties  | 1829 Mandela Pkwy, Oakland        | 22,229  | \$4.75M<br>\$214 psf  |
| Ancona Development   | 8383 Capwell Dr, Oakland          | 21,000  | \$3.25M<br>\$155 psf  |
| TN Trading*          | 14000 Washington Ave, San Leandro | 19,965  | \$5.55M<br>\$278 psf  |

Source: CBRE Research, Q2 2025

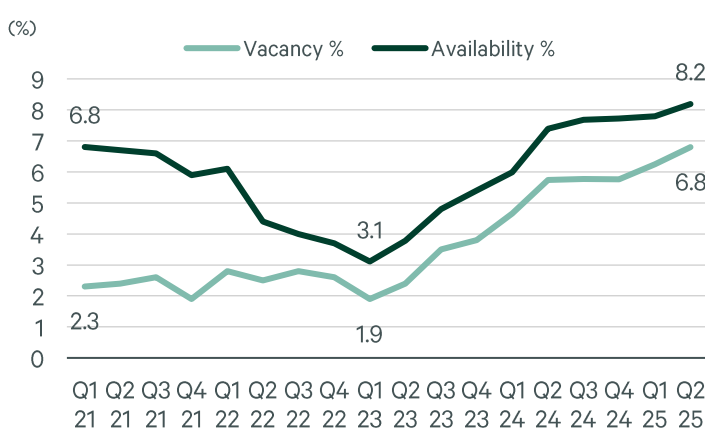
\* User Sale

FIGURE 5: Lease Rates



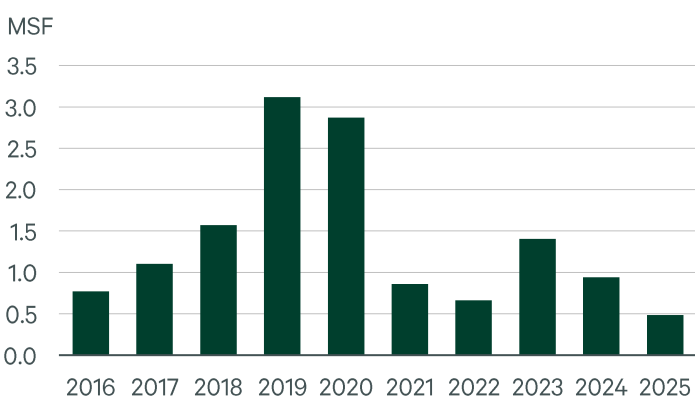
Source: CBRE Research, Q2 2025

FIGURE 6: Vacancy & Availability



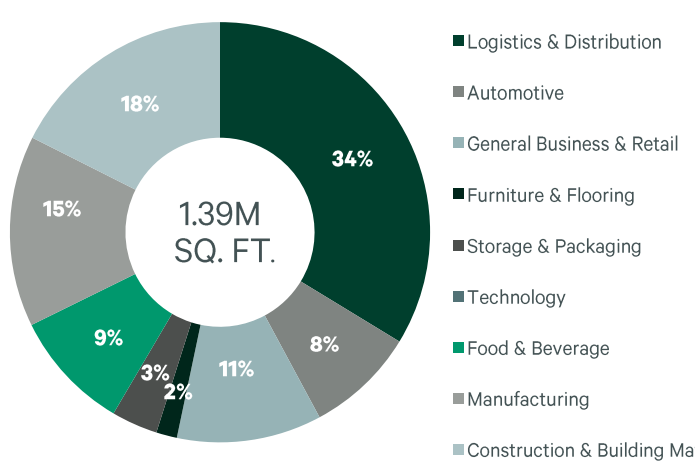
Source: CBRE Research, Q2 2025

FIGURE 7: Construction Completions



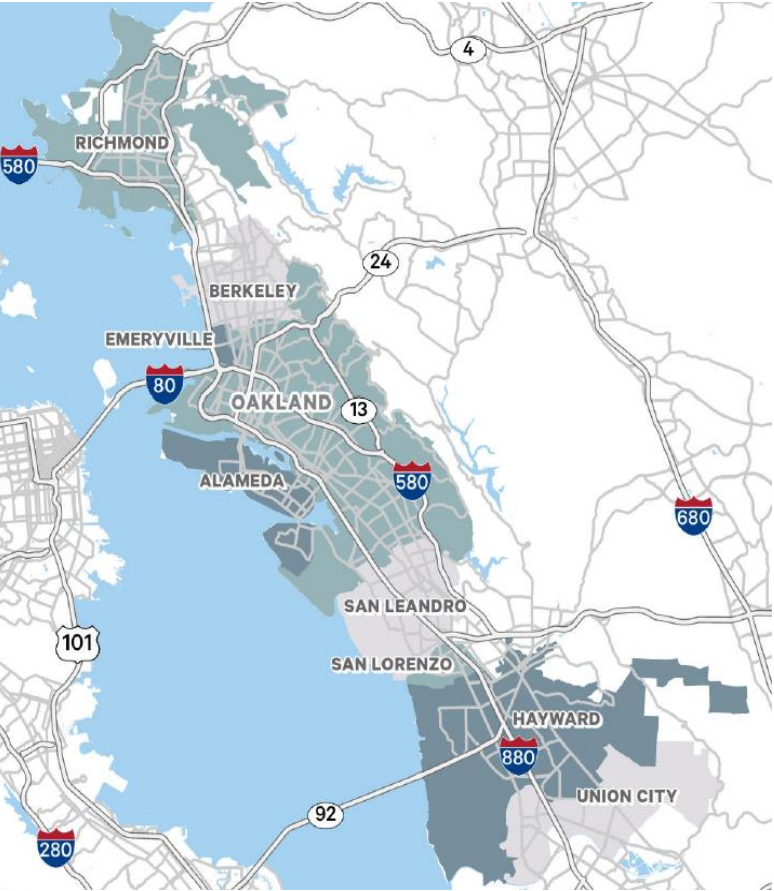
Source: CBRE Research, Q2 2025

FIGURE 8: Top 25 Leases of the Quarter by Industry



Source: CBRE Research, Q2 2025

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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