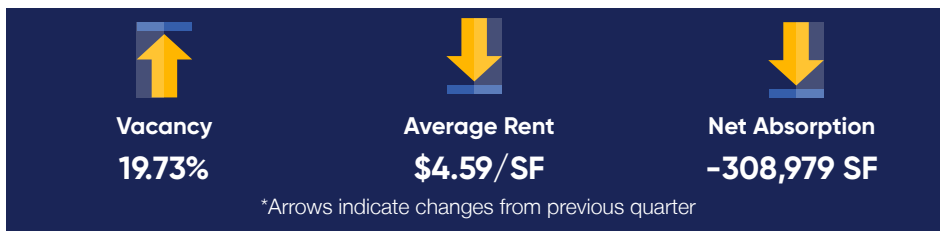


# Occupier's Guide - Office

The East Bay office market remains a very tenant-favorable market. Class A office buildings in the Oakland CBD and Emeryville are averaging high vacancy rates at 20.2 percent and 27.9 percent respectively. Rental rates remained nearly flat recording a slight drop from \$4.60 full service per square foot in Q3 2022 to \$4.59 full service per square foot in Q4 2022.

While technology companies like Cisco, Salesforce, and Meta have been in the news for layoffs and reevaluating their office footprints, life science companies continue to drive demand. The top two lease transactions for the quarter were the 75,662 square foot Metagenomi sublease in Emeryville and the 43,645 square foot Vivani Medical lease in Alameda. Discovery Life Sciences also leased an additional 25,864 square feet in Alameda.



## Rental and Vacancy Rates

Direct Asking Rent (\$/SF)	Total Vacancy Rate	QoQ Change
\$5.14	Oakland CBD   Class A 20.24%	▲ 7.90%
\$4.92	Oakland CBD 22.57%	▲ 4.79%
\$4.35	Berkeley   Class A 17.20%	▲ 29.32%
\$3.73	Berkeley 12.21%	▲ 7.71%
\$4.81	Emeryville   Class A 27.90%	▲ 17.47%
\$4.66	Emeryville 23.53%	▲ 9.81%
\$3.93	Alameda   Class A 11.50%	▲ 45.57%
\$4.06	Alameda 11.39%	▲ -2.35%

## Recent Transactions

	Tenant	Size (SF)	Submarket	Type	Sector
1	Metagenomi	75,662	Emeryville	Sublease	Life Sciences
2	Vivani Medical	43,645	Alameda	New Lease	Medical Device
3	Discovery Life Sciences	25,864	Alameda	New Lease	Life Sciences
4	College Track	24,241	Oakland CBD	New Lease	Education

## Occupier's Perspective

The recent concentration of life science leases in Alameda helped raise the quarterly net absorption for this city to 42,160 square feet. All other submarkets combined for negative 351,139 square feet of net absorption.

Notable new sublease availabilities for the quarter include Clorox's 81,637 square foot sublease at 1221 Broadway in Oakland and Big Fish's 20,755 square foot sublease at 1999 Harrison St in Oakland.

Total availability rose from 32.3 percent to 33.4 percent quarter-over-quarter, buoyed by direct availability increasing to 26.1 percent over the same period. Sublease availability remained relatively flat quarter-over-quarter, declining slightly from 7.5 percent to 7.4 percent.

## Market Trends

Leasing activity dropped from 70 deals to 48 deals quarter-to-quarter. However, the average lease transaction size of 6,056 square feet is the third largest in the last three years.

Asking rates have mainly stayed flat across all cities, barely deviating more than 200 basis points from last quarter. Class A offices in Alameda, however, dropped from \$4.13 full service per square foot to \$3.93 full service per square foot quarter-over-quarter.

Vacancy rates within the Oakland CBD increased from 21.5 percent to 22.6 percent quarter-over-quarter. Alameda was the only major submarket that recorded a decreasing in vacancy rates, dropping from 11.7 percent to 11.4 percent quarter-over-quarter.