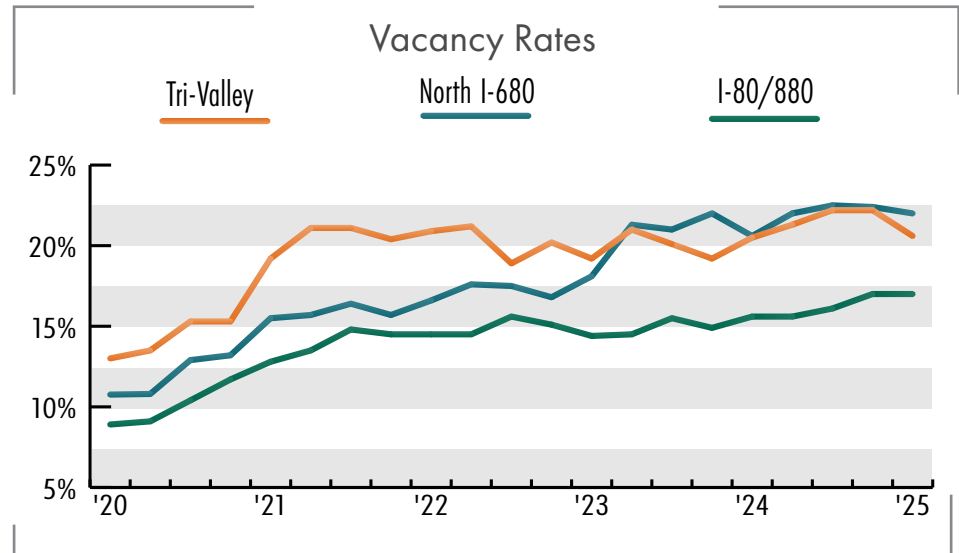


## EAST BAY OFFICE

- In the first quarter, office vacancies continued to increase, and absorption was marginally positive compared to 4th quarter 2024. Walnut Creek vacancy was 23.7%, Oakland 19.6%, Concord 31.4%, and Tri-Valley 20.6%.
- Government office buildings continue to occupy the spotlight as the GSA receives rapid-fire orders to dispense of assets. The VA leased four full floors (57,000 SF) in the former Kaiser building in Downtown Oakland, while the Richmond Social Security Administration Building has held a spot on the reserve list of to-be-sold assets. Federal government downsizing will continue to expand vacancy rates in the Bay Area.
- Return-to-Office trends have increased. National data from Chandan Economics suggests a 20% drop in home office use from the peak in 2021.
- Rents across nearly all markets continue to drip slowly down. Walnut Creek rents were at \$3.27, Oakland \$3.56, Concord \$2.57, and Tri-Valley \$2.77.

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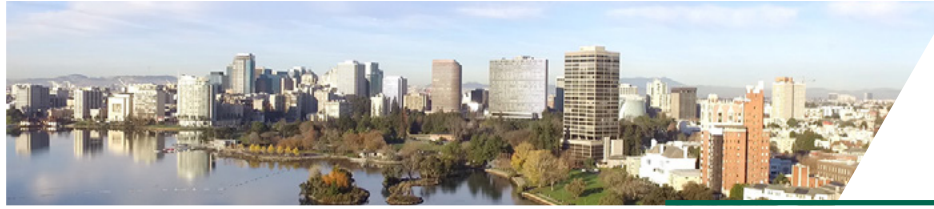


### EAST BAY SIGNPOST FIGURES

		TRENDING
YTD Net Absorption	260,190 SF	^
Class A Vacancy Rate	27.5%	^
Sublease % (All Classes)	2.3%	✓
Under Construction	0 SF	✓

### FOCUSED FIGURES

Berkeley Vacancy	10.9%
N I-680 Rents Year Over Year	-2%



- Class A&B office buildings with high debt loans and high vacancies continue to be a problem, with more arising in the East Bay in the coming months.
- Venture capital fundraising ended 2024 on a high note thanks to a frenzy of interest in AI. The activity is a 29% increase from 2023 according to Pitchbook. This sub-industry will continue to be a major player in the Bay Area office conversation throughout 2025.
- GlobeSt reported that Generative AI as an industry is expected to increase 200% in the Bay Area over the next 24 months as measured by square feet occupied.
- More chunks of Bishop Ranch continue to be put into the mix for redevelopment. An April report from TheRealDeal noted that Millrose paid \$50M for an office campus set for conversion to single-family and townhomes.

