

Bay Area Snapshot

Office • 4th Quarter 2023

THE CCIM INSTITUTE

Northern California Chapter

Property Type	# Bldgs	Inventory	Direct Vacant SF	Sublet Vacant SF	4Q 2023 Vacant %	3Q 2023 Vacant %	4Q 2022 Vacant %	4Q 2023 Net Absorption (SF)	3Q 2023 Net Absorption (SF)	2023 YTD Net Absorption (SF)	4Q 2022 Net Absorption (SF)	2022 YTD Net Absorption (SF)	4Q 2023 Deal Velocity	4Q 2022 Deal Velocity	2023 YTD Deal Velocity
Office-A	717	146,325,412	30,682,734	8,854,799	27.00%	25.60%	19.90%	(2,326,588)	(2,121,815)	(9,928,841)	(818,431)	(2,142,292)	146	179	574
Office-B	5,442	175,292,891	29,727,912	5,585,788	20.10%	19.00%	17.60%	(1,956,473)	(802,498)	(4,769,279)	(721,278)	(2,698,075)	479	529	1,946
Office-C	8,450	67,122,821	4,760,662	350,178	7.60%	7.50%	7.20%	(111,367)	(86,258)	(385,636)	46,819	(147,632)	197	166	777
	14,609	388,741,124	65,171,308	14,790,765	18.23%	17.37%	14.90%	(4,394,428)	(3,010,571)	(15,083,756)	(1,492,890)	(4,987,999)	822	874	3,297

Source: CoStar

Still Bleeding

Office vacancy rates for the SF Bay area continued to climb in 2023 as rates rose from 14.9% vacant to 18.23% vacant at the end of 2023. Class A product type is still faring the worst with a jump from 19.9% vacant in 2022 to 27% vacant at the end of 2023. Class B was somewhat better with 20.1% vacant now compared to 17.6 last year. Only Class C products seem to be immune with little change and sub-8% vacancy rates. Absorption tripled from a negative 5M sq. ft. in 2022 to a negative 15M sq. ft. Q4, 2023.

By: Eric Rehn, CCIM

