NorCal 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	930	170,732,880	34,817,785	9,124,391	25.70%	24.60%	19.30%	(2,458,181)	(2,280,207)	(10,758,134)	(1,033,673)	(2,705,240)	180	227	765
Office-B	9,621	249,020,360	38,116,642	6,046,951	17.70%	17.10%	16.00%	(1,640,470)	(789,480)	(4,870,659)	(853,022)	(5,957,656)	689	738	2,771
Office-C	15,854	122,404,035	7,778,464	401,955	6.70%	6.80%	6.80%	83,583	(229,882)	(366,661)	(32,875)	(270,189)	316	289	1,362
	26,405	**542,157,275**	**80,712,891**	**15,573,297**	**16.70%**	**16.17%**	**14.03%**	**(4,015,068)**	**(3,299,569**	**(15,995,454)**	**(1,919,570)**	**(8,933,085)**	**1,185**	**1,254**	**4,898**

Source: CoStar

Still Reeling

NorCal Office markets are still shedding space as vacancies rose from 14% in 2022 to 16.7% for 2023. Most of the damage was concentrated in the SF Bay area. Interestingly, all of NorCal Q4 posted negative absorption of 5M sq. ft., but the SF Bay area alone gave back a negative 4.4M sq. ft., so most of Northern California experienced positive absorption in 2023. Deal velocity remained about the same year to year with over 800 transactions.

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