Bay Area Snapshot

Industrial - 2nd Quarter 2025

THE CCIM INSTITUTE
Northern California Chapter

	# BLDGS	INVENTORY	DIRECT VACANT SF	SUBLET VACANT SF	VACANT %	PREV. QTR VACANT %	SAME QTR PREV YR VACANT %	NET ABSORPTION (SF)	PREV. QTR NET ABSORPTION (SF)	SAME QTR PREV YR NET ABSORPTION (SF)	QTR DEAL VELOCITY	2025 YTD DEAL VELOCITY
Industrial	11,497	350,052,642	31,901,481	4,746,378	10.47%	10.30%	9.13%	(203,450)	(40,658)	(992,011)	281	587
Warehouse	11,510	345,866,010	24,282,547	4,177,556	8.23%	7.60%	6.09%	(1,964,525)	(2,181,859)	(2,118,269)	193	427
TOTALS	23,007	695,918,652	56,184,028	8,923,934	9.36%	8.96%	7.62%	(2,167,975)	(2,222,517)	(3,110,280)	474	1,014

The bleeding continued for the industrial commercial real estate markets in the San Francisco Bay area as vacancy rates climbed to 9.36% this quarter compared to 8.96% at the end of Q1 2025. Negative absorption eased slightly with a negative <2.167M> sq. ft. against Q1's negative 2.2M> sq. ft. in the first quarter of the year and much better than the negative <3.11M> sq. ft. from the prior year. Best to say that the release of space has slowed quite a bit, but the numbers are still in the red.

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Source: CoStar Data, Properties counted all sizes, TRI Commercial