

# INVESTMENT FORECAST

Retail  
Oakland

IPA  
INSTITUTIONAL  
PROPERTY  
ADVISORS

2026

## Downtown Anchored By Steady Foot Traffic as Investment Activity Picks Up Locally

**Impact limited from elevated deliveries.** Each year since 2023, the Oakland metro has welcomed more retail space deliveries than San Francisco and San Jose combined, and this trend will carry into 2026. However, more than 80 percent of the space opening in 2026 was pre-leased as of January. Looking ahead, leasing is expected to remain relatively flat, as smaller footprints — particularly restaurants and gyms — continue to serve as the primary source of stability, while big-box signings over 50,000 square feet remain rare. At the submarket level, the Berkeley-Richmond corridor is expected to maintain vacancy above 10 percent. At the same time, Downtown Oakland remains the least vacant submarket in the metro, with a sub-5 percent rate entering 2026. The urban core's relatively low vacancy reflects its role as the East Bay's primary transit and residential hub, where BART-driven foot traffic and small-format retail support steadier absorption than in other, more office-dependent downtowns.

**Private investor activity supported by high yields.** Oakland's transaction velocity increased 10 percent in 2025, mainly driven by gains in the sub-\$10 million tranche. At 6.2 percent last year, Oakland's average cap rate remains the highest among all major metros on the California Coast. Given the market's comparatively older property stock, investors pursuing value-add and repositioning strategies could continue to gravitate toward the East Bay in search of higher yields. Trading activity was especially active in Downtown Oakland and along the Interstate 680 Corridor last year. As downtown vacancy continues to decline, investor interest should remain. Meanwhile, the Walnut Creek-Dublin area, a growth node with comparatively lower entry barriers than core Bay Area submarkets, is well positioned for additional activity this year.

## 2026 MARKET FORECAST

-0.5%



**Employment:** In line with regional trends, Oakland is expected to record another year of net job losses, shedding roughly 6,000 positions. Even so, this represents a modest improvement from 2025.

310,000  
sq. ft.



**Construction:** The metro is set to post its largest annual delivery slate since 2018, though more than 75 percent of the total is concentrated in a single property, The Plaza at Gale Ranch.

+40 bps



**Vacancy:** Net space relinquishment is projected to continue this year, but at a substantially slower pace. As a result, the metrowide vacancy rate is forecast to reach 6.9 percent by year-end.

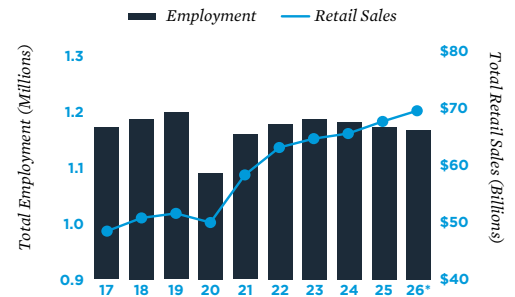
+1.2%



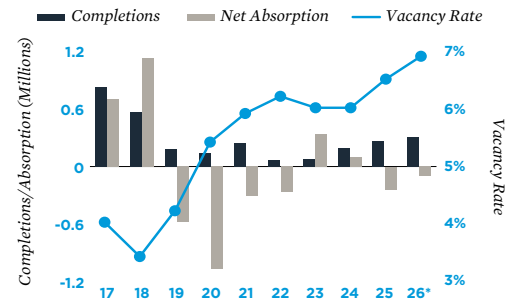
**Rent:** The average asking rent is expected to grow modestly this year. At \$30.18 per square foot, the rate is approaching the prior peak of \$30.97 recorded in 2019.

**INVESTMENT:** *Investors seeking stable cash flow could target Fremont and Hayward, where multi-tenant assets along I-880 posted the largest vacancy declines last year and remain among the least vacant metrowide.*

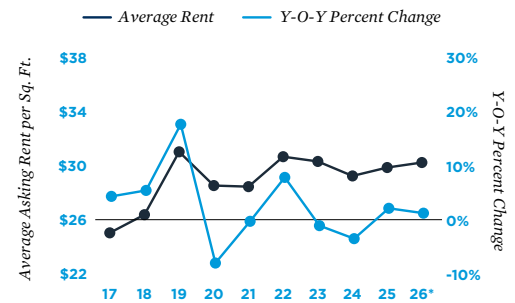
### Economic Trends



### Supply and Demand



### Rent Trends



\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Retail

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.