

Silicon Valley Industrial Snapshot



Figure 1: Market Statistics

Submarket	Net Rentable Area	Total Vacancy %	Total Vacant SF	Total Availability %	Total Direct Available	Total Sublease Available	Average Asking Rate (\$/SF)	Current Gross Absorption	Current Net Absorption	YTD Net Absorption
Palo Alto	1,269,247	2.0%	25,646	2.0%	25,646	0	2.90	0	0	5,275
Manufacturing	1,242,627	2.1%	25,646	2.1%	25,646	0	2.90	0	0	5,275
Warehouse/Distribution	26,620	0.0%	0	0.0%	0	0	2.25	0	0	0
Mountain View/Los Altos	1,858,307	4.0%	74,178	4.7%	82,850	4,920	2.87	0	(11,776)	(23,976)
Manufacturing	1,715,010	4.3%	74,178	5.1%	82,850	4,000	2.87	0	(11,776)	(23,976)
Warehouse/Distribution	143,297	0.0%	0	0.6%	0	920	1.49	0	0	0
Sunnyvale	5,879,277	2.8%	164,775	3.5%	108,691	98,800	2.90	95,858	(17,342)	117,672
Manufacturing	3,729,751	3.3%	123,575	4.5%	108,691	57,600	2.90	95,858	(17,342)	(9,114)
Warehouse/Distribution	2,149,526	1.9%	41,200	1.9%	0	41,200	1.65	0	0	126,786
Santa Clara	14,882,474	2.2%	323,797	3.3%	490,689	5,500	1.61	86,056	30,200	(3,996)
Manufacturing	9,800,496	2.1%	210,200	3.6%	342,190	5,500	1.56	86,056	30,200	(13,782)
Warehouse/Distribution	5,081,978	2.2%	113,597	2.9%	148,499	0	1.75	0	0	9,786
West Valley	1,591,717	3.2%	50,553	4.4%	64,053	5,440	2.00	31,768	29,944	28,955
Manufacturing	1,390,495	3.5%	48,153	4.8%	61,653	5,440	1.99	31,768	29,944	28,155
Warehouse/Distribution	201,222	1.2%	2,400	1.2%	2,400	0	2.15	0	0	800
San Jose - IBP/Downtown	12,566,657	2.9%	365,449	3.7%	439,257	23,388	1.32	268,598	(12,196)	(57,525)
Manufacturing	8,051,358	2.0%	160,685	3.0%	234,493	10,641	1.26	51,958	951	(23,072)
Warehouse/Distribution	4,515,299	4.5%	204,764	4.8%	204,764	12,747	1.43	216,640	(13,147)	(34,453)
San Jose - North	10,550,101	1.8%	193,931	2.4%	244,855	10,300	1.59	95,896	(12,802)	(60,885)
Manufacturing	4,795,151	3.9%	185,631	4.3%	195,955	10,300	1.62	57,463	(51,235)	(61,390)
Warehouse/Distribution	5,754,950	0.1%	8,300	0.9%	48,900	0	1.41	38,433	38,433	505
San Jose - South	12,774,905	4.0%	510,374	5.1%	522,117	126,668	1.31	192,749	(39,895)	(84,530)
Manufacturing	5,986,186	1.5%	88,667	1.6%	73,071	21,903	1.46	36,779	(656)	61,397
Warehouse/Distribution	6,788,719	6.2%	421,707	8.2%	449,046	104,765	1.27	155,970	(39,239)	(145,927)
Milpitas	9,657,524	2.1%	201,213	2.4%	185,131	41,855	1.55	114,845	(70,741)	105,730
Manufacturing	2,700,465	1.7%	45,581	2.6%	71,354	0	1.72	52,576	(656)	20,692
Warehouse/Distribution	6,957,059	2.2%	155,632	2.2%	113,777	41,855	1.50	62,269	(70,085)	85,038
Fremont/Newark	37,077,594	1.5%	561,600	2.4%	495,975	382,518	1.47	649,993	95,909	81,022
Manufacturing	20,258,442	2.8%	561,600	3.1%	247,814	382,518	1.55	220,250	(26,755)	(249,541)
Warehouse/Distribution	16,819,152	0.0%	0	1.5%	248,161	0	1.40	429,743	122,664	330,563
Silicon Valley	108,107,803	2.3%	2,471,516	3.1%	2,659,264	699,389	1.56	1,535,763	(8,699)	107,742
Manufacturing	59,669,981	2.6%	1,523,916	3.3%	1,443,717	497,902	1.71	632,708	(47,325)	(265,356)
Warehouse/Distribution	48,437,822	2.0%	947,600	2.9%	1,215,547	201,487	1.39	903,055	38,626	373,098

Source: CBRE Research, Q4 2022

Figure 2: Significant Lease Transactions of the Quarter

Lessee	Address	City	Total SF	Product Type	Lease Type
RK Logistics Group	6753 Mowry Ave	Newark	268,538	Warehouse/Distribution	Renewal
Legacy Transportation Services, Inc.	1991 2011 Senter Rd	San Jose	129,260	Warehouse/Distribution	Renewal
Confidential	1953 1965 Concourse Dr	San Jose	126,648	Warehouse/Distribution	New Lease
Innovated Packaging Company Inc	38505 Cherry St	Newark	103,558	Manufacturing	Renewal
Inspur	615 N King Rd	San Jose	77,608	Warehouse/Distribution	New Lease
Pegasus Logistics Group	7355 Morton Ave	Newark	74,097	Warehouse/Distribution	New Lease
Confidential	1273 1277 Hammerwood Ave	Sunnyvale	60,000	Manufacturing	Renewal
Three Way Logistics	6600 Smith Ave	Newark	58,582	Manufacturing	New Lease
1-800-Pack-Rat	44320 44380 Osgood Rd	Fremont	48,324	Warehouse/Distribution	Renewal
Johnson & Johnson Surgical Vision, Inc.	715 735 Sycamore Dr	Milpitas	43,947	Warehouse/Distribution	Renewal

Figure 3: Significant Sale Transactions of the Quarter

Buyer	Address	City	Total SF	Price	Product Type	Sale Type
BentallGreenOak	38811 Cherry St	Newark	574,647	*\$120.0 M	Warehouse/Distribution	Investor Sale
Teledyne Digital Imaging	35445 Dumbarton Ct	Newark	55,872	\$16.9 M	Manufacturing	Investor Sale
Dollinger Properties	2290 De La Cruz Blvd	Santa Clara	25,700	\$7.50 M	Manufacturing	Investor Sale
Bay Tube and Machining	44111 Fremont Blvd	Fremont	18,200	\$7.40 M	Manufacturing	User Sale
OOIBODO LLC	1150 W Evelyn Ave	Sunnyvale	15,000	\$6.20 M	Manufacturing	User Sale
Darren Monahan/Dung Nguyen	471 Nelo St	Santa Clara	13,600	\$4.80 M	Manufacturing	User Sale
Jesus Garcia	1502 Gladding Ct	Milpitas	11,291	\$4.75 M	Manufacturing	User Sale
Mosaic Real Estate Holdings	1691 Old Bayshore Hwy	San Jose	8,000	\$3.55 M	Manufacturing	Investor Sale
Ivestment Property Exchange	1270 1288 Alma Ct	San Jose	5,170	\$1.64 M	Manufacturing	User Sale
*Part of a 5 Building Portfolio multi market Sale; sold on 12/22/2022 totaling 1,320,630 Sq. Ft.						

Figure 4: Average Asking Rates

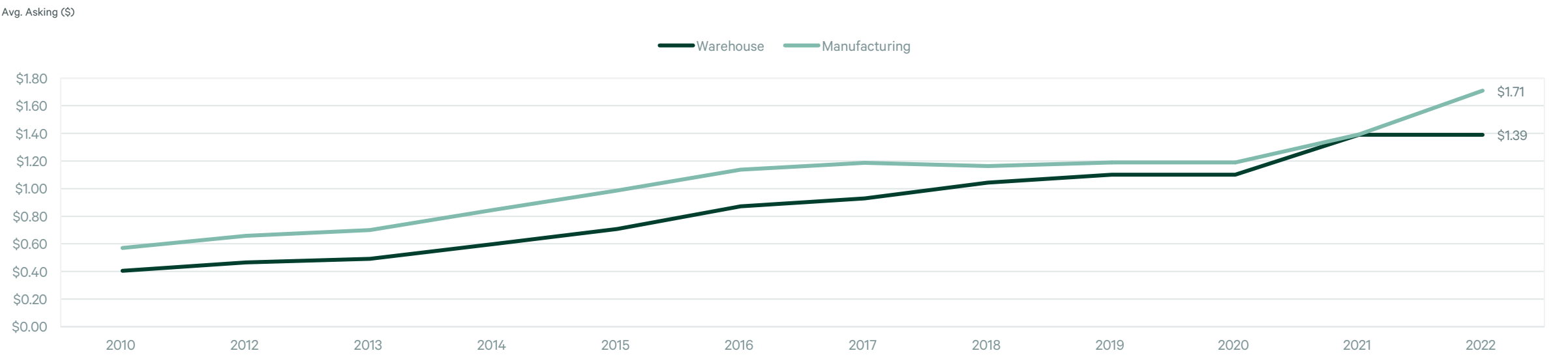


Figure 5: Net Absorption & Vacancy

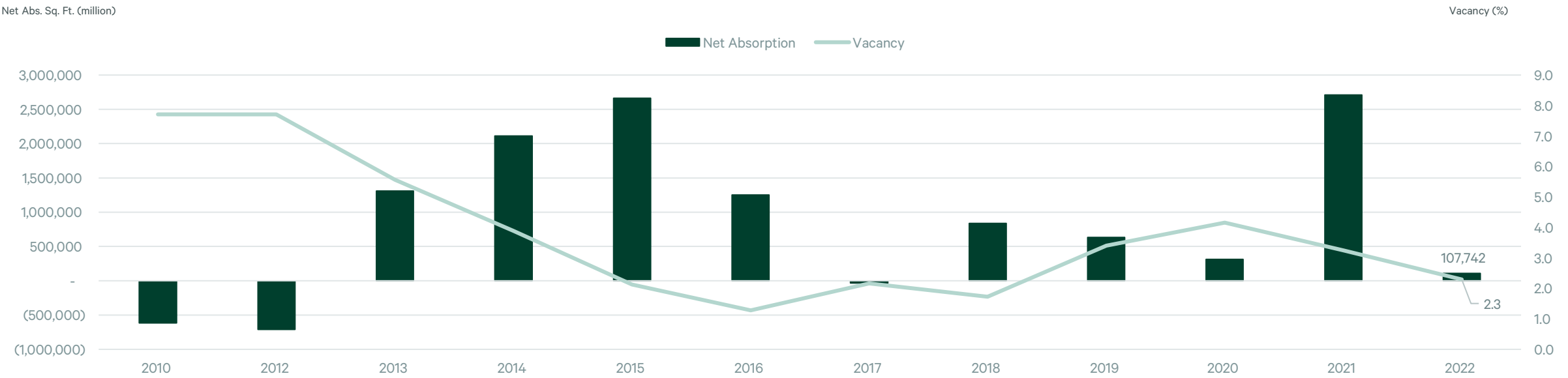
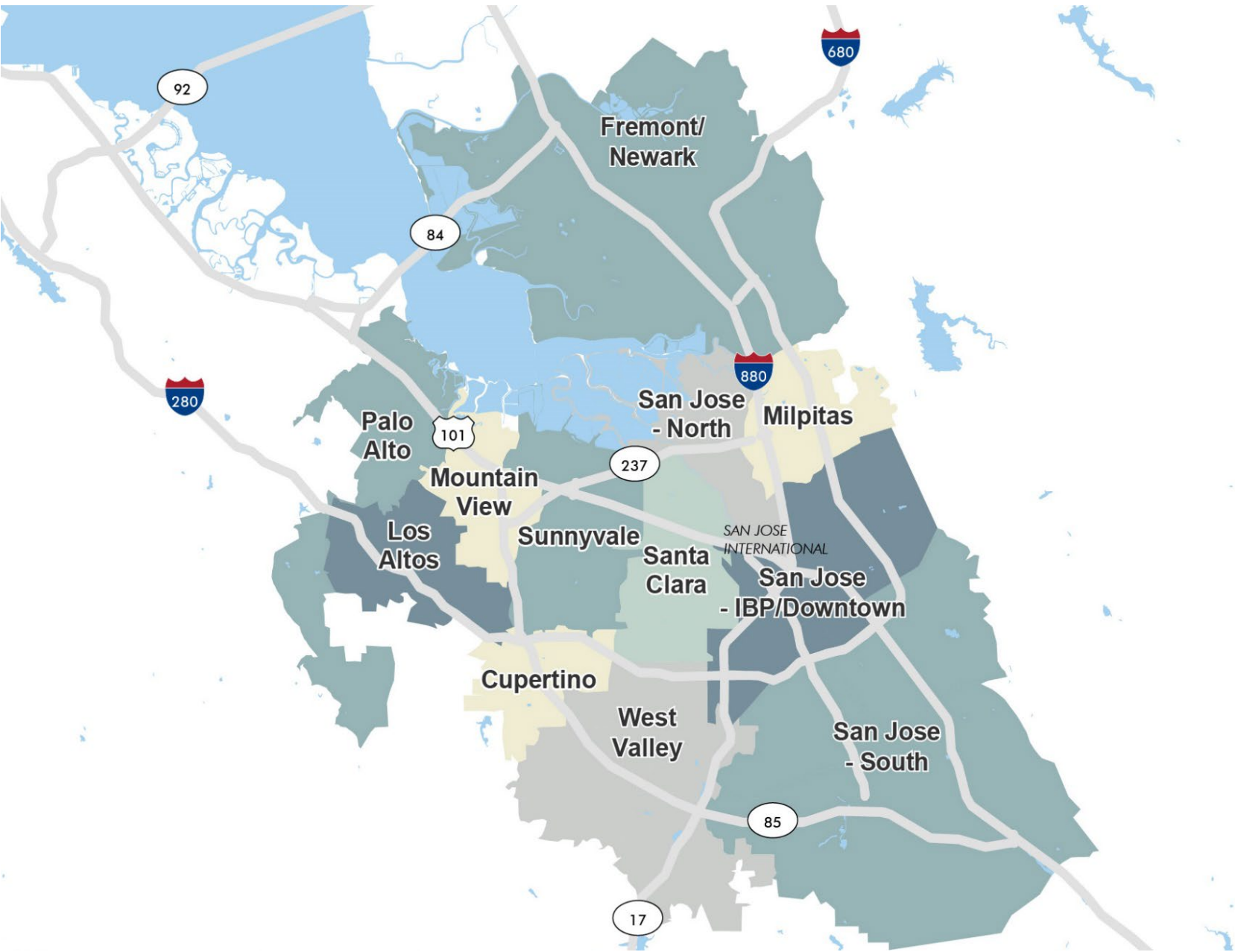


Figure 6: Regional Map



DEFINITIONS

Average Asking Rate Direct Monthly Lease Rates, Full Service Gross (office) and Net Net Net (R&D). Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy+Sublease Vacancy.

SURVEY CRITERIA

CBRE's market report analyzes existing single- and multi-tenant office and R&D buildings that total 10,000+ sq. ft., excluding owner-occupied buildings in most markets (included for Silicon Valley). CBRE assembles all information through web and phone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

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