



Figure 1: Submarket 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
<b>Palo Alto</b>	<b>1,321,265</b>	<b>3.6</b>	<b>47,750</b>	<b>3.6</b>	<b>37,570</b>	<b>10,180</b>	<b>1.95</b>	<b>0</b>	<b>0</b>	<b>(7,550)</b>
Manufacturing	1,292,057	3.7	47,750	3.7	37,570	10,180	2.20	0	0	(7,550)
Warehouse/Distribution	29,208	0.0	0	0.0	0	0	1.95	0	0	0
Advanced Manufacturing		0.0	0	0.0	0	0	-	0	0	0
<b>Mountain View/Los Altos</b>	<b>1,813,591</b>	<b>5.3</b>	<b>96,653</b>	<b>6.4</b>	<b>115,346</b>	<b>0</b>	<b>2.86</b>	<b>27,500</b>	<b>(6,451)</b>	<b>(52,319)</b>
Manufacturing	1,665,343	4.8	79,702	6.0	98,395	0	2.86	27,500	10,500	(37,949)
Warehouse/Distribution	148,248	11.4	16,951	11.4	16,951	0	2.40	0	(16,951)	(14,370)
Advanced Manufacturing			0	0.0	0	0	-	0	0	0
<b>Sunnyvale</b>	<b>5,701,124</b>	<b>0.9</b>	<b>49,964</b>	<b>1.4</b>	<b>57,594</b>	<b>20,400</b>	<b>2.41</b>	<b>272,180</b>	<b>(17,704)</b>	<b>3,746</b>
Manufacturing	3,538,218	0.8	28,264	1.6	35,894	20,400	2.65	181,636	(17,704)	3,746
Warehouse/Distribution	2,162,906	1.0	21,700	1.0	21,700	0	2.05	90,544	0	0
Advanced Manufacturing		0.0	0	0.0	0	0	-	0	0	0
<b>Santa Clara</b>	<b>15,902,965</b>	<b>2.3</b>	<b>369,814</b>	<b>3.2</b>	<b>441,052</b>	<b>70,255</b>	<b>1.76</b>	<b>268,030</b>	<b>8,215</b>	<b>7,238</b>
Manufacturing	10,733,049	2.2	236,448	2.6	241,296	40,424	1.65	68,870	(23,785)	12,357
Warehouse/Distribution	5,169,916	2.6	133,366	4.4	199,756	29,831	1.86	199,160	32,000	(5,119)
Advanced Manufacturing		0.0	0	0.0	0	0	-	0	0	0
<b>West Valley</b>	<b>1,578,873</b>	<b>2.4</b>	<b>38,007</b>	<b>2.4</b>	<b>33,995</b>	<b>4,012</b>	<b>2.30</b>	<b>5,440</b>	<b>(3,000)</b>	<b>(5,204)</b>
Manufacturing	1,377,651	2.8	35,007	2.8	33,995	4,012	2.30	5,440	(3,000)	(5,204)
Warehouse/Distribution	201,222	0.0	0	0.0	0	0	2.15	0	0	0
Advanced Manufacturing		0.0	0	0.0	0	0	-	0	0	0
<b>San Jose - IBP/Downtown</b>	<b>12,583,594</b>	<b>4.7</b>	<b>585,481</b>	<b>4.7</b>	<b>484,050</b>	<b>108,438</b>	<b>1.52</b>	<b>136,568</b>	<b>13,073</b>	<b>(122,916)</b>
Manufacturing	7,380,886	1.8	129,478	1.9	136,485	0	1.69	70,268	12,715	(30,442)
Warehouse/Distribution	4,522,188	10.1	456,003	10.1	347,565	108,438	1.52	66,300	358	(92,474)
Advanced Manufacturing	680,520	0.0	0	0.0	0	0	1.95	0	0	0
<b>San Jose - North</b>	<b>10,518,781</b>	<b>2.2</b>	<b>229,365</b>	<b>3.8</b>	<b>356,013</b>	<b>46,721</b>	<b>1.50</b>	<b>118,878</b>	<b>(85,318)</b>	<b>(74,375)</b>
Manufacturing	4,229,634	2.2	148,193	2.4	98,359	3,036	1.55	41,066	5,844	3,832
Warehouse/Distribution	5,725,936	2.4	188,437	5.3	257,654	43,685	1.48	77,812	(91,202)	(78,207)
Advanced Manufacturing	563,211	0.0	0	0.0	0	0	-	0	0	0
<b>San Jose - South</b>	<b>12,761,691</b>	<b>2.6</b>	<b>336,630</b>	<b>4.8</b>	<b>421,723</b>	<b>185,788</b>	<b>1.54</b>	<b>130,937</b>	<b>(44,243)</b>	<b>133,569</b>
Manufacturing	5,785,034	2.6	157,621	2.9	163,967	3,000	1.63	29,085	4,590	(52,364)
Warehouse/Distribution	6,337,129	3.0	206,674	7.0	257,756	182,788	1.49	101,852	(48,833)	185,933
Advanced Manufacturing	639,528	0.0	0	0.0	0	0	1.85	0	0	0
<b>Milpitas</b>	<b>9,735,520</b>	<b>3.7</b>	<b>364,295</b>	<b>4.3</b>	<b>399,815</b>	<b>22,430</b>	<b>1.76</b>	<b>153,535</b>	<b>82,208</b>	<b>(177,428)</b>
Manufacturing	2,624,471	6.0	157,621	6.6	169,211	1,680	2.07	30,165	23,920	(83,377)
Warehouse/Distribution	5,919,084	3.5	206,674	4.3	230,604	20,750	1.50	123,370	58,288	(90,051)
Advanced Manufacturing	1,191,965	0.0	0	0.0	0	0	0	0	0	0
<b>Fremont/Newark</b>	<b>37,594,613</b>	<b>4.0</b>	<b>1,497,821</b>	<b>6.5</b>	<b>1,511,025</b>	<b>914,809</b>	<b>1.66</b>	<b>257,817</b>	<b>(37,867)</b>	<b>(693,955)</b>
Manufacturing	17,281,580	1.9	324,984	3.3	470,561	91,624	1.70	66,941	1,598	(42,160)
Warehouse/Distribution	11,968,615	4.6	553,732	9.2	950,033	144,511	1.60	190,876	(39,465)	(335,685)
Advanced Manufacturing	8,344,418	7.4	619,105	9.2	90,431	678,674	2.05	0	0	(316,110)
<b>Silicon Valley</b>	<b>109,512,017</b>	<b>3.3</b>	<b>3,615,780</b>	<b>4.8</b>	<b>3,353,183</b>	<b>1,383,033</b>	<b>1.68</b>	<b>1,370,885</b>	<b>(91,087)</b>	<b>(974,094)</b>
Manufacturing	55,907,923	2.3	1,283,728	3.0	1,485,733	174,356	1.83	520,971	(14,718)	(228,011)
Warehouse/Distribution	42,184,452	4.1	1,712,947	6.7	2,282,019	530,003	1.57	849,914	(105,805)	(429,973)
Advanced Manufacturing	11,419,642	5.4	619,105	6.7	90,431	678,674	2.03	0	0	(316,110)

Figure 2: Significant Lease Transactions of the Quarter

Lessee	Address	City	Total SF	Class	Lease Type
Cal Wine Transport	930 950 Mclaughlin Ave	San Jose	92,303	Distribution/Logistics	Renewal
Confidential	1250 Elko Dr	Sunnyvale	90,544	Distribution/Logistics	Renewal
AC Family	1101 1117 Montague Expy	Milpitas	65,082	Distribution/Logistics	Renewal
Transpak	38503 Cherry St	Newark	62,536	Distribution/Logistics	Expansion
Aramark Corp	41460 41484 Christy St	Fremont	49,335	Distribution/Logistics	Renewal
Confidential	746 876 S Milpitas Blvd	Santa Clara	52,800	Distribution/Logistics	Expansion
Clean Harbors Environmental Services	1010 Commercial Ct	San Jose	47,500	Light Manufacturing	Renewal
Pace Supply Corp	605 Laurelwood Rd	Fremont	46,589	Distribution/Logistics	Renewal
Fuse Energy	2222 Ronald St	San Jose	37,865	Light Manufacturing	New Lease

Figure 3: Significant Sale Transactions of the Quarter

Buyer	Address	City	Total SF	Sale Price	\$/SF	Product Type	Sale Type
Applied Materials	1077 E Arques Ave	Sunnyvale	151,200	\$100.0M	\$661	Light Manufacturing	User
Nanez Manufacturing	2400 Walsh Ave	Santa Clara	59,430	\$16.0M	\$269	Light Manufacturing	User
Realterm	S Grimmer Blvd/Brandin Ct	Fremont	56,485	\$25.9M	\$459	Light Manufacturing	Investor
Dellmagg LLC	975 Mabury Rd	San Jose	28,300	\$8.4M	\$297	Distribution/Logistics	User
Anthony Garcia	364 Reed St	Santa Clara	23,000	\$6.2M	\$267	Light Manufacturing	Investor

Figure 4: Average Asking Rates (FSG)

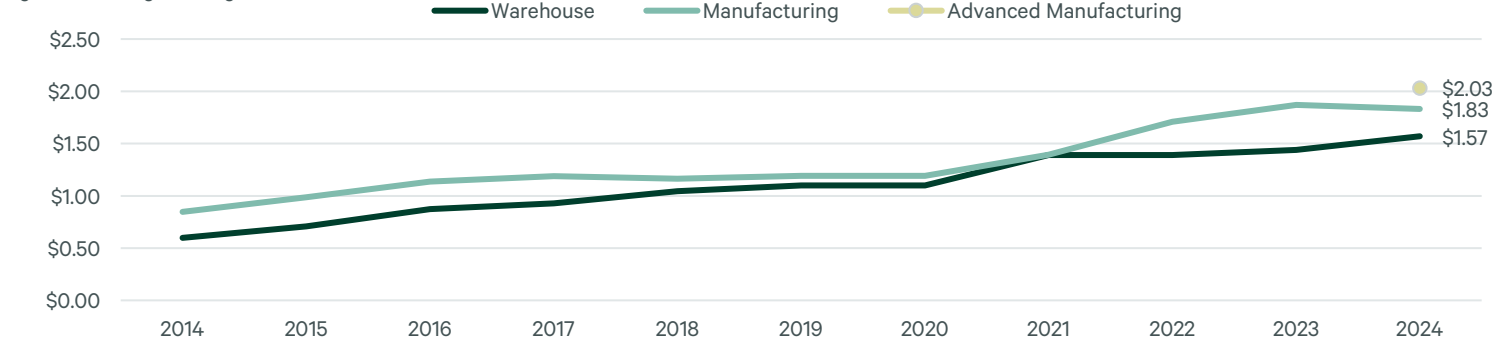


Figure 5: Net Absorption & Vacancy

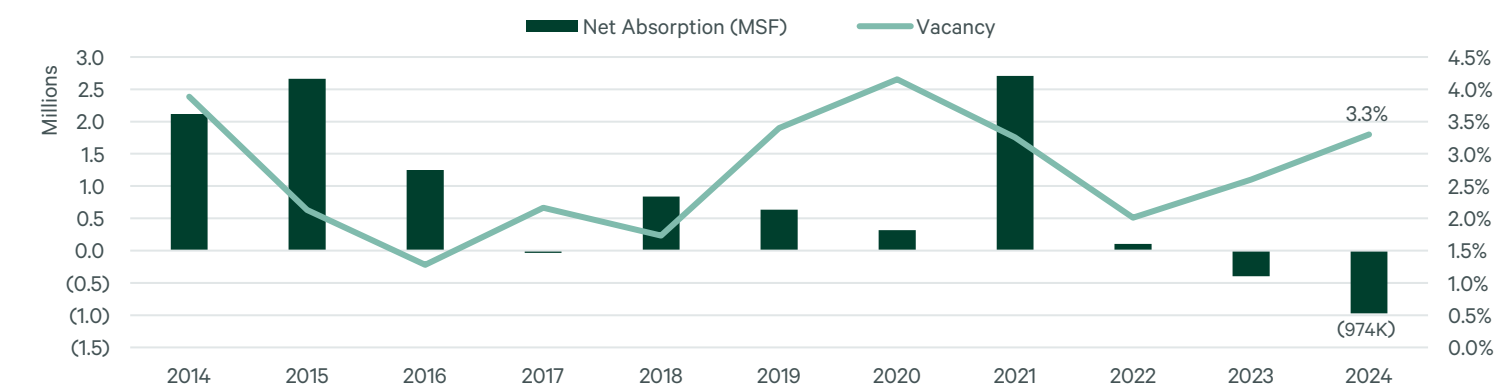
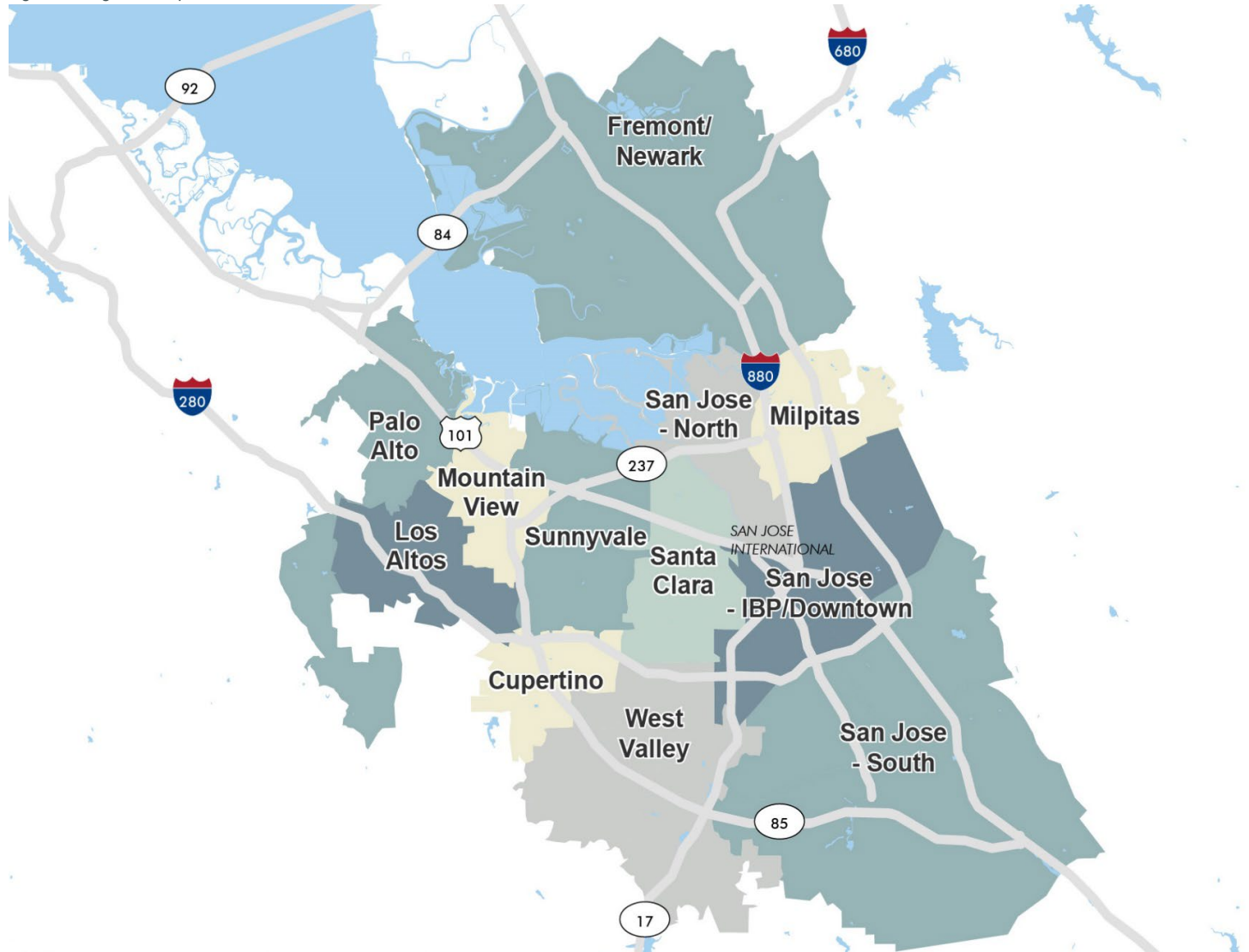


Figure 6: Regional Map



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## 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.