CBRE

Bay Area Industrial Snapshot

2.2% Vacancy

615K Net Absorption Sq. Ft.

1.2M Deliveries YTD Sq. Ft.

7.4M Under Construction Sq. Ft.

$1.40 Average Asking NNN/Month/Sq. Ft.

Figure 1: Market Statistics

Market	Net Rentable Area	Total Vacancy %	Total Vacant SF	Total Availability %	Total Direct Available	Total Sublease Available	Average Asking Rate ($)*	Qtr. Net Abs.	YTD Net Abs.
SF Peninsula [1]	**34,043,754**	**2.0**	**694,684**	**3.3**	**814,252**	**325,520**	**1.60**	**118,051**	**378,022**
Warehouse	29,501,101	1.8	535,467	3.3	666,404	302,031	1.55	154,051	418,565
Manufacturing	4,542,653	3.5	159,217	3.8	147,848	23,489	1.84	(36,000)	(40,543)
Silicon Valley [2]	**108,107,803**	**2.3**	**2,471,516**	**3.1**	**2,659,264**	**699,389**	**1.56**	**(8,699)**	**107,742**
Warehouse	48,437,822	2.0	947,600	2.9	1,215,547	201,487	1.39	38,626	373,098
Manufacturing	59,669,981	2.6	1,523,916	3.3	1,443,717	497,902	1.71	(47,325)	(265,356)
Oakland [3]	**126,361,327**	**2.6**	**3,276,571**	**3.7**	**4,176,529**	**434,651**	**1.34**	**400,479**	**987,473**
Warehouse	92,264,044	2.7	2,501,179	4.0	3,306,547	402,560	1.34	291,277	523,501
Manufacturing	34,097,283	2.3	775,392	2.7	869,982	32,091	1.34	109,201	463,972
Tri-Valley	**20,075,750**	**1.9**	**373,694**	**3.2**	**535,800**	**107,854**	**1.20**	**189,557**	**584,557**
Warehouse	17,313,789	1.7	298,804	2.9	457,507	39,782	1.39	185,927	631,992
Manufacturing	2,761,961	2.7	74,890	5.3	78,293	68,072	1.05	3,630	(47,435)
Napa / Solano	**50,108,989**	**1.3**	**646,468**	**2.7**	**547,922**	**820,605**	**0.85**	**(83,943)**	**2,054,706**
Warehouse	42,063,072	1.5	627,411	3.2	528,865	820,605	0.85	(83,943)	2,017,914
Manufacturing	8,045,917	0.2	19,057	0.2	19,057	0	0.85	0	36,792
Total Bay Area	**338,697,623**	**2.2**	**7,462,933**	**4.9**	**8,733,767**	**1,567,414**	**1.40**	**615,444**	**4,112,500**
Warehouse	**229,579,828**	**2.1**	**4,910,461**	**5.5**	**6,174,870**	**945,860**	**1.31**	**585,938**	**3,965,070**
Manufacturing	**109,117,795**	**2.3**	**2,552,472**	**3.9**	**2,558,897**	**621,554**	**1.58**	**29,506**	**147,430**

Source: CBRE Research

[1] Excludes Palo Alto

[2] Includes Fremont/Newark and Palo Alto

[3] Excludes Fremont/Newark

* Direct Monthly Lease Rates, Net Net Net

Figure 4: Significant Lease Transactions of the Quarter

Lessee	Address	Market	Total SF	Product Type	Lease Type
Performance Food Group	7501 7587 Las Positas Rd	Livermore	266,825	Warehouse/Distribution	Renewal
RK Logistics Group	6753 Mowry Ave	Silicon Valley	268,538	Warehouse/Distribution	Renewal
RK Logistics Group	2701 W Winton Ave	Oakland	237,400	Warehouse/Distribution	Sublease
RoadOne	8350 Pardee Dr	Oakland	232,881	Warehouse/Distribution	New Lease
Moxion Power	1411 Harbour Way	Oakland	200,000	Warehouse/Distribution	New Lease
Lansum International Corp	8380 Pardee Dr	Oakland	155,000	Warehouse/Distribution	Sublease
The Cary Company	6150 Las Positas Rd	Livermore	148,440	Warehouse/Distribution	New Lease
Iron Mountain	23475 23497 Eichler St	Oakland	147,853	Warehouse/Distribution	Renewal
Finelite	30500 30580 Whipple Rd	Oakland	140,100	Warehouse/Distribution	Renewal
DHE	100 Halcyon Dr	Oakland	136,764	Warehouse/Distribution	Sublease/Expansion

Figure 5: Significant Sale Transactions of the Quarter

Buyer	Address	Market	Total SF	Price	Product Type	Sale Type
Prologis	I-880 Corridor Duke Realty	Oakland	2,007,380	N/A	Warehouse/Distribution	Investment
BentallGreenOak	38811 Cherry St	Silicon Valley	574,647	$120.0M	Warehouse/Distribution	Investment
BioMed Realty	513 Eccles Ave	San Francisco Peninsula	84,000	$80.0M	Warehouse/Distribution	Investment
Vigilant RE Holdings	439 Eccles Ave	San Francisco Peninsula	40,200	$41.4M	Warehouse/Distribution	Investor
Lithia Real Estate Inc	2400 Cordelia Rd	Napa/Solano	129,669	$20.0M	Manufacturing	Investment
Teledyne Digital Imaging	35445 Dumbarton Ct	Silicon Valley	55,872	$16.9M	Manufacturing	Owner-user
Intersection	5555 Broadway St	Napa/Solano	86,366	$15.1M	Warehouse/Distribution	Investment
Dollinger Properties	2290 De La Cruz Blvd	Silicon Valley	25,700	$7.5M	Manufacturing	Owner-user
Self-Help Credit Union	1300 7th & 1333 8th	Oakland	29,040	$7.3M	Warehouse/Distribution	Investment
Sean Gallinger	6760 Pleasant Valley Rd	Napa/Solano	63,600	$2.4M	Warehouse/Distribution	Investment

Figure 2: Average Asking Rates

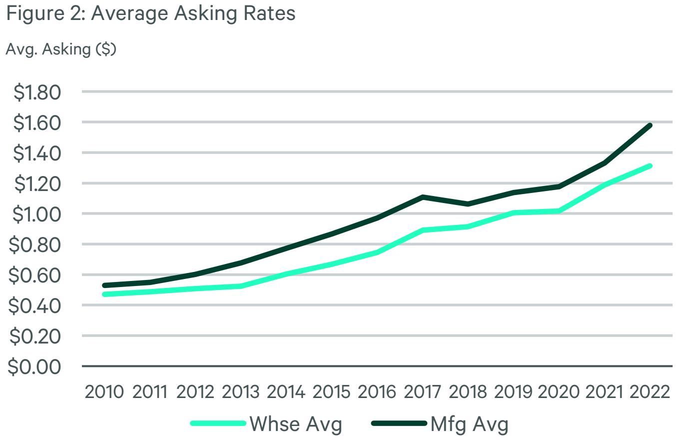


Figure 3: Net Absorption & Vacancy

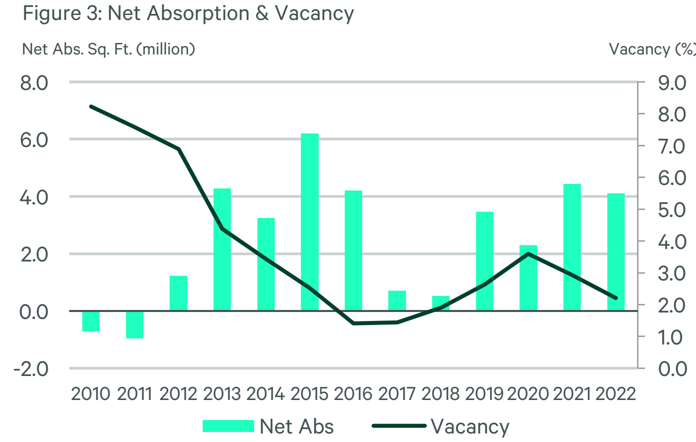
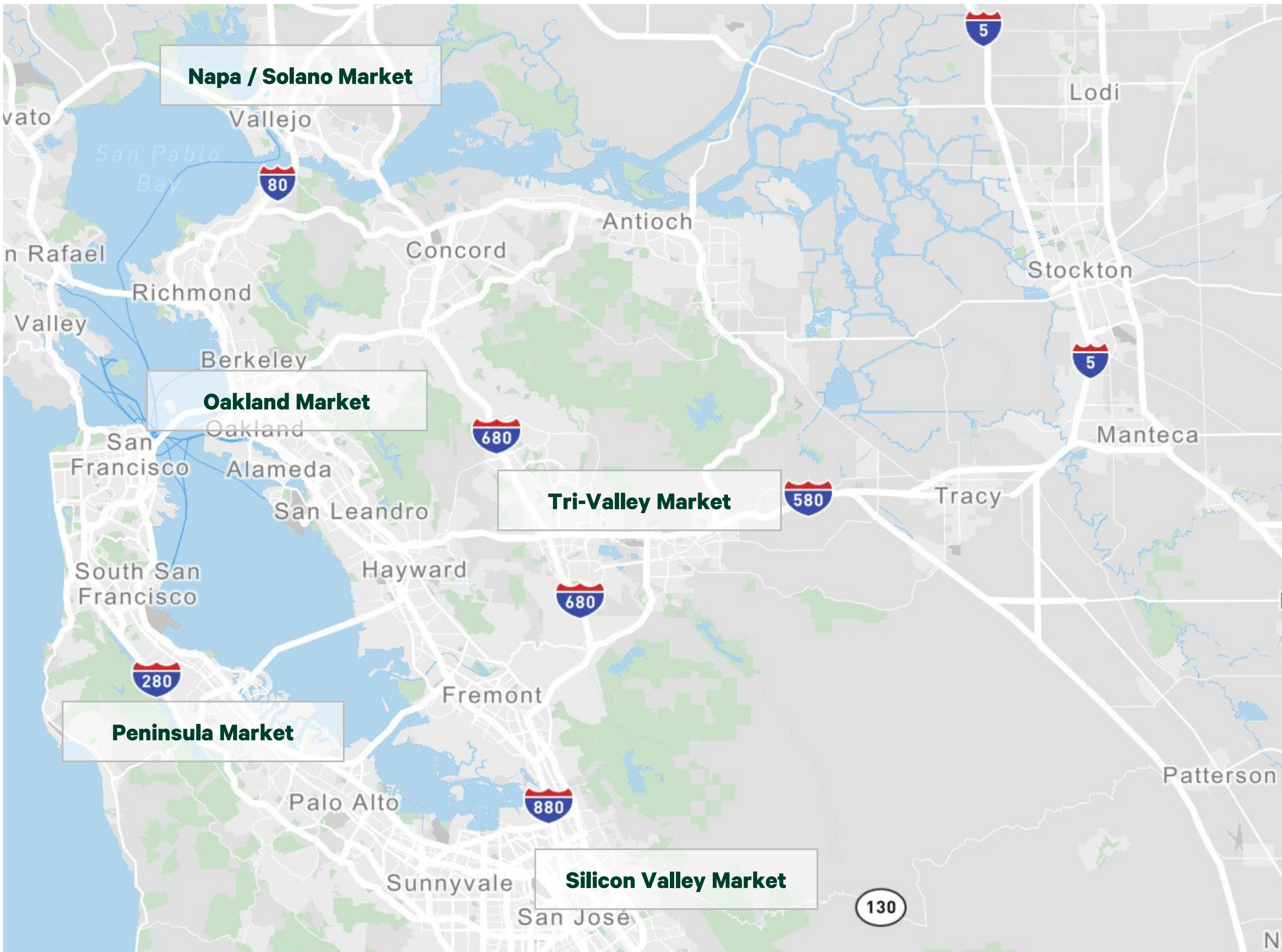


Figure 7: Regional Map



DEFINITIONS

Average Asking Rate Direct Monthly Lease Rates, Net Net Net. 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 industrial buildings that total 5,000+ sq. ft., excluding owner-occupied buildings. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

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