



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
Palo Alto	1,318,677	4.4	58,338	4.4	48,158	10,180	2.08	0	(1,700)	7,550
Manufacturing	1,292,057	3.7	47,750	3.7	37,570	10,180	1.95	0	(1,700)	7,550
Warehouse/Distribution	26,620	39.8	10,588	39.8	10,588	0	2.55	0	0	0
Advanced Manufacturing	0	0.0	0	0.0	0	0	-	0	0	0
Mountain View/Los Altos	1,805,807	5.0	90,202	5.0	90,202	0	2.86	0	(18,510)	(45,868)
Manufacturing	1,662,510	5.4	90,202	5.4	90,202	0	2.86	0	(18,510)	(48,449)
Warehouse/Distribution	143,297	0.0	0	0.0	0	0	2.40	0	0	2,581
Advanced Manufacturing	0	0.0	0	0.0	0	0	-	0	0	0
Sunnyvale	5,701,124	0.6	32,260	0.9	32,260	20,400	2.75	86,400	0	21,450
Manufacturing	3,538,218	0.3	10,560	0.9	10,560	20,400	2.75	15,773	0	21,450
Warehouse/Distribution	2,162,906	1.0	21,700	1.0	21,700	0	2.05	70,627	0	0
Advanced Manufacturing	0	0.0	0	0.0	0	0	-	0	0	0
Santa Clara	15,902,350	2.4	378,029	3.2	466,581	45,055	1.75	155,303	32,066	(977)
Manufacturing	10,732,849	2.0	212,663	2.3	234,825	15,224	1.85	58,946	32,066	36,142
Warehouse/Distribution	5,169,501	3.2	165,366	5.1	231,756	29,831	1.65	105,814	0	(37,119)
Advanced Manufacturing	0	0.0	0	0.0	0	0	-	0	0	0
West Valley	1,578,873	2.2	35,007	2.4	33,995	4,012	2.25	69,387	41,150	(2,204)
Manufacturing	1,377,651	2.5	35,007	2.8	33,995	4,012	2.25	67,252	41,150	(2,204)
Warehouse/Distribution	201,222	0.0	0	0.0	0	0	2.15	2,135	0	0
Advanced Manufacturing	0	0.0	0	0.0	0	0	-	0	0	0
San Jose - IBP/Downtown	12,583,594	4.8	598,554	4.8	452,123	153,438	1.53	226,888	(21,816)	(135,989)
Manufacturing	7,380,886	1.9	142,193	2.0	149,200	0	1.69	58,456	(11,088)	(43,157)
Warehouse/Distribution	4,522,188	10.1	456,361	10.1	302,923	153,438	1.50	196,232	(10,728)	(92,832)
Advanced Manufacturing	680,520	0.0	0	0.0	0	0	-	0	0	0
San Jose - North	10,518,781	1.4	146,697	2.8	198,625	93,253	1.61	88,626	9,980	10,943
Manufacturing	4,229,634	2.4	101,815	2.6	102,923	5,686	1.66	88,626	9,980	(2,052)
Warehouse/Distribution	5,725,936	0.8	44,882	3.2	95,702	87,567	1.56	0	0	12,995
Advanced Manufacturing	563,211	0.0	0	0.0	0	0	-	0	0	0
San Jose - South	12,761,633	2.3	292,387	4.0	324,898	185,788	1.47	137,272	(5,383)	177,812
Manufacturing	5,784,976	2.6	152,783	2.9	161,993	3,000	1.54	47,451	(31,233)	(56,954)
Warehouse/Distribution	6,337,129	2.2	139,604	5.5	162,905	182,788	1.40	125,162	25,850	234,766
Advanced Manufacturing	639,528	0.0	0	0.0	0	0	1.80	0	0	0
Milpitas	9,713,520	4.4	424,503	4.5	408,233	32,430	1.65	48,417	(173,711)	(237,636)
Manufacturing	2,624,471	6.9	181,541	7.0	171,541	11,680	1.80	27,422	(137,920)	(111,297)
Warehouse/Distribution	5,897,084	4.1	242,962	4.4	236,692	20,750	1.54	20,995	(35,791)	(126,339)
Advanced Manufacturing	1,191,965	0.0	0	0.0	0	0	2.05	0	0	0
Fremont/Newark	37,590,850	3.8	1,435,762	5.6	1,214,215	899,833	1.75	440,376	(5,062)	(631,896)
Manufacturing	17,281,580	1.9	326,582	3.3	482,802	91,624	1.80	102,448	(7,345)	(43,758)
Warehouse/Distribution	11,964,852	4.1	490,075	6.4	640,982	129,535	1.65	210,476	(58,930)	(272,028)
Advanced Manufacturing	8,344,418	7.4	619,105	9.2	90,431	678,674	1.99	127,452	61,213	(316,110)
Silicon Valley	109,475,209	3.2	3,491,739	4.3	3,269,290	1,444,389	1.72	2,577,936	(142,986)	(836,815)
Manufacturing	55,904,832	2.3	1,301,096	2.9	1,475,611	161,806	1.78	466,374	(124,600)	(242,729)
Warehouse/Distribution	42,150,735	3.7	1,571,538	5.5	1,703,248	603,909	1.59	731,441	(79,599)	(277,976)
Advanced Manufacturing	11,419,642	5.4	619,105	6.7	90,431	678,674	2.02	127,452	61,213	(316,110)

Figure 2: Significant Lease Transactions of the Quarter

Lessee	Address	City	Total SF	Class	Lease Type
Quanta Manufacturing	6600 Stevenson Blvd	Fremont	127,452	Light Manufacturing	New Lease
Sunnytech	2070 S 7 th St	San Jose	84,000	Distribution/Logistics	Renewal
Piedmont Moving Systems	2071 Ringwood Ave	San Jose	83,914	Distribution/Logistics	Renewal
Amazon	44051 Osgood	Fremont	70,171	Distribution/Logistics	Renewal
Underwriters Laboratories*	843 Auburn Ct	Fremont	60,312	Distribution/Logistics	Renewal
Foxconn Corp.	1600 1650 Memorex Dr	Santa Clara	52,800	Distribution/Logistics	Renewal/Contraction
Lucid Group	250 Stockton Ave	San Jose	47,500	Distribution/Logistics	New Lease
KLI Fulfillment	4200 4210 Business Center Dr	Fremont	46,589	Distribution/Logistics	New Lease
Bay Stone Depot	491 495 E Brokaw Rd	San Jose	37,865	Light Manufacturing	Renewal

* Part of a multiple property type deal totaling 138,887 sq. ft.

Figure 3: Significant Sale Transactions of the Quarter

Buyer	Address	City	Total SF	Sale Price	\$/SF	Product Type	Sale Type
KKR	47020 Kato Rd	Fremont	209,916	\$79.5M	\$379	Distribution/Logistics	Investor
Robinson Oil*	Charter Business Park	San Jose	132,283	\$38.8M	\$294	Light Manufacturing	Investor
Longpoint Realty Advisors	2700 2728 Prune Ave	Fremont	122,168	\$31.1M	\$255	Light Manufacturing	Investor
Peninsula Land and Capital	1190 1250 Norman Ave	Santa Clara	30,240	\$11.3M	\$372	Light Manufacturing	Investor
Dan Ngo	1631 S 10 th St	San Jose	29,450	\$6.9M	\$234	Distribution/Logistics	Investor

* 9 Building business park sale

Figure 4: Average Asking Rates (FSG)

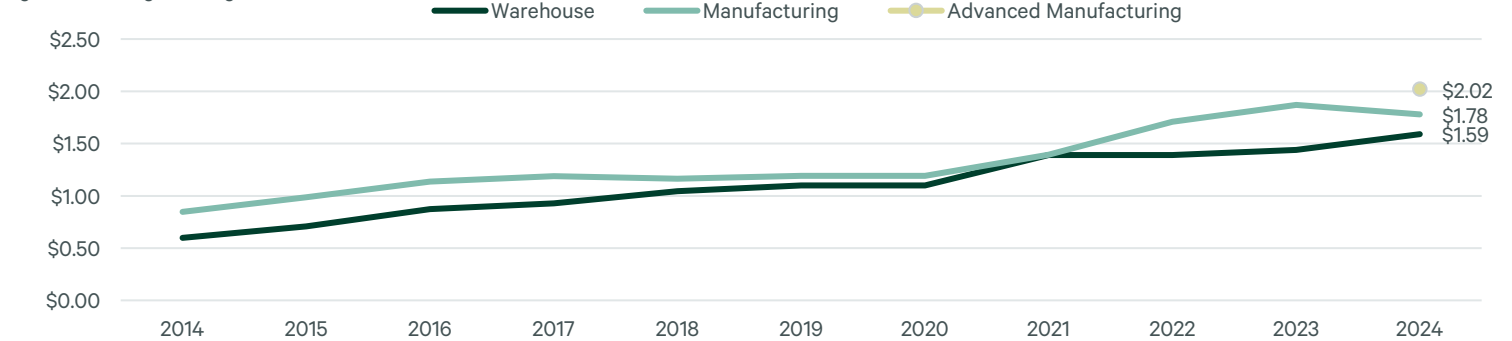


Figure 5: Net Absorption & Vacancy

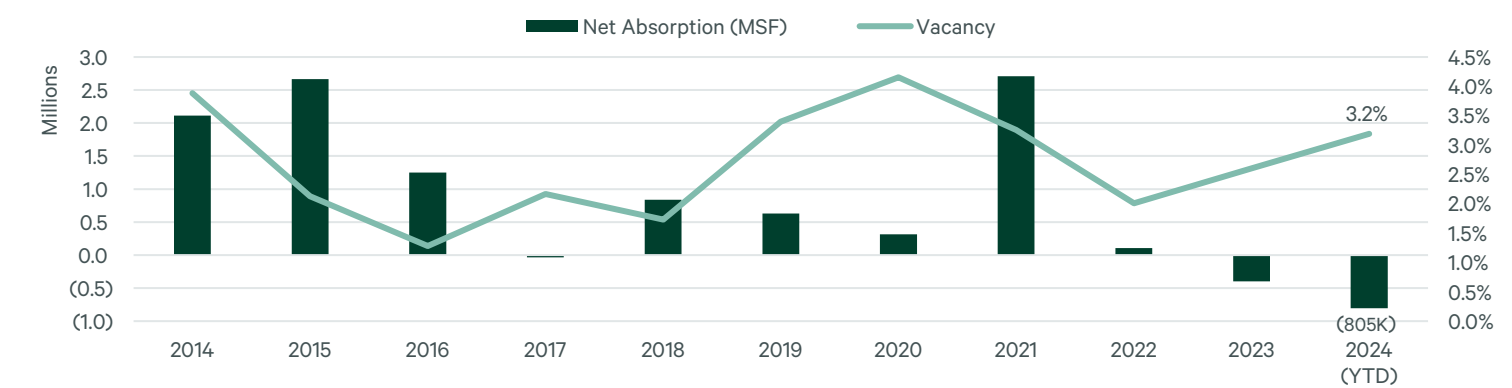
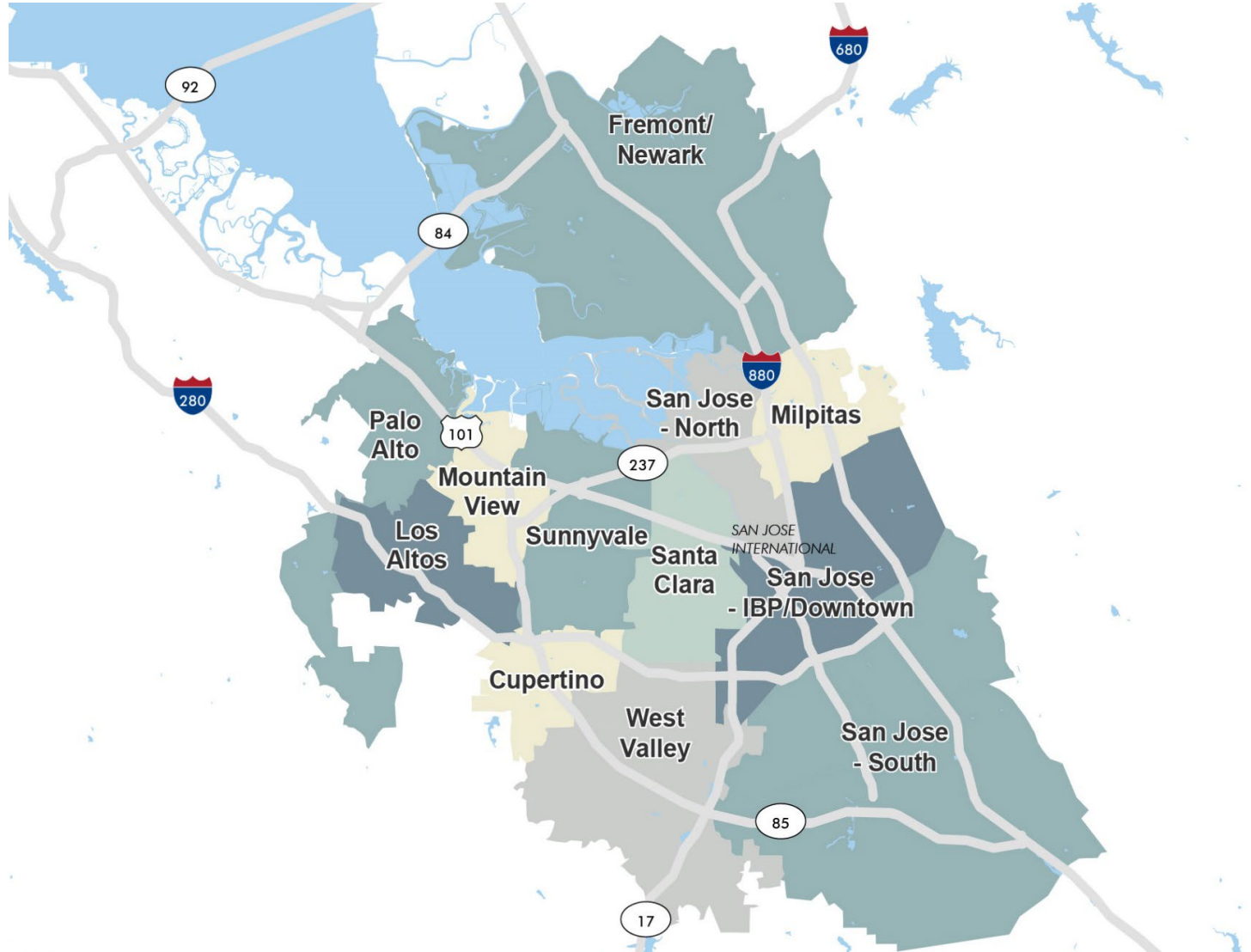


Figure 6: Regional Map



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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.