

Silicon Valley Manufacturing, Q3 2021

Figure 1: Statistics and Transactions

Submarket	NRA	Total Vacancy % ¹	Total Vacant SF	Total Availability % ²	Total Direct Available	Total Sublease Available	Average Asking Rate ³ (\$/SF)	Q3 Gross Absorption	Q3 Net Absorption	YTD Net Absorption
San Jose - Downtown/IBP	8,079,301	1.9%	154,011	2.5%	204,809	0	1.10	23,601	(26,197)	(7,537)
San Jose - North	4,824,165	2.8%	133,928	3.8%	183,488	1,900	1.25	43,654	(37,822)	(29,500)
San Jose - South	5,964,446	3.1%	184,037	3.5%	62,103	143,925	1.15	6,196	(8,848)	(3,104)
Milpitas	2,731,322	1.6%	42,989	2.5%	68,762	0	1.20	31,880	(10,472)	(16,322)
Santa Clara	10,073,719	2.4%	245,585	3.3%	289,372	40,298	1.35	81,467	(63,901)	(18,645)
West Valley	1,390,510	5.2%	72,482	6.3%	77,744	10,440	1.28	13,102	1,386	13,529
Sunnyvale	3,788,301	4.5%	170,581	5.2%	103,506	94,791	1.43	36,330	0	(54,178)
Mountain View/Los Altos	1,748,429	4.8%	84,375	6.5%	90,142	23,080	1.50	67,002	26,209	(7,493)
Palo Alto	1,242,627	3.6%	44,921	4.0%	49,681	0	2.70	4,275	4,275	(25,731)
Fremont/Newark	20,396,112	2.7%	559,159	3.6%	677,970	51,038	1.19	489,339	362,152	397,797
Silicon Valley Manufacturing Market	60,238,932	2.8%	1,692,068	3.6%	1,807,577	365,472	1.26	796,846	246,782	248,816

Source: CBRE Research, Q3 2021.

¹ Total Vacancy Rate = Direct Vacancy + Sublease Vacancy

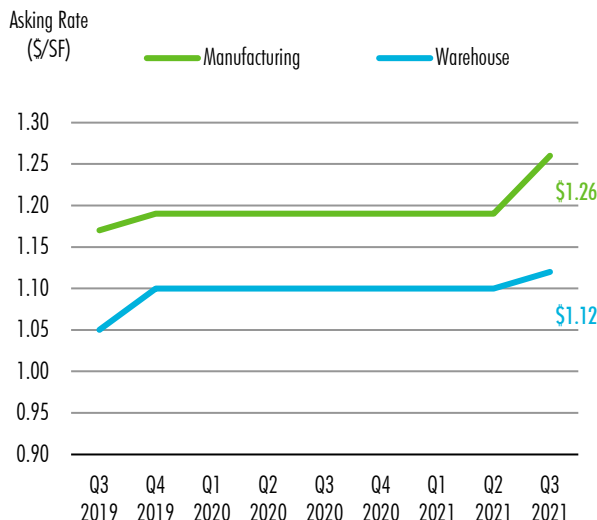
² Total Availability Rate = All existing space being marketed for lease

³ Monthly Direct Lease Rates, NNN

⁴ San Jose-South is comprised of the Meridian, San Jose East and San Jose South submarkets

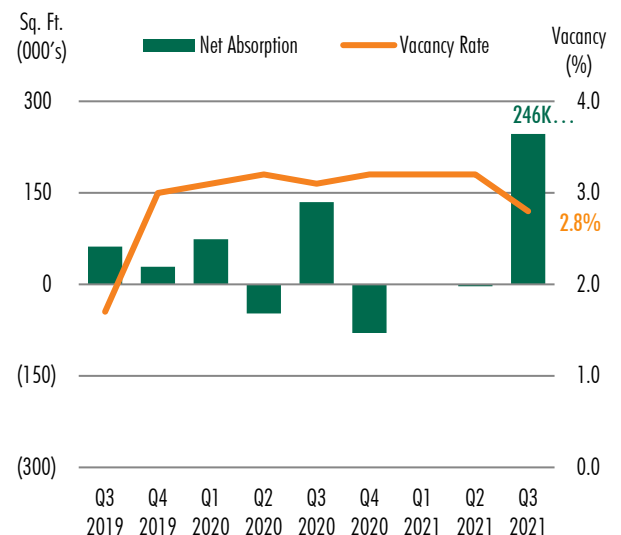
⁵ West Valley is comprised of the Los Gatos, Campbell and Cupertino submarkets

Figure 2: Average Asking Rates



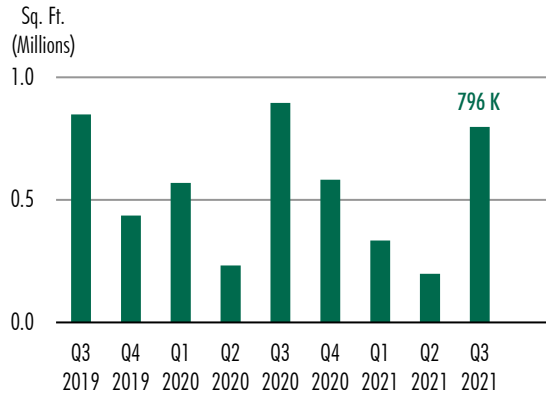
Source: CBRE Research, Q3 2021.

Figure 3: Manufacturing Net Absorption and Vacancy



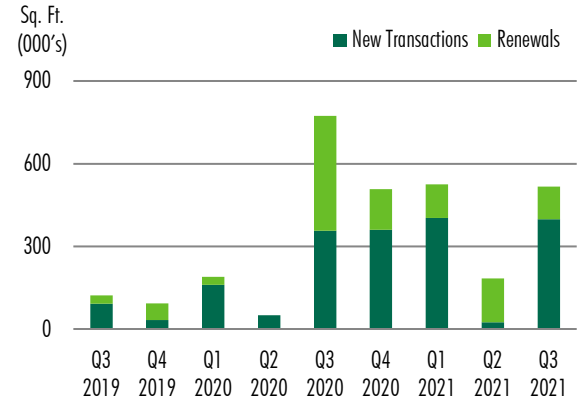
Source: CBRE Research, Q3 2021.

Figure 4: Manufacturing Gross Absorption



Source: CBRE Research, Q3 2021.

Figure 5: Manufacturing Renewal vs. New Transaction Activity*



Source: CBRE Research, Q3 2021.

*Transactions over 25,000 sq. ft.

Figure 6: Significant Industrial Lease Transactions of the Quarter

Lessee	Address	Total SF	Product Type	Lease Type
FedEx	1605 Industrial Avenue, San Jose	179,600	Warehouse	New Lease
Galleher Corporation	1730 1732 Junction Avenue, San Jose	175,600	Warehouse	Renewal
The RK Logistics Group	40545 40577 Albrae Street, Fremont	174,260	Warehouse	New Lease
Sana Biotechnology Inc.	5567 Cushing Parkway, Fremont	163,193	Manufacturing	New Lease
Weee! Inc.	1029 Montague Expressway, Milpitas	141,017	Warehouse	New Lease
Bentek Corporation	1991 2011 Senter Road, San Jose	97,059	Warehouse	New Lease
Leotek Electronics	1935 1955 Lundy Avenue, San Jose	77,035	Warehouse	Renewal
Russel Sigler Inc.	2390 Zanker Road, San Jose	76,972	Warehouse	New Lease
FreeWire Technologies	7200 Gateway Boulevard, Newark	66,239	Manufacturing	New Lease
Intuity Medical	44259 Nobel Drive, Fremont	60,000	Manufacturing	New Lease

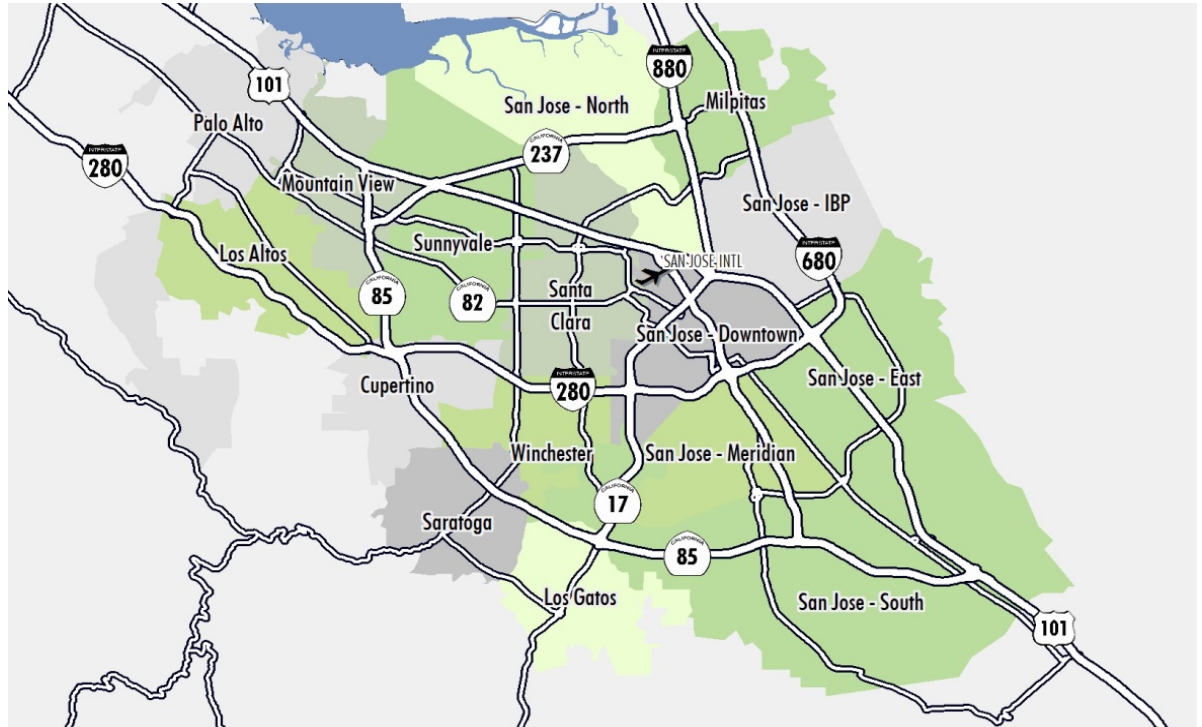
Source: CBRE Research, Q3 2021.

Figure 7: Significant Industrial Sale Transactions of the Quarter

Buyer	Address	Total SF	Product Type	Type
Bridge Development Partners	2150 Commerce Drive, San Jose	381,010	Manufacturing	Investor
Black Creek Group	170-198 Barnard Avenue, San Jose	276,660	Warehouse	Investor
Confidential Buyer	20400 Mariani Avenue, Cupertino	105,000	Warehouse	Owner User

Source: CBRE Research, Q3 2021.

SUBMARKET MAP



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DEFINITIONS

Average Asking Rate Direct Monthly Lease Rates, Triple Net (NNN). **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 7,500+ sq. ft. in Silicon Valley. 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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