CBRE

# Bay Area Industrial Snapshot

6.0% Vacancy

(1.7M) Net Absorption Sq. Ft.

1.4M Deliveries YTD Sq. Ft.

1.8M Under Construction Sq. Ft.

$1.40 Average Asking Net Net Net /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. |
|---|---|---|---|---|---|---|---|---|---|
| **San Francisco** | **21,965,419** | **9.0** | **1,982,035** | **11.6** | **2,397,031** | **157,883** | **1.80** | **(120,957)** | **(120,957)** |
| Warehouse | 18,836,003 | 7.3 | 1,382,134 | 10.0 | 1,746,842 | 129,325 | 1.76 | (73,254) | (73,254) |
| Manufacturing | 3,129,416 | 19.2 | 599,901 | 21.7 | 650,189 | 28,558 | 1.94 | (47,703) | (47,703) |
| **SF Peninsula [1]** | **34,231,921** | **5.5** | **1,867,601** | **7.6** | **1,800,278** | **806,118** | **1.85** | **314** | **314** |
| Warehouse | 29,670,553 | 5.7 | 1,703,652 | 8.0 | 1,604,033 | 771,564 | 1.83 | (2,234) | (2,234) |
| Manufacturing | 4,561,368 | 3.6 | 163,949 | 5.1 | 196,245 | 34,554 | 2.05 | 2,548 | 2,548 |
| **Silicon Valley [2]** | **110,700,518** | **4.3** | **4,746,988** | **5.2** | **4,556,070** | **1,246,194** | **1.82** | **2,236** | **2,236** |
| Warehouse | 50,362,810 | 5.8 | 2,933,462 | 7.6 | 3,031,933 | 789,275 | 1.61 | 219,182 | 219,182 |
| Manufacturing | 60,337,708 | 3.0 | 1,813,526 | 3.3 | 1,524,137 | 456,919 | 1.92 | (216,946) | (216,946) |
| **Oakland [3]** | **127,107,625** | **6.3** | **8,009,369** | **7.7** | **7,305,607** | **2,544,615** | **1.35** | **(233,401)** | **(233,401)** |
| Warehouse | 93,699,032 | 7.2 | 6,739,304 | 8.9 | 6,025,155 | 2,330,868 | 1.37 | (196,135) | (196,135) |
| Manufacturing | 33,408,593 | 3.8 | 1,270,065 | 4.5 | 1,280,452 | 213,747 | 1.27 | (37,266) | (37,266) |
| **I-680 Corridor** | **38,296,020** | **5.8** | **2,238,085** | **7.0** | **2,024,182** | **667,361** | **1.23** | **(300,589)** | **(300,589)** |
| Warehouse | 32,380,327 | 4.8 | 1,570,387 | 6.1 | 1,462,334 | 521,279 | 1.23 | (219,066) | (219,066) |
| Manufacturing | 5,915,693 | 11.3 | 667,698 | 12.0 | 561,848 | 146,082 | 1.18 | (81,523) | (81,523) |
| **Napa / Solano** | **56,359,537** | **8.3** | **4,657,824** | **10.2** | **4,809,119** | **952,963** | **0.88** | **(1,072,411)** | **(1,072,411)** |
| Warehouse | 48,287,960 | 9.1 | 4,405,951 | 11.4 | 4,647,940 | 862,269 | 0.87 | (1,072,411) | (1,072,411) |
| Manufacturing | 8,071,577 | 3.1 | 251,873 | 3.1 | 161,179 | 90,694 | 1.24 | 0 | 0 |
| **Total Bay Area** | **388,661,040** | **6.0** | **23,501,902** | **7.5** | **22,892,287** | **6,375,134** | **1.40** | **(1,724,808)** | **(1,724,808)** |
| **Warehouse** | **273,236,685** | **6.9** | **18,734,890** | **8.8** | **18,518,237** | **5,404,580** | **1.35** | **(1,343,918)** | **(1,343,918)** |
| **Manufacturing** | **115,424,355** | **4.1** | **4,767,012** | **4.6** | **4,374,050** | **970,554** | **1.61** | **(380,890)** | **(380,890)** |

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 (NNN)

Figure 2: Significant Lease Transactions of the Quarter

| Lessee | Address | Market | Total SF | Product Type | Lease Type |
|---|---|---|---|---|---|
| Aivres | 47550 Kato Rd | Silicon Valley | 270,828 | Warehouse | New Lease |
| Super Micro Computer, Inc. | 48350 Fremont Blvd | Silicon Valley | 246,450 | Warehouse | Renewal |
| Landsberg Orora | 8311 Central Ave | Silicon Valley | 194,033 | Warehouse | Renewal |
| Omni Logistics | 33300 Dowe Ave | Oakland | 191,868 | Warehouse | Renewal |
| MiTAC | 40541 Albrae St | Silicon Valley | 190,503 | Warehouse | New Lease |
| Valassis Communications | 6955 Mowry Ave | Silicon Valley | 161,280 | Warehouse | Renewal |
| FedEx | 500 85th Ave | Oakland | 147,500 | Warehouse | New Lease |
| Benjamin Moore and Co. | 8350 Pardee Dr | Oakland | 141,844 | Warehouse | Renewal |
| Confidential | 2009-2013 Farallon Dr | Oakland | 135,180 | Warehouse | New Lease |
| Dealer Tire | 7200-7240 Edgewater Dr | Oakland | 128,480 | Warehouse | Renewal |

Figure 3: Significant Sale Transactions of the Quarter

| Buyer | Address | Market | Total SF | Price | Product Type | Sale Type |
|---|---|---|---|---|---|---|
| OCM Globe | 30180 Ahern Ave | Oakland | 65,673 | $16.9M | Warehouse | User Sale |
| TREP 919S Propco LLC | 1035 Howard St | San Francisco | 62,000 | $8.0M | Warehouse | Investor Sale |
| Marc Snegg | 37444 Sycamore St | Silicon Valley | 56,941 | $9.3M | Manufacturing | Investor Sale |
| TK Holdings* | 2123 - 2129 Monterey Hwy | Silicon Valley | 42,373 | $9.9M | Manufacturing | Investor Sale |
| MCA Realty | 1555 Burke Ave | San Francisco | 40,000 | $11.0M | Warehouse | Investor Sale |
| Longpoint Realty Partners | 179 Starlite St | SF Peninsula | 22,275 | $8.0M | Warehouse | Investor Sale |
| Omniverse Group | 4801 Tidewater Ave | Oakland | 21,581 | $4.3M | Warehouse | User Sale |
| Technicolor Apodemus LLC | 735 Bryant St | San Francisco | 19,540 | n/a | Warehouse | User Sale |
| Private Individual | 830-832 Kaynyne St | SF Peninsula | 12,900 | $4.8M | Warehouse | Investor Sale |

*Part of a 58,534 mixed-use portfolio sold for $13.0M

Figure 4: Average Asking Rates

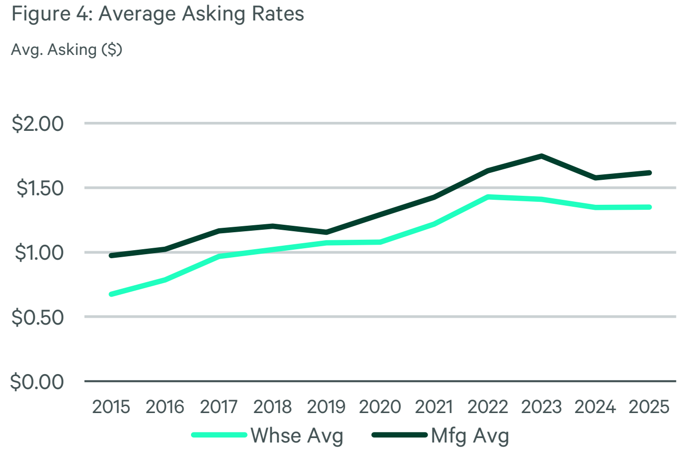



Figure 5: Net Absorption & Vacancy

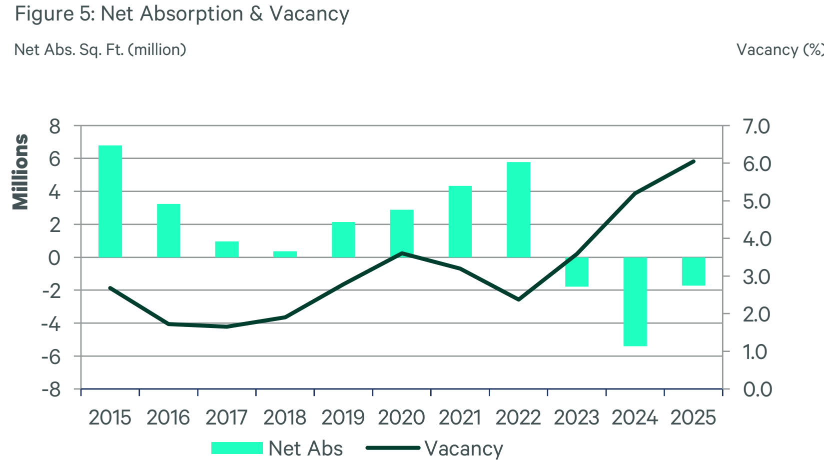
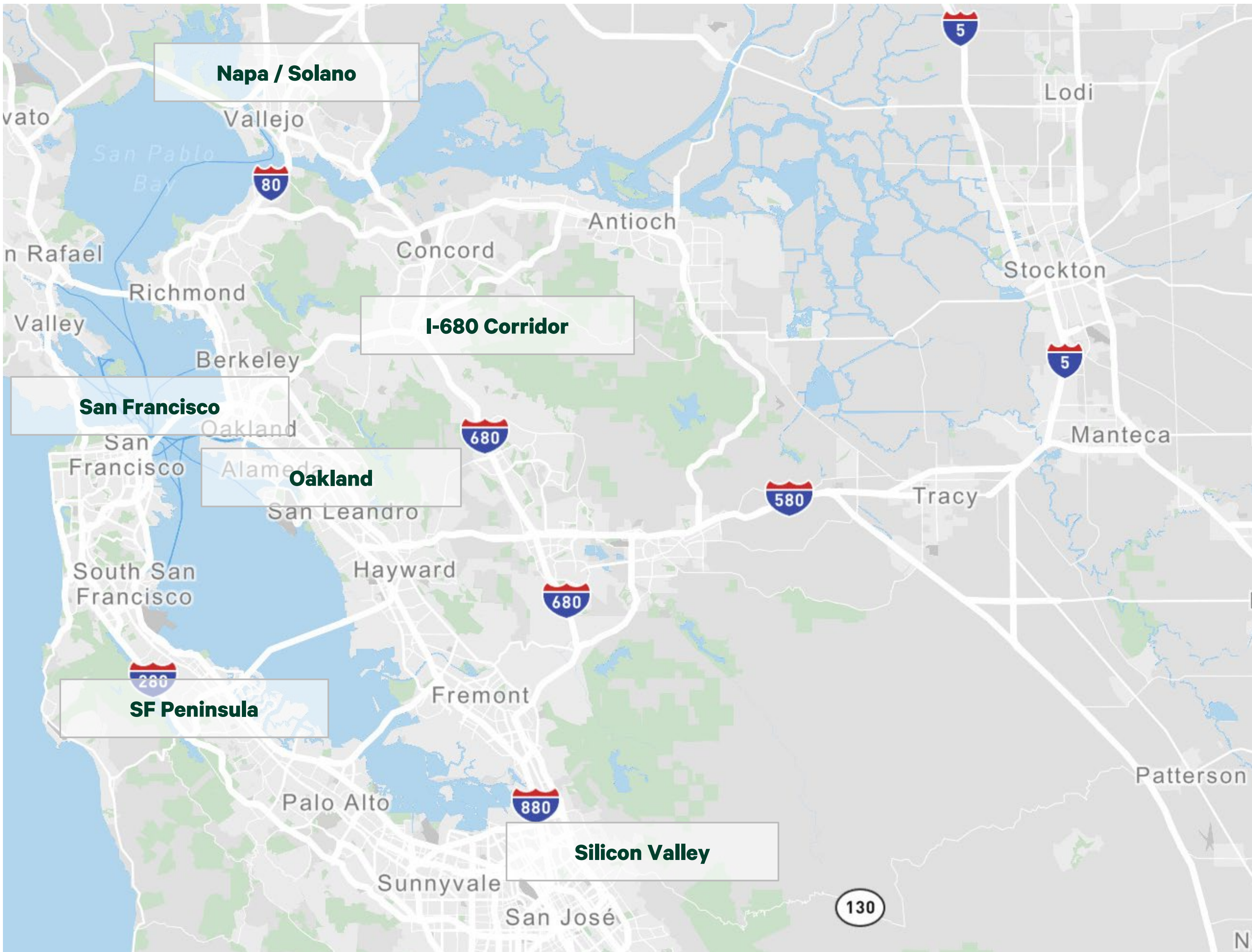


Figure 7: Regional Map




## 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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