CBRE

Bay Area Industrial Snapshot

▲ 6.6%	Vacancy
▼ (2.0M)	Net Absorption Sq. Ft.
▶ 1.4M	Deliveries YTD Sq. Ft.
▲ 1.9M	Under Construction Sq. Ft.
▼ $1.38	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	**22,083,605**	**9.5**	**2,088,337**	**11.5**	**2,369,052**	**170,583**	**1.79**	**(76,510)**	**(261,749)**
Warehouse	18,756,959	8.1	1,514,000	9.7	1,691,589	133,525	1.74	(149,524)	(252,860)
Manufacturing	3,326,646	17.3	574,337	21.5	677,463	37,058	1.92	73,014	(8,889)
SF Peninsula [1]	**34,781,843**	**6.3**	**2,179,294**	**8.1**	**2,041,653**	**777,359**	**1.82**	**(319,250)**	**(256,878)**
Warehouse	29,737,918	6.4	1,914,216	8.4	1,750,879	742,805	1.80	(255,362)	(195,538)
Manufacturing	5,043,925	5.3	265,078	6.4	290,774	34,554	1.99	(63,888)	(61,340)
Silicon Valley [2]	**110,733,489**	**4.7**	**5,159,821**	**5.9**	**4,867,539**	**1,701,365**	**1.73**	**(358,618)**	**(357,982)**
Warehouse	50,411,704	6.1	3,091,678	8.2	3,074,101	1,035,702	1.55	(137,181)	82,001
Manufacturing	60,321,785	3.4	2,068,143	4.1	1,793,438	665,663	1.85	(221,437)	(439,983)
Oakland [3]	**126,807,933**	**6.8**	**8,626,012**	**8.2**	**7,817,416**	**2,563,584**	**1.34**	**(679,857)**	**(956,898)**
Warehouse	93,383,255	7.7	7,234,187	9.4	6,375,540	2,361,474	1.35	(540,530)	(778,785)
Manufacturing	33,424,678	4.2	1,391,825	4.9	1,441,876	202,110	1.26	(139,327)	(178,113)
I-680 Corridor	**38,458,873**	**6.4**	**2,478,414**	**7.7**	**2,212,604**	**734,345**	**1.23**	**(221,008)**	**(537,970)**
Warehouse	32,366,255	5.2	1,678,232	6.5	1,521,157	574,539	1.23	(101,904)	(343,723)
Manufacturing	6,092,618	13.1	800,182	14.0	691,447	159,806	0.93	(119,104)	(194,247)
Napa / Solano	**56,393,307**	**8.8**	**4,969,617**	**11.2**	**5,162,479**	**1,168,233**	**0.89**	**(373,680)**	**(1,444,928)**
Warehouse	48,321,730	9.8	4,720,295	12.3	4,891,851	1,069,539	0.88	(369,180)	(1,440,428)
Manufacturing	8,071,577	3.1	249,322	4.6	270,628	98,694	1.23	(4,500)	(4,500)
Total Bay Area	**389,259,050**	**6.6**	**25,501,495**	**8.1**	**24,470,743**	**7,115,469**	**1.38**	**(2,028,923)**	**(3,816,405)**
Warehouse	**272,977,821**	**7.4**	**20,152,608**	**9.2**	**19,305,117**	**5,917,584**	**1.33**	**(1,553,681)**	**(2,929,333)**
Manufacturing	**116,281,229**	**4.6**	**5,348,887**	**5.5**	**5,165,626**	**1,197,885**	**1.54**	**(475,242)**	**(887,072)**

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
Flextronics	777 - 1177 Gibraltar Dr	Silicon Valley	344,512	Manufacturing	Renewal
Sanmina	42701 - 42735 Christy St	Silicon Valley	253,440	Warehouse	Renewal
Javelin Logistics	7021 -7095 Central Ave	Silicon Valley	231,118	Warehouse	Renewal
Quanta Manufacturing	45101 - 45169 Industrial Dr	Silicon Valley	178,911	Warehouse	Renewal
MiTac	40901 Encyclopedia Cir	Silicon Valley	157,783	Manufacturing	New Lease
Ferguson Enterprises	1936 Fairway Dr	Oakland	157,324	Warehouse	Renewal
Service West	8380 Pardee Dr	Oakland	155,000	Warehouse	New Lease
Flextronics	890 Yosemite Dr	Silicon Valley	131,900	Warehouse	Renewal
Hillebrand Last Mile	5301 5341 Industrial Way	Napa/Solano	127,115	Warehouse	Renewal
Mission Foods	2704-2748 W Winton Ave	Oakland	122,731	Warehouse	Renewal

Figure 3: Significant Sale Transactions of the Quarter

Buyer	Address	Market	Total SF	Price	Product Type	Sale Type
Prologis	5555 Auto Mall Pkwy	Silicon Valley	177,041	$59.0M	Warehouse	Investor Sale
BKM Capital Partners	Hannover Industrial Park	Silicon Valley	165,243	$43.0M	Warehouse	Investor Sale
Hines	401 Whitney Pl	Silicon Valley	72,776	$27.1M	Manufacturing	Investor Sale
Luvia	205 Jim Oswald Way, American C	Napa/Solano	115,968	$18.0M	Warehouse	Investor Sale
Outrigger Industrial	727 Kennedy St	Oakland	176,889	$16.6M	Warehouse	Investor Sale
Greenwich Street Capital	1845 – 1875 Walsh Ave	Silicon Valley	51,900	$11.0M	Warehouse	Investor Sale
Mi Rancho Supermarket	1030-1050 O'Brien Dr	SF Peninsula	18,000	$6.8M	Manufacturing	User Sale
Storage Corner Group	815-831 Warrington Ave	SF Peninsula	20,754	$6.4M	Warehouse	Investor Sale
Prescott Properties	1829 Mandela Pkwy	Oakland	22,229	$4.8M	Warehouse	Investor Sale
Mike O'Briend Specialized Hauling	401 W Channel Rd	Napa/Solano	60,155	$850K	Warehouse	User Sale

Figure 4: Average Asking Rates

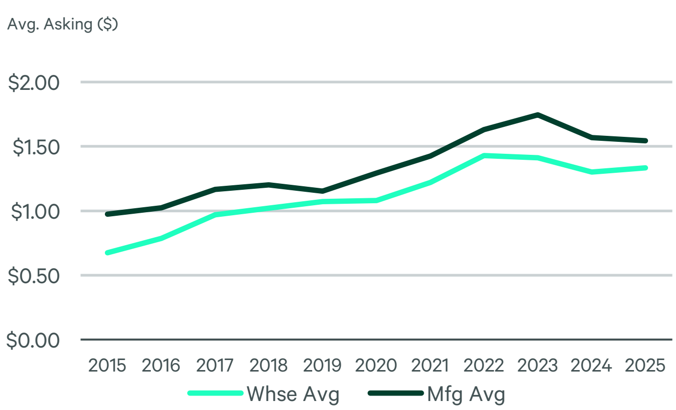


Figure 5: Net Absorption & Vacancy

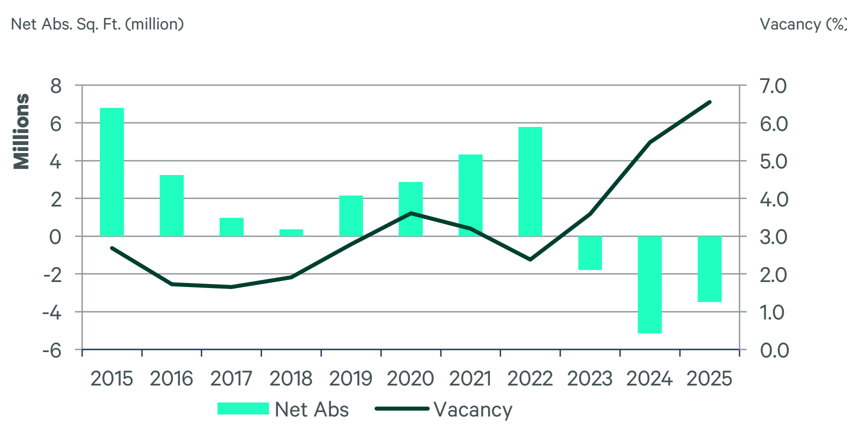
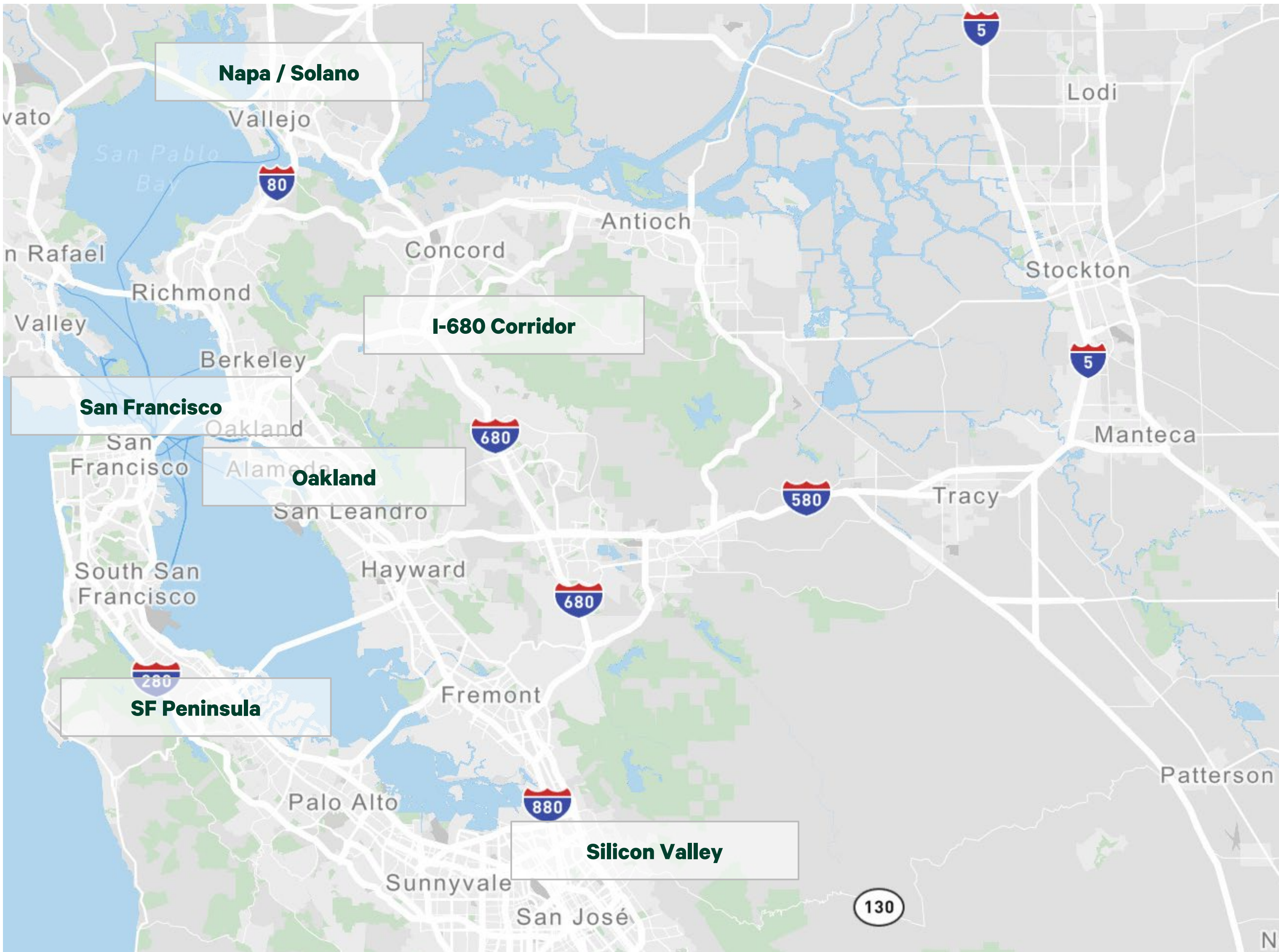


Figure 7: Regional Map



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.

Giovanni Giannotta
Research Manager
T: +1 408 790 5410
E: giovanni.giannotta@cbre.com

Konrad Knutsen
Director of Research, Northern CA & Greater Los Angeles
T: +1 916 446 8292
E: konrad.knutsen@cbre.com