

SAN JOSE | SILICON VALLEY

Q3 2019

Accelerating success.

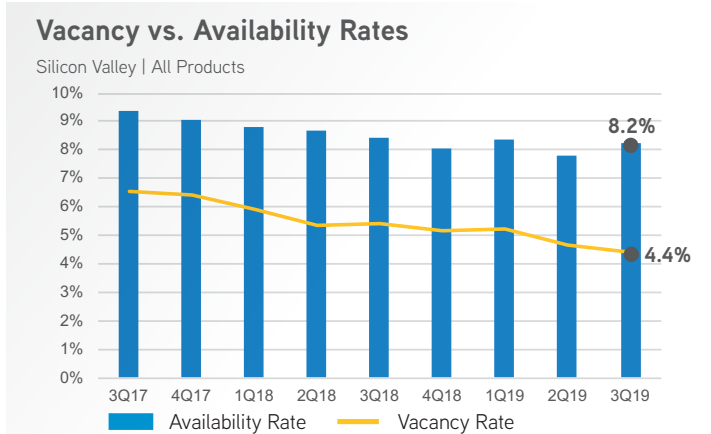
Silicon Valley Commercial Property Market Sees Gains for All Product Types

- › Confidence in Silicon Valley commercial property remained strong in Q3 2019 with gross absorption reaching 4.9 million square feet for all tracked commercial product.
- › For the second consecutive quarter, net absorption surpassed 1.0 million square feet across all product types, making Silicon Valley one of the strongest markets in the United States.
- › Across all product types, the vacancy space rate fell to 4.4 percent, down 100 basis points from Q3 2018.

Silicon Valley's economy continues to fire on all cylinders. According to California's Employment Development Department (EDD), the unemployment rate in Santa Clara County rose slightly quarter over quarter to 2.6 percent, however, remains below the national average of 3.5 percent. EDD reports that Santa Clara County added 28,800 jobs between August 2018 and August 2019, led by the information sector. Given that job growth is a proxy for commercial real estate demand, the growing economy is boosting confidence in Silicon Valley's commercial real estate market. And despite an influx of new construction entering the market, demand is still very much overshadowing supply, evidenced by rising rents and record-low vacancy rates.

In September, California lawmakers approved a statewide rent cap on multifamily properties which would limit annual rent increases to 5.0 percent plus the local inflation rate. Assembly Bill 1482, spurred on by the housing affordability crisis, will impact multifamily properties constructed prior to 2005, which represent the majority of Santa Clara County housing stock. The worth of these properties is directly tied to the income they produce and a state-enforced rental cap may inhibit that worth. The law may potentially see investors chasing greater returns redirect their capital to other commercial assets.

While rent control is one method to alleviate the housing crisis, an alternative position is to alleviate regulations and fees for new developments. Incentivizing developers to build more housing, especially around transit, could help stabilize housing costs and ease traffic woes.



Market Indicators - Santa Clara County

Santa Clara County Median Household Income	Population Growth	Santa Clara County Unemployment Rate
\$107,000	4.7% (2013-18)	2.6%
		CA Unemployment Rate
		3.5%

Source: EMSI & EDD

Market Trends

Relative to prior quarter	Q3 2019	Q4 2019*
Vacancy	↓	↔
Net Absorption	↔	↑
Office Rental Rate	↑	↑
R&D Rental Rate	↔	↔
Industrial/Warehouse Rental Rate	↑	↔

*Projected

Summary Statistics

Silicon Valley All Products	Previous Quarter	Current Quarter
Overall Vacancy Rate	4.7%	4.4%
Net Absorption	1,123,672	1,241,028
Office Asking Rents*	\$4.97 FS	\$5.04 FS
R&D Asking Rents*	\$2.26 NNN	\$2.27 NNN
Industrial Asking Rents*	\$1.26 NNN	\$1.57 NNN
Warehouse Asking Rents*	\$1.07 NNN	\$1.08 NNN

*Asking Rents Reported Monthly

Office

- > Office gross absorption recorded nearly 2.2 million square feet in Q3 2019, down 8.0 percent from Q3 2018.
- > Net absorption was a positive 837,757 square feet, fueled by preleased new construction projects coming online.
- > Weighted asking rents for office product reached \$5.04 full service, up \$0.61 from Q3 2018.

Confidence in Silicon Valley's office market remains sound. Expansion by mature technology companies combined with sustained venture capital flowing into the thriving private sector contributed to a strong quarter. Nearly 2.2 million square feet of gross absorption was recorded and the Valley's office market saw net gains of 837,757 square feet, driven primarily by new construction.

The quarter saw three office properties complete construction: Jay Paul's 350,664-square-foot building at 1190 Discovery Way in Mountain View, preleased to Facebook, Sobrato's 204,000-square-foot building at 353 W Julian Street in San Jose, a build-to-suit for the County of Santa Clara, and lastly, South Bay Development's 187,660-square-foot Phase II of 237 @ First located at 4453 N 1st Street in North San Jose, which is partially preleased to Rambus. In all, the quarter saw 742,324 square feet added to Silicon Valley's office supply, 87.3 percent of which was immediately absorbed.

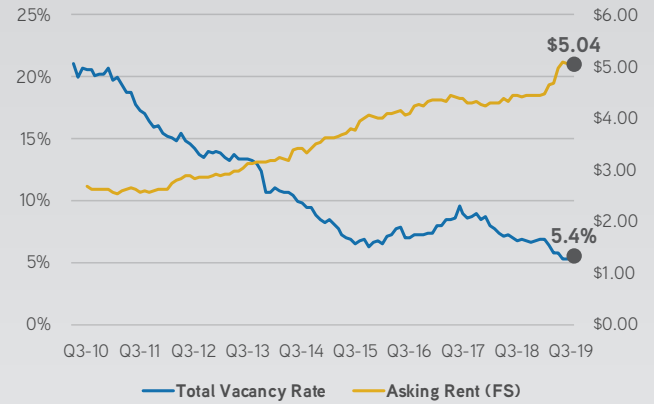
Verizon signed the top two leases this quarter for a total of 1.2 million square feet. The company announced plans to build a new technology hub totaling 595,000 square feet at Hunter Storm's Coleman Highline development in the Airport submarket. According to Verizon, the decision to locate to Coleman Highline reinforces its commitment to Silicon Valley in order to retain and attract the best talent. The transit-oriented development, which is set to complete in 2021, is already 93.3 percent preleased. In Sunnyvale, Verizon executed a partial sale-leaseback with Google for \$1.0 billion at Yahoo's 594,412-square-foot former headquarters in Sunnyvale. Astonishingly enough, Google's acquisition is not the search giant's first billion dollar transaction – last year Google spent \$1.0 billion on Britannia Shoreline Technology Park in Mountain View.

The quarter saw South Bay Development's office project at 675 Creekside Way in Campbell lease to 8x8. Built in 2017, the project stood vacant for nearly two years. Following the long-awaited lease, South Bay put the 177,815-square-foot office for sale for an estimated \$145.8 million. At the end of the third quarter, the vacancy rate for the West Valley submarket stood at 2.4 percent, down 240 basis points year over year.

User-sale activity was firm in the third quarter. As mentioned earlier, Google took a \$1.0 billion bite out of Sunnyvale with the purchase of Yahoo's 974,639-square-foot former headquarters in a partial sale-leaseback deal with Verizon. And in Cupertino, Apple purchased the 306,988-square-foot Cupertino City Center from American Realty Advisors for \$290 million. With vacancy levels at 0.5 percent in Sunnyvale and 1.3 percent in Cupertino, it is not uncommon for large users to buy or develop campuses to meet their growing space requirements.

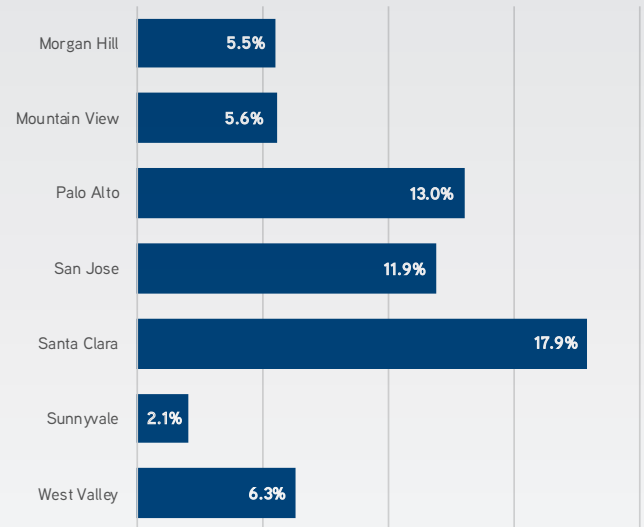
The outlook for Silicon Valley office remains positive. Weighted asking rents climbed to \$5.04 full service, up \$0.61 from Q3 2018 and vacancy rate stands at 5.4 percent, down 120 basis point year over year.

Silicon Valley Office Rent vs. Vacancy



Source: Colliers International Research

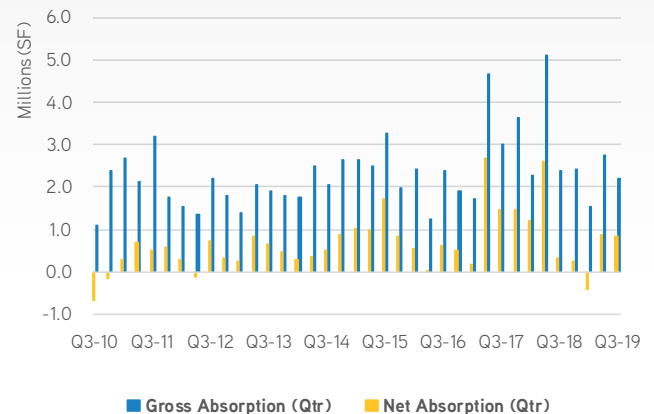
Office Availability Rates Select Silicon Valley Cities



Source: Colliers International Research

Silicon Valley Office Net Absorption vs. Gross Absorption

Q3-2019
GROSS: 2.1M
NET: 838K



Source: Colliers International Research

Significant Transactions Office Lease Activity



= Colliers International Deal

Significant Transactions - Office Sale Activity

PROPERTY ADDRESS	SIZE	SELLER	BUYER
700-781 1st Avenue, Sunnyvale	974,639 SF	Verizon/Yahoo	Google
20300-20330 Stevens Creek Boulevard, Cupertino	306,988 SF	American Realty Advisors	Apple
1800-1850 Embarcadero Road, Palo Alto	259,586 SF	KBS Realty Advisors	Longfellow Real Estate Partners
3420 Hillview Avenue, Palo Alto	177,250 SF	EPRI	PSAI Properties II, LLC
620 National Avenue, Mountain View	151,998 SF	National Avenue Partners	Preylock Holdings

R&D

- > Gross absorption measured more than 1.6 million square feet in Q3 2019, down 38.4 percent from Q3 2018.
- > Net absorption was positive 273,652 square feet for the quarter.
- > Weighted asking rents averaged \$2.27 NNN, unchanged from Q3 2018.

The R&D sector was stable in the third quarter with leasing activity reaching more than 1.6 million square feet, however down 38.4 percent from Q3 2018.

For the second consecutive quarter, net absorption was positive with gains of 273,652 square feet. Traditionally, the summer season has been slow. However, Q3 2019 marked the first quarter since Q3 2015 for positive net absorption in Silicon Valley's R&D sector.

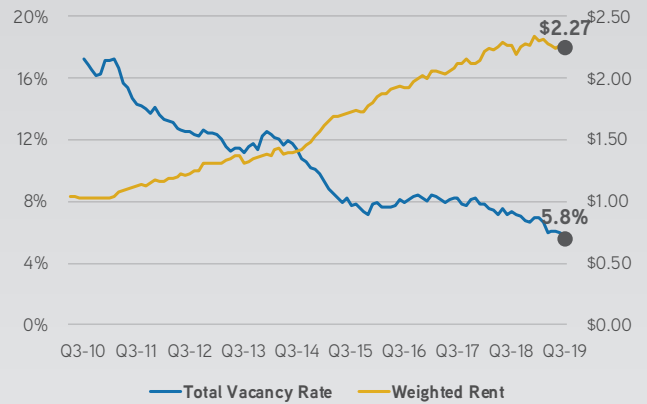
The quarter saw five R&D leases signed greater than 100,000 square feet. The largest lease came from Olympus with a 128,000-square-foot deal at 5325 Hellyer Avenue in South San Jose. With \$1.48 NNN average asking rents, the South San Jose R&D submarket is considerably lower than the Silicon Valley average of \$2.27 NNN.

In Mountain View, Aurora Innovations leased 111,154 square feet located at 280 Bernardo Avenue. The Mountain View R&D submarket is extremely competitive with the vacancy rate standing at 2.2 percent and average asking rents at \$4.65 NNN, well above the Valley average.

Investment activity in R&D product was lively too. One notable deal was Embarcadero Capital Partners' purchase of the 471,580-square-foot Campus Center located at 155-155 McCarthy Boulevard in Milpitas from Hudson Pacific Properties. The campus is fully leased to Cisco Systems and transacted for \$70.3 million or \$149 per square foot. In North San Jose, Drawbridge Realty Trust acquired 110-180 Rose Orchard Way from Shorenstein Properties. The 314,255-square-foot multi-tenant campus is fully leased and traded hands for \$128 million or \$407 per square foot.

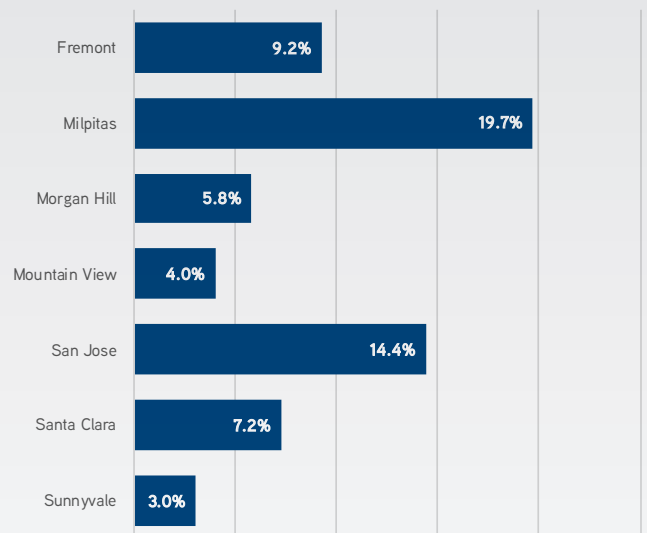
The outlook for R&D product will remain very competitive with shrinking supply and no product under construction. The vacancy rate for R&D product is at 5.8 percent, down 160 basis points from Q3 2018. Average weighted asking rents are at \$2.27 NNN, unchanged from Q3 2018.

Silicon Valley R&D Rent vs. Vacancy



Source: Colliers International Research

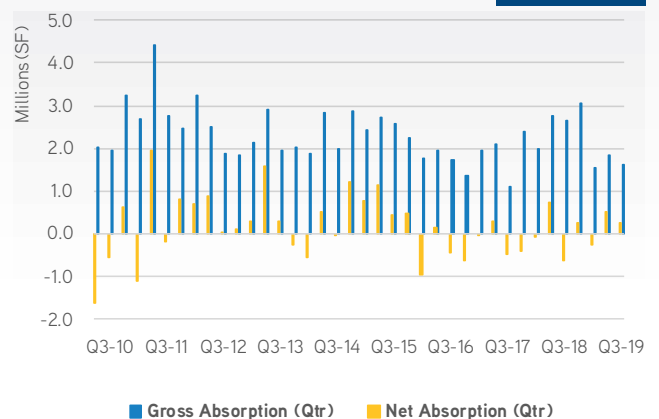
R&D Availability Rates Select Silicon Valley Cities



Source: Colliers International Research

Silicon Valley R&D Net Absorption vs. Gross Absorption

Q3-2019
GROSS: 1.6M
NET: 274K




Source: Colliers International Research

Significant Transactions R&D Lease Activity



Significant Transactions - R&D Sale Activity

 = Colliers International Deal

PROPERTY ADDRESS	SIZE	SELLER	BUYER
115-155 N McCarthy Boulevard, Milpitas	471,580 SF	Hudson Pacific Properties, Inc. (HQ)	Embarcadero Capital Partners (HQ)
110-180 Rose Orchard Way, San Jose	314,255 SF	Shorenstein Properties, LLC	Drawbridge Realty Trust, LLC
5853-5863 Rue Ferrari, San Jose	286,330 SF	Rue Ferrari One LLC / Gibson Avenue Capital LLC	Cannae Partners
1272 Borregas Avenue, Sunnyvale	95,626 SF	Crown Development	Google
8100 Camino Arroyo Road, Gilroy 	71,380 SF	Gilroy Development	Digital Storm

Industrial/Warehouse

- > Gross absorption recorded 1.1 million square feet in Q3 2019 for combined industrial and warehouse product.
- > Net absorption was a positive 129,619 square feet, however, tenant mobility remains constricted due to a shortage of available space.
- > Weighted asking rents averaged \$1.28 NNN for combined industrial and warehouse, up \$0.10 year over year.

Silicon Valley's industrial-warehouse sector grew even more competitive in the third quarter of 2019, posting 129,600 square feet of positive net absorption and pushing the combined vacancy rate to 1.5 percent, down 10 basis points year over year. Several key leases drove this momentum, including Carroll's Tire taking 89,000 square feet of warehouse space at 555 Charcot Avenue, Varian Medical Systems leasing the 68,000 square foot balance in the Silicon Valley Industrial Center at 6212 Hellyer Avenue, and the completion of 2061 Oakland Road, which is preleased to the County of Santa Clara.

UPS accounted for the largest deal of the quarter, with the prelease of the entire 814,852-square-foot Pacific Commons Industrial Center in Fremont. This building, set to complete next quarter, will more than triple UPS' existing footprint in the region and serve as a major distribution center for both Silicon Valley and the East Bay. This transaction is the largest speculative industrial building transaction in San Francisco Bay Area history and demonstrates a long-term commitment by a major distribution/logistics tenant.

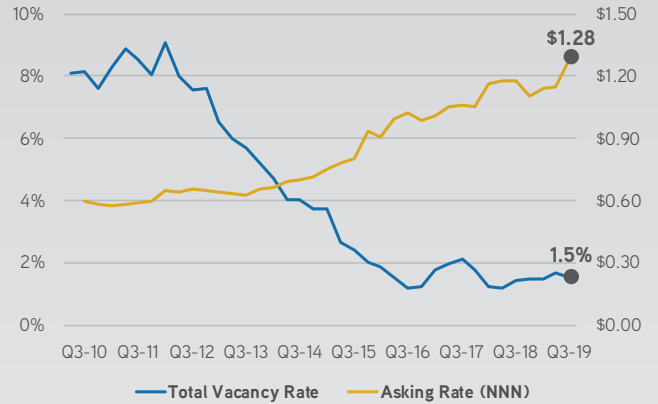


UPS's deal at Pacific Commons is the largest speculative industrial building transaction in San Francisco Bay Area history.

Warehouse asking rates rose to \$1.08 NNN, a \$0.07 increase year over year, while industrial asking rates reached \$1.57 NNN, up \$0.23 over the same time period. This increase is less attributable to a market-wide dynamic, but rather the rise of converted industrial space in Mountain View and Palo Alto. Specific properties include 145 E Dana Street, 2569 Wyandotte Street, and 2189 Leghorn Street, where medium-size spaces typically are on the market north of \$3.00 NNN per square foot. While asking lease rates are certainly on the rise given the scarcity of available space, these increases have been more incremental and less reactionary to the current market conditions.

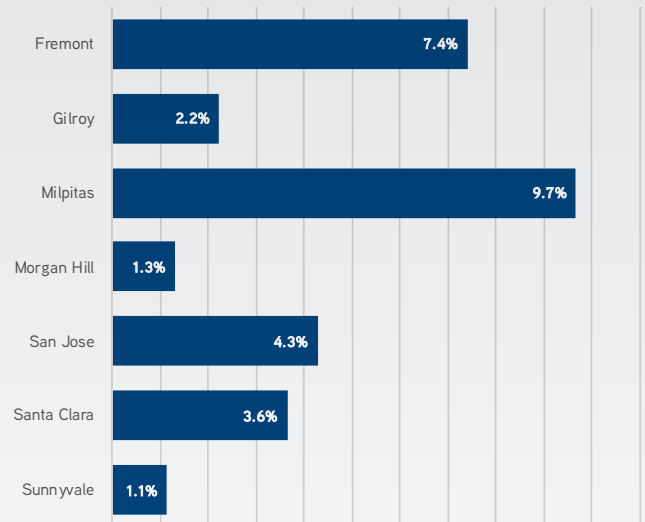
Much like the office market, the future of the industrial-warehouse sector lies in new construction. This quarter saw only one completion, an 82,900-square-foot warehouse at 2061 Oakland Road that was preleased to the County of Santa Clara, but there are currently nine other buildings totaling 2.1 million square feet set to complete before the end of the year, including UPS' new distribution center. These projects, specifically Milpitas' McCarthy Creekside and Fremont's Pacific Commons South, could potentially add 1.3 million square feet of vacant space to the market, translating into an 81 percent increase in vacant space in the region.

Silicon Valley Industrial/Warehouse Rent vs. Vacancy



Source: Colliers International Research

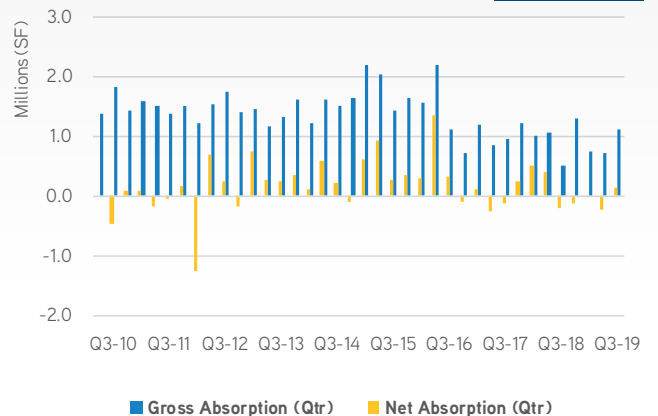
Industrial/Warehouse Availability Rates Select Silicon Valley Cities



Source: Colliers International Research

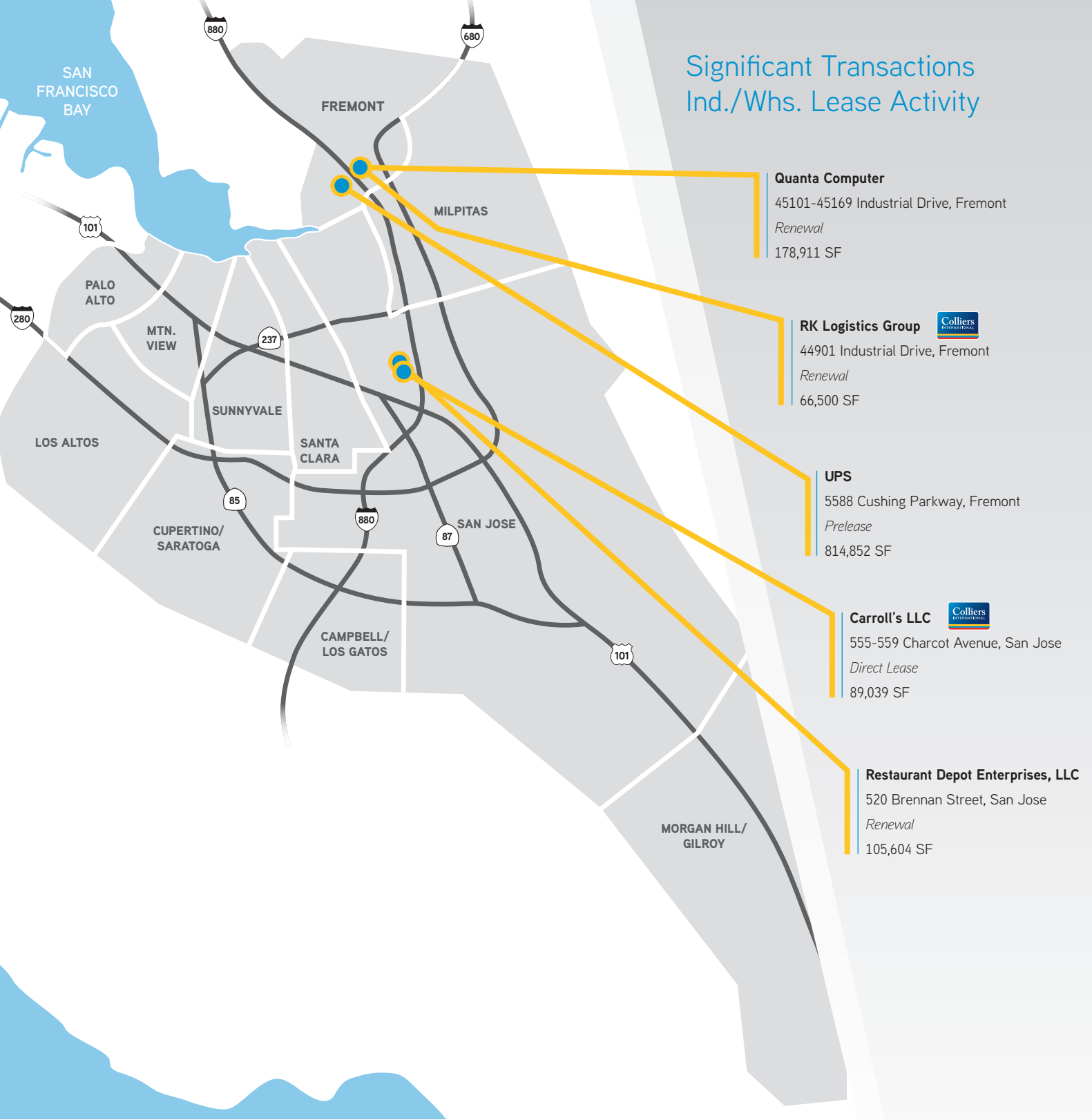
Silicon Valley Industrial/Warehouse Net Absorption vs. Gross Absorption

Q3-2019
GROSS: 1.1M
NET: 130K




Source: Colliers International Research

Significant Transactions Ind./Whs. Lease Activity



Significant Transactions - Industrial/Warehouse Sale Activity

 = Colliers International Deal

PROPERTY ADDRESS	SIZE	SELLER	BUYER
1960 Hartog Drive, San Jose	40,320 SF	Daugherty, Robert J/KC Metals	Hickey Properties LLC
2199-2215 Warm Springs Court, Fremont	39,168 SF	FREAL Partners	Rajneesh Salwan Trust
4546-4588 Peralta Boulevard, Fremont	37,490 SF	Murco Management Inc	South Bay Development Company
41703 Albrae Street, Fremont	34,000 SF	Edwin L Henry Trust	Riverfront CDA LLC
480 Vista Way, Milpitas 	23,625 SF	480 Vista Way Partners LP	Gateway Precision

Market Comparisons – Silicon Valley

OFFICE MARKET

CLASS	BLDGS	TOTAL INVENTORY SF	DIRECT VACANT SF	SUBLEASE VACANT SF	DIRECT OCCUPIED SF	SUBLEASE OCCUPIED SF	TOTAL AVAILABLE SF	AVAILABILITY RATE CURR QTR	AVAILABILITY RATE PREV QTR	NET ABSORPTION CURR QTR	COMPLETED YTD	COMPLETED CURR QTR	UNDER CONST. SF	FS WTD AVG ASKING
CAMPBELL / LOS GATOS														
A	28	1,896,962	77,045	1,754	103,199	66,153	248,151	13.1%	20.0%	190,941	196,823	-	11,677	\$4.53
B	118	2,360,136	81,954	14,262	126,477	33,402	256,095	10.9%	10.1%	6,187	12,054	-	-	\$3.38
C	23	239,176	10,474	-	5,491	-	15,965	6.7%	4.4%	(5,544)	(6,824)	-	-	\$2.69
Total	169	4,496,274	169,473	16,016	235,167	99,555	520,211	11.6%	14.0%	191,584	202,053	-	11,677	\$3.96
CUPERTINO / SARATOGA														
A	21	4,397,562	35,974	14,591	26,372	9,535	86,472	2.0%	1.9%	(11,817)	(35,296)	-	-	\$5.57
B	87	2,852,698	40,809	2,848	46,508	30,590	120,755	4.2%	3.7%	(4,326)	8,128	-	-	\$4.78
C	21	188,010	5,505	-	2,273	-	7,778	4.1%	2.5%	(2,096)	2,440	-	-	\$3.89
Total	129	7,438,270	82,288	17,439	75,153	40,125	215,005	2.9%	2.6%	(18,239)	(24,728)	-	-	\$5.08
FREMONT / MILPITAS														
A	18	890,243	16,395	-	2,308	2,785	61,516	6.9%	6.5%	(3,319)	5,730	-	-	\$2.37
B	56	1,738,946	56,238	2,385	20,660	19,304	98,587	5.7%	6.0%	6,783	12,202	-	-	\$2.83
C	32	581,654	1,296	-	21,542	-	22,838	3.9%	4.4%	-	3,988	-	-	\$1.65
Total	106	3,210,843	73,929	2,385	42,202	64,425	182,941	5.7%	5.9%	3,464	21,920	-	-	\$2.52
GILROY / MORGAN HILL														
A	20	418,595	8,001	-	2,308	2,785	13,094	3.1%	2.2%	(3,725)	(3,825)	-	-	\$2.42
B	18	439,506	3,212	-	2,662	-	5,874	1.3%	1.0%	(1,692)	(192)	-	-	\$2.07
C	31	270,205	22,750	-	7,354	-	30,104	11.1%	12.2%	2,475	(1,510)	-	-	\$2.25
Total	69	1,128,306	33,963	-	12,324	2,785	49,072	4.3%	4.1%	(2,942)	(5,527)	-	-	\$2.30
LOS ALTOS														
A	14	320,267	7,103	-	-	5,625	12,728	4.0%	5.6%	9,420	(1,594)	-	-	\$7.42
B	27	510,931	13,632	6,740	46,939	12,138	79,449	15.5%	12.7%	2,507	(14,400)	-	-	\$6.05
C	35	385,918	6,729	-	6,875	-	13,604	3.5%	2.7%	(167)	1,666	-	-	\$5.99
Total	76	1,217,116	27,464	6,740	53,814	17,763	105,781	8.7%	7.7%	11,760	(14,328)	-	-	\$6.16
MOUNTAIN VIEW														
A	47	4,812,504	27,943	4,850	171,667	90,569	295,029	6.1%	9.6%	23,943	5,271	-	2,749,974	\$7.71
B	60	1,367,809	6,816	8,481	47,143	3,056	65,496	4.8%	4.8%	(2,285)	4,196	-	-	\$6.04
C	46	512,873	1,483	-	2,505	8,107	12,095	2.4%	2.7%	(1,483)	12,317	-	-	\$4.52
Total	153	6,693,186	36,242	13,331	221,315	101,732	372,620	5.6%	8.1%	20,175	21,784	-	2,749,974	\$7.49
PALO ALTO														
A	137	5,972,570	607,734	26,085	318,867	160,065	1,112,751	18.6%	18.2%	(5,087)	(22,865)	-	503,098	\$8.76
B	177	4,487,583	89,111	49,547	89,333	139,981	367,972	8.2%	6.9%	(62,148)	(99,669)	-	-	\$7.64
C	110	1,795,741	50,288	10,210	51,721	532	112,751	6.3%	6.0%	268	(35,469)	-	-	\$7.62
Total	424	12,255,894	747,133	85,842	459,921	300,578	1,593,474	13.0%	12.2%	(66,967)	(158,003)	-	503,098	\$8.52
SAN JOSE														
A	124	16,419,410	1,091,283	100,982	434,208	561,453	2,187,926	13.3%	13.5%	255,388	710,883	391,660	2,016,532	\$4.22
B	357	9,690,955	555,550	6,452	279,587	48,485	890,074	9.2%	9.4%	8,767	63,440	-	-	\$3.54
C	196	3,938,010	232,529	-	260,501	2,300	495,330	12.6%	10.3%	(17,583)	(6,789)	-	-	\$3.65
Total	677	30,048,375	1,879,362	107,434	974,296	612,238	3,573,330	11.9%	11.7%	246,572	767,534	391,660	2,016,532	\$4.02
SANTA CLARA														
A	64	10,696,412	714,320	682,864	307,269	404,967	2,109,420	19.7%	20.1%	54,351	(210,118)	-	1,451,262	\$4.12
B	155	5,177,215	552,349	39,399	155,570	51,262	798,580	15.4%	14.5%	39,963	17,641	-	-	\$3.49
C	33	435,282	7,063	-	6,119	-	13,182	3.0%	9.9%	-	517	-	-	\$2.59
Total	252	16,308,909	1,273,732	722,263	468,958	456,229	2,921,182	17.9%	18.0%	94,314	(191,960)	-	1,451,262	\$4.01
SUNNYVALE														
A	80	14,830,990	4,577	37,540	10,204	33,319	85,640	0.6%	0.6%	347,794	641,350	350,664	3,222,606	\$5.97
B	60	1,555,779	14,352	28,418	202,815	10,658	256,243	16.5%	7.4%	11,512	11,197	-	-	\$4.50
C	20	420,811	2,710	-	-	-	2,710	0.6%	0.3%	(1,270)	1,970	-	-	\$3.40
Total	160	16,807,580	21,639	65,958	213,019	43,977	344,593	2.1%	1.2%	358,036	654,517	350,664	3,222,606	\$5.85
SILICON VALLEY TOTALS														
A	553	60,655,515	2,590,375	868,666	1,374,094	1,379,592	6,212,727	10.2%	10.9%	857,889	1,286,359	742,324	9,955,149	\$5.31
B	1,115	30,181,558	1,414,023	158,532	1,017,694	348,876	2,939,125	9.7%	8.8%	5,268	14,597	-	-	\$4.20
C	547	8,767,680	340,827	10,210	364,381	10,939	726,357	8.3%	7.4%	(25,400)	(27,694)	-	-	\$4.24
Total	2,215	99,604,753	4,345,225	1,037,408	2,756,169	1,739,407	9,878,209	9.9%	10.0%	837,757	1,273,262	742,324	9,955,149	\$5.04
QUARTERLY COMPARISON AND TOTALS														
Q3-19	2,215	99,604,753	4,345,225	1,037,408	2,756,169	1,739,407	9,878,209	9.9%	10.0%	837,757	1,273,262	742,324	9,955,149	\$5.04
Q2-19	2,202	98,157,297	4,470,268	1,244,156	2,384,441	1,697,737	9,796,602	10.0%	11.2%	862,471	435,505	227,220	9,926,618	\$4.97
Q1-19	2,195	97,924,040	5,119,933	1,604,537	2,426,712	1,845,184	10,996,366	11.2%	10.9%	(426,966)	(426,966)	-	7,451,454	\$4.47
Q4-18	2,193	97,780,764	5,239,606	1,210,894	2,072,298	2,126,382	10,649,180	10.9%	11.2%	234,996	4,386,036	286,025	6,777,657	\$4.46
3Q-18	2,180	97,294,573	5,381,628	1,213,820	2,404,695	1,872,803	10,872,946	11.2%	11.6%	336,981	4,151,040	125,989	6,624,539	\$4.43
2Q-18	2,171	97,112,430	5,372,494	1,507,737	2,727,726	1,679,054	11,287,011	11.6%	11.8%	2,617,572	3,814,059	2,316,561	4,668,900	\$4.37
1Q-18	2,151	92,629,441	5,810,230	1,591,325	2,416,968	1,109,508	10,928,031	11.8%	12.1%	1,198,407	1,198,407	514,415	5,321,200	\$4.29

Market Comparisons – Silicon Valley

R&D, INDUSTRIAL & WAREHOUSE MARKETS

TYPE	BLDGS	TOTAL INVENTORY SF	DIRECT VACANT SF	SUBLEASE VACANT SF	DIRECT OCCUPIED SF	SUBLEASE OCCUPIED SF	TOTAL AVAILABLE SF	AVAILABILITY RATE CURR QTR	AVAILABILITY RATE PREV QTR	NET ABSORPTION CURR QTR	NET ABSORPTION YTD	COMPLETED CURR QTR	UNDER CONST. SF	NNN WTD AVG ASKING
CAMPBELL														
R&D	53	1,338,087	85,189	-	65,171	-	150,360	11.2%	8.3%	13,771	21,784	-	-	\$2.93
IND	55	1,019,890	17,368	-	9,803	5,997	33,168	3.3%	4.4%	752	(327)	-	-	\$1.95
Total	108	2,357,977	102,557	-	74,974	5,997	183,528	7.8%	6.7%	14,523	21,457	-	-	\$2.86
CUPERTINO														
R&D	54	3,098,994	20,313	-	-	-	20,313	0.7%	1.2%	3,622	(9,598)	-	-	\$3.15
Total	54	3,098,994	20,313	-	-	-	20,313	0.7%	1.2%	3,622	(9,598)	-	-	\$3.15
FREMONT														
R&D	391	20,599,420	1,104,722	109,200	428,276	260,317	1,902,515	9.2%	8.7%	37,786	(87,150)	-	-	\$1.39
IND	307	9,755,949	54,225	-	282,527	31,480	368,232	3.8%	3.7%	72,570	(16,384)	-	-	\$1.35
WSE	55	9,280,778	372,907	-	419,832	248,939	1,041,678	11.2%	7.6%	-	(22,726)	-	1,796,573	\$1.14
Total	753	39,636,147	1,531,854	109,200	1,130,635	540,736	3,312,425	8.4%	7.2%	110,356	(126,260)	-	1,796,573	\$1.26
GILROY														
R&D	9	372,034	14,239	-	-	-	14,239	3.8%	17.0%	49,080	52,135	-	-	\$0.95
IND	80	1,849,540	58,416	-	7,650	2,400	68,466	3.7%	3.0%	(8,787)	(52,565)	-	-	\$1.25
WSE	24	3,836,905	20,100	-	38,460	-	58,560	1.5%	1.3%	(20,100)	(5,191)	-	-	\$0.80
Total	113	6,058,479	92,755	-	46,110	2,400	141,265	2.3%	2.8%	20,193	(5,621)	-	-	\$0.90
LOS GATOS														
R&D	13	342,752	7,099	-	-	-	7,099	2.1%	2.1%	-	(6,132)	-	-	\$2.31
Total	13	342,752	7,099	-	-	-	7,099	2.1%	2.1%	-	(6,132)	-	-	\$2.31
MILPITAS														
R&D	222	13,536,183	1,337,763	76,855	933,477	314,200	2,662,295	19.7%	20.4%	109,983	(104,567)	-	-	\$1.95
IND	100	2,926,617	15,736	7,200	8,050	-	30,986	1.1%	2.4%	2,257	(22,367)	-	99,576	\$1.22
WSE	39	5,211,341	141,017	16,042	226,524	373,167	756,750	14.5%	9.5%	-	62,043	-	253,690	\$1.15
Total	361	21,674,141	1,494,516	100,097	1,168,051	687,367	3,450,031	15.9%	15.4%	112,240	(64,891)	-	353,266	\$1.71
MORGAN HILL														
R&D	67	2,819,449	137,725	-	25,329	-	163,054	5.8%	6.5%	10,451	(17,725)	-	-	\$0.83
IND	82	2,550,234	32,248	-	7,575	-	39,823	1.6%	1.8%	7,052	47,256	-	-	\$1.20
WSE	6	482,538	-	-	-	-	-	0.0%	0.0%	-	-	-	503,400	\$0.90
Total	155	5,852,221	169,973	-	32,904	-	202,877	3.5%	3.9%	17,503	29,531	-	503,400	\$0.89
MOUNTAIN VIEW														
R&D	293	14,154,159	207,403	108,019	126,597	122,076	564,095	4.0%	4.7%	148,057	(50,540)	-	-	\$4.65
IND	109	1,727,112	73,911	4,800	16,901	-	95,612	5.5%	7.3%	32,905	24,965	-	-	\$3.89
Total	402	15,881,271	281,314	112,819	143,498	122,076	659,707	4.2%	5.0%	180,962	(25,575)	-	-	\$4.55
PALO ALTO														
R&D	100	5,171,221	31,568	59,125	111,981	23,136	225,810	4.4%	5.4%	(86,391)	18,378	-	-	\$5.21
Total	100	5,171,221	31,568	59,125	111,981	23,136	225,810	4.4%	5.4%	(86,391)	18,378	-	-	\$5.21
SAN JOSE														
R&D	580	40,235,304	3,460,776	356,150	1,124,591	851,630	5,793,147	14.4%	12.7%	(69,437)	383,122	-	-	\$2.16
IND	913	24,628,833	260,254	5,579	514,424	79,806	860,063	3.5%	3.2%	44,865	48,035	-	209,320	\$1.16
WSE	193	16,612,596	238,585	136,202	517,707	12,048	904,542	5.4%	6.1%	27,383	(164,521)	82,900	223,827	\$0.97
Total	1,686	81,476,733	3,959,615	497,931	2,156,722	943,484	7,557,752	9.3%	8.5%	2,811	266,636	82,900	433,147	\$1.93
SANTA CLARA														
R&D	335	18,988,412	582,216	125,651	554,172	108,153	1,370,192	7.2%	5.0%	28,174	200,201	-	-	\$2.60
IND	510	11,508,061	66,893	2,334	209,517	100,102	378,846	3.3%	1.9%	(34,046)	(40,739)	-	-	\$1.58
WSE	40	3,503,255	12,700	5,500	129,704	19,831	167,735	4.8%	6.8%	24,000	23,700	-	-	\$1.32
Total	885	33,999,728	661,809	133,485	893,393	228,086	1,916,773	5.6%	4.1%	18,128	183,162	-	-	\$2.37
SUNNYVALE														
R&D	434	20,550,174	215,503	123,293	209,382	72,665	620,843	3.0%	3.1%	28,556	109,648	-	-	\$3.06
IND	156	5,915,077	21,257	1,000	34,391	30,079	86,727	1.5%	0.5%	(7,232)	5,012	-	-	\$2.93
WSE	24	1,816,575	-	-	-	-	-	0.0%	0.0%	-	-	-	-	\$-
Total	614	28,281,826	236,760	124,293	243,773	102,744	707,570	2.5%	2.4%	21,324	114,660	-	-	\$3.05
SILICON VALLEY TOTALS														
R&D	2,551	141,206,189	7,204,516	958,293	3,578,976	1,752,177	13,493,962	9.6%	8.9%	273,652	509,556	-	-	\$2.27
IND	2,312	63,120,597	625,008	20,913	1,090,838	257,864	1,994,623	3.2%	2.8%	98,336	(19,614)	-	308,896	\$1.57
WSE	381	40,936,127	797,929	157,744	1,332,227	653,985	2,941,885	7.2%	6.1%	31,283	(106,695)	82,900	2,777,490	\$1.08
Total	5,244	245,262,913	8,627,453	1,136,950	6,002,041	2,664,026	18,430,470	7.5%	6.9%	403,271	383,247	82,900	3,086,386	\$1.94
QUARTERLY COMPARISON AND TOTALS														
Q3-19	5,244	245,262,913	8,627,453	1,136,950	6,002,041	2,664,026	18,430,470	7.5%	7.2%	403,271	383,247	82,900	3,086,386	\$1.94
Q2-19	5,237	245,274,018	9,190,732	1,127,815	4,513,666	2,020,807	16,853,020	6.9%	7.2%	363,869	82,644	-	2,455,332	\$1.95
Q1-19	5,233	245,507,122	9,912,080	1,395,663	4,425,975	2,000,504	17,734,222	7.2%	6.8%	(281,225)	(281,225)	-	2,231,505	\$2.00
Q4-18	5,237	246,792,607	9,727,360	1,532,972	4,016,491	1,750,867	17,027,690	6.8%	7.2%	135,356	865,856	-	2,351,205	\$2.01
3Q-18	5,233	246,851,519	10,179,731	1,851,067	3,923,178	2,089,835	18,043,811	7.2%	7.4%	(851,684)	730,500	155,909	2,201,490	\$2.09

68 countries

\$3.3

billion in
annual revenue

2.0

billion square feet
under management

14,000

professionals
and staff

\$127

billion in
total transaction value

*All statistics are for 2018, are in U.S. dollars and include affiliates.

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