

Silicon Valley R&D Snapshot

▲ 10.0% Vacancy ▲ (642K) Net Absorption Sq. Ft. ► OK Deliveries YTD Sq. Ft. ► N/A Under Construction Sq. Ft. ▲ \$2.93 Average Asking Sq. Ft.

Figure 1: Market 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	11,180,987	13.3	1,490,292	15.4	1,188,282	533,224	6.81	90,036	(214,574)	(564,533)
Mountain View/Los Altos	10,984,390	8.4	922,079	10.5	843,989	311,437	5.04	101,660	(100,118)	(50,012)
Sunnyvale	18,791,673	8.6	1,617,279	10.2	1,404,910	505,244	3.62	47,876	(126,619)	(510,982)
Cupertino	2,652,369	0.7	19,842	0.7	6,622	13,220	3.73	0	0	0
Santa Clara	20,427,702	12.9	2,629,778	17.1	3,163,945	319,488	2.75	100,729	(83,394)	(7,911)
Campbell	1,075,152	11.1	118,849	11.1	118,849	0	2.52	7,921	(11,603)	(1,586)
Los Gatos	603,952	19.8	119,653	19.8	53,253	66,400	2.75	0	0	(99,523)
San Jose - Downtown	655,858	0.0	0	0.0	0	0	1.77	0	0	72,744
San Jose - North	23,428,544	13.4	3,140,676	16.4	2,852,448	998,081	2.65	662,122	(459)	517,009
San Jose - South	8,462,835	12.0	1,013,080	13.6	932,556	217,142	1.68	7,481	4,273	(29,590)
San Jose - IBP	9,739,845	4.5	441,981	6.1	575,220	18,404	1.75	122,152	(82,149)	(84,093)
San Jose - East	605,178	1.7	10,014	1.7	10,014	0	1.50	23,168	8,900	8,612
Milpitas	11,882,281	12.1	1,432,248	16.0	1,526,563	375,125	2.00	83,028	(55,535)	(16,989)
Fremont/Newark	23,429,955	5.9	1,380,178	7.5	1,413,315	340,070	1.90	292,147	19,125	(253,820)
Silicon Valley	143,920,721	10.0	14,335,949	12.4	14,089,966	3,697,835	2.93	1,538,320	(642,153)	(1,020,674)

Figure 2: Significant Lease Transactions of the Quarter

Tenant	Location	City	Leased Sq. Ft.	Lease Type
Bio-Techne (ProteinSimple)	3001 Orchard Pkwy	San Jose	97,890	Renewal
Confidential	455 E Trimble Rd	San Jose	80,125	New Lease
Confidential	1625 Charleston Rd	Mountain View	67,000	Renewal
BIONOVA SCIENTIFIC INC	47968-47998 Fremont Blvd	Fremont	55,000	New Lease
Aehr Test Systems	400-424 Kato Ter	Fremont	51,289	Renewal
Stanford School of Medicine	3176 Porter Dr	Palo Alto	46,759	New Lease
CC Integrations	2221-2223 Oakland Rd	San Jose	42,635	New Lease
EnerVenue, Inc.	46420-46430 Fremont Blvd	Fremont	35,556	New Lease
Confidential	1134 E Arques Ave	Sunnyvale	35,552	Renewal
BioCube 2.0	2680 Zanker Rd	San Jose	31,969	Expansion

Figure 4: Average Asking Rates

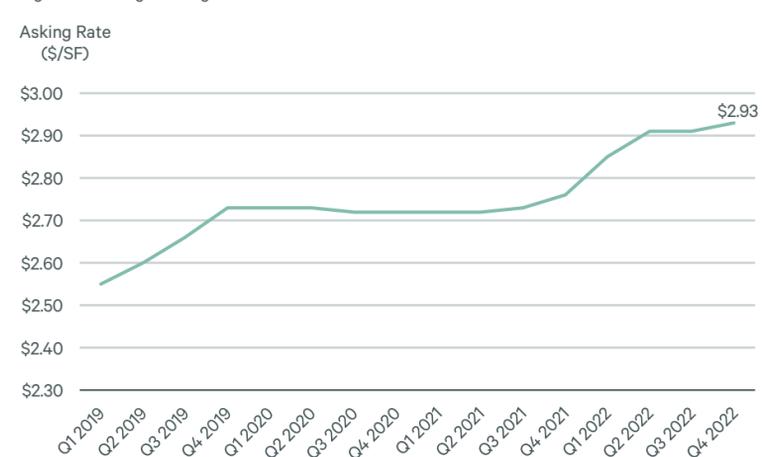


Figure 3: Significant Sale Transactions of the Quarter

Buyer	Location	City	Sold Sq. Ft.	Sale Price	Sale Type
Peninsula Building Materials Co.	Multiple Addresses	San Jose	209,425	\$94.7M	Owner-User
Batton Associates, LLC	2580 Orchard Pkwy	San Jose	129,024	\$41.5M	Investor
Paceline Investors	Multiple Addresses	Fremont	115,537	\$36.3M	Investor
The Wonderful Company	350 Holger Wy	San Jose	96,502	\$54M	Investor
Alvarez & Marsal Holdings, LLC	3553 N 1st St	San Jose	86,145	\$24.5M	Investor

Figure 5: Net Absorption & Vacancy

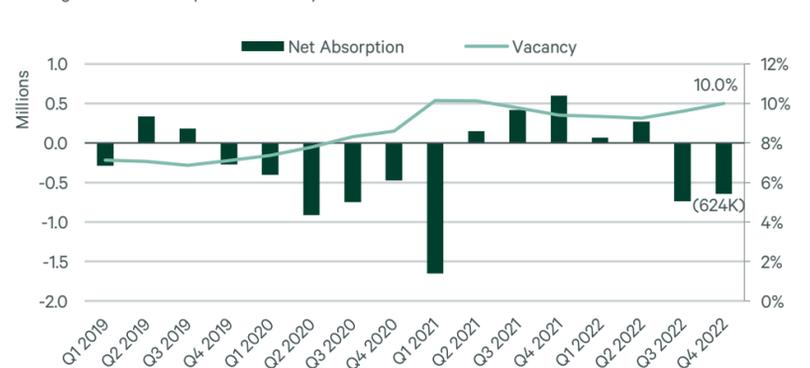
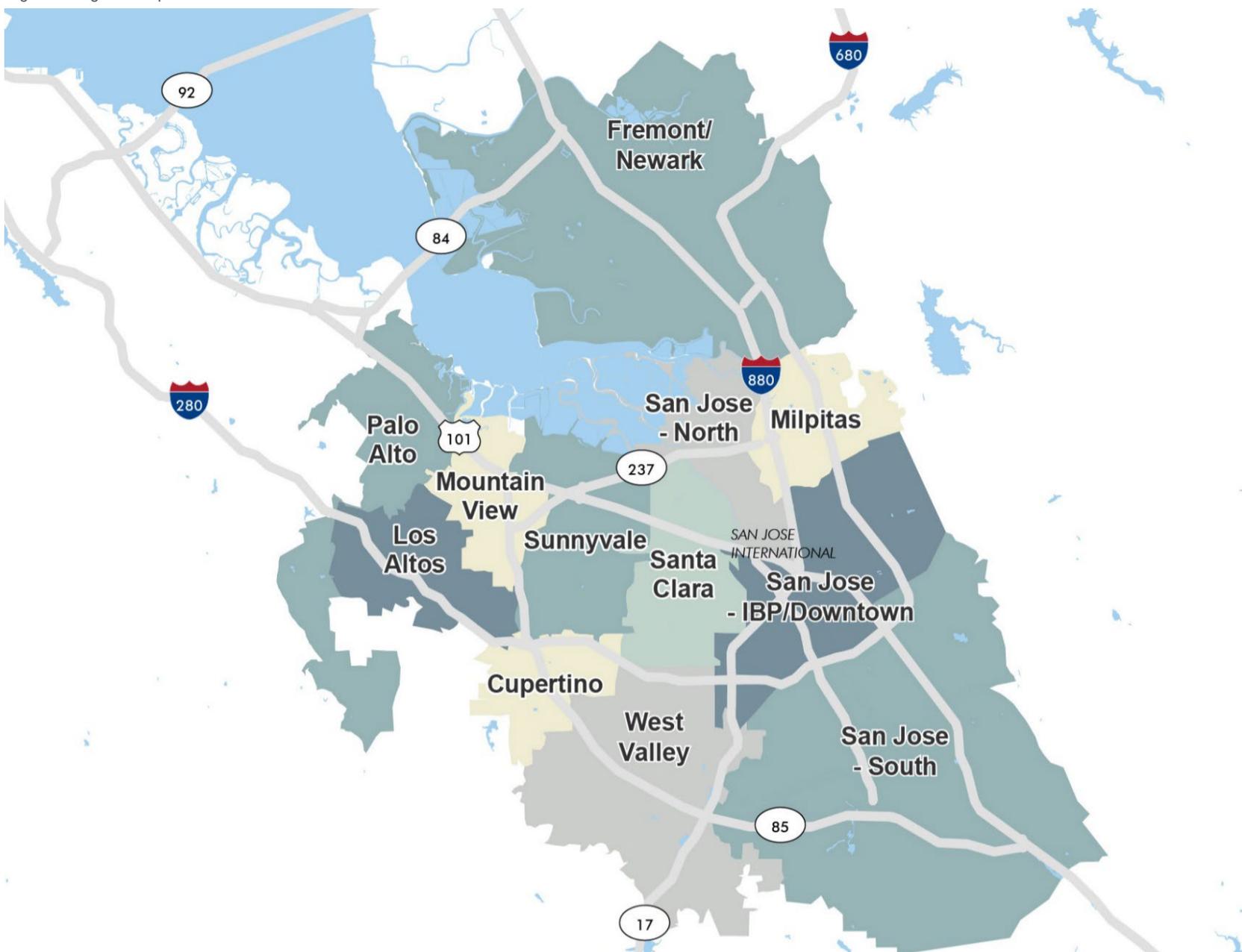


Figure 6: Regional Map



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.

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