

## Silicon Valley Commercial Property Fundamentals Hold Strong

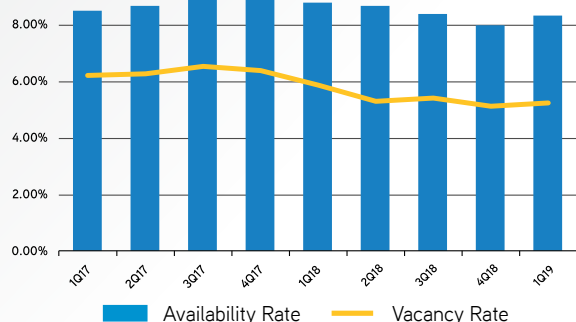
- Leasing activity slowed in Q1 2019 with gross absorption measuring 3.8 million square feet for all tracked product, down 27.3 percent from Q1 2018.
- A combination of limited available space and an exceptionally active fourth quarter, caused net absorption to register negative 708,000 square feet for all product types in Q1 2019.
- Across all product types, the availability space rate rose marginally in Q1 2019 to 8.4 percent, however, remains 40 basis points below Q1 2018.

**As anticipated, Silicon Valley commercial real estate activity decelerated in the first quarter of 2019.** The slowdown was expected, given the number of massive deals signed in Q4 2018, clearing the market of prime available space. According to California's Employment Development Department (EDD), the unemployment rate in Santa Clara County rose slightly quarter over quarter to 2.8 percent, however, remains below the year-ago estimate of 3.0 percent and below the state average of 4.2 percent. The technology sector is continuing to fuel the economy – in February alone, technology companies added 2,700 jobs in Santa Clara County.

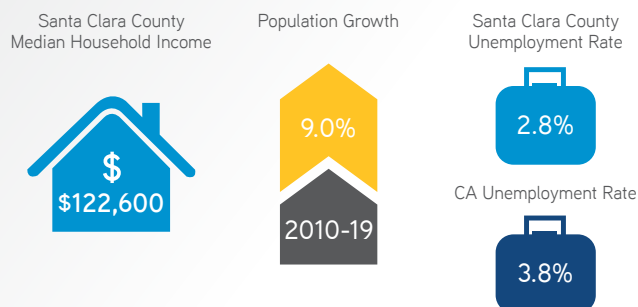
According to PitchBook data, venture capital (VC) funding remained resilient in Q1 2019 with \$11.9 billion invested in VC-backed companies. However, similar to the commercial property market figures, Q1 2019 funding totals were over-shadowed by an anomalous fourth quarter, which encompassed the largest venture capital deal of all time with \$12.8 billion inhaled by Juul's vaping business. VC funding is an important metric to indicate the health of the economy and often a precursor to commercial real estate activity. Similarly, amplified funding often correlates to job creation and commercial expansion as beneficiaries need to scale operations.

### Vacancy vs. Availability Rates

Silicon Valley | All Products



### Market Indicators - Santa Clara County



### Market Trends

Relative to prior quarter	Q4 2018	Q1 2019
Vacancy	↑	↔
Net Absorption	↓	↑
Office Rental Rate	↑	↑
R&D Rental Rate	↑	↑
Industrial/Warehouse Rental Rate	↔	↔

### Summary Statistics

Silicon Valley All Products	Previous Quarter	Current Quarter
Overall Vacancy Rate	5.1%	5.3%
Net Absorption	1,005,085	(708,191)
Office Asking Rents*	\$4.46 FS	\$4.47 FS
R&D Asking Rents*	\$2.28 NNN	\$2.31 NNN
Industrial Asking Rents*	\$1.17 NNN	\$1.30 NNN
Warehouse Asking Rents*	\$1.04 NNN	\$1.02 NNN

\*Asking Rents Reported Monthly

# Office

- Office gross absorption recorded 1.5 million square feet in Q1 2019, down 32.0 percent from Q1 2018.
- After 26 consecutive quarters of positive net absorption, the office sector saw negative net absorption of 427,000 square feet.
- Weighted asking rents reached \$4.47 full service, up \$0.18 from Q1 2018.

**Office activity was lackluster in the first quarter of 2019, following a hyperactive final quarter of 2018.** One reason for the contraction is due to the shortage of available quality office product in Silicon Valley. Demand continues to outpace supply as tech users continue preleasing under-construction properties; the largest office lease involved Google committing to 190,000 square feet at 600 Clyde Avenue in Mountain View, where construction is expected to complete in Q1 2020. The only other lease deal over 100,000 square feet, involved Flextronics International renewing 119,058 square feet at 6201 America Center in San Jose. In comparison, the previous quarter saw seven office spaces lease measuring 100,000 square feet or more.

Adding to a subdued quarter of leasing activity, a significant amount of office space came online at the start of the year, widening the absorption gap. The top three spaces to enter the market were all subleases: these include 8x8's never-occupied 162,557-square-foot property at Coleman Highline, 1143 Coleman Avenue in San Jose, Global Foundries' 100,000-square-foot space at 2600 Great America Way, Santa Clara and next door, Cepheid's 82,603-square-foot space at 2550 Great America Way. While on the surface, the influx of sublease space coming online appears ominous, but when dissecting Silicon Valley's market dynamics, we uncover a somewhat different story.

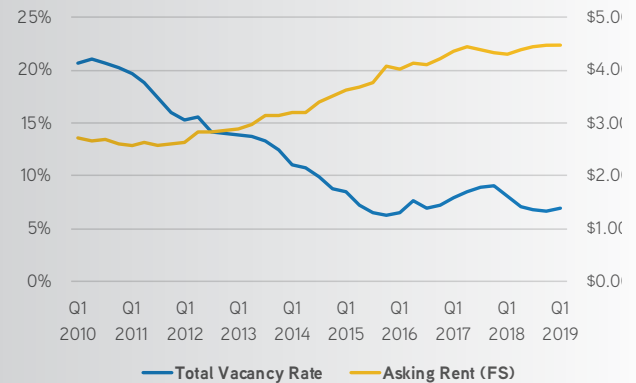
In the case of 8x8, the impetus for their sublease is the need for more space not less, which is a positive economic indicator. The conundrum occurs when companies seeking to expand find themselves in an extremely tight market, especially for large blocks of space, which restricts deal flow. The end result is a temporary drop in activity while users are rightsizing to meet their space needs.

Despite a momentary slowdown in leasing activity, the investment market was red hot in the Silicon Valley office market. The North San Jose market was particularly busy as Asian investors displayed confidence with major purchases. Mori Trust, a Japanese developer, bought Micron Technology's 603,666-square-foot campus at 110-130 Holger Way for \$429 million or \$710 per square foot and GZI China acquired the 130,524-square-foot 2665 North First Street for \$41 million or \$314 per square foot.

No new office product came online in the first quarter, but there is currently 7.5 million square feet under construction. Developers are facing challenges receiving entitlements as well as working within budget as construction costs continue to rise.

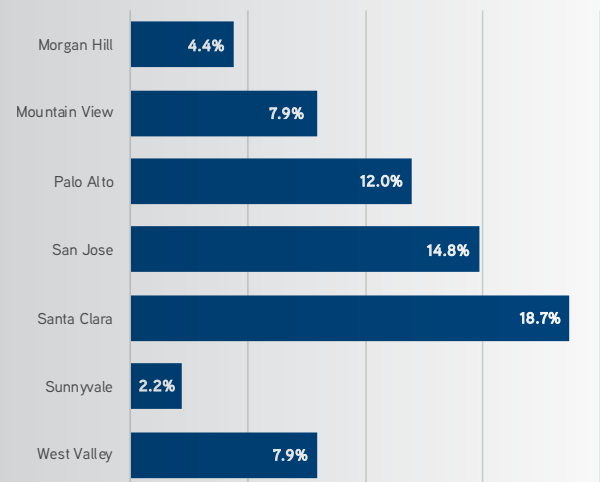
The outlook for the office market remains optimistic and tenant demand is strong. Weighted asking rents continue to climb and reached \$4.47 full service, up \$0.18 from Q1 2018. However, lack of available space is expected to be a challenge in the short-term with the available space rate at 11.3 percent and vacancy rate at 6.9 percent.

## Silicon Valley Office Rent vs. Vacancy



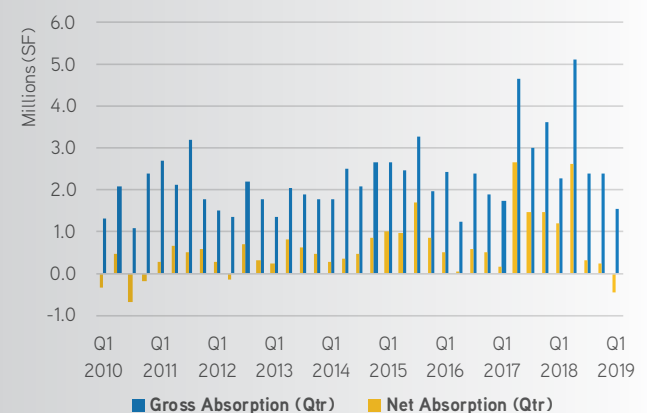
Source: Colliers International Research

## Office Availability Rates Select Silicon Valley Cities

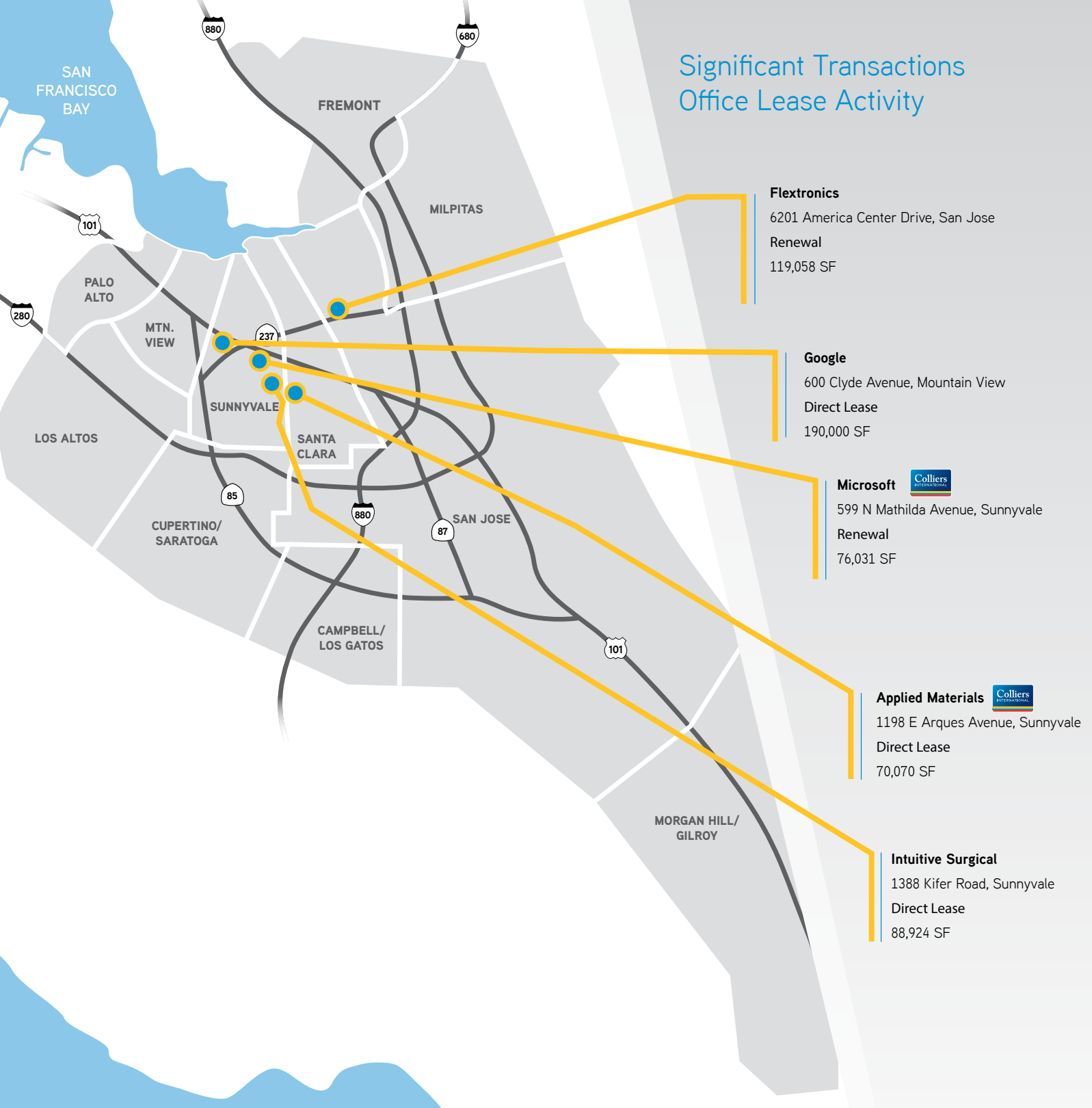


Source: Colliers International Research

## Silicon Valley Office Net Absorption vs. Gross Absorption



Source: Colliers International Research



### Significant Transactions - Office Sale Activity

PROPERTY ADDRESS	SIZE	SELLER	BUYER
110-130 Holger Way, San Jose	603,666 SF	Lane Partners	Mori Trust
1901-1999 S Bascom Avenue, Campbell	361,656	Ellis Partners	Oaktree Capital
221 N Mathilda Avenue, Sunnyvale	154,987	Spear Street Capital LLC	Stockbridge Real Estate Partners
2460-2480 N 1st Street, San Jose	146,386	BA1 2460 NORTH FIRST LLC	Toeniskoetter Development
2665 N. 1st Street, San Jose	130,524	New York Life Real Estate Investors	GZI

# R&D

- > Gross absorption recorded 1.5 million square feet in Q1 2019, down 22.2 percent from Q1 2018.
- > Net absorption measured negative 261,775 square feet for the quarter.
- > Weighted asking rents averaged \$2.31 NNN, up \$0.10 from Q1 2018.

For the third consecutive quarter, the R&D sector surpassed the office sector as the most active product class with leasing activity reaching 1.6 million square feet, although down 22.2 percent from Q1 2018. R&D continues to be an attractive market as the office market remains constrained by near record low availability and escalating asking rents. While R&D product was the leader in activity again, due to new vacancies entering the market at start of year, net absorption was negative 261,775 square feet. Colliers data reveals Silicon Valley R&D absorption has consistently been negative in the first quarter of each year for the past three years.

The most significant R&D deal in the first quarter occurred when Roche Molecular Systems, Roche's diagnostic and blood screening test unit, spent \$140.5 million or \$450 per square foot, on their 312,167-square-foot five-building complex located at 2801-2881 Scott Boulevard in Santa Clara. Two of the buildings in the complex are vacant, providing valuable expansion opportunities for Roche in the space-strapped Silicon Valley market. Another company committed to Santa Clara is ServiceNow. The cloud computing company signed a 130,399-square-foot lease, the largest for the quarter, at 2251 Lawson Lane, adjacent to their growing build-to-suit headquarters.

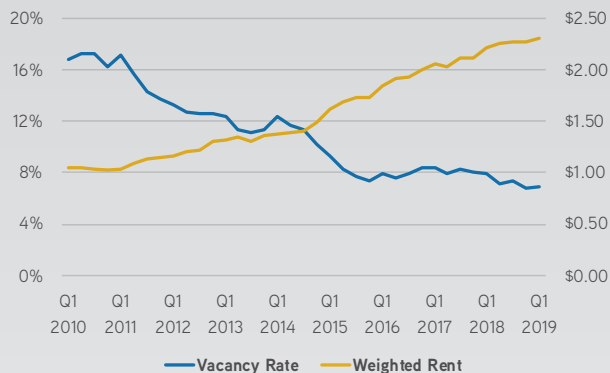
At the end of Q1 2019, the Santa Clara R&D market remains competitive with an availability rate of 5.8 percent and a vacancy rate of 4.9 percent. Meanwhile, the Santa Clara office market, afflicted with disproportionate sublease space, has an available space rate of 18.7 percent and vacancy rate of 15.0 percent.

Other notable deals in the R&D sector include CDK Global signing a 76,142-square-foot lease at 250 Holger Way with KBS Realty Advisor's in the thriving North San Jose market, and in Sunnyvale, ThoughtSpot Inc. subleased Ariba's 74,652-square-foot space at 910 Hermosa Court.

R&D investment activity remained upbeat. Goldman Sachs accounted for the largest R&D purchase, paying \$188 million or \$441 per square foot for Oakmead West, a seven-building complex in Sunnyvale, which was 95 percent occupied at the time of sale. The complex measures 425,981 square feet and was acquired from RREEF Funds.

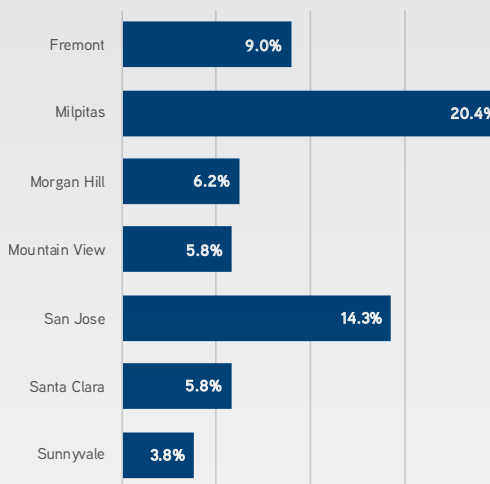
The outlook for R&D product remains very competitive given the limited supply and zero square feet of product under construction. The availability rate for R&D product is at 9.7 percent, down 150 basis points from Q1 2018, while vacancy stood at 6.9 percent, down 100 basis points from the same time period. Average weighted asking rents reached \$2.31 NNN, up \$0.10 from Q1 2018.

## Silicon Valley R&D Rent vs. Vacancy



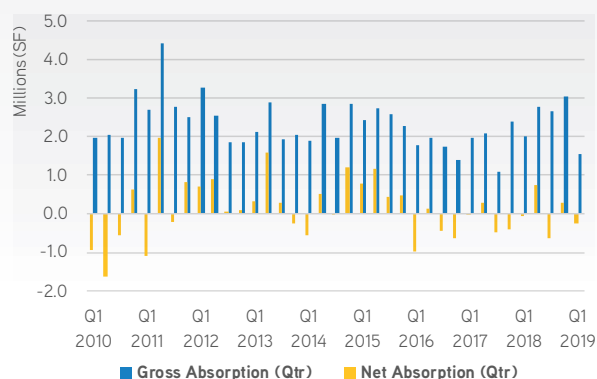
Source: Colliers International Research

## R&D Availability Rates Select Silicon Valley Cities

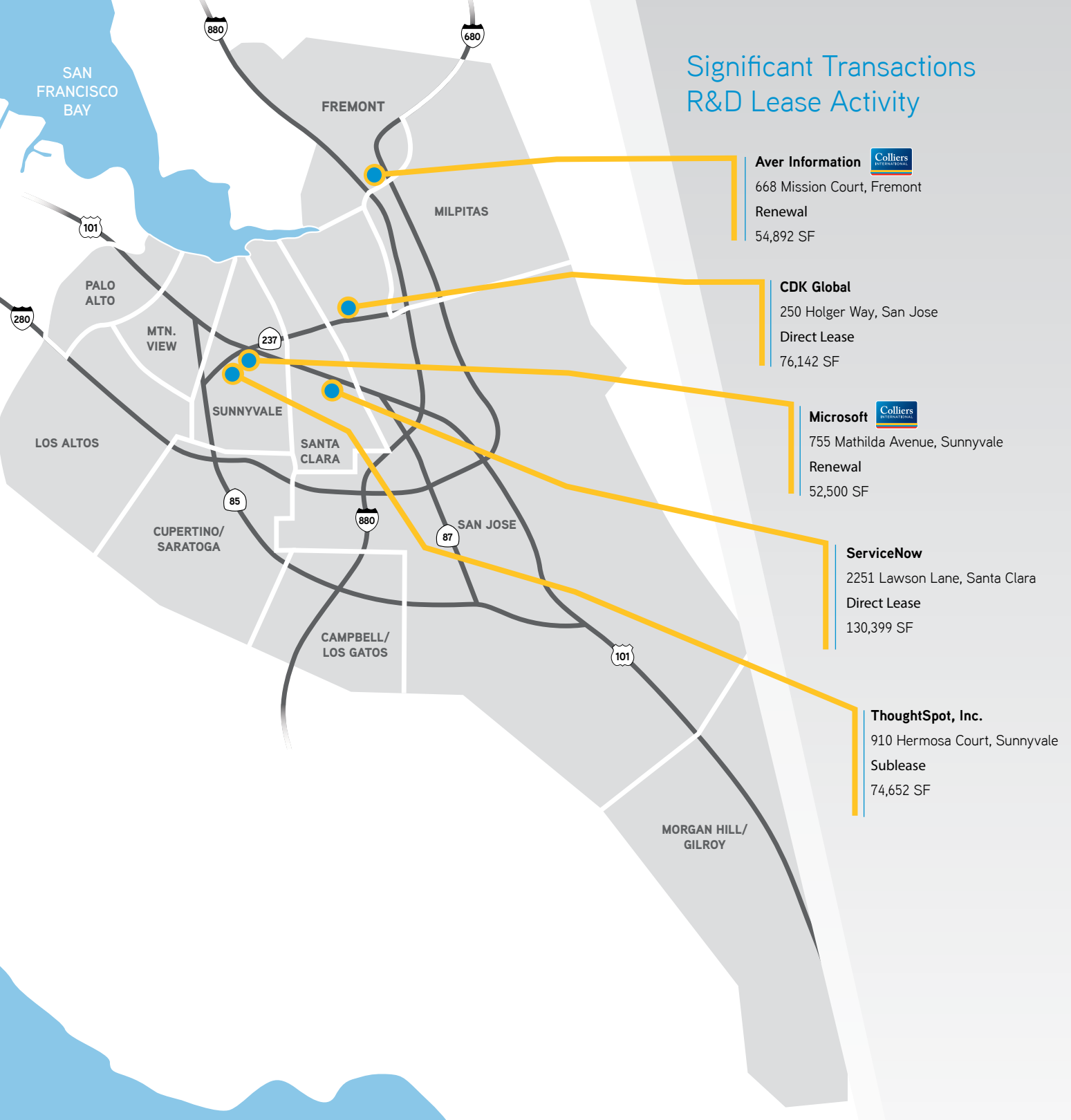


Source: Colliers International Research


## Silicon Valley R&D Net Absorption vs. Gross Absorption



Source: Colliers International Research



### Significant Transactions - R&D Sale Activity

PROPERTY ADDRESS	SIZE	SELLER	BUYER
920-960 Stewart Drive, Sunnyvale	425,981 SF	RREEF Funds LLC	Goldman Sachs & Company
2801-2881 Scott Boulevard, Santa Clara	312,167 SF	Rockpoint Group & Presidio Investments	Roche Molecular Systems Inc
49000-49090 Milmont Drive, Fremont 	196,137 SF	Asilomar Partners	Vertical Ventures LLC
48401-48481 Fremont Boulevard, Fremont	185,510 SF	TMG Partners - San Francisco HQ	Duke Realty LP
101-225 Hammond Avenue, Fremont	148,926 SF	Lincoln Property Company (HQ)	CIP Real Estate

# Industrial

- > Gross absorption recorded 504,687 square feet in Q1 2019, down 42.7 percent from Q1 2018.
- > Net absorption was positive 47,831 square feet, making it the only product in the Valley with positive gains.
- > Weighted asking rents averaged \$1.30 NNN, up \$0.01 from Q1 2018.

**Industrial activity was quiet in the first quarter of the year.** Gross absorption measured 504,687 square feet, as lack of available space continued to hinder deal flow in the Silicon Valley industrial market. There were no deals larger than 100,000 square feet and only one greater than 50,000 square feet; Young's Market Company inked a deal for 90,229 square feet at 5995 Hellyer Avenue in San Jose. The 156,007-square-foot industrial property, developed by Black Creek Capital Markets was completed in the third quarter of 2018, and within six months now stands fully leased. The second largest source of absorption came from Albanese Park I LLC acquiring a 33,800-square-foot property for \$6.4 million or \$188 per square foot located at 730 Parker Street in Santa Clara, which the company plans to occupy.

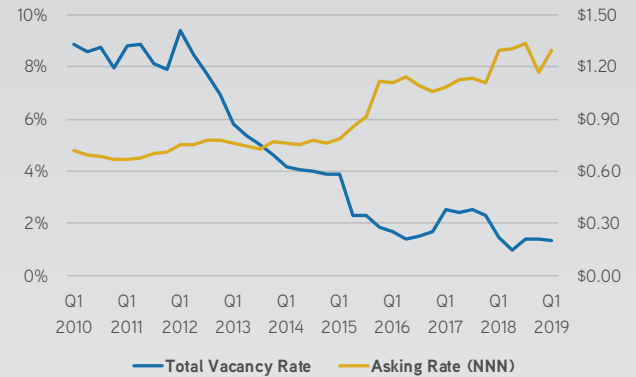


5995 Hellyer Avenue, San Jose, CA - 100% leased

No new industrial product came online in Q1 2019, but there is currently 1.8 million square feet of industrial product under construction: Phase II of the 353,500-square-foot McCarthy Creekside Industrial Center in Milpitas, and in Fremont, the 815,000-square-foot Pacific Commons Industrial Center and the 508,000 square feet at Pacific Commons South.

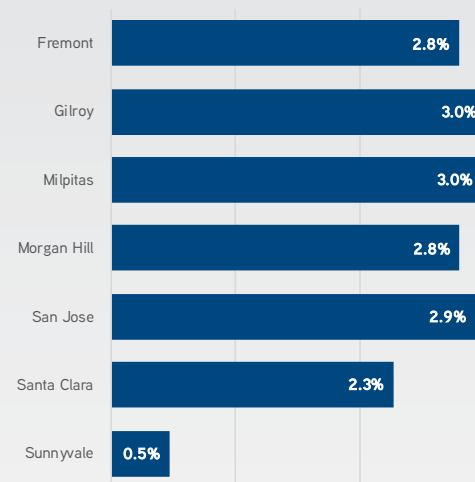
Supply deficiency continues to confine deal volume in the industrial sector. While the availability rate has consistently remained below 3.0 percent, demand is putting pressure on asking rents. At the end of the first quarter, the availability rate stood at 2.7 percent while the vacancy space rate was at 1.3 percent, virtually unchanged from the same period last year. Average weighted asking rents reached \$1.30 NNN, up \$0.01 from Q1 2018.

## Silicon Valley Industrial Rent vs. Vacancy



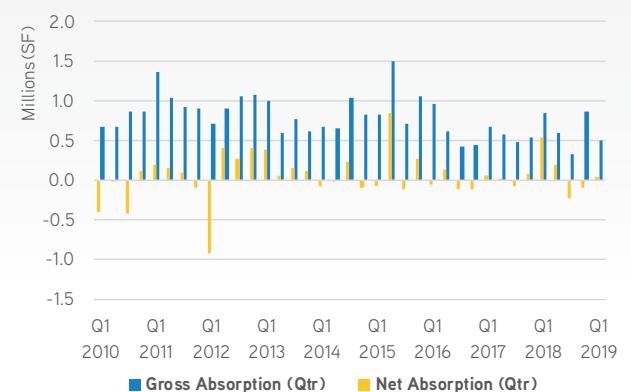
Source: Colliers International Research

## Industrial Availability Rates Select Silicon Valley Cities



Source: Colliers International Research


## Silicon Valley Industrial Net Absorption vs. Gross Absorption



Source: Colliers International Research



## Significant Transactions - Industrial Sale Activity

 = Colliers International Deal

PROPERTY ADDRESS	SIZE	SELLER	BUYER
1336-1420 Old Bayshore Highway, San Jose	304,178 SF	Nakaji Ernest M Trust	PDC Sacramento
6212 Hellyer Avenue, San Jose	111,043 SF	Dermody Properties	Colony Capital Inc
43960 Fremont Boulevard, Fremont	45,863 SF	Arctic Glacier USA Inc	New Mountain Capital
1295 Norman Avenue, Santa Clara	43,560 SF	Coastal Paving	Waterproofing Associates, Inc.
1436 State Street, San Jose 	42,253 SF	Steve Ybarra	Luacella Holdings

# Warehouse

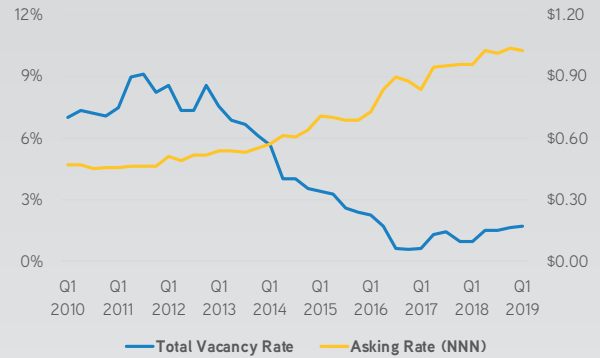
- > Gross absorption recorded 232,933 square feet in Q1 2019, up 64.8 percent from Q1 2018.
- > Net absorption measured negative 67,281 square feet in Q1 2019.
- > Weighted asking rents averaged \$1.02 NNN, up \$0.06 from Q1 2018.

Much like the industrial market, the warehouse market remains afflicted with limited availability. This drought in available space is suppressing tenant mobility and as a result gross absorption in Q1 2019 totaled 232,933 square feet. Available warehouse space is hard to come by, and notwithstanding a few exceptions, the vast majority of deals were once again renewals, including the two top deals for the quarter; Legacy Transportation Services renewed their 194,536-square-foot space at 935 McLaughlin Avenue in San Jose and next door Cal Wine renewed 92,303 square feet at 930 McLaughlin Avenue. The largest lease contributing to absorption came from CRST International with an 84,000-square-foot deal at 887 Wrigley Way in Milpitas. However, several large move-outs negated occupancy gains at the start of the year. The largest move-out was a result of KGP Telecommunications vacating their 120,000 square foot warehouse at 205 Alma Street in San Jose.

At the end of the first quarter, the available space rate was 5.5 percent and vacancy stood at 1.7 percent. Currently, there are just two warehouse developments under construction; the 369,000-square-foot property at Pacific Commons South and the 82,900-square-foot development at 2061 Oakland Road in San Jose. Demand pushing on supply has naturally lead to rising asking rents. The average asking rents reached \$1.02 NNN, up \$0.06 from Q1 2018.

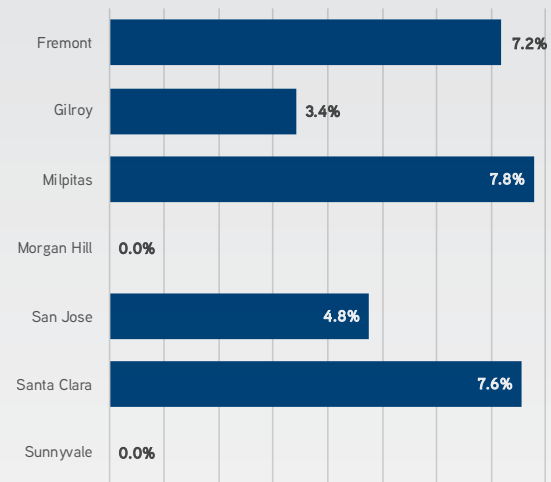
Looking ahead, there is potential for increased warehouse activity stemming from the BART extension and as the electrifying CalTrain project comes into focus.

## Silicon Valley Warehouse Rent vs. Vacancy



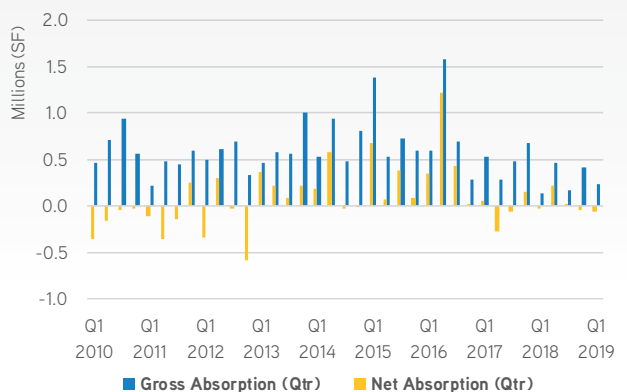
Source: Colliers International Research

## Warehouse Availability Rates Select Silicon Valley Cities

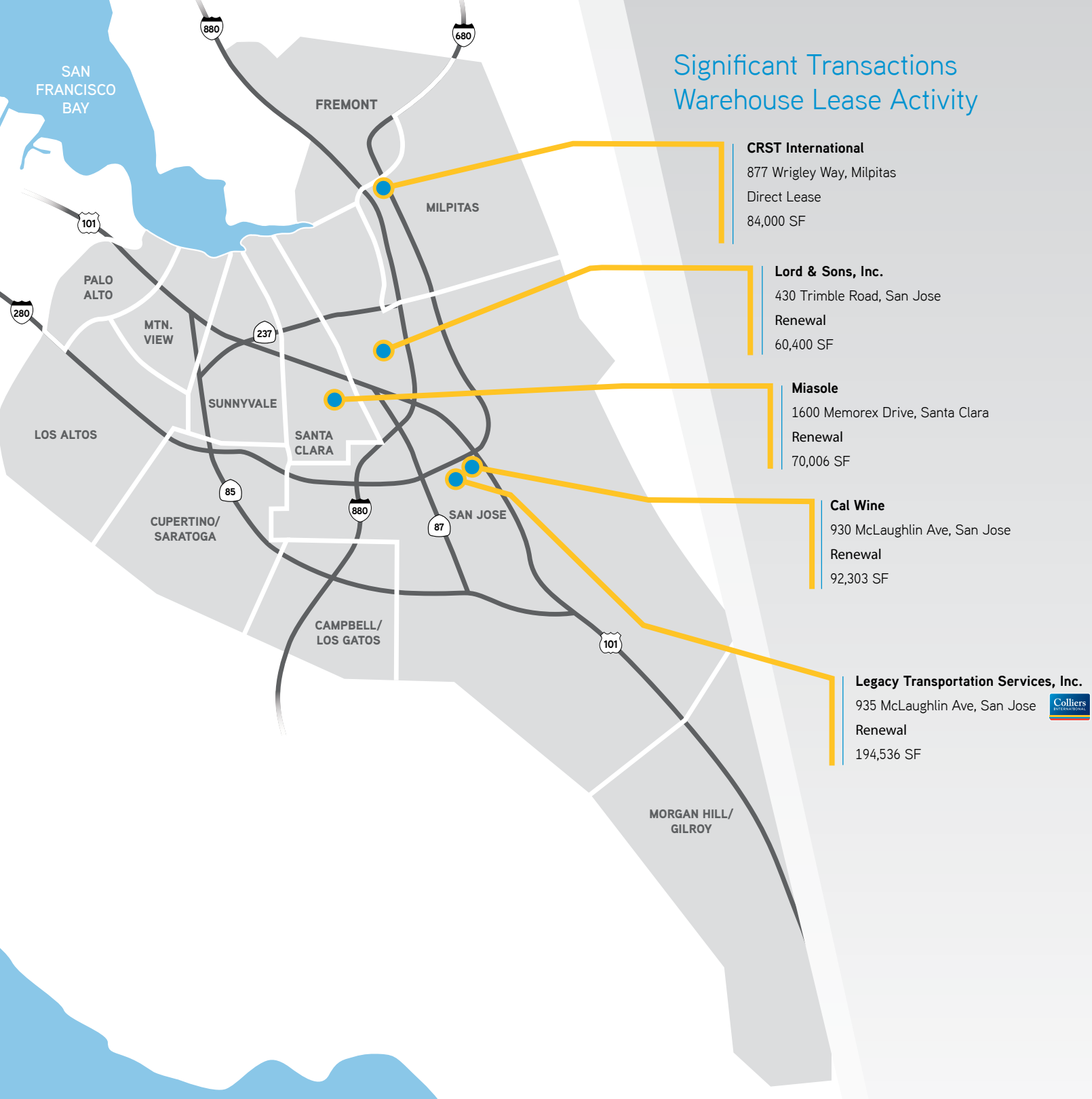


Source: Colliers International Research

## Silicon Valley Warehouse Net Absorption vs. Gross Absorption



Source: Colliers International Research



### Significant Transactions - Warehouse Sale Activity

PROPERTY ADDRESS	SIZE	SELLER	BUYER
1484 Kifer Road, Sunnyvale	96,000 SF	City of Sunnyvale	YouLand
1480 Nicora Avenue, San Jose	93,605 SF	LBA Realty (HQ)	A&F Properties
57 Autumn Street, San Jose	8,686 SF	JOHNSON FAMILY TRUST	TC Agoge Associates

## Market Comparisons – Silicon Valley

### OFFICE MARKET

CLASS	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 CURR QTR	UNDER CONST. SF	FS WTD AVG ASKING
CAMPBELL / LOS GATOS												
A	1,920,942	251,996	26,004	107,879	24,471	410,350	21.4%	21.3%	3,558	3,558	-	\$4.48
B	2,349,729	90,197	14,262	96,361	12,871	213,691	9.1%	10.8%	5,798	5,798	-	\$3.45
C	239,146	6,530	-	755	-	7,285	3.0%	2.2%	(1,280)	(1,280)	-	\$3.08
Total	4,509,817	348,723	40,266	204,995	37,342	631,326	14.0%	14.9%	8,076	8,076	-	\$4.15
CUPERTINO / SARATOGA												
A	4,397,562	15,269	-	57,476	6,000	78,745	1.8%	1.2%	-	-	-	\$5.46
B	2,852,698	32,320	22,992	38,692	2,498	96,502	3.4%	2.4%	(3,527)	(3,527)	-	\$3.73
C	188,010	4,703	-	1,319	-	6,022	3.2%	4.2%	3,242	3,242	-	\$3.92
Total	7,438,270	52,292	22,992	97,487	8,498	181,269	2.4%	1.7%	(285)	(285)	-	\$4.50
FREMONT / MILPITAS												
A	890,442	101,675	-	-	46,901	148,576	16.7%	19.2%	259	259	-	\$2.49
B	1,735,925	68,303	2,385	16,707	8,346	95,741	5.5%	5.1%	137	137	-	\$2.82
C	581,654	1,296	-	21,542	4,900	27,738	4.8%	6.0%	6,988	6,988	-	\$1.65
Total	3,208,021	171,274	2,385	38,249	60,147	272,055	8.5%	9.2%	7,384	7,384	-	\$2.52
GILROY / MORGAN HILL												
A	418,491	4,176	-	-	-	4,176	1.0%	1.0%	-	-	-	\$2.55
B	434,506	3,020	-	-	-	3,020	0.7%	0.7%	-	-	-	\$1.95
C	266,251	23,152	-	9,437	-	32,589	12.2%	8.8%	(1,902)	(1,902)	-	\$2.25
Total	1,119,248	30,348	-	9,437	-	39,785	3.6%	2.7%	(1,902)	(1,902)	-	\$2.22
LOS ALTOS												
A	295,515	4,651	11,924	-	-	16,575	5.6%	7.4%	(11,014)	(11,014)	-	\$5.95
B	510,393	16,864	3,480	37,870	2,012	60,226	11.8%	4.3%	(14,372)	(14,372)	-	\$6.70
C	382,918	3,589	-	-	3,875	7,464	1.9%	2.6%	4,806	4,806	-	\$4.70
Total	1,188,826	25,104	15,404	37,870	5,887	84,265	7.1%	4.5%	(20,580)	(20,580)	-	\$6.44
MOUNTAIN VIEW												
A	4,807,963	51,235	-	189,355	218,732	459,322	9.6%	6.8%	(13,131)	(13,131)	-	\$8.19
B	1,357,899	12,102	4,420	34,336	16,064	66,922	4.9%	7.1%	5,007	5,007	-	\$6.79
C	512,873	2,719	-	864	-	3,583	0.7%	3.4%	13,800	13,800	-	\$6.50
Total	6,678,735	66,056	4,420	224,555	234,796	529,827	7.9%	6.6%	5,676	5,676	-	\$8.05
PALO ALTO												
A	5,945,766	594,630	26,802	276,930	142,582	1,040,944	17.5%	16.7%	(8,961)	(8,961)	-	\$8.19
B	4,487,678	41,213	45,397	76,484	159,264	322,358	7.2%	6.7%	(44,020)	(44,020)	-	\$6.14
C	1,834,901	54,962	5,636	49,111	-	109,709	6.0%	9.1%	(33,587)	(33,587)	-	\$7.57
Total	12,268,345	690,805	77,835	402,525	301,846	1,473,011	12.0%	11.9%	(86,568)	(86,568)	-	\$7.50
SAN JOSE												
A	16,024,001	1,527,992	297,220	610,108	651,638	3,086,958	19.3%	16.8%	(268,307)	(268,307)	-	\$3.94
B	9,742,536	576,916	14,344	301,292	48,664	941,216	9.7%	10.3%	62,420	62,420	-	\$3.40
C	3,897,679	239,567	-	132,566	-	372,133	9.5%	9.1%	1,595	1,595	-	\$2.90
Total	29,664,216	2,344,475	311,564	1,043,966	700,302	4,400,307	14.8%	13.7%	(204,292)	(204,292)	-	\$3.76
SANTA CLARA												
A	10,681,777	685,317	1,054,315	84,407	381,339	2,205,378	20.6%	20.7%	(217,032)	(217,032)	-	\$4.03
B	5,175,649	652,944	16,802	55,089	74,580	799,415	15.4%	16.0%	(16,270)	(16,270)	-	\$3.32
C	435,308	37,907	-	3,660	-	41,567	9.5%	8.6%	(327)	(327)	-	\$2.90
Total	16,292,734	1,376,168	1,071,117	143,156	455,919	3,046,360	18.7%	18.9%	(233,629)	(233,629)	-	\$3.89
SUNNYVALE												
A	13,600,421	-	34,000	179,906	29,893	243,799	1.8%	2.6%	79,749	79,749	-	\$6.30
B	1,497,222	13,248	24,554	44,566	10,554	92,922	6.2%	7.3%	16,165	16,165	-	\$3.55
C	458,185	1,440	-	-	-	1,440	0.3%	1.0%	3,240	3,240	-	\$2.95
Total	15,555,828	14,688	58,554	224,472	40,447	338,161	2.2%	3.0%	99,154	99,154	-	\$6.04

### SILICON VALLEY TOTALS

A	58,982,880	3,236,941	1,450,265	1,506,061	1,501,556	7,694,823	13.0%	12.3%	(434,879)	(434,879)	-	\$4.68
B	30,144,235	1,507,127	148,636	701,397	334,853	2,692,013	8.9%	9.2%	11,338	11,338	-	\$3.84
C	8,796,925	375,865	5,636	219,254	8,775	609,530	6.9%	7.5%	(3,425)	(3,425)	-	\$3.76
Total	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)	-	\$4.47

### QUARTERLY COMPARISON AND TOTALS

Q1-19	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)	-	\$4.47
Q4-18	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	\$4.46
3Q-18	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	\$4.43
2Q-18	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	\$4.37
1Q-18	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	\$4.29

## Market Comparisons – Silicon Valley

### R&D, INDUSTRIAL & WAREHOUSE MARKETS

TYPE	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 CONSTR. SF	NNN WTD AVG ASKING
CAMPBELL													
R&D	1,338,087	106,973	-	12,641	-	119,614	8.9%	8.5%	-	-	-	-	\$2.72
IND	995,369	18,400	-	23,508	1,650	43,558	4.4%	2.6%	(1,251)	(1,251)	-	-	\$1.90
TOTAL	2,333,456	125,373	-	36,149	1,650	163,172	7.0%	6.0%	(1,251)	(1,251)	-	-	\$2.62
CUPERTINO													
R&D	3,098,994	33,533	3,622	-	-	37,155	1.2%	1.2%	(13,220)	(13,220)	-	-	\$2.89
TOTAL	3,098,994	33,533	3,622	-	-	37,155	1.2%	1.2%	(13,220)	(13,220)	-	-	\$2.89
FREMONT													
R&D	20,581,437	1,218,783	92,178	261,312	278,226	1,850,499	9.0%	8.3%	(58,427)	(58,427)	-	-	\$1.47
IND	10,289,771	197,088	-	84,955	5,160	287,203	2.8%	3.6%	(13,620)	(13,620)	-	1,426,006	\$1.12
WSE	8,670,405	211,054	-	290,991	120,835	622,880	7.2%	3.6%	-	-	-	369,180	\$0.97
TOTAL	39,541,613	1,626,925	92,178	637,258	404,221	2,760,582	7.0%	6.1%	(72,047)	(72,047)	-	1,795,186	\$1.26
GILROY													
R&D	372,034	66,374	-	-	-	66,374	17.8%	17.8%	-	-	-	-	\$0.91
IND	1,849,540	4,651	-	44,978	6,112	55,741	3.0%	2.9%	1,200	1,200	-	-	\$1.25
WSE	3,836,485	-	14,909	115,964	-	130,873	3.4%	2.0%	-	-	-	-	\$0.85
TOTAL	6,058,059	71,025	14,909	160,942	6,112	252,988	4.2%	3.3%	1,200	1,200	-	-	\$0.91
LOS GATOS													
R&D	342,752	7,099	-	-	-	7,099	2.1%	0.3%	(6,132)	(6,132)	-	-	\$2.31
TOTAL	342,752	7,099	-	-	-	7,099	2.1%	0.3%	(6,132)	(6,132)	-	-	\$2.31
MILPITAS													
R&D	13,610,548	1,422,992	76,855	910,765	365,457	2,776,069	20.4%	18.9%	(185,645)	(185,645)	-	-	\$1.90
IND	2,942,477	39,720	-	40,288	8,136	88,144	3.0%	2.0%	1,078	1,078	-	353,419	\$1.23
WSE	5,166,000	82,179	-	141,017	178,715	401,911	7.8%	10.1%	136,923	136,923	-	-	\$1.06
TOTAL	21,719,025	1,544,891	76,855	1,092,070	552,308	3,266,124	15.0%	14.5%	(47,644)	(47,644)	-	353,419	\$1.69
MORGAN HILL													
R&D	2,839,332	126,637	-	28,701	21,539	176,877	6.2%	6.6%	(6,637)	(6,637)	-	-	\$0.83
IND	2,550,234	60,882	5,000	5,500	-	71,382	2.8%	3.4%	13,622	13,622	-	-	\$1.20
WSE	482,538	-	-	-	-	-	0.0%	0.0%	-	-	-	-	\$-
TOTAL	5,872,104	187,519	5,000	34,201	21,539	248,259	4.2%	4.7%	6,985	6,985	-	-	\$0.89
MOUNTAIN VIEW													
R&D	14,046,011	404,418	134,525	149,244	131,330	819,517	5.8%	5.3%	(146,570)	(146,570)	-	-	\$4.56
IND	1,689,388	92,770	1,800	39,936	4,800	139,306	8.2%	7.8%	10,906	10,906	-	-	\$3.19
TOTAL	15,735,399	497,188	136,325	189,180	136,130	958,823	6.1%	5.6%	(135,664)	(135,664)	-	-	\$4.38
PALO ALTO													
R&D	5,169,382	4,302	-	165,121	118,473	287,896	5.6%	6.8%	104,769	104,769	-	-	\$5.72
TOTAL	5,169,382	4,302	-	165,121	118,473	287,896	5.6%	6.8%	104,769	104,769	-	-	\$5.72
SAN JOSE													
R&D	40,027,628	4,080,807	552,255	758,697	337,912	5,729,671	14.3%	12.7%	(152,185)	(152,185)	-	-	\$2.24
IND	24,604,385	285,803	47,883	300,831	85,281	719,798	2.9%	3.6%	36,066	36,066	-	-	\$1.06
WSE	16,894,422	286,270	45,000	341,023	132,002	804,295	4.8%	4.5%	(203,904)	(203,904)	-	82,900	\$0.99
TOTAL	81,526,435	4,652,880	645,138	1,400,551	555,195	7,253,764	8.9%	8.3%	(320,023)	(320,023)	-	82,900	\$2.00
SANTA CLARA													
R&D	18,968,087	807,922	126,878	69,044	94,833	1,098,677	5.8%	6.6%	122,815	122,815	-	-	\$2.12
IND	11,510,649	30,752	26,500	170,446	32,817	260,515	2.3%	1.5%	(12,314)	(12,314)	-	-	\$1.41
WSE	3,503,255	36,700	5,500	215,996	6,500	264,696	7.6%	6.0%	(300)	(300)	-	-	\$1.31
TOTAL	33,981,991	875,374	158,878	455,486	134,150	1,623,888	4.8%	4.8%	110,201	110,201	-	-	\$1.93
SUNNYVALE													
R&D	20,986,205	246,026	262,758	237,856	57,854	804,494	3.8%	3.8%	79,457	79,457	-	-	\$2.73
IND	5,926,337	15,125	-	7,961	4,872	27,958	0.5%	0.5%	12,144	12,144	-	-	\$1.70
WSE	1,783,947	-	-	-	-	-	0.0%	0.0%	-	-	-	-	\$-
TOTAL	28,696,489	261,151	262,758	245,817	62,726	832,452	2.9%	2.9%	91,601	91,601	-	-	\$2.71
SILICON VALLEY TOTALS													
R&D	141,380,497	8,525,866	1,249,071	2,593,381	1,405,624	13,773,942	9.7%	9.2%	(261,775)	(261,775)	-	-	\$2.31
IND	63,597,434	757,391	81,183	727,603	156,828	1,723,005	2.7%	2.9%	47,831	47,831	-	1,779,425	\$1.30
WSE	40,529,191	628,823	65,409	1,104,991	438,052	2,237,275	5.5%	4.7%	(67,281)	(67,281)	-	452,080	\$1.02
TOTAL	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
QUARTERLY COMPARISON AND TOTALS													
Q1-19	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	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	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
2Q-18	246,813,923	9,669,993	1,764,420	5,017,355	2,487,195	18,938,963	7.4%	7.4%	1,135,166	1,582,184	450,610	1,126,581	\$2.12
1Q-18	246,599,425	10,869,927	1,694,970	4,217,647	2,197,331	18,979,875	7.4%	7.6%	447,018	447,018	-	762,339	\$2.08

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# 68 countries

## \$3.3

billion in  
annual revenue

## 2.0

billion square feet  
under management

## 17,000

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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