

SAN JOSE | SILICON VALLEY

Q4 2018

Accelerating success.

Technology Sector Pushes Silicon Valley Commercial Property to New Frontiers

- > Several notable transactions by technology companies at the end of the year pushed gross absorption to 26.5 million square feet, surpassing activity for 2017 by 6.8 percent for all product types.
- > Annual net absorption tallied 5.25 million square feet for all product types, surpassing 2017 by 3.1 percent.
- > The availability space rate dropped for the fifth consecutive quarter, standing at 8.0 percent for all product types.

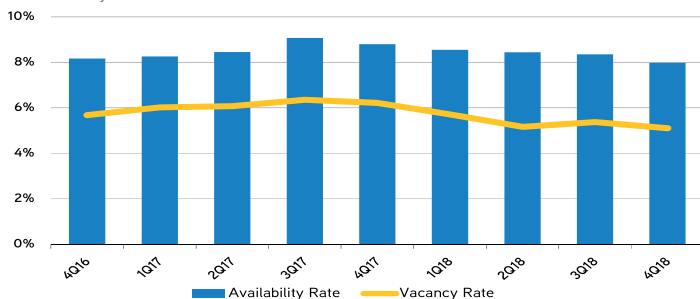
Fueled by local technology growth, commercial real estate activity gained momentum in the fourth quarter, and as a result, annual absorption eclipsed 2017 activity. According to California's Employment Development Department (EDD), the unemployment rate in Santa Clara County declined quarter over quarter to 2.4 percent. California, whose gross domestic product has surpassed that of the United Kingdom, has become the world's fifth largest economy, driven by Silicon Valley's thriving technology sector. Adding to the optimism, the Golden State's unemployment rate stands at 4.1 percent, the lowest since EDD started tracking the metric in 1976.

Despite the rising cost of living and worsening traffic, Silicon Valley remains a sought after market for corporations, investors and developers alike. The Valley is home to a diverse community of technology and data science professionals. This hard to find talent pool is the impetus driving the aggressive expansion by the Valley's heavy hitters. Big technology firms are often partnering with developers to build their new campuses and in some cases, such as Google, purchasing raw land directly from municipalities, as seen in Downtown San Jose.

The outlook for Silicon Valley is that of caution. Stock market shake ups, uncertainty with China, and labor uncertainty as a result of the tightening of the H-1B work visa program, may slow down the Valley's economy. The good news is with the availability and vacancy at near-record lows, the Valley does not face a supply problem. Furthermore, a record-breaking \$64 billion in venture capital invested in Bay Area startups in 2018 is a strong signal of the Valley's strength.

Vacancy vs. Availability Rates

Silicon Valley | All Products



The overall availability for all products decreased 40 basis points to 8.0% quarter over quarter, and vacancy decreased 30 basis points to 5.1%

Market Indicators - Santa Clara County

Santa Clara County
Median Household Income



Population Growth



Santa Clara County
Unemployment Rate



CA Unemployment Rate



Market Trends

Relative to prior quarter

	Q4 2018	Q1 2019*
Vacancy	↓	↔
Net Absorption	↑	↓
Under Construction	↑	↑
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	5.4%	5.1%
Net Absorption	-514,703	1,005,085
Construction Completed	281,898	286,025
Under Construction	8,826,029	9,128,862
Office Asking Rents*	\$4.38 FS	\$4.40 FS
R&D Asking Rents*	\$2.27 NNN	\$2.28 NNN
Industrial Asking Rents*	\$1.34 NNN	\$1.17 NNN
Warehouse Asking Rents*	\$1.01 NNN	\$1.04 NNN

*Asking Rents Reported Monthly

Office

- > Fourth quarter gross absorption recorded 2.4 million square feet and 12.2 million square feet for the year.
- > Fourth quarter net absorption measured 235,000 square feet and 4.4 million square feet for the year.
- > Weighted asking rents reached \$4.40 full service, up \$0.13 from Q4 2017.

Demand for office product remains firm. Robust leasing and sales activity driven by technology companies contributed to a vibrant year. Annual leasing activity in the office sector registered 12.2 million square feet, down 6.2 percent from 2017, and net absorption was positive at 4.4 million square feet, however down 24.1 percent from previous year.

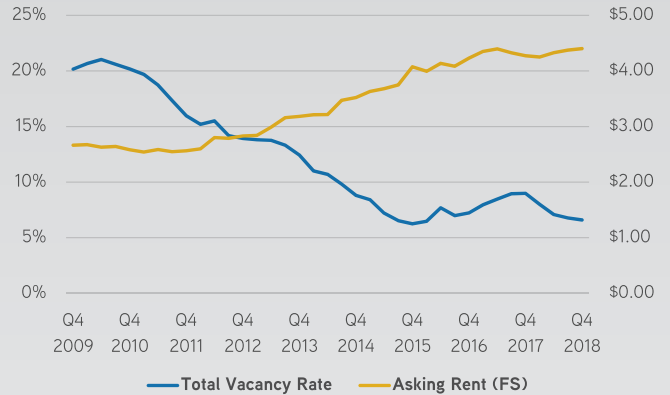
The year ended on a strong note with several noteworthy deals. Microsoft-owned LinkedIn executed the largest deal of the quarter which consisted of three buildings at 445-465 N Mary Avenue in Sunnyvale totaling 410,674 square feet – the largest of the three buildings is currently entitled, while the other two were previously occupied by Synopsys. On top of LinkedIn’s mega deal, the company also received approval from the City of Mountain View to build their 1.05-million-square-foot headquarters at 700 Middlefield Road in Mountain View; and just a stone’s throw away from LinkedIn’s Sunnyvale deal, Proofpoint executed the second largest office lease of the quarter, committing to 242,000 square feet for the entitled Phase 3 of Irvine’s Pathline development. Overall fourth quarter leasing activity reached 2.4 million square feet, up 0.8 percent from previous quarter but down 33.3 percent from the same period last year.

Despite some substantial move-outs, like Hewlett Packard vacating and selling their 520,000-square-foot headquarters in Palo Alto, net absorption remained positive with 235,000 square feet. The Hewlett Packard migration south fits with a trend seen by other tech peers, who are expanding their operations southward, with North San Jose being a popular landing spot. This growing submarket is an attractive alternative to Palo Alto, Mountain View and Sunnyvale due to lower asking rents, greater availability, and proximity to public transit and housing.

Two office buildings totaling 286,000 square feet were completed in the fourth quarter, both of which were preleased prior to completion. These include 23andMe’s new 155,000-square-foot headquarters at 221 N Mathilda Avenue in Sunnyvale and a 95,000-square-foot office at 599 Castro Street in Mountain View, preleased to Pure Storage and Sobrato. However, because 100 percent of new product was preleased, both the availability and vacancy rate compressed for the sixth consecutive quarter. At the end of the fourth quarter the availability rate stood at 10.9 percent while vacancy rate dropped to 6.6 percent.

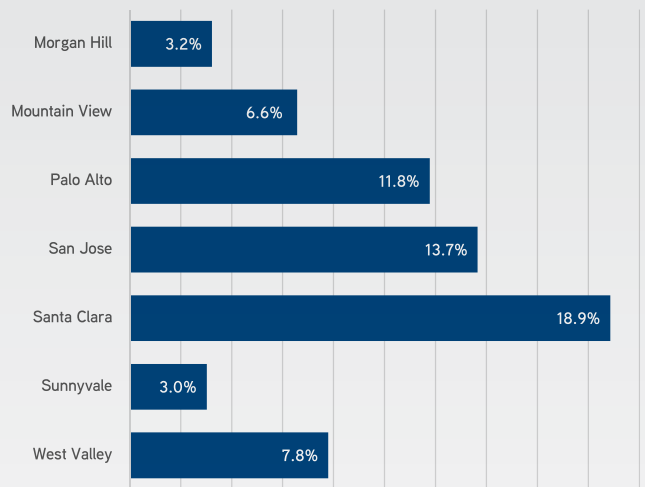
The outlook for the office sector remains positive as entrenched tech companies continue to demand world-class offices to house their highly specialized workforce, unique to the Bay Area. The Valley is a global magnet for tech talent, and as long as this holds true, there will be an innate demand for amenity-rich campuses.

Silicon Valley Office Rent vs. Vacancy



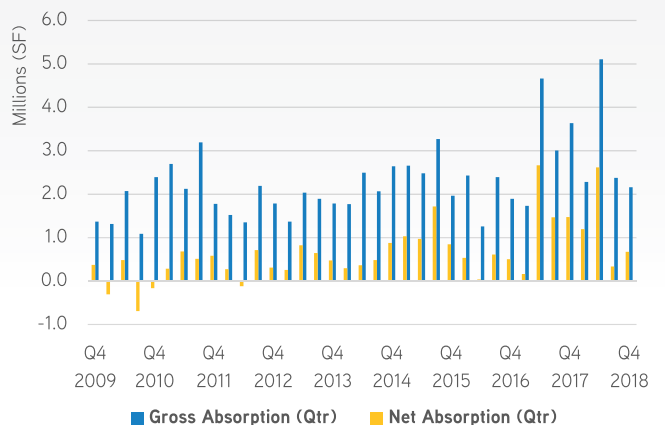
Source: Colliers International Research

Office Availability Rates Select Silicon Valley Cities



Source: Colliers International Research

Silicon Valley Office Net Absorption vs. Gross Absorption



Source: Colliers International Research



Top Office Sale Transactions

 = Colliers International Deal

PROPERTY ADDRESS	SIZE	SELLER	BUYER
3000 Hanover Street, Palo Alto	519,538 SF	Hewlett Packard	Sand Hill Property Company
221 N Mathilda Avenue, Sunnyvale	154,987 SF	Spear Street Capital	Stockbridge Capital Partners
3850 Fabian Way, Palo Alto	100,693 SF	Maxar Technologies	Google
3420 Hillview Avenue, Palo Alto	84,869 SF	RWD	EPRI
3150 Almaden Expressway, San Jose	63,117 SF	Logicom	Marwood Assets Management

R&D

- > Gross absorption recorded 3.1 million square feet in the quarter and 10.5 million square feet for 2018.
- > Net absorption measured positive 266,000 square feet for the quarter, ending the year with a positive 297,000 square feet
- > Weighted asking rents reached \$2.28 NNN, up \$0.12 from Q4 2017.

For the second consecutive quarter, the R&D sector surpassed office as the most active product class. Gross absorption reached 3.1 million square feet, up 14.8 percent from previous quarter and up 29.1 percent from Q4 2017. One reason R&D is getting so much attention is because there simply is not enough office supply in the market to accommodate user growth – it is now common for large users to take the build-to-suit route or buy and redevelop R&D buildings to meet their real estate needs.

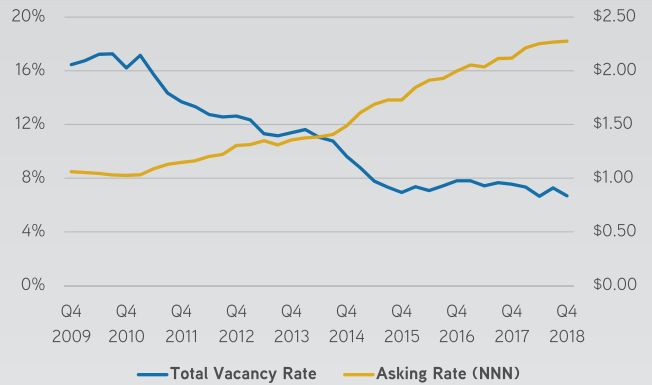
Similar to the office market, R&D activity in 2018 was galvanized by big technology firms. However, unlike the office market, fourth quarter R&D activity vastly consisted of user sale deals as opposed to lease transactions. The largest transaction of 2018 occurred in the fourth quarter when Google spent a whopping \$1 billion to buy a 799,000-square-foot R&D campus in Mountain View – Health Care Properties sold Britannia Shoreline Technology Park for a jaw-dropping price of \$1,259 per square foot. Google continued their shopping spree in North San Jose and snapped up Carlyle Group’s 377,000-square-foot project at 4300-4400 North 1st Street for \$154.5 million, or \$410 per square foot.

It was great to see non-technology companies active in the fourth quarter. The largest lease was executed by JP Morgan at 3251 Hanover Street, Palo Alto for 120,000 square feet. The company plans to house more than 1,000 employees in this Sand Hill Properties development, which is expected to be completed in 2020. On the municipal front, the County of Santa Clara, coming on the heels of an active third quarter, spent another \$58 million on R&D buildings totaling 440,000 square feet and 7.9 acres of land at the Silver Creek Business Park in South San Jose.

Just one R&D development was completed in the fourth quarter: 2747 Park Avenue in Palo Alto which is preleased to Tencent America. At the end of the fourth quarter, there were just two projects under construction – the aforementioned 120,000-square-foot development at 3251 Hanover Street in Palo Alto, preleased to JP Morgan and the still-available 104,000-square-foot building at 44508 Pacific Commons in Fremont.

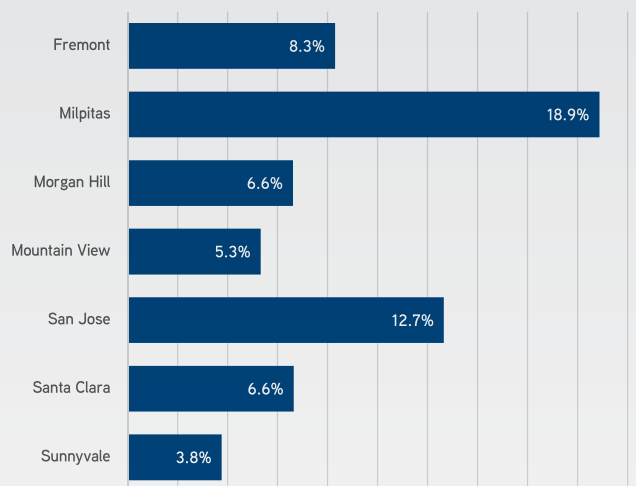
With activity gaining steam in the R&D sector and construction pipeline low, the outlook for R&D remains very competitive. The availability rate for R&D product is at 9.0 percent, down 70 basis points from the previous quarter and down 140 basis points from Q4 2017, while vacancy stood at 6.7 percent. Average weighted asking rents reached \$2.28 NNN, up \$0.12 from Q4 2017.

Silicon Valley R&D Rent vs. Vacancy



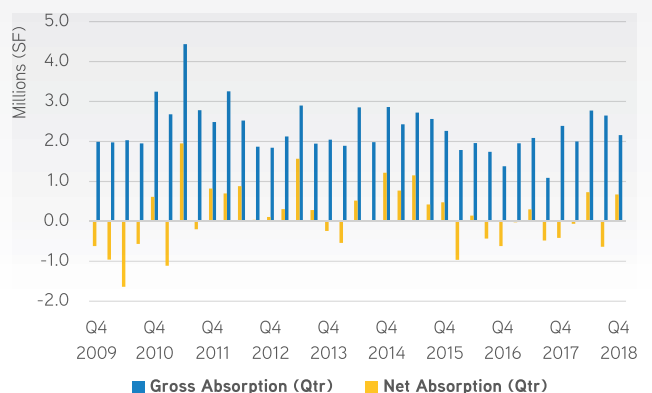
Source: Colliers International Research

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

Top R&D Lease Transactions



Top R&D Sale Transactions

 = Colliers International Deal

PROPERTY ADDRESS	SIZE	SELLER	BUYER
2011-2091 Stierlin Court, Mountain View	789,977 SF	Health Care Properties	Google
5750-5965 Silver Creek Valley Road, San Jose	440,232 SF	MWest Properties	County of Santa Clara
6373-6379 San Ignacio Avenue, San Jose	434,001 SF	The Sobrato Organization	Kennedy-Wilson Properties
4300-4400 N 1st Street, San Jose 	376,664 SF	Carlyle Group	Google
2770-2890 De La Cruz Boulevard, San Jose	297,879 SF	Swift Real Estate Partners	Central Property Owner

Industrial

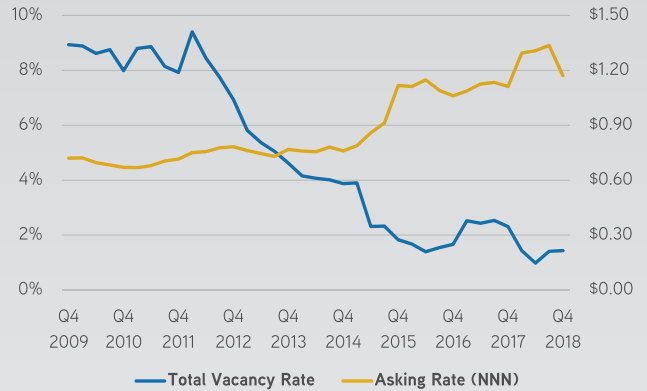
- > Gross absorption recorded 869,000 square feet for the fourth quarter and 2.6 million square on the year.
- > Net absorption measured negative 93,000 square feet in the final quarter, but thanks to a strong start to the year, annual net absorption was positive 414,000 square feet.
- > Weighted asking rents stood at \$1.17 NNN, up \$0.06 from Q4 2017.

Following a sluggish third quarter, industrial activity spiked in the last quarter of the year. Gross absorption measured 869,000 square feet, up 62.7 percent from Q4 2017. Two leases were signed over 100,000 square feet; for comparison, in the third quarter there were no leases over 50,000 square feet. The largest lease was executed by Orchard Therapeutics, a UK-based biotechnology company, which committed to 153,000 square feet at 800 Corporate Way, Fremont, once occupied by ASUS Computer. Following close behind, Zoox, an autonomous vehicle company based in Foster City, sublet 147,000 square feet at 47540 Kato Road in Fremont. As startups mature into mid-size viable operations, they often require more space and it is not uncommon to see a migration south from San Francisco and the Peninsula to San Jose and Fremont markets where there are larger blocks of space at significantly lower price points.

With no new industrial product coming online in the fourth quarter, the availability rate remains unchanged at 2.9 percent. Limited availability on the market means tenant mobility is restricted and more times than not users are forced to either renew or move outside of the Valley. The good news is there is some relief on the horizon for this supply deficit. There is currently 1.7 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.

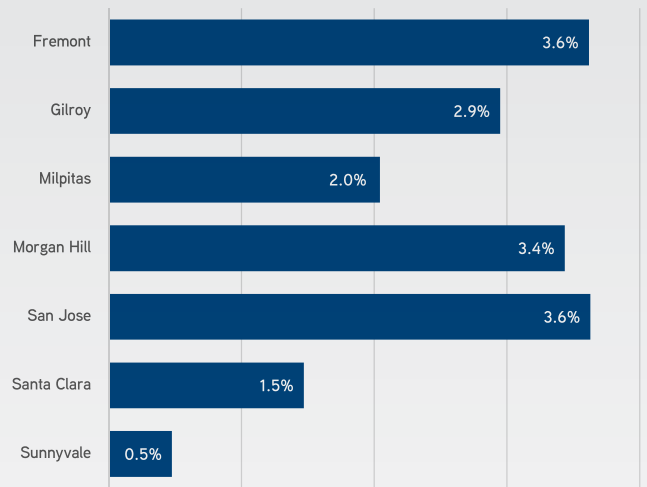
At the end of the year, the vacancy rate stood at 1.4 percent, down 110 basis points from the end of 2017. Average weighted asking rents reached \$1.17 NNN, up \$0.06 cents from the same time a year ago.

Silicon Valley Industrial Rent vs. Vacancy



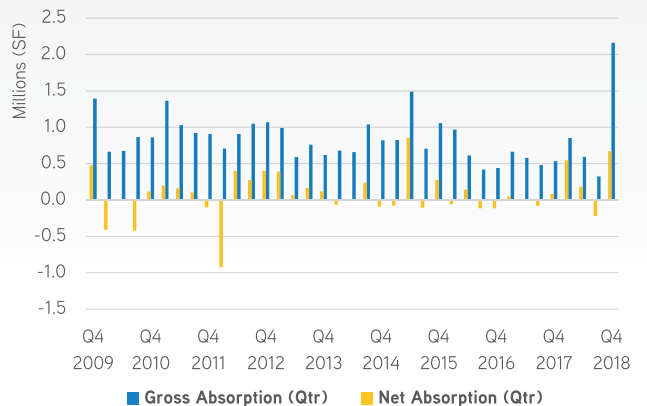
Source: Colliers International Research

Industrial Availability Rates Select Silicon Valley Cities



Source: Colliers International Research

Silicon Valley Industrial Net Absorption vs. Gross Absorption





Source: Colliers International Research

Top Industrial Lease Transactions



Top Industrial Sale Transactions

 = Colliers International Deal


PROPERTY ADDRESS	SIZE	SELLER	BUYER
5123 Calle Del Sol, Santa Clara	81,457 SF	Neo Century International	Ensemble Real Estate
510 W San Fernando Street, San Jose	54,450 SF	City of San Jose	Google
2800 Mead Avenue, Santa Clara	 35,910 SF	Wesco	Prologis
2761-2765 Scott Boulevard, Santa Clara	30,000 SF	Ring Lorraine E 2015 Trust	Siripoke Properties

Warehouse

- > Gross absorption recorded 421,000 square feet for the fourth quarter and 1.2 million square feet for the year.
- > Net absorption measured negative 38,000 square feet in the final quarter, while annual net absorption was positive 155,000 square feet.
- > Weighted asking rents stood at \$1.04 NNN, up \$0.08 from Q4 2017.

The warehouse market remains extremely competitive in Silicon Valley. However, despite the limited available space on the market, Apple executed the largest warehouse transaction of 2018 with a 314,000-square-foot lease at the newly-built Phase I of the McCarthy Creekside Industrial Center in Milpitas. Apple's deal follows a trend seen by other Valley tech companies expanding into industrial markets and falls into one of the defining trends of 2018 – tech companies migrating and expanding into the North San Jose, Milpitas and Fremont markets. In 2018 we saw such expansions from Facebook, leasing 754,000 square feet at Ardenwood Corporate Park in Fremont and Google buying three industrial buildings totaling 563,000 square feet in North San Jose. While it is unknown how these technology giants plan to use the newly acquired space, speculations include autonomous vehicle development, artificial intelligence and programmable robotics.

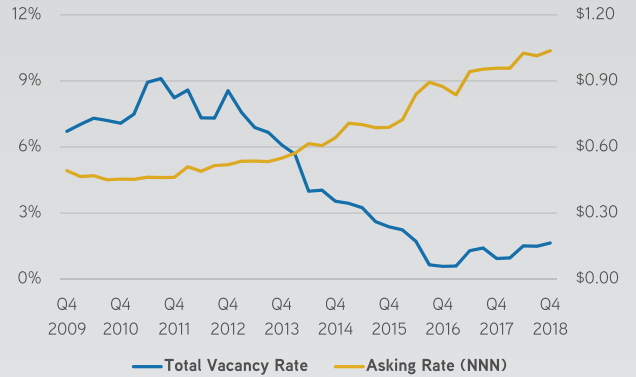


 **Apple:** 407 N McCarthy Boulevard Phase 1, Milpitas
Direct Lease | 313,978 SF

Available warehouse space is hard to come by, and withstanding a few exceptions, the vast majority of deals were once again renewals. At the end of the fourth quarter the available space rate was 4.7 percent and vacancy stood at 1.6 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.

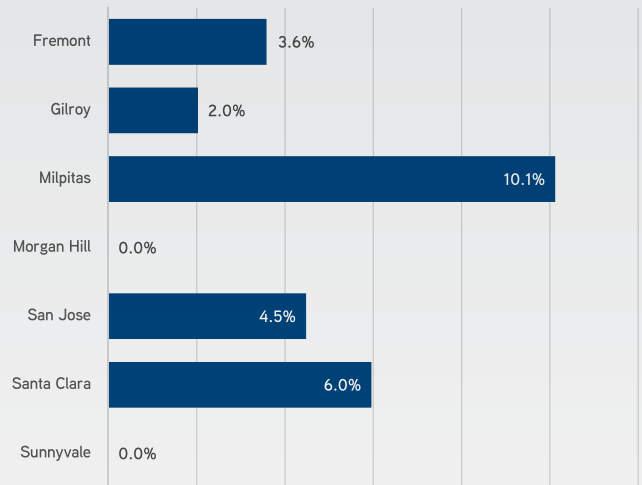
Demand pushing on supply has naturally lead to rising asking rents. The average asking rents reached \$1.04 NNN, up \$0.08 from Q4 2017.

Silicon Valley Warehouse Rent vs. Vacancy



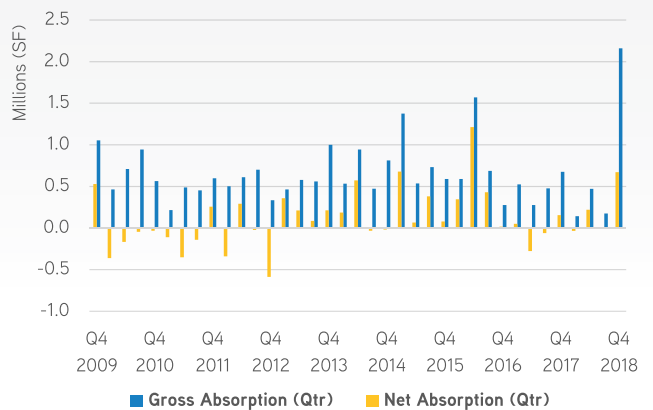
Source: Colliers International Research

Warehouse Availability Rates Select Silicon Valley Cities



Source: Colliers International Research

Silicon Valley Warehouse Net Absorption vs. Gross Absorption



Source: Colliers International Research



Top Industrial Sale Transactions

= Colliers International Deal

PROPERTY ADDRESS	SIZE	SELLER	BUYER
1605 Industrial Avenue, San Jose	442,570 SF	Cauvy Henri E	LBA Realty
47400 Kato Road, Fremont	302,400 SF	UBS Realty Investors	Institutional Logistics Partners
651 Matthew Street, Santa Clara	188,897 SF	Matthew Property I-III	Vantage Data Centers LLC
930-950 McLaughlin Avenue, San Jose	134,114 SF	Crisafi Family LP	Prologis
1090-1096 Pecten Court, Milpitas	93,900 SF	Crisafi Family LP	Pecten LP

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	NET ABSORPTION YTD	COMPLETED IN CURR QTR	UNDER CONST. SF	FS WTD AVG ASKING
CAMPBELL / LOS GATOS													
A	1,920,942	255,554	26,004	89,782	38,570	409,910	21.3%	23.4%	(14,125)	32,888	-	-	\$4.38
B	2,326,654	97,146	14,262	110,676	30,187	252,271	10.8%	10.6%	(1,080)	(36,452)	-	-	\$3.67
C	235,576	5,250	-	-	-	5,250	2.2%	2.1%	(3,650)	(2,190)	-	-	\$3.05
Total	4,483,172	357,950	40,266	200,458	68,757	667,431	14.9%	15.7%	(18,855)	(5,754)	-	-	\$4.12
CUPERTINO / SARATOGA													
A	4,397,562	15,269	-	36,669	-	51,938	1.2%	1.9%	(7,149)	52,197	-	-	\$5.87
B	2,852,698	28,793	22,992	12,765	2,498	67,048	2.4%	2.5%	(2,595)	7,120	-	-	\$3.68
C	188,010	7,945	-	-	-	7,945	4.2%	3.9%	(1,771)	(1,834)	-	-	\$3.59
Total	7,438,270	52,007	22,992	49,434	2,498	126,931	1.7%	2.2%	(11,515)	57,483	-	-	\$4.61
FREMONT / MILPITAS													
A	890,442	101,934	-	24,339	44,305	170,578	19.2%	19.6%	5,086	13,906	-	-	\$2.43
B	1,735,925	68,440	2,385	13,431	5,088	89,344	5.1%	5.7%	(6,628)	13,768	-	-	\$2.77
C	581,654	8,284	-	21,542	4,900	34,726	6.0%	6.0%	-	2,126	-	-	\$1.56
Total	3,208,021	178,658	2,385	59,312	54,293	294,648	9.2%	9.6%	(1,542)	29,800	-	-	\$2.46
GILROY / MORGAN HILL													
A	418,491	4,176	-	-	-	4,176	1.0%	1.5%	2,027	7,307	-	-	\$2.45
B	434,506	3,020	-	-	-	3,020	0.7%	0.3%	(1,500)	1,640	-	-	\$1.90
C	266,251	21,250	-	2,285	-	23,535	8.8%	11.2%	-	-	-	-	\$-
Total	1,119,248	28,446	-	2,285	-	30,731	2.7%	3.4%	527	8,947	-	-	\$2.11
LOS ALTOS													
A	295,515	7,033	-	-	14,718	21,751	7.4%	7.4%	-	(3,920)	-	-	\$5.96
B	507,803	6,672	-	10,240	5,152	22,064	4.3%	4.3%	4,210	20,077	-	-	\$5.26
C	382,918	8,243	1,732	-	-	9,975	2.6%	3.4%	577	(1,609)	-	-	\$4.81
Total	1,186,236	21,948	1,732	10,240	19,870	53,790	4.5%	5.8%	4,787	14,548	-	-	\$5.54
MOUNTAIN VIEW													
A	4,789,146	38,104	-	167,647	118,048	323,799	6.8%	8.5%	247,338	577,786	94,918	2,507,000	\$7.97
B	1,357,899	25,388	14,092	32,361	24,535	96,376	7.1%	7.4%	(4,655)	27,527	-	-	\$6.20
C	512,873	16,519	-	864	-	17,383	3.4%	2.9%	(2,719)	(9,128)	-	-	\$5.73
Total	6,659,918	80,011	14,092	200,872	142,583	437,558	6.6%	7.8%	239,964	596,185	94,918	2,507,000	\$7.69
PALO ALTO													
A	5,816,312	609,819	-	165,805	195,796	971,420	16.7%	7.2%	(481,997)	(35,887)	36,120	176,978	\$8.14
B	4,477,724	29,534	59,304	104,700	108,079	301,617	6.7%	6.9%	(2,839)	(19,182)	-	-	\$5.89
C	1,834,901	22,107	4,904	68,369	71,184	166,564	9.1%	7.5%	(4,904)	(9,686)	-	-	\$6.02
Total	12,128,937	661,460	64,208	338,874	375,059	1,439,601	11.9%	7.1%	(489,740)	(64,755)	36,120	176,978	\$7.03
SAN JOSE													
A	16,024,001	1,481,141	84,906	483,408	642,839	2,692,294	16.8%	19.1%	404,956	1,296,470	-	1,069,254	\$3.81
B	9,776,562	639,205	69,272	237,738	60,751	1,006,966	10.3%	11.0%	15,761	45,469	-	-	\$3.27
C	3,897,679	241,352	-	113,700	-	355,052	9.1%	10.6%	30,446	12,792	-	-	\$2.77
Total	29,698,242	2,361,698	154,178	834,846	703,590	4,054,312	13.7%	15.2%	451,163	1,354,731	-	1,069,254	\$3.62
SANTA CLARA													
A	10,681,777	680,948	850,953	37,521	637,696	2,207,118	20.7%	20.4%	90,179	1,044,624	-	1,009,234	\$3.83
B	5,185,807	650,670	15,922	72,870	89,692	829,154	16.0%	14.7%	(183,090)	(264,369)	-	-	\$3.27
C	435,308	37,580	-	-	-	37,580	8.6%	9.5%	3,598	17,575	-	-	\$2.90
Total	16,302,892	1,369,198	866,875	110,391	727,388	3,073,852	18.9%	18.3%	(89,313)	797,830	-	1,009,234	\$3.72
SUNNYVALE													
A	13,600,421	94,137	19,612	216,986	24,868	355,603	2.6%	4.4%	175,610	1,604,059	154,987	2,015,191	\$6.18
B	1,497,222	29,413	24,554	48,600	7,476	110,043	7.3%	7.8%	(26,090)	(3,798)	-	-	\$3.76
C	458,185	4,680	-	-	-	4,680	1.0%	1.0%	-	(3,240)	-	-	\$2.95
Total	15,555,828	128,230	44,166	265,586	32,344	470,326	3.0%	4.6%	149,520	1,597,021	154,987	2,015,191	\$5.93
SILICON VALLEY TOTALS													
A	58,834,609	3,288,115	981,475	1,222,157	1,716,840	7,208,587	12.3%	12.6%	421,925	4,589,430	286,025	6,777,657	\$4.63
B	30,152,800	1,578,281	222,783	643,381	333,458	2,777,903	9.2%	9.3%	(208,506)	(208,200)	-	-	\$3.77
C	8,793,355	373,210	6,636	206,760	76,084	662,690	7.5%	8.0%	21,577	4,806	-	-	\$3.84
Total	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	\$4.40
QUARTERLY COMPARISON AND TOTALS													
4Q-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	6,777,657	\$4.40
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	6,624,539	\$4.38
2Q-18	97,112,430	5,372,494	1,507,737	2,727,726	1,679,054	11,287,911	11.6%	11.8%	2,617,572	3,814,059	2,316,561	4,668,900	\$4.33
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	5,321,200	\$4.25
4Q-17	91,834,042	6,433,489	1,817,975	1,990,313	826,923	11,068,700	12.1%	12.2%	1,473,550	5,772,461	1,728,351	3,639,873	\$4.27

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	1,378,087	108,573	-	5,830	2,715	117,118	8.5%	8.1%	-	(40,250)	-	-	\$2.37
IND	995,369	17,149	-	8,950	-	26,099	2.6%	2.5%	(10,324)	(10,334)	-	-	\$1.86
TOTAL	2,373,456	125,722	-	14,780	2,715	143,217	6.0%	5.7%	(10,324)	(50,584)	-	-	\$2.27
CUPERTINO													
R&D	3,098,994	3,823	20,112	13,220	-	37,155	1.2%	1.2%	(3,823)	(7,445)	-	-	\$2.89
TOTAL	3,098,994	3,823	20,112	13,220	-	37,155	1.2%	1.2%	(3,823)	(7,445)	-	-	\$2.89
FREMONT													
R&D	20,669,927	1,246,885	83,136	310,065	74,517	1,714,603	8.3%	8.4%	(272,176)	626,654	-	104,399	\$1.43
IND	10,248,857	206,172	-	157,408	7,120	370,700	3.6%	5.4%	(83,236)	(87,634)	-	1,321,607	\$1.03
WSE	8,670,405	211,054	-	87,980	11,424	310,458	3.6%	2.1%	(190,000)	(190,000)	-	369,180	\$1.00
TOTAL	39,589,189	1,664,111	83,136	555,453	93,061	2,395,761	6.1%	6.2%	(545,412)	349,020	-	1,795,186	\$1.27
GILROY													
R&D	372,034	66,374	-	-	-	66,374	17.8%	17.8%	-	(39,332)	-	-	\$0.91
IND	1,849,540	5,851	-	42,578	6,112	54,541	2.9%	1.4%	3,358	12,968	-	-	\$1.25
WSE	3,812,905	-	14,909	62,400	77,309	77,309	2.0%	0.4%	-	(14,909)	-	-	\$0.95
TOTAL	6,034,479	72,225	14,909	104,978	6,112	198,224	3.3%	1.8%	3,358	(41,273)	-	-	\$0.94
LOS GATOS													
R&D	342,752	967	-	-	-	967	0.3%	0.3%	-	(967)	-	-	\$2.70
TOTAL	342,752	967	-	-	-	967	0.3%	0.3%	-	(967)	-	-	\$2.70
MILPITAS													
R&D	13,795,428	1,237,347	76,855	900,636	388,353	2,603,191	18.9%	15.8%	30,525	354,754	-	-	\$1.93
IND	2,942,477	40,798	-	18,379	936	60,113	2.0%	2.2%	-	(29,702)	-	353,419	\$1.15
WSE	5,165,900	219,102	-	141,017	162,673	522,792	10.1%	16.2%	177,055	313,687	-	-	\$1.01
TOTAL	21,903,805	1,497,247	76,855	1,060,032	551,962	3,186,096	14.5%	14.1%	207,580	638,739	-	353,419	\$1.65
MORGAN HILL													
R&D	2,799,332	120,000	-	43,604	21,539	185,143	6.6%	5.8%	4,935	(29,814)	-	-	\$0.83
IND	2,474,361	74,504	5,000	5,500	-	85,004	3.4%	4.4%	(1,933)	(27,851)	-	-	\$1.20
WSE	482,538	-	-	-	-	-	0.0%	0.0%	-	-	-	-	\$-
TOTAL	5,756,231	194,504	5,000	49,104	21,539	270,147	4.7%	4.7%	3,002	(57,665)	-	-	\$0.88
MOUNTAIN VIEW													
R&D	14,046,011	343,183	49,190	146,875	208,503	747,751	5.3%	5.8%	25,645	(281,107)	-	-	\$4.56
IND	1,615,004	103,676	1,800	20,659	-	126,135	7.8%	6.0%	(7,601)	(43,617)	-	-	\$3.21
TOTAL	15,661,015	446,859	50,990	167,534	208,503	873,886	5.6%	5.8%	18,044	(324,724)	-	-	\$4.38
PALO ALTO													
R&D	5,168,629	47,797	61,274	114,196	125,825	349,092	6.8%	7.2%	12,082	86,608	-	119,700	\$5.81
TOTAL	5,168,629	47,797	61,274	114,196	125,825	349,092	6.8%	7.2%	12,082	86,608	-	119,700	\$5.81
SAN JOSE													
R&D	42,671,365	3,864,256	706,939	434,593	392,430	5,398,218	12.7%	15.3%	405,961	(736,971)	-	-	\$2.20
IND	25,088,990	345,123	26,629	478,491	59,885	910,128	3.6%	3.1%	(12,246)	594,531	-	-	\$0.87
WSE	16,979,099	143,585	16,781	496,920	102,800	760,086	4.5%	3.2%	(12,381)	81,194	-	82,900	\$1.01
TOTAL	84,739,454	4,352,964	750,349	1,410,004	555,115	7,068,432	8.3%	9.3%	381,334	(61,246)	-	82,900	\$1.97
SANTA CLARA													
R&D	18,968,167	920,409	137,206	109,704	92,883	1,260,202	6.6%	7.0%	(5,076)	370,100	-	-	\$2.15
IND	11,499,008	47,258	-	114,283	7,614	169,155	1.5%	1.3%	16,781	633	-	-	\$1.54
WSE	3,355,255	41,900	-	151,415	6,500	199,815	6.0%	6.6%	(12,700)	(22,400)	-	-	\$1.35
TOTAL	33,822,430	1,009,567	137,206	375,402	106,997	1,629,172	4.8%	5.0%	(995)	348,333	-	-	\$2.03
SUNNYVALE													
R&D	21,408,458	259,485	333,141	142,659	70,038	805,323	3.8%	4.6%	68,097	(5,291)	-	-	\$2.63
IND	5,926,337	27,269	-	-	1,000	28,269	0.5%	0.7%	2,413	4,971	-	-	\$2.06
WSE	1,687,947	-	-	-	-	-	0.0%	0.0%	-	-	-	-	\$-
TOTAL	29,022,742	286,754	333,141	142,659	71,038	833,592	2.9%	3.5%	70,510	(320)	-	-	\$2.61
SILICON VALLEY TOTALS													
R&D	144,719,184	8,219,099	1,467,853	2,221,382	1,376,803	13,285,137	9.2%	9.9%	266,170	296,939	-	224,099	\$2.28
IND	63,870,035	880,000	33,429	855,377	90,667	1,859,473	2.9%	2.9%	(92,788)	413,965	-	1,675,026	\$1.17
WSE	40,346,188	628,261	31,690	939,732	283,397	1,883,080	4.7%	4.5%	(38,026)	154,952	-	452,080	\$1.04
TOTAL	248,935,407	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
QUARTERLY COMPARISON AND TOTALS													
4Q-18	248,935,407	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	248,994,319	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	257,333,770	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	257,119,272	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
4Q-17	257,470,315	11,868,163	1,612,940	4,283,652	1,909,358	19,674,113	7.6%	8.0%	(173,516)	(681,905)	-	642,639	\$1.96

69 countries

\$2.7

billion in
annual revenue

2.0

billion square feet
under management

15,400

professionals
and staff

\$116

billion in
total transaction value

*All statistics are for 2017, are in U.S. dollars and include affiliates.

FOR MORE INFORMATION:

Reed Payne
Executive Managing Director
CA License No. 00818935
+1 408 282 3801
reed.payne@colliers.com

RESEARCH DEPARTMENT:

Lena Tutko
Research Manager
+1 408 282 3898
lena.tutko@colliers.com

COLLIERS INTERNATIONAL | SILICON VALLEY

450 West Santa Clara Street
San Jose, CA 95113 | USA
+1 408 282 3800
colliers.com/siliconvalley



About Colliers International Group Inc.

Colliers International Group Inc. (NASDAQ: CIGI) (TSX: CIGI) is a top tier global real estate services and investment management company operating in 69 countries with a workforce of more than 13,000 professionals. Colliers is the fastest-growing publicly listed global real estate services and investment management company, with 2017 corporate revenues of \$2.3 billion (\$2.7 billion including affiliates). With an enterprising culture and significant employee ownership and control, Colliers professionals provide a full range of services to real estate occupiers, owners and investors worldwide, and through its investment management services platform, has more than \$25 billion of assets under management from the world's most respected institutional real estate investors.

Colliers professionals think differently, share great ideas and offer thoughtful and innovative advice to accelerate the success of its clients. Colliers has been ranked among the top 100 global outsourcing firms by the International Association of Outsourcing Professionals for 13 consecutive years, more than any other real estate services firm. Colliers is ranked the number one property manager in the world by Commercial Property Executive for two years in a row.

Colliers is led by an experienced leadership team with significant equity ownership and a proven record of delivering more than 20% annualized returns for shareholders, over more than 20 years.

colliers.com/siliconvalley

Copyright © 2019 Colliers International.

The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



Accelerating success.