

MARKET TRENDS | SILICON VALLEY

INDUSTRIAL

3RD QUARTER
2020

◀ VACANCY | ◀ UNEMPLOYMENT | ◀ RENTAL RATE | ▼ CONSTRUCTION DELIVERIES

Year-over-year change

TOP SALE TRANSACTIONS FOR 3Q 2020

Property	City	Square Feet	Sale Price	Price/SF	Buyer	Seller
8484 Central Ave	Newark	40,136	\$8,800,000	\$219.25	Atum Biotechnology	Quality Quartz Engineering
1980 Lundy Ave	San Jose	25,140	\$6,900,000	\$274.46	Bahl Properties	1980 Lundy Avenue LLC
3370-3374 Victor St	Santa Clara	11,808	\$3,932,000	\$332.99	Watts 2001 Family Trust	Peter Karacsony & Trang Nguyen
1355 Felipe Ave	San Jose	8,380	\$3,900,000	\$465.39	Nicolas & Helena Dezubiria	Keith Thompson
540 Parrott St	San Jose	9,869	\$2,725,000	\$276.12	Parrott Investment LLC	Trung & Linda Nguyen

TOP LEASE TRANSACTIONS FOR 3Q 2020

Property	City	Square Feet	Date	Landlord	Tenant
6600 Stevenson Blvd	Fremont	127,452	August 2020	Prologis	OnCore Manufacturing
7447 Morton Ave	Newark	122,870	August 2020	Geomax	Home Delivery LLC
700 Laurelwood Rd	Santa Clara	103,500	September 2020	Prologis	Tesla
520-528 Brennan St	Fremont	91,202	September 2020	Prologis	Second Harvest Food Bank
950 Yosemite Dr	Milpitas	78,923	July 2020	Nellis Corp	T Marzetti Co

TOP UNDER CONSTRUCTION

Property	City	Square Feet	Delivery Date	Owner
Bridge Point Silicon Valley	Milpitas	729,998	June 2021	Bridge Development
970 McLaughlin Ave	San Jose	223,717	December 2020	Seefried Industrial Properties
96 Montecito Vista Dr	San Jose	82,260	November 2020	Graniterock

Industrial Market Breakdown

	3Q 2020	2Q 2020	3Q 2019	Annual % Change
Direct Vacancy Rate	3.04%	3.10%	2.10%	44.87%
Availability Rate	4.59%	4.40%	2.50%	83.66%
Asking Lease Rate	\$1.36	\$1.32	\$1.48	-8.11%
Leased SF	177,807	333,608	581,811	-69.44%
Sold SF	146,144	100,741	677,385	-78.43%
Net Absorption	50,561	(102,906)	(8,691)	N/A

Warehouse Market Breakdown

	3Q 2020	2Q 2020	3Q 2019	Annual % Change
Direct Vacancy Rate	5.14%	4.50%	4.30%	19.49%
Availability Rate	8.79%	8.10%	7.00%	25.51%
Asking Lease Rate	\$1.11	\$1.11	\$1.06	4.72%
Leased SF	456,574	262,924	1,873,218	-75.63%
Sold SF	332,394	184,438	2,170,496	-84.69%
Net Absorption	(417,712)	787,837	(535,136)	N/A

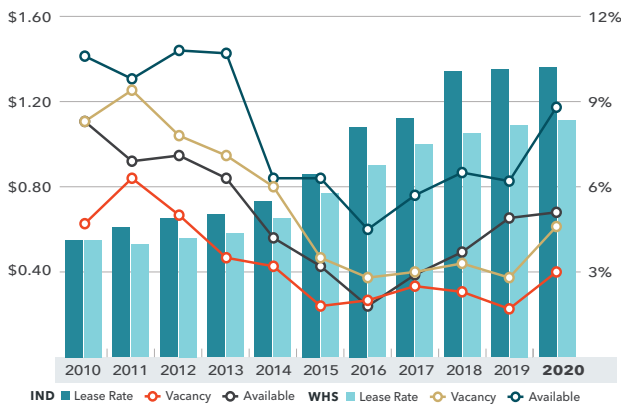
SILICON VALLEY INDUSTRIAL SUBMARKET STATISTICS

Submarket	Total Inventory	SF Under Construction	Direct Vacancy Rate	Total Vacancy Rate	Total Available Rate	3Q Direct Net Absorption	2020 Direct Net Absorption	Quarterly Gross Absorption	2020 Gross Absorption	Rental Rate
Campbell	959,551	-	1.66%	2.23%	2.23%	(1,456)	338	5,440	9,224	\$1.84
Cupertino	537,376	-	0.00%	0.00%	0.00%	0	0	0	0	-
Fremont	11,609,855	-	1.93%	2.84%	3.17%	(58,696)	(84,046)	0	148,104	\$1.41
Milpitas	3,004,313	-	2.25%	2.25%	7.99%	(12,628)	(6,908)	0	25,659	\$0.80
Mountain View	837,425	-	2.04%	2.32%	4.33%	(2,718)	(2,718)	0	0	\$2.37
Newark	3,938,965	-	11.73%	11.79%	11.79%	104,104	408,675	107,489	200,215	\$0.95
Palo Alto	1,356,515	-	0.24%	0.24%	0.51%	16,260	(3,240)	1,080	21,260	\$2.31
San Jose	14,378,921	-	2.38%	2.38%	4.67%	12,160	(46,969)	27,462	298,622	\$1.37
Santa Clara	8,544,625	-	2.34%	2.42%	2.92%	(8,699)	(22,086)	29,836	110,187	\$1.43
Sunnyvale	3,039,246	-	4.40%	4.40%	5.14%	2,234	(133,737)	6,500	8,734	\$2.22
Total	48,206,792	-	3.04%	3.29%	4.59%	50,561	109,309	177,807	822,005	\$1.36

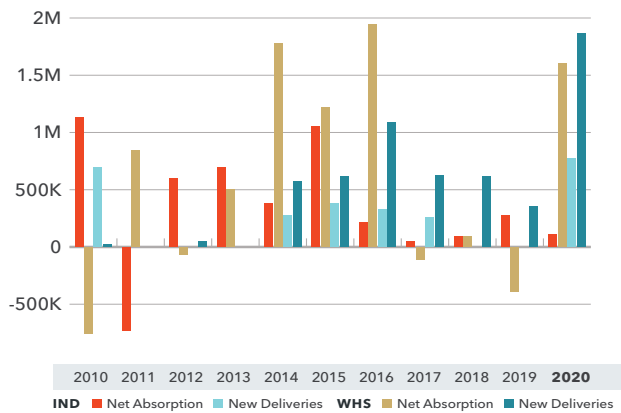
SILICON VALLEY WAREHOUSE SUBMARKET STATISTICS

Submarket	Total Inventory	SF Under Construction	Direct Vacancy Rate	Total Vacancy Rate	Total Available Rate	3Q Direct Net Absorption	2020 Direct Net Absorption	Quarterly Gross Absorption	2020 Gross Absorption	Rental Rate
Campbell	740,062	-	3.27%	3.27%	4.20%	1,555	(6,937)	2,825	17,275	\$1.79
Cupertino	166,229	-	0.00%	0.00%	0.00%	0	0	0	0	-
Fremont	16,587,447	-	9.81%	10.04%	13.82%	(81,318)	1,217,896	42,040	854,862	\$1.15
Milpitas	5,536,577	729,998	2.74%	2.74%	12.22%	(47,745)	209,473	1,680	74,124	\$1.02
Mountain View	1,006,080	-	4.10%	4.71%	4.19%	2,342	(16,799)	6,151	11,523	\$3.71
Newark	5,132,385	-	10.35%	11.43%	14.00%	(18,508)	(28,120)	1,890	45,348	\$0.90
Palo Alto	879,144	-	1.64%	1.64%	1.56%	(5,902)	(14,402)	700	700	\$2.75
San Jose	26,431,713	305,977	3.13%	3.72%	5.94%	(177,597)	76,063	261,242	904,406	\$1.10
Santa Clara	6,589,693	-	1.89%	3.24%	5.54%	(68,015)	(1,568)	140,046	199,699	\$1.28
Sunnyvale	2,593,081	-	1.24%	1.24%	2.27%	(22,524)	163,918	0	1,600	\$1.51
Total	65,662,411	1,035,975	5.14%	5.66%	8.79%	(417,712)	1,599,524	456,574	2,109,537	\$1.11

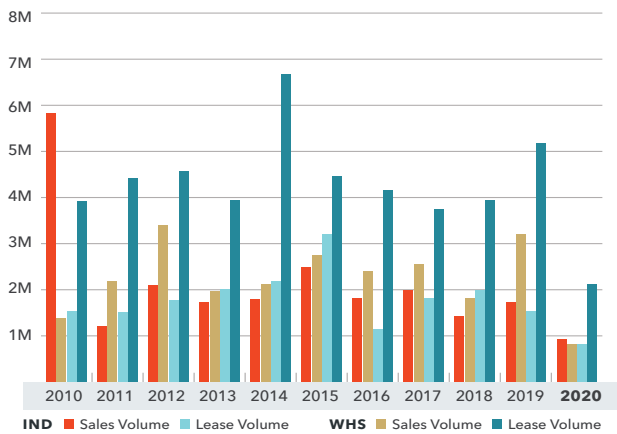
LEASE RATE, VACANCY & AVAILABILITY



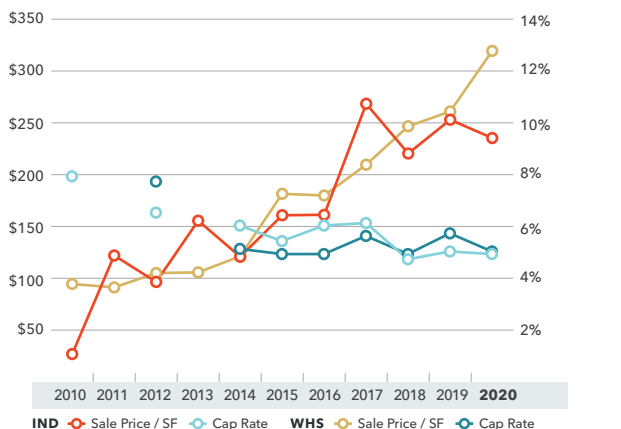
NET ABSORPTION & NEW DELIVERIES (SF)



SALES VOLUME VS. LEASE VOLUME (SF)



AVERAGE SALE PRICE & CAP RATES



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COMMERCIAL BROKERAGE

27M
ANNUAL
SALES SF

42M
ANNUAL
LEASING SF

450+
NO. OF
BROKERS

\$9.6B
ANNUAL TRANSACTION
VOLUME

VALUATION ADVISORY

1,680+
APPRAISALS
ANNUALLY

37/23
TOTAL NO.
APPRAISERS/MAI'S

PROPERTY MANAGEMENT

70M+
MANAGEMENT
PORTFOLIO SF

\$12B+
IN ASSETS UNDER
MANAGEMENT

The information in this report was composed by the Kidder Mathews Research Group.

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