

**MARKET TRENDS**

# SILICON VALLEY *RETAIL*

 VACANCY

 UNEMPLOYMENT

 RENTAL RATES

 CONSTRUCTION DELIVERIES

Year-Over-Year Change

**SIGNIFICANT SALE TRANSACTIONS 4Q 2025**

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
777 Sunnyvale Saratoga Rd	Sunnyvale	55,079	\$44,300,000	\$804	Bakhtiari Auto Group	Mardit Properties
Petsmart	Sunnyvale	20,476	\$10,000,000	\$488	Sonnys First Company, Inc.	L & A Kessler Family Partners
190 Channing Ave	Downtown Palo Alto	2,300	\$6,000,000	\$2,609	Bloomstead, LLC	190 Channing Investors, LLC

**SIGNIFICANT LEASE TRANSACTIONS 4Q 2025**

Property	Submarket	SF	Transaction Date	Tenant
Tenant Station	Morgan Hill	35,678	December 2025	Morgan Hill Bowl
Great Mall	Milpitas	20,000	November 2025	Altitude Trampoline Park
Portal Plaza	Cupertino	17,614	October 2025	DuoDuo Cupertino, LLC

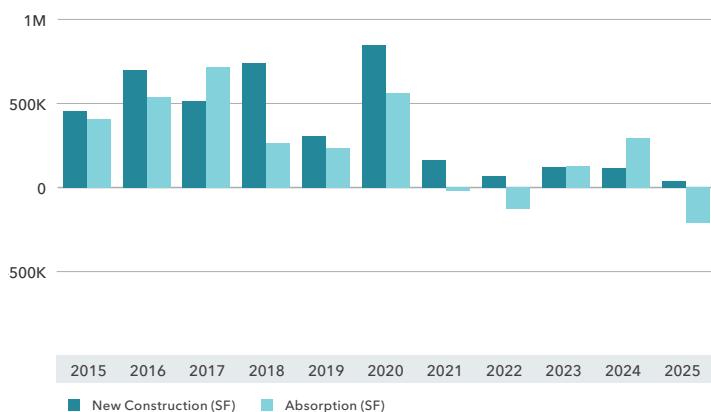
**SIGNIFICANT UNDER CONSTRUCTION**

Property	Submarket	SF	Delivery
1374 Olympia Ave	South San Jose	102,000	1Q 2026
5158 West El Camino Real	Los Altos	85,000	1Q 2026
Tesla	East San Jose-Willow Glen	50,000	2Q 2026

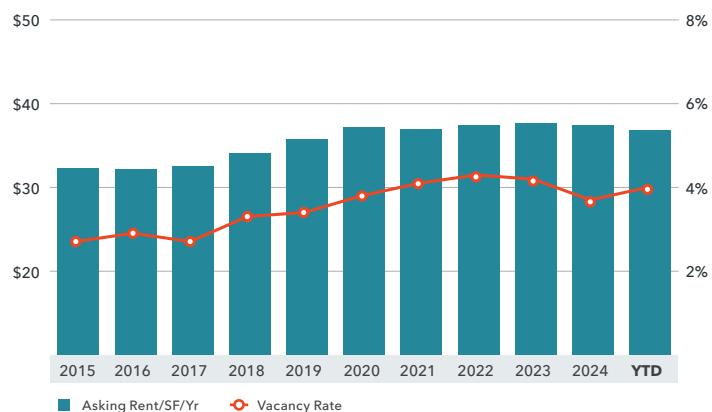
**MARKET BREAKDOWN**

	4Q25	3Q25	4Q24	YOY Change
Vacancy Rate	3.9%	4.0%	3.7%	<b>20 bps</b>
Average Asking Rents/SF/Yr	\$37.10	\$36.75	\$37.43	<b>-0.88%</b>
Under Construction (SF)	247,285	247,285	47,024	<b>425.87%</b>
Average Sales Price/SF	\$727	\$316	\$583	<b>24.59%</b>
Average Cap Rate	5.3%	5.6%	5.6%	<b>-30 bps</b>
	4Q25	2025	2024	YOY Change
Construction Deliveries (SF)	0	36,739	115,071	<b>N/A</b>
Net Absorption	42,267	-212,545	296,045	<b>-171.79%</b>

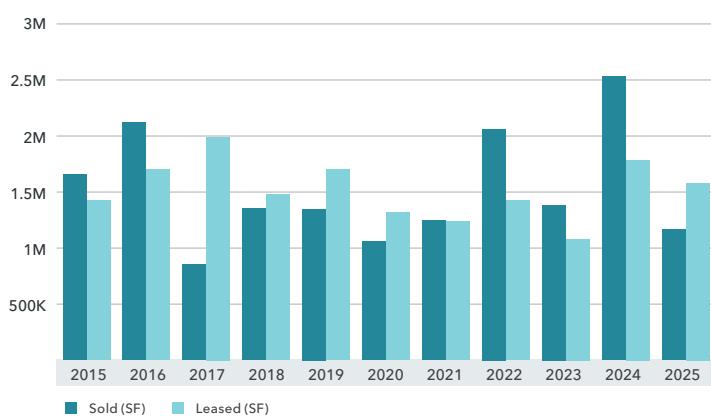
## NEW CONSTRUCTION &amp; ABSORPTION



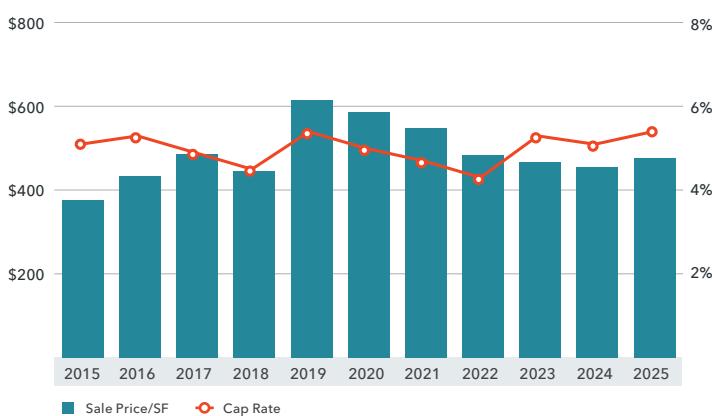
## AVERAGE ASKING RENT/SF &amp; VACANCY RATE



## SALE VOLUME &amp; LEASE VOLUME



## AVERAGE SALE PRICE/SF &amp; CAP RATES



Data Source: CoStar



Kidder Mathews is the largest fully independent commercial real estate firm in the Western U.S., with over 900 real estate professionals and staff in 19 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, asset services, consulting, and debt & equity finance services for all property types.

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

**GARY BARAGONA**  
Vice President of Research  
415.229.8925  
gary.baragona@kidder.com

**DAVID NELSON**  
Regional President, Brokerage  
Northern California & Nevada  
408.970.9400  
david.nelson@kidder.com  
LIC N° 01716942

## COMMERCIAL BROKERAGE

**\$9B**  
AVERAGE ANNUAL TRANSACTION VOLUME

**26.2M**  
ANNUAL SALES SF

**36.7M**  
ANNUAL LEASING SF

## ASSET SERVICES

**53M SF**  
MANAGEMENT PORTFOLIO SIZE

**800+**  
ASSETS UNDER MANAGEMENT

**250+**  
CLIENTS SERVED

## VALUATION ADVISORY

**2,400+**  
AVERAGE ASSIGNMENTS

**41**  
TOTAL APPRAISERS

**23**  
WITH MAI DESIGNATIONS