



Office Market Report

San Jose - CA (USA)

PREPARED BY



OFFICE MARKET REPORT

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12 Mo Deliveries in SF

3.6M

12 Mo Net Absorption in SF

(2.2M)

Vacancy Rate

15.8%

Market Asking Rent Growth

-0.6%

In the first quarter of 2024, the San Jose office market continues to show signs of the imbalance in demand and supply that first became evident in early 2023. The combination of weakness in tenant demand and an increase in the supply of newly built space has caused vacancies to increase. The market's vacancy rate is approaching the previous high points established during the dotcom bust and the Great Recession. Rents are trending downwards, and concessions are up.

In the immediate aftermath of the pandemic, San Jose largely avoided the unprecedented collapse in tenant demand that emptied office buildings and caused vacancy to escalate in neighboring San Francisco. However, in 2023, low office worker attendance was joined by economic challenges, as high interest rates impacted tech company valuations, leading many to lay off staff and cut back on office space.

In the past year, substantial space reductions were initiated by Google and Meta in Mountain View and Moffett Park, followed by downsizings by several other major tenants, such as Roku and LinkedIn. Amid the downsizings, there was a glimmer of positive absorption in November, when Walmart leased the 700,000-SF Crossman Campus in Moffett Park. The buildings became available earlier in the year after Meta terminated its lease.

Google is playing an outsized part in the market as it continues to build new company-owned office properties and exit leased spaces as these new buildings are completed. Over the past two years, Google has completed over 2 million SF of owned office space, and the company has over 1.5 million SF of additional space under construction. Accordingly, around 2.7 million SF of leased space previously occupied by Google has been returned to the market and is currently available.

The largest speculative office project to be completed in the past year is developer Jay Paul's 950,000-SF 200 Park Ave. in Downtown San Jose. Construction of other speculative office projects, such as Google's Downtown West and BXP's Platform 16, has been delayed or suspended, pending improved leasing conditions.

In the first quarter of 2024, the vacancy rate in San Jose is 14.9%, having increased by 2.9% over the past 12 months. In the year ahead, more downsizing is expected as tenant leases expire, causing vacancy to rise above the previous high of 17% set during the dotcom bust in 2003.

Looking ahead, continued uncertainty around weak tenant demand, elevated levels of speculative development, and the general economic slowdown present headwinds to both market performance and asset values.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	69,546,962	19.2%	\$63.44	21.9%	(341,063)	233,543	3,382,659
3 Star	51,766,592	13.6%	\$54.43	16.6%	223,138	115,395	12,048
1 & 2 Star	24,304,169	10.5%	\$46.75	12.7%	(24,681)	0	0
Market	145,617,723	15.8%	\$57.59	18.5%	(142,606)	348,938	3,394,707

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	3.6%	10.6%	19.2%	17.1%	2003 Q2	0.6%	2000 Q2
Net Absorption SF	(2.2M)	1,660,924	(806,125)	8,351,883	2000 Q2	(3,942,781)	2002 Q1
Deliveries SF	3.6M	2,735,488	1,273,862	7,894,794	2001 Q4	81,300	2012 Q1
Market Asking Rent Growth	-0.6%	2.9%	-1.2%	27.6%	2000 Q4	-23.1%	2002 Q1
Sales Volume	\$780M	\$1.7B	N/A	\$5.3B	2021 Q4	\$176.4M	2009 Q3

The San Jose leasing market has slowed over the past year, impacted by the sharp rise in interest rates that has hit tech company valuations and led them to prioritize cost-cutting over expansion. Moreover, tenants continue to reduce their leased space in response to office work's changed nature and location. While most occupiers have now settled on their space strategy, the process of delivering that strategy continues to play out as leases reach their expiration dates.

An increase in the number of companies exiting leases or putting space on the sublet market has seen vacancy and availability rise over the past year. As of the first quarter, vacancy is 15.8%, an increase of 3.6% from a year ago, and the availability rate is 18.5%. Sublease space availability currently stands at 7.3 million SF, an all-time high.

The amount of space leased over the past 12 months is comparable to the low points of the pandemic and the Great Recession. Both the number of leases signed and the average lease size have fallen. This pattern matches the national trend of companies downsizing to smaller spaces in response to employees spending fewer days in the office.

Google, the largest space occupier in the market, has completed the construction of several new campus buildings over the past year and has exited around 2.7 million SF of leased space.

First, around 1.3 million SF across six buildings occupied by Google became available for sublease in Moffett Park and Mountain View. In Moffett Park, Google made around 780,000 SF of space available across three buildings in Jay Paul's Moffett Towers complex. In Mountain View, Google added around 550,000 SF of

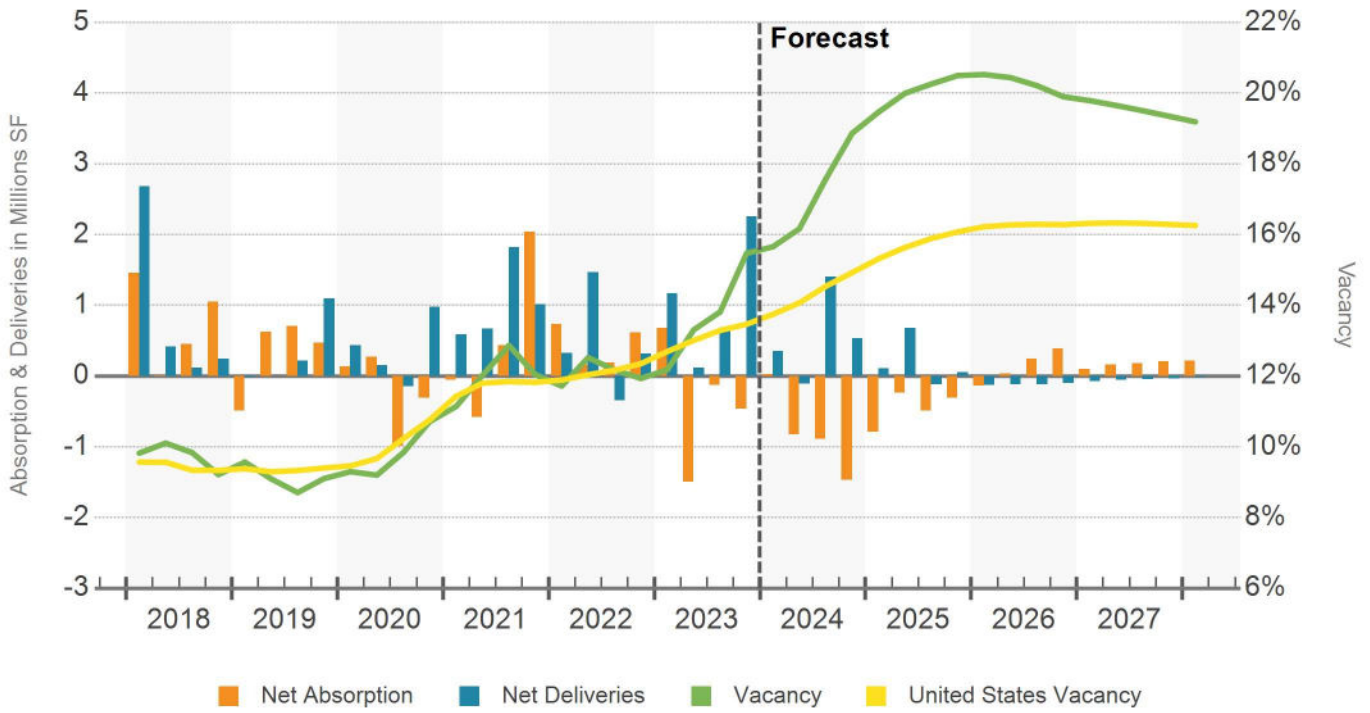
sublease space across three buildings. Later in 2023, Google exited several buildings at the Foothill Research Center in Palo Alto and also vacated the company's Quad Campus in Mountain View and the Technology Corners campus in Moffett Park.

Also, in 23Q2, Meta terminated its lease at the 720,000-SF Moffett Green campus in Moffett Park. Commonwealth Partners and CalPERS bought the four-building portfolio for \$867 million, or \$1,200/SF, in June 2022, when Meta occupied the entire campus on a lease that started in January. In November 2023, the market's biggest new lease of the year, which took over the entire campus, was signed by Walmart.

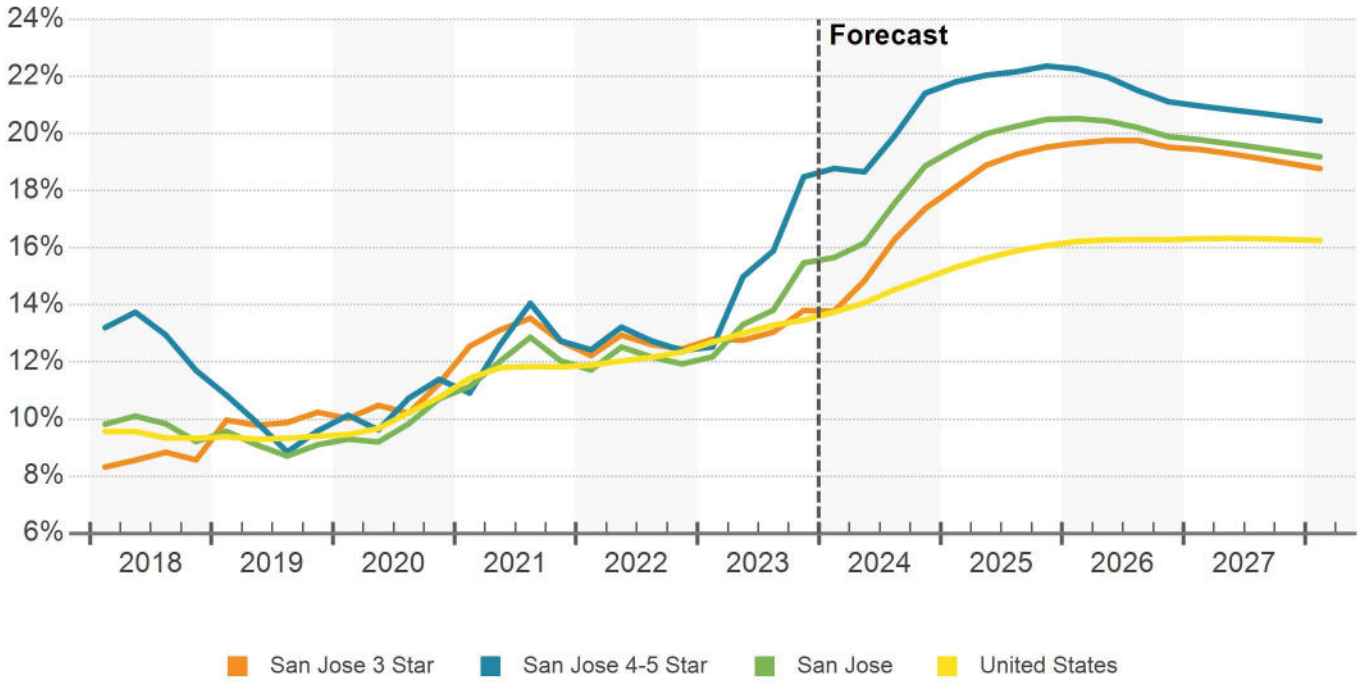
Among other notable tenants giving back space in the past 12 months, LinkedIn made two buildings available for sublease in Sunnyvale, Cloudera exited spaces in Palo Alto and Santa Clara, and Veritas put two of the three floors it leases at Santa Clara Square on the sublet market. In Downtown San Jose, Sage Intacct is subletting four floors at Riverside Towers, and Roku has added over 350,000 SF of sublet space at Coleman Highline.

Leasing brokers have had limited success finding single tenants to take over the whole building and large blocks of sublet space. In addition to the Walmart lease mentioned earlier, TikTok parent ByteDance is reportedly interested in taking over one of the buildings made available by Roku. However, several large sublease spaces are now being divided to attract tenants. For example, the 151,000-SF office building at 620 National Ave. in Mountain View, made available by Google as a whole building sublease in 2023, is now being marketed as divisible into individual spaces as small as 10,000 SF.

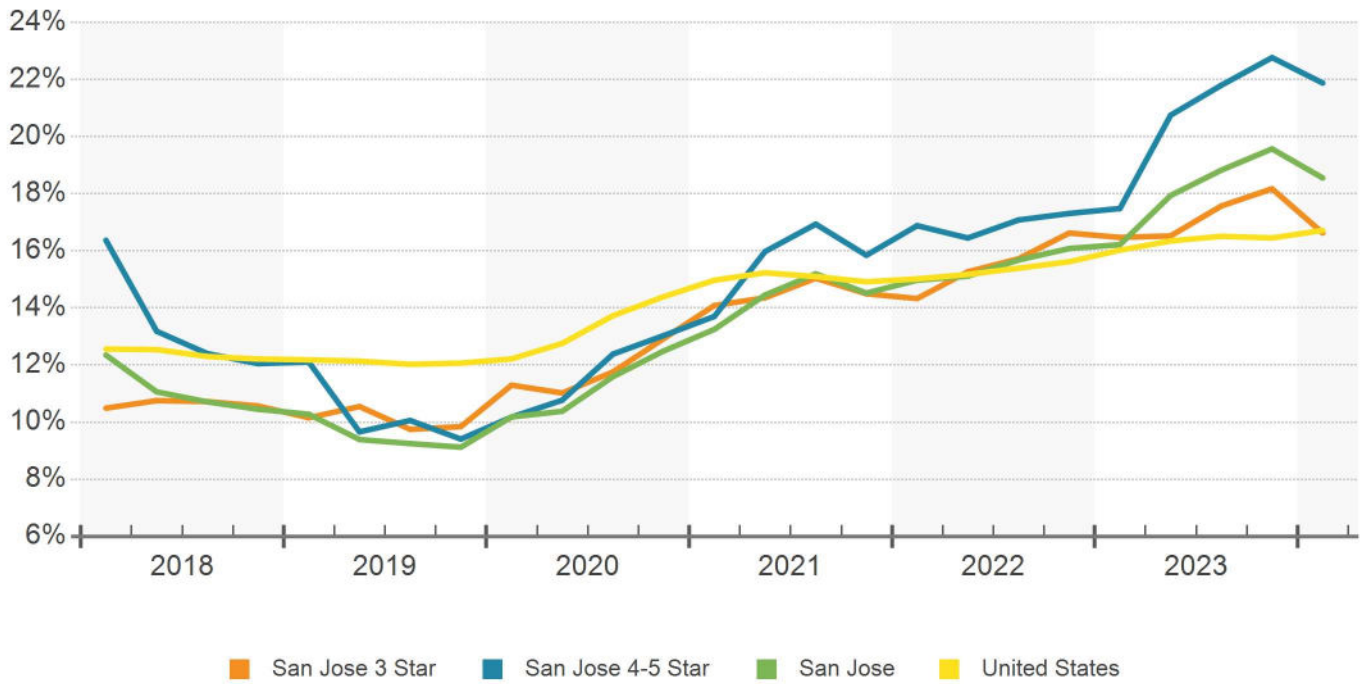
NET ABSORPTION, NET DELIVERIES & VACANCY



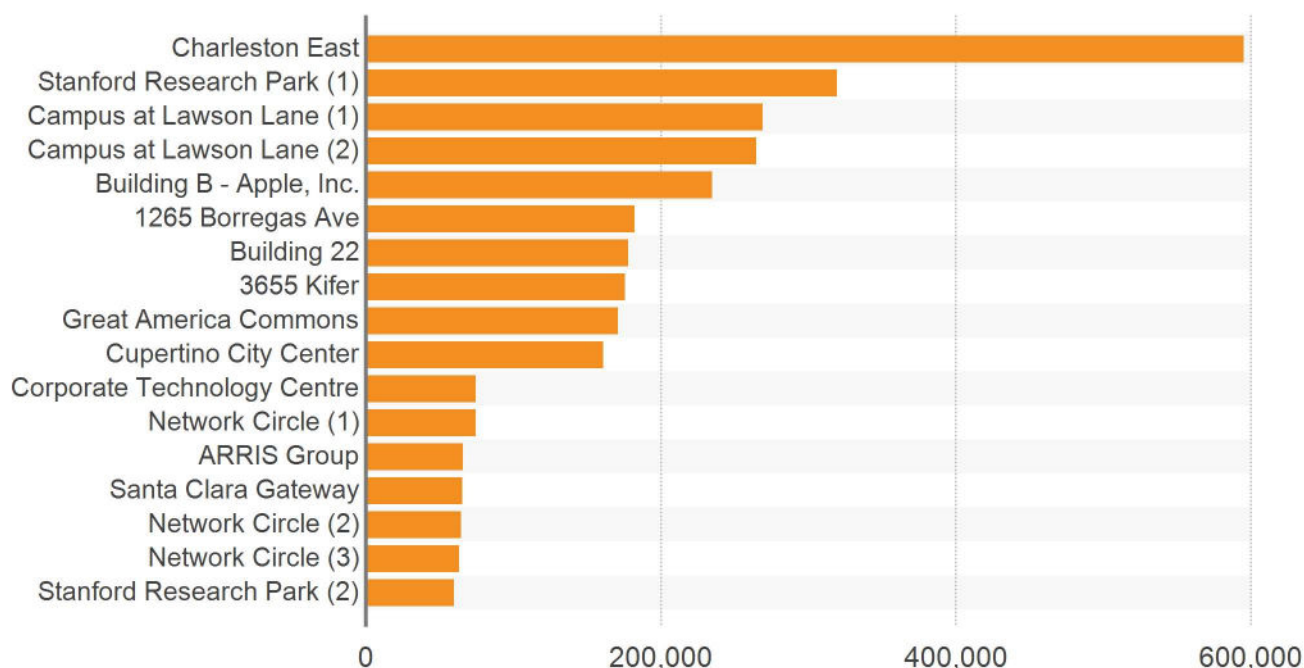
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Charleston East	Mountain View	595,000	0	0	0	0	0	595,000
Stanford Research Park (1)	Palo Alto	569,248	0	0	0	0	0	319,699
Campus at Lawson Lane (1)	Central Santa Clara	269,000	0	0	0	0	0	269,000
Campus at Lawson Lane (2)	Central Santa Clara	265,000	0	0	0	0	0	265,000
Building B - Apple, Inc.	South Santa Clara	235,000	0	0	0	0	0	235,000
1265 Borregas Ave	Moffett Park	182,500	0	0	0	0	0	182,500
Building 22	Mountain View	178,000	0	0	0	0	0	178,000
3655 Kifer	Sunnyvale	184,614	4,327	180,287	0	0	0	175,960
Great America Commons	North Santa Clara	321,782	67,989	0	0	0	0	171,062
Cupertino City Center	Cupertino	160,837	0	0	0	0	0	160,837
Corporate Technology Centre	North San Jose	76,410	0	0	0	0	0	74,731
Network Circle (1)	North Santa Clara	74,702	0	23,796	0	0	0	74,702
ARRIS Group	Central Santa Clara	65,840	0	0	0	0	0	65,840
Santa Clara Gateway	North Santa Clara	156,000	27,779	55,684	0	0	0	65,595
Network Circle (2)	North Santa Clara	64,502	0	64,502	0	0	0	64,502
Network Circle (3)	North Santa Clara	63,290	0	0	0	0	0	63,290
Stanford Research Park (2)	Palo Alto	59,782	0	59,782	0	0	0	59,782
Subtotal Primary Competitors		3,521,507	100,095	384,051	0	0	0	3,020,500
Remaining San Jose Market		142,096,216	22,865,700	(526,657)	0	0	0	(5,242,616)
Total San Jose Market		145,617,723	22,965,795	(142,606)	0	0	0	(2,222,116)

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Crossman Campus	Moffett Park	198,298	Q4 23	Walmart	-	JLL
Crossman Campus	Moffett Park	192,293	Q4 23	Walmart	-	JLL
Crossman Campus	Moffett Park	189,944	Q4 23	Walmart	-	JLL
Crossman Campus	Moffett Park	138,146	Q4 23	Walmart	-	JLL
Stanford Research Park	Palo Alto	59,782	Q4 23	Tesla	-	Cushman & Wakefield
Mountain View Corp Center	Mountain View	59,702	Q1 24	Databricks	-	JLL
Great America Commons	North Santa Clara	52,677	Q1 24	-	-	Cushman & Wakefield
Montague Oaks	North San Jose	43,697	Q4 23	Eugenus Inc.	-	Colliers
3333 Scott	Central Santa Clara	41,252	Q4 23	Rivos	S5 Advisory	Newmark
The Village at San Antonio Center	Mountain View	39,834	Q2 23	Coinbase	-	Colliers;JLL;WeWork
395 Page Mill Rd	Palo Alto	38,322	Q3 23	-	-	Newmark
Santa Clara Gateway	North Santa Clara	37,880	Q2 23	HCLTech	-	CBRE
Stanford Research Park	Palo Alto	35,444	Q4 23	Tesla	-	Cushman & Wakefield
395 Page Mill Rd	Palo Alto	35,067	Q1 24	-	-	Newmark
1075 W Campbell Ave	Campbell	33,201	Q4 23	Campbell Church of Christ	-	-
Faber Place *	Palo Alto	32,820	Q3 23	Centrillion Technologies	-	CBRE
Santa Clara Gateway	North Santa Clara	30,531	Q3 23	Workday	Cushman & Wakefield	CBRE
Terra Bella Tech Park *	Mountain View	29,670	Q4 23	Egnyte Inc.	-	Cushman & Wakefield
North First Office Center	North San Jose	28,924	Q1 24	-	-	CBRE
Santana West	West San Jose	28,069	Q4 23	Acrisure	Newmark	Newmark
Santa Clara Gateway	North Santa Clara	27,779	Q4 23	-	-	CBRE;Irvine Company...
Santa Clara Gateway	North Santa Clara	27,723	Q3 23	-	-	Newmark
Santa Clara Gateway	North Santa Clara	27,715	Q2 23	Silergy Technology	Cushman & Wakefield	CBRE;Irvine Company...
Metro Plaza	North San Jose	24,209	Q1 24	-	-	Colliers;Hudson Pacific...
Orchard Commons	North San Jose	23,530	Q2 23	Tests Assured	-	CBRE
Santa Clara Park at Freedom Circle	North Santa Clara	22,500	Q2 23	TELENAV, INC.	JLL	Colliers
Marriott Business Park *	North Santa Clara	22,282	Q2 23	Aviatrix	Newmark	Cushman & Wakefield
1288 Reamwood Ave *	Sunnyvale	22,226	Q2 23	Cosmopolitan Catering	Cushman & Wakefield	-
Oakmead West	Sunnyvale	21,537	Q3 23	Ondas Networks	Raise Commercial R...	Cushman & Wakefield
Terra Bella Tech Park *	Mountain View	20,732	Q2 23	GetInsured	-	-
505 S Market Street	Downtown San Jose	20,623	Q1 24	California Miramar Univer...	Cushman & Wakefie...	Colliers
1302 N 4th St	North San Jose	20,480	Q2 23	Pacific Clinics	CBRE	Swenson
Great America Commons	North Santa Clara	19,920	Q2 23	Fujitsu	JLL	Cushman & Wakefield
Santa Clara Square	Central Santa Clara	18,904	Q1 24	-	S5 Advisory	Colliers
2055 Laurelwood Rd	North Santa Clara	18,841	Q1 24	-	-	Newmark
Marriott Business Park	North Santa Clara	18,163	Q1 24	-	-	Cushman & Wakefield
800 California St	Mountain View	17,971	Q3 23	Stampli	-	Newmark
60 S Market St	Downtown San Jose	17,904	Q4 23	John Marshall Collins, P.C.	-	CBRE
Century Plaza	West San Jose	17,132	Q4 23	Teladoc	-	Cushman & Wakefield
2880 Stevens Creek Blvd	West San Jose	16,742	Q3 23	CNEX Labs, Inc.	-	Newmark

Renewal

After holding up well during the pandemic, rent growth in San Jose turned negative in 2022. The negative trend continued in 2023, and as of the first quarter of 2024, average asking rents are -0.5% below where they were a year ago.

The downward movement in rents reflects the lower level of leasing activity in the market, which has coincided with an increase in available sublet space and the delivery of new speculative space. Tenants have the upper hand in lease negotiations, allowing them to push for lower rents and greater concessions.

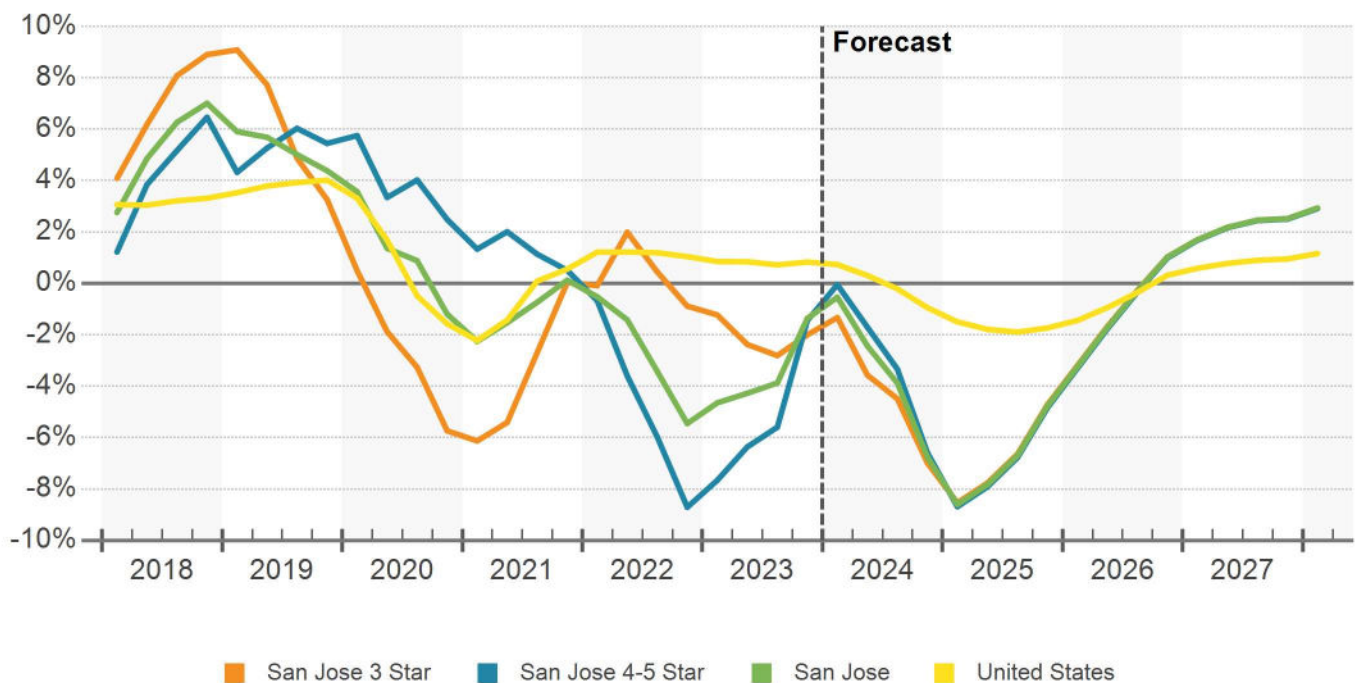
Industry participants report that landlords now offer rent-free periods of up to 18 months and tenant improvement allowances of up to \$150/SF or more. For example, in August, Ondas Networks signed a lease for 21,500 SF in Sunnyvale with a starting rent of \$43.20/SF NNN and 12 months of free rent for a six-year term.

Current average market rates are \$58/SF on a full-service basis. While average rents are declining, San Jose remains one of the nation's most expensive markets for office space. Higher-quality 4 & 5 Star product leases for an average of \$63/SF, compared to the average across the U.S. of \$45/SF.

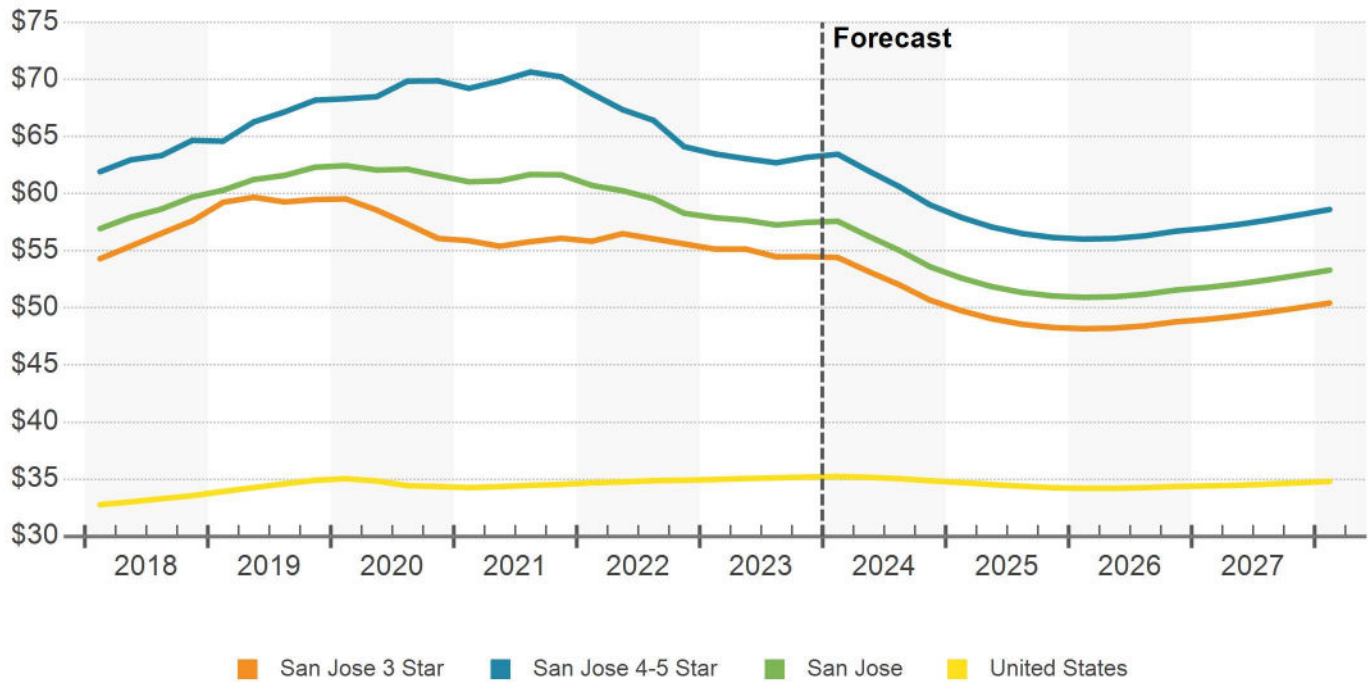
The decline in rent over the past two years has been highest in the core Silicon Valley submarkets, including Mountain View, Cupertino, and Sunnyvale. These submarkets also have the most office space and the highest rents in the metro area. By contrast, the smaller peripheral submarkets have seen flat rather than declining rents.

In the year ahead, expect to see a continuation of subdued levels of leasing, negative net absorption, and the delivery of additional unleased speculative space. Accordingly, rents will likely continue to move downward in the year ahead.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FOOT



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Jose	\$0.86	\$1.67	\$1.38	\$8.97	\$4.11	\$16.99
Campbell/Los Gatos	\$0.46	\$2.44	\$0.98	\$9.23	\$5.47	\$18.58
Downtown San Jose	\$1.29	\$1.94	\$1.66	\$3.83	\$4.83	\$13.55
Milpitas	\$0.47	\$2.53	\$1.01	\$5.89	\$4.15	\$14.05
Mountain View/Los Altos	\$1	\$1.96	\$1.82	\$9.50	\$2.17	\$16.45
North San Jose	\$0.82	\$1.44	\$1.18	\$9.64	\$4.46	\$17.54
Palo Alto	\$0.97	\$1.92	\$1.76	\$17.73	\$3.71	\$26.09
Santa Clara	\$0.74	\$1.46	\$1.09	\$6.56	\$4.27	\$14.12
South San Jose	\$1.15	\$2.06	\$1.60	\$4.57	\$4.51	\$13.89
Sunnyvale/Cupertino	\$0.73	\$1.43	\$1.29	\$9.23	\$4.41	\$17.09

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Jose	\$0.62	\$1.17	\$1.18	\$6.65	\$3.51	\$13.13
Campbell/Los Gatos	\$0.43	\$1.23	\$0.91	\$5.28	\$5.13	\$12.98
Downtown San Jose	\$0.77	\$1.75	\$0.96	\$4.14	\$2.57	\$10.19
Milpitas	\$0.33	\$0.95	\$0.71	\$7.15	\$3.84	\$12.98
Morgan Hill/Gilroy	\$0.42	\$1.20	\$0.89	\$4.24	\$4.72	\$11.47
Mountain View/Los Altos	\$0.78	\$1.32	\$1.69	\$8.27	\$3.20	\$15.26
North San Jose	\$0.53	\$1.29	\$1.01	\$5.06	\$2.01	\$9.90
Outlying Santa Clara Cnty	\$0.61	\$1.30	\$1.31	\$6.55	\$4.47	\$14.24
Palo Alto	\$0.80	\$1.36	\$1.73	\$10.87	\$3.49	\$18.25
San Benito County	\$0.45	\$1.30	\$0.96	\$4.04	\$5.05	\$11.80
Santa Clara	\$0.63	\$0.58	\$0.94	\$5.50	\$2.23	\$9.88
South San Jose	\$0.49	\$1.25	\$1.02	\$5	\$5.34	\$13.10
Sunnyvale/Cupertino	\$0.68	\$0.64	\$1.12	\$7	\$2.29	\$11.73

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Jose	\$0.60	\$1.21	\$1.07	\$5.79	\$1.93	\$10.60
Campbell/Los Gatos	\$0.42	\$1.21	\$0.89	\$6.01	\$3.06	\$11.59
Downtown San Jose	\$0.74	\$1.68	\$0.89	\$4.95	\$0.46	\$8.72
Milpitas	\$0.40	\$1.15	\$0.85	\$3.93	\$2.92	\$9.25
Morgan Hill/Gilroy	\$0.41	\$1.19	\$0.88	\$3.54	\$3.01	\$9.03
Mountain View/Los Altos	\$0.73	\$1.23	\$1.61	\$8.53	\$1.84	\$13.94
North San Jose	\$0.58	\$1.25	\$0.92	\$5.28	\$1.20	\$9.23
Outlying Santa Clara Cnty	\$0.54	\$1.13	\$0.65	\$6.12	\$2.29	\$10.73
Palo Alto	\$0.73	\$1.24	\$1.62	\$8.04	\$2.42	\$14.05
San Benito County	\$0.42	\$1.21	\$0.89	\$2.42	\$3.04	\$7.98
Santa Clara	\$0.65	\$0.64	\$0.99	\$5.19	\$1.54	\$9.01
South San Jose	\$0.48	\$1.22	\$0.93	\$5.52	\$2.22	\$10.37
Sunnyvale/Cupertino	\$0.67	\$0.63	\$1.02	\$5.67	\$1.68	\$9.67

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

In recent years, San Jose has been one of the nation's more active markets for office development. As of the first quarter, 3.5 million SF of office space is under construction, representing 2.3% of the market's existing inventory, well above the national average of 1.2%.

San Jose has also seen 3.4 million SF of new deliveries in the past 12 months. Most of this activity has been owner-build or preleased projects for single tenants.

The largest preleased project was handed over in 23Q1, when Adobe took delivery of around 750,000 SF in its new Adobe Founders Tower in Downtown San Jose. In 23Q3, Google completed its 600,000-SF Gradient Canopy headquarters in Mountain View, while the company also took delivery of several smaller buildings in Moffett Park and Mountain View.

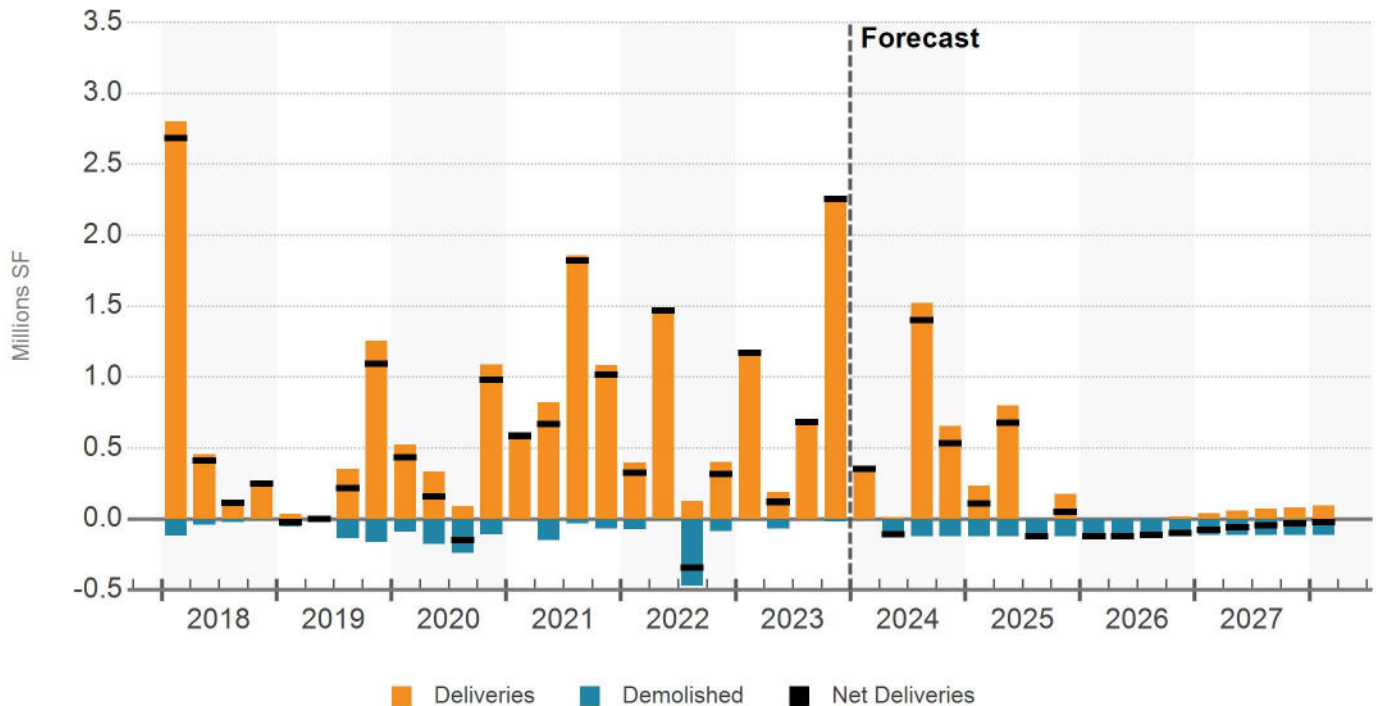
While speculative office projects have been quick to lease in the past, weaker demand from tech tenants in the current market has impacted leasing, particularly in Downtown San Jose, where much of the new product has been delivered. Most notably, in 23Q4, developer Jay Paul Company completed 200 Park Ave., a 950,000-SF office tower with no signed leases.

Google continues to lead the list of buildings currently under construction as of the first quarter of 2024, with several projects underway, including Google Landings in Mountain View and Google Caribbean in Moffett Park.

The weaker economic climate and uncertainty over future demand for office space have led some developers to pause activity in Downtown San Jose. One of the most notable projects now on hold is Downtown West, Google's massive transit-oriented village near Diridon Station, which started site preparation work in 22Q3. Also in Downtown San Jose, Boston Properties has halted construction of its Platform 16 project at 325 Autumn Parkway, after preparing the building foundations in 2023. Similarly, several large mixed-use proposed redevelopments, including Related Santa Clara and The Rise in Cupertino, have substantially cut their office components.

Reflecting the changed market sentiment, construction starts have dropped. In 2023, just 305,000 SF broke ground, a marked reduction from the 2.5 million SF that started in 2022.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

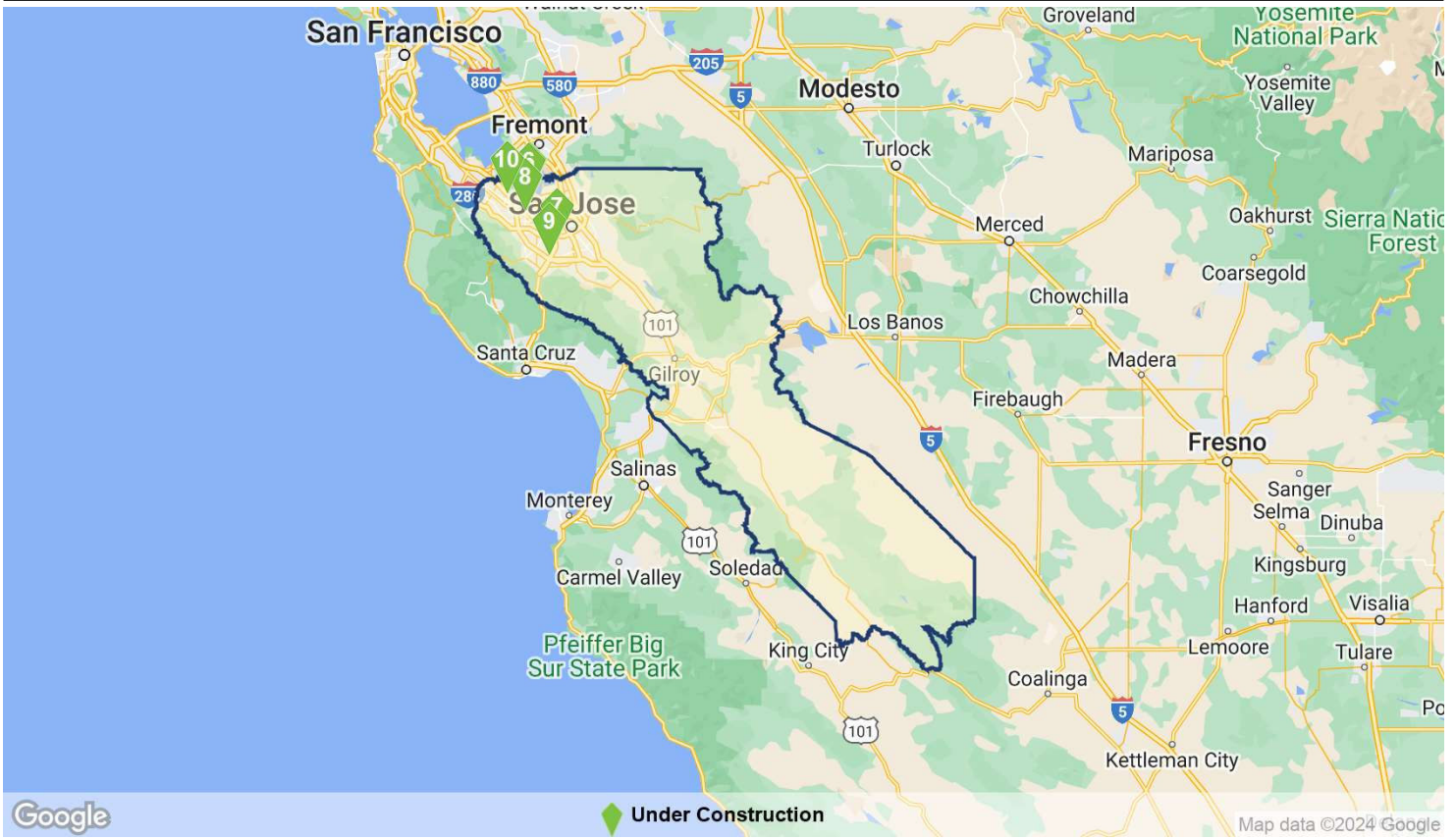
No.	Submarket	Under Construction Inventory				Average Building Size			
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Moffett Park	3	1,357	1,357	100%	1	185,573	452,358	1
2	Sunnyvale	3	829	56	6.7%	4	47,961	276,180	3
3	Mountain View	2	812	799	98.5%	3	42,277	405,765	2
4	East San Jose-Willow Glen	1	232	232	100%	1	8,461	231,579	4
5	Campbell	1	166	0	0%	5	15,314	165,984	5
6	Central Santa Clara	0	-	-	-	-	82,038	-	-
7	Central Sunnyvale	0	-	-	-	-	-	-	-
8	Cupertino	0	-	-	-	-	45,448	-	-
9	De La Cruz	0	-	-	-	-	-	-	-
10	Downtown Mountain View	0	-	-	-	-	-	-	-
	All Other	0	-	-	-		26,973	-	
Totals		10	3,395	2,444	72.0%		31,242	339,471	

Under Construction Properties

San Jose Office

Properties	Square Feet	Percent of Inventory	Released
10	3,394,707	2.3%	72.0%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 2003 Landings Dr	★★★★☆	799,482	6	Dec 2022	May 2025	Google Google
2 Google 100 Caribbean Dr	★★★★☆	537,000	5	Mar 2022	Aug 2024	Google Google
3 Google 200 Caribbean Dr	★★★★☆	505,075	5	Sep 2021	Aug 2024	Google Google
4 200 W Washington Ave	★★★★★	338,254	7	May 2022	Oct 2024	Hunter Properties, Inc. Hunter Properties, Inc.
5 250 W Washington Ave	★★★★☆	315,285	7	Jun 2023	Oct 2024	- -
6 Google 399 W Java Dr	★★★★☆	315,000	6	Dec 2021	Jun 2024	Google Google
7 Bascom Station 1410 S Bascom Ave	★★★★☆	231,579	10	Nov 2022	Jan 2025	Bay West Development PMB Real Estate Services

Under Construction Properties

San Jose Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 300 S Mathilda Ave	★★★★☆	175,000	6	Apr 2022	Oct 2025	Hunter Properties, Inc. Hunter Properties, Inc.
9 1700 Dell Ave	★★★★☆	165,984	4	Dec 2022	Jun 2024	Dollinger Properties Dollinger Properties
10 2019 Leghorn St	★★★☆☆	12,048	2	Oct 2022	Apr 2024	- MDE Electric

In common with most U.S. markets, investment sales activity slowed sharply over the past 18 months, as rising interest rates and economic uncertainty made investors cautious and deals difficult to price.

Office sales volume in San Jose during the past 12 months on a dollar basis, \$915 million, was well below the five-year annual average of \$3.3 billion. The number of transactions in the past year was 110, compared to a five-year average of 180.

Despite a general price softening, several sales have achieved prices above \$1,000/SF. For example, in October, the 30,000-SF 2555 Park Blvd. in Palo Alto was acquired for \$58 million, or \$1,934/SF. However, these sales tend to be outliers. In this example, the private equity fund that acquired the building intends to occupy it.

In most cases, however, buyers are acquiring properties at a discount to the prices achieved in previous years. For example, in June 2023, Preylock Holdings acquired the 4 Star 3333 Scott Blvd. in Santa Clara for \$182 million, or \$745/SF. The 240,000-SF building is fully leased to Applied Materials. While this price is one of the highest for 4 & 5 Star sales in the past year, it is well below the pricing of several comparable transactions in 2022, which were above \$1,000/SF.

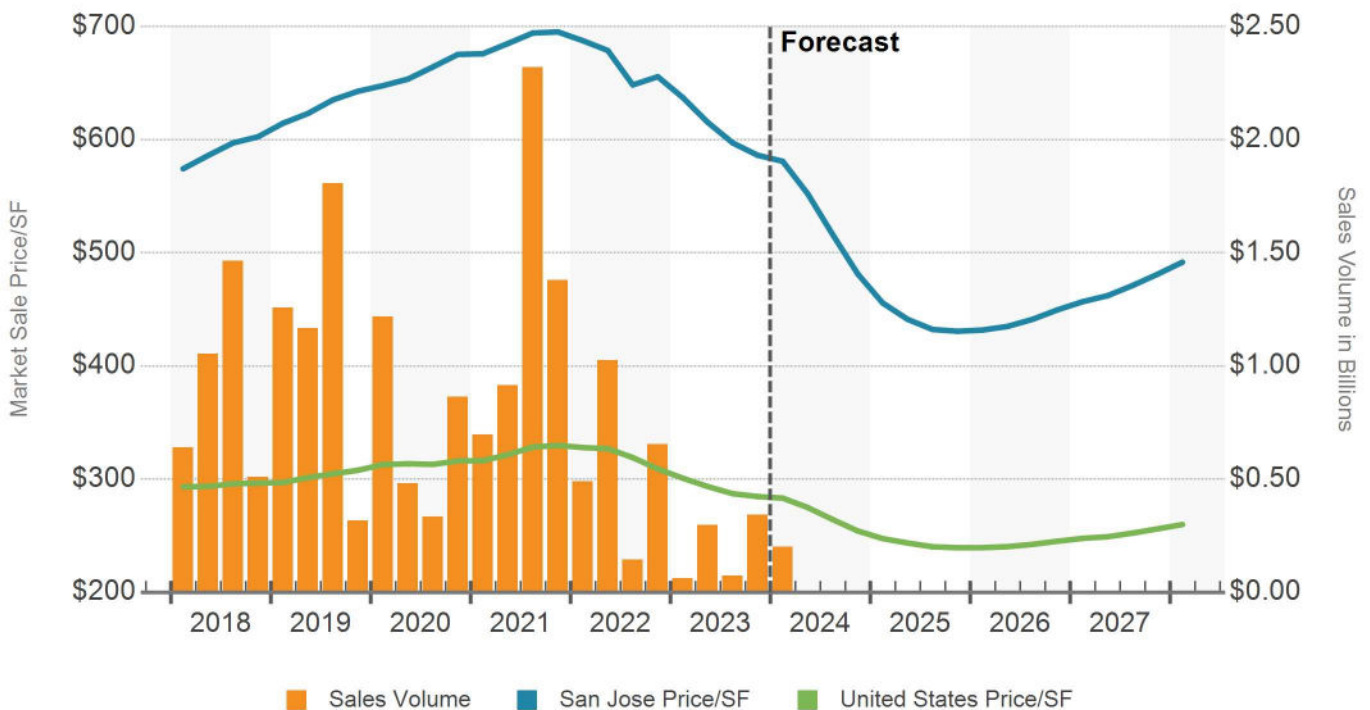
Properties at lower points in the quality spectrum also see reduced sales prices. For example, in September, the 2 Star 826 N Winchester Blvd. sold for \$6.54 million, or \$557/SF. The property had previously sold for \$915/SF in December 2021.

Moreover, lower pricing in the market is allowing occupiers to acquire buildings for potential future expansion. For instance, in December, Intuitive Surgical acquired three adjacent properties close to its headquarters on Kifer Road in Sunnyvale, paying \$157 million, or \$460/SF.

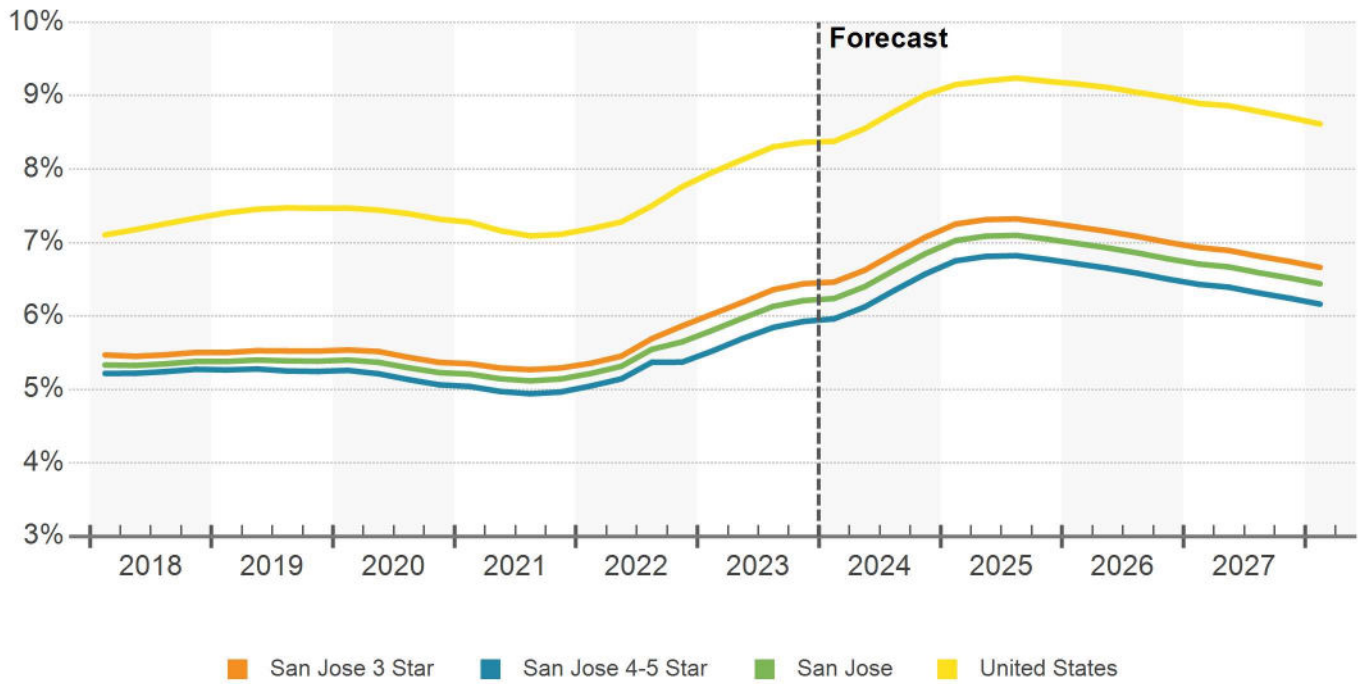
Distressed sales have also become part of the transaction mix in the past year, with several over-leveraged owners either giving properties back to the lender or selling at reduced prices. For example, in December, 303 Almaden Blvd. in Downtown San Jose was sold for \$23.75 million, or \$146/SF. The 162,800-SF building previously sold for \$492/SF in 2017.

Given the outlook for continued uncertainty around office utilization, the elevated vacancy caused by new space being delivered to the market, and the general economic slowdown, pricing is projected to move further downwards over the next year.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

San Jose Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

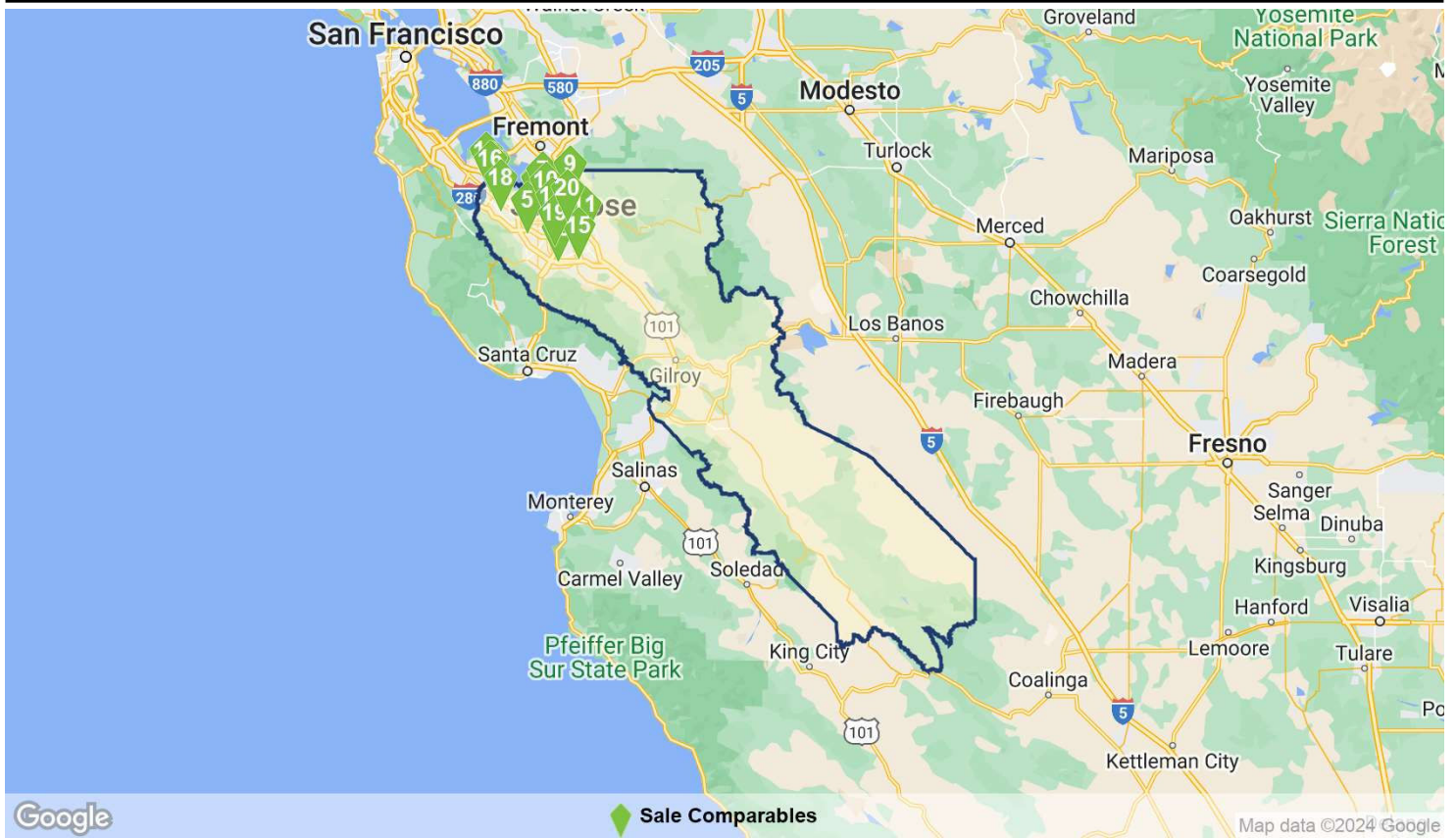
109

5.4%

\$436

23.3%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$196,382	\$11,318,360	\$2,600,000	\$182,500,000
Price/SF	\$60	\$436	\$529	\$2,529
Cap Rate	4.4%	5.4%	5.5%	6.0%
Time Since Sale in Months	0.2	5.6	4.9	12.0
Property Attributes	Low	Average	Median	High
Building SF	480	33,426	5,235	462,950
Stories	1	2	1	12
Typical Floor SF	480	12,178	4,503	231,475
Vacancy Rate At Sale	0%	23.3%	0%	100%
Year Built	1900	1972	1975	2022
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.4	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

San Jose Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 3333 Scott Blvd	★★★★★	2017	244,906	0%	6/15/2023	\$182,500,000	\$745	-
2 2900 Semiconductor Dr	★★★★★	1976	462,950	0%	1/26/2024	\$133,419,791	\$288	-
3 3689 Kifer Rd	★★★★★	2002	140,440	0%	12/22/2023	\$81,000,000	\$577	-
4 3655 Kifer 3655 Kifer Rd	★★★★★	2021	184,614	100%	12/22/2023	\$71,000,000	\$385	-
5 Ten200 10200 S De Anza Blvd	★★★★★	1998	160,837	100%	6/29/2023	\$70,000,000	\$435	-
6 2555 Park Blvd	★★★★★	2018	29,989	0%	10/5/2023	\$58,000,000	\$1,934	-
7 2901-2929 Patrick Henry Dr	★★★★★	1978	82,278	0%	1/18/2024	\$26,394,500	\$321	-
8 303 Almaden Blvd	★★★★★	1994	162,800	31.1%	11/16/2023	\$23,750,000	\$146	-
9 Centre Pointe Plaza @ 1... 1323 Great Mall Dr	★★★★★	2000	53,670	0%	7/6/2023	\$21,500,000	\$401	-
10 ARRIS Group 2450 Walsh Ave	★★★★★	1982	65,840	0%	11/1/2023	\$16,049,000	\$244	-
11 614 Tully Rd	★★★★★	1979	25,632	0%	1/24/2024	\$13,200,000	\$515	-
12 314 Lytton Ave	★★★★★	1960	8,552	0%	7/5/2023	\$12,500,000	\$1,462	-
13 4850 Union Ave	★★★★★	2000	20,848	0%	8/9/2023	\$9,000,000	\$432	-
14 412 Olive Ave	★★★★★	2014	6,493	100%	2/29/2024	\$8,000,000	\$1,232	-
15 5340 Thornwood Dr	★★★★★	1979	15,352	0%	11/8/2023	\$7,250,000	\$472	-
16 555-559 College Ave	★★★★★	1958	8,225	0%	12/20/2023	\$7,100,000	\$863	-
17 Winchester Professional... 826 N Winchester Blvd	★★★★★	1958	11,742	0%	9/21/2023	\$6,540,000	\$557	-
18 373 1st St	★★★★★	1992	3,600	0%	9/15/2023	\$6,380,000	\$1,772	-
19 307 Orchard 307 Orchard City Dr	★★★★★	1983	54,786	100%	12/19/2023	\$6,050,000	\$110	-
20 Filice Building 738 N 1st St	★★★★★	1968	20,847	0%	11/30/2023	\$6,000,000	\$288	-

As of the first quarter of 2024, the San Jose economy faces the same economic headwinds slowing growth across much of the nation. In Silicon Valley, high interest rates have forced tech companies to cut costs and investors to reduce the amount of capital available for startups.

During the pandemic, growth in demand for cloud computing products and services led tech companies to hire rapidly during 2020 and 2021. By the middle of 2022, however, rising interest rates softened demand, and under pressure to manage costs, employers started to initiate hiring freezes, layoffs, and office space reductions. Weaker demand has also led retail and industrial tenants to reconsider their expansion plans.

The pandemic also caused many people to leave San Jose, as lockdowns and health concerns impacted their lives and work. In the past year, the metro area's population has started to grow again but remains -52,000 short of the total population of five years ago.

The unemployment rate declined to a historic low of just 2.5% in 2022, reflecting high worker demand. More

recently, a slowing economy and tech layoffs across Silicon Valley have caused unemployment to rise above 3%. After two decades of strong growth, employment in the metro's information sector was negative for much of the past 18 months, before returning positive in the most recent quarter.

San Jose remains the nation's largest and most prestigious market for tech companies. Highly educated graduates flock to the region, seeking employment at one of Silicon Valley's leading tech companies or startups. The market has one of the highest educational attainment rates in the country, with over 50% of its working-age population possessing a college degree.

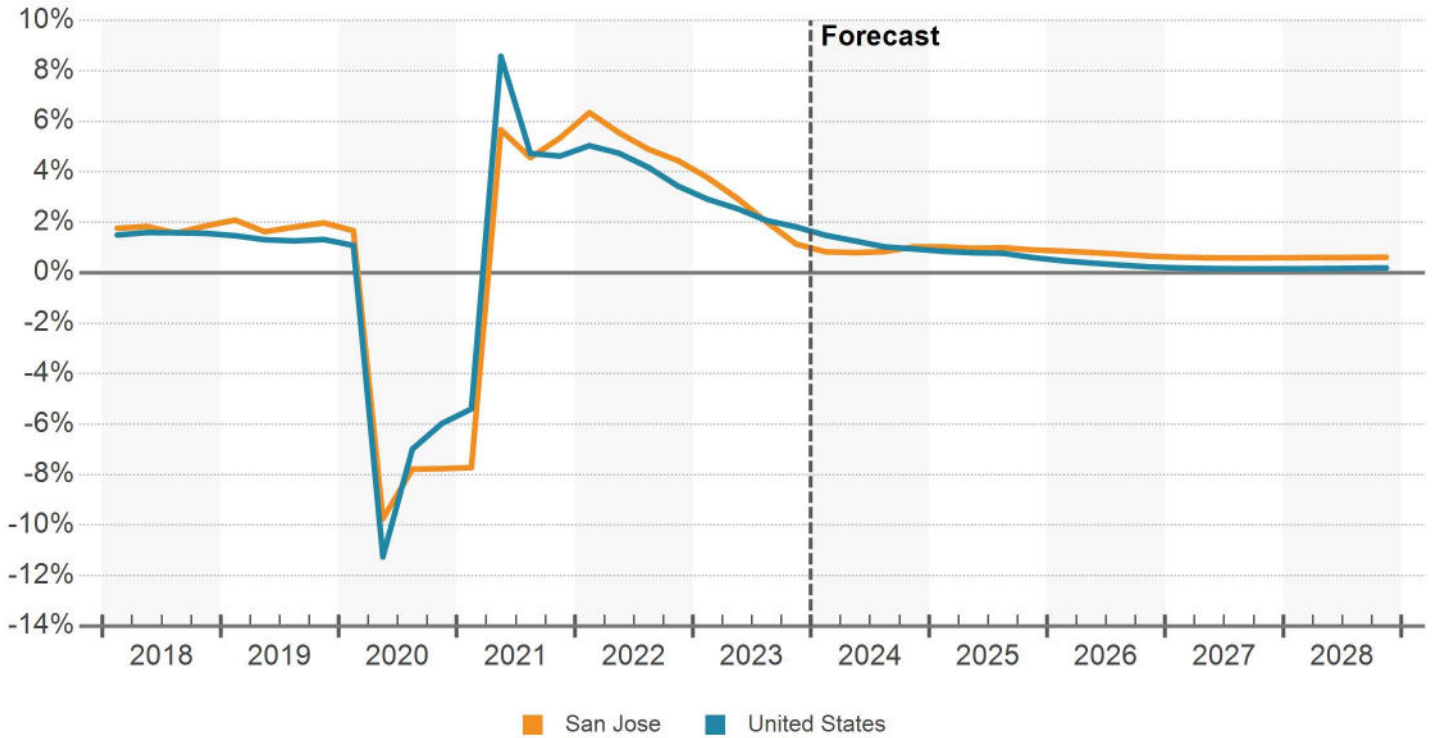
Despite the current economic headwinds facing the market, San Jose is expected to retain its position as a leading center for innovation and economic growth. Over the past 10 years, San Jose saw an average annual increase in GDP of 8.3%, the highest rate among the largest 20 metro areas in the nation and twice the U.S. average. The metro is expected to continue to lead the nation in key measures, such as venture capital investment and new information technology patents.

SAN JOSE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	180	1.8	-1.64%	0.04%	1.16%	0.71%	0.21%	0.14%
Trade, Transportation and Utilities	122	0.6	-1.01%	0.08%	-0.98%	1.04%	-0.01%	0.14%
Retail Trade	72	0.6	-2.04%	-0.15%	-1.55%	0.19%	0.10%	0.13%
Financial Activities	37	0.5	-2.08%	0.62%	0.90%	1.45%	0.22%	0.18%
Government	99	0.6	3.23%	2.40%	0.75%	0.55%	0.34%	0.33%
Natural Resources, Mining and Construction	57	0.9	1.06%	2.22%	3.72%	2.38%	0.98%	0.25%
Education and Health Services	201	1.0	4.59%	3.48%	3.00%	1.98%	1.27%	0.64%
Professional and Business Services	255	1.5	-0.26%	0.76%	2.20%	1.99%	0.61%	0.48%
Information	105	4.6	-1.54%	-1.82%	5.65%	1.10%	1.72%	0.22%
Leisure and Hospitality	109	0.9	3.80%	2.56%	1.76%	1.52%	1.34%	0.71%
Other Services	25	0.6	2.65%	1.53%	-0.38%	0.66%	0.37%	0.27%
Total Employment	1,191	1.0	0.83%	1.49%	1.82%	1.35%	0.75%	0.38%

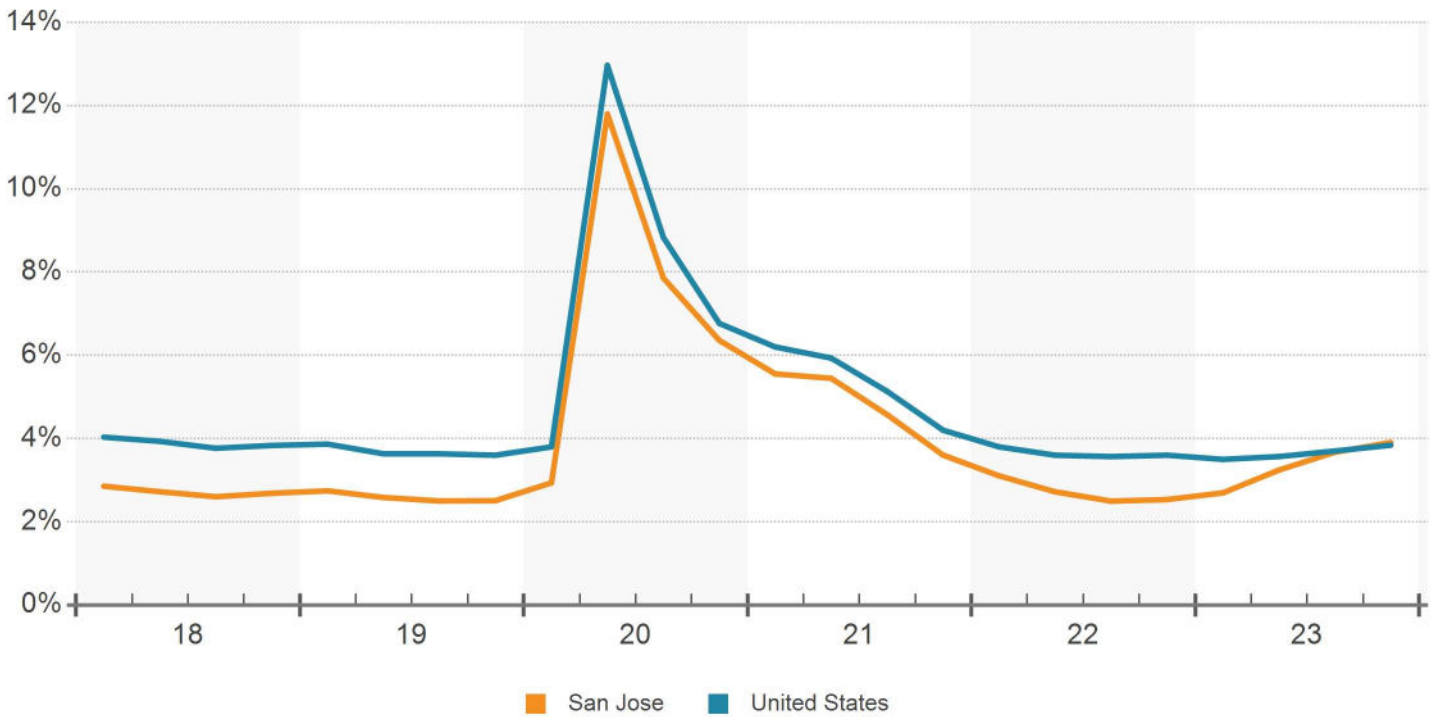
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

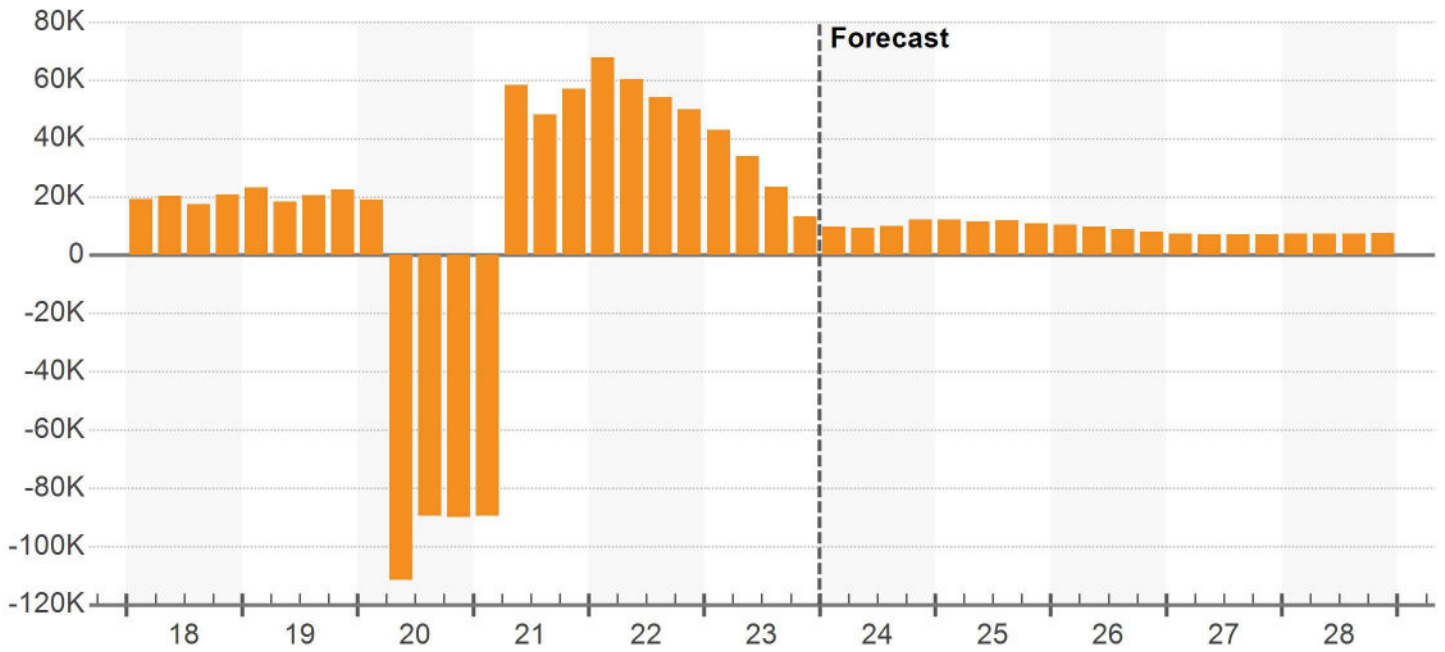


Source: Oxford Economics

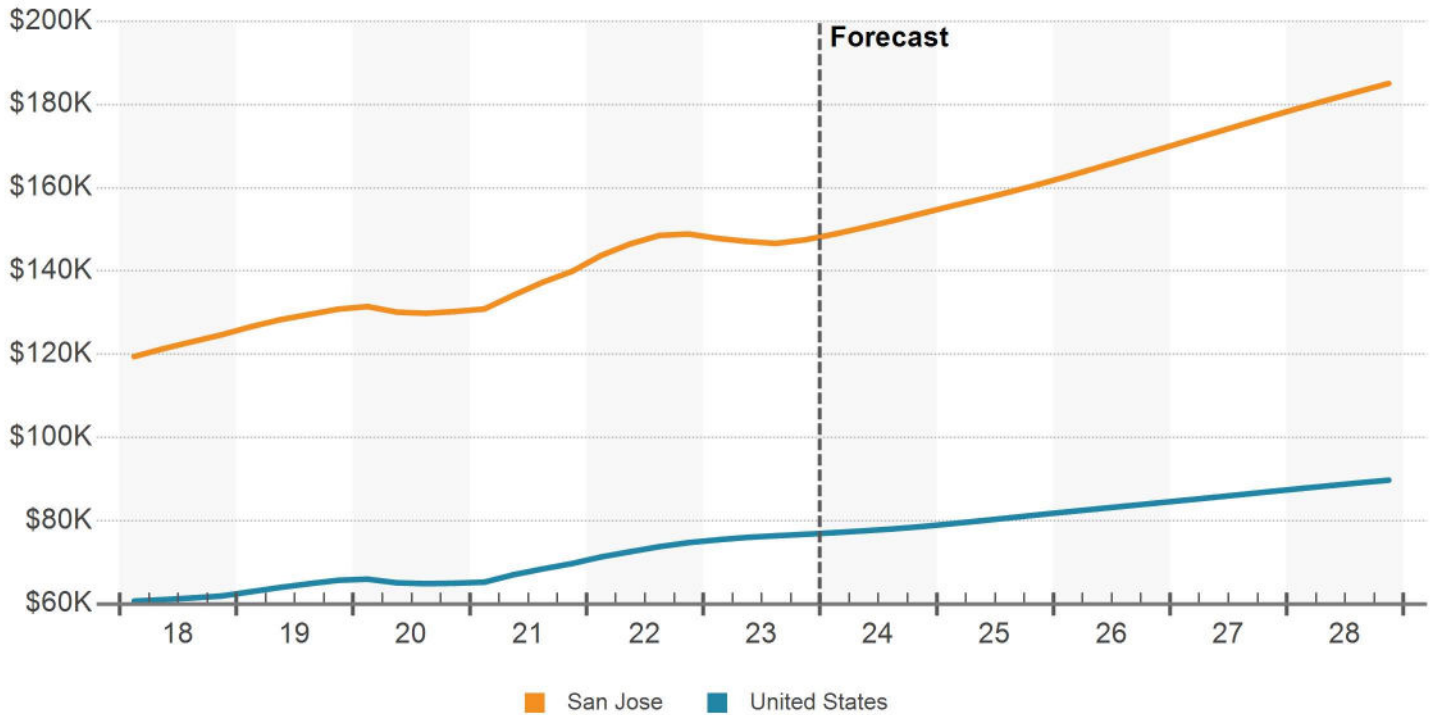
UNEMPLOYMENT RATE (%)



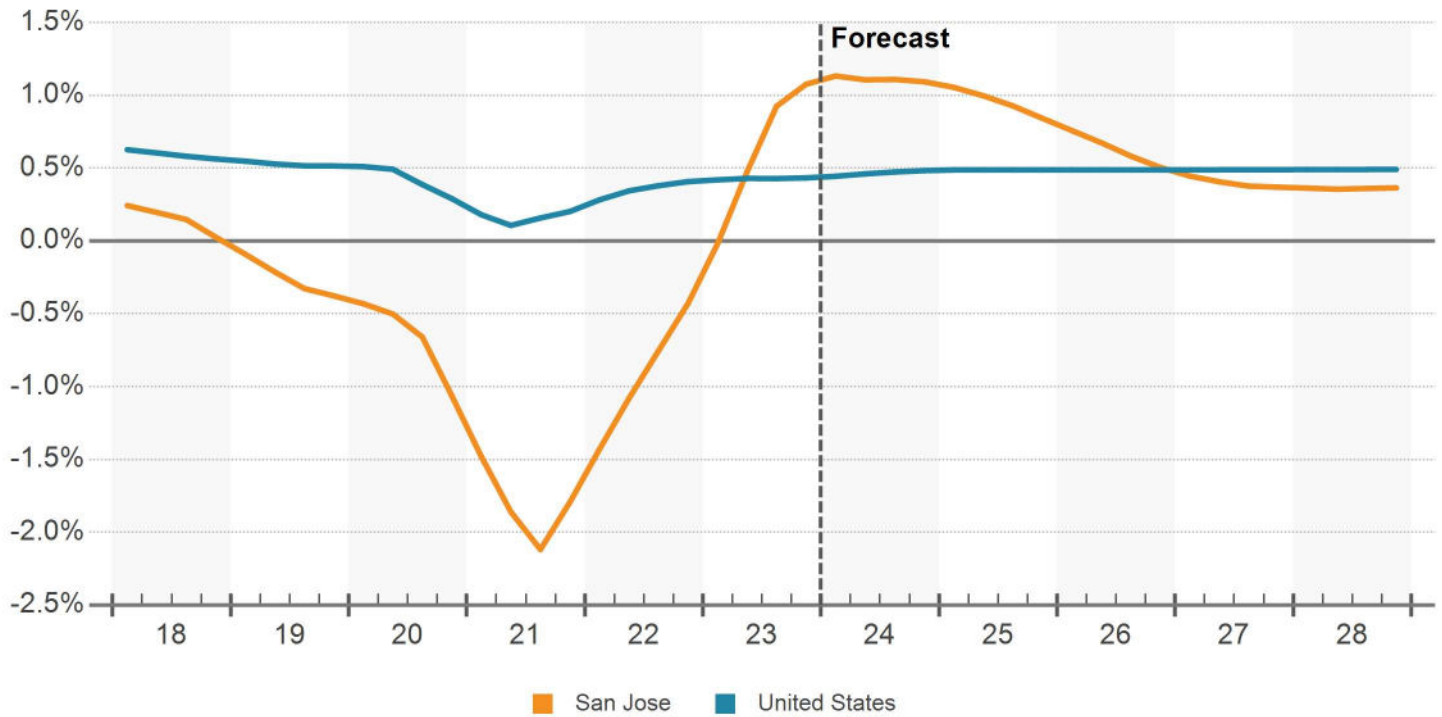
NET EMPLOYMENT CHANGE (YOY)



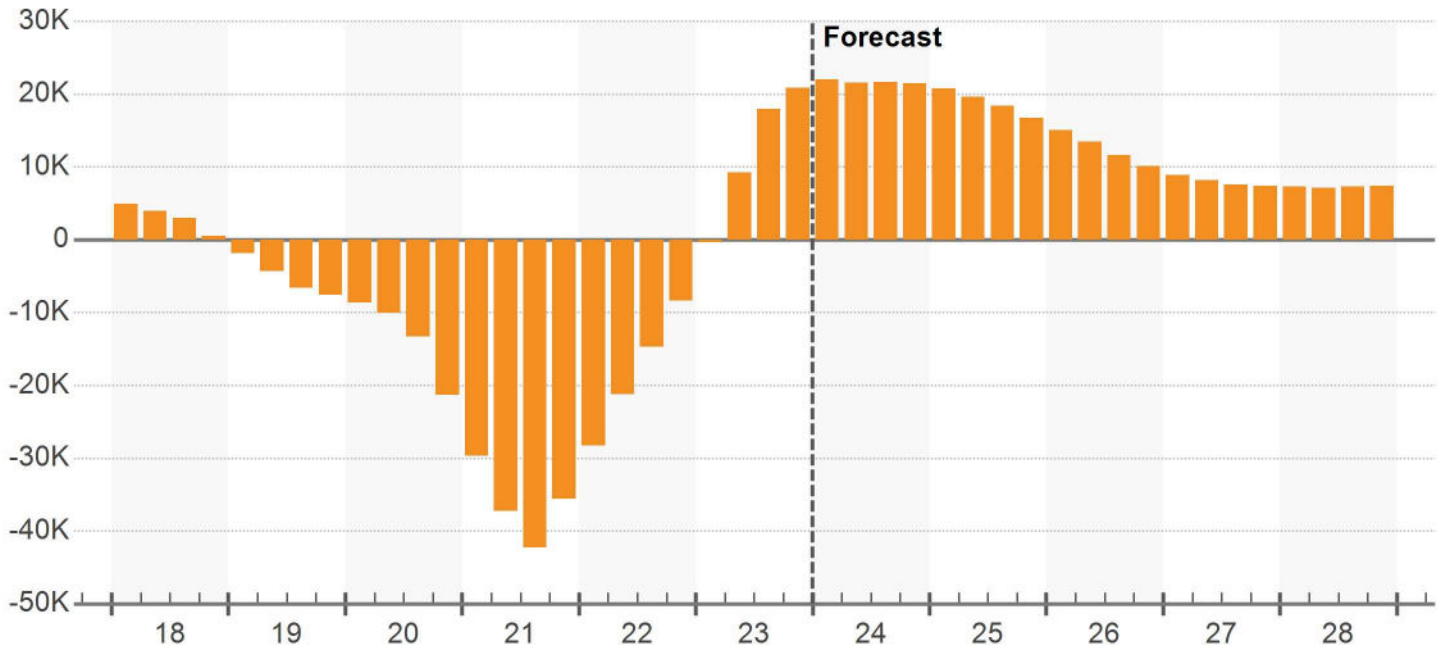
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,967,228	335,489,750	1.1%	0.4%	0.1%	0.5%	0.6%	0.5%
Households	688,757	131,027,992	1.3%	0.6%	0.6%	0.9%	0.7%	0.6%
Median Household Income	\$148,851	\$77,140	0.7%	2.3%	4.8%	3.9%	4.7%	3.2%
Labor Force	1,091,559	169,019,469	0.1%	1.7%	0.8%	0.8%	0.4%	0.1%
Unemployment	3.9%	3.8%	1.2%	0.3%	-0.2%	-0.3%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

SAN JOSE SUBMARKETS



Submarkets

San Jose Office

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Campbell	195	2,986	2.1%	16	0	0	0%	-	1	166	5.6%	5
2	Central Santa Clara	103	8,450	5.8%	8	2	534	6.3%	3	0	-	-	-
3	Central Sunnyvale	0	-	0%	-	0	0	-	-	0	-	-	-
4	Cupertino	169	7,681	5.3%	9	0	0	0%	-	0	-	-	-
5	De La Cruz	0	-	0%	-	0	0	-	-	0	-	-	-
6	Downtown Mountain View	0	-	0%	-	0	0	-	-	0	-	-	-
7	Downtown Palo Alto	263	3,914	2.7%	12	0	0	0%	-	0	-	-	-
8	Downtown San Jose	362	14,422	9.9%	3	3	1,367	9.5%	1	0	-	-	-
9	East Arques Ave Corridor	0	-	0%	-	0	0	-	-	0	-	-	-
10	East San Jose-Willow Glen	407	3,443	2.4%	14	0	0	0%	-	1	232	6.7%	4
11	Embarcadero/101	0	-	0%	-	0	0	-	-	0	-	-	-
12	Gilroy	105	724	0.5%	23	0	0	0%	-	0	-	-	-
13	Los Altos	140	1,431	1.0%	20	0	0	0%	-	0	-	-	-
14	Los Gatos	0	-	0%	-	0	0	-	-	0	-	-	-
15	Los Gatos/Saratoga	281	3,144	2.2%	15	1	0	0%	8	0	-	-	-
16	Midtown San Jose	264	2,549	1.8%	17	0	0	0%	-	0	-	-	-
17	Milpitas	109	4,881	3.4%	10	0	0	0%	-	0	-	-	-
18	Moffett Park	65	12,062	8.3%	4	2	189	1.6%	5	3	1,357	11.3%	1
19	Morgan Hill	112	1,318	0.9%	21	0	0	0%	-	0	-	-	-
20	Mountain View	365	15,431	10.6%	2	3	1,007	6.5%	2	2	812	5.3%	3
21	N. San Jose - Brokaw	0	-	0%	-	0	0	-	-	0	-	-	-
22	N.E. Santa Clara	0	-	0%	-	0	0	-	-	0	-	-	-
23	North San Jose	230	17,901	12.3%	1	0	0	0%	-	0	-	-	-
24	North Santa Clara	116	10,518	7.2%	7	0	0	0%	-	0	-	-	-
25	Oak Creek	0	-	0%	-	0	0	-	-	0	-	-	-
26	Outlying Santa Clara Cnty	5	53	0%	24	0	0	0%	-	0	-	-	-
27	Palo Alto	310	10,612	7.3%	6	1	5	0%	7	0	-	-	-
28	Peery Park	0	-	0%	-	0	0	-	-	0	-	-	-
29	Plumeria Drive	0	-	0%	-	0	0	-	-	0	-	-	-
30	San Benito County	117	741	0.5%	22	0	0	0%	-	0	-	-	-
31	San Jose East	0	-	0%	-	0	0	-	-	0	-	-	-
32	San Jose, IBP East	-	-	0%	-	0	0	-	-	0	-	-	-
33	San Jose-Berryessa	105	1,827	1.3%	19	0	0	0%	-	0	-	-	-
34	Scott Blvd Corridor	0	-	0%	-	0	0	-	-	0	-	-	-
35	Shoreline Corridor North	0	-	0%	-	0	0	-	-	0	-	-	-
36	Shoreline Corridor South	0	-	0%	-	0	0	-	-	0	-	-	-
37	South San Jose	221	4,433	3.0%	11	0	0	0%	-	0	-	-	-
38	South Santa Clara	154	1,955	1.3%	18	1	235	12.0%	4	0	-	-	-
39	Sunnyvale	239	11,463	7.9%	5	2	183	1.6%	6	3	829	7.2%	2
40	Sunnyvale Triangle	0	-	0%	-	0	0	-	-	0	-	-	-
41	West Mountain View	0	-	0%	-	0	0	-	-	0	-	-	-
42	West San Jose	224	3,677	2.5%	13	0	0	0%	-	0	-	-	-

Submarkets

San Jose Office

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Campbell	\$50.43	12	-0.6%	12	0.1%	14
2	Central Santa Clara	\$53.26	9	0.4%	1	1.4%	2
3	Central Sunnyvale	-	-	-	-	-	-
4	Cupertino	\$63.52	5	-0.6%	9	0.9%	5
5	De La Cruz	-	-	-	-	-	-
6	Downtown Mountain View	-	-	-	-	-	-
7	Downtown Palo Alto	\$93.86	1	-0.6%	13	0%	15
8	Downtown San Jose	\$48.91	13	-0.5%	7	0.9%	6
9	East Arques Ave Corridor	-	-	-	-	-	-
10	East San Jose-Willow Glen	\$44.23	18	-0.6%	14	-0.2%	16
11	Embarcadero/101	-	-	-	-	-	-
12	Gilroy	\$37.41	22	-0.7%	15	-0.4%	18
13	Los Altos	\$63.32	6	-0.8%	18	-0.6%	23
14	Los Gatos	-	-	-	-	-	-
15	Los Gatos/Saratoga	\$54.47	8	-0.5%	8	0.2%	10
16	Midtown San Jose	\$41.70	20	-0.8%	17	-0.2%	17
17	Milpitas	\$44.32	17	-0.7%	16	0.2%	9
18	Moffett Park	\$62.80	7	-0.5%	6	1.5%	1
19	Morgan Hill	\$37.13	23	-0.9%	21	-0.5%	20
20	Mountain View	\$71.79	3	-0.4%	5	0.8%	7
21	N. San Jose - Brokaw	-	-	-	-	-	-
22	N.E. Santa Clara	-	-	-	-	-	-
23	North San Jose	\$48.11	15	-0.9%	19	0.6%	8
24	North Santa Clara	\$48.84	14	-0.2%	2	0.9%	4
25	Oak Creek	-	-	-	-	-	-
26	Outlying Santa Clara Cnty	\$51.54	11	-1.3%	23	-0.7%	24
27	Palo Alto	\$77.71	2	-1.0%	22	0.2%	11
28	Peery Park	-	-	-	-	-	-
29	Plumeria Drive	-	-	-	-	-	-
30	San Benito County	\$29.22	24	-0.6%	11	-0.4%	19
31	San Jose East	-	-	-	-	-	-
32	San Jose, IBP East	-	-	-	-	-	-
33	San Jose-Berryessa	\$40.36	21	-1.9%	24	-0.6%	22
34	Scott Blvd Corridor	-	-	-	-	-	-
35	Shoreline Corridor North	-	-	-	-	-	-
36	Shoreline Corridor South	-	-	-	-	-	-
37	South San Jose	\$42.96	19	-0.9%	20	-0.6%	21
38	South Santa Clara	\$46.23	16	-0.6%	10	0.1%	13
39	Sunnyvale	\$65.79	4	-0.3%	4	1.1%	3
40	Sunnyvale Triangle	-	-	-	-	-	-
41	West Mountain View	-	-	-	-	-	-
42	West San Jose	\$52.26	10	-0.3%	3	0.2%	12

Submarkets

San Jose Office

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Campbell	674,158	22.6%	20	(51,597)	-1.7%	36	-
2	Central Santa Clara	494,362	5.9%	8	528,861	6.3%	2	1.0
3	Central Sunnyvale	-	-	-	0	-	-	-
4	Cupertino	200,977	2.6%	2	148,820	1.9%	5	-
5	De La Cruz	-	-	-	0	-	-	-
6	Downtown Mountain View	-	-	-	0	-	-	-
7	Downtown Palo Alto	508,485	13.0%	16	(109,263)	-2.8%	38	-
8	Downtown San Jose	3,599,033	25.0%	22	(169,697)	-1.2%	39	-
9	East Arques Ave Corridor	-	-	-	0	-	-	-
10	East San Jose-Willow Glen	157,021	4.6%	6	21,572	0.6%	8	-
11	Embarcadero/101	-	-	-	0	-	-	-
12	Gilroy	21,996	3.0%	3	(16,063)	-2.2%	32	-
13	Los Altos	162,226	11.3%	13	(28,380)	-2.0%	34	-
14	Los Gatos	-	-	-	0	-	-	-
15	Los Gatos/Saratoga	301,748	9.6%	11	(21,935)	-0.7%	33	-
16	Midtown San Jose	207,473	8.1%	10	(9,291)	-0.4%	31	-
17	Milpitas	525,033	10.8%	12	(76,604)	-1.6%	37	-
18	Moffett Park	2,737,061	22.7%	21	(2,054,602)	-17.0%	42	-
19	Morgan Hill	24,705	1.9%	1	(5,617)	-0.4%	30	-
20	Mountain View	3,079,860	20.0%	18	(640,802)	-4.2%	40	-
21	N. San Jose - Brokaw	-	-	-	0	-	-	-
22	N.E. Santa Clara	-	-	-	0	-	-	-
23	North San Jose	3,862,718	21.6%	19	(939,570)	-5.2%	41	-
24	North Santa Clara	2,674,305	25.4%	23	564,190	5.4%	1	-
25	Oak Creek	-	-	-	0	-	-	-
26	Outlying Santa Clara Cnty	-	-	-	0	0%	-	-
27	Palo Alto	1,223,839	11.5%	14	250,242	2.4%	4	0
28	Peery Park	-	-	-	0	-	-	-
29	Plumeria Drive	-	-	-	0	-	-	-
30	San Benito County	33,649	4.5%	5	(2,800)	-0.4%	29	-
31	San Jose East	-	-	-	0	-	-	-
32	San Jose, IBP East	-	-	-	0	-	-	-
33	San Jose-Berryessa	121,206	6.6%	9	(50,259)	-2.8%	35	-
34	Scott Blvd Corridor	-	-	-	0	-	-	-
35	Shoreline Corridor North	-	-	-	0	-	-	-
36	Shoreline Corridor South	-	-	-	0	-	-	-
37	South San Jose	162,341	3.7%	4	3,929	0.1%	9	-
38	South Santa Clara	92,383	4.7%	7	259,789	13.3%	3	0.9
39	Sunnyvale	1,450,167	12.7%	15	84,724	0.7%	7	2.1
40	Sunnyvale Triangle	-	-	-	0	-	-	-
41	West Mountain View	-	-	-	0	-	-	-
42	West San Jose	651,049	17.7%	17	92,237	2.5%	6	-



Supply & Demand Trends

San Jose Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	147,469,324	5,266	0%	993,143	0.7%	0
2027	147,464,058	(219,237)	-0.1%	638,986	0.4%	-
2026	147,683,295	(464,887)	-0.3%	522,069	0.4%	-
2025	148,148,182	709,004	0.5%	(1,834,957)	-1.2%	-
2024	147,439,178	2,170,393	1.5%	(3,166,262)	-2.1%	-
YTD	145,617,723	348,938	0.2%	(142,606)	-0.1%	-
2023	145,268,785	4,225,707	3.0%	(1,417,579)	-1.0%	-
2022	141,043,078	1,759,299	1.3%	1,697,758	1.2%	1.0
2021	139,283,779	4,086,011	3.0%	1,823,869	1.3%	2.2
2020	135,197,768	1,411,302	1.1%	(895,111)	-0.7%	-
2019	133,786,466	1,390,165	1.1%	1,305,283	1.0%	1.1
2018	132,396,301	3,448,594	2.7%	2,952,839	2.2%	1.2
2017	128,947,707	7,460,672	6.1%	5,562,815	4.3%	1.3
2016	121,487,035	2,874,739	2.4%	1,674,968	1.4%	1.7
2015	118,612,296	3,141,223	2.7%	5,646,757	4.8%	0.6
2014	115,471,073	1,179,855	1.0%	1,680,202	1.5%	0.7
2013	114,291,218	2,340,473	2.1%	2,900,933	2.5%	0.8
2012	111,950,745	440,336	0.4%	2,645,940	2.4%	0.2

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	73,657,222	468,234	0.6%	791,770	1.1%	0.6
2027	73,188,988	243,751	0.3%	581,892	0.8%	0.4
2026	72,945,237	15,616	0%	920,890	1.3%	0
2025	72,929,621	1,206,061	1.7%	254,256	0.3%	4.7
2024	71,723,560	2,410,141	3.5%	(135,054)	-0.2%	-
YTD	69,546,962	233,543	0.3%	(341,063)	-0.5%	-
2023	69,313,419	4,189,917	6.4%	(543,509)	-0.8%	-
2022	65,123,502	2,301,384	3.7%	2,225,599	3.4%	1.0
2021	62,822,118	4,230,870	7.2%	2,904,695	4.6%	1.5
2020	58,591,248	2,011,262	3.6%	760,580	1.3%	2.6
2019	56,579,986	1,435,487	2.6%	2,461,342	4.4%	0.6
2018	55,144,499	3,611,649	7.0%	3,382,780	6.1%	1.1
2017	51,532,850	7,653,858	17.4%	6,018,273	11.7%	1.3
2016	43,878,992	3,150,943	7.7%	1,353,948	3.1%	2.3
2015	40,728,049	3,812,830	10.3%	4,827,868	11.9%	0.8
2014	36,915,219	1,962,149	5.6%	1,530,893	4.1%	1.3
2013	34,953,070	2,491,001	7.7%	3,316,234	9.5%	0.8
2012	32,462,069	498,820	1.6%	1,684,415	5.2%	0.3

Supply & Demand Trends

San Jose Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	51,738,230	(8,523)	0%	385,983	0.7%	-
2027	51,746,753	(8,522)	0%	288,153	0.6%	-
2026	51,755,275	(8,544)	0%	(5,265)	0%	-
2025	51,763,819	(8,511)	0%	(1,122,189)	-2.2%	-
2024	51,772,330	121,133	0.2%	(1,739,968)	-3.4%	-
YTD	51,766,592	115,395	0.2%	223,138	0.4%	0.5
2023	51,651,197	107,138	0.2%	(603,282)	-1.2%	-
2022	51,544,059	(138,905)	-0.3%	15,760	0%	-
2021	51,682,964	51,326	0.1%	(718,470)	-1.4%	-
2020	51,631,638	(330,596)	-0.6%	(817,509)	-1.6%	-
2019	51,962,234	173,170	0.3%	(803,210)	-1.5%	-
2018	51,789,064	(128,548)	-0.2%	(479,059)	-0.9%	-
2017	51,917,612	(148,496)	-0.3%	(309,773)	-0.6%	-
2016	52,066,108	(64,397)	-0.1%	155,131	0.3%	-
2015	52,130,505	(248,327)	-0.5%	995,581	1.9%	-
2014	52,378,832	(457,740)	-0.9%	(48,920)	-0.1%	-
2013	52,836,572	45,587	0.1%	(444,862)	-0.8%	-
2012	52,790,985	110,336	0.2%	1,140,240	2.2%	0.1

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	22,073,872	(454,445)	-2.0%	(184,610)	-0.8%	-
2027	22,528,317	(454,466)	-2.0%	(231,059)	-1.0%	-
2026	22,982,783	(471,959)	-2.0%	(393,556)	-1.7%	-
2025	23,454,742	(488,546)	-2.0%	(967,024)	-4.1%	-
2024	23,943,288	(360,881)	-1.5%	(1,291,240)	-5.4%	-
YTD	24,304,169	0	0%	(24,681)	-0.1%	-
2023	24,304,169	(71,348)	-0.3%	(270,788)	-1.1%	-
2022	24,375,517	(403,180)	-1.6%	(543,601)	-2.2%	-
2021	24,778,697	(196,185)	-0.8%	(362,356)	-1.5%	-
2020	24,974,882	(269,364)	-1.1%	(838,182)	-3.4%	-
2019	25,244,246	(218,492)	-0.9%	(352,849)	-1.4%	-
2018	25,462,738	(34,507)	-0.1%	49,118	0.2%	-
2017	25,497,245	(44,690)	-0.2%	(145,685)	-0.6%	-
2016	25,541,935	(211,807)	-0.8%	165,889	0.6%	-
2015	25,753,742	(423,280)	-1.6%	(176,692)	-0.7%	-
2014	26,177,022	(324,554)	-1.2%	198,229	0.8%	-
2013	26,501,576	(196,115)	-0.7%	29,561	0.1%	-
2012	26,697,691	(168,820)	-0.6%	(178,715)	-0.7%	-

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$54.74	148	3.5%	-12.2%	27,546,426	18.7%	-0.7%
2027	\$52.87	143	2.5%	-15.2%	28,529,165	19.3%	-0.5%
2026	\$51.57	139	1.0%	-17.3%	29,382,253	19.9%	-0.6%
2025	\$51.04	138	-4.8%	-18.1%	30,363,866	20.5%	1.6%
2024	\$53.60	145	-6.8%	-14.0%	27,814,971	18.9%	3.4%
YTD	\$57.59	156	-0.5%	-7.6%	22,965,795	15.8%	0.3%
2023	\$57.49	155	-1.4%	-7.7%	22,474,251	15.5%	3.5%
2022	\$58.29	158	-5.5%	-6.5%	16,830,965	11.9%	-0.1%
2021	\$61.65	167	0.1%	-1.1%	16,769,424	12.0%	1.3%
2020	\$61.57	167	-1.2%	-1.2%	14,487,221	10.7%	1.6%
2019	\$62.32	169	4.4%	0%	12,181,200	9.1%	-0.1%
2018	\$59.70	161	7.0%	-4.2%	12,200,925	9.2%	0.2%
2017	\$55.79	151	0.6%	-10.5%	11,647,804	9.0%	0.9%
2016	\$55.45	150	5.9%	-11.0%	9,924,756	8.2%	0.8%
2015	\$52.35	142	14.5%	-16.0%	8,724,985	7.4%	-2.6%
2014	\$45.73	124	11.1%	-26.6%	11,444,900	9.9%	-0.5%
2013	\$41.14	111	7.6%	-34.0%	11,945,247	10.5%	-0.7%
2012	\$38.22	103	10.5%	-38.7%	12,505,968	11.2%	-2.0%

4 & 5 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$60.17	150	3.5%	-14.3%	14,739,838	20.0%	-0.6%
2027	\$58.14	145	2.5%	-17.2%	15,064,123	20.6%	-0.5%
2026	\$56.72	141	1.0%	-19.2%	15,403,053	21.1%	-1.2%
2025	\$56.16	140	-4.8%	-20.0%	16,308,496	22.4%	1.0%
2024	\$59.02	147	-6.6%	-16.0%	15,356,691	21.4%	2.9%
YTD	\$63.44	158	-0.1%	-9.7%	13,386,095	19.2%	0.8%
2023	\$63.19	157	-1.4%	-10.0%	12,811,489	18.5%	6.1%
2022	\$64.11	160	-8.7%	-8.7%	8,078,063	12.4%	-0.3%
2021	\$70.23	175	0.5%	0%	8,002,278	12.7%	1.3%
2020	\$69.88	174	2.5%	-0.5%	6,676,103	11.4%	1.8%
2019	\$68.18	170	5.4%	-2.9%	5,425,421	9.6%	-2.1%
2018	\$64.66	161	6.5%	-7.9%	6,451,276	11.7%	-0.4%
2017	\$60.74	151	-0.3%	-13.5%	6,222,407	12.1%	1.4%
2016	\$60.93	152	5.4%	-13.2%	4,703,622	10.7%	3.6%
2015	\$57.79	144	16.2%	-17.7%	2,906,627	7.1%	-4.1%
2014	\$49.74	124	11.0%	-29.2%	4,138,630	11.2%	0.6%
2013	\$44.80	112	6.4%	-36.2%	3,707,374	10.6%	-3.4%
2012	\$42.10	105	11.5%	-40.1%	4,532,607	14.0%	-3.9%

3 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$51.79	147	3.6%	-12.9%	9,412,242	18.2%	-0.8%
2027	\$50.01	142	2.5%	-15.9%	9,806,748	19.0%	-0.6%
2026	\$48.78	138	1.0%	-18.0%	10,103,423	19.5%	0%
2025	\$48.29	137	-4.7%	-18.8%	10,106,699	19.5%	2.2%
2024	\$50.68	144	-7.0%	-14.8%	8,993,020	17.4%	3.6%
YTD	\$54.43	154	-1.3%	-8.5%	7,024,149	13.6%	-0.2%
2023	\$54.49	154	-2.0%	-8.4%	7,131,892	13.8%	1.3%
2022	\$55.60	158	-0.9%	-6.5%	6,421,472	12.5%	-0.3%
2021	\$56.10	159	0%	-5.7%	6,576,137	12.7%	1.5%
2020	\$56.08	159	-5.7%	-5.7%	5,806,341	11.2%	1.0%
2019	\$59.49	169	3.3%	0%	5,319,820	10.2%	1.7%
2018	\$57.61	163	8.9%	-3.2%	4,438,990	8.6%	0.8%
2017	\$52.90	150	1.2%	-11.1%	4,031,902	7.8%	0.2%
2016	\$52.30	148	5.7%	-12.1%	3,928,634	7.5%	-0.4%
2015	\$49.50	140	12.7%	-16.8%	4,148,162	8.0%	-2.3%
2014	\$43.93	124	11.2%	-26.2%	5,391,809	10.3%	-0.7%
2013	\$39.49	112	8.4%	-33.6%	5,800,629	11.0%	0.9%
2012	\$36.44	103	9.8%	-38.7%	5,310,441	10.1%	-2.0%

1 & 2 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$44.69	144	3.6%	-11.9%	3,394,346	15.4%	-0.9%
2027	\$43.13	139	2.6%	-15.0%	3,658,294	16.2%	-0.6%
2026	\$42.03	136	1.1%	-17.2%	3,875,777	16.9%	0%
2025	\$41.56	134	-4.6%	-18.1%	3,948,671	16.8%	2.4%
2024	\$43.57	141	-6.9%	-14.1%	3,465,260	14.5%	4.1%
YTD	\$46.75	151	-0.5%	-7.9%	2,555,551	10.5%	0.1%
2023	\$46.81	151	0.6%	-7.8%	2,530,870	10.4%	0.8%
2022	\$46.52	150	-2.5%	-8.3%	2,331,430	9.6%	0.7%
2021	\$47.72	154	-1.3%	-6.0%	2,191,009	8.8%	0.8%
2020	\$48.37	156	-4.7%	-4.7%	2,004,777	8.0%	2.3%
2019	\$50.75	164	3.0%	0%	1,435,959	5.7%	0.5%
2018	\$49.27	159	4.6%	-2.9%	1,310,659	5.1%	-0.3%
2017	\$47.12	152	3.1%	-7.2%	1,393,495	5.5%	0.4%
2016	\$45.70	147	8.6%	-10.0%	1,292,500	5.1%	-1.4%
2015	\$42.09	136	12.2%	-17.1%	1,670,196	6.5%	-0.8%
2014	\$37.52	121	11.4%	-26.1%	1,914,461	7.3%	-1.9%
2013	\$33.67	109	11.0%	-33.7%	2,437,244	9.2%	-0.8%
2012	\$30.34	98	8.3%	-40.2%	2,662,920	10.0%	0.1%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$518.62	181	6.3%
2027	-	-	-	-	-	-	\$480.97	168	6.5%
2026	-	-	-	-	-	-	\$449.57	157	6.8%
2025	-	-	-	-	-	-	\$430.67	150	7.0%
2024	-	-	-	-	-	-	\$481.42	168	6.8%
YTD	16	\$201.1M	0.7%	\$14,363,842	\$300.09	5.6%	\$581.69	203	6.2%
2023	108	\$775.4M	1.5%	\$8,248,651	\$507.38	4.6%	\$586.10	204	6.2%
2022	147	\$2.3B	2.2%	\$17,897,066	\$843.72	4.8%	\$655.49	228	5.6%
2021	211	\$5.3B	5.5%	\$26,675,321	\$742.21	4.7%	\$695.07	242	5.1%
2020	139	\$2.9B	3.4%	\$23,919,475	\$638.78	5.1%	\$675.19	235	5.2%
2019	279	\$4.5B	5.9%	\$24,706,238	\$609.31	5.4%	\$642.64	224	5.4%
2018	290	\$3.7B	5.7%	\$19,807,590	\$590.05	5.3%	\$602.43	210	5.4%
2017	310	\$3.9B	6.9%	\$22,055,355	\$490.95	5.4%	\$559.08	195	5.4%
2016	287	\$2.5B	5.5%	\$11,712,639	\$412.79	5.3%	\$554.16	193	5.2%
2015	325	\$3.7B	11.0%	\$16,701,731	\$458.16	5.7%	\$513.39	179	5.3%
2014	239	\$2.1B	5.5%	\$10,598,131	\$368.70	5.4%	\$447.43	156	5.5%
2013	285	\$2.5B	6.8%	\$12,160,972	\$364.84	7.1%	\$389.80	136	5.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$599.93	185	6.0%
2027	-	-	-	-	-	-	\$555.96	172	6.2%
2026	-	-	-	-	-	-	\$519.14	160	6.5%
2025	-	-	-	-	-	-	\$496.90	154	6.8%
2024	-	-	-	-	-	-	\$556.06	172	6.6%
YTD	2	-	0.5%	-	-	-	\$673.51	208	6.0%
2023	9	\$486.3M	1.9%	\$81,041,667	\$526.48	-	\$679.91	210	5.9%
2022	9	\$1.5B	1.9%	\$163,921,729	\$1,176.93	-	\$765.03	236	5.4%
2021	21	\$3.2B	6.5%	\$154,107,136	\$787.94	4.8%	\$790.96	244	5.0%
2020	17	\$1.7B	4.1%	\$101,939,663	\$719.40	5.2%	\$764.60	236	5.1%
2019	27	\$2.2B	6.3%	\$84,375,884	\$630.54	5.0%	\$718.17	222	5.2%
2018	18	\$1.1B	4.0%	\$76,437,779	\$755.07	4.9%	\$665.64	206	5.3%
2017	41	\$2.6B	9.2%	\$83,464,907	\$555.99	5.6%	\$618.18	191	5.3%
2016	16	\$753.9M	4.3%	\$47,120,763	\$396.38	5.9%	\$610.55	189	5.1%
2015	42	\$1.9B	14.9%	\$74,972,113	\$590.18	5.5%	\$565.01	175	5.2%
2014	12	\$592.8M	5.4%	\$74,101,346	\$371.02	5.1%	\$492.86	152	5.4%
2013	21	\$1B	7.0%	\$51,442,416	\$438.28	7.7%	\$433.31	134	5.8%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$444.23	174	6.5%
2027	-	-	-	-	-	-	\$412.53	161	6.7%
2026	-	-	-	-	-	-	\$386.28	151	7.0%
2025	-	-	-	-	-	-	\$370.61	145	7.3%
2024	-	-	-	-	-	-	\$413.68	162	7.1%
YTD	7	\$187.7M	1.1%	\$26,810,684	\$316.45	5.6%	\$497.87	195	6.5%
2023	28	\$111.2M	0.6%	\$4,446,450	\$491.72	4.1%	\$500.86	196	6.4%
2022	60	\$584.8M	2.4%	\$11,934,242	\$580.30	5.4%	\$557.40	218	5.9%
2021	87	\$1.7B	5.5%	\$21,848,601	\$725.94	4.6%	\$605.19	237	5.3%
2020	57	\$978.6M	3.4%	\$19,970,500	\$572.16	5.7%	\$591.47	231	5.4%
2019	94	\$2B	6.4%	\$27,368,823	\$621.01	5.5%	\$566.38	221	5.5%
2018	103	\$1.8B	7.3%	\$22,144,771	\$506.50	5.6%	\$535.95	210	5.5%
2017	74	\$1B	5.4%	\$18,069,306	\$394.59	5.9%	\$494.67	193	5.5%
2016	107	\$1.3B	6.9%	\$15,727,057	\$428.02	5.3%	\$490.80	192	5.3%
2015	128	\$1.3B	9.7%	\$13,910,050	\$366.92	5.8%	\$456.62	178	5.4%
2014	105	\$1.1B	5.4%	\$12,586,585	\$398.12	6.0%	\$401.66	157	5.6%
2013	114	\$1.1B	7.2%	\$14,011,095	\$349.24	6.2%	\$347.93	136	6.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$433.12	178	6.7%
2027	-	-	-	-	-	-	\$401.76	165	6.9%
2026	-	-	-	-	-	-	\$375.65	154	7.1%
2025	-	-	-	-	-	-	\$359.89	148	7.4%
2024	-	-	-	-	-	-	\$401.82	165	7.2%
YTD	7	\$13.4M	0.3%	\$1,917,000	\$174.15	5.5%	\$484.74	199	6.6%
2023	71	\$178M	1.9%	\$2,824,792	\$470.12	4.8%	\$486.25	199	6.6%
2022	78	\$248.6M	2.4%	\$3,502,086	\$523.34	4.0%	\$535.76	220	6.0%
2021	103	\$346.1M	2.9%	\$3,495,954	\$518.75	4.7%	\$598.82	245	5.4%
2020	65	\$182.7M	1.7%	\$3,322,323	\$443.81	4.4%	\$585.26	240	5.4%
2019	158	\$326.9M	3.9%	\$3,891,452	\$453.79	5.3%	\$578.49	237	5.5%
2018	169	\$746.3M	6.1%	\$8,291,730	\$624.94	4.9%	\$554.40	227	5.4%
2017	195	\$348.6M	5.1%	\$3,789,296	\$423.45	4.7%	\$518.97	213	5.4%
2016	164	\$431.8M	4.9%	\$3,821,508	\$399.70	5.1%	\$519.95	213	5.2%
2015	155	\$420.4M	7.5%	\$4,203,529	\$364.87	5.5%	\$479.42	197	5.3%
2014	122	\$402M	5.7%	\$3,940,946	\$305.15	4.8%	\$408.61	168	5.6%
2013	150	\$292.8M	5.8%	\$2,898,705	\$257.73	8.7%	\$348.42	143	6.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.