



Office Market Report

San Jose - CA USA

PREPARED BY



OFFICE MARKET REPORT

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12 Mo Deliveries in SF

3.1M

12 Mo Net Absorption in SF

(897K)

Vacancy Rate

16.3%

Market Asking Rent Growth

1.0%

In the fourth quarter of 2024, the San Jose office market is showing signs of improvement over the downturn in performance that characterized 2023.

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. 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. The combination of weakness in tenant demand and increased supply of newly built space caused vacancies to increase close to the high points established during the dot-com bust and the Great Recession. Rents trended downwards, and concessions increased.

Although downsizings and exits have continued in the past few months, there has also been some significant new leasing activity. In November 2023, Walmart leased the 700,000 SF Crossman Campus in Moffett Park. The buildings became available earlier in the year after Meta terminated its lease. Then, in March 2024, PwC leased 147,000 SF at One Santana West, and TikTok subleased 163,000 SF at Coleman Highline.

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 fourth quarter of 2024, the vacancy rate in San Jose is 16.3%, having increased by 2.3% 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 dot-com bust in 2003.

Continued uncertainty around weak tenant demand, elevated levels of speculative development, and the general economic slowdown present headwinds to 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	57,346,894	20.3%	\$63.45	23.8%	44,209	627,987	3,653,139
3 Star	64,533,995	14.9%	\$54.35	17.6%	(114,498)	0	38,523
1 & 2 Star	24,873,703	10.5%	\$44.19	13.2%	(22,293)	0	0
Market	146,754,592	16.3%	\$56.36	19.4%	(92,582)	627,987	3,691,662
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	2.3% (YOY)	10.7%	18.4%	17.0%	2003 Q2	0.6%	2000 Q2
Net Absorption SF	(897K)	1,614,009	(5,303)	8,330,512	2000 Q2	(3,790,019)	2002 Q1
Deliveries SF	3.1M	2,741,348	1,334,690	7,995,989	2001 Q4	81,300	2012 Q1
Market Asking Rent Growth	1.0%	2.8%	1.1%	28.2%	2000 Q4	-23.0%	2002 Q1
Sales Volume	\$1.4B	\$1.7B	N/A	\$5B	2021 Q4	\$176.4M	2009 Q3

In the fourth quarter of 2024, despite a few keynote signings, leasing activity in San Jose remains low. The sharp rise in interest rates that started in 2022 hit tech company valuations and led them to prioritize cost-cutting over expansion. Employment in information and other office-using categories has declined. 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 caused vacancy and availability to rise over the past year. As of the fourth quarter, vacancy is 16.3%, an increase of 2.3% from a year ago, and the availability rate is 19.4%. Sublease space availability currently stands at 7.0 million SF, an all-time high, although this has remained flat over the past year.

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. Google added around 550,000 SF of sublease space in

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

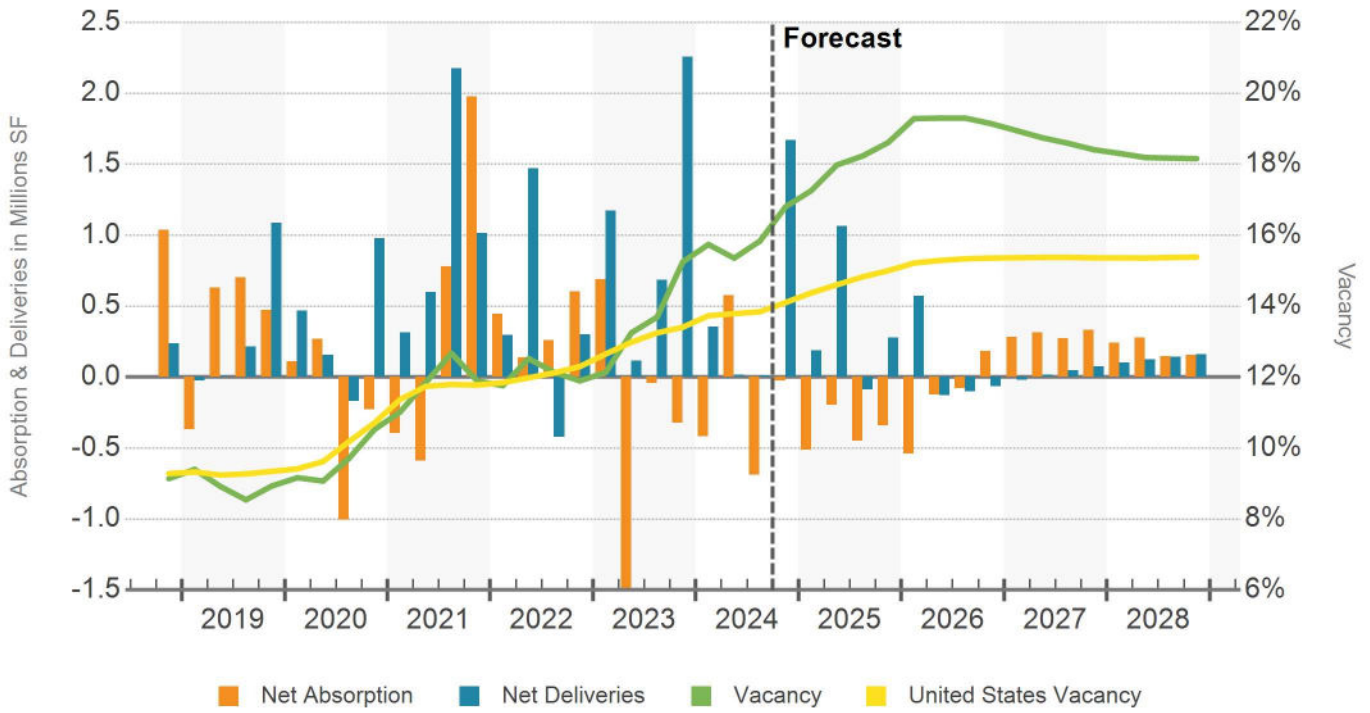
Also, in 23Q2, Meta terminated its lease at the 720,000-SF Moffett Green campus in Moffett Park. In November 2023, the market's biggest new lease of the year, which took over the entire campus, was signed by Walmart.

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.

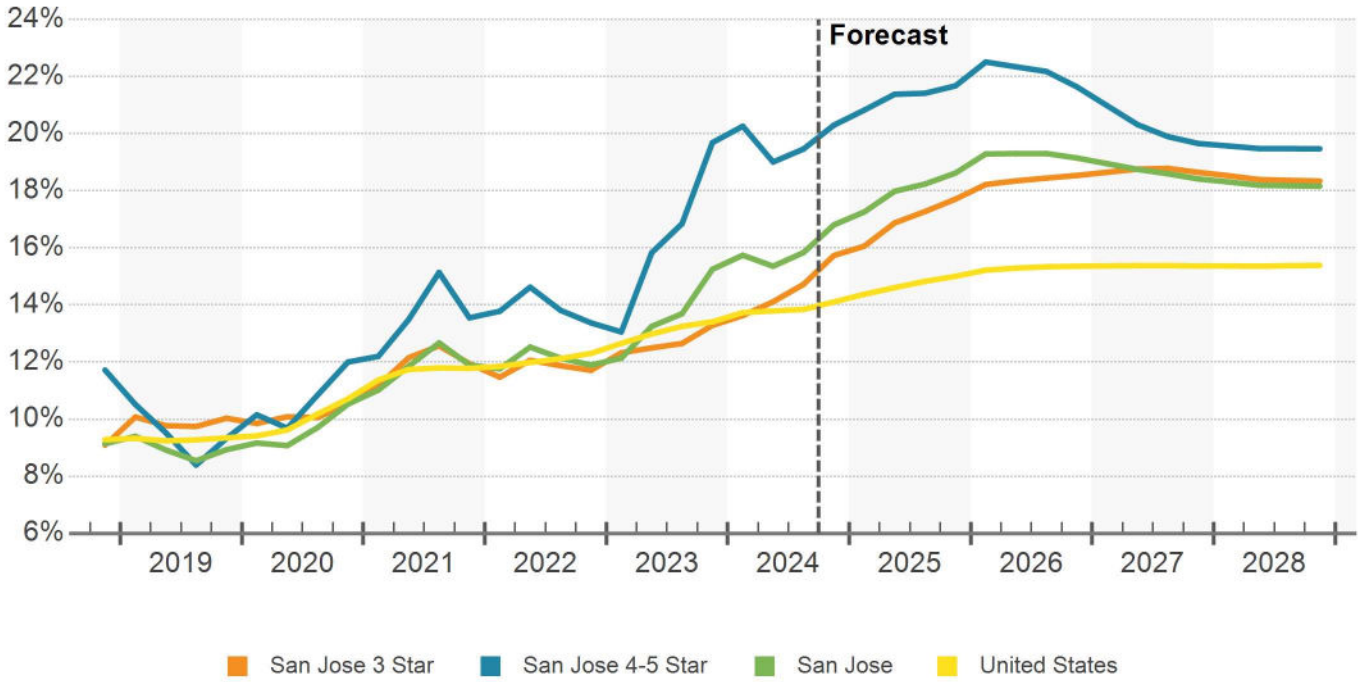
Leasing brokers have had limited success finding single tenants to take over the whole building and large blocks of sublet space. In addition to the Walmart lease mentioned earlier, TikTok parent ByteDance has recently subleased one of the buildings made available by Roku at Coleman Highline. However, 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.

Despite the general slowdown, some larger leases have been signed in 2024., in March, PwC leased 147,000 SF at One Santana West, and TikTok subleased 163,000 SF at Coleman Highline. In June, Yahoo took 120,000 SF of sublet space at The Village at San Antonio. Yahoo took over the space from Facebook, which had previously sublet the space from the original tenant, LinkedIn.

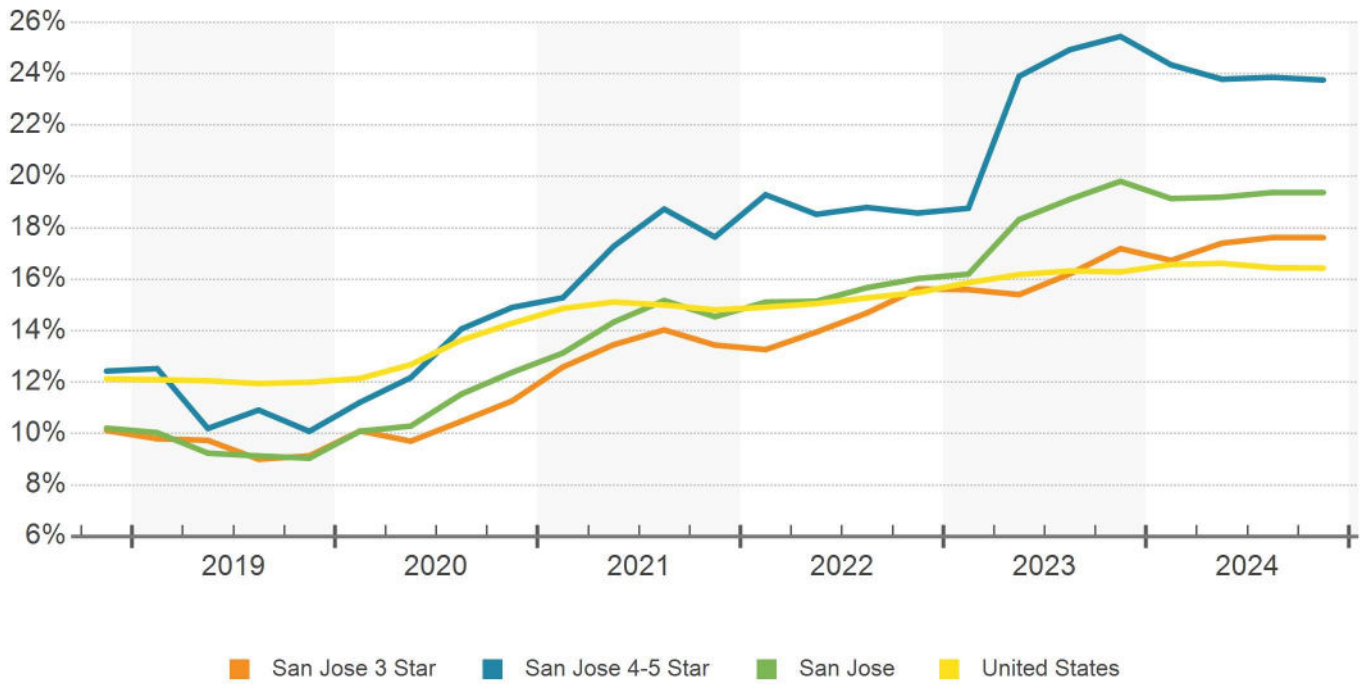
NET ABSORPTION, NET DELIVERIES & VACANCY



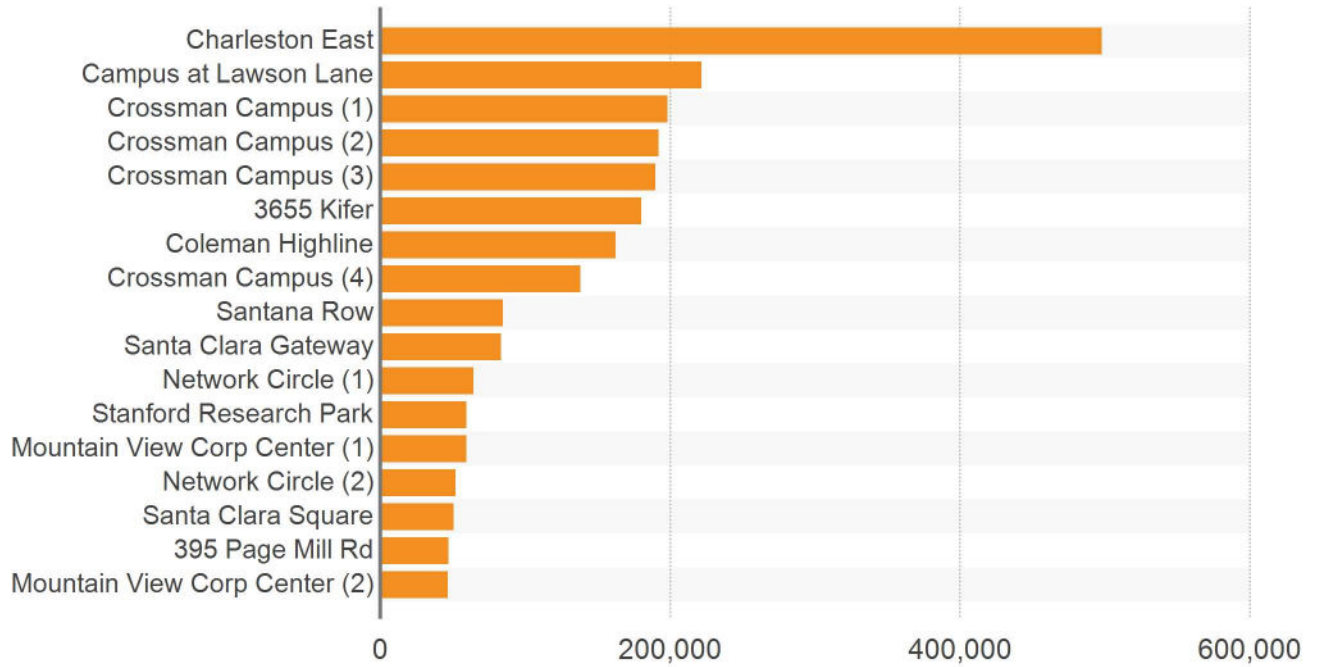
VACANCY RATE



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	497,989
Campus at Lawson Lane	Central Santa Clara	265,000	0	0	0	0	0	221,793
Crossman Campus (1)	Moffett Park	198,268	0	0	198,268	0	0	198,268
Crossman Campus (2)	Moffett Park	192,479	0	0	192,293	0	0	192,293
Crossman Campus (3)	Moffett Park	189,944	0	0	189,944	0	0	189,944
3655 Kifer	Sunnyvale	184,614	4,327	180,287	0	0	0	180,287
Coleman Highline	North San Jose	162,550	0	0	162,557	0	0	162,557
Crossman Campus (4)	Moffett Park	138,146	0	0	138,146	0	0	138,146
Santana Row	West San Jose	241,938	0	0	0	84,720	0	84,720
Santa Clara Gateway	North Santa Clara	156,000	0	55,684	27,779	0	0	83,463
Network Circle (1)	North Santa Clara	64,502	0	64,502	0	0	0	64,502
Stanford Research Park	Palo Alto	59,782	0	59,782	0	0	0	59,782
Mountain View Corp Center (1)	Mountain View	59,702	0	0	59,702	0	0	59,700
Network Circle (2)	North Santa Clara	51,883	0	51,883	0	0	0	51,883
Santa Clara Square	Central Santa Clara	171,861	41,563	0	32,492	(9,071)	0	50,607
395 Page Mill Rd	Palo Alto	224,852	0	47,149	0	0	0	47,149
Mountain View Corp Center (2)	Mountain View	67,000	0	0	0	46,682	0	46,682
Subtotal Primary Competitors		3,023,521	45,890	459,287	1,001,181	122,331	0	2,329,765
Remaining San Jose Market		143,731,071	23,810,605	(877,072)	(427,469)	(811,249)	(92,582)	(3,227,091)
Total San Jose Market		146,754,592	23,856,495	(417,785)	573,712	(688,918)	(92,582)	(897,326)

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name
Moffett Towers *	Moffett Park	357,481	Q1 24	Amazon
Crossman Campus	Moffett Park	198,298	Q4 23	Walmart
Coleman Highline	North San Jose	194,549	Q3 24	TikTok
Crossman Campus	Moffett Park	192,293	Q4 23	Walmart
Crossman Campus	Moffett Park	189,944	Q4 23	Walmart
Coleman Highline	North San Jose	162,550	Q1 24	TikTok
Santana West	West San Jose	147,353	Q1 24	PwC
Crossman Campus	Moffett Park	138,146	Q4 23	Walmart
The Village at San Antonio Center	Mountain View	119,502	Q2 24	Yahoo
District 237	North San Jose	100,224	Q3 24	-
Stadium Techcenter	North Santa Clara	91,932	Q2 24	Johnson & Johnson
Santana Row	West San Jose	84,720	Q3 24	Cisco
590 E Middlefield Rd	Mountain View	74,691	Q3 24	Omnissa
Sensity Systems Inc *	Sunnyvale	68,608	Q2 24	Cerebras
Santa Clara Gateway	North Santa Clara	61,634	Q3 24	HCLTech
Stanford Research Park	Palo Alto	59,782	Q4 23	Tesla
Mountain View Corp Center	Mountain View	59,702	Q1 24	Databricks
Great America Commons	North Santa Clara	52,677	Q1 24	San Francisco Forty Niners
Marriott Business Park *	North Santa Clara	51,320	Q1 24	Astera Labs
Montague Oaks	North San Jose	43,697	Q4 23	Eugenus Inc.
Campbell Technology Park *	Campbell	39,770	Q3 24	Moss Adams
Downtown Sunnyvale	Sunnyvale	38,525	Q3 24	-
Santa Clara Gateway	North Santa Clara	37,500	Q1 24	HCL Technologies
Stanford Research Park	Palo Alto	35,444	Q4 23	Tesla
395 Page Mill Rd	Palo Alto	35,067	Q1 24	Globality
1075 W Campbell Ave	Campbell	33,201	Q4 23	Campbell Church of Christ
Santa Clara Square	Central Santa Clara	32,492	Q3 24	First Citizens Bank
Terra Bella Tech Park *	Mountain View	29,670	Q4 23	Egnyte Inc.
North First Office Center	North San Jose	28,924	Q1 24	-
Santa Clara Gateway	North Santa Clara	27,779	Q4 23	Tenstorrent
Santana West	West San Jose	27,010	Q4 23	Acrisure
Santana Row	West San Jose	25,000	Q3 24	-
Metro Plaza	North San Jose	24,209	Q1 24	-
Sunnyvale CityLine	Sunnyvale	24,155	Q3 24	Red Hat
Santana West	West San Jose	23,680	Q3 24	Couchbase
Saratoga Office Center	Los Gatos/Saratoga	22,995	Q2 24	Eridu AI
18500 De Paul Dr	Morgan Hill	22,450	Q1 24	Santa Clara Valley Health...
University Station *	South Santa Clara	21,848	Q3 24	SI-Bone
2440 W El Camino Real	Mountain View	21,084	Q3 24	Coursera
505 S Market Street	Downtown San Jose	20,623	Q1 24	California Miramar Univer...

*Renewal

After holding up well during the pandemic, rent growth in San Jose turned negative in 2022. The negative trend continued in 2023 but has improved in recent months. As of the fourth quarter of 2024, average asking rents are slightly positive, at 1.0% above where they were a year ago.

The downward movement in rent reflected the lower level of leasing activity in the market, which coincided with an increase in available sublet space and the delivery of new speculative space. Tenants with the upper hand in lease negotiations pushed 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.

Current average market rates are \$56/SF on a full-service basis. 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. Rents in this

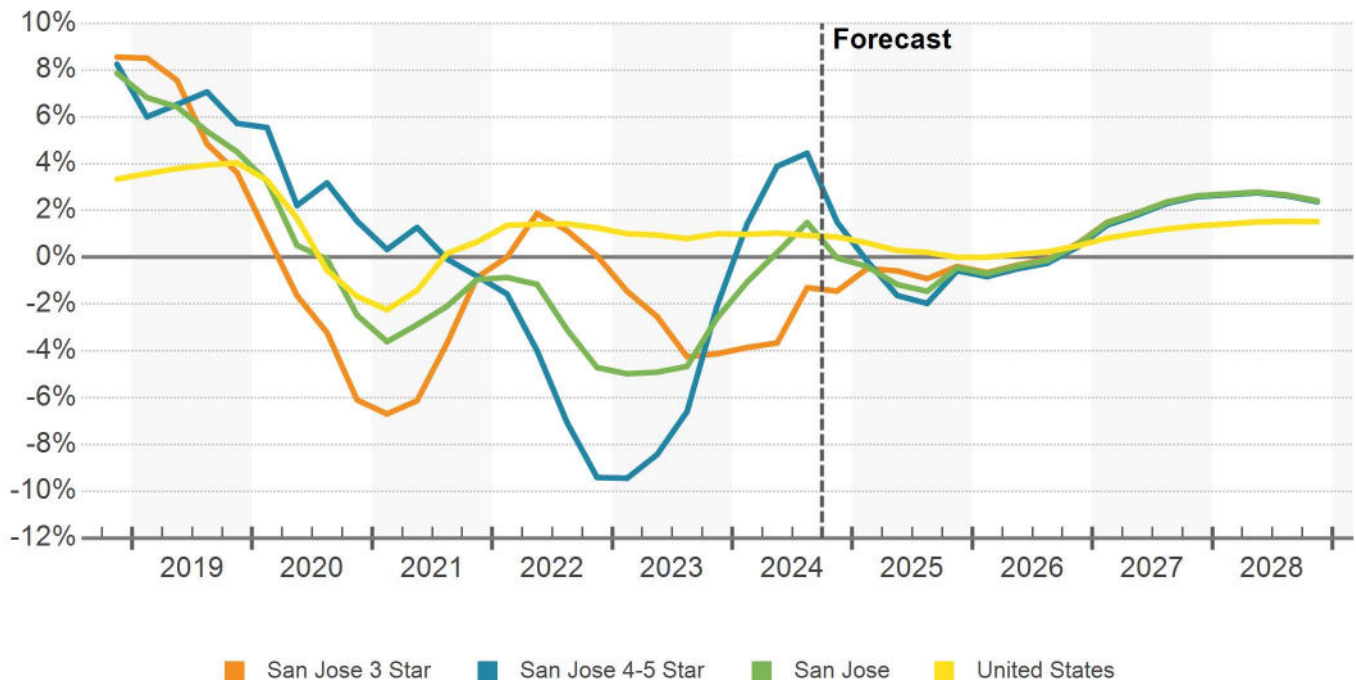
segment have recovered the most in the past few months. Average rent for 4 & 5 Star buildings has increased by 3.6% over the past year.

Nevertheless, leasing opportunities in 4 & 5 Star buildings at lower rates are available across the market. For example, in July 2024, UTIMACO leased around 10,000 SF at 910 E Hamilton Ave. in Campbell with a \$42.60/SF starting rent.

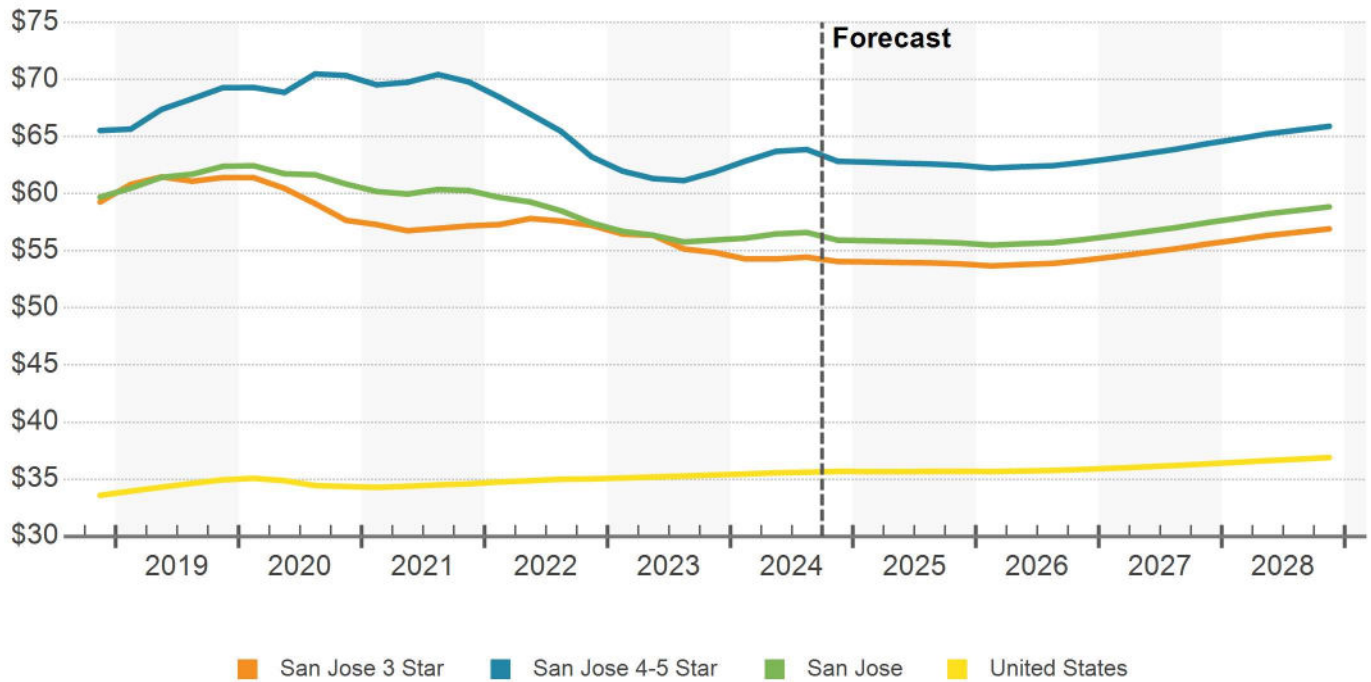
The decline in rent over the past three years has been highest in the core Silicon Valley submarkets, including Mountain View, Cupertino, and Sunnyvale. These submarkets also have the most office space and the highest rents in the metro area. By contrast, the smaller peripheral submarkets have seen flat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

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

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Jose	\$0.88	\$1.68	\$1.42	\$8.59	\$4.28	\$16.85
Campbell/Los Gatos	\$0.46	\$2.44	\$0.99	\$10.08	\$6.49	\$20.46
Downtown San Jose	\$1.23	\$1.96	\$1.61	\$3.71	\$4.81	\$13.32
Milpitas	\$0.48	\$2.58	\$1.05	\$5.77	\$4.23	\$14.11
Mountain View/Los Altos	\$1.01	\$1.98	\$1.85	\$8.53	\$2.11	\$15.48
North San Jose	\$0.88	\$1.52	\$1.27	\$9.07	\$4.63	\$17.37
Palo Alto	\$1.09	\$2.10	\$2.06	\$19.43	\$3.39	\$28.07
Santa Clara	\$0.76	\$1.51	\$1.15	\$7.06	\$4.39	\$14.87
South San Jose	\$1.03	\$1.86	\$1.52	\$9.53	\$4.85	\$18.79
Sunnyvale/Cupertino	\$0.75	\$1.47	\$1.34	\$8.80	\$4.51	\$16.87

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	\$0.65	\$1.23	\$1.25	\$7.07	\$3.60	\$13.80
Campbell/Los Gatos	\$0.44	\$1.31	\$0.95	\$5.35	\$5.17	\$13.22
Downtown San Jose	\$0.83	\$1.80	\$1.04	\$4.27	\$2.69	\$10.63
Milpitas	\$0.34	\$1.02	\$0.74	\$7.43	\$3.94	\$13.47
Morgan Hill/Gilroy	\$0.43	\$1.22	\$0.92	\$4.41	\$4.81	\$11.79
Mountain View/Los Altos	\$0.82	\$1.41	\$1.77	\$8.80	\$3.20	\$16
North San Jose	\$0.57	\$1.32	\$1.05	\$6.11	\$2.31	\$11.36
Outlying Santa Clara Cnty	\$0.62	\$1.32	\$1.36	\$6.70	\$4.56	\$14.56
Palo Alto	\$0.83	\$1.43	\$1.79	\$11.64	\$3.58	\$19.27
San Benito County	\$0.46	\$1.32	\$0.99	\$4.14	\$5.15	\$12.06
Santa Clara	\$0.65	\$0.66	\$0.98	\$5.53	\$2.43	\$10.25
South San Jose	\$0.52	\$1.30	\$1.07	\$4.74	\$5.41	\$13.04
Sunnyvale/Cupertino	\$0.69	\$0.74	\$1.17	\$7.57	\$2.57	\$12.74

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	\$0.61	\$1.24	\$1.10	\$5.93	\$1.97	\$10.85
Campbell/Los Gatos	\$0.43	\$1.23	\$0.92	\$6.22	\$3.14	\$11.94
Downtown San Jose	\$0.76	\$1.72	\$0.92	\$5.07	\$0.47	\$8.94
Milpitas	\$0.41	\$1.21	\$0.89	\$4.01	\$3.07	\$9.59
Morgan Hill/Gilroy	\$0.42	\$1.21	\$0.91	\$3.63	\$3.08	\$9.25
Mountain View/Los Altos	\$0.75	\$1.26	\$1.66	\$8.69	\$1.86	\$14.22
North San Jose	\$0.60	\$1.27	\$0.95	\$5.37	\$1.23	\$9.42
Outlying Santa Clara Cnty	\$0.55	\$1.15	\$0.67	\$6.26	\$2.33	\$10.96
Palo Alto	\$0.75	\$1.27	\$1.67	\$8.26	\$2.51	\$14.46
San Benito County	\$0.43	\$1.23	\$0.92	\$2.47	\$3.10	\$8.15
Santa Clara	\$0.66	\$0.65	\$1.02	\$5.31	\$1.57	\$9.21
South San Jose	\$0.49	\$1.24	\$0.96	\$5.65	\$2.27	\$10.61
Sunnyvale/Cupertino	\$0.68	\$0.65	\$1.05	\$5.86	\$1.74	\$9.98

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 fourth quarter, 3.5 million SF of office space is under construction, representing 2.5% of the market's existing inventory, well above the national average of 1.0%.

San Jose has also seen 2.9 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.

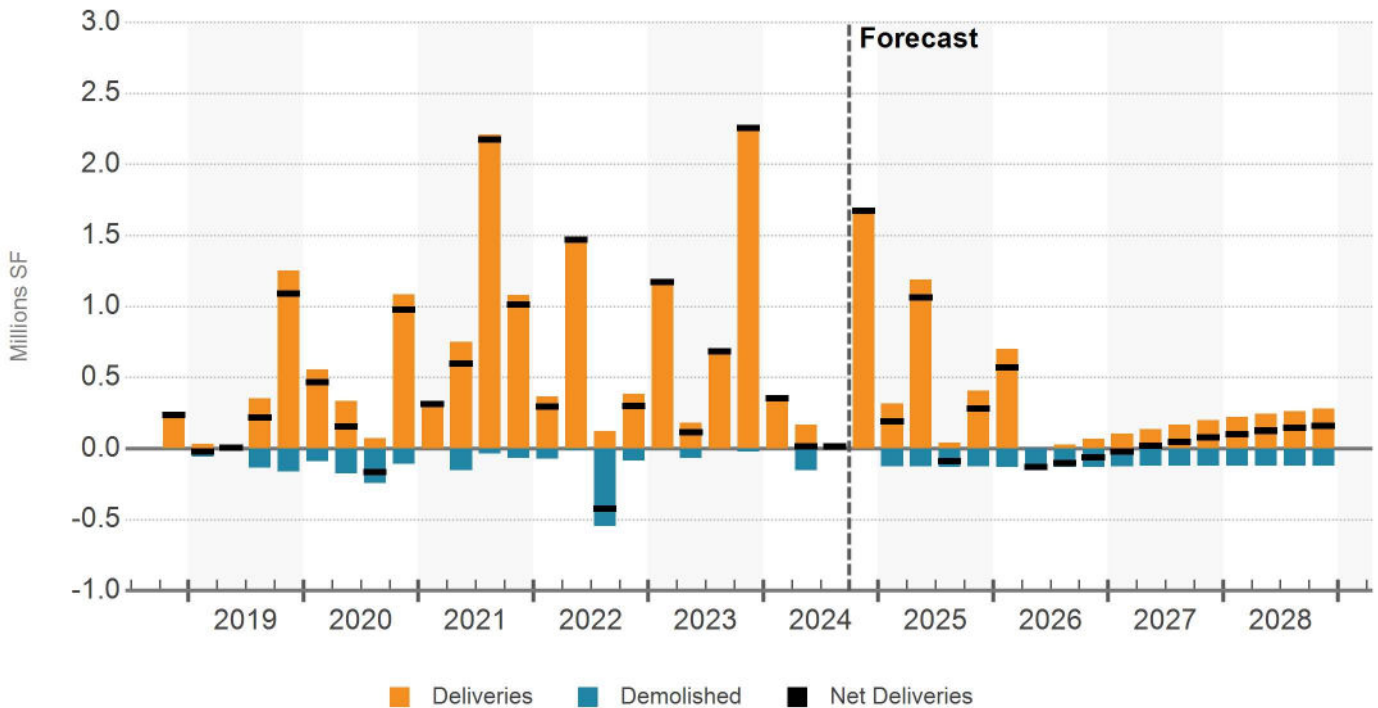
While speculative office projects have been quick to lease in the past, weaker demand from tech tenants in

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, with several projects underway, including Google Landings in Mountain View and Google Caribbean in Moffett Park. In contrast, Google's Downtown West mixed-use development in San Jose has been put on hold. Several other proposed office developments have been delayed as their sponsors reconsider the scale and timing in light of weaker demand.

Reflecting the changed market sentiment, construction starts have dropped. In 2023, less than 300,000 SF broke ground, a marked reduction from the 2.5 million SF that started in 2022.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

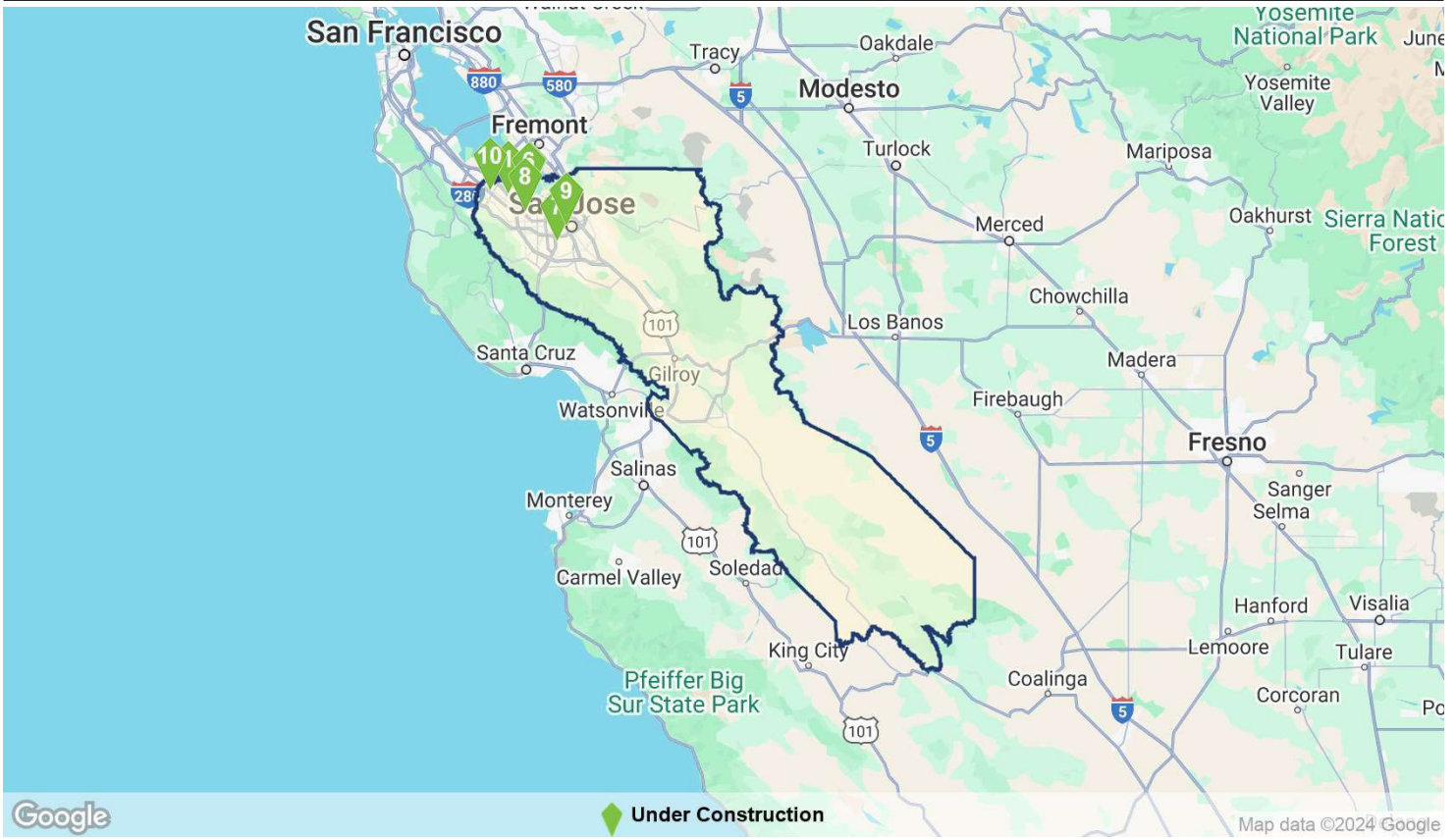
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Moffett Park	3	1,357	1,357	100%	1	188,937	452,359	2
2	Downtown San Jose	3	1,090	0	0%	6	40,074	363,333	3
3	Mountain View	1	799	799	100%	1	42,625	799,482	1
4	East San Jose-Willow Glen	1	232	232	100%	1	8,508	231,579	4
5	Sunnyvale	1	175	23	13.0%	4	49,138	175,000	5
6	Palo Alto	1	39	3	6.5%	5	34,159	38,523	6
7	Campbell	0	-	-	-	-	16,197	-	-
8	Central Santa Clara	0	-	-	-	-	83,881	-	-
9	Central Sunnyvale	0	-	-	-	-	-	-	-
10	Cupertino	0	-	-	-	-	45,449	-	-
	All Other	0	-	-	-		24,392	-	
Totals		10	3,692	2,413	65.4%		31,567	369,166	

Under Construction Properties

San Jose Office

Properties	Square Feet	Percent of Inventory	Released
10	3,691,662	2.5%	65.4%

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	Nov 2024	Google Google
3 B 325 Autumn Pky	★★★★☆	530,000	6	Jun 2023	Dec 2025	TMG Partners CPP Investments
4 Google 200 Caribbean Dr	★★★★★	505,078	5	Nov 2022	Nov 2024	Devcon Construction, Inc. Google
5 A 375 Autumn Pky	★★★★☆	390,000	6	Jun 2023	Mar 2025	TMG Partners CPP Investments
6 Google 399 W Java Dr	★★★★☆	315,000	6	Dec 2021	Dec 2024	Devcon Construction, Inc. Google
7 Bascom Station 1410 S Bascom Ave	★★★★☆	231,579	10	Nov 2022	Oct 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 C 455 W Julian St	★ ★ ★ ★ ★	170,000	6	Jun 2023	Dec 2025	TMG Partners CPP Investments
10 388 Cambridge Ave	★ ★ ★ ★ ★	38,523	3	Jun 2024	Jun 2025	Greenheart Land Company Presidio Bay Ventures

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, \$1.4 billion, was well below the five-year annual average of \$2.7 billion. The number of transactions in the past year was 110, compared to a five-year average of 160.

Despite a general price softening, several sales have achieved prices above \$1,000/SF. For example, in October 2023, 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.

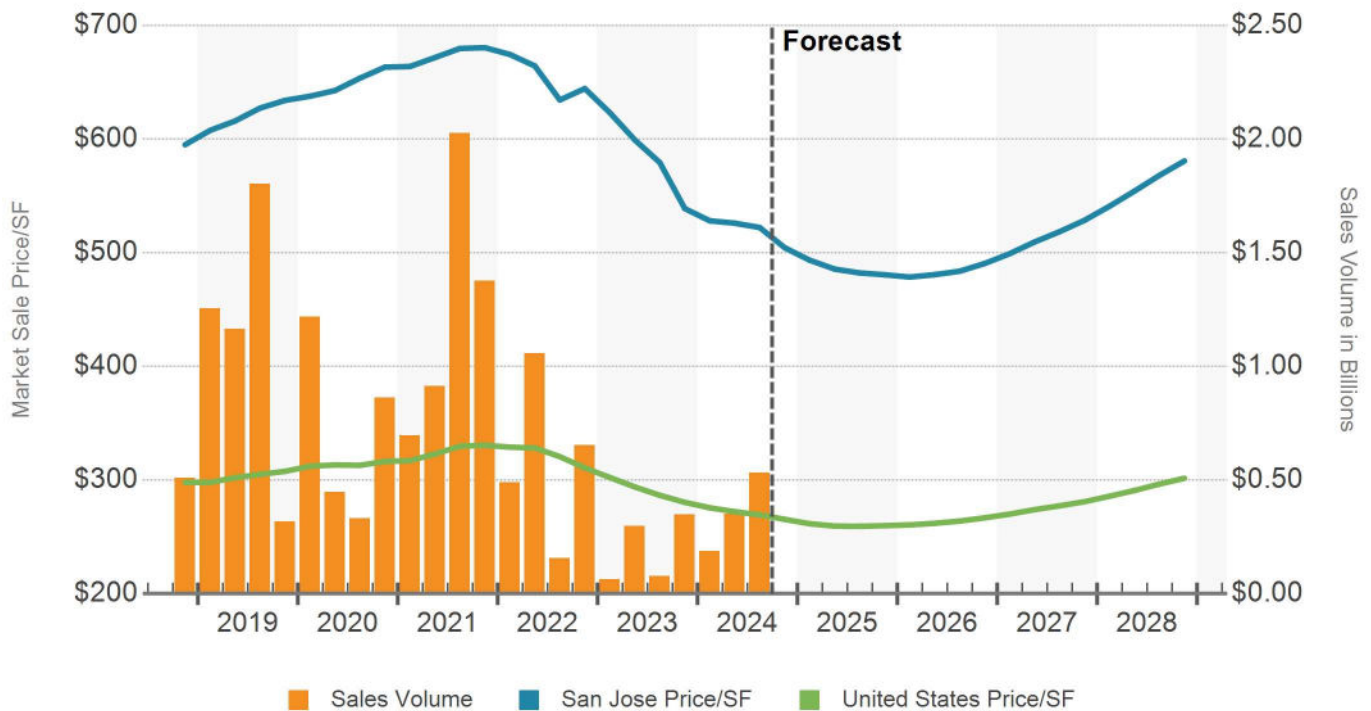
In most cases, however, buyers are acquiring properties at a discount to the prices achieved in previous years. For example, in September 2023, the 2 Star 826 N Winchester Blvd. sold for \$6.54 million, or \$557/SF. The property had previously sold for \$915/SF in December 2021.

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. Another owner/user that has stepped in to acquire buildings it currently occupies is AI chipmaker NVIDIA, which bought a 7-property portfolio of office and flex buildings in Santa Clara in May 2024 for \$374 million, or \$598/SF.

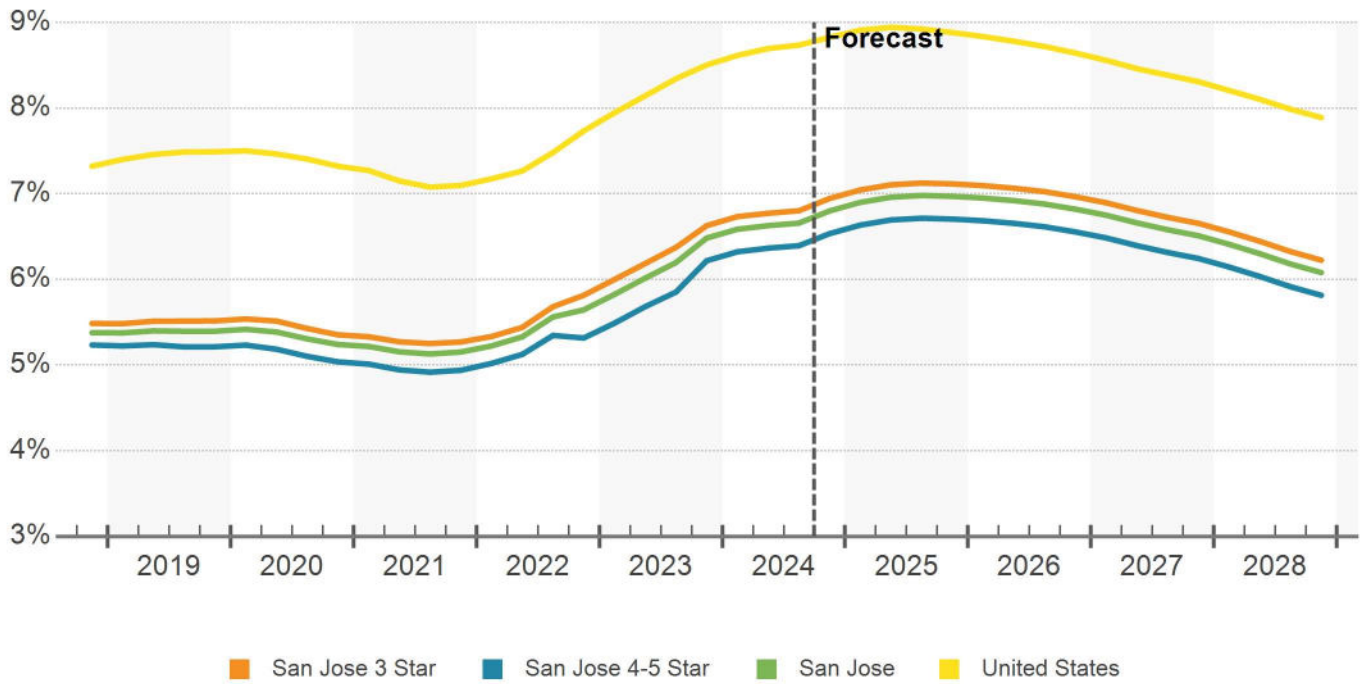
Distressed sales have also become part of the transaction mix in the past year, with several over-leveraged owners either giving properties back to the lender or selling at reduced prices. For example, in December 2023, 303 Almaden Blvd. in Downtown San Jose was sold for \$23.75 million, or \$146/SF. 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 growing wall of loan maturities, 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

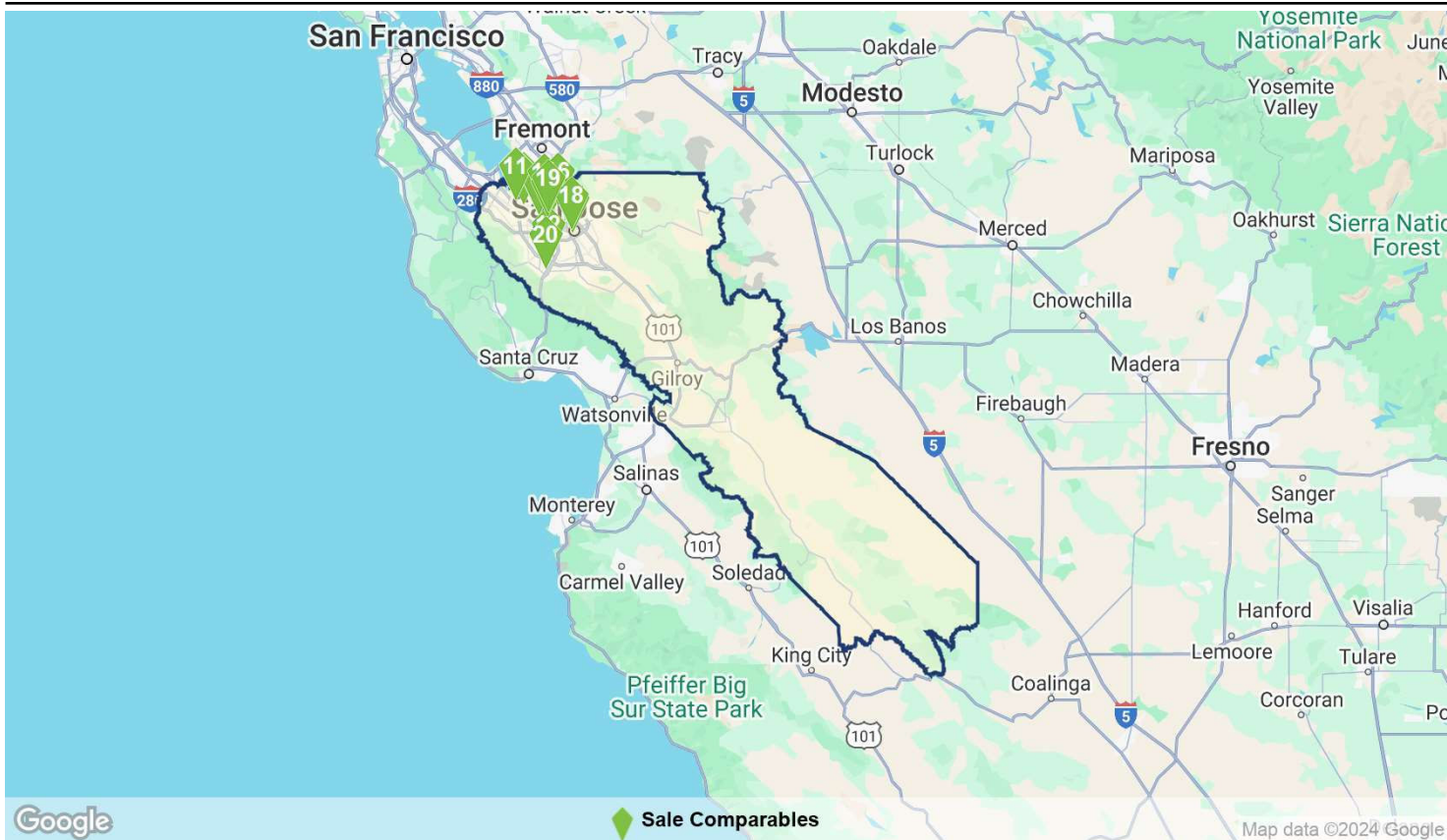
115

5.4%

\$391

19.8%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$196,382	\$14,984,814	\$4,450,000	\$189,975,036
Price/SF	\$23	\$391	\$481	\$1,265
Cap Rate	4.4%	5.4%	5.6%	6.0%
Time Since Sale in Months	0.4	6.8	7.5	12.0
Property Attributes	Low	Average	Median	High
Building SF	792	42,281	9,598	345,000
Stories	1	2	2	12
Typical Floor SF	792	17,992	6,508	172,500
Vacancy Rate At Sale	0%	19.8%	0%	100%
Year Built	1900	1974	1979	2021
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.5	★ ★ ★ ★ ★	★ ★ ★ ★ ★

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 Microsoft Silicon Valley... 1065 La Avenida St	★★★★★	2021	345,000	0%	9/4/2024	\$189,975,036	\$551	-
2 Building R 2880 Scott Blvd	★★★★★	1994	200,000	0%	5/2/2024	\$109,471,593	\$547	-
3 600 Clyde Ave	★★★★★	2020	189,972	100%	8/26/2024	\$108,100,000	\$569	-
4 2900 Semiconductor Dr	★★★★★	1976	178,000	0%	1/26/2024	\$83,759,141	\$471	-
5 3689 Kifer Rd	★★★★★	2002	140,440	0%	12/22/2023	\$81,000,000	\$577	-
6 3655 Kifer 3655 Kifer Rd	★★★★★	2021	184,614	100%	12/22/2023	\$71,000,000	\$385	-
7 Building E 2800 Scott Blvd	★★★★★	1995	99,800	0%	5/2/2024	\$55,846,987	\$560	-
8 Microsoft Silicon Valley... 1045 La Avenida St	★★★★★	2021	90,000	0%	9/4/2024	\$49,311,592	\$548	-
9 Microsoft Silicon Valley... 1085 La Avenida St	★★★★★	1999	114,000	0%	9/4/2024	\$48,686,558	\$427	-
10 Building K 2886 Scott Blvd	★★★★★	2000	75,000	0%	5/2/2024	\$48,261,000	\$643	-
11 Microsoft Silicon Valley... 1075 La Avenida St	★★★★★	1999	94,000	0%	9/4/2024	\$42,026,814	\$447	-
12 Los Gatos Medical Offic... 555 Knowles Dr	★★★★★	1995	55,927	0%	4/2/2024	\$41,500,000	\$742	-
13 2901-2929 Patrick Henry Dr	★★★★★	1978	82,278	0%	1/18/2024	\$26,394,500	\$321	-
14 303 Almaden Blvd	★★★★★	1994	166,361	30.4%	11/16/2023	\$23,750,000	\$143	-
15 Market Square Tower I/S... 111 W Saint John St	★★★★★	1963	155,695	39.7%	2/29/2024	\$18,279,887	\$117	-
16 Innovation Plaza 3100 N 1st St	★★★★★	1992	99,424	0%	9/27/2024	\$17,500,000	\$176	-
17 ARRIS Group 2450 Walsh Ave	★★★★★	1982	65,840	0%	11/1/2023	\$16,049,000	\$244	-
18 Market Square Tower II... 111 N Market St	★★★★★	1967	159,995	13.9%	2/29/2024	\$15,920,113	\$100	-
19 3250 Olcott St	★★★★★	1982	45,896	0%	4/24/2024	\$13,850,000	\$302	-
20 Twin Parks Office Complex 718 University Ave	★★★★★	1991	27,600	16.9%	7/15/2024	\$13,250,000	\$480	-

As of the fourth 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 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. Information sector layoffs have continued into the fourth quarter of 2024, and 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 around -50,000 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 4%. After two decades of strong growth, employment in the metro's information sector has seen negative growth for most of the past 18 months.

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.

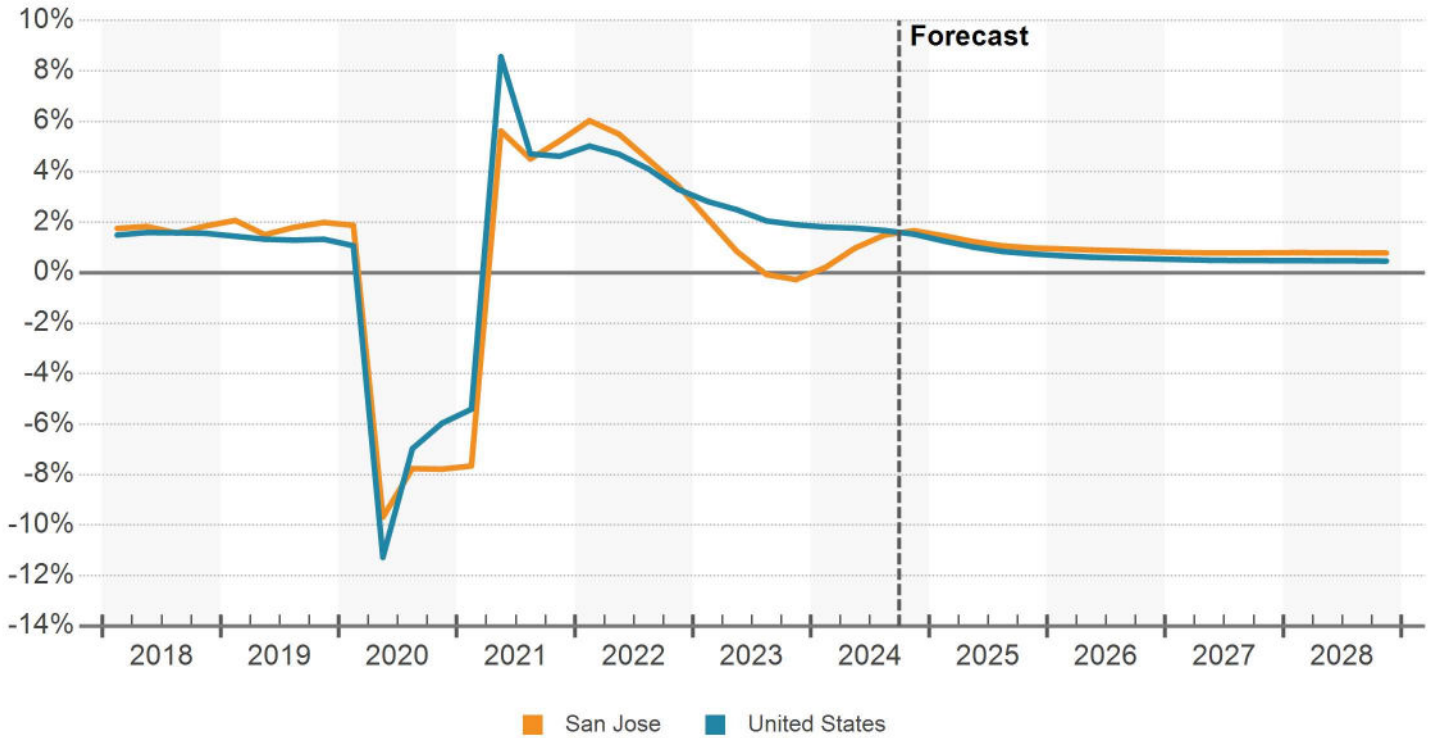
Despite the market's current economic headwinds, San Jose is expected to remain a leading innovation and economic growth center. Over the past 10 years, San Jose saw an average annual increase in GDP of 8.3%, the highest rate among the largest 20 metro areas in the nation and twice the U.S. average. The metro is expected to continue to lead the nation in key measures, such as venture capital investment and new information technology patents. The current surge of growth in AI has led to massive capital injections for Silicon Valley-based companies such as Nvidia.

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	177	1.8	-0.99%	0.40%	0.93%	0.62%	0.30%	0.33%
Trade, Transportation and Utilities	120	0.6	-0.48%	0.83%	-1.18%	1.00%	0.02%	0.28%
Retail Trade	74	0.6	0.30%	0.86%	-1.38%	0.24%	0.13%	0.21%
Financial Activities	38	0.6	0.02%	0.38%	1.23%	1.47%	0.41%	0.35%
Government	100	0.6	1.29%	2.20%	0.87%	0.66%	0.54%	0.51%
Natural Resources, Mining and Construction	54	0.8	-0.81%	2.34%	2.88%	2.26%	0.94%	0.72%
Education and Health Services	205	1.1	4.02%	3.49%	2.99%	2.07%	1.36%	0.77%
Professional and Business Services	250	1.5	3.04%	0.82%	1.75%	1.81%	0.81%	0.59%
Information	98	4.4	0.27%	0.57%	4.28%	1.02%	1.82%	0.54%
Leisure and Hospitality	106	0.8	3.75%	2.23%	1.22%	1.47%	1.39%	0.98%
Other Services	26	0.6	-0.88%	1.40%	-0.27%	0.61%	0.70%	0.49%
Total Employment	1,175	1.0	1.53%	1.65%	1.51%	1.33%	0.86%	0.56%

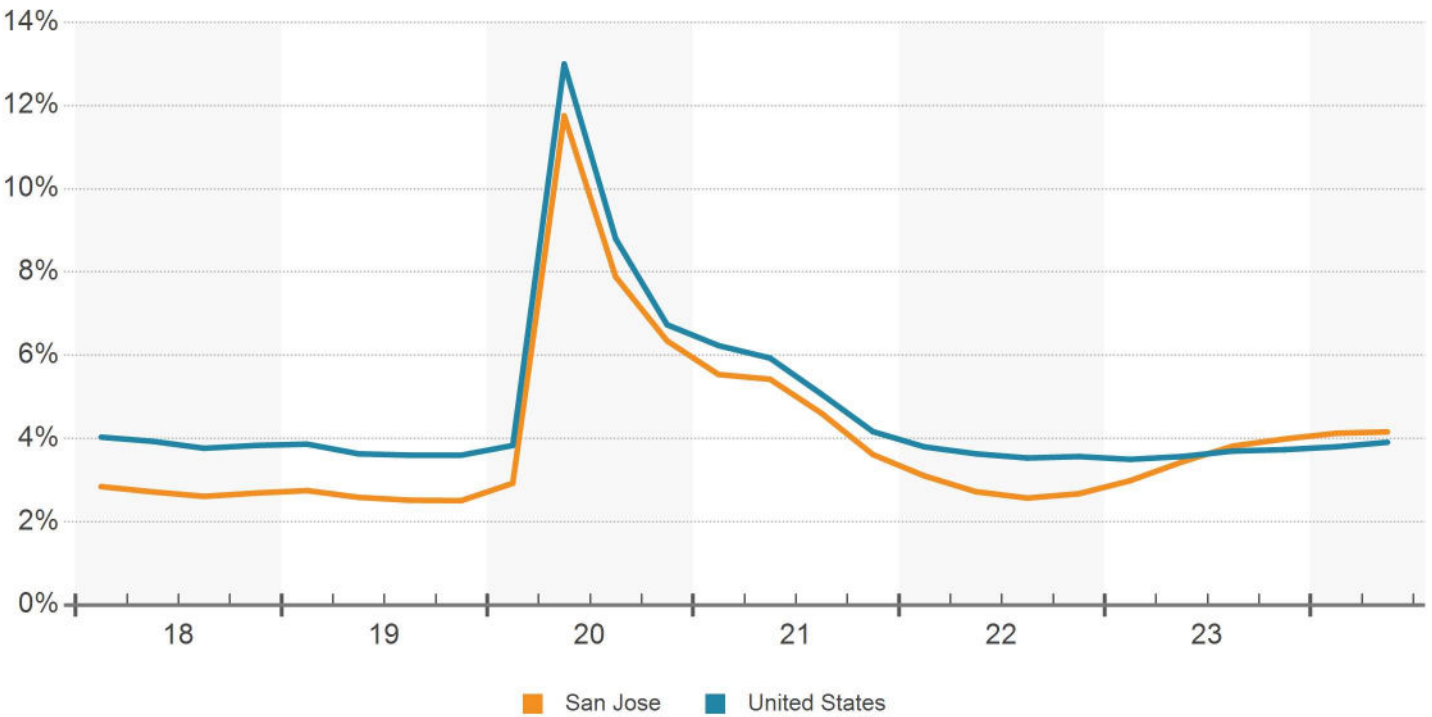
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

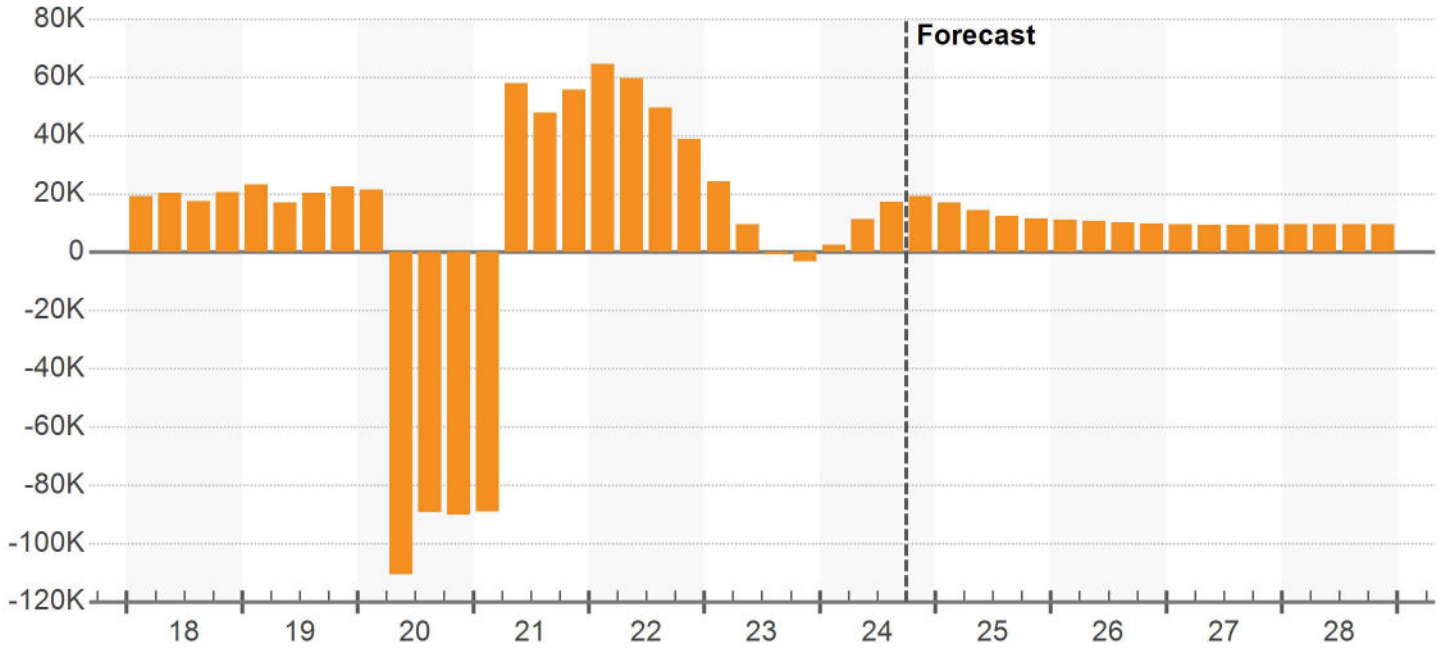


Source: Oxford Economics

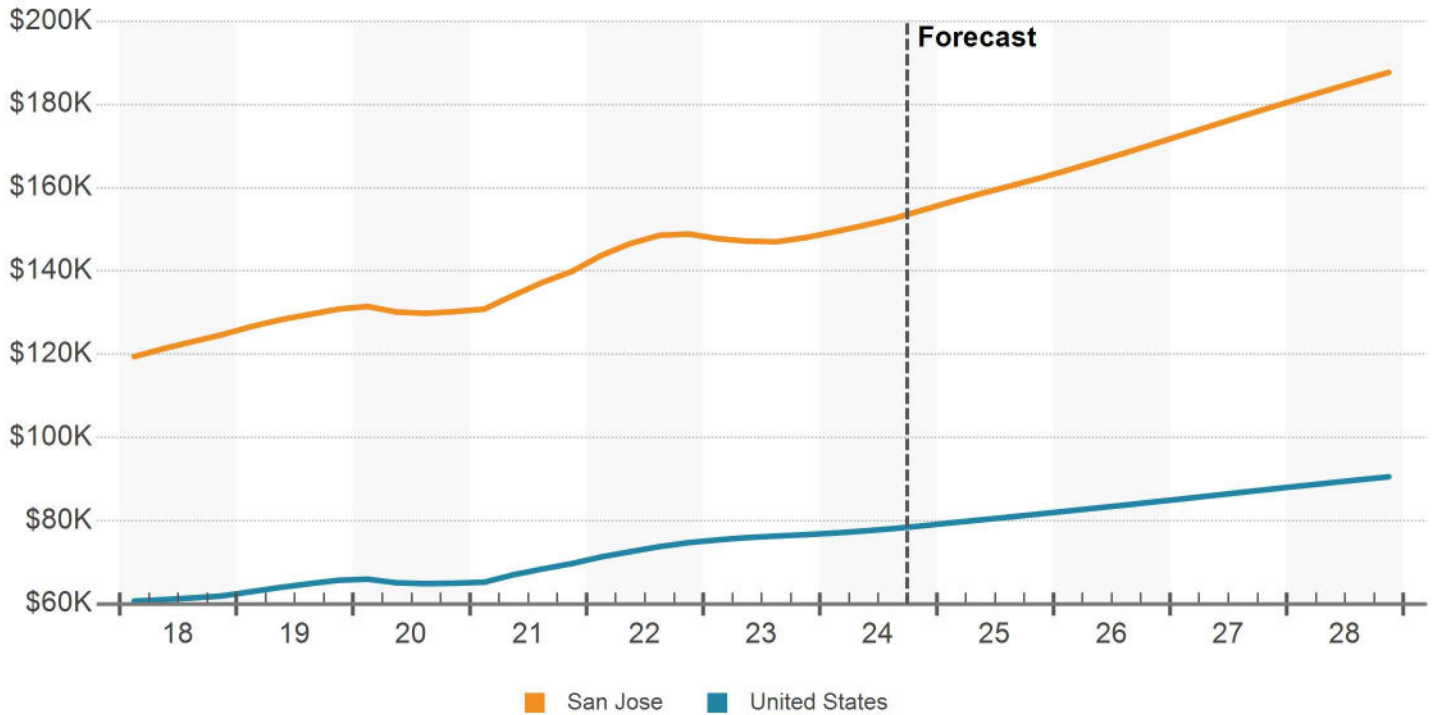
UNEMPLOYMENT RATE (%)



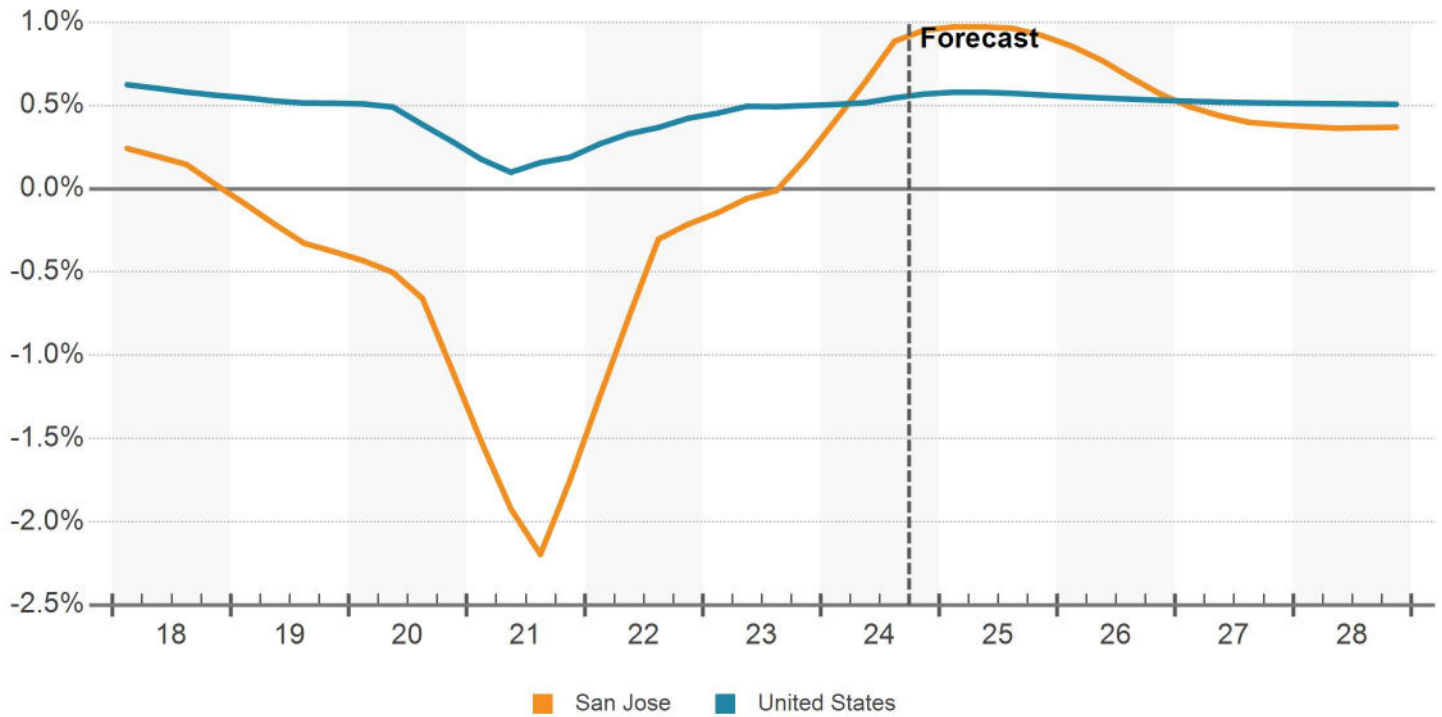
NET EMPLOYMENT CHANGE (YOY)



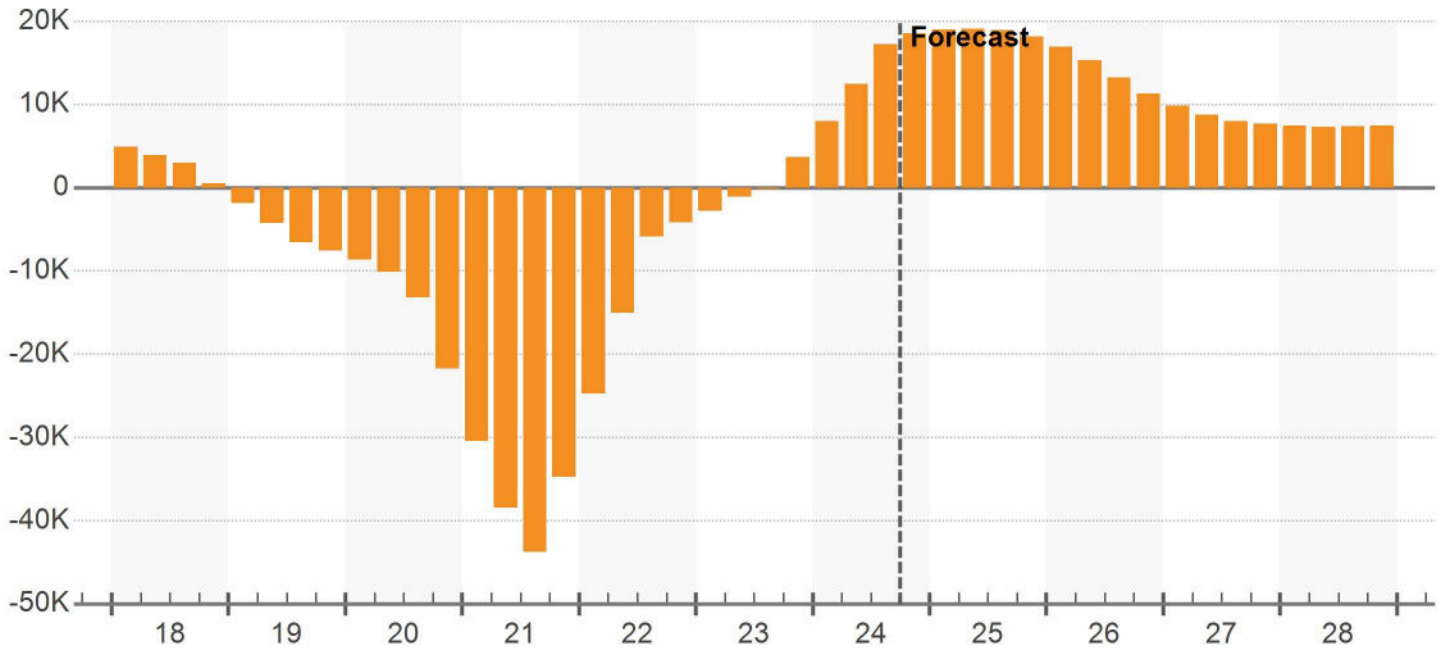
MEDIAN HOUSEHOLD INCOME



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	1,963,823	336,826,156	0.9%	0.5%	0%	0.5%	0.5%	0.5%
Households	688,064	131,653,781	1.0%	0.7%	0.5%	0.9%	0.6%	0.6%
Median Household Income	\$152,910	\$78,223	3.9%	2.4%	4.8%	3.9%	4.9%	3.5%
Labor Force	1,072,917	168,432,406	-0.1%	0.5%	0.5%	0.8%	0.6%	0.5%
Unemployment	4.2%	3.9%	0.3%	0.2%	-0.1%	-0.2%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

San Jose Office

SAN JOSE SUBMARKETS



Google

Map data ©2024 Google

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	196	3,175	2.2%	15	1	166	5.2%	5	0	-	-	-
2	Central Santa Clara	102	8,556	5.8%	8	1	222	2.6%	4	0	-	-	-
3	Central Sunnyvale	0	-	0%	-	0	0	-	-	0	-	-	-
4	Cupertino	169	7,681	5.2%	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	261	3,898	2.7%	12	0	0	0%	-	0	-	-	-
8	Downtown San Jose	361	14,467	9.9%	3	2	1,149	7.9%	1	3	1,090	7.5%	2
9	East Arques Ave Corridor	0	-	0%	-	0	0	-	-	0	-	-	-
10	East San Jose-Willow Glen	407	3,463	2.4%	14	1	3	0.1%	6	1	232	6.7%	4
11	Embarcadero/101	0	-	0%	-	0	0	-	-	0	-	-	-
12	Gilroy	105	735	0.5%	23	0	0	0%	-	0	-	-	-
13	Los Altos	137	1,424	1.0%	20	0	0	0%	-	0	-	-	-
14	Los Gatos	0	-	0%	-	0	0	-	-	0	-	-	-
15	Los Gatos/Saratoga	281	3,164	2.2%	16	0	0	0%	-	0	-	-	-
16	Midtown San Jose	265	2,627	1.8%	17	0	0	0%	-	0	-	-	-
17	Milpitas	110	4,866	3.3%	10	0	0	0%	-	0	-	-	-
18	Moffett Park	64	12,092	8.2%	4	0	0	0%	-	3	1,357	11.2%	1
19	Morgan Hill	110	1,232	0.8%	21	0	0	0%	-	0	-	-	-
20	Mountain View	364	15,516	10.6%	2	3	744	4.8%	3	1	799	5.2%	3
21	N. San Jose - Brokaw	-	-	0%	-	0	0	-	-	0	-	-	-
22	N.E. Santa Clara	0	-	0%	-	0	0	-	-	0	-	-	-
23	North San Jose	228	17,823	12.1%	1	0	0	0%	-	0	-	-	-
24	North Santa Clara	118	10,718	7.3%	6	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	308	10,521	7.2%	7	0	0	0%	-	1	39	0.4%	6
28	Peery Park	0	-	0%	-	0	0	-	-	0	-	-	-
29	Plumeria Drive	0	-	0%	-	0	0	-	-	0	-	-	-
30	San Benito County	117	743	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	103	1,826	1.2%	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	220	4,475	3.0%	11	0	0	0%	-	0	-	-	-
38	South Santa Clara	156	2,305	1.6%	18	0	0	0%	-	0	-	-	-
39	Sunnyvale	241	11,842	8.1%	5	3	779	6.6%	2	1	175	1.5%	5
40	Sunnyvale Triangle	0	-	0%	-	0	0	-	-	0	-	-	-
41	West Mountain View	0	-	0%	-	0	0	-	-	0	-	-	-
42	West San Jose	221	3,552	2.4%	13	0	0	0%	-	0	-	-	-

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	\$49.42	12	0.6%	10	-12.7%	19
2	Central Santa Clara	\$52.40	8	2.7%	2	-15.8%	24
3	Central Sunnyvale	-	-	-	-	-	-
4	Cupertino	\$61.59	6	1.7%	4	-13.8%	21
5	De La Cruz	-	-	-	-	-	-
6	Downtown Mountain View	-	-	-	-	-	-
7	Downtown Palo Alto	\$92.16	1	-0.4%	15	-7.4%	5
8	Downtown San Jose	\$48.70	13	1.4%	5	-10.4%	15
9	East Arques Ave Corridor	-	-	-	-	-	-
10	East San Jose-Willow Glen	\$47.19	16	0.5%	11	-11.6%	17
11	Embarcadero/101	-	-	-	-	-	-
12	Gilroy	\$35.16	23	-0.4%	16	-9.5%	12
13	Los Altos	\$61.28	7	-0.6%	17	-6.5%	2
14	Los Gatos	-	-	-	-	-	-
15	Los Gatos/Saratoga	\$51.89	10	-0.6%	18	-7.4%	6
16	Midtown San Jose	\$39.64	20	-0.3%	14	-10.0%	14
17	Milpitas	\$40.98	19	-0.6%	19	-6.5%	1
18	Moffett Park	\$63.41	5	2.8%	1	-14.8%	23
19	Morgan Hill	\$37.07	22	-1.0%	23	-7.8%	8
20	Mountain View	\$68.74	3	1.1%	7	-9.9%	13
21	N. San Jose - Brokaw	-	-	-	-	-	-
22	N.E. Santa Clara	-	-	-	-	-	-
23	North San Jose	\$47.36	15	0.8%	8	-7.8%	7
24	North Santa Clara	\$48.47	14	1.1%	6	-8.9%	11
25	Oak Creek	-	-	-	-	-	-
26	Outlying Santa Clara Cnty	\$50.09	11	-1.4%	24	-8.4%	10
27	Palo Alto	\$74.38	2	-0.8%	21	-7.1%	3
28	Peery Park	-	-	-	-	-	-
29	Plumeria Drive	-	-	-	-	-	-
30	San Benito County	\$27.14	24	-0.2%	13	-13.1%	20
31	San Jose East	-	-	-	-	-	-
32	San Jose, IBP East	-	-	-	-	-	-
33	San Jose-Berryessa	\$38.45	21	-0.9%	22	-7.1%	4
34	Scott Blvd Corridor	-	-	-	-	-	-
35	Shoreline Corridor North	-	-	-	-	-	-
36	Shoreline Corridor South	-	-	-	-	-	-
37	South San Jose	\$41.37	18	-0.7%	20	-7.8%	9
38	South Santa Clara	\$44.09	17	0.2%	12	-14.0%	22
39	Sunnyvale	\$66.08	4	2.2%	3	-12.0%	18
40	Sunnyvale Triangle	-	-	-	-	-	-
41	West Mountain View	-	-	-	-	-	-
42	West San Jose	\$52.29	9	0.8%	9	-10.4%	16

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Campbell	900,809	28.4%	23	(77,346)	-2.4%	38	-
2	Central Santa Clara	649,755	7.6%	9	96,159	1.1%	2	-
3	Central Sunnyvale	-	-	-	0	-	-	-
4	Cupertino	229,195	3.0%	2	(39,007)	-0.5%	35	-
5	De La Cruz	-	-	-	0	-	-	-
6	Downtown Mountain View	-	-	-	0	-	-	-
7	Downtown Palo Alto	444,443	11.4%	11	24,480	0.6%	4	-
8	Downtown San Jose	3,768,634	26.1%	22	(48,294)	-0.3%	36	-
9	East Arques Ave Corridor	-	-	-	0	-	-	-
10	East San Jose-Willow Glen	184,888	5.3%	7	(9,064)	-0.3%	28	-
11	Embarcadero/101	-	-	-	0	-	-	-
12	Gilroy	5,193	0.7%	1	937	0.1%	6	-
13	Los Altos	184,124	12.9%	12	(24,926)	-1.8%	32	-
14	Los Gatos	-	-	-	0	-	-	-
15	Los Gatos/Saratoga	286,797	9.1%	10	(10,341)	-0.3%	29	-
16	Midtown San Jose	418,750	15.9%	16	(210,396)	-8.0%	41	-
17	Milpitas	652,542	13.4%	13	(163,407)	-3.4%	40	-
18	Moffett Park	1,968,425	16.3%	17	(151,479)	-1.3%	39	-
19	Morgan Hill	56,096	4.6%	5	(30,315)	-2.5%	33	-
20	Mountain View	3,151,644	20.3%	19	(15,881)	-0.1%	31	-
21	N. San Jose - Brokaw	-	-	-	0	-	-	-
22	N.E. Santa Clara	-	-	-	0	-	-	-
23	North San Jose	3,867,700	21.7%	20	(391,359)	-2.2%	42	-
24	North Santa Clara	2,668,986	24.9%	21	212,148	2.0%	1	-
25	Oak Creek	-	-	-	0	-	-	-
26	Outlying Santa Clara Cnty	-	-	-	0	0%	-	-
27	Palo Alto	1,416,158	13.5%	14	(32,302)	-0.3%	34	-
28	Peery Park	-	-	-	0	-	-	-
29	Plumeria Drive	-	-	-	0	-	-	-
30	San Benito County	29,305	3.9%	4	(3,734)	-0.5%	27	-
31	San Jose East	-	-	-	0	-	-	-
32	San Jose, IBP East	-	-	-	0	-	-	-
33	San Jose-Berryessa	92,476	5.1%	6	23,404	1.3%	5	-
34	Scott Blvd Corridor	-	-	-	0	-	-	-
35	Shoreline Corridor North	-	-	-	0	-	-	-
36	Shoreline Corridor South	-	-	-	0	-	-	-
37	South San Jose	170,972	3.8%	3	19	0%	7	-
38	South Santa Clara	170,597	7.4%	8	(64,074)	-2.8%	37	-
39	Sunnyvale	1,989,653	16.8%	18	(13,181)	-0.1%	30	-
40	Sunnyvale Triangle	-	-	-	0	-	-	-
41	West Mountain View	-	-	-	0	-	-	-
42	West San Jose	549,353	15.5%	15	30,634	0.9%	3	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	150,150,874	528,496	0.4%	815,765	0.5%	0.6
2027	149,622,378	116,904	0.1%	1,198,093	0.8%	0.1
2026	149,505,474	271,527	0.2%	(566,844)	-0.4%	-
2025	149,233,947	1,437,277	1.0%	(1,504,542)	-1.0%	-
2024	147,796,670	2,047,883	1.4%	(558,652)	-0.4%	-
YTD	146,754,592	1,005,805	0.7%	(625,573)	-0.4%	-
2023	145,748,787	4,220,907	3.0%	(1,170,700)	-0.8%	-
2022	141,527,880	1,636,396	1.2%	1,440,129	1.0%	1.1
2021	139,891,484	4,094,660	3.0%	1,768,835	1.3%	2.3
2020	135,796,824	1,428,829	1.1%	(862,606)	-0.6%	-
2019	134,367,995	1,387,190	1.0%	1,435,078	1.1%	1.0
2018	132,980,805	3,439,594	2.7%	2,798,427	2.1%	1.2
2017	129,541,211	7,490,384	6.1%	5,717,124	4.4%	1.3
2016	122,050,827	2,880,325	2.4%	1,605,522	1.3%	1.8
2015	119,170,502	3,187,061	2.7%	5,922,717	5.0%	0.5
2014	115,983,441	1,190,765	1.0%	1,835,203	1.6%	0.6
2013	114,792,676	2,373,377	2.1%	2,984,755	2.6%	0.8
2012	112,419,299	463,097	0.4%	2,627,820	2.3%	0.2

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	62,710,813	1,012,809	1.6%	929,609	1.5%	1.1
2027	61,698,004	606,012	1.0%	1,698,919	2.8%	0.4
2026	61,091,992	791,959	1.3%	639,498	1.0%	1.2
2025	60,300,033	1,911,061	3.3%	694,435	1.2%	2.8
2024	58,388,972	2,184,990	3.9%	1,398,592	2.4%	1.6
YTD	57,346,894	1,142,912	2.0%	585,313	1.0%	2.0
2023	56,203,982	4,306,917	8.3%	183,272	0.3%	23.5
2022	51,897,065	2,205,051	4.4%	1,997,908	3.8%	1.1
2021	49,692,014	4,051,734	8.9%	2,796,115	5.6%	1.4
2020	45,640,280	1,882,775	4.3%	487,769	1.1%	3.9
2019	43,757,505	1,633,375	3.9%	2,488,933	5.7%	0.7
2018	42,124,130	2,985,473	7.6%	3,030,291	7.2%	1.0
2017	39,138,657	6,814,356	21.1%	5,832,380	14.9%	1.2
2016	32,324,301	2,594,855	8.7%	1,019,567	3.2%	2.5
2015	29,729,446	2,792,109	10.4%	3,574,466	12.0%	0.8
2014	26,937,337	1,692,504	6.7%	1,378,054	5.1%	1.2
2013	25,244,833	1,982,732	8.5%	2,452,465	9.7%	0.8
2012	23,262,101	427,130	1.9%	1,657,691	7.1%	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	64,572,458	321	0%	197,318	0.3%	0
2027	64,572,137	86	0%	(70,575)	-0.1%	-
2026	64,572,051	(225)	0%	(536,155)	-0.8%	-
2025	64,572,276	38,281	0.1%	(1,241,459)	-1.9%	-
2024	64,533,995	(1,152)	0%	(1,577,034)	-2.4%	-
YTD	64,533,995	(1,152)	0%	(1,039,422)	-1.6%	-
2023	64,535,147	(14,662)	0%	(1,032,028)	-1.6%	-
2022	64,549,809	(149,599)	-0.2%	19,566	0%	-
2021	64,699,408	240,666	0.4%	(688,221)	-1.1%	-
2020	64,458,742	(184,582)	-0.3%	(498,462)	-0.8%	-
2019	64,643,324	(30,830)	0%	(734,024)	-1.1%	-
2018	64,674,154	488,628	0.8%	(260,844)	-0.4%	-
2017	64,185,526	720,718	1.1%	19,366	0%	37.2
2016	63,464,808	497,277	0.8%	429,612	0.7%	1.2
2015	62,967,531	808,880	1.3%	2,536,886	4.0%	0.3
2014	62,158,651	(177,185)	-0.3%	271,701	0.4%	-
2013	62,335,836	589,192	1.0%	500,153	0.8%	1.2
2012	61,746,644	204,787	0.3%	1,128,611	1.8%	0.2

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	22,867,603	(484,634)	-2.1%	(311,162)	-1.4%	-
2027	23,352,237	(489,194)	-2.1%	(430,251)	-1.8%	-
2026	23,841,431	(520,207)	-2.1%	(670,187)	-2.8%	-
2025	24,361,638	(512,065)	-2.1%	(957,518)	-3.9%	-
2024	24,873,703	(135,955)	-0.5%	(380,210)	-1.5%	-
YTD	24,873,703	(135,955)	-0.5%	(171,464)	-0.7%	-
2023	25,009,658	(71,348)	-0.3%	(321,944)	-1.3%	-
2022	25,081,006	(419,056)	-1.6%	(577,345)	-2.3%	-
2021	25,500,062	(197,740)	-0.8%	(339,059)	-1.3%	-
2020	25,697,802	(269,364)	-1.0%	(851,913)	-3.3%	-
2019	25,967,166	(215,355)	-0.8%	(319,831)	-1.2%	-
2018	26,182,521	(34,507)	-0.1%	28,980	0.1%	-
2017	26,217,028	(44,690)	-0.2%	(134,622)	-0.5%	-
2016	26,261,718	(211,807)	-0.8%	156,343	0.6%	-
2015	26,473,525	(413,928)	-1.5%	(188,635)	-0.7%	-
2014	26,887,453	(324,554)	-1.2%	185,448	0.7%	-
2013	27,212,007	(198,547)	-0.7%	32,137	0.1%	-
2012	27,410,554	(168,820)	-0.6%	(158,482)	-0.6%	-

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$58.84	161	2.4%	-5.7%	27,263,458	18.2%	-0.3%
2027	\$57.46	157	2.6%	-7.9%	27,546,017	18.4%	-0.7%
2026	\$55.98	153	0.5%	-10.3%	28,622,365	19.1%	0.5%
2025	\$55.68	153	-0.4%	-10.8%	27,778,944	18.6%	1.8%
2024	\$55.93	153	0%	-10.4%	24,831,753	16.8%	1.6%
YTD	\$56.36	154	1.0%	-9.7%	23,856,495	16.3%	1.0%
2023	\$55.94	153	-2.6%	-10.3%	22,222,228	15.2%	3.4%
2022	\$57.43	157	-4.7%	-8.0%	16,833,510	11.9%	0%
2021	\$60.27	165	-1.0%	-3.4%	16,637,243	11.9%	1.4%
2020	\$60.85	167	-2.5%	-2.5%	14,291,357	10.5%	1.6%
2019	\$62.39	171	4.5%	0%	12,000,314	8.9%	-0.2%
2018	\$59.70	164	7.9%	-4.3%	12,152,809	9.1%	0.3%
2017	\$55.34	152	1.3%	-11.3%	11,454,276	8.8%	0.8%
2016	\$54.61	150	6.6%	-12.5%	9,855,818	8.1%	0.9%
2015	\$51.24	140	13.5%	-17.9%	8,581,015	7.2%	-2.6%
2014	\$45.16	124	12.0%	-27.6%	11,314,087	9.8%	-0.7%
2013	\$40.33	110	7.8%	-35.4%	11,958,525	10.4%	-0.8%
2012	\$37.41	102	10.1%	-40.0%	12,570,164	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	\$65.90	166	2.4%	-6.3%	12,207,086	19.5%	-0.2%
2027	\$64.37	162	2.6%	-8.5%	12,124,455	19.7%	-2.0%
2026	\$62.74	158	0.4%	-10.8%	13,217,926	21.6%	0%
2025	\$62.47	157	-0.6%	-11.2%	13,065,742	21.7%	1.4%
2024	\$62.83	158	1.5%	-10.7%	11,849,116	20.3%	0.6%
YTD	\$63.45	160	3.6%	-9.8%	11,620,308	20.3%	0.6%
2023	\$61.90	156	-2.1%	-12.0%	11,062,709	19.7%	6.3%
2022	\$63.22	159	-9.4%	-10.1%	6,939,064	13.4%	-0.2%
2021	\$69.78	176	-0.8%	-0.8%	6,731,921	13.5%	1.5%
2020	\$70.35	177	1.5%	0%	5,476,302	12.0%	2.7%
2019	\$69.28	175	5.7%	-1.5%	4,081,296	9.3%	-2.4%
2018	\$65.52	165	8.3%	-6.9%	4,936,854	11.7%	-1.0%
2017	\$60.53	153	0.2%	-14.0%	4,981,672	12.7%	0.4%
2016	\$60.41	152	7.6%	-14.1%	3,999,689	12.4%	4.2%
2015	\$56.12	141	14.3%	-20.2%	2,424,401	8.2%	-3.7%
2014	\$49.09	124	13.0%	-30.2%	3,206,758	11.9%	0.4%
2013	\$43.42	109	7.0%	-38.3%	2,892,308	11.5%	-3.0%
2012	\$40.58	102	10.7%	-42.3%	3,362,041	14.5%	-5.7%

3 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$56.92	157	2.4%	-7.3%	11,840,060	18.3%	-0.3%
2027	\$55.58	153	2.6%	-9.5%	12,037,218	18.6%	0.1%
2026	\$54.16	150	0.6%	-11.8%	11,966,679	18.5%	0.8%
2025	\$53.85	149	-0.4%	-12.3%	11,430,747	17.7%	2.0%
2024	\$54.06	149	-1.4%	-12.0%	10,151,002	15.7%	2.4%
YTD	\$54.35	150	-1.4%	-11.5%	9,613,334	14.9%	1.6%
2023	\$54.85	151	-4.1%	-10.7%	8,572,175	13.3%	1.6%
2022	\$57.21	158	0.1%	-6.8%	7,557,698	11.7%	-0.2%
2021	\$57.18	158	-0.9%	-6.9%	7,726,863	11.9%	1.4%
2020	\$57.67	159	-6.1%	-6.1%	6,797,976	10.5%	0.5%
2019	\$61.41	170	3.6%	0%	6,484,488	10.0%	0.9%
2018	\$59.26	164	8.6%	-3.5%	5,876,844	9.1%	1.2%
2017	\$54.59	151	2.2%	-11.1%	5,070,006	7.9%	0.7%
2016	\$53.44	148	4.9%	-13.0%	4,543,463	7.2%	0.1%
2015	\$50.92	141	13.0%	-17.1%	4,475,798	7.1%	-2.9%
2014	\$45.07	124	11.0%	-26.6%	6,203,543	10.0%	-0.7%
2013	\$40.61	112	7.7%	-33.9%	6,652,429	10.7%	0%
2012	\$37.71	104	10.1%	-38.6%	6,563,651	10.6%	-1.5%

1 & 2 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$46.55	158	2.6%	-3.2%	3,216,312	14.1%	-0.4%
2027	\$45.37	154	2.8%	-5.6%	3,384,344	14.5%	0.1%
2026	\$44.12	150	0.8%	-8.2%	3,437,760	14.4%	0.9%
2025	\$43.77	149	-0.1%	-8.9%	3,282,455	13.5%	2.1%
2024	\$43.83	149	-0.7%	-8.8%	2,831,635	11.4%	1.0%
YTD	\$44.19	150	0%	-8.1%	2,622,853	10.5%	0.2%
2023	\$44.15	150	0.8%	-8.1%	2,587,344	10.3%	1.0%
2022	\$43.81	149	-2.6%	-8.8%	2,336,748	9.3%	0.8%
2021	\$44.97	153	-1.8%	-6.4%	2,178,459	8.5%	0.7%
2020	\$45.81	156	-4.7%	-4.7%	2,017,079	7.8%	2.3%
2019	\$48.06	163	3.3%	0%	1,434,530	5.5%	0.4%
2018	\$46.54	158	4.4%	-3.2%	1,339,111	5.1%	-0.2%
2017	\$44.58	151	2.6%	-7.2%	1,402,598	5.3%	0.4%
2016	\$43.43	148	8.3%	-9.6%	1,312,666	5.0%	-1.4%
2015	\$40.11	136	12.2%	-16.5%	1,680,816	6.3%	-0.7%
2014	\$35.76	121	11.7%	-25.6%	1,903,786	7.1%	-1.8%
2013	\$32	109	10.9%	-33.4%	2,413,788	8.9%	-0.8%
2012	\$28.86	98	8.3%	-39.9%	2,644,472	9.6%	0%

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	-	-	-	-	-	-	\$580.78	205	6.1%
2027	-	-	-	-	-	-	\$528.52	187	6.5%
2026	-	-	-	-	-	-	\$490.51	173	6.8%
2025	-	-	-	-	-	-	\$480.65	170	7.0%
2024	-	-	-	-	-	-	\$504.43	178	6.8%
YTD	66	\$1.1B	1.8%	\$16,286,005	\$397.53	5.4%	\$518.43	183	6.7%
2023	108	\$785.8M	1.5%	\$8,184,927	\$507.73	4.6%	\$538.89	191	6.5%
2022	147	\$2.4B	2.2%	\$18,116,369	\$816.09	4.8%	\$644.42	228	5.6%
2021	211	\$5B	5.5%	\$25,553,136	\$761.75	4.7%	\$680.39	241	5.2%
2020	138	\$2.9B	3.4%	\$23,827,018	\$632.76	5.1%	\$663.27	235	5.2%
2019	278	\$4.5B	5.8%	\$25,075,690	\$609.89	5.4%	\$634.01	224	5.4%
2018	288	\$3.7B	5.7%	\$19,826,559	\$592.13	5.3%	\$595.04	210	5.4%
2017	308	\$3.9B	6.7%	\$21,752,134	\$485.87	5.4%	\$550.15	195	5.4%
2016	289	\$2.5B	5.6%	\$11,896,673	\$413.99	5.3%	\$544.59	193	5.2%
2015	324	\$3.7B	11.0%	\$16,604,344	\$455.85	5.7%	\$503.03	178	5.3%
2014	240	\$2.1B	5.5%	\$10,583,847	\$364.05	5.4%	\$439.51	155	5.5%
2013	284	\$2.4B	6.8%	\$12,110,136	\$362.21	7.1%	\$380.92	135	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. The price index is not smoothed.

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	-	-	-	-	-	-	\$664.82	207	5.8%
2027	-	-	-	-	-	-	\$604.10	188	6.2%
2026	-	-	-	-	-	-	\$560.11	174	6.6%
2025	-	-	-	-	-	-	\$548.88	171	6.7%
2024	-	-	-	-	-	-	\$576.76	179	6.5%
YTD	5	\$441.7M	1.8%	\$88,349,326	\$420.45	-	\$593.90	185	6.4%
2023	5	\$323.5M	1.7%	\$107,833,333	\$547.97	-	\$618.11	192	6.2%
2022	8	\$1.4B	2.3%	\$177,818,195	\$1,172.62	-	\$764.37	238	5.3%
2021	19	\$3B	8.4%	\$189,197,455	\$844.40	-	\$781.75	243	4.9%
2020	13	\$1.4B	4.8%	\$108,040,385	\$641.93	5.8%	\$758.01	236	5.0%
2019	19	\$1.7B	6.3%	\$90,012,704	\$622.11	4.2%	\$715.80	223	5.2%
2018	12	\$836.6M	4.4%	\$92,951,287	\$700.02	4.9%	\$662.67	206	5.2%
2017	28	\$1.5B	7.6%	\$82,259,994	\$507.06	5.5%	\$613.64	191	5.2%
2016	12	\$571.3M	4.7%	\$47,606,326	\$379.80	5.4%	\$606.18	189	5.0%
2015	26	\$1.2B	13.3%	\$78,661,781	\$552.05	5.5%	\$557.26	173	5.1%
2014	10	\$592.8M	6.6%	\$74,101,346	\$356.97	5.1%	\$487.10	152	5.4%
2013	11	\$607M	6.5%	\$60,700,066	\$391.53	7.5%	\$425.91	132	5.8%

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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	-	-	-	-	-	-	\$528.86	202	6.2%
2027	-	-	-	-	-	-	\$482.49	184	6.7%
2026	-	-	-	-	-	-	\$448.56	171	7.0%
2025	-	-	-	-	-	-	\$439.82	168	7.1%
2024	-	-	-	-	-	-	\$461.19	176	6.9%
YTD	36	\$559.9M	2.3%	\$15,552,423	\$372.42	5.8%	\$472.80	181	6.8%
2023	32	\$274M	1.1%	\$9,784,254	\$486.31	4.1%	\$490.87	188	6.6%
2022	61	\$683.9M	2.0%	\$13,410,476	\$571.08	5.4%	\$573.74	219	5.8%
2021	87	\$1.6B	4.2%	\$20,263,259	\$706.79	4.7%	\$618.14	236	5.3%
2020	60	\$1.3B	3.1%	\$24,461,335	\$663.12	5.5%	\$604.97	231	5.4%
2019	104	\$2.5B	6.4%	\$31,150,454	\$630.20	5.6%	\$578.84	221	5.5%
2018	107	\$2B	6.2%	\$23,920,326	\$538.87	5.6%	\$547.56	209	5.5%
2017	86	\$2B	6.9%	\$29,756,865	\$483.15	5.9%	\$503.71	192	5.5%
2016	113	\$1.5B	6.4%	\$17,346,623	\$435.67	5.4%	\$498.20	190	5.3%
2015	142	\$2.1B	11.3%	\$19,387,991	\$428.25	5.8%	\$463.53	177	5.4%
2014	108	\$1.1B	5.1%	\$12,554,032	\$396.87	6.0%	\$408.05	156	5.6%
2013	124	\$1.5B	7.4%	\$16,860,696	\$377.36	6.5%	\$352.80	135	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. The price index is not smoothed.

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	-	-	-	-	-	-	\$509.47	210	6.4%
2027	-	-	-	-	-	-	\$462.69	191	6.8%
2026	-	-	-	-	-	-	\$428.73	177	7.1%
2025	-	-	-	-	-	-	\$419.34	173	7.2%
2024	-	-	-	-	-	-	\$439.30	181	7.1%
YTD	25	\$73.2M	0.6%	\$2,929,700	\$488.87	5.0%	\$451.84	186	7.0%
2023	71	\$188.3M	1.8%	\$2,896,828	\$478.03	4.8%	\$469.29	193	6.8%
2022	78	\$248.6M	2.3%	\$3,502,086	\$523.34	4.0%	\$533.75	220	6.0%
2021	105	\$380.5M	3.1%	\$3,766,909	\$524.76	4.7%	\$593.46	245	5.4%
2020	65	\$182.7M	1.7%	\$3,322,323	\$442.98	4.4%	\$582.29	240	5.4%
2019	155	\$305.3M	3.7%	\$3,768,787	\$443.10	5.3%	\$576.69	238	5.5%
2018	169	\$798.1M	6.2%	\$8,770,594	\$650.83	4.9%	\$552.46	228	5.5%
2017	194	\$346M	5.0%	\$3,801,988	\$424.02	4.7%	\$515.03	212	5.4%
2016	164	\$429.8M	4.9%	\$3,837,196	\$392.35	5.1%	\$514.03	212	5.2%
2015	156	\$467.7M	7.6%	\$4,585,441	\$394.20	5.5%	\$472.58	195	5.3%
2014	122	\$402M	5.5%	\$3,940,946	\$305.18	4.8%	\$404.47	167	5.6%
2013	149	\$304.9M	5.6%	\$3,019,044	\$268.07	8.7%	\$343.62	142	6.1%

(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. The price index is not smoothed.