

# SILICON VALLEY MULTIFAMILY MARKET REPORT

## H1 2019

[Campbell / Los Gatos](#)

[Central San Jose](#)

[Cupertino / Saratoga](#)

[East San Jose](#)

[Mountain View / Los Altos / Palo Alto](#)

[Northeast San Jose](#)

[Santa Clara](#)

[South San Jose](#)

[Sunnyvale](#)

[South San Mateo](#)

[Central San Mateo](#)

[North San Mateo](#)

[Fremont / Newark / Union City](#)

**CBRE**



# PREFACE

CBRE is pleased to introduce the H1 2019 Silicon Valley Multifamily Market Report. Produced by Jeffrey Henderson and Jon Teel of CBRE's Multifamily Group, this report has been assembled to empower Multifamily investors, owners, and developers in the Silicon Valley market.

This report has been prepared with current data sourced from a comprehensive survey of nearly 275,000 units throughout Santa Clara County, San Mateo County and lower Alameda County. Minimum reporting requirements were identified for each submarket and city by class, type, and size.

As the global leader in commercial real estate, CBRE understands the critical nature of transparency in a marketplace. This report was created to fill the void of reliable and detailed data for the Multifamily property type in Silicon Valley. Data contributions and validations to this publication were made by:

- CBRE Multifamily Group
- CBRE Research
- CBRE Econometric Advisors
- Moody's
- CoStar
- YardiMatrix
- U.S. Department of Housing and Urban Development
- U.S. Census Bureau
- Real Capital Analytics

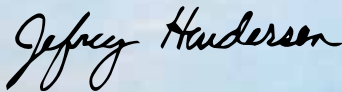
Whatever your Multifamily needs may be, please feel free to reach out to us. We have the most comprehensive data on the market and can provide information on a macro or micro level based on class, city, submarket, vintage, size, proximity to transit, and many other variations.

We welcome your inquiries into the Silicon Valley Multifamily Market and look forward to adding value to your real estate holdings.

Best Regards,

Jeffrey Henderson

Jon Teel





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**For a market analysis on your property or more information contact:**



### Jefrey Henderson

Executive Vice President  
+1 408 453 7461  
[jefrey.henderson@cbre.com](mailto:jefrey.henderson@cbre.com)



### Jon Teel

Sales Associate  
+1 408 453 7434  
[jon.teel@cbre.com](mailto:jon.teel@cbre.com)

### CBRE

225 W Santa Clara St 12th Flr  
+1 408 453 7400  
[www.cbre.siliconvalley.com](http://www.cbre.siliconvalley.com)



## EXECUTIVE SUMMARY

Fueled by strong employment gains and venture capital investment in the technology industry, the Silicon Valley Multifamily Market remains healthy. Although, several headwinds threaten the market's ability to stabilize.

Since 2010, the Silicon Valley labor force has grown by 31%, adding more than **371,000 new jobs**. During that same time, **only 68,000 housing permits** were issued. This imbalance between the Silicon Valley job engine and the residential construction market is at the core of why multifamily rents have risen nearly 85% this cycle.

Looking forward, the office leasing market suggests tech hiring is not slowing down. There is approximately 13 million sq. ft. of office space under construction in Silicon Valley, 8.2 million sq. ft. (63%) of which is already pre-leased. This pre-leased space will likely be occupied in the next 12-24 months and will **add approximately 41,000 new employees\***.

Despite these positive employment drivers, the housing development market is slowing in Silicon Valley. Housing developers are facing regulatory headwinds in the form of increased development impact fees and affordable requirements, in addition to rapidly escalating construction costs. Consequently, **new housing permits declined 29% year-over-year**, with 4,733 permits issued in H1 2018 and only 3,343 in H1 2019.

\*Estimated employee growth is based on a conservative 200 sq. ft. per employee in the pre-leased office space

## HEADLINES TO KNOW

### RENT

Q2 2019 **\$2,968/MO.**

**3.3%**  
YEAR-OVER-YEAR

#### ANNUAL RENT GROWTH BY CLASS

**+2.5% CLASS A** **+3.5% CLASS B** **+3.7% CLASS C**

### VACANCY

**3.61%**

**16 BPS INCREASE**  
YEAR-OVER-YEAR

### CAP RATES



**CAP RATES INCREASED**  
**33 BPS**  
YEAR-OVER-YEAR



### SALES

**\$1.192** BILLION  
H1 SALES VOLUME



#### SALES VOLUME INCREASED

**38.5%**  
YEAR-OVER-YEAR

### PIPELINE

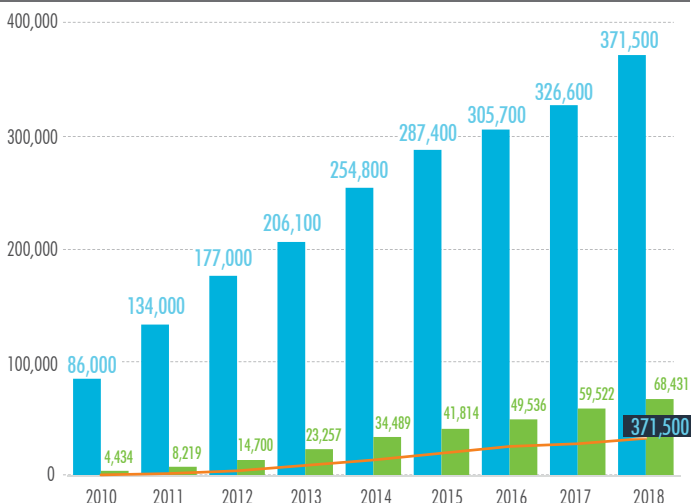


**20,712** UNITS  
UNDER CONSTRUCTION

**-36%** DECREASE IN HOUSING  
PERMITS YEAR-OVER-YEAR

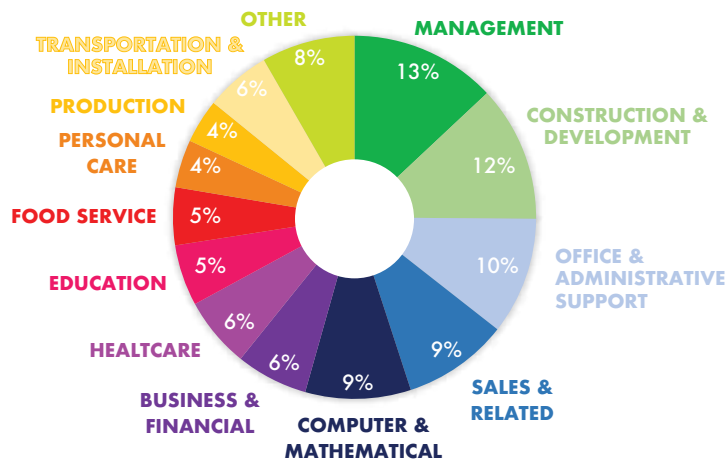
HOUSING PERMITS  
IN H1 2018 **3,439**  
HOUSING PERMITS  
IN H1 2019 **2,191**

## SILICON VALLEY JOBS TO HOUSING IMBALANCE



Sources: State of California Employment Development Department (EDD), United States Census Bureau, CoStar

## LARGEST EMPLOYMENT SECTORS IN THE SILICON VALLEY AREA



Source: CBRE FastReport



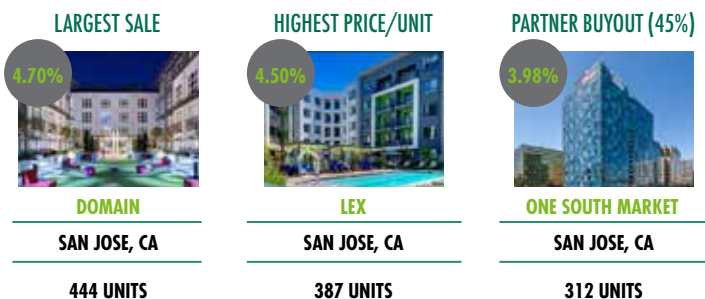
## TRANSACTION VOLUME AND CAP RATES

The Silicon Valley Multifamily Market exceeded \$1 billion in first half transaction volume for the first time since 2016. This is a critical benchmark that indicates that local, national and international investors continue to see the Silicon Valley as a market on the rise where multiple investment strategies can still be deployed successfully.

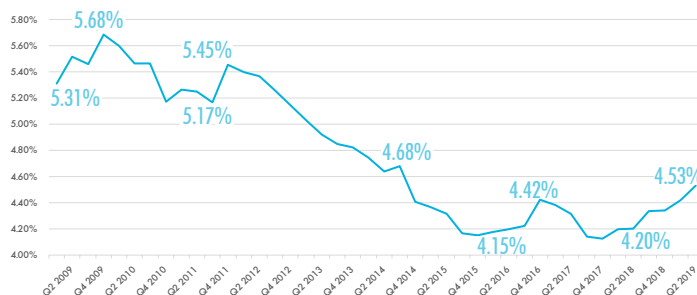
Mid-year total sales volume through June 2019 was \$1,192,000,000 which is a 38.5% increase from mid-year 2018. The sales pipeline through the second half of the year remains strong, with nearly \$500 million in additional sales activity occurring in July 2019.

Market cap rates are beginning to increase, indicating a modest cooling of sales values. Cap rates in the first half of the year averaged 4.5%, approximately 30 BPS higher than the first half of 2018. Average multifamily cap rates have not exceeded 4.50% in Silicon Valley since the third quarter of 2014, according to Real Capital Analytics. Set against declining interest rates, rising cap rates will be a trend to watch.

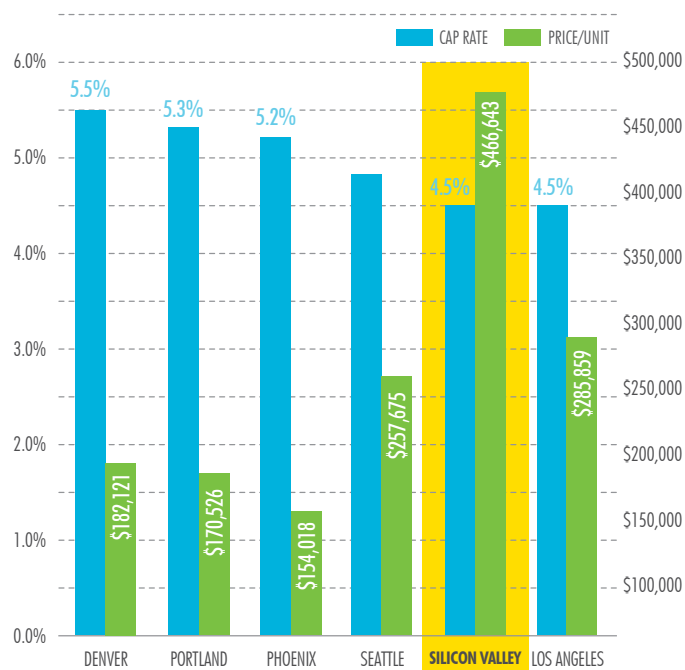
## NOTABLE SALE TRANSACTIONS



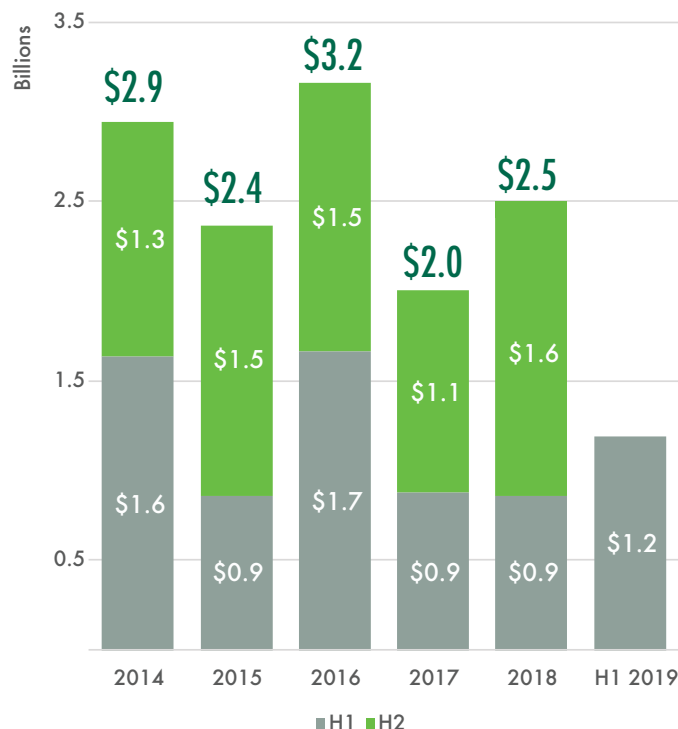
## SILICON VALLEY AVERAGE CAP RATES



## WESTERN MARKETS - CAP RATES & PRICING UNIT



## MULTIFAMILY SALES VOLUME



Source: CBRE, Inc., Real Capital Analytics.



# 1 SF Bay Area, CA

84.79

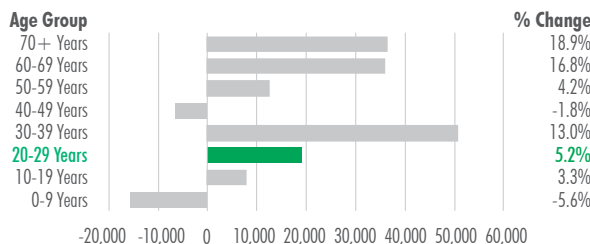
## EMPLOYMENT BREAKDOWN

|   | Employed<br>2018 | Growth<br>2013-18 | Average<br>Wage  | Growth<br>2013-18 |
|---|------------------|-------------------|------------------|-------------------|
| <b>TOTAL TECH OCCUPATIONS</b>           | <b>353,760</b>   | <b>33.4%</b>      | <b>\$129,718</b> | <b>14.2%</b>      |
| Software Developers & Programmers       | 156,670          | 36.6%             | \$135,390        | 14.1%             |
| Computer Support, Database & Systems    | 124,440          | 43.4%             | \$110,024        | 16.9%             |
| Computer & Information Systems Managers | 31,470           | 52.0%             | \$199,278        | 14.6%             |
| Technology Engineering-Related          | 41,180           | -4.4%             | \$114,488        | 3.6%              |
| <b>TOTAL NON-TECH OCCUPATIONS</b>       | <b>436,160</b>   | <b>21.7%</b>      | <b>\$68,027</b>  | <b>9.1%</b>       |
| Sales                                   | 64,450           | 42.7%             | \$87,534         | -6.5%             |
| Administrative & Office Support         | 230,660          | 11.7%             | \$47,702         | 12.6%             |
| Business Operations & Finance           | 86,350           | 23.2%             | \$95,881         | 7.6%              |
| Marketing                               | 54,700           | 49.3%             | \$86,781         | 1.7%              |

Source: U.S. Bureau of Labor Statistics (Metro Area), April 2019.  
Note: Aggregate of San Francisco, Oakland and Silicon Valley Metro Areas.

## POPULATION TRENDS

The population of twentysomethings grew by 18,981 (5.2%) since 2012. That's 13.5% of total growth in a population of 2,449,653.



Source: U.S. Census Bureau (Cities of San Francisco, Oakland, San Mateo and San Jose), 2019.

## HOUSING & RELATIVE COSTS

AVERAGE APARTMENT RENT:  
**\$2,856 PER UNIT/MO.**  
**25% FIVE-YEAR GROWTH**

**163%** LIVING COST  
**134%** BUSINESS COST

Source: Apt. rent data from CBRE EA (Metro), Q1 2019.  
Note: Weighted Average of San Francisco, Oakland and Silicon Valley Metro Areas

Source: Relative Costs from Moody's Analytics (Metro Area), Q1 2019.  
(US = 100%)

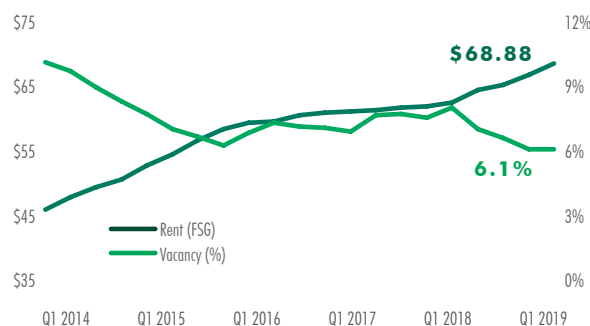
## TECH TALENT DIVERSITY

**74%**  
MALE

**26%**  
FEMALE

Source: U.S. Census Bureau (Metro Area), 2019.  
Note: Weighted Average of San Francisco, Oakland and Silicon Valley Metro Areas.

## OFFICE RENT & VACANCY TRENDS



Source: CBRE Research (Metro Area), Q1 2019.

## LABOR FORCE PIPELINE AND EDUCATION

### TECH DEGREE COMPLETIONS

|                           |               | Growth<br>2012-17 |
|---------------------------|---------------|-------------------|
| <b>TOTAL TECH DEGREES</b> | <b>8,225*</b> | <b>46.3%</b>      |
| Computer Engineering      | 5,115         | 72.2%             |
| Math/Statistics           | 1,183         | 24.3%             |
| Other Tech Engineering    | 1,927         | 13.5%             |

Source: The National Center for Education Statistics (Region), 2019.  
Aggregate of San Francisco, Oakland and Silicon Valley Metro Areas.  
\*2017 annual completions.

### EDUCATIONAL ATTAINMENT (2018)

**49.3%**  
BACHELOR'S DEGREE  
OR HIGHER

Source: U.S. Census Bureau  
(Cities of San Francisco, Oakland,  
San Mateo and San Jose), 2019.

## TOP TECH OFFICE SPACE DEALS (2019)

| Tenant    | Address                                | Sq. Ft. |
|-----------|--|---------|
| Facebook  | 250 Howard St (San Francisco)          | 755,900 |
| Micron    | 110 Holger Way (Silicon Valley)        | 603,700 |
| Pinterest | 88 Bluxome St (San Francisco)          | 490,000 |
| Roku      | 1155-1173 Coleman Ave (Silicon Valley) | 472,300 |
| LinkedIn  | 455 Mary Ave (Silicon Valley)          | 410,700 |

Source: CBRE Research (Office Market), 2019.

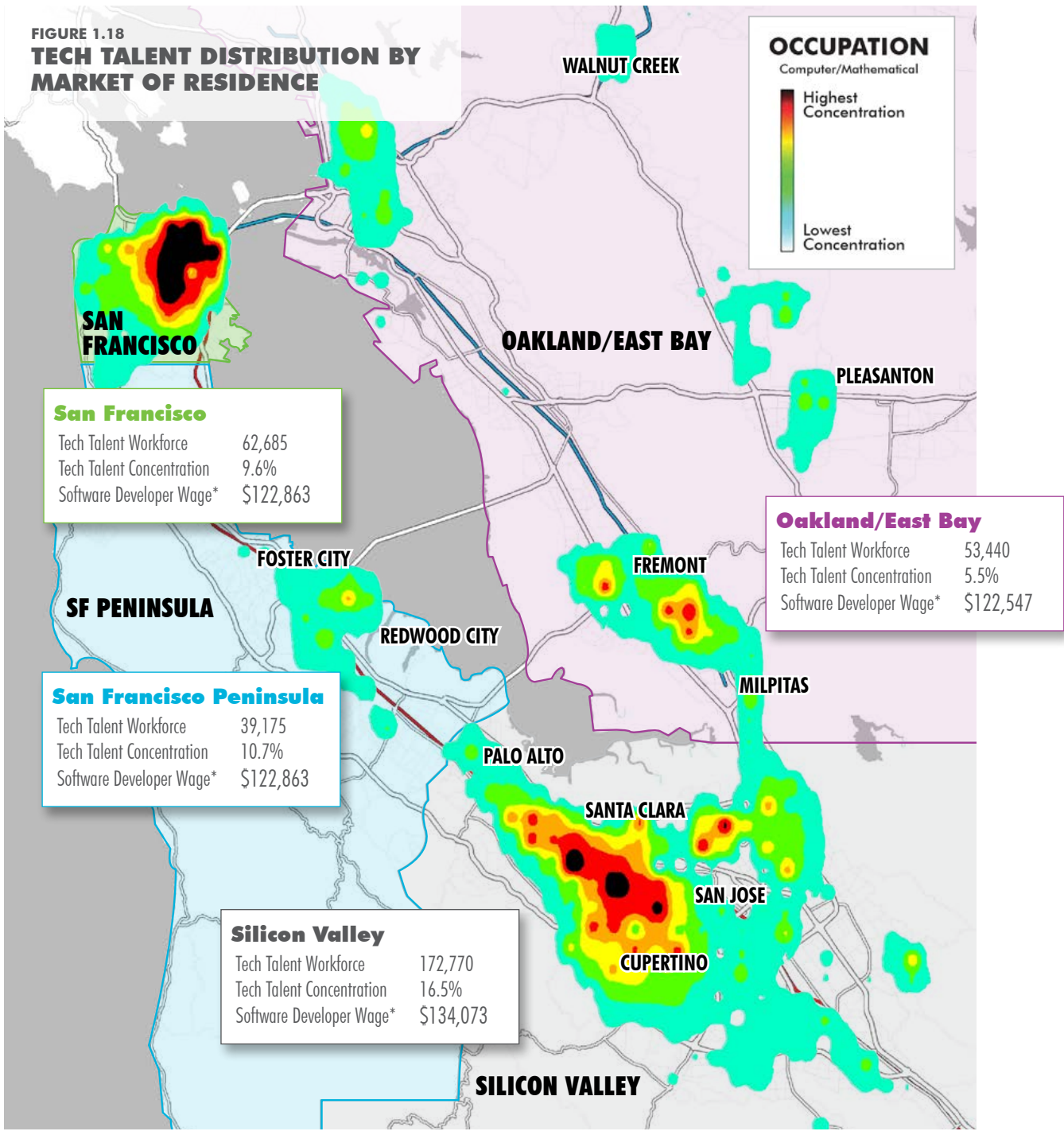
## START-UP PIPELINE

| Top Regional Universities         | Company Count | Capital Raised (\$ Billions) |
|-----------------------------------|---------------|------------------------------|
| Stanford University               | 1,015         | 28.8                         |
| University of California Berkeley | 1,012         | 20.8                         |

### VC-Funded Companies Founded by Alumni of Top Regional Universities:

Snapchat, Solyndra, SunRun, DoorDash, Opendoor, Guardant Health

Source: Pitchbook, 2019.



Source: CBRE Tech Talent Report 2019

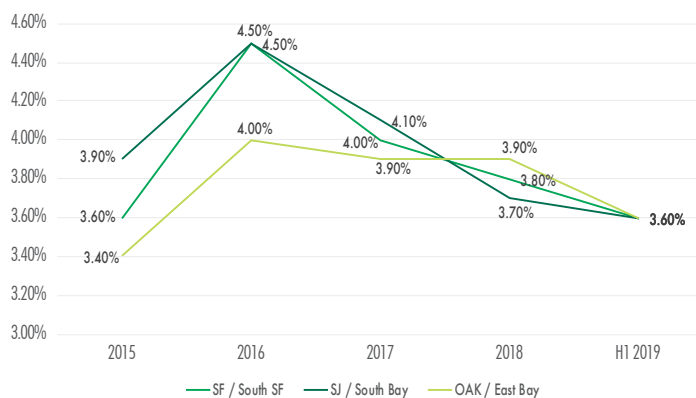


## BAY AREA SUMMARY

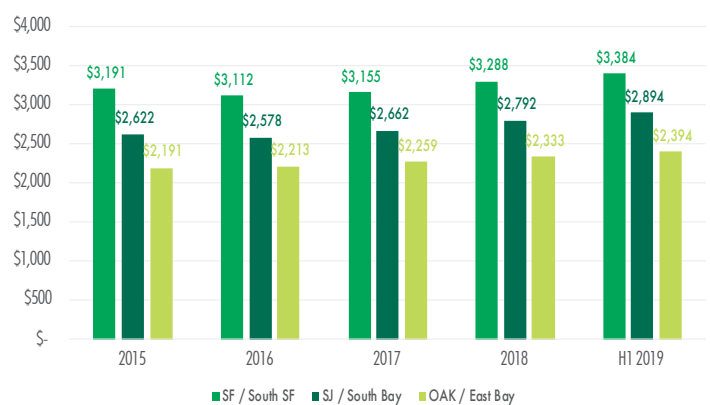
As population and job growth continue to rise throughout the Bay Area, the nine historically disparate counties are beginning to trend as one large metropolitan area. Lifestyle remains a top priority for renters in the Bay Area, which has increased demand for living in high density areas supporting walkable communities. In order to compete with other Bay Area markets, Santa Clara County has increased the focus on developments near transit stations and downtown areas.

### VACANCY BY MARKET

#### BAY AREA VACANCY



#### BAY AREA RENT



### HISTORICAL RENTAL & VACANCY RATES

| BAY AREA       | 2015    |     |        |         | 2016    |     |        |         | 2017    |     |        |         | 2018    |     |        |         | H1 2019 |     |        |         |
|----------------|---------|-----|--------|---------|---------|-----|--------|---------|---------|-----|--------|---------|---------|-----|--------|---------|---------|-----|--------|---------|
|                | RENT    | SF  | \$/SF  | VACANCY | RENT    | SF  | \$/SF  | VACANCY | RENT    | SF  | \$/SF  | VACANCY | RENT    | SF  | \$/SF  | VACANCY | RENT    | SF  | \$/SF  | VACANCY |
| SF / South SF  | \$3,191 | 798 | \$4.00 | 3.60%   | \$3,112 | 778 | \$4.00 | 4.50%   | \$3,155 | 746 | \$4.23 | 4.00%   | \$3,288 | 752 | \$4.37 | 3.80%   | \$3,384 | 749 | \$4.52 | 3.60%   |
| SJ / South Bay | \$2,622 | 880 | \$2.98 | 3.90%   | \$2,578 | 877 | \$2.94 | 4.50%   | \$2,662 | 873 | \$3.05 | 4.10%   | \$2,792 | 870 | \$3.21 | 3.70%   | \$2,894 | 869 | \$3.33 | 3.60%   |
| OAK / East Bay | \$2,191 | 836 | \$2.62 | 3.40%   | \$2,213 | 832 | \$2.66 | 4.00%   | \$2,259 | 831 | \$2.72 | 3.90%   | \$2,333 | 824 | \$2.83 | 3.90%   | \$2,394 | 823 | \$2.91 | 3.60%   |

Source: CBRE Econometric Advisors

### SILICON VALLEY CURRENT RENTAL & VACANCY RATES

| CATEGORY  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
|           | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$2,722 | \$4.24 |         | \$2,168 | \$4.64 |         | \$2,002 | \$4.37 |         |
| 1 Bedroom | \$2,868 | \$3.78 |         | \$2,528 | \$3.69 |         | \$2,313 | \$3.34 |         |
| 2 Bedroom | \$3,546 | \$3.25 |         | \$3,248 | \$3.30 |         | \$2,929 | \$2.95 |         |
| 3 Bedroom | \$4,074 | \$2.96 |         | \$3,719 | \$3.03 |         | \$3,377 | \$2.86 |         |
| Overall   | \$3,353 | \$3.53 | 4.10%   | \$2,970 | \$3.48 | 4.20%   | \$2,514 | \$3.26 | 3.60%   |

Source: CoStar

### BAY AREA POPULATION

| COUNTY            | POPULATION | SINCE 2010 |            |
|-------------------|------------|------------|------------|
|                   |            | GROWTH     | % INCREASE |
| SF / SF Peninsula | 1,652,850  | 129,164    | 8.48%      |
| San Jose          | 1,937,570  | 155,928    | 8.75%      |
| Oakland           | 281,696    | 25,767     | 10.07%     |
| North Bay         | 1,345,635  | 59,520     | 4.63%      |
| Total             | 7,753,023  | 602,284    | 8.42%      |

Source: U.S. Census Bureau





## BAY AREA HISTORICAL RENTAL RATES & VACANCY

| SF / SOUTH SF                   | 2016    |     |        |       | 2017    |     |        |       | 2018    |     |        |       | H1 2019 |     |        |       |
|---------------------------------|---------|-----|--------|-------|---------|-----|--------|-------|---------|-----|--------|-------|---------|-----|--------|-------|
|                                 | RENT    | SF  | \$/SF  | VAC.  | RENT    | SF  | \$/SF  | VAC.  | RENT    | SF  | \$/SF  | VAC.  | RENT    | SF  | \$/SF  | VAC.  |
| Central San Mateo               | \$2,995 | 853 | \$3.51 | 4.80% | \$3,012 | 863 | \$3.49 | 3.90% | \$3,180 | 862 | \$3.69 | 3.50% | \$3,409 | 861 | \$3.96 | 3.10% |
| Civic Center/Downtown           | \$2,792 | 552 | \$5.06 | 3.90% | \$2,776 | 555 | \$5.00 | 3.60% | \$2,835 | 549 | \$5.16 | 3.20% | \$2,948 | 526 | \$5.60 | 2.10% |
| Haight Ashbury/Western Addition | \$3,539 | 758 | \$4.67 | 5.20% | \$3,655 | 752 | \$4.86 | 3.70% | \$3,838 | 763 | \$5.03 | 3.30% | \$3,858 | 756 | \$5.10 | 4.10% |
| North Marin                     | \$2,332 | 854 | \$2.73 | 3.30% | \$2,421 | 852 | \$2.84 | 2.60% | \$2,460 | 842 | \$2.92 | 2.60% | \$2,495 | 843 | \$2.96 | 2.60% |
| North San Mateo                 | \$2,532 | 819 | \$3.09 | 4.10% | \$2,621 | 827 | \$3.17 | 4.00% | \$2,756 | 808 | \$3.41 | 4.70% | \$2,798 | 816 | \$3.43 | 5.00% |
| Russian Hill/Embarcadero        | \$3,316 | 698 | \$4.75 | 4.60% | \$3,365 | 698 | \$4.82 | 5.20% | \$3,525 | 716 | \$4.92 | 4.30% | \$3,471 | 677 | \$5.13 | 3.40% |
| South Marin                     | \$3,592 | 963 | \$3.73 | 8.10% | \$3,537 | 959 | \$3.69 | 4.70% | \$3,512 | 947 | \$3.71 | 2.80% | \$3,572 | 955 | \$3.74 | 4.40% |
| South of Market                 | \$3,613 | 703 | \$5.14 | 4.40% | \$3,592 | 708 | \$5.07 | 4.20% | \$3,752 | 696 | \$5.39 | 4.00% | \$3,853 | 695 | \$5.54 | 3.40% |
| South Marin                     | \$3,138 | 853 | \$3.68 | 4.10% | \$3,224 | 860 | \$3.75 | 4.50% | \$3,317 | 878 | \$3.78 | 4.80% | \$3,426 | 872 | \$3.93 | 3.90% |
| South of Market                 | \$2,674 | 798 | \$3.35 | 4.00% | \$2,868 | 799 | \$3.59 | 2.70% | \$3,034 | 788 | \$3.85 | 1.90% | \$3,023 | 787 | \$3.84 | 2.10% |
| Overall                         | \$3,112 | 778 | \$4.00 | 4.50% | \$3,155 | 746 | \$4.23 | 4.00% | \$3,288 | 752 | \$4.37 | 3.80% | \$3,384 | 749 | \$4.52 | 3.60% |

| SJ / SOUTH BAY           | 2016    |     |        |       | 2017    |     |        |       | 2018    |     |        |       | H1 2019 |     |        |       |
|--------------------------|---------|-----|--------|-------|---------|-----|--------|-------|---------|-----|--------|-------|---------|-----|--------|-------|
|                          | RENT    | SF  | \$/SF  | VAC.  | RENT    | SF  | \$/SF  | VAC.  | RENT    | SF  | \$/SF  | VAC.  | RENT    | SF  | \$/SF  | VAC.  |
| Campbell/Los Gatos       | \$2,415 | 813 | \$2.97 | 4.10% | \$2,449 | 792 | \$3.09 | 3.50% | \$2,596 | 801 | \$3.24 | 3.30% | \$2,654 | 807 | \$3.29 | 3.40% |
| Central San Jose         | \$2,419 | 855 | \$2.83 | 4.80% | \$2,488 | 870 | \$2.86 | 4.20% | \$2,583 | 867 | \$2.98 | 4.10% | \$2,658 | 863 | \$3.08 | 4.80% |
| Cupertino/Saratoga       | \$2,749 | 916 | \$3.00 | 5.00% | \$2,820 | 937 | \$3.01 | 4.20% | \$3,001 | 935 | \$3.21 | 3.90% | \$3,152 | 903 | \$3.49 | 3.80% |
| East San Jose            | \$2,034 | 865 | \$2.35 | 3.60% | \$2,105 | 866 | \$2.43 | 3.20% | \$2,218 | 853 | \$2.60 | 3.10% | \$2,224 | 855 | \$2.60 | 2.60% |
| Mountain View/Los Altos  | \$3,114 | 826 | \$3.77 | 4.70% | \$3,177 | 825 | \$3.85 | 4.60% | \$3,370 | 822 | \$4.10 | 3.90% | \$3,528 | 820 | \$4.30 | 3.70% |
| Northeast San Jose       | \$2,631 | 886 | \$2.97 | 4.70% | \$2,689 | 891 | \$3.02 | 4.30% | \$2,814 | 879 | \$3.20 | 3.60% | \$2,905 | 886 | \$3.28 | 3.50% |
| Santa Clara              | \$2,574 | 882 | \$2.92 | 4.80% | \$2,742 | 890 | \$3.08 | 4.30% | \$2,883 | 890 | \$3.24 | 4.00% | \$2,994 | 886 | \$3.38 | 3.70% |
| Santa Clara County/Other | \$2,100 | 868 | \$2.42 | 2.70% | \$2,203 | 867 | \$2.54 | 3.50% | \$2,273 | 864 | \$2.63 | 3.90% | \$2,298 | 867 | \$2.65 | 3.90% |
| South San Jose           | \$2,236 | 837 | \$2.67 | 4.90% | \$2,303 | 847 | \$2.72 | 3.60% | \$2,399 | 842 | \$2.85 | 4.00% | \$2,490 | 841 | \$2.96 | 3.90% |
| Sunnyvale                | \$2,664 | 805 | \$3.31 | 3.31% | \$2,781 | 811 | \$3.43 | 3.43% | \$2,898 | 814 | \$3.56 | 3.56% | \$3,033 | 818 | \$3.71 | 2.90% |
| Overall                  | \$2,578 | 877 | \$2.94 | 4.50% | \$2,662 | 873 | \$3.05 | 4.10% | \$2,792 | 870 | \$3.21 | 3.70% | \$2,894 | 869 | \$3.33 | 3.60% |





| OAK / EAST BAY            | 2016    |     |        |       | 2017    |     |        |       | 2018    |     |        |       | H1 2019 |     |        |       |
|---------------------------|---------|-----|--------|-------|---------|-----|--------|-------|---------|-----|--------|-------|---------|-----|--------|-------|
|                           | RENT    | SF  | \$/SF  | VAC.  | RENT    | SF  | \$/SF  | VAC.  | RENT    | SF  | \$/SF  | VAC.  | RENT    | SF  | \$/SF  | VAC.  |
| Concord/Martinez          | \$1,966 | 806 | \$2.44 | 3.70% | \$1,988 | 808 | \$2.46 | 3.80% | \$2,071 | 812 | \$2.55 | 4.00% | \$2,130 | 813 | \$2.62 | 3.40% |
| East Alameda              | \$2,395 | 852 | \$2.81 | 4.50% | \$2,424 | 866 | \$2.80 | 4.80% | \$2,457 | 871 | \$2.82 | 4.60% | \$2,547 | 869 | \$2.93 | 4.80% |
| East Contra Costa         | \$1,729 | 839 | \$2.06 | 3.40% | \$1,815 | 840 | \$2.16 | 3.50% | \$1,875 | 830 | \$2.26 | 4.10% | \$1,927 | 830 | \$2.32 | 3.30% |
| Fremont/Newark/Union City | \$2,277 | 816 | \$2.79 | 3.80% | \$2,311 | 814 | \$2.84 | 3.70% | \$2,392 | 814 | \$2.94 | 3.60% | \$2,461 | 815 | \$3.02 | 3.00% |
| North Alameda             | \$2,695 | 814 | \$3.31 | 4.50% | \$2,775 | 800 | \$3.47 | 4.30% | \$2,882 | 798 | \$3.61 | 3.90% | \$2,933 | 824 | \$3.56 | 5.10% |
| San Leandro/Hayward       | \$1,903 | 783 | \$2.43 | 2.90% | \$1,938 | 794 | \$2.44 | 3.20% | \$2,004 | 798 | \$2.51 | 3.00% | \$2,051 | 801 | \$2.56 | 2.70% |
| San Ramon/Walnut Creek    | \$2,260 | 837 | \$2.70 | 4.80% | \$2,335 | 834 | \$2.80 | 4.00% | \$2,408 | 839 | \$2.87 | 4.00% | \$2,465 | 839 | \$2.94 | 3.60% |
| West Contra Costa         | \$2,533 | 777 | \$3.26 | 4.50% | \$2,594 | 770 | \$3.37 | 4.30% | \$2,689 | 768 | \$3.50 | 4.40% | \$2,737 | 769 | \$3.56 | 3.80% |
| Overall                   | \$2,213 | 832 | \$2.66 | 4.00% | \$2,259 | 831 | \$2.72 | 3.90% | \$2,333 | 824 | \$2.83 | 3.90% | \$2,394 | 823 | \$2.91 | 3.60% |

Source: CBRE Econometric Advisors







## SILICON VALLEY ECONOMIC UPDATES:

### OFFICE SUBMARKET SNAPSHOT

| MID 2019 NOTABLE OFFICE LEASE TRANSACTIONS & INDICATORS                           |   |   |   |
|---|---|---|---|
|  |  |  |  |
| 5.9%  | \$5.39 PSF  | 2,839,551 SF  | 9.0 MSF   |
| Vacancy Rate  | Lease Rate  | Net Absorption  | Under Construction  |
| LEASE (TENANT)  | CITY  | TOTAL SF  |   |
| CONFIDENTIAL  | SAN JOSE  | 150,737   |   |
| UBER  | SUNNYVALE   | 138,240   |   |
| ZSCALER   | SAN JOSE  | 134,279   |   |





The first half of 2019 has marked a historic leasing & construction run for Silicon Valley. Adobe Inc. began construction on a nearly 700,000 square foot office tower, marking the first Class A office development to break ground in downtown San Jose since 2009. This global headquarters expansion is symbolic of material progress as a new wave of investors and developers continue to pour capital into the downtown submarket. Jay Paul Company bought 50 W San Fernando Street, an approximately 350,000 square foot office town for a record setting \$650 per square foot purchase price, in addition to another Jay Paul Company purchase at 200 Park Ave. The proposed 700,000 square foot office development sits directly across from CityView Plaza where Jay Paul Company is seeking final approval for a 3.4 million square foot mixed-use project. With the proximity to transportation, favorable asking rates compared to other submarkets, and new product on the horizon, more technology companies will likely make their way to downtown San Jose.

### SILICON VALLEY R&D

| MID 2019 NOTABLE OFFICE LEASE TRANSACTIONS & INDICATORS                           |   |   |   |
|---|---|---|---|
|  |  |  |  |
| 7.1%  | \$2.60 PSF  | 334,054 SF  | 355,120 SF  |
| Vacancy Rate  | Lease Rate  | Net Absorption  | Under Construction  |
| LEASE (TENANT)  | CITY  | TOTAL SF  |   |
| ASML  | SAN JOSE  | 265,000   |   |
| RAYTHEON  | SUNNYVALE   | 162,215   |   |
| LAM RESEARCH CORP.  | FREMONT   | 116,450   |   |
| ATO NETWORKS  | SAN JOSE  | 116,381   |   |

Following moderate leasing activity and occupancy losses to start the year, the R&D market began to gain traction toward the end of H1. An increase in large lease transactions and the number of renewals led to a rise in leasing activity, up 16% quarter-over-quarter. User purchase and lease transactions over 50,000 square feet totaled nearly 1.9 million square feet in the second quarter alone. Additionally, a lack of suitable existing space along with a scarce R&D pipeline and steady tenant demand has led to an increase in renewals. Although the overall vacancy remained flat quarter-over-quarter, vacancy rate is down 160 bps year-over-year.

### INDUSTRIAL SUBMARKET SNAPSHOT

| MID 2019 NOTABLE OFFICE LEASE TRANSACTIONS & INDICATORS                             |   |   |   |
|---|---|---|---|
|  |  |  |  |
| 2.0%  | \$1.11 PSF  | (266,977) SF  | 3.4 MSF   |
| Vacancy Rate  | Lease Rate  | Net Absorption  | Under Construction  |
| LEASE (TENANT)  | CITY  | TOTAL SF  |   |
| SYNNEX CORPORATION  | FREMONT   | 150,737   |   |
| SUDDATH RELOCATION OF NOR CAL   | SAN JOSE  | 138,240   |   |
| JAVELIN LOGISTICS   | NEWARK  | 134,279   |   |
| FLEXTRONICS   | MILPITAS  | 103,124   |   |
| HOME DEPOT INC.   | SAN JOSE  | 134,279   |   |

Market conditions remained tight as an uptick in leasing activity held the overall vacancy rate at 2.0%, the third consecutive quarter with vacancy rates at or below 2.0%. Current supply constraints coupled with consistent tenant demand kept the market stable, however with an estimated 3.4 million square feet in the pipeline with much set to deliver by the end of the year, tenants will have the ability to look at larger available blocks of space, which is expected to put upward pressure on lease rates after a flat five quarters. The appetite for new industrial product is apparent when considering the 1.3 million square feet delivered since 2017 is 100% leased.

Source: CBRE Research





TOP 15 LEASES FOR THE FIRST HALF OF 2019

|    | TENANT  | TRANSACTION SF | ADDRESS                  | CITY          |
|----|---|----------------|--------------------------|---------------|
| 1  |    | 736,750        | 60 E BROKAW RD           | SAN JOSE      |
| 2  |    | 290,181        | 190 MATHILDA PL          | SUNNYVALE     |
| 3  |    | 265,000        | 125 RIO ROBLES           | SAN JOSE      |
| 4  |    | 212,000        | 450 CONCAR DR            | SAN MATEO     |
| 5  |    | 189,974        | 600 CLYDE AVE            | MOUNTAIN VIEW |
| 6  |   | 172,405        | 110 HOLGER WY            | SAN JOSE      |
| 7  |  | 165,068        | 100 WINCHESTER CIR       | LOS GATOS     |
| 8  |  | 162,557        | 1125 COLEMAN AVE         | SAN JOSE      |
| 9  |  | 162,215        | 430 CALIFORNIA AVE       | SUNNYVALE     |
| 10 |  | 160,000        | 5300 HELLYER AVE         | SAN JOSE      |
| 11 |  | 121,780        | 20450 STEVENS CREEK BLVD | CUPERTINO     |
| 12 |  | 119,058        | 6201 AMERICA CENTER DR   | SAN JOSE      |
| 13 |  | 116,450        | 4050 STARBOARD DR        | FREMONT       |
| 14 |  | 116,381        | 2300 ORCHARD PKWY        | SAN JOSE      |
| 15 |  | 105,000        | 755 N MATHILDA AVE       | SUNNYVALE     |

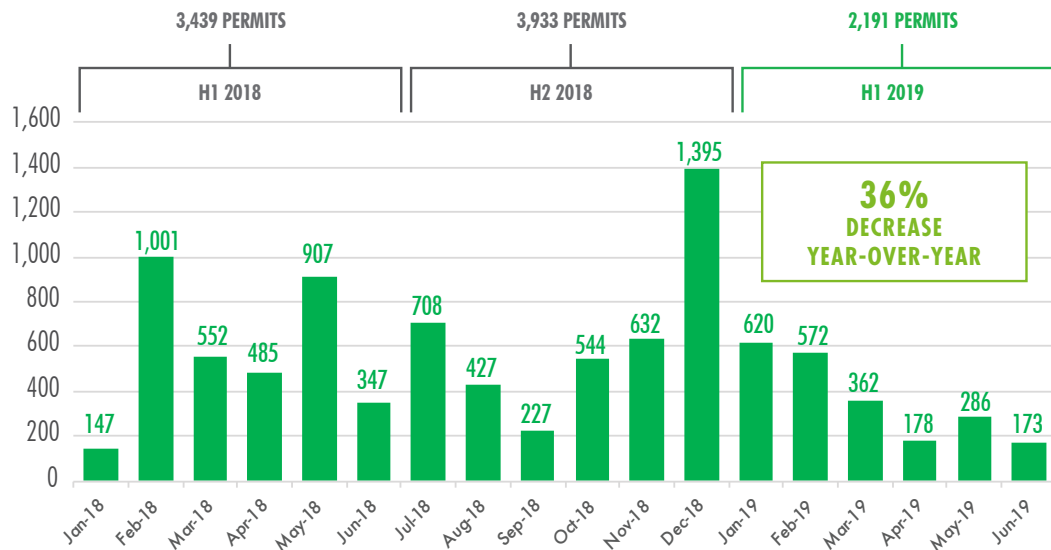
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Source: CBRE Research

## SUPPLY VS. DEMAND AND ABSORPTION

Over the past 12-months demand continued to outpace the supply of housing, with 3,633 multifamily units delivered and 7,400 net new jobs created. There are 20,712 units under construction with anticipated deliveries over the next 3 years, but the construction pipeline is slowing in Santa Clara and San Mateo counties. Year-over-year housing permits issued in these counties declined 36% from 3,439 in H1 2018 to only 2,191 permits in H1 2019.

## HOUSING PERMITS ISSUED IN SANTA CLARA AND SAN MATEO COUNTIES

5+ Units Buildings



Sources: State of California Employment Development Department (EDD), United States Census Bureau, CBRE Econometric Advisors, CoStar



### PIPELINE SUMMARY

| SUBMARKETS                         | CURRENT INVENTORY | 2014 - H1-2019  |                | UNDER CONSTRUCTION |                | APPROVED |                | PROPOSED |                | TOTAL PIPELINE |                |
|------------------------------------|-------------------|-----------------|----------------|--------------------|----------------|----------|----------------|----------|----------------|----------------|----------------|
|                                    | UNITS (5+)        | UNITS DELIVERED | NET ABSORPTION | UNITS              | % OF INVENTORY | UNITS    | % OF INVENTORY | UNITS    | % OF INVENTORY | UNITS          | % OF INVENTORY |
| CAMPBELL/LOS GATOS                 | 8,314             | 375             | 391            | 0                  | 0%             | 0        | 0%             | 892      | 11%            | 892            | 11%            |
| CENTRAL SAN JOSE                   | 16,257            | 159             | 9              | 1,242              | 8%             | 962      | 5%             | 3,615    | 20%            | 5,819          | 36%            |
| CUPERTINO/SARATOGA                 | 5,451             | 148             | 253            | 0                  | 0%             | 800      | 15%            | 103      | 2%             | 903            | 17%            |
| EAST SAN JOSE                      | 11,022            | 262             | 340            | 1,638              | 15%            | 0        | 0%             | 569      | 4%             | 2,207          | 20%            |
| MOUNTAIN VIEW/LOS ALTOS/ PALO ALTO | 25,969            | 1,067           | 1,140          | 1,833              | 7%             | 2,806    | 10%            | 9,699    | 32%            | 14,338         | 55%            |
| NORTHEAST SAN JOSE                 | 34,743            | 3,678           | 3,753          | 4,021              | 12%            | 2,643    | 7%             | 10,741   | 25%            | 18,164         | 52%            |
| SANTA CLARA                        | 17,828            | 3,359           | 3,367          | 2,995              | 17%            | 3,186    | 15%            | 12,292   | 51%            | 18,473         | 104%           |
| SOUTH SAN JOSE                     | 12,070            | 1,105           | 1,058          | 602                | 5%             | 0        | 0%             | 491      | 4%             | 792            | 7%             |
| SUNNYVALE                          | 21,799            | 825             | 1,079          | 845                | 4%             | 1,558    | 7%             | 4,125    | 17%            | 6,528          | 30%            |
| NORTH SAN MATEO                    | 16,504            | 424             | 363            | 460                | 3%             | 172      | 1%             | 1,605    | 9%             | 2,237          | 14%            |
| SOUTH SAN MATEO                    | 21,627            | 2,384           | 2,286          | 1,933              | 9%             | 991      | 4%             | 3,382    | 14%            | 6,306          | 29%            |
| CENTRAL SAN MATEO                  | 23,702            | 1,253           | 1,630          | 2,204              | 9%             | 1,679    | 6%             | 2,523    | 9%             | 6,406          | 27%            |
| FREMONT/ NEWARK/ UNION CITY        | 21,796            | 492             | 527            | 2,939              | 13%            | 5,548    | 22%            | 2,083    | 7%             | 10,570         | 48%            |
| OVERALL                            | 237,082           | 15,531          | 16,196         | 20,712             | 9%             | 20,345   | 8%             | 52,120   | 19%            | 93,635         | 39%            |

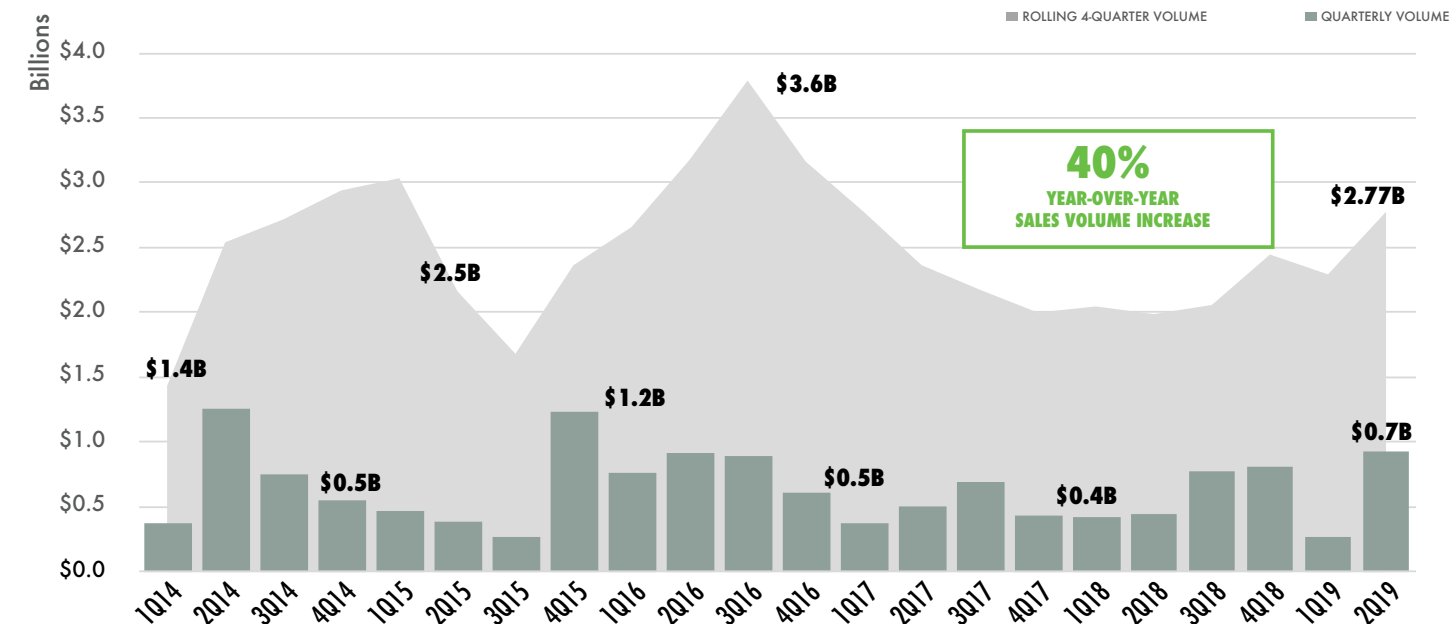




## TOP 20 MULTIFAMILY SALE TRANSACTIONS: H1 2019

| SALE DATE | PROPERTY NAME              | CITY          | UNITS | YEAR BUILT | SALE PRICE    | PRICE PER UNIT | \$ PSF | CAP RATE | BUYER                     | SELLER                     |
|-----------|----------------------------|---------------|-------|------------|---------------|----------------|--------|----------|---------------------------|----------------------------|
| Jan-19    | Lakewood Court Apts        | San Jose      | 48    | 1988       | \$17,280,000  | \$360,000      | \$447  | 5.32%    | Sridhar Equities          | William Young              |
| Jan-19    | Alamo Park                 | Mountain View | 25    | 1974       | \$9,883,875   | \$395,355      | \$512  | 2.94%    | Lo Family                 | William Young              |
| Feb-19    | Lenzen Square              | SAN JOSE      | 88    | 2002       | \$21,000,000  | \$238,636      | \$202  | 4.88%    | WNC Companies             | American Opportunity       |
| Feb-19    | Avana San Jose / Terra     | San Jose      | 220   | 1985       | \$80,000,000  | \$363,636      | \$328  |          | Greystar                  | Pacific Urban Residential  |
| Mar-19    | Delano                     | San Jose      | 35    | 1960       | \$10,000,000  | \$285,714      | \$456  | 4.94%    | Anthony Speno             | Michael Kelly              |
| Apr-19    | Atherton Green             | Redwood City  | 51    | 1963       | \$25,400,000  | \$498,039      | \$739  | 4.21%    | Jay Paul Company          | Interstate Equities Corp.  |
| Apr-19    | Magnolia Court             | San Mateo     | 30    | 1954       | \$16,700,000  | \$556,667      | \$537  |          | Wei Family                | Richard Freschet           |
| Apr-19    | 1220 El Camino Real        | Burlingame    | 15    | 1941       | \$7,935,500   | \$529,033      | \$607  | 4.00%    | Greenpoint Li Llc         | Alex Abela Properties      |
| Apr-19    | One South Market           | San Jose      | 312   | 2015       | \$80,600,000  | \$258,333      | \$341  | 3.98%    | Essex Property Trust      | Heitman                    |
| Apr-19    | Sofi Riverview Park        | San Jose      | 271   | 2015       | \$132,250,000 | \$488,007      | \$602  |          | Pinnacle                  | WTI, Inc                   |
| Apr-19    | 131 Elm St                 | San Mateo     | 20    | 1964       | \$11,500,000  | \$575,000      | \$662  | 4.25%    | Richard Freschet          | Michael Kelly              |
| Apr-19    | Royal Viking Apts          | Mountain View | 18    | 1969       | \$8,800,000   | \$488,888      | \$266  |          | Dividend Homes, Inc.      | Pan-Cal Corporation        |
| May-19    | Sofi Redwood Park          | Redwood City  | 112   | 1962       | \$50,100,000  | \$447,321      | \$516  |          | Pacific Urban Residential | The Wolff Company          |
| May-19    | 926 Woodside               | Redwood City  | 75    | 1963       | \$40,000,000  | \$533,333      | \$599  | 4.00%    | Michael Kelly             | WL Butler Investment Corp. |
| May-19    | Carolyn Apartments         | Campbell      | 21    | 1977       | \$8,770,000   | \$417,619      | \$254  | 4.21%    | Miroyan Brothers          | JOYCE ANDERSON             |
| MAY-19    | Pacific Gardens            | San Mateo     | 38    | 1993       | \$25,500,000  | \$671,052      | \$509  | 3.50%    | Ruder Family              | MCAKER INVESTMENTS USA     |
| MAY-19    | Domain Apartments          | San Jose      | 444   | 2013       | \$255,500,000 | \$575,450      | \$558  | 4.70%    | Prime Group               | Equity Residential         |
| MAY-19    | 1230 Alameda De Las Pulgas | Belmont       | 22    | 1962       | \$8,300,000   | \$377,272      | \$768  | 5.44%    | Chuang Family             | Lynda Brouchoud            |
| JUN-19    | Village Drive Apts         | Belmont       | 30    | 1959       | \$16,000,000  | \$533,333      | \$623  | 4.10%    | Ruder Family              | Sherman Tran               |
| JUN-19    | Lex Apts                   | San Jose      | 387   | 2017       | \$180,500,000 | \$466,408      | \$535  | 4.50%    | Equity Residential        | ROEM                       |
|           |                            |               |       |            | \$452,955     | \$503          | 4.33%  |          |                           |                            |

## SALES VOLUME (\$)



Sources: Real Capital Analytics, CBRE Research



## CAMPBELL / LOS GATOS

**Average Rent:** Increased **5.52% (+\$144)**, from **\$2,608** in 2Q18 to **\$2,752** in 2Q19

**Average Vacancy:** Increase from **3.2% (+80 BPS)** in 1Q19 to **4%** in 2Q19

**Supply:** **No** units Under Construction; **0%** of submarket inventory base; **0%** of Bay Area inventory base

**Sales Volume\*:** **1** transaction for a total of **\$26,125,000**

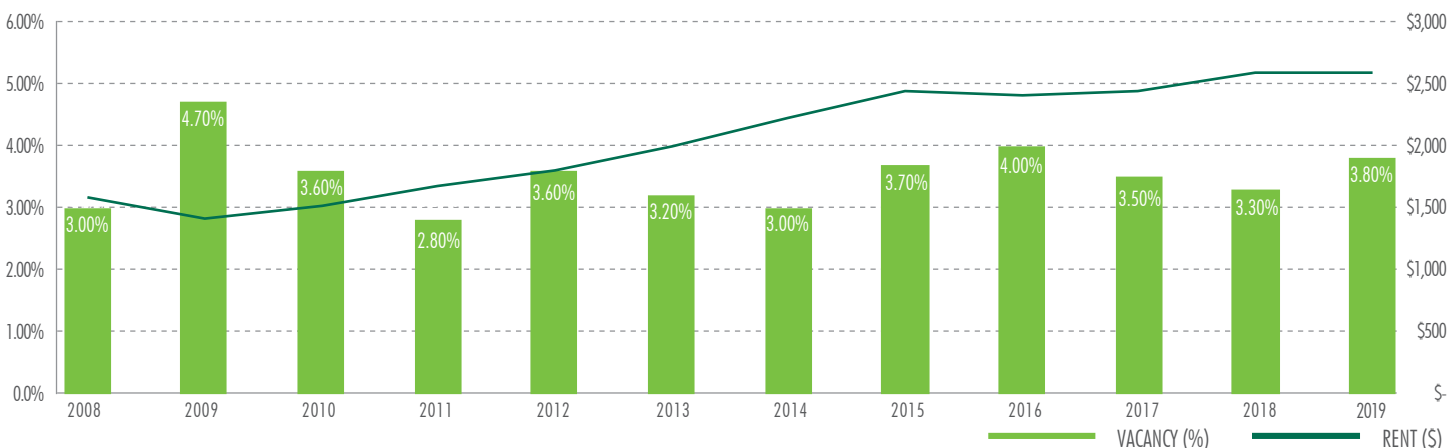
▲ **VACANCY**  
4.00%

▲ **RENT GROWTH (Q2 19)**  
5.52%

▲ **RENT**  
\$2,752

▲ **RENT/SQ. FT.**  
\$3.32

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$1,659   | \$4.05 |         | \$1,950   | \$4.65 |         | \$-       | \$-    |         | \$-       | \$-    |         | \$2,191   | \$4.25 |         | \$-              | \$-    |         |
| 1 Bedroom | \$2,565   | \$3.32 |         | \$2,279   | \$3.22 |         | \$2,270   | \$3.34 |         | \$2,627   | \$3.58 |         | \$3,066   | \$3.90 |         | \$3,416          | \$4.20 |         |
| 2 Bedroom | \$2,640   | \$2.64 |         | \$2,879   | \$2.82 |         | \$2,839   | \$3.09 |         | \$3,669   | \$3.28 |         | \$3,850   | \$3.43 |         | \$4,310          | \$3.72 |         |
| 3 Bedroom | \$3,373   | \$2.67 |         | \$3,205   | \$2.94 |         | \$2,965   | \$3.95 |         | \$4,750   | \$3.69 |         | \$-       | \$-    |         | \$5,702          | \$4.62 |         |
| Overall   | \$2,663   | \$3.29 | 4.20%   | \$2,487   | \$3.10 | 3.90%   | \$2,512   | \$3.28 | 1.90%   | \$3,106   | \$3.38 | 3.20%   | \$3,524   | \$3.73 | 3.80%   | \$3,693          | \$3.96 | 10.70%  |

| BY SIZE   | 50 - 99 UNITS |        |         | 100+ UNITS |        |         |
|-----------|---------------|--------|---------|------------|--------|---------|
| CATEGORY  | RENT          | \$/SF  | VACANCY | RENT       | \$/SF  | VACANCY |
| Studio    | \$1,825       | \$4.60 |         | \$2,013    | \$4.48 |         |
| 1 Bedroom | \$2,300       | \$3.24 |         | \$2,579    | \$3.65 |         |
| 2 Bedroom | \$3,027       | \$3.09 |         | \$3,187    | \$3.20 |         |
| 3 Bedroom | \$3,445       | \$3.21 |         | \$3,126    | \$2.45 |         |
| Overall   | \$2,515       | \$3.05 | 4.20%   | \$2,816    | \$3.40 | 3.70%   |

| BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$2,191 | \$4.25 |         |         |        |         | \$1,909 | \$4.57 |         |
| 1 Bedroom | \$3,066 | \$3.90 |         | \$2,618 | \$3.74 |         | \$2,284 | \$3.14 |         |
| 2 Bedroom | \$3,850 | \$3.43 |         | \$3,178 | \$3.19 |         | \$2,914 | \$3.09 |         |
| 3 Bedroom |         |        |         | \$3,157 | \$2.63 |         | \$3,377 | \$2.86 |         |
| Overall   | \$3,524 | \$3.73 | 3.80%   | \$2,884 | \$3.44 | 3.60%   | \$2,429 | \$3.06 | 4.20%   |

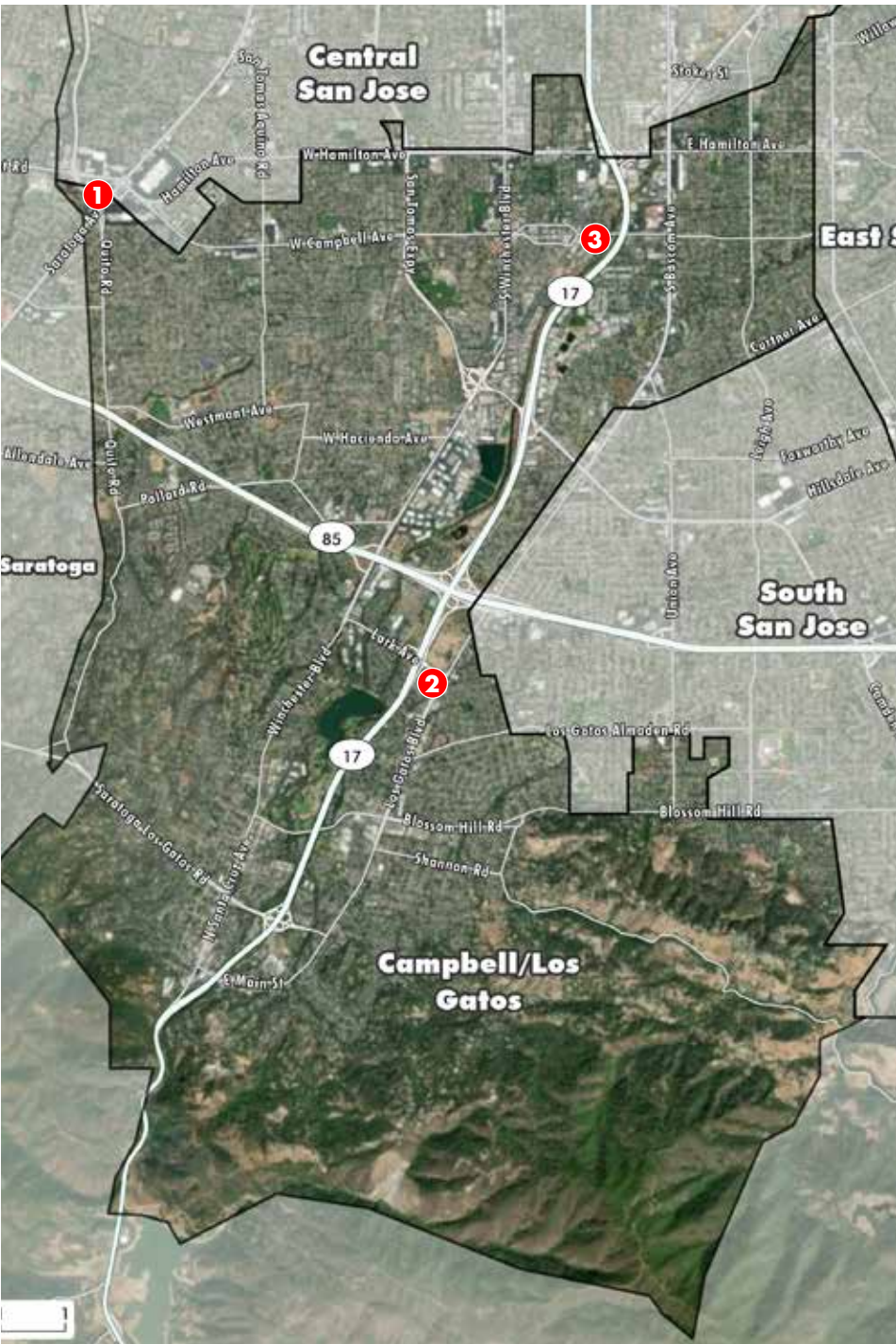
Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jon Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



CAMPBELL / LOS GATOS: MULTIFAMILY PIPELINE



Source: Yardi Matrix, CBRE Research

|             |                    |     |           |
|-------------|--------------------|-----|-----------|
| <div></div> | Under Construction | (0) | 0 Units   |
| <div></div> | Approved           | (0) | 0 Units   |
| <div></div> | Proposed           | (3) | 892 Units |

| # | NAME                     | UNITS | STATUS   |
|---|--------------------------|-------|----------|
| 1 | 1777 Saratoga Ave        | 580   | Proposed |
| 2 | BELLATERRA @ NORTH 40    | 253   | Proposed |
| 3 | Del Grande Redevelopment | 59    | Proposed |



## CENTRAL SAN JOSE

**Average Rent:** Increased **2.4% (+\$63)**, from **\$2,623** in 2Q18 to **\$2,686** in 2Q19

**Average Vacancy:** No change from **4.1%** in 1Q19 to **4.1%** in 2Q19

**Supply:** **1,242** of units Under Construction; **7.64%** of submarket inventory base; **0.51%** of Bay Area inventory base

**Sales Volume\*:** **2** transactions for a total of **\$188,681,500**

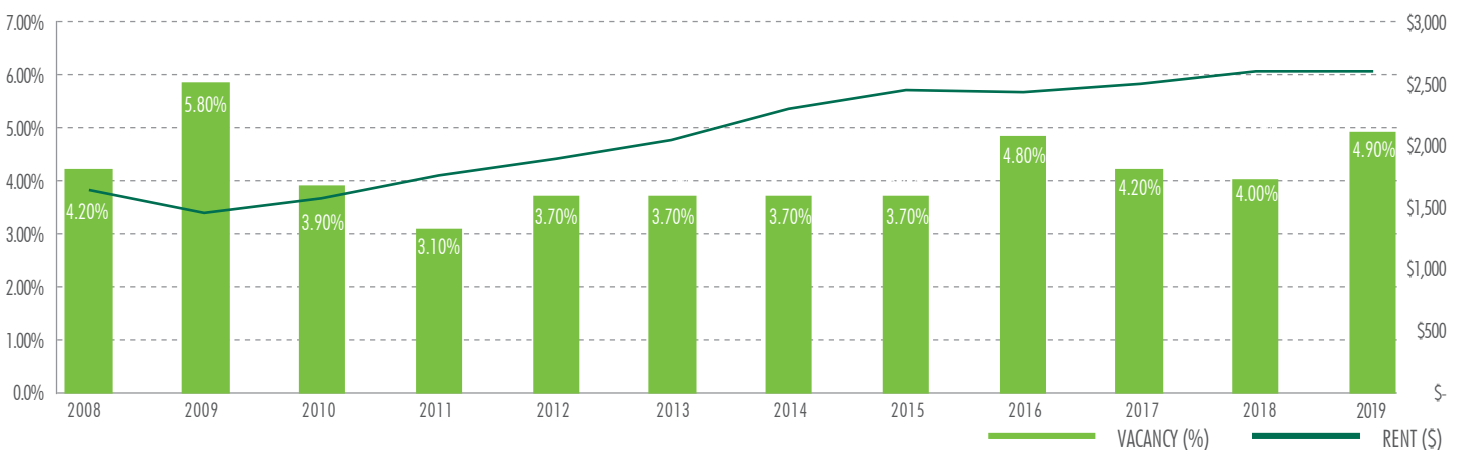
▲ **VACANCY**  
4.20%

▲ **RENT GROWTH (Q2 19)**  
2.40%

▲ **RENT**  
\$2,686

▲ **RENT/SQ. FT.**  
\$3.04

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |       |         | 2000-2009 |         |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|-------|---------|-----------|---------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF | VACANCY | RENT      | \$/SF   | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$1,799   | \$3.84 |         | \$1,961   | \$4.49 |         | \$1,889   | \$4.41 |         |           |       |         | \$3,450   | \$11.50 |         | \$2,345          | \$3.79 |         |
| 1 Bedroom | \$2,113   | \$2.89 |         | \$2,335   | \$3.25 |         | \$2,363   | \$3.14 |         |           |       |         | \$2,737   | \$3.47  |         | \$2,928          | \$4.18 |         |
| 2 Bedroom | \$2,556   | \$2.44 |         | \$2,891   | \$2.82 |         | \$2,895   | \$2.28 |         |           |       |         | \$3,296   | \$2.79  |         | \$3,545          | \$3.33 |         |
| 3 Bedroom | \$2,938   | \$2.51 |         | \$3,192   | \$2.67 |         |           |        |         |           |       |         | \$4,129   | \$2.92  |         | \$4,510          | \$2.95 |         |
| Overall   | \$2,250   | \$2.77 | 3.90%   | \$2,522   | \$3.12 | 4.30%   | \$2,721   | \$2.79 | 2.90%   |           |       |         | \$3,142   | \$2.94  | 4.10%   | \$3,231          | \$3.28 | 4.60%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$2,263 | \$4.65 |         | \$2,018 | \$3.92 |         | Studio    | \$2,320 | \$3.78 |         | \$2,053 | \$4.76 |         | \$2,044 | \$4.32 |         |
| 1 Bedroom | \$2,126 | \$3.02 |         | \$2,488 | \$3.77 |         | 1 Bedroom | \$2,837 | \$4.08 |         | \$2,521 | \$3.38 |         | \$2,181 | \$3.06 |         |
| 2 Bedroom | \$2,671 | \$2.41 |         | \$3,038 | \$3.14 |         | 2 Bedroom | \$3,559 | \$3.37 |         | \$3,065 | \$2.71 |         | \$2,702 | \$2.63 |         |
| 3 Bedroom | \$3,208 | \$2.69 |         | \$3,408 | \$2.85 |         | 3 Bedroom | \$4,464 | \$2.92 |         | \$3,241 | \$2.87 |         | \$3,225 | \$2.58 |         |
| Overall   | \$2,327 | \$2.76 | 2.90%   | \$2,729 | \$3.09 | 4.40%   | Overall   | \$3,207 | \$3.12 | 4.10%   | \$2,750 | \$3.09 | 5.60%   | \$2,328 | \$2.94 | 3.10%   |

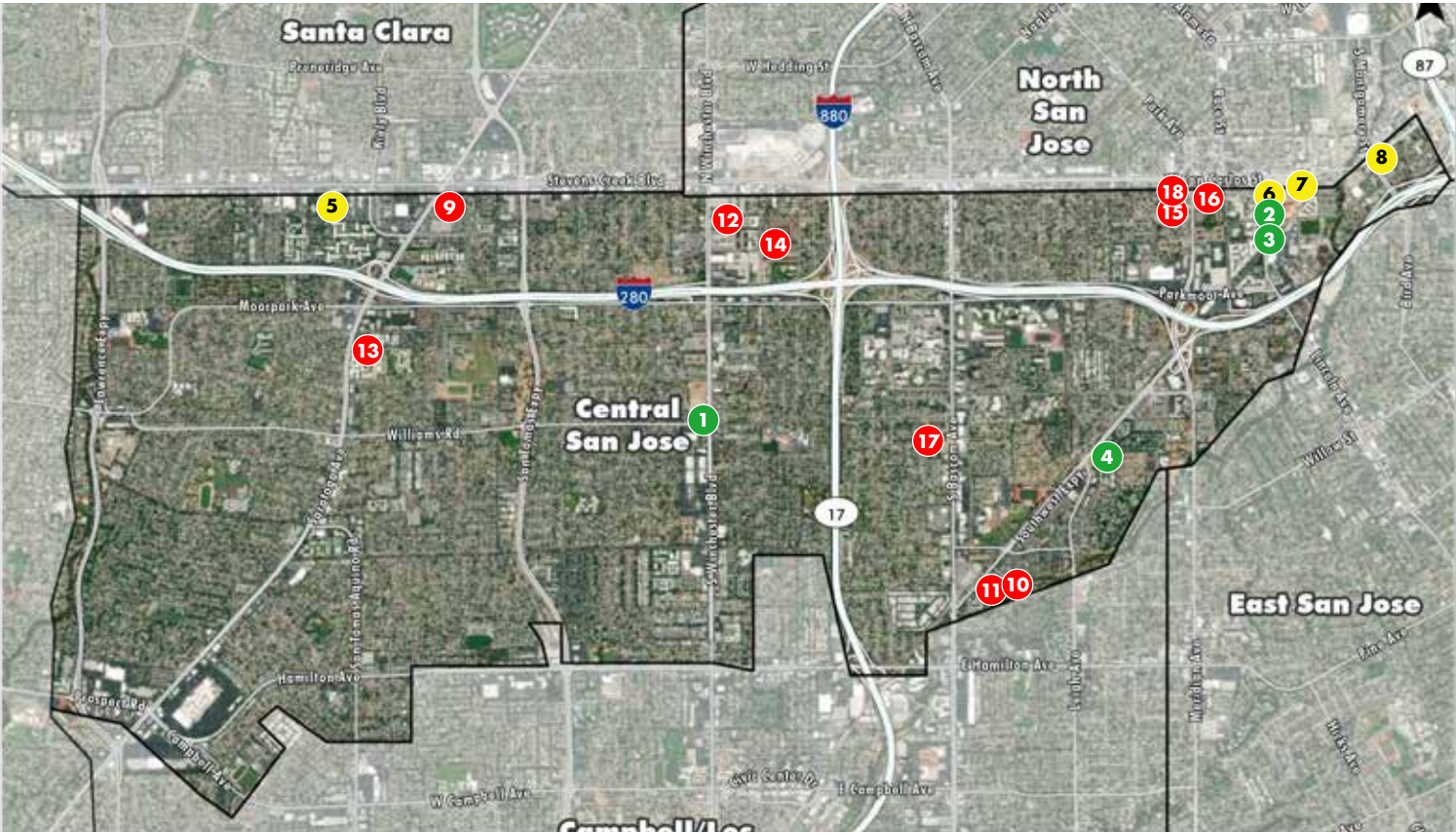
Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jon Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



CENTRAL SAN JOSE: MULTIFAMILY PIPELINE



| #  | NAME                            | UNITS | STATUS             |
|----|---------------------------------|-------|--------------------|
| 1  | The Reserve                     | 641   | Under Construction |
| 2  | Silver (Block B)                | 269   | Under Construction |
| 3  | Silver (Block C)                | 268   | Under Construction |
| 4  | Leigh Ave Senior Apartments     | 64    | Under Construction |
| 5  | Stevens Creek Promenade         | 582   | Approved           |
| 6  | Silver (Block A)                | 263   | Approved           |
| 7  | 740 West San Carlos             | 63    | Approved           |
| 8  | Montgomery 7                    | 54    | Approved           |
| 9  | Garden City                     | 870   | Proposed           |
| 10 | Shelter Creek                   | 710   | Proposed           |
| 11 | Gateway Station                 | 447   | Proposed           |
| 12 | Valar                           | 307   | Proposed           |
| 13 | Eaves West Valley expansion     | 300   | Proposed           |
| 14 | 358 Hatton St                   | 300   | Proposed           |
| 15 | Meridian Residential Project    | 230   | Proposed           |
| 16 | 1301 W San Carlos Urban Village | 204   | Proposed           |
| 17 | Alliance Senior Housing         | 165   | Proposed           |
| 18 | Page Street Housing Project     | 82    | Proposed           |

|                      |      |             |
|----------------------|------|-------------|
| ● Under Construction | (4)  | 1,242 Units |
| ● Approved           | (4)  | 962 Units   |
| ● Proposed           | (10) | 3,615 Units |

Source: Yardi Matrix, CBRE Research



## CUPERTINO / SARATOGA

**Average Rent:** Increased **3.22% (+\$104)**, from **\$3,227** in 2Q18 to **\$3,331** in 2Q19

**Average Vacancy:** Decreased from **4.6% (-10 BPS)** in 1Q19 to **4.5%** in 2Q19

**Supply:** **No** units Under Construction; **0%** of submarket inventory base; **0%** of Bay Area inventory base

**Sales Volume\*:** **1** transaction for a total of **\$73,750,000**

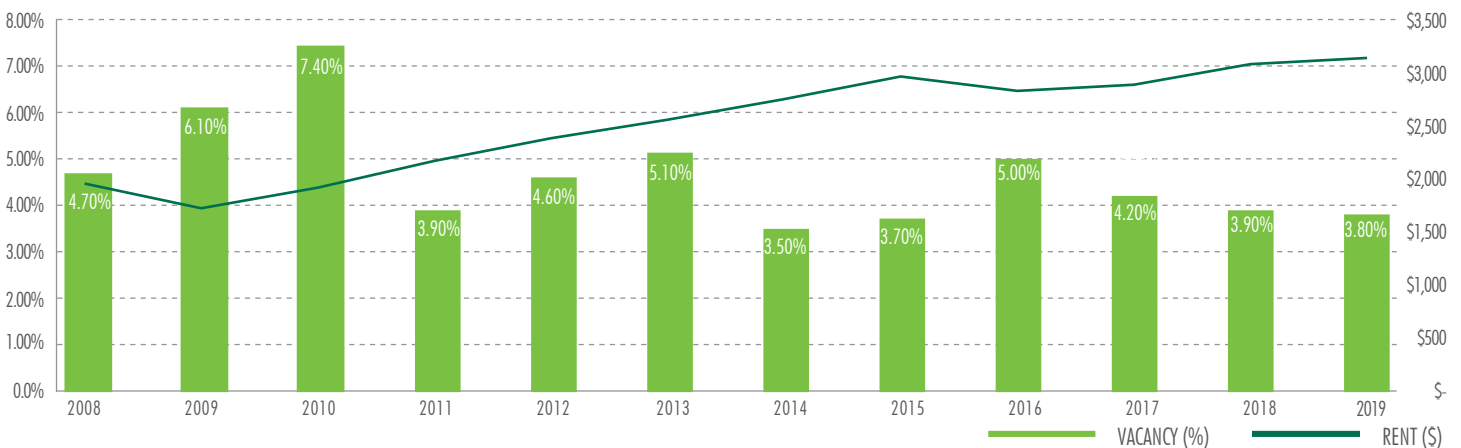
▲ **VACANCY**  
4.50%

▲ **RENT GROWTH (Q2 19)**  
3.22%

▲ **RENT**  
\$3,331

▲ **RENT/SQ. FT.**  
\$3.59

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |       |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|-------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$2,055   | \$4.08 |         | \$2,007   | \$4.62 |         |           |        |         |           |        |         |           |       |         |                  |        |         |
| 1 Bedroom | \$2,884   | \$3.81 |         | \$2,618   | \$3.74 |         | \$2,995   | \$3.99 |         | \$2,911   | \$4.00 |         |           |       |         | \$3,749          | \$4.26 |         |
| 2 Bedroom | \$3,804   | \$3.65 |         | \$3,696   | \$3.72 |         | \$3,595   | \$3.42 |         | \$3,854   | \$3.52 |         |           |       |         | \$4,271          | \$3.23 |         |
| 3 Bedroom | \$4,046   | \$3.40 |         | \$4,886   | \$3.82 |         | \$3,995   | \$3.33 |         | \$4,707   | \$3.58 |         |           |       |         | \$5,228          | \$3.27 |         |
| Overall   | \$3,278   | \$3.61 | 4.60%   | \$3,036   | \$3.61 | 5.40%   | \$3,429   | \$3.42 | 10.90%  | \$3,553   | \$3.59 | 2.20%   |           |       |         | \$4,329          | \$3.44 | 5.90%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$1,822 | \$4.06 |         | \$2,136 | \$4.60 |         | Studio    |         |        |         | \$2,113 | \$4.38 |         | \$1,961 | \$4.47 |         |
| 1 Bedroom | \$2,407 | \$3.82 |         | \$2,875 | \$3.90 |         | 1 Bedroom | \$2,961 | \$3.80 |         | \$2,960 | \$4.10 |         | \$2,460 | \$3.49 |         |
| 2 Bedroom | \$3,202 | \$3.49 |         | \$3,869 | \$3.38 |         | 2 Bedroom | \$3,963 | \$3.25 |         | \$3,864 | \$3.74 |         | \$3,271 | \$3.22 |         |
| 3 Bedroom | \$2,850 | \$3.48 |         | \$4,698 | \$3.35 |         | 3 Bedroom | \$4,862 | \$3.30 |         | \$4,624 | \$3.60 |         | \$3,877 | \$3.39 |         |
| Overall   | \$2,674 | \$3.14 | 2.60%   | \$3,397 | \$3.63 | 4.80%   | Overall   | \$3,796 | \$3.50 | 2.40%   | \$3,355 | \$3.76 | 6.10%   | \$2,886 | \$3.34 | 3.40%   |

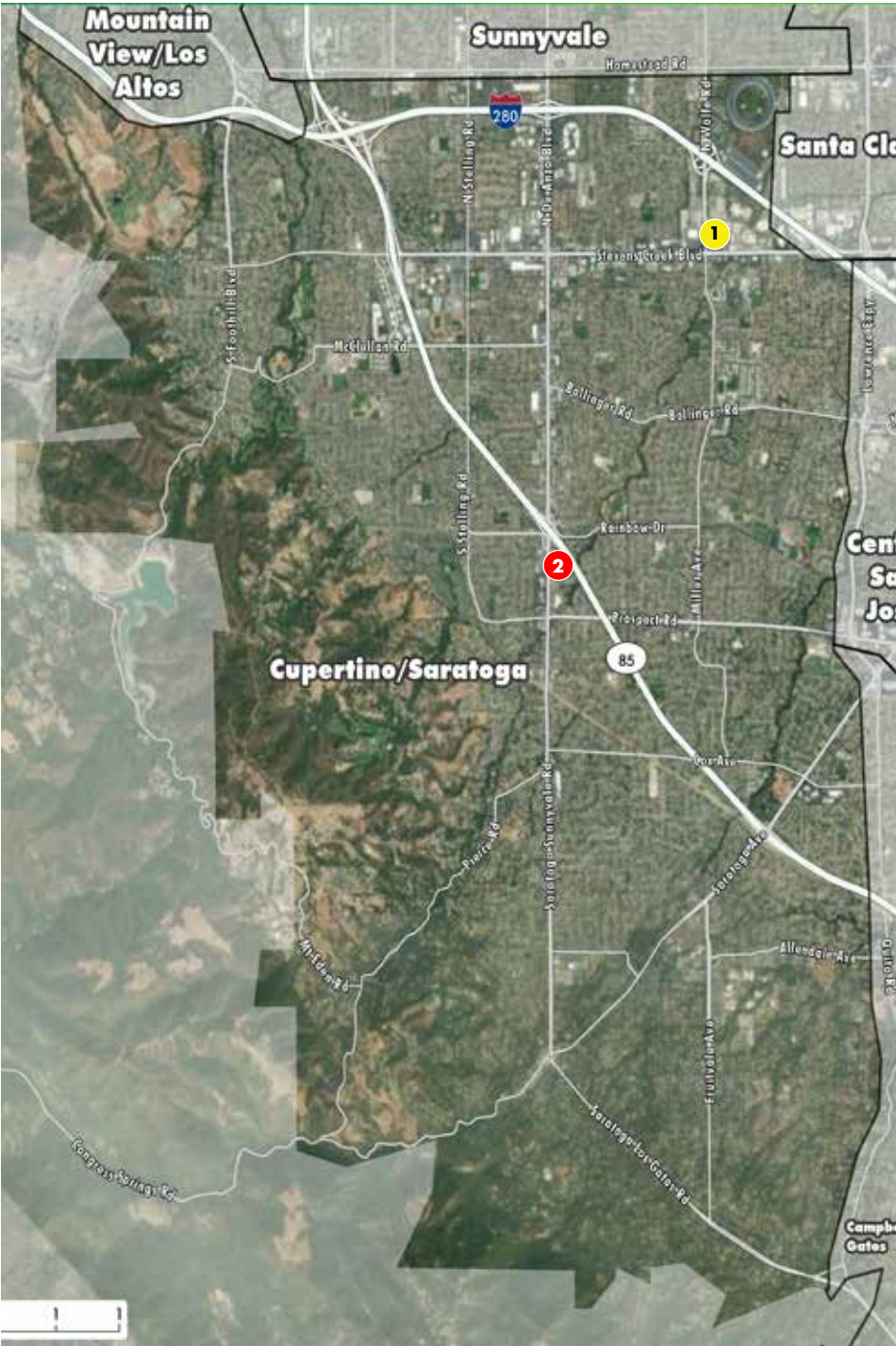
Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jon Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



CUPERTINO / SARATOGA: MULTIFAMILY PIPELINE



Source: Yardi Matrix, CBRE Research

|             |                    |     |           |
|-------------|--------------------|-----|-----------|
| <div></div> | Under Construction | (0) | 0 Units   |
| <div></div> | Approved           | (1) | 800 Units |
| <div></div> | Proposed           | (1) | 103 Units |

| # | NAME                          | UNITS | STATUS   |
|---|-------------------------------|-------|----------|
| 1 | Vallco Town Center            | 800   | Approved |
| 2 | Morning Star Residential Care | 103   | Proposed |



## EAST SAN JOSE

**Average Rent:** Increased **4.47% (+\$111)**, from **\$2,480** in 2Q18 to **\$2,591** in 2Q19

**Average Vacancy:** Increased from **4.3% (90 BPS)** in 1Q19 to **5.2%** in 2Q19

**Supply:** **1,638** of units Under Construction; **14.86%** of submarket inventory base; **0.68%** of Bay Area inventory base

**Sales Volume\*:** **3** transactions for a total of **\$243,750,000**

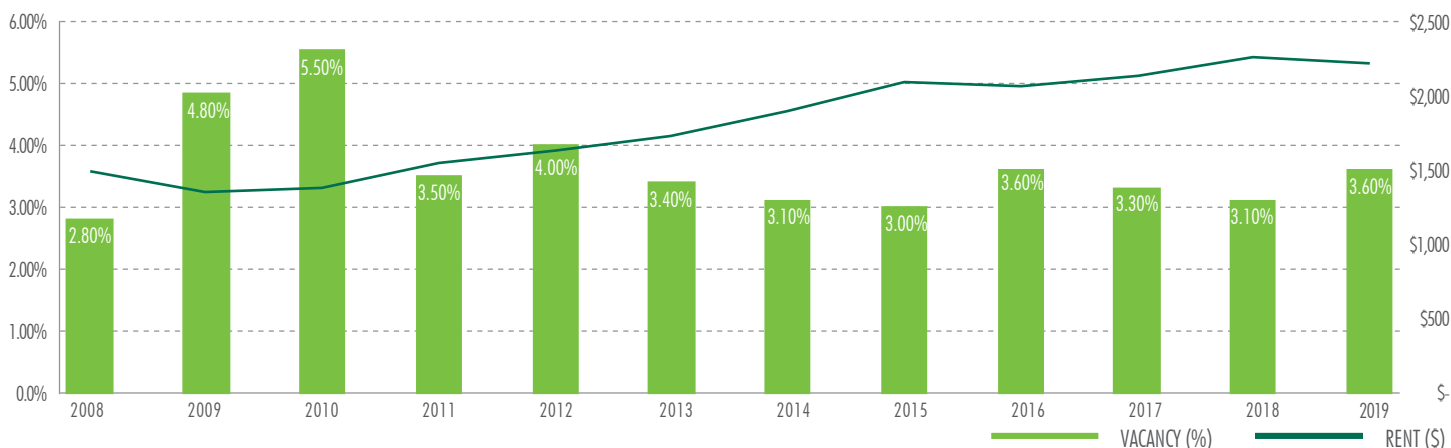
▲ **VACANCY**  
5.20%

▲ **RENT GROWTH (Q2 19)**  
4.47%

▲ **RENT**  
\$2,591

▲ **RENT/SQ. FT.**  
\$2.85

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    |           |        |         |           |        |         | \$1,848   | \$5.31 |         | \$1,675   | \$3.88 |         |           |        |         | \$2,444          | \$4.57 |         |
| 1 Bedroom | \$2,160   | \$3.27 |         | \$2,060   | \$3.02 |         | \$2,220   | \$3.35 |         | \$2,417   | \$3.23 |         | \$2,512   | \$3.25 |         | \$2,422          | \$3.35 |         |
| 2 Bedroom | \$2,545   | \$2.63 |         | \$2,528   | \$2.52 |         | \$2,792   | \$3.06 |         | \$3,235   | \$2.97 |         | \$2,938   | \$2.76 |         | \$3,153          | \$2.94 |         |
| 3 Bedroom | \$2,715   | \$2.17 |         | \$2,862   | \$2.26 |         |           |        |         | \$3,785   | \$2.77 |         | \$3,347   | \$2.72 |         | \$3,954          | \$3.31 |         |
| Overall   | \$2,345   | \$2.69 | 9.40%   | \$2,376   | \$2.49 | 4.00%   | \$2,495   | \$3.19 | 7.20%   | \$2,702   | \$2.99 | 5.00%   | \$2,741   | \$2.87 | 2.60%   | \$2,787          | \$3.16 | 8.00%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$1,883 | \$4.99 |         | \$1,675 | \$3.88 |         | Studio    |         |        |         | \$1,706 | \$4.26 |         | \$1,848 | \$5.31 |         |
| 1 Bedroom | \$2,148 | \$3.36 |         | \$2,293 | \$3.19 |         | 1 Bedroom | \$2,502 | \$3.30 |         | \$2,315 | \$3.30 |         | \$2,056 | \$3.17 |         |
| 2 Bedroom | \$2,621 | \$2.83 |         | \$2,890 | \$2.85 |         | 2 Bedroom | \$3,127 | \$2.95 |         | \$2,767 | \$2.80 |         | \$2,550 | \$2.74 |         |
| 3 Bedroom | \$2,841 | \$2.73 |         | \$2,931 | \$2.41 |         | 3 Bedroom | \$3,347 | \$2.72 |         | \$2,893 | \$2.53 |         | \$2,758 | \$2.44 |         |
| Overall   | \$2,427 | \$2.90 | 6.40%   | \$2,571 | \$2.82 | 4.90%   | Overall   | \$2,778 | \$2.96 | 4.80%   | \$2,588 | \$2.72 | 6.30%   | \$2,284 | \$2.78 | 4.50%   |

Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jan Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



EAST SAN JOSE: : MULTIFAMILY PIPELINE



| #  | NAME  | UNITS | STATUS             |
|----|---|-------|--------------------|
| 1  | Indigo @ Montecito Vista                                  | 721   | Under Construction |
| 2  | 2140 Quimby   | 250   | Under Construction |
| 3  | Holden of San Jose Senior Assisted Living and Memory Care | 200   | Under Construction |
| 4  | Marshall Squares  | 190   | Under Construction |
| 5  | Renascent Place   | 162   | Under Construction |
| 6  | Summerwind Phase II                                       | 103   | Under Construction |
| 7  | 1821 Almaden Rd   | 96    | Under Construction |
| 8  | Scotia Apartments   | 55    | Under Construction |
| 9  | 955 S 1st St  | 51    | Under Construction |
| 10 | 1197 Lick Ave   | 569   | Proposed           |

|                      |     |             |
|----------------------|-----|-------------|
| ● Under Construction | (9) | 1,638 Units |
| ● Approved           | (0) | 0 Units     |
| ● Proposed           | (1) | 569 Units   |

Source: Yardi Matrix, CBRE Research





## MOUNTAIN VIEW / LOS ALTOS / PALO ALTO

**Average Rent:** Increased **4.29% (+\$141)**, from **\$3,289** in 2Q18 to **\$3,430** in 2Q19

**Average Vacancy:** Increased from **3.5% (10 BPS)** in 1Q19 to **3.6%** in 2Q19

**Supply:** **1,833** of units Under Construction; **7.06%** of submarket inventory base; **0.76%** of Bay Area inventory base

**Sales Volume\*:** **2** transactions for a total of **\$69,350,000**

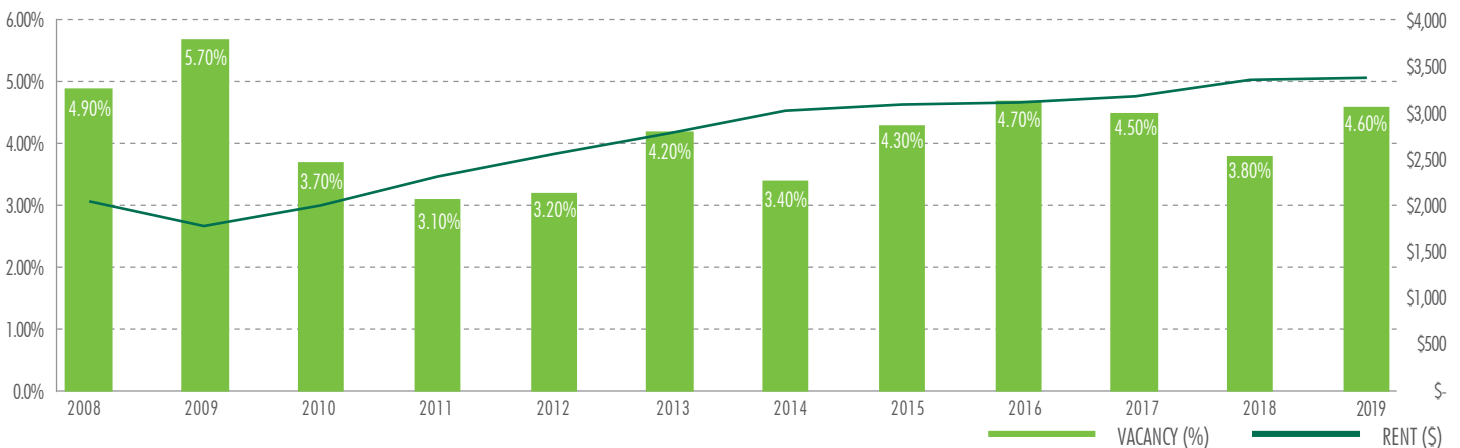
▲ **VACANCY**  
3.60%

▲ **RENT GROWTH (Q2 19)**  
4.29%

▲ **RENT**  
\$3,430

▲ **RENT/SQ. FT.**  
\$4.07

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$2,501   | \$4.88 |         | \$2,088   | \$4.24 |         | \$2,834   | \$6.55 |         |           |        |         |           |        |         | \$3,295          | \$5.82 |         |
| 1 Bedroom | \$2,856   | \$3.94 |         | \$2,646   | \$3.81 |         | \$3,388   | \$4.38 |         | \$2,520   | \$3.28 |         | \$3,350   | \$4.33 |         | \$3,903          | \$5.15 |         |
| 2 Bedroom | \$4,209   | \$4.04 |         | \$3,212   | \$3.02 |         | \$4,187   | \$4.26 |         | \$3,397   | \$3.33 |         | \$4,560   | \$4.29 |         | \$4,847          | \$4.45 |         |
| 3 Bedroom | \$4,464   | \$3.36 |         | \$4,497   | \$3.80 |         | \$4,608   | \$4.08 |         |           |        |         | \$4,769   | \$3.55 |         | \$4,392          | \$4.95 |         |
| Overall   | \$3,204   | \$3.95 | 3.40%   | \$2,836   | \$3.64 | 3.30%   | \$3,764   | \$4.34 | 4.50%   | \$2,745   | \$3.18 | 7.40%   | \$3,904   | \$4.01 | 0.80%   | \$4,125          | \$4.66 | 4.30%   |

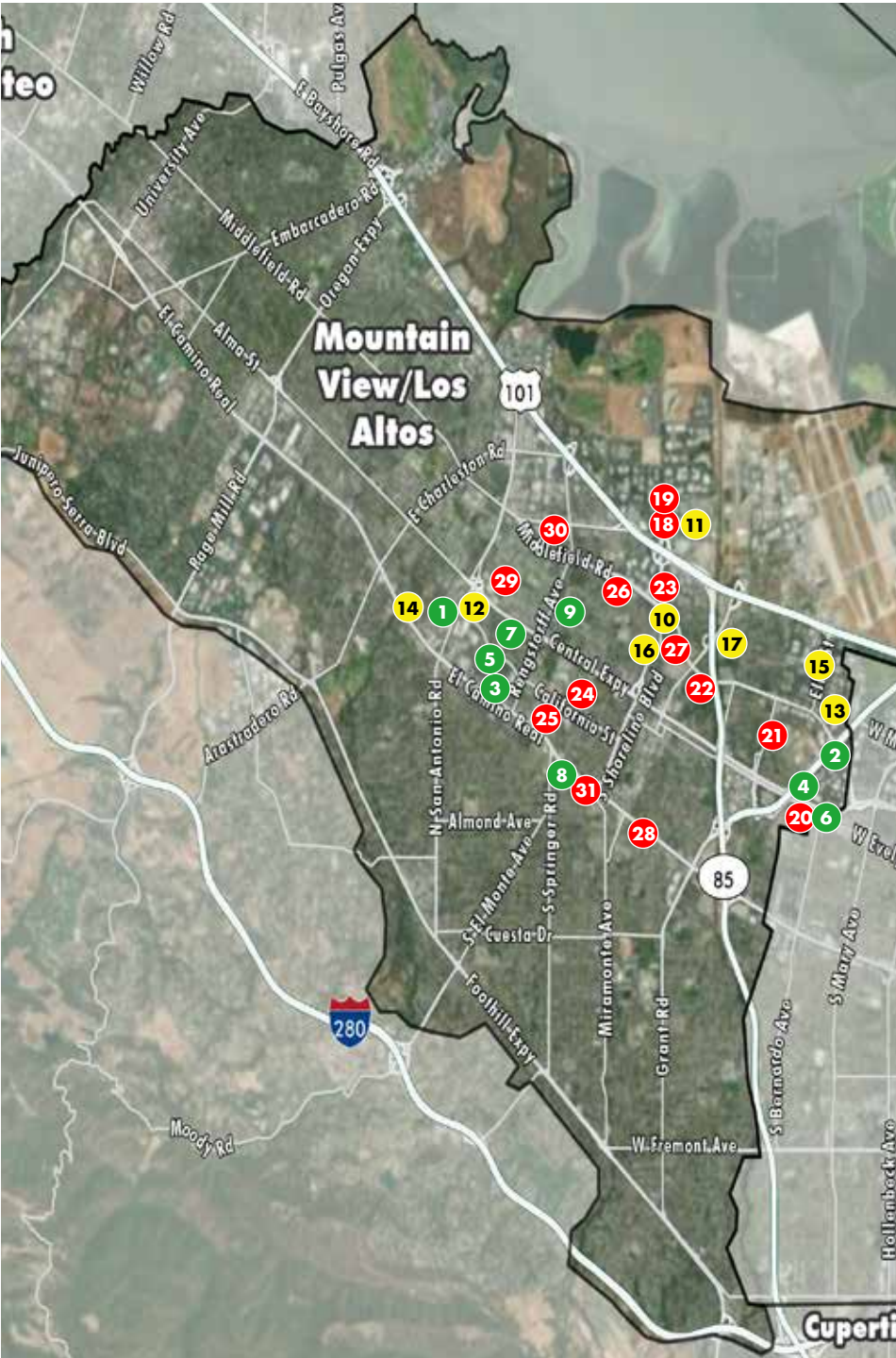
| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$2,309 | \$4.72 |         | \$2,730 | \$5.17 |         | Studio    | \$3,893 | \$7.17 |         | \$2,828 | \$5.32 |         | \$2,293 | \$4.61 |         |
| 1 Bedroom | \$2,486 | \$3.52 |         | \$3,205 | \$4.84 |         | 1 Bedroom | \$3,896 | \$5.15 |         | \$3,281 | \$4.67 |         | \$2,547 | \$3.60 |         |
| 2 Bedroom | \$3,830 | \$3.78 |         | \$4,300 | \$4.27 |         | 2 Bedroom | \$5,088 | \$4.53 |         | \$4,360 | \$4.20 |         | \$3,339 | \$3.32 |         |
| 3 Bedroom | \$3,948 | \$3.28 |         | \$4,670 | \$4.02 |         | 3 Bedroom | \$5,948 | \$4.72 |         | \$4,546 | \$3.80 |         | \$4,190 | \$3.16 |         |
| Overall   | \$2,821 | \$3.53 | 1.80%   | \$3,584 | \$4.20 | 4.00%   | Overall   | \$4,321 | \$4.74 | 3.90%   | \$3,712 | \$4.19 | 3.90%   | \$2,730 | \$3.58 | 2.70%   |

Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jon Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics

MOUNTAIN VIEW / LOS ALTOS / PALO ALTO: MULTIFAMILY PIPELINE



Source: Yardi Matrix, CBRE Research

|                      |      |             |
|----------------------|------|-------------|
| ● Under Construction | (9)  | 1,833 Units |
| ● Approved           | (8)  | 2,806 Units |
| ● Proposed           | (14) | 9,699 Units |

| #  | NAME                              | UNITS | STATUS             |
|----|-----------------------------------|-------|--------------------|
| 1  | The Dean                          | 583   | Under Construction |
| 2  | The Revela                        | 394   | Under Construction |
| 3  | Lennar Multifamily Communities    | 204   | Under Construction |
| 4  | 100 & 42-430 Ferguson Dr          | 198   | Under Construction |
| 5  | 394 Ortega Ave                    | 144   | Under Construction |
| 6  | Evelyn Family Apartments          | 116   | Under Construction |
| 7  | Mora Drive Rowhomes               | 75    | Under Construction |
| 8  | 1701 W El Camino Real             | 67    | Under Construction |
| 9  | 2044 & 2054 Montecito Ave         | 52    | Under Construction |
| 10 | 777 W Middlefield Rd              | 716   | Approved           |
| 11 | Pear Ave Business Park Phase II   | 635   | Approved           |
| 12 | 2580 & 2590 California Street/201 | 632   | Approved           |
| 13 | San Antonio Circle                | 632   | Approved           |
| 14 | 400 Logue                         | 367   | Approved           |
| 15 | 2700 W El Camino Real             | 211   | Approved           |
| 16 | Ellis St & National Ave           | 125   | Approved           |
| 17 | Shorebreeze Expansion             | 62    | Approved           |
| 18 | 535 Walker Dr                     | 58    | Approved           |
| 19 | Shoreline Commons                 | 6600  | Proposed           |
| 20 | Shoreline Gateway                 | 742   | Proposed           |
| 21 | Flower Mart                       | 471   | Proposed           |
| 22 | 355-415 E Middlefield Rd          | 464   | Proposed           |
| 23 | Avalon Middlefield                | 341   | Proposed           |
| 24 | 1001 N Shoreline Blvd             | 303   | Proposed           |
| 25 | 1720 Villa Street                 | 226   | Proposed           |
| 26 | 1919-1933 Gamel Way & 574         | 118   | Proposed           |
| 27 | Escuela Ave                       | 116   | Proposed           |
| 28 | 1555 West Middlefield Road        | 75    | Proposed           |
| 29 | 759 W Middlefield Rd              | 71    | Proposed           |
| 30 | 950 W El Camino Real              | 71    | Proposed           |
| 31 | 2483 Whitney Drive                | 64    | Proposed           |
| 32 | 2310 Rock St                      | 55    | Proposed           |
| 33 | Lux Largo                         | 53    | Proposed           |





## NORTH SAN JOSE

**Average Rent:** Increased **2.35% (+\$68)**, from **\$2,888** in 2Q18 to **\$2,956** in 2Q19

**Average Vacancy:** Increased from **3.8% (10 BPS)** in 1Q19 to **3.9%** in 2Q19

**Supply:** **4,021** of units Under Construction; **11.56%** of submarket inventory base; **1.66%** of Bay Area inventory base

**Sales Volume\*:** **6** transactions for a total of **\$894,791,667**

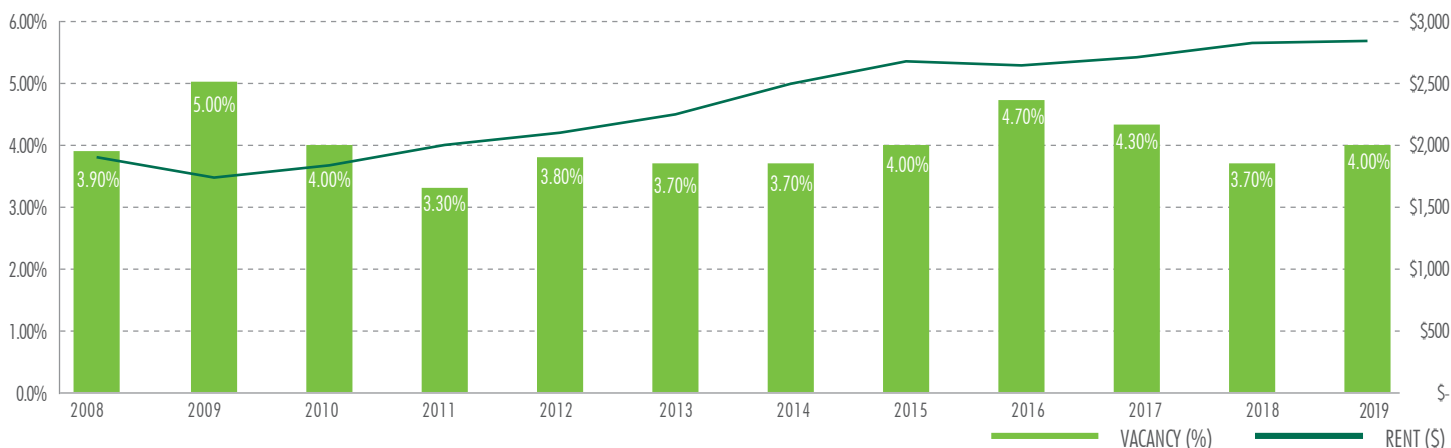
▲ **VACANCY**  
3.90%

▲ **RENT GROWTH (Q2 19)**  
2.35%

▲ **RENT**  
\$2,956

▲ **RENT/SQ. FT.**  
\$3.29

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$1,610   | \$4.03 |         | \$1,484   | \$3.82 |         | \$2,183   | \$5.82 |         | \$2,379   | \$4.50 |         | \$2,016   | \$4.04 |         | \$2,642          | \$4.45 |         |
| 1 Bedroom | \$1,765   | \$2.60 |         | \$2,169   | \$3.50 |         | \$2,407   | \$3.40 |         | \$2,463   | \$3.55 |         | \$2,656   | \$3.57 |         | \$2,830          | \$3.79 |         |
| 2 Bedroom | \$2,043   | \$2.34 |         | \$2,558   | \$3.44 |         | \$2,715   | \$2.82 |         | \$3,022   | \$2.98 |         | \$3,354   | \$2.96 |         | \$3,527          | \$3.19 |         |
| 3 Bedroom | \$3,215   | \$3.20 |         | \$3,099   | \$3.18 |         | \$3,470   | \$3.00 |         | \$3,308   | \$2.67 |         | \$3,883   | \$2.80 |         | \$4,109          | \$3.03 |         |
| Overall   | \$1,866   | \$2.51 | 2.10%   | \$2,263   | \$3.07 | 4.50%   | \$2,575   | \$3.05 | 3.80%   | \$2,786   | \$3.10 | 4.70%   | \$2,938   | \$3.23 | 3.70%   | \$3,144          | \$3.43 | 4.00%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$1,623 | \$4.02 |         | \$2,425 | \$4.29 |         | Studio    | \$2,628 | \$4.15 |         | \$2,395 | \$4.74 |         | \$1,605 | \$4.38 |         |
| 1 Bedroom | \$1,975 | \$2.98 |         | \$2,662 | \$3.74 |         | 1 Bedroom | \$2,813 | \$3.77 |         | \$2,522 | \$3.59 |         | \$2,068 | \$3.10 |         |
| 2 Bedroom | \$2,605 | \$2.74 |         | \$3,370 | \$3.15 |         | 2 Bedroom | \$3,510 | \$3.17 |         | \$3,078 | \$3.03 |         | \$2,740 | \$2.74 |         |
| 3 Bedroom | \$1,965 | \$2.02 |         | \$3,977 | \$2.94 |         | 3 Bedroom | \$4,077 | \$2.97 |         | \$3,457 | \$2.87 |         | \$3,540 | \$2.72 |         |
| Overall   | \$2,152 | \$2.83 | 1.60%   | \$2,968 | \$3.30 | 4.00%   | Overall   | \$3,141 | \$3.36 | 4.20%   | \$3,457 | \$2.87 | 3.70%   | \$2,177 | \$3.01 | 3.40%   |

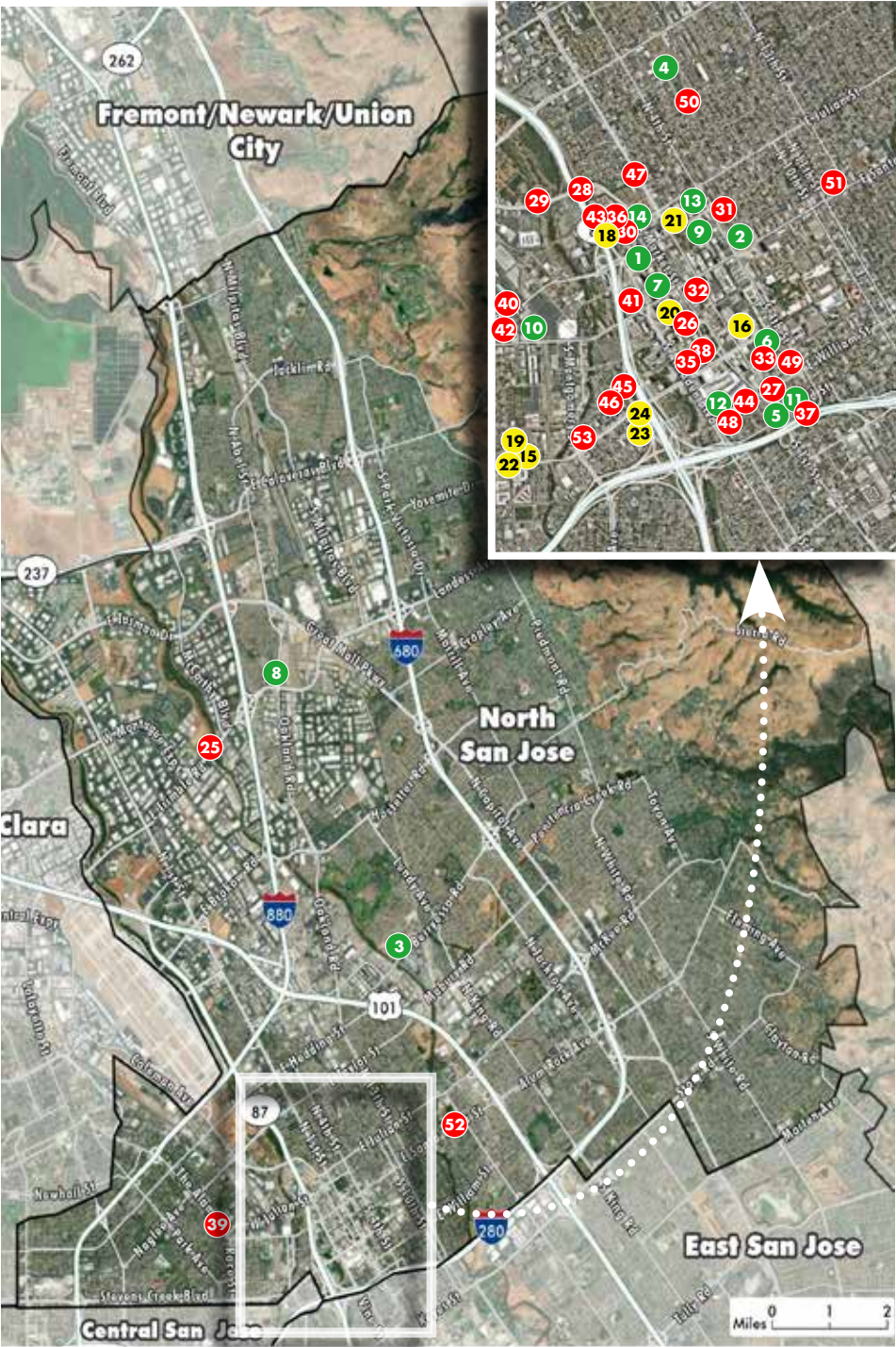
Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jon Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



NORTH SAN JOSE: MULTIFAMILY PIPELINE



Source: Yardi Matrix, CBRE Research

|                                       |                    |      |              |
|---------------------------------------|--------------------|------|--------------|
| <span style="color: green;">●</span>  | Under Construction | (14) | 4,021 Units  |
| <span style="color: yellow;">●</span> | Approved           | (10) | 2,643 Units  |
| <span style="color: red;">●</span>    | Proposed           | (29) | 10,741 Units |

| #  | NAME                                    | UNITS | STATUS             |
|----|---|-------|--------------------|
| 1  | Silvery Towers                          | 640   | Under Construction |
| 2  | MIRO                                    | 630   | Under Construction |
| 3  | The Platform                            | 551   | Under Construction |
| 4  | Japantown Square                        | 518   | Under Construction |
| 5  | Gateway Tower                           | 300   | Under Construction |
| 6  | The Graduate                            | 260   | Under Construction |
| 7  | Modera San Pedro Square                 | 201   | Under Construction |
| 8  | Milpitas South Main Senior Lifestyles   | 199   | Under Construction |
| 9  | The James                               | 190   | Under Construction |
| 10 | Vespaio at Diridon                      | 164   | Under Construction |
| 11 | Sparq Apartments                        | 105   | Under Construction |
| 12 | Aura                                    | 101   | Under Construction |
| 13 | Villos on the Park                      | 84    | Under Construction |
| 14 | SP78                                    | 78    | Under Construction |
| 15 | 205 Dupont                              | 458   | Approved           |
| 16 | Sobrato Block 3                         | 399   | Approved           |
| 17 | DIRIDON                                 | 325   | Approved           |
| 18 | 323 Terraine                            | 312   | Approved           |
| 19 | 280 McEvoy                              | 300   | Approved           |
| 20 | 171 Post                                | 230   | Approved           |
| 21 | Park View Towers                        | 221   | Approved           |
| 22 | 777 W San Carlos                        | 148   | Approved           |
| 23 | 425 Azuleiro                            | 130   | Approved           |
| 24 | 363 Delmas                              | 120   | Approved           |
| 25 | Seely Ave Mixed-use Project             | 3,250 | Proposed           |
| 26 | 70 S Almaden                            | 708   | Proposed           |
| 27 | Invicta Towers                          | 667   | Proposed           |
| 28 | Rail Yard Place                         | 650   | Proposed           |
| 29 | Railyard Place                          | 476   | Proposed           |
| 30 | 195 W Julian                            | 408   | Proposed           |
| 31 | 100 N 4th                               | 400   | Proposed           |
| 32 | 27 S 1st                                | 342   | Proposed           |
| 33 | Valley Title                            | 332   | Proposed           |
| 34 | Diridon Station/Destination Diridon     | 325   | Proposed           |
| 35 | Museum Place                            | 306   | Proposed           |
| 36 | 199 Bassett                             | 304   | Proposed           |
| 37 | Garden Gate Tower                       | 285   | Proposed           |
| 38 | CityView Tower / Park and Almaden Plaza | 260   | Proposed           |
| 39 | 259 Meridian Ave                        | 241   | Proposed           |
| 40 | 715 W Julian                            | 228   | Proposed           |
| 41 | The Carlyle                             | 220   | Proposed           |
| 42 | 950 W Julian St                         | 187   | Proposed           |
| 43 | 201 Bassett                             | 135   | Proposed           |
| 44 | The Firestone                           | 130   | Proposed           |
| 45 | Park & Delmas                           | 123   | Proposed           |
| 46 | 201 Delmas                              | 123   | Proposed           |
| 47 | 447 N 1st St                            | 111   | Proposed           |
| 48 | Flats at Balbach                        | 101   | Proposed           |
| 49 | 439 S 4th                               | 101   | Proposed           |
| 50 | 7th & Empire Apartments                 | 93    | Proposed           |
| 51 | Sparta Student Housing                  | 86    | Proposed           |
| 52 | Roosevelt Apartments                    | 79    | Proposed           |
| 53 | Montgomery 2                            | 70    | Proposed           |



## SANTA CLARA

**Average Rent:** Increased **2.19% (+\$63)**, from **\$2,882** in 2Q18 to **\$2,945** in 2Q19

**Average Vacancy:** Increased from **3.6% (6 BPS)** in 1Q19 to **4.2%** in 2Q19

**Supply:** **2,995** of units Under Construction; **16.80%** of submarket inventory base; **1.24%** of Bay Area inventory base

**Sales Volume\*:** **1** transaction for a total of **\$63,500,000**

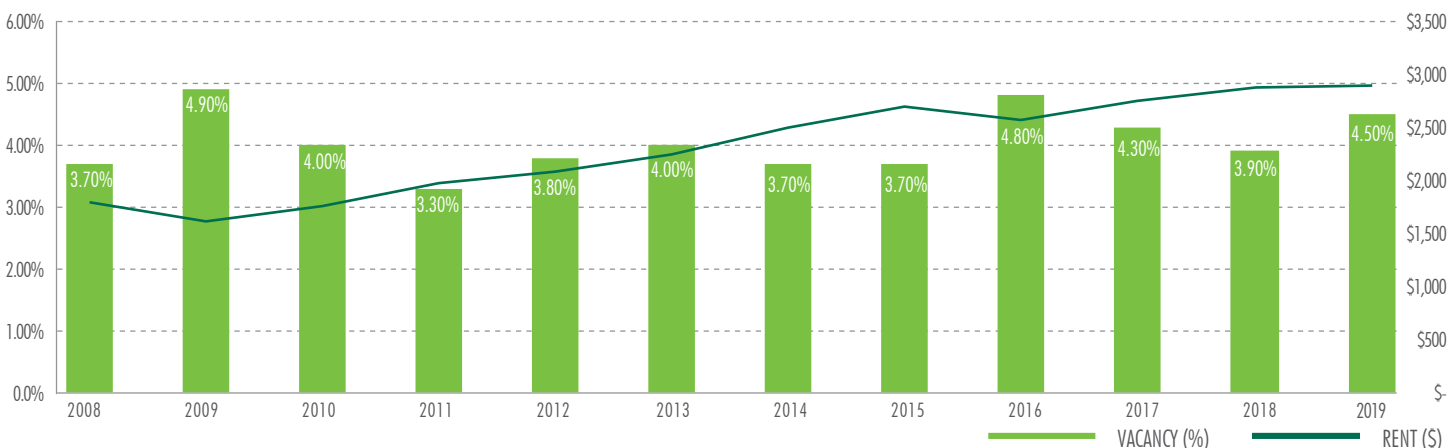
▲ **VACANCY**  
4.10%

▲ **RENT GROWTH (Q2 19)**  
2.19%

▲ **RENT**  
\$2,945

▲ **RENT/SQ. FT.**  
\$3.28

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$1,743   | \$3.80 |         | \$1,987   | \$4.28 |         |           |        |         |           |        |         | \$2,725   | \$5.57 |         |                  |        |         |
| 1 Bedroom | \$2,380   | \$3.30 |         | \$2,397   | \$3.32 |         | \$2,649   | \$3.72 |         | \$2,734   | \$3.82 |         | \$2,863   | \$3.47 |         | \$3,112          | \$3.95 |         |
| 2 Bedroom | \$3,025   | \$2.58 |         | \$3,000   | \$2.82 |         | \$3,245   | \$3.32 |         | \$3,225   | \$2.93 |         | \$3,519   | \$2.95 |         | \$3,884          | \$3.28 |         |
| 3 Bedroom | \$3,404   | \$2.93 |         | \$3,755   | \$2.90 |         | \$4,220   | \$2.79 |         |           |        |         | \$4,245   | \$2.98 |         |                  |        |         |
| Overall   | \$2,665   | \$2.98 | 4.30%   | \$2,619   | \$3.12 | 3.80%   | \$2,907   | \$3.42 | 5.80%   | \$2,882   | \$3.44 | 2.50%   | \$3,195   | \$3.14 | 3.10%   | \$3,468          | \$3.63 | 4.30%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$1,853 | \$3.95 |         | \$2,181 | \$4.64 |         | Studio    |         | \$4.85 |         | \$2,485 | \$4.25 |         | \$1,880 | \$4.25 |         |
| 1 Bedroom | \$2,215 | \$3.20 |         | \$2,703 | \$3.72 |         | 1 Bedroom | \$2,966 | \$3.95 |         | \$2,733 | \$3.68 |         | \$2,349 | \$3.18 |         |
| 2 Bedroom | \$2,751 | \$2.53 |         | \$3,389 | \$3.15 |         | 2 Bedroom | \$3,604 | \$3.29 |         | \$3,370 | \$3.06 |         | \$2,945 | \$2.86 |         |
| 3 Bedroom | \$3,118 | \$2.97 |         | \$3,722 | \$2.92 |         | 3 Bedroom | \$4,256 | \$3.01 |         | \$3,646 | \$2.89 |         | \$3,472 | \$2.93 |         |
| Overall   | \$2,352 | \$2.82 | 1.90%   | \$2,821 | \$3.31 | 4.40%   | Overall   | \$3,306 | \$3.39 | 3.70%   | \$3,023 | \$3.34 | 4.10%   | \$2,529 | \$3.04 | 4.40%   |

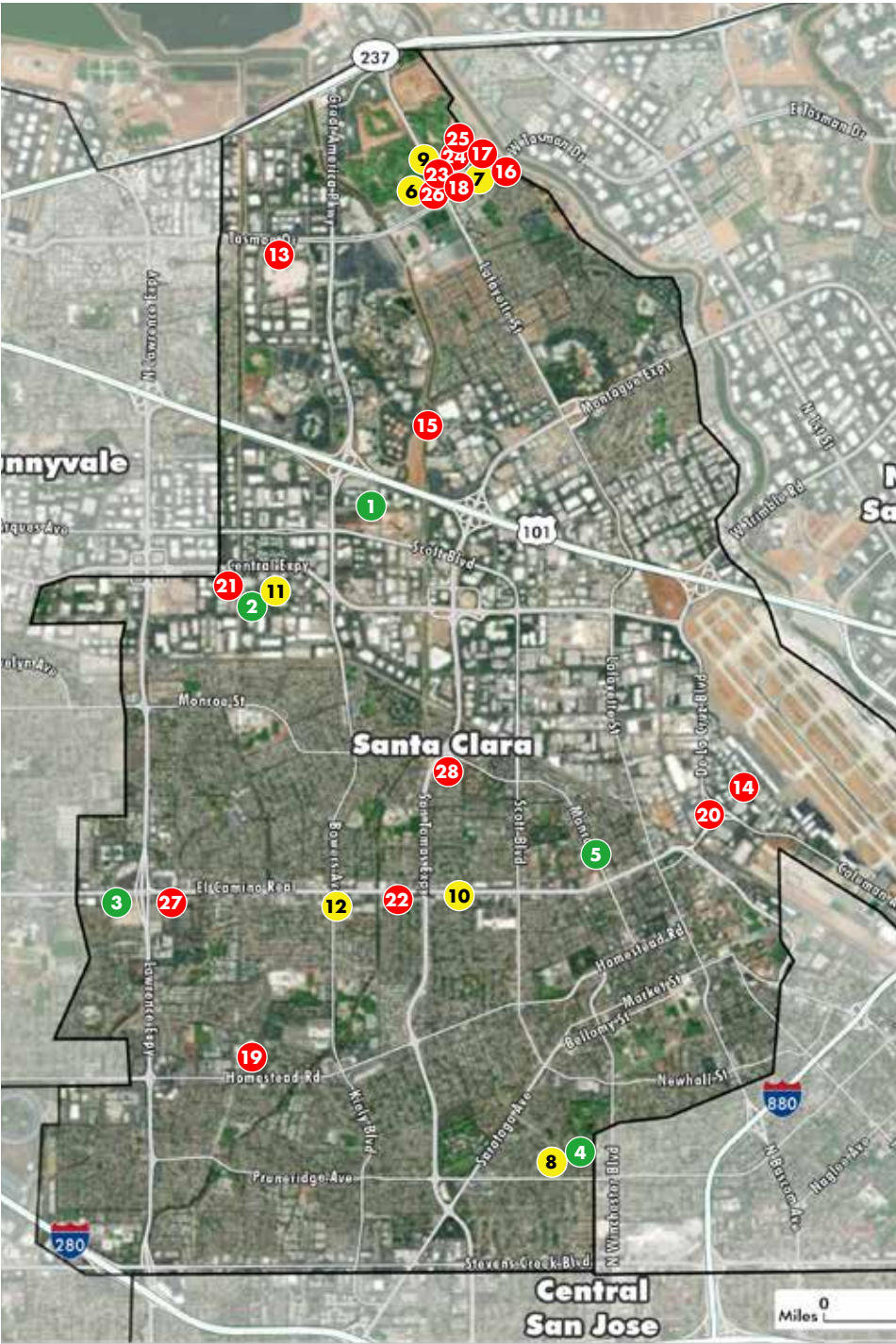
Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jon Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



### SANTA CLARA: MULTIFAMILY PIPELINE



Source: Yardi Matrix, CBRE Research

|                    |      |              |
|--------------------|------|--------------|
| Under Construction | (5)  | 2,995 Units  |
| Approved           | (7)  | 3,547 Units  |
| Proposed           | (16) | 12,292 Units |

| #  | NAME                                      | UNITS | STATUS             |
|----|---|-------|--------------------|
| 1  | Santa Clara Square Phase II               | 1385  | Under Construction |
| 2  | Lawrence Station Project - Kifer Road     | 988   | Under Construction |
| 3  | Gateway Village                           | 476   | Under Construction |
| 4  | Santana Terrace Senior Apartments         | 92    | Under Construction |
| 5  | Catalina I Residential Development        | 54    | Under Construction |
| 6  | CityPlace                                 | 1680  | Approved           |
| 7  | 5123 Calle Del Sol                        | 503   | Approved           |
| 8  | Agrihood                                  | 361   | Approved           |
| 9  | 2343 Calle Del Mundo                      | 347   | Approved           |
| 10 | 2232 El Camino Real                       | 151   | Approved           |
| 11 | Corvin Supportive Housing                 | 144   | Approved           |
| 12 | Moonlite Lanes                            | 58    | Approved           |
| 13 | Kylli Mixed Use Development               | 6000  | Proposed           |
| 14 | Gateway Crossings                         | 1600  | Proposed           |
| 15 | 3905 Freedom Circle mixed-use project     | 1018  | Proposed           |
| 16 | 2101 Taman Dr.                            | 950   | Proposed           |
| 17 | 2200 Calle De Luna                        | 600   | Proposed           |
| 18 | 2300 Calle De Luna                        | 575   | Proposed           |
| 19 | Laguna Clara                              | 407   | Proposed           |
| 20 | 575 Benton St                             | 355   | Proposed           |
| 21 | 3069 Lawrence Expressway                  | 328   | Proposed           |
| 22 | Mariani's Inn, Residences & Senior Living | 262   | Proposed           |
| 23 | 2233 Calle Del Mundo                      | 196   | Proposed           |
| 24 | 2302 Calle Del Mundo                      | 150   | Proposed           |
| 25 | 2263 Calle Del Mundo                      | 148   | Proposed           |
| 26 | 5185 Lafayette                            | 147   | Proposed           |
| 27 | The Deck                                  | 66    | Proposed           |
| 28 | 2330 Monroe St                            | 65    | Proposed           |



## SOUTH SAN JOSE

**Average Rent:** Increased **1.06% (+\$27)**, from **\$2,536** in 2Q18 to **\$2,563** in 2Q19

**Average Vacancy:** Increased from **4.6% (80 BPS)** in 1Q19 to **5.4%** in 2Q19

**Supply:** **602** of units Under Construction; **4.99%** of submarket inventory base; **0.25%** of Bay Area inventory base

**Sales Volume\*:** **1** transaction for a total of **\$180,500,000**

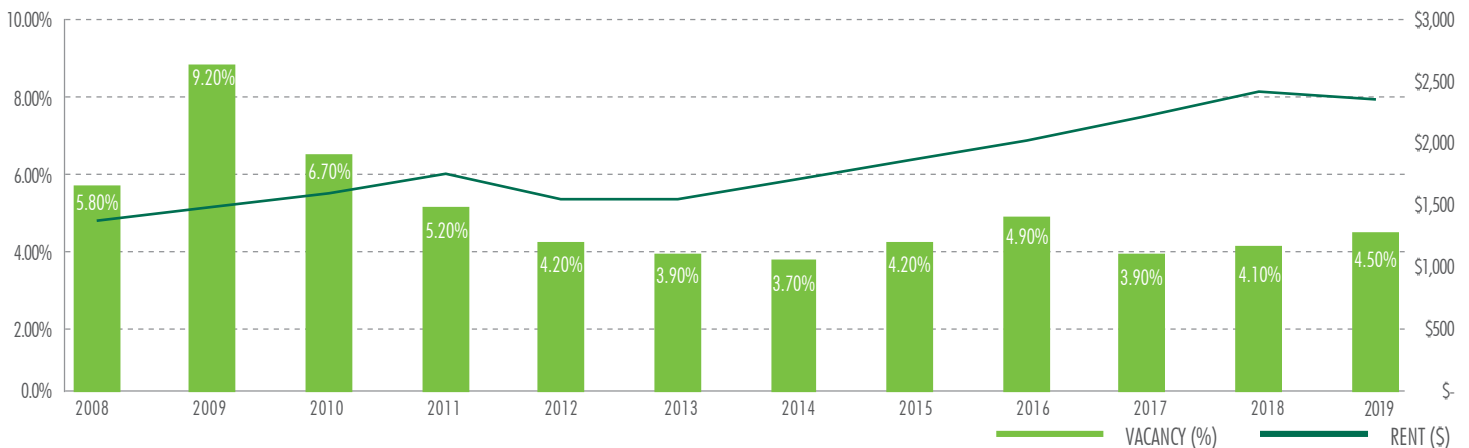
▲ **VACANCY**  
5.30%

▲ **RENT GROWTH (Q2 19)**  
1.06%

▲ **RENT**  
\$2,563

▲ **RENT/SQ. FT.**  
\$2.91

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$2,020   | \$2.69 |         | \$1,604   | \$3.86 |         | \$1,908   | \$4.22 |         | \$1,991   | \$4.35 |         | \$2,380   | \$4.27 |         | \$2,173          | \$3.97 |         |
| 1 Bedroom | \$2,795   | \$2.15 |         | \$2,034   | \$3.03 |         | \$2,262   | \$3.26 |         | \$2,393   | \$3.34 |         | \$2,394   | \$3.09 |         | \$2,468          | \$3.32 |         |
| 2 Bedroom |           |        |         | \$2,514   | \$2.59 |         | \$2,700   | \$2.81 |         | \$2,937   | \$2.92 |         | \$3,007   | \$2.67 |         | \$3,402          | \$3.18 |         |
| 3 Bedroom | \$2,196   | \$2.32 | 3.30    | \$2,963   | \$2.84 |         | \$2,880   | \$2.58 |         | \$3,645   | \$2.69 |         | \$3,543   | \$2.64 |         | \$3,852          | \$2.90 |         |
| Overall   | \$2,665   | \$2.98 | 4.30%   | \$2,297   | \$2.88 | 3.80%   | \$2,437   | \$2.86 | 3.60%   | \$2,689   | \$2.96 | 4.40%   | \$2,792   | \$2.70 | 11.20%  | \$2,916          | \$3.11 | 7.60%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    |         |        |         | \$1,839 | \$4.19 |         | Studio    | \$2,173 | \$3.97 |         | \$1,955 | \$4.24 |         | \$1,723 | \$4.25 |         |
| 1 Bedroom | \$2,037 | \$3.02 |         | \$2,278 | \$3.22 |         | 1 Bedroom | \$2,498 | \$3.30 |         | \$2,308 | \$3.24 |         | \$2,036 | \$3.02 |         |
| 2 Bedroom | \$2,630 | \$2.46 |         | \$2,906 | \$2.89 |         | 2 Bedroom | \$3,125 | \$2.97 |         | \$2,887 | \$2.89 |         | \$2,514 | \$2.59 |         |
| 3 Bedroom | \$2,795 | \$2.15 |         | \$3,362 | \$2.78 |         | 3 Bedroom | \$3,729 | \$2.86 |         | \$3,483 | \$2.64 |         | \$2,952 | \$2.70 |         |
| Overall   | \$2,384 | \$2.68 | 3.40%   | \$2,552 | \$2.91 | 5.50%   | Overall   | \$2,885 | \$2.87 | 6.30%   | \$2,560 | \$2.92 | 6.10%   | \$2,273 | \$2.90 | 3.50%   |

Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jan Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



SOUTH SAN JOSE: MULTIFAMILY PIPELINE



| # | NAME                | UNITS | STATUS             |
|---|---------------------|-------|--------------------|
| 1 | NOVO                | 301   | Under Construction |
| 2 | iStar               | 301   | Under Construction |
| 3 | Blossom Hill        | 147   | Proposed           |
| 4 | Cambrian Park Plaza | 344   | Proposed           |

|                      |     |           |
|----------------------|-----|-----------|
| ● Under Construction | (2) | 602 Units |
| ● Approved           | (0) | 0 Units   |
| ● Proposed           | (2) | 491 Units |

Source: Yardi Matrix, CBRE Research



## SUNNYVALE

**Average Rent:** Increased **3.66% (+\$108)**, from **\$2,952** in 2Q18 to **\$3,060** in 2Q19

**Average Vacancy:** No change from **3.6%** in 1Q19 to **3.6%** in 2Q19

**Supply:** **845** of units Under Construction; **3.88%** of submarket inventory base; **0.35%** of Bay Area inventory base

**Sales Volume\*:** **0** transactions

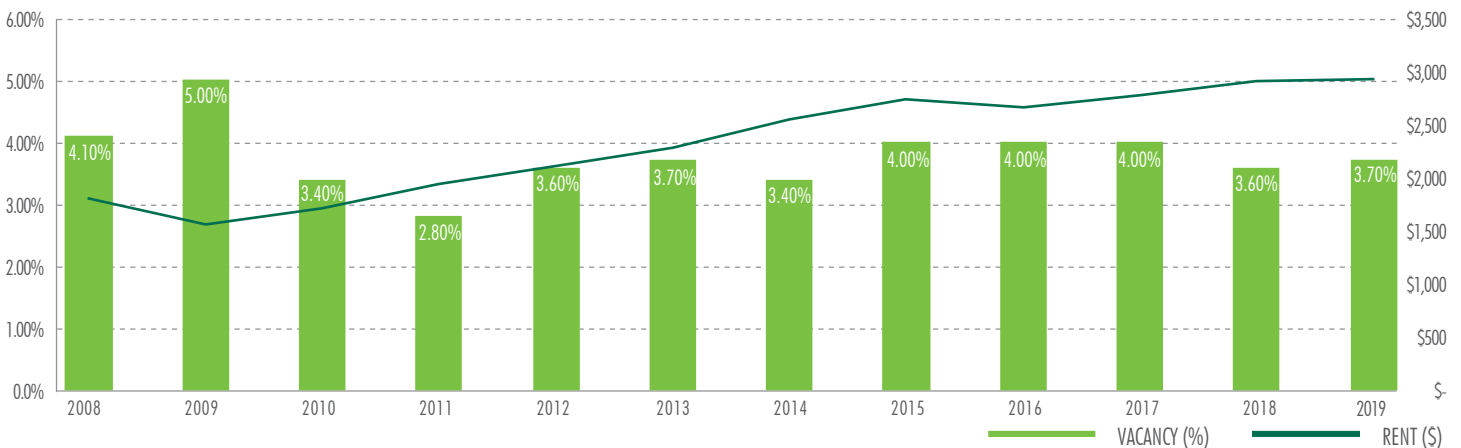
**VACANCY**  
3.70%

**RENT GROWTH (Q2 19)**  
3.66%

**RENT**  
\$3,060

**RENT/SQ. FT.**  
\$3.68

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$1,846   | \$4.18 |         | \$2,115   | \$4.97 |         | \$2,243   | \$5.48 |         | \$3,095   | \$5.50 |         |           |        |         | \$3,327          | \$4.45 |         |
| 1 Bedroom | \$2,387   | \$3.47 |         | \$2,554   | \$3.88 |         | \$2,640   | \$3.92 |         | \$3,068   | \$4.12 |         | \$3,296   | \$4.52 |         | \$3,427          | \$4.57 |         |
| 2 Bedroom | \$2,868   | \$2.96 |         | \$3,351   | \$3.23 |         | \$3,347   | \$3.67 |         | \$3,895   | \$3.65 |         | \$4,127   | \$3.86 |         | \$4,197          | \$3.92 |         |
| 3 Bedroom | \$3,419   | \$2.62 |         | \$4,385   | \$3.50 |         | \$2,946   | \$2.68 |         | \$4,703   | \$3.60 |         | \$4,645   | \$3.41 |         | \$5,279          | \$3.74 |         |
| Overall   | \$2,573   | \$3.24 | 3.30%   | \$2,740   | \$3.69 | 3.30%   | \$2,955   | \$3.61 | 3.90%   | \$3,437   | \$3.74 | 3.10%   | \$3,815   | \$3.82 | 3.10%   | \$3,766          | \$4.08 | 5.40%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$1,852 | \$4.30 |         | \$2,155 | \$4.75 |         | Studio    | \$3,299 | \$4.66 |         | \$2,447 | \$4.66 |         | \$2,000 | \$4.58 |         |
| 1 Bedroom | \$2,341 | \$3.51 |         | \$2,798 | \$4.22 |         | 1 Bedroom | \$3,282 | \$4.53 |         | \$2,751 | \$4.00 |         | \$2,460 | \$3.60 |         |
| 2 Bedroom | \$3,230 | \$3.29 |         | \$3,634 | \$3.75 |         | 2 Bedroom | \$4,055 | \$3.86 |         | \$3,747 | \$3.78 |         | \$3,125 | \$3.14 |         |
| 3 Bedroom | \$3,929 | \$2.39 |         | \$4,292 | \$3.51 |         | 3 Bedroom | \$5,185 | \$3.75 |         | \$4,469 | \$3.39 |         | \$3,451 | \$2.77 |         |
| Overall   | \$2,560 | \$3.29 | 2.90%   | \$3,105 | \$3.71 | 3.90%   | Overall   | \$3,633 | \$3.93 | 4.40%   | \$3,108 | \$3.64 | 3.40%   | \$2,659 | \$3.49 | 3.40%   |

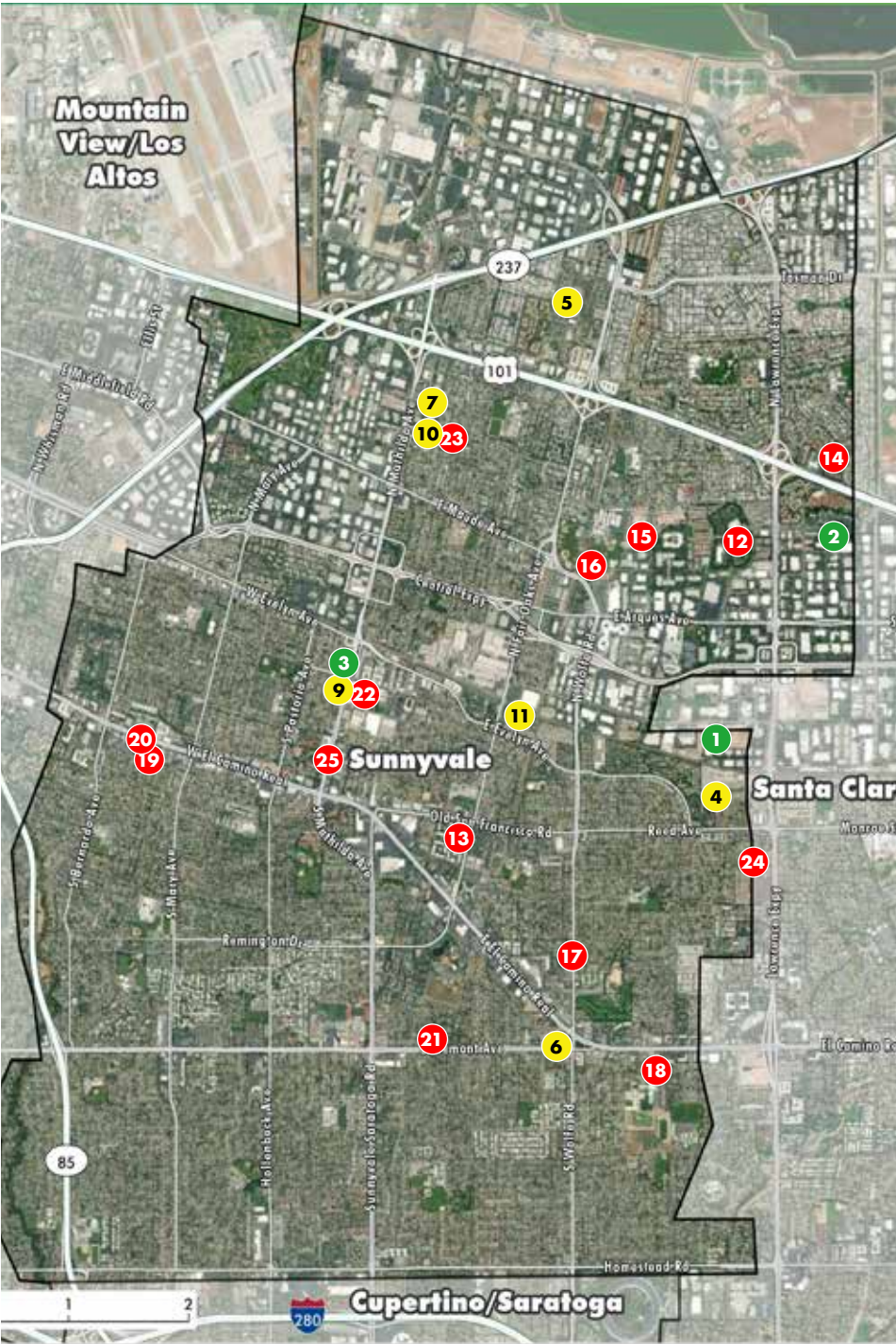
Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jan Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



SUNNYVALE: MULTIFAMILY PIPELINE



Source: Yardi Matrix, CBRE Research

|                    |      |             |
|--------------------|------|-------------|
| Under Construction | (3)  | 845 Units   |
| Approved           | (8)  | 1,558 Units |
| Proposed           | (14) | 4,125 Units |

| #  | NAME                            | UNITS | STATUS             |
|----|---------------------------------|-------|--------------------|
| 1  | 1120 Kifer Rd                   | 520   | Under Construction |
| 2  | M Social                        | 250   | Under Construction |
| 3  | Cityline Sunnyvale              | 75    | Under Construction |
| 4  | Aster @ Lawrence Station        | 741   | Approved           |
| 5  | 1139 Karlstad Dr                | 250   | Approved           |
| 6  | 871 & 895 E Fremont Ave         | 138   | Approved           |
| 7  | 728-814 San Aleso Ave           | 118   | Approved           |
| 8  | 2502 Town Center Ln.            | 94    | Approved           |
| 9  | 403 S Mathilda Ave              | 90    | Approved           |
| 10 | 370 San Aleso Ave               | 65    | Approved           |
| 11 | 617 E Evelyn Ave                | 62    | Approved           |
| 12 | 1 AMD PI                        | 1074  | Proposed           |
| 13 | 655 S. Fair Oaks Ave            | 926   | Proposed           |
| 14 | 1235 Wildwood Ave.              | 698   | Proposed           |
| 15 | 915 De Guigne Dr                | 450   | Proposed           |
| 16 | 440 N Wolfe Rd                  | 195   | Proposed           |
| 17 | 925 S. Wolfe Rd.                | 117   | Proposed           |
| 18 | Atria                           | 108   | Proposed           |
| 19 | 610 Grape Ave                   | 108   | Proposed           |
| 20 | 1100 and 1124 W. El Camino Real | 93    | Proposed           |
| 21 | 581-583 E. Fremont Ave.         | 90    | Proposed           |
| 22 | 365 S. Mathilda Ave.            | 89    | Proposed           |
| 23 | 370 San Aleso                   | 65    | Proposed           |
| 24 | 1142 Dahlia Ct.                 | 58    | Proposed           |
| 25 | 510 S Mathilda Ave              | 54    | Proposed           |



## SOUTH SAN MATEO

**Average Rent:** Increased **9.9% (+\$197)**, from **\$3,114** in 2Q18 to **\$3,311** in 2Q19

**Average Vacancy:** Decreased from **4.8% (-20 BPS)** in 1Q19 to **4.6%** in 2Q19

**Supply:** **1,933** of units Under Construction; **8.94%** of submarket inventory base; **0.80%** of Bay Area inventory base

**Sales Volume\*:** **4** transactions for a total of **\$170,628,551**

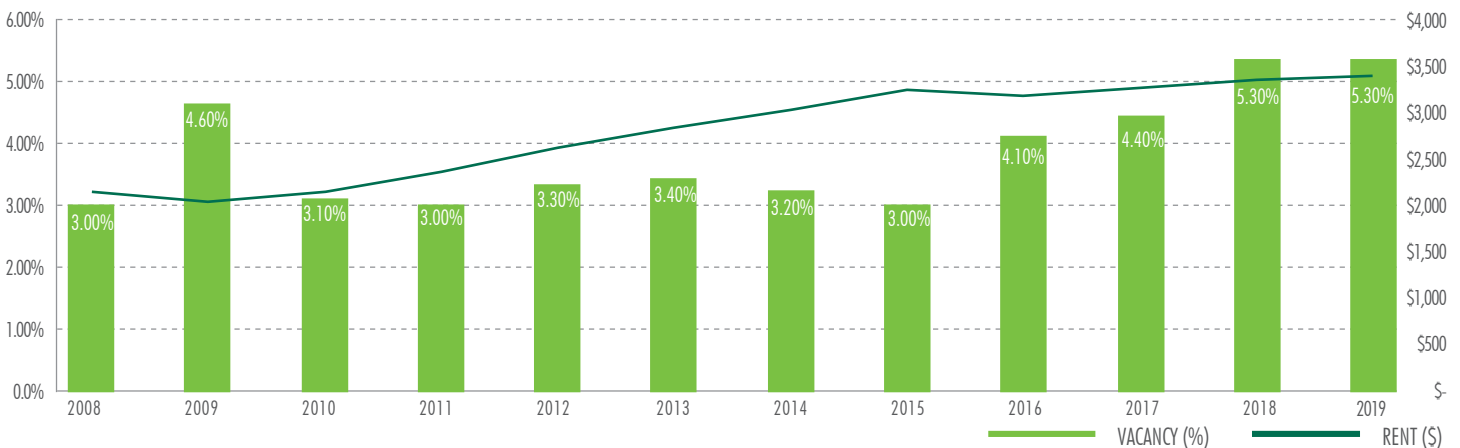
▲ **VACANCY**  
4.60%

▲ **RENT GROWTH (Q2 19)**  
9.90%

▲ **RENT**  
\$3,311

▲ **RENT/SQ. FT.**  
\$3.95

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$1,827   | \$3.90 |         | \$2,584   | \$4.92 |         |           |        |         |           |        |         |           |        |         | \$3,229          | \$5.55 |         |
| 1 Bedroom | \$2,418   | \$3.43 |         | \$2,853   | \$3.93 |         | \$2,969   | \$4.57 |         | \$3,761   | \$4.56 |         | \$3,365   | \$4.14 |         | \$3,748          | \$4.89 |         |
| 2 Bedroom | \$3,320   | \$3.29 |         | \$4,365   | \$3.54 |         | \$3,986   | \$3.75 |         | \$4,200   | \$3.79 |         | \$3,953   | \$3.66 |         | \$4,757          | \$4.26 |         |
| 3 Bedroom | \$3,770   | \$3.27 |         | \$5,935   | \$3.49 |         |           |        |         | \$5,000   | \$3.53 |         | \$2,010   | \$1.68 |         | \$5,692          | \$3.91 |         |
| Overall   | \$2,623   | \$3.42 | 5.60%   | \$3,429   | \$4.01 | 4.30%   | \$3,264   | \$4.15 | 1.70%   | \$4,133   | \$3.98 | 3.90%   | \$3,616   | \$3.80 | 3.70%   | \$4,093          | \$4.50 | 4.40%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$1,901 | \$3.82 |         | \$2,253 | \$5.33 |         | Studio    | \$3,198 | \$5.50 |         | \$2,347 | \$4.55 |         | \$2,051 | \$4.23 |         |
| 1 Bedroom | \$2,401 | \$3.75 |         | \$3,185 | \$4.78 |         | 1 Bedroom | \$3,791 | \$4.91 |         | \$3,089 | \$4.45 |         | \$2,402 | \$3.61 |         |
| 2 Bedroom | \$3,601 | \$3.14 |         | \$4,082 | \$4.17 |         | 2 Bedroom | \$4,689 | \$4.25 |         | \$4,104 | \$3.83 |         | \$3,271 | \$3.12 |         |
| 3 Bedroom | \$4,380 | \$3.16 |         | \$4,953 | \$3.65 |         | 3 Bedroom | \$5,708 | \$4.03 |         | \$4,340 | \$3.09 |         |         |        |         |
| Overall   | \$2,697 | \$3.34 | 4.30%   | \$3,426 | \$4.06 | 4.60%   | Overall   | \$4,156 | \$4.40 | 3.20%   | \$3,475 | \$3.90 | 4.00%   | \$2,558 | \$3.61 | 6.20%   |

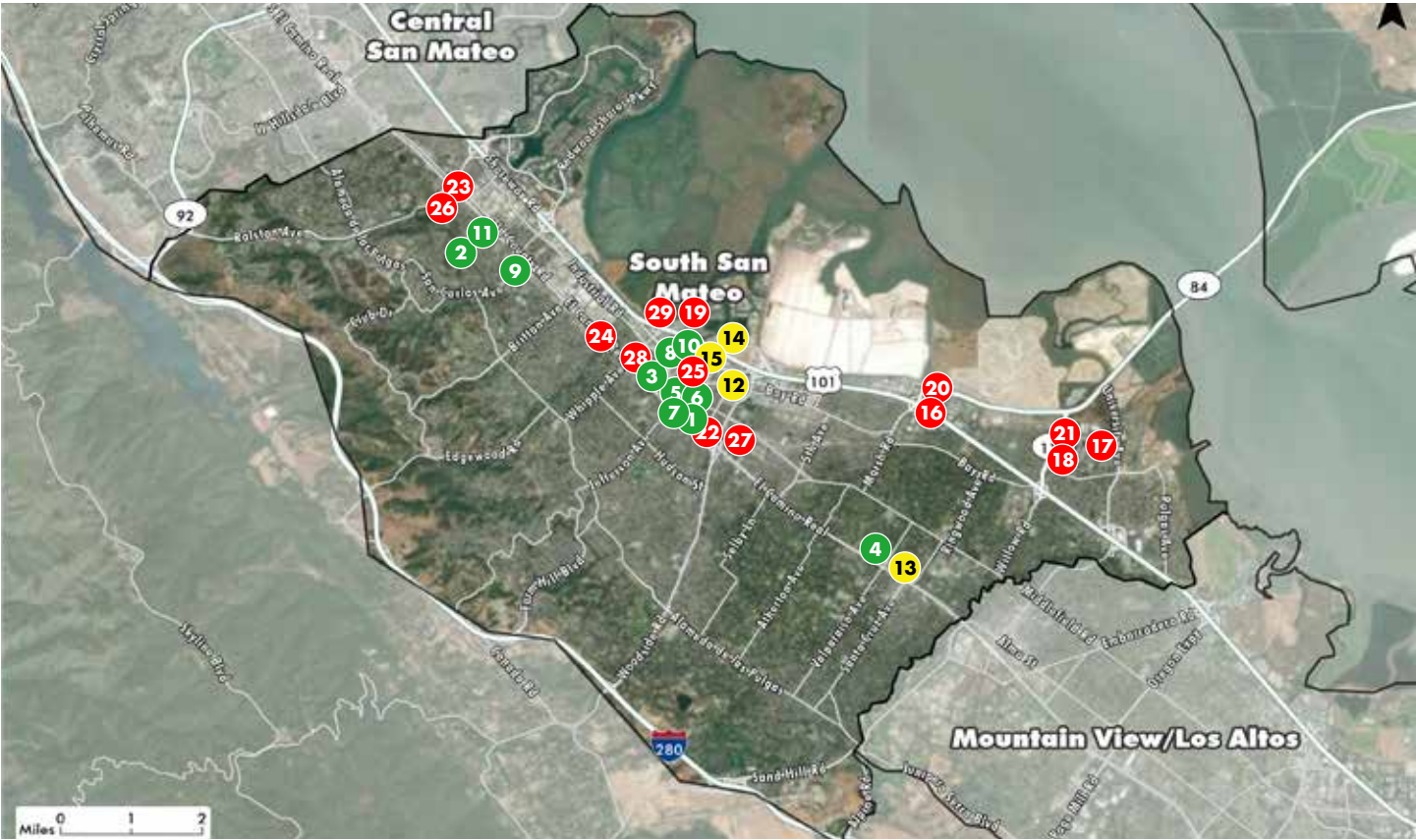
Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jon Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



### SOUTH SAN MATEO: MULTIFAMILY PIPELINE



| #  | NAME                          | UNITS | STATUS             |
|----|-------------------------------|-------|--------------------|
| 1  | Greystar IV                   | 350   | Under Construction |
| 2  | San Carlos Transit Village    | 280   | Under Construction |
| 3  | 801 Brewster Ave              | 250   | Under Construction |
| 4  | Station 1300                  | 183   | Under Construction |
| 5  | Elan Redwood City             | 175   | Under Construction |
| 6  | Greystar II                   | 175   | Under Construction |
| 7  | Greystar III                  | 137   | Under Construction |
| 8  | Arroyo Green                  | 117   | Under Construction |
| 9  | Wheeler Plaza                 | 109   | Under Construction |
| 10 | 849 Veterans Blvd             | 90    | Under Construction |
| 11 | 2821 ECR Apartments           | 67    | Under Construction |
| 12 | Broadway Plaza                | 520   | Approved           |
| 13 | Middle Plaza                  | 215   | Approved           |
| 14 | Strada                        | 131   | Approved           |
| 15 | 353 Main St                   | 125   | Approved           |
| 16 | Menlo Portal                  | 320   | Proposed           |
| 17 | Facebook Residential Phase I  | 600   | Proposed           |
| 18 | Facebook Residential Phase II | 600   | Proposed           |
| 19 | Syufy Site                    | 480   | Proposed           |
| 20 | 110 Constitution Dr           | 320   | Proposed           |
| 21 | Phase III Residential         | 300   | Proposed           |
| 22 | 1601 El Camino Real           | 272   | Proposed           |
| 23 | Artisan Crossing              | 250   | Proposed           |
| 24 | Bldg A                        | 187   | Proposed           |
| 25 | 603 Jefferson Ave             | 92    | Proposed           |
| 26 | Firehouse Square              | 81    | Proposed           |
| 27 | 150 Charter St.               | 72    | Proposed           |
| 28 | 1125 Arguella St              | 68    | Proposed           |
| 29 | Townhomes at 505 E Bayshore   | 60    | Proposed           |

|                      |      |             |
|----------------------|------|-------------|
| ● Under Construction | (11) | 1,933 Units |
| ● Approved           | (3)  | 471 Units   |
| ● Proposed           | (14) | 3,422 Units |

Source: Yardi Matrix, CBRE Research



## CENTRAL SAN MATEO

**Average Rent:** Increased **4.63% (+\$149)**, from **\$3,218** in 2Q18 to **\$3,367** in 2Q19

**Average Vacancy:** Increased from **3.1% (10 BPS)** in 1Q19 to **3.2%** in 2Q19

**Supply:** **2,204** of units Under Construction; **9.30%** of submarket inventory base; **0.91%** of Bay Area inventory base

**Sales Volume\*:** **1** transaction for a total of **\$104,850,000**

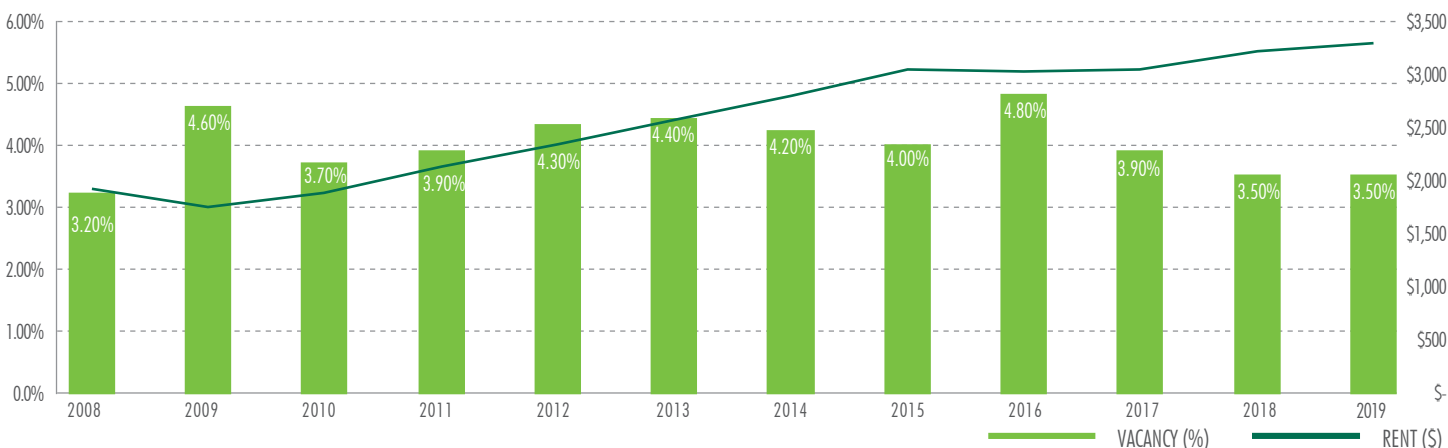
▲ **VACANCY**  
3.20%

▲ **RENT GROWTH (Q2 19)**  
4.63%

▲ **RENT**  
\$3,367

▲ **RENT/SQ. FT.**  
\$3.90

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$2,115   | \$4.28 |         | \$2,557   | \$4.86 |         |           |        |         | \$2,878   | \$5.57 |         |           |        |         | \$3,044          | \$5.24 |         |
| 1 Bedroom | \$2,666   | \$3.69 |         | \$2,926   | \$4.14 |         | \$3,201   | \$4.59 |         | \$3,327   | \$4.09 |         | \$3,354   | \$4.02 |         | \$3,379          | \$4.79 |         |
| 2 Bedroom | \$3,484   | \$3.30 |         | \$3,751   | \$3.56 |         | \$3,811   | \$3.87 |         | \$3,859   | \$3.52 |         | \$4,295   | \$3.61 |         | \$4,480          | \$4.11 |         |
| 3 Bedroom | \$4,989   | \$3.42 |         |           |        |         |           |        |         | \$4,863   | \$3.75 |         | \$5,026   | \$3.54 |         | \$5,296          | \$3.99 |         |
| Overall   | \$3,076   | \$3.40 | 2.70%   | \$3,063   | \$3.97 | 3.20%   | \$3,413   | \$3.97 | 1.20%   | \$3,536   | \$3.67 | 5.10%   | \$3,908   | \$4.00 | 3.10%   | \$3,904          | \$4.36 | 4.60%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$2,252 | \$4.60 |         | \$2,637 | \$5.15 |         | Studio    | \$3,407 | \$5.04 |         | \$2,651 | \$5.05 |         | \$2,236 | \$4.89 |         |
| 1 Bedroom | \$2,518 | \$3.82 |         | \$3,141 | \$4.48 |         | 1 Bedroom | \$3,417 | \$4.60 |         | \$3,077 | \$4.34 |         | \$2,400 | \$3.72 |         |
| 2 Bedroom | \$3,477 | \$3.41 |         | \$4,068 | \$4.00 |         | 2 Bedroom | \$4,374 | \$3.92 |         | \$3,968 | \$3.91 |         | \$2,925 | \$3.14 |         |
| 3 Bedroom | \$4,664 | \$4.10 |         | \$5,096 | \$3.72 |         | 3 Bedroom | \$4,987 | \$3.58 |         | \$5,079 | \$3.93 |         |         |        |         |
| Overall   | \$2,772 | \$3.38 | 2.60%   | \$3,438 | \$3.96 | 3.20%   | Overall   | \$3,950 | \$4.08 | 5.20%   | \$3,369 | \$3.89 | 3.10%   | \$2,456 | \$3.48 | 1.20%   |

Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jon Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



### CENTRAL SAN MATEO: MULTIFAMILY PIPELINE



|                      |     |             |
|----------------------|-----|-------------|
| ● Under Construction | (7) | 2,204 Units |
| ● Approved           | (9) | 1,679 Units |
| ● Proposed           | (9) | 2,523 Units |

| #  | NAME                                | UNITS | STATUS             |
|----|-------------------------------------|-------|--------------------|
| 1  | Bay Meadows II                      | 1145  | Under Construction |
| 2  | Station Park Green                  | 371   | Under Construction |
| 3  | Anson                               | 288   | Under Construction |
| 4  | 1, 2, and 3 Waters Park Residential | 190   | Under Construction |
| 5  | The Morgan at Bay Meadows           | 82    | Under Construction |
| 6  | 2775 S Delaware St                  | 68    | Under Construction |
| 7  | Central Park South                  | 60    | Under Construction |
| 8  | Serra Station                       | 444   | Approved           |
| 9  | Gateway at Millbrae Station         | 400   | Approved           |
| 10 | Development                         | 290   | Approved           |
| 11 | Village at Burlingame               | 132   | Approved           |
| 12 | 920 Bayswater Ave                   | 128   | Approved           |
| 13 | Essex at Central Park               | 80    | Approved           |
| 14 | 1650 S Delaware St                  | 73    | Approved           |
| 15 | Hillside Terraces                   | 68    | Approved           |
| 16 | 303 Baldwin Ave                     | 64    | Approved           |
| 17 | Concar Passage                      | 961   | Proposed           |
| 18 | Peninsula Heights                   | 291   | Proposed           |
| 19 | Adrian Court                        | 265   | Proposed           |
| 20 | 30 Ingold Rd                        | 225   | Proposed           |
| 21 | Hayward Park Project                | 189   | Proposed           |
| 22 | 480 E 4th Ave & 400 E 5th Ave       | 164   | Proposed           |
| 23 | 477 E Hillside Blvd                 | 151   | Proposed           |
| 24 | 1095 Rollins Rd                     | 150   | Proposed           |
| 25 | Burlingame Park Square              | 127   | Proposed           |

Source: Yardi Matrix, CBRE Research



## NORTH SAN MATEO

**Average Rent:** Increased **3.83% (+\$104)**, from **\$2,716** in 2Q18 to **\$2,820** in 2Q19

**Average Vacancy:** Increased from **4.9% (20 BPS)** in 1Q19 to **5.1%** in 2Q19

**Supply:** **460** of units Under Construction; **2.83%** of submarket inventory base; **0.19%** of Bay Area inventory base

**Sales Volume\*:** **1** transaction for a total of **\$100,500,000**

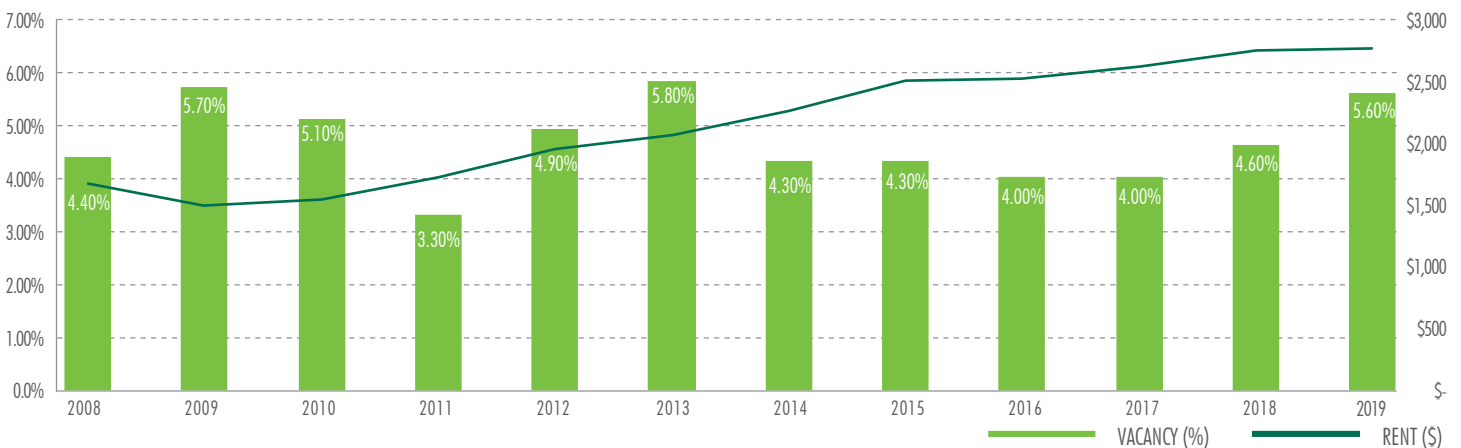
▲ **VACANCY**  
5.10%

▲ **RENT GROWTH (Q2 19)**  
3.83%

▲ **RENT**  
\$2,820

▲ **RENT/SQ. FT.**  
\$3.91

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$2,025   | \$5.10 |         | \$2,355   | \$5.10 |         |           |        |         | \$2,517   | \$4.60 |         | \$2,506   | \$6.36 |         |                  |        |         |
| 1 Bedroom | \$2,296   | \$3.84 |         | \$2,654   | \$3.82 |         | \$2,034   | \$3.95 |         | \$2,655   | \$4.01 |         | \$3,389   | \$4.45 |         | \$3,319          | \$4.79 |         |
| 2 Bedroom | \$3,365   | \$3.13 |         | \$3,320   | \$3.35 |         | \$3,275   | \$3.77 |         | \$3,400   | \$3.71 |         | \$3,969   | \$3.49 |         | \$3,604          | \$3.90 |         |
| 3 Bedroom | \$3,992   | \$3.45 |         | \$3,440   | \$3.10 |         |           |        |         |           |        |         | \$5,029   | \$3.57 |         |                  |        |         |
| Overall   | \$2,482   | \$4.02 | 7.30%   | \$2,802   | \$3.67 | 3.90%   | \$2,111   | \$3.61 | 0.50%   | \$2,791   | \$3.94 | 4.80%   | \$3,698   | \$3.90 | 2.00%   | \$3,476          | \$4.14 | 1.80%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$2,129 | \$4.55 |         | \$2,189 | \$5.79 |         | Studio    | \$2,505 | \$6.14 |         | \$2,194 | \$5.25 |         | \$1,983 | \$4.74 |         |
| 1 Bedroom | \$2,521 | \$4.19 |         | \$2,622 | \$4.36 |         | 1 Bedroom | \$3,423 | \$4.76 |         | \$2,527 | \$4.10 |         | \$2,340 | \$3.56 |         |
| 2 Bedroom | \$3,371 | \$3.57 |         | \$3,624 | \$3.55 |         | 2 Bedroom | \$4,005 | \$3.71 |         | \$3,428 | \$3.47 |         | \$2,704 | \$2.94 |         |
| 3 Bedroom | \$3,035 | \$3.04 |         | \$4,443 | \$3.47 |         | 3 Bedroom | \$5,368 | \$4.43 |         | \$4,098 | \$3.26 |         | \$3,215 | \$3.18 |         |
| Overall   | \$2,687 | \$3.58 | 2.40%   | \$2,825 | \$3.95 | 5.30%   | Overall   | \$3,777 | \$3.96 | 1.80%   | \$2,688 | \$3.93 | 5.60%   | \$2,457 | \$3.54 | 2.00%   |

Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jon Teel at [jon.teel@cbre.com](mailto:jon.teel@cbre.com)

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



### NORTH SAN MATEO: MULTIFAMILY PIPELINE



Source: Yardi Matrix, CBRE Research

|                                       |                    |     |             |
|---------------------------------------|--------------------|-----|-------------|
| <span style="color: green;">●</span>  | Under Construction | (3) | 460 Units   |
| <span style="color: yellow;">●</span> | Approved           | (1) | 172 Units   |
| <span style="color: red;">●</span>    | Proposed           | (6) | 1,605 Units |

| #  | NAME                           | UNITS | STATUS             |
|----|--------------------------------|-------|--------------------|
| 1  | Brunswick Street Apartments    | 206   | Under Construction |
| 2  | 150 Airport Blvd               | 157   | Under Construction |
| 3  | Hisene                         | 97    | Under Construction |
| 4  | 988 El Camino Real             | 172   | Approved           |
| 5  | Junipero Serra Transit Village | 500   | Proposed           |
| 6  | 715 El Camino Real             | 425   | Proposed           |
| 7  | 410 Noor Ave                   | 345   | Proposed           |
| 8  | Westlake Shopping Center       | 179   | Proposed           |
| 9  | 200 Airport Blvd.              | 94    | Proposed           |
| 10 | 111 San Bruno Ave W            | 62    | Proposed           |



## FREMONT / NEWARK / UNION CITY

**Average Rent:** Increased **2.02% (+\$49)**, from **\$2,421** in 2Q18 to **\$2,470** in 2Q19

**Average Vacancy:** Decreased from **3.5% (-40 BPS)** in 1Q19 to **3.1%** in 2Q19

**Supply:** **2,939** of units Under Construction; **13.48%** of submarket inventory base; **1.21%** of Bay Area inventory base

**Sales Volume\*:** **1** transaction for a total of **\$91,500,000**

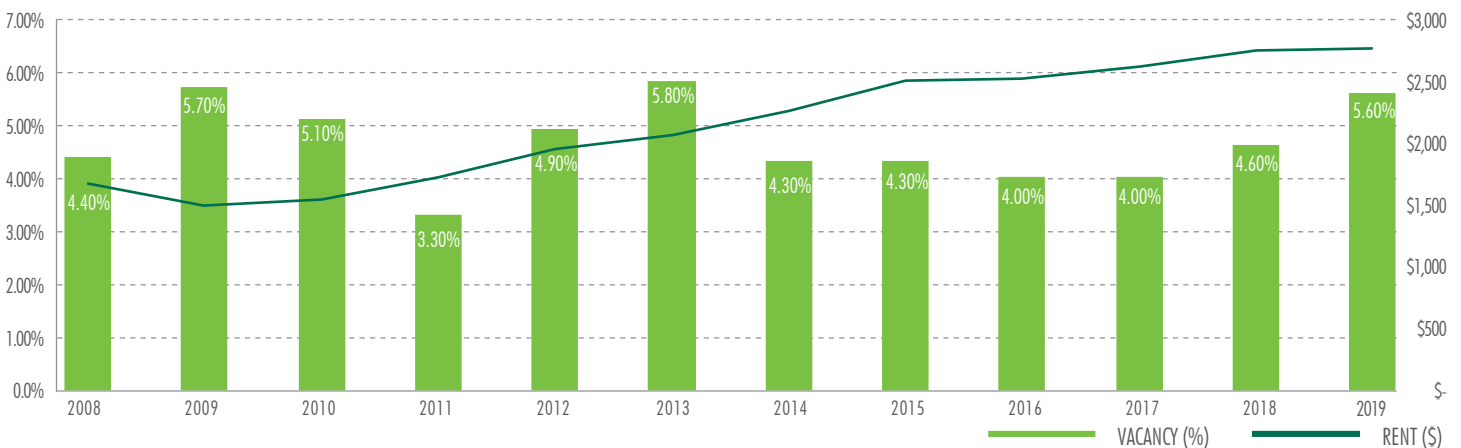
**VACANCY**  
3.10%

**RENT GROWTH (Q2 19)**  
2.02%

**RENT**  
\$2,470

**RENT/SQ. FT.**  
\$3.00

### OVERALL VACANCY AND RENT



### RENTAL RATE & VACANCY SUMMARY TABLES

| BY YEAR   | 1960-1969 |        |         | 1970-1979 |        |         | 1980-1989 |        |         | 1990-1999 |        |         | 2000-2009 |        |         | BUILT AFTER 2010 |        |         |
|-----------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|------------------|--------|---------|
| CATEGORY  | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT      | \$/SF  | VACANCY | RENT             | \$/SF  | VACANCY |
| Studio    | \$1,814   | \$3.85 |         | \$1,840   | \$3.60 |         | \$1,885   | \$4.31 |         | \$2,009   | \$3.94 |         | \$2,905   | \$2.77 |         | \$2,333          | \$3.45 |         |
| 1 Bedroom | \$2,039   | \$3.17 |         | \$2,070   | \$3.13 |         | \$2,187   | \$3.41 |         | \$2,455   | \$3.29 |         | \$2,654   | \$3.46 |         | \$2,686          | \$3.44 |         |
| 2 Bedroom | \$2,641   | \$2.66 |         | \$2,659   | \$2.56 |         | \$2,708   | \$2.95 |         | \$2,990   | \$2.77 |         | \$3,387   | \$3.11 |         | \$3,283          | \$2.90 |         |
| 3 Bedroom | \$3,060   | \$2.68 |         | \$3,003   | \$2.49 |         | \$3,103   | \$2.83 |         | \$3,200   | \$2.34 |         | \$3,918   | \$2.76 |         | \$3,474          | \$2.99 |         |
| Overall   | \$2,271   | \$2.97 | 3.00%   | \$2,297   | \$2.85 | 3.00%   | \$2,419   | \$3.09 | 2.50%   | \$2,692   | \$2.96 | 3.10%   | \$3,002   | \$3.25 | 3.90%   | \$2,850          | \$3.35 | 5.00%   |

| BY SIZE   | 50-99   |        |         | 100+    |        |         | BY CLASS  | CLASS A |        |         | CLASS B |        |         | CLASS C |        |         |
|-----------|---------|--------|---------|---------|--------|---------|-----------|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | CATEGORY  | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY | RENT    | \$/SF  | VACANCY |
| Studio    | \$1,565 | \$3.89 |         | \$1,895 | \$3.77 |         | Studio    | \$2,333 | \$3.45 |         | \$1,913 | \$3.88 |         | \$1,628 | \$3.68 |         |
| 1 Bedroom | \$1,967 | \$3.05 |         | \$2,278 | \$3.32 |         | 1 Bedroom | \$2,593 | \$3.34 |         | \$2,263 | \$3.30 |         | \$2,000 | \$3.15 |         |
| 2 Bedroom | \$2,658 | \$2.73 |         | \$2,908 | \$2.83 |         | 2 Bedroom | \$3,091 | \$2.77 |         | \$2,867 | \$2.85 |         | \$2,676 | \$2.66 |         |
| 3 Bedroom | \$3,106 | \$2.68 |         | \$3,131 | \$2.65 |         | 3 Bedroom | \$3,767 | \$2.71 |         | \$3,009 | \$2.54 |         | \$3,145 | \$2.95 |         |
| Overall   | \$2,218 | \$2.87 | 1.90%   | \$2,500 | \$3.02 | 3.20%   | Overall   | \$2,803 | \$3.14 | 3.90%   | \$2,493 | \$2.97 | 3.90%   | \$2,125 | \$3.05 | 2.60%   |

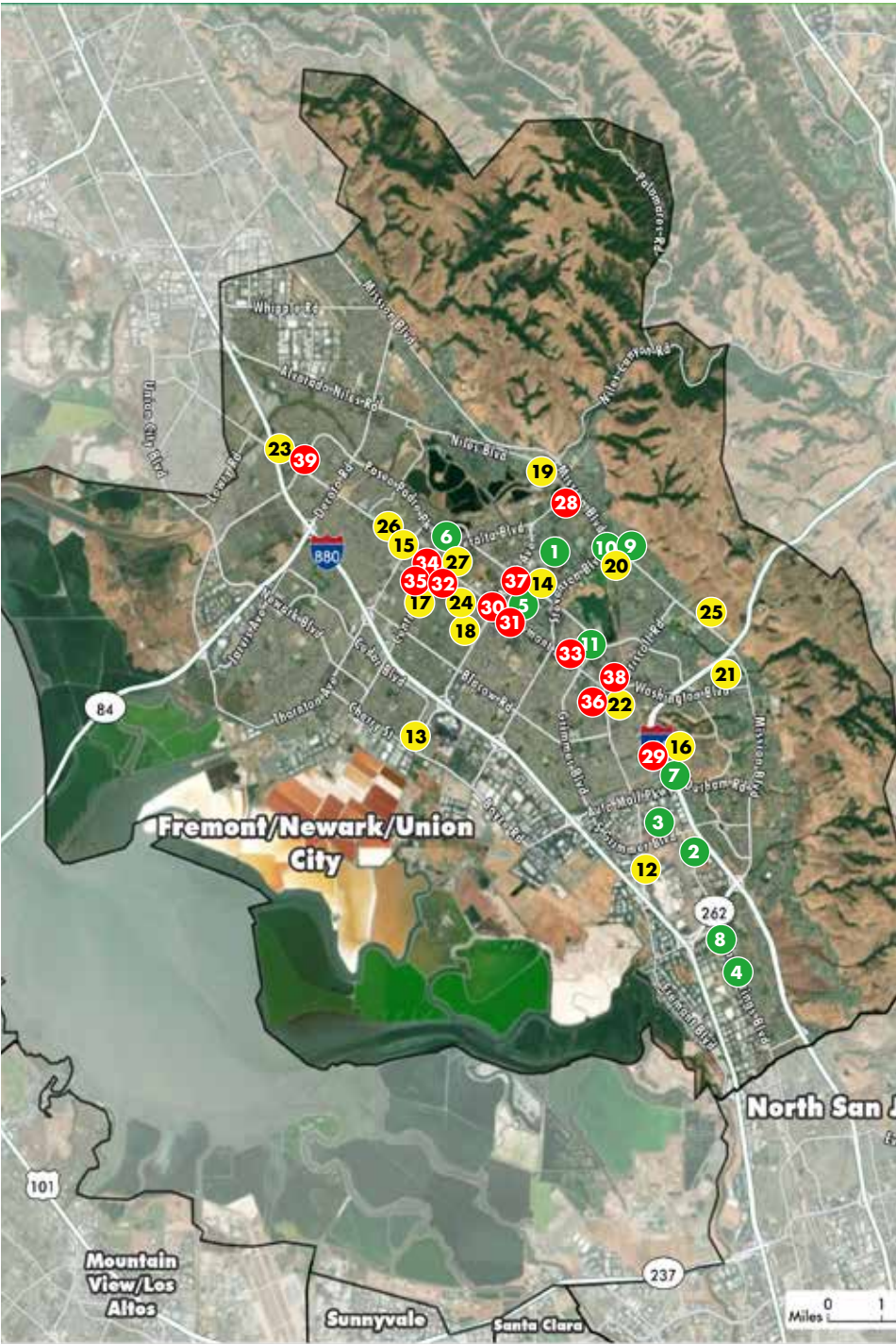
Source: Yardi Matrix

All submarket data is derived from 50+ unit multifamily properties. More detailed information on property sizes 5-49 units is available upon request. Please send an email to Jon Teel at jon.teel@cbre.com

\*Sales Volume reflects 50+ unit transactions, per Real Capital Analytics



### FREMONT / NEWARK / UNION CITY: MULTIFAMILY PIPELINE



|                    |      |             |
|--------------------|------|-------------|
| Under Construction | (11) | 2,939 Units |
| Approved           | (16) | 5,548 Units |
| Proposed           | (12) | 2,083 Units |

| #  | NAME                               | UNITS | STATUS             |
|----|------------------------------------|-------|--------------------|
| 1  | The Acher                          | 631   | Under Construction |
| 2  | Metro Crossing                     | 608   | Under Construction |
| 3  | Fairfield Apartments               | 524   | Under Construction |
| 4  | Parc 55 Senior Village             | 497   | Under Construction |
| 5  | State Street Mixed Use Project     | 145   | Under Construction |
| 6  | Granite Ridge                      | 127   | Under Construction |
| 7  | Osgood Residences                  | 93    | Under Construction |
| 8  | Mission Court Senior Apartments    | 90    | Under Construction |
| 9  | Stevenson Terrace                  | 80    | Under Construction |
| 10 | Mission-Stevenson Apartments       | 77    | Under Construction |
| 11 | Boulevard Heights                  | 67    | Under Construction |
| 12 | Lennar Warm Springs Development    | 2214  | Approved           |
| 13 | Newpark Mall                       | 1800  | Approved           |
| 14 | 3515 Walnut Ave                    | 275   | Approved           |
| 15 | Artist Walk                        | 185   | Approved           |
| 16 | Serra Apartments                   | 179   | Approved           |
| 17 | Silicon Sage Centerville           | 165   | Approved           |
| 18 | Islander Motel Redevelopment       | 128   | Approved           |
| 19 | Niles Gateway                      | 95    | Approved           |
| 20 | Stevenson Place Family Homes       | 80    | Approved           |
| 21 | Palmdale Estates                   | 79    | Approved           |
| 22 | Laguna Commons                     | 64    | Approved           |
| 23 | Fremont Gateway                    | 63    | Approved           |
| 24 | City Center Apartments             | 60    | Approved           |
| 25 | Hobbs Residential                  | 55    | Approved           |
| 26 | 3900 Thornton Ave                  | 54    | Approved           |
| 27 | Centerville Junction               | 52    | Approved           |
| 28 | Fremont HUB                        | 303   | Proposed           |
| 29 | Osgood II Multifamily              | 284   | Proposed           |
| 30 | Fremont Apartments                 | 251   | Proposed           |
| 31 | Bay Rock Fremont Apartments        | 248   | Proposed           |
| 32 | Fremont Multifamily Residential    | 202   | Proposed           |
| 33 | Grimmer Irvington Center           | 201   | Proposed           |
| 34 | 37358 Fremont Blvd                 | 165   | Proposed           |
| 35 | Silicon-Sage Centerville           | 136   | Proposed           |
| 36 | Irvington Senior Housing           | 90    | Proposed           |
| 37 | 3411 Capitol Ave                   | 84    | Proposed           |
| 38 | Washington Villas                  | 65    | Proposed           |
| 39 | Allied Housing-Community of Christ | 54    | Proposed           |

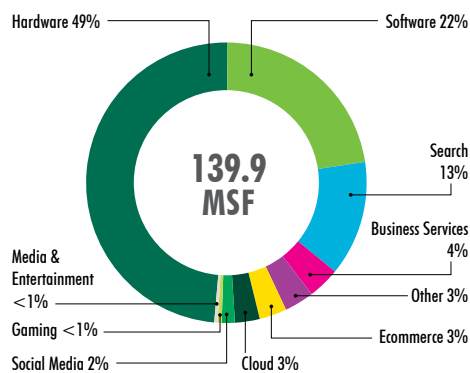
Source: Yardi Matrix, CBRE Research



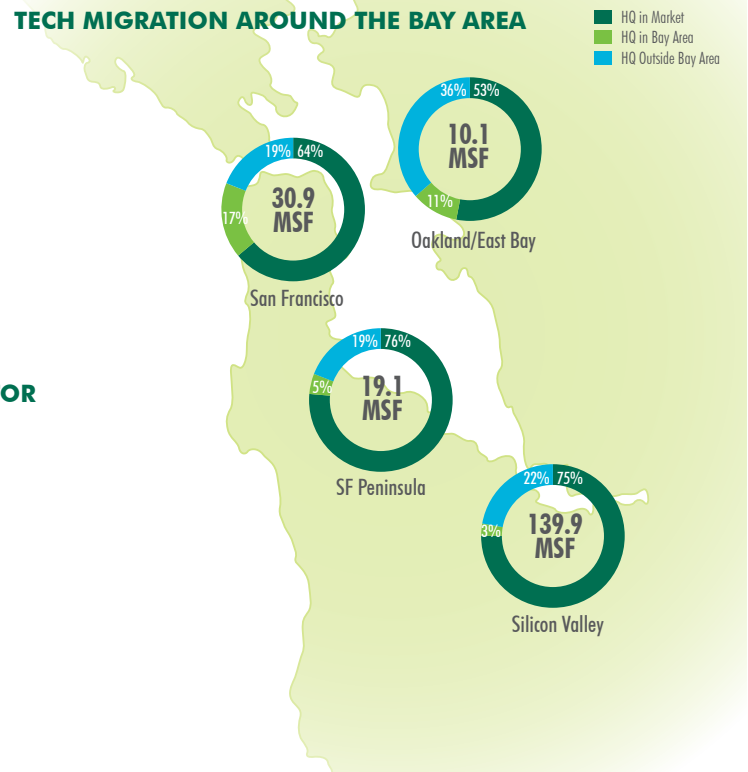
## STATE OF THE SILICON VALLEY

- Silicon Valley is the largest tech market in the Bay Area with nearly 2,000 tech firms occupying approximately 139.9 million sq. ft. In 2015 tech firms occupied 126.4 million sq. ft.
- Hardware and software firms have the largest tech footprints in market and occupy a combined 99 million sq. ft.
- Tech firms under 10 years old occupy 7% or 9.1 million sq. ft. and are concentrated in Sunnyvale and Santa Clara submarkets.
- Public tech firms occupy 80% of the space in Silicon Valley.

## SILICON VALLEY TECH FOOTPRINT BY INDUSTRY SUBSECTOR



## TECH MIGRATION AROUND THE BAY AREA



## SILICON VALLEY TECH OFFICE/R&D FOOTPRINT AND CONCENTRATION BY SUBMARKET

| SUBMARKET                   | TECH FOOTPRINT (SQ. FT.) | TECH CONCENTRATION* | TOP TECH INDUSTRY (SQ. FT.) | AVERAGE ASKING RENT** | VACANCY RATE** |
|-----------------------------|--------------------------|---------------------|-----------------------------|-----------------------|----------------|
| San Jose                    | 32,092,000               | 43.5%               | Hardware (17.5 MSF)         | \$41.08               | 11.3%          |
| Sunnyvale                   | 26,962,000               | 72.8%               | Hardware (11.8 MSF)         | \$71.40               | 2.4%           |
| Santa Clara                 | 20,263,000               | 57.1%               | Hardware (11.8 MSF)         | \$52.30               | 13.8%          |
| Mountain View/Los Altos     | 17,954,000               | 61.6%               | Software (10.5 MSF)         | \$95.32               | 4.1%           |
| Cupertino                   | 7,980,000                | 74.1%               | Hardware (7.6 MSF)          | \$59.03               | 0.9%           |
| Fremont/Newark              | 11,772,000               | 44.8%               | Hardware (7.9 MSF)          | \$26.98               | 6.8%           |
| Milpitas/IBP                | 12,986,000               | 92.2%               | Hardware (7.3 MSF)          | \$21.41               | 6.4%           |
| Palo Alto                   | 7,536,000                | 41.5%               | Software (3.1 MSF)          | \$112.20              | 3.8%           |
| West Valley                 | 1,866,000                | 34.4%               | Hardware (0.5 MSF)          | \$44.46               | 10.4%          |
| <b>Silicon Valley Total</b> | <b>139,900,000</b>       | <b>55.5%</b>        | <b>Hardware (68.0 MSF)</b>  | <b>\$59.98</b>        | <b>8.2%</b>    |

Source: CBRE TechBook Bay Area 2019



### VC FUNDING

Venture Capital (VC) funding provides financing for new and young companies to actualize their ideas within the innovative environment of the Bay Area, which attracts more than one third of all VC funding in the nation. During this cycle, the composition of funding has changed markedly compared to the dot.com era. Funding is focused on software and consumer technologies with a few firms attracting the most investment. VC funding is important because it provides capital to hire talent, scale the business and increase the office space footprint.

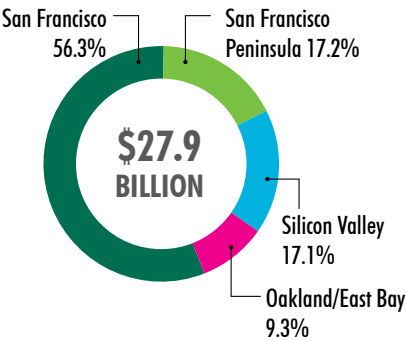
**BAY AREA CAPTURED 41% OF U.S. VC FUNDING**

**\$25.9 BILLION**  
in H1 2019

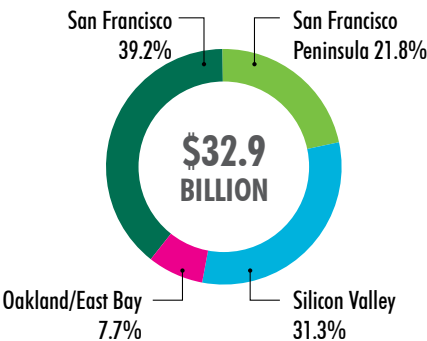


Source: PwC/CBInsights MoneyTree, Q2 2019

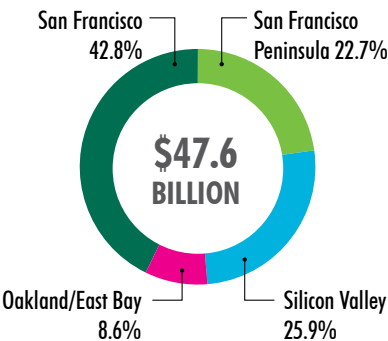
2016



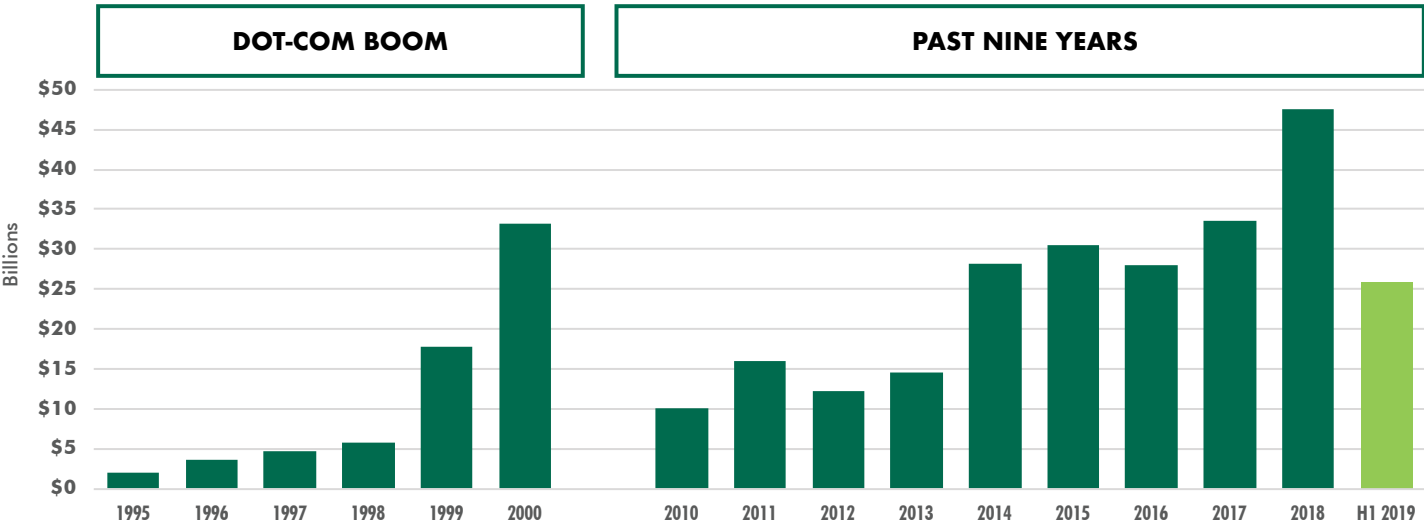
2017



2018 YTD\*

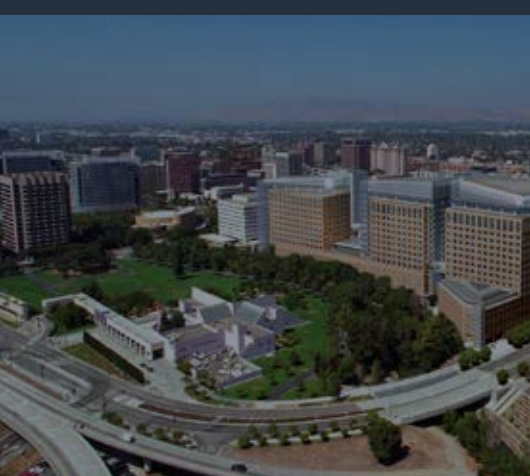


### BAY AREA VC FUNDING TRENDS: DOT-COM VS. TODAY



Source: PwC/CBInsights MoneyTree, Q2 2019





## SILICON VALLEY MULTIFAMILY MARKET REPORT

# H1 2019



### For a market analysis on your property or more information contact:

#### Jefrey Henderson

Executive Vice President

+1 408 453 7461

[jefrey.henderson@cbre.com](mailto:jefrey.henderson@cbre.com)

#### Jon Teel

Sales Associate

+1 408 453 7434

[jon.teel@cbre.com](mailto:jon.teel@cbre.com)

#### CBRE

225 W Santa Clara St 12th Flr

+1 408 453 7400

[www.cbre.siliconvalley.com](http://www.cbre.siliconvalley.com)

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