

# Office Report

Bay Area | Fourth Quarter 2015



# Office Market Report

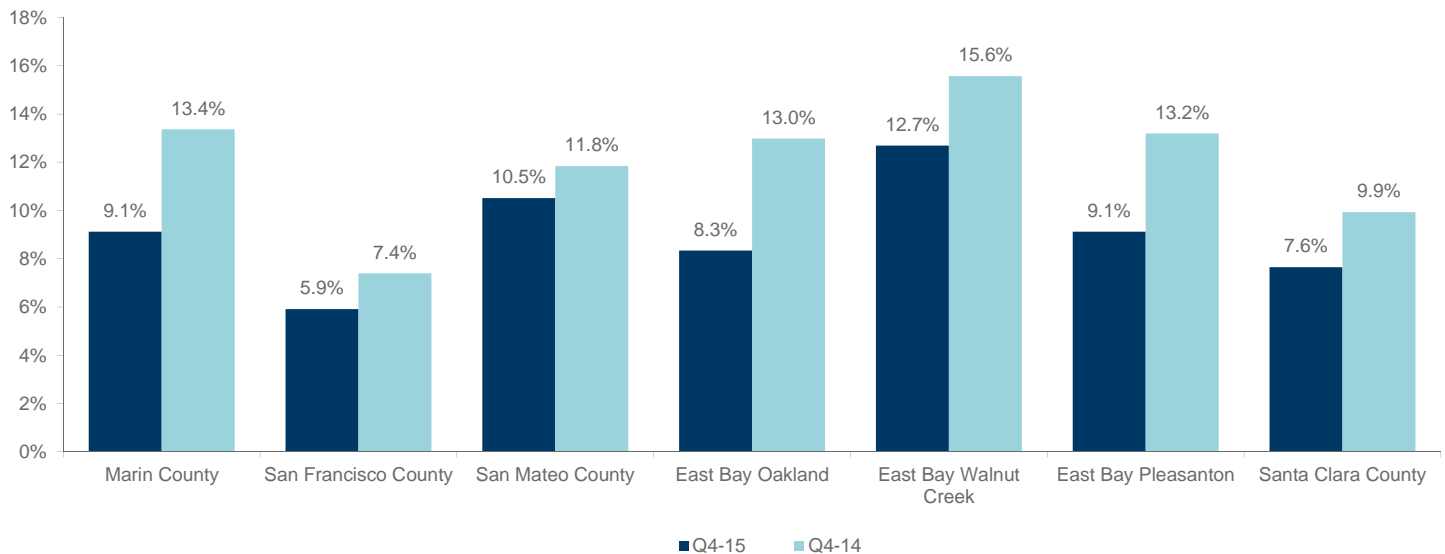
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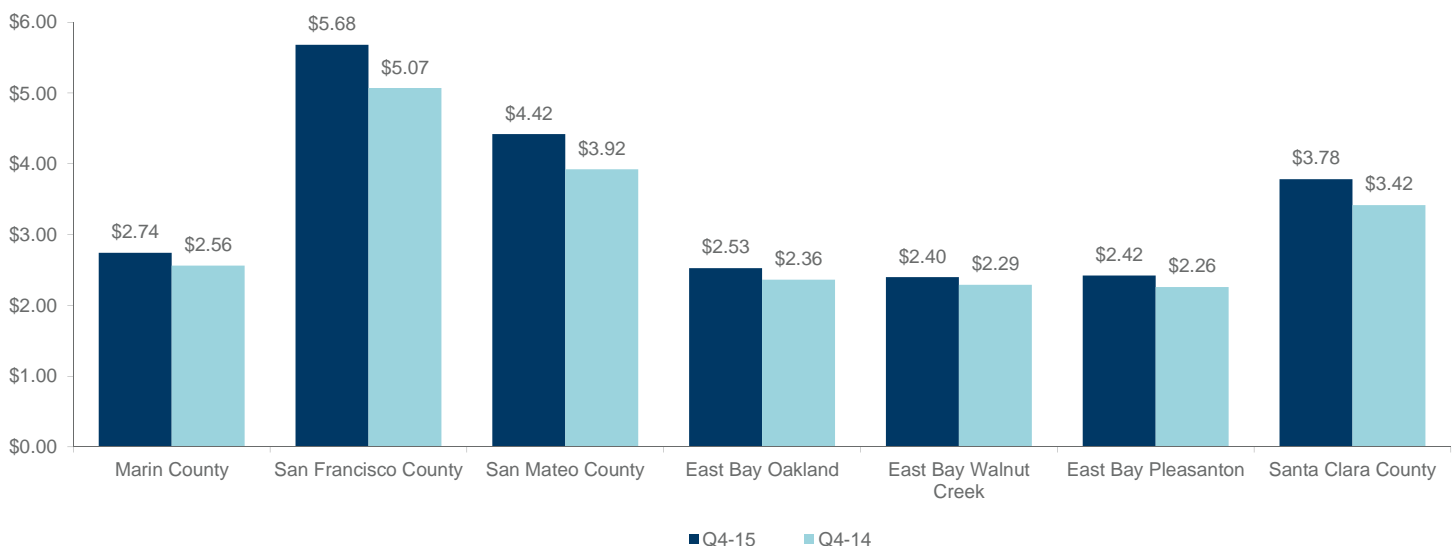
## Office Market Summary

Area	Building Sq.Ft.	Available Space			Vacancy Rate		Avg Asking Rate (FS)
		Direct	Sublease	Total	Q4-15	Q4-14	
Marin County	10,440,183	847,312	104,996	952,308	9.1%	13.4%	\$2.74
San Francisco County	75,406,638	3,727,849	729,770	4,457,619	5.9%	7.4%	\$5.68
San Mateo County	33,377,521	2,916,969	592,587	3,509,556	10.5%	11.8%	\$4.42
East Bay Oakland	32,061,439	2,505,870	167,922	2,673,792	8.3%	13.0%	\$2.53
East Bay Walnut Creek	16,505,001	1,928,532	166,218	2,094,750	12.7%	15.6%	\$2.40
East Bay Pleasanton	23,406,276	1,888,575	245,025	2,133,600	9.1%	13.2%	\$2.42
Santa Clara County	68,916,366	4,382,593	888,949	5,271,542	7.6%	9.9%	\$3.78
<b>Total Bay Area</b>	<b>260,113,424</b>	<b>18,197,700</b>	<b>2,895,467</b>	<b>21,093,167</b>	<b>8.1%</b>	<b>10.6%</b>	<b>\$3.80</b>

## Vacancy by Area



## Average Asking Rate by Area (FS)



# Office Market Report

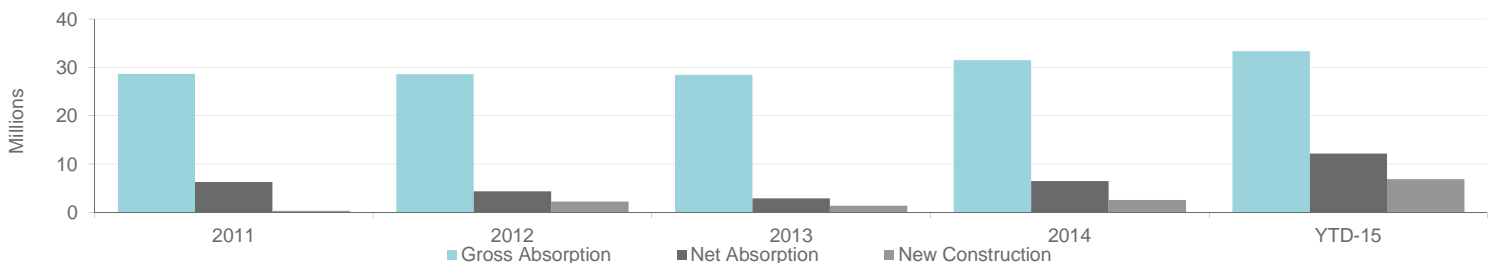
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## Historical Summary

Area		2011	2012	2013	2014	YTD-15
Marin County	Avg Rent (FS)	\$2.44	\$2.47	\$2.58	\$2.56	\$2.74
	Available Sq.Ft.	1,431,974	1,702,388	1,516,093	1,383,271	952,308
	Vacancy	13.8%	16.5%	14.7%	13.4%	9.1%
	Gross Absorption	1,427,114	891,478	1,462,108	1,253,381	921,499
	Net Absorption	616,766	-270,414	186,295	132,822	273,508
	New Construction	0	0	0	0	95,652
San Francisco County	Avg Rent (FS)	\$3.44	\$4.19	\$4.46	\$5.07	\$5.68
	Available Sq.Ft.	8,637,430	7,596,732	7,246,022	5,550,382	4,457,619
	Vacancy	11.4%	10.1%	9.8%	7.4%	5.9%
	Gross Absorption	4,532,249	5,918,938	7,176,145	8,872,843	4,917,803
	Net Absorption	1,326,479	658,360	428,762	2,753,040	982,720
	New Construction	0	0	0	579,682	0
San Mateo County	Avg Rent (FS)	\$3.08	\$3.34	\$3.60	\$3.92	\$4.42
	Available Sq.Ft.	4,204,598	4,416,044	4,655,901	3,853,716	3,509,556
	Vacancy	13.2%	13.8%	14.5%	11.8%	10.5%
	Gross Absorption	5,475,698	4,380,914	4,247,342	5,487,771	6,307,981
	Net Absorption	1,148,945	-211,446	-131,370	1,308,273	1,187,929
	New Construction	0	0	108,487	506,088	843,769
East Bay Oakland	Avg Rent (FS)	\$2.11	\$2.21	\$2.26	\$2.36	\$2.53
	Available Sq.Ft.	4,984,046	4,844,890	4,651,507	4,148,582	2,673,792
	Vacancy	15.6%	15.1%	14.5%	13.0%	8.3%
	Gross Absorption	3,184,983	3,444,604	3,403,508	3,208,873	4,352,391
	Net Absorption	-3,053	240,056	213,083	446,387	1,579,790
	New Construction	0	100,900	19,700	0	105,000
East Bay Walnut Creek	Avg Rent (FS)	\$2.05	\$2.07	\$2.07	\$2.29	\$2.40
	Available Sq.Ft.	2,978,951	2,782,255	2,652,882	2,569,934	2,094,750
	Vacancy	18.0%	16.9%	16.1%	15.6%	12.7%
	Gross Absorption	2,332,429	2,452,609	2,122,893	2,199,148	2,031,469
	Net Absorption	267,529	196,696	129,373	82,948	475,184
	New Construction	0	0	0	0	0
East Bay Pleasanton	Avg Rent (FS)	\$1.78	\$1.93	\$2.12	\$2.26	\$2.42
	Available Sq.Ft.	3,876,035	2,689,357	2,817,943	3,090,001	2,224,029
	Vacancy	16.6%	11.5%	12.0%	13.2%	9.5%
	Gross Absorption	2,614,888	3,060,291	1,828,686	2,505,617	2,550,741
	Net Absorption	-57,799	1,162,770	-127,358	-257,578	852,040
	New Construction	0	0	0	0	0
Santa Clara County	Avg Rent (FS)	\$2.79	\$2.96	\$2.96	\$3.42	\$3.78
	Available Sq.Ft.	8,143,400	7,722,829	6,786,732	6,261,570	5,271,542
	Vacancy	14.0%	12.8%	11.0%	9.9%	7.6%
	Gross Absorption	9,086,628	8,435,596	8,187,986	7,947,651	12,272,514
	Net Absorption	2,988,997	2,587,218	2,211,257	2,029,506	6,824,317
	New Construction	317,300	2,159,243	1,267,160	1,504,344	5,834,289
Total Bay Area	Avg Rent (FS)	\$2.70	\$3.00	\$3.13	\$3.38	\$3.80
	Available Sq.Ft.	34,256,434	31,754,495	30,327,080	26,857,456	21,183,596
	Vacancy	13.8%	12.7%	12.1%	10.6%	8.1%
	Gross Absorption	28,653,989	28,584,430	28,428,668	31,475,284	33,354,398
	Net Absorption	6,287,864	4,363,240	2,910,042	6,495,398	12,175,488
	New Construction	317,300	2,260,143	1,395,347	2,590,114	6,878,710

## Annual Absorption and New Constuction Trend



# Office Market Report

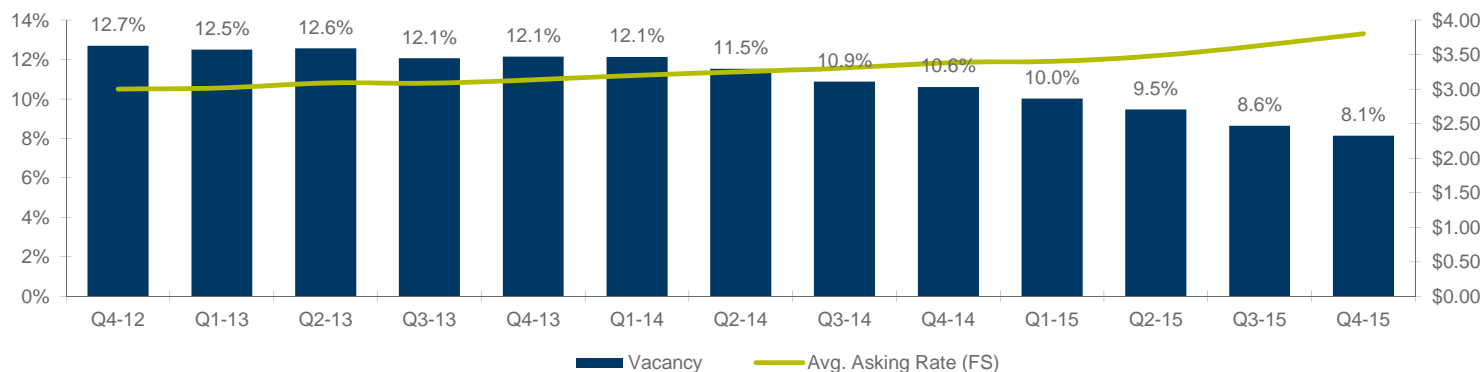
Bay Area • Fourth Quarter 2015



## Total Bay Area

Quarter	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015
<b>Building Base:</b>					
Class A	151,920,753	154,045,604	155,889,486	157,666,734	158,799,463
<u>Class B</u>	<u>70,402,527</u>	<u>70,402,527</u>	<u>70,402,527</u>	<u>70,402,527</u>	<u>70,402,527</u>
<b>All Types</b>	<b>253,234,714</b>	<b>255,359,565</b>	<b>257,203,447</b>	<b>258,980,695</b>	<b>260,113,424</b>
<b>Direct Availabilities:</b>					
Class A	14,819,926	13,876,763	13,069,132	11,992,963	11,538,047
<u>Class B</u>	<u>6,590,718</u>	<u>6,204,099</u>	<u>5,895,061</u>	<u>5,251,795</u>	<u>4,677,095</u>
<b>All Types</b>	<b>23,812,306</b>	<b>22,400,123</b>	<b>21,123,477</b>	<b>19,211,918</b>	<b>18,197,700</b>
<b>Sublease Availabilities:</b>					
Class A	2,237,085	2,473,032	2,581,339	2,464,224	2,279,366
<u>Class B</u>	<u>603,719</u>	<u>507,845</u>	<u>457,069</u>	<u>482,982</u>	<u>532,331</u>
<b>All Types</b>	<b>2,940,789</b>	<b>3,101,364</b>	<b>3,124,358</b>	<b>3,058,911</b>	<b>2,895,467</b>
<b>Total Availabilities:</b>					
Class A	17,057,011	16,349,795	15,650,471	14,457,187	13,817,413
<u>Class B</u>	<u>7,194,437</u>	<u>6,711,944</u>	<u>6,352,130</u>	<u>5,734,777</u>	<u>5,209,426</u>
<b>All Types</b>	<b>26,857,456</b>	<b>25,597,477</b>	<b>24,347,819</b>	<b>22,373,547</b>	<b>21,183,596</b>
Growth Rate (%):	0.5%	1.3%	1.2%	1.3%	1.0%
<b>Vacancy:</b>					
Class A	11.2%	10.6%	10.0%	9.2%	8.7%
<u>Class B</u>	<u>10.2%</u>	<u>9.5%</u>	<u>9.0%</u>	<u>8.1%</u>	<u>7.4%</u>
<b>All Types</b>	<b>10.6%</b>	<b>10.0%</b>	<b>9.5%</b>	<b>8.6%</b>	<b>8.1%</b>
<b>Gross Absorption</b>					
	7,264,296	8,804,862	8,712,486	8,839,413	6,997,637
<b>Net Absorption</b>					
	1,237,632	3,275,362	3,134,741	3,276,609	2,488,776
<b>New Construction:</b>					
Build-To-Suit	0	1,399,984	350,652	650,000	85,000
<u>Speculative</u>	<u>869,904</u>	<u>724,867</u>	<u>1,493,230</u>	<u>1,127,248</u>	<u>1,047,729</u>
<b>Total New Construction:</b>	<b>869,904</b>	<b>2,124,851</b>	<b>1,843,882</b>	<b>1,777,248</b>	<b>1,132,729</b>
<b>Average Asking Rate (FS):</b>					
Class A	\$3.69	\$3.75	\$3.85	\$4.06	\$4.21
<u>Class B</u>	<u>\$2.87</u>	<u>\$2.85</u>	<u>\$2.90</u>	<u>\$2.90</u>	<u>\$2.98</u>
<b>All Types</b>	<b>\$3.38</b>	<b>\$3.40</b>	<b>\$3.48</b>	<b>\$3.63</b>	<b>\$3.80</b>
<b># of Availables by Size:</b>					
0 - 4,999 SF	2,451	2,354	2,362	2,265	2,068
5,000 - 9,999 SF	679	677	666	606	557
10,000 - 19,999 SF	401	396	367	358	322
20,000 SF & Up	312	286	259	241	264
<b>Total Availables:</b>	<b>3,843</b>	<b>3,713</b>	<b>3,654</b>	<b>3,470</b>	<b>3,211</b>

## Vacancy & Average Asking Rate Trend



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Bay Area • Fourth Quarter 2015



## Marin County

Quarter	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015
<b>Building Base:</b>					
Class A	5,520,270	5,520,270	5,530,922	5,530,922	5,615,922
<u>Class B</u>	<u>3,650,947</u>	<u>3,650,947</u>	<u>3,650,947</u>	<u>3,650,947</u>	<u>3,650,947</u>
<b>All Types</b>	<b>10,344,531</b>	<b>10,344,531</b>	<b>10,355,183</b>	<b>10,355,183</b>	<b>10,440,183</b>
<b>Direct Availabilities:</b>					
Class A	715,822	700,603	664,359	562,843	527,742
<u>Class B</u>	<u>310,881</u>	<u>314,762</u>	<u>298,924</u>	<u>273,271</u>	<u>255,553</u>
<b>All Types</b>	<b>1,068,085</b>	<b>1,078,860</b>	<b>1,029,454</b>	<b>900,692</b>	<b>847,312</b>
<b>Sublease Availabilities:</b>					
Class A	301,292	302,912	281,530	92,387	89,917
<u>Class B</u>	<u>13,894</u>	<u>15,144</u>	<u>2,500</u>	<u>9,525</u>	<u>15,079</u>
<b>All Types</b>	<b>315,186</b>	<b>318,056</b>	<b>284,030</b>	<b>101,912</b>	<b>104,996</b>
<b>Total Availabilities:</b>					
Class A	1,017,114	1,003,515	945,889	655,230	617,659
<u>Class B</u>	<u>324,775</u>	<u>329,906</u>	<u>301,424</u>	<u>282,796</u>	<u>270,632</u>
<b>All Types</b>	<b>1,383,271</b>	<b>1,396,916</b>	<b>1,313,484</b>	<b>1,002,604</b>	<b>952,308</b>
Growth Rate (%):	0.1%	-0.1%	0.9%	0.6%	1.3%
<b>Vacancy:</b>					
Class A	18.4%	18.2%	17.1%	11.8%	11.0%
<u>Class B</u>	<u>8.9%</u>	<u>9.0%</u>	<u>8.3%</u>	<u>7.7%</u>	<u>7.4%</u>
<b>All Types</b>	<b>13.4%</b>	<b>13.5%</b>	<b>12.7%</b>	<b>9.7%</b>	<b>9.1%</b>
<b>Gross Absorption</b>					
	259,503	188,604	302,476	294,945	135,474
<b>Net Absorption</b>					
	12,512	-13,645	94,084	57,773	135,296
<b>New Construction:</b>					
Build-To-Suit	0	0	10,652	0	85,000
<u>Speculative</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total New Construction:</b>	<b>0</b>	<b>0</b>	<b>10,652</b>	<b>0</b>	<b>85,000</b>
<b>Average Asking Rate (FS):</b>					
Class A	\$2.55	\$2.59	\$2.58	\$2.70	\$2.76
<u>Class B</u>	<u>\$2.63</u>	<u>\$2.71</u>	<u>\$2.79</u>	<u>\$2.79</u>	<u>\$2.83</u>
<b>All Types</b>	<b>\$2.56</b>	<b>\$2.59</b>	<b>\$2.60</b>	<b>\$2.70</b>	<b>\$2.74</b>
<b># of Availables by Size:</b>					
0 - 2,499	216	201	197	189	165
2,500 - 4,999	61	72	66	71	69
5,000 - 7,499	17	15	16	17	14
7,500 & Up	39	38	34	23	23
<b>Total Availables:</b>	<b>333</b>	<b>326</b>	<b>313</b>	<b>300</b>	<b>271</b>

## Vacancy & Average Asking Rate Trend



# Office Market Report

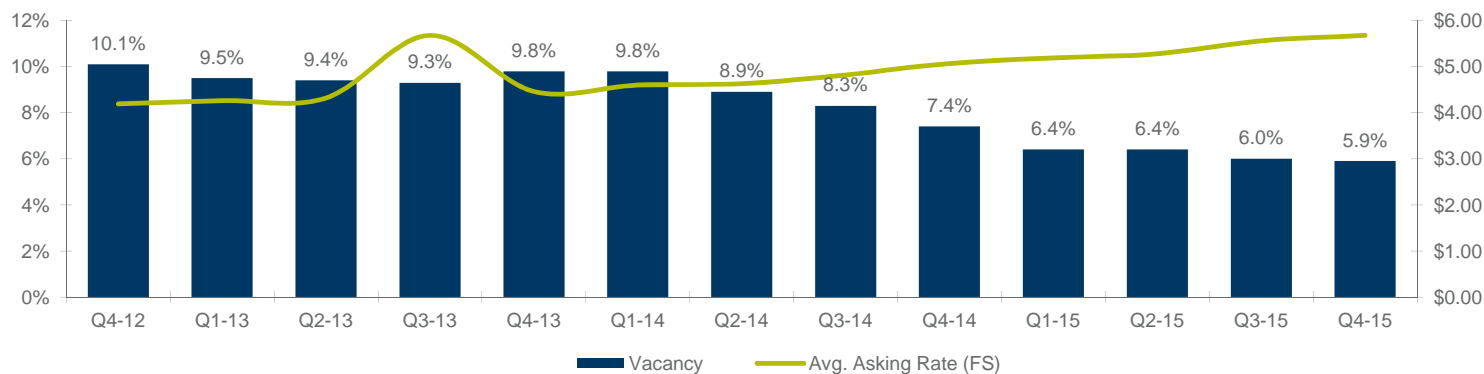
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## San Francisco County

Quarter	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015
<b>Building Base:</b>					
Class A	52,094,327	52,094,327	52,094,327	52,094,327	52,094,327
<u>Class B</u>	<u>15,983,743</u>	<u>15,983,743</u>	<u>15,983,743</u>	<u>15,983,743</u>	<u>15,983,743</u>
<b>All Types</b>	<b>75,406,638</b>	<b>75,406,638</b>	<b>75,406,638</b>	<b>75,406,638</b>	<b>75,406,638</b>
<b>Direct Availabilities:</b>					
Class A	3,509,365	3,112,123	3,006,982	2,901,767	2,865,202
<u>Class B</u>	<u>1,189,957</u>	<u>774,840</u>	<u>709,251</u>	<u>576,796</u>	<u>593,248</u>
<b>All Types</b>	<b>4,979,433</b>	<b>4,152,275</b>	<b>3,960,443</b>	<b>3,577,472</b>	<b>3,727,849</b>
<b>Sublease Availabilities:</b>					
Class A	447,505	599,065	781,138	909,778	692,034
<u>Class B</u>	<u>113,444</u>	<u>24,146</u>	<u>36,703</u>	<u>17,560</u>	<u>28,545</u>
<b>All Types</b>	<b>570,949</b>	<b>646,754</b>	<b>841,384</b>	<b>954,943</b>	<b>729,770</b>
<b>Total Availabilities:</b>					
Class A	3,956,870	3,711,188	3,788,120	3,811,545	3,557,236
<u>Class B</u>	<u>1,303,401</u>	<u>798,986</u>	<u>745,954</u>	<u>594,356</u>	<u>621,793</u>
<b>All Types</b>	<b>5,550,382</b>	<b>4,799,029</b>	<b>4,801,827</b>	<b>4,532,415</b>	<b>4,457,619</b>
Growth Rate (%):	0.9%	0.9%	0.0%	0.1%	0.3%
<b>Vacancy:</b>					
Class A	7.6%	7.1%	7.3%	7.3%	6.8%
<u>Class B</u>	<u>8.2%</u>	<u>5.0%</u>	<u>4.7%</u>	<u>3.7%</u>	<u>3.9%</u>
<b>All Types</b>	<b>7.4%</b>	<b>6.4%</b>	<b>6.4%</b>	<b>6.0%</b>	<b>5.9%</b>
<b>Gross Absorption</b>					
	1,592,075	1,846,680	1,338,614	941,065	791,444
<b>Net Absorption</b>					
	705,109	650,256	34,409	44,874	253,181
<b>New Construction:</b>					
Build-To-Suit	0	0	0	0	0
<u>Speculative</u>	<u>303,780</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total New Construction:</b>	<b>303,780</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Average Asking Rate (FS):</b>					
Class A	\$5.28	\$5.41	\$5.49	\$5.69	\$5.86
<u>Class B</u>	<u>\$4.62</u>	<u>\$4.70</u>	<u>\$4.77</u>	<u>\$5.04</u>	<u>\$5.08</u>
<b>All Types</b>	<b>\$5.07</b>	<b>\$5.19</b>	<b>\$5.28</b>	<b>\$5.56</b>	<b>\$5.68</b>
<b># of Availables by Size:</b>					
0 - 4,999 SF	232	228	240	239	174
5,000 - 9,999 SF	179	162	173	154	106
10,000 - 19,999 SF	127	135	124	122	92
20,000 SF & Up	58	44	43	48	77
<b>Total Availables:</b>	<b>596</b>	<b>569</b>	<b>580</b>	<b>563</b>	<b>449</b>

## Vacancy & Average Asking Rate Trend



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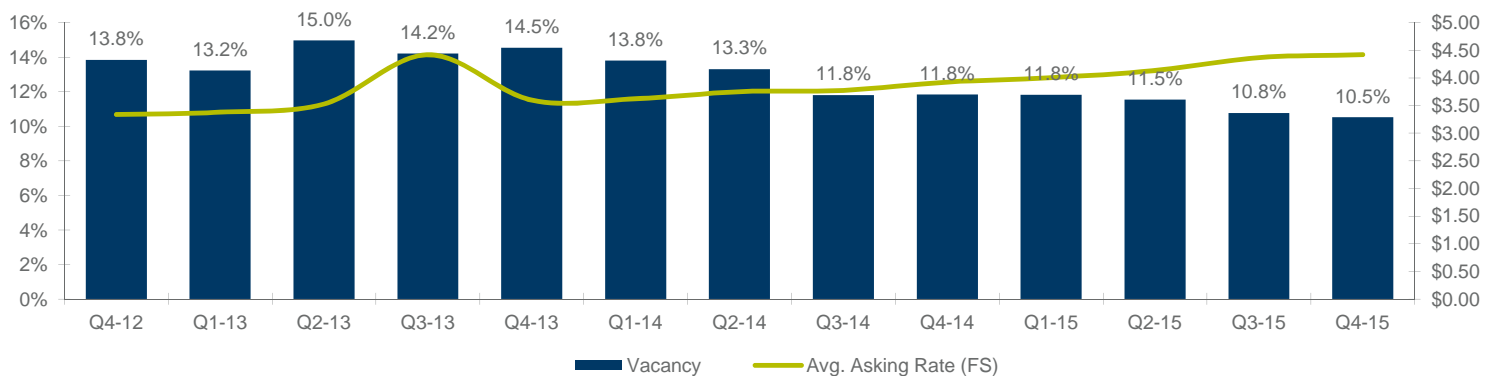
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## San Mateo County

Quarter	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015
<b>Building Base:</b>					
Class A	22,858,750	23,427,612	23,503,181	23,702,519	23,702,519
<u>Class B</u>	<u>6,132,498</u>	<u>6,132,498</u>	<u>6,132,498</u>	<u>6,132,498</u>	<u>6,132,498</u>
<b>All Types</b>	<b>32,533,752</b>	<b>33,102,614</b>	<b>33,178,183</b>	<b>33,377,521</b>	<b>33,377,521</b>
<b>Direct Availabilities:</b>					
Class A	2,468,771	2,485,284	2,215,057	2,079,545	2,196,137
<u>Class B</u>	<u>643,769</u>	<u>643,105</u>	<u>742,676</u>	<u>629,070</u>	<u>537,062</u>
<b>All Types</b>	<b>3,311,264</b>	<b>3,312,023</b>	<b>3,141,845</b>	<b>2,897,089</b>	<b>2,916,969</b>
<b>Sublease Availabilities:</b>					
Class A	432,835	547,896	638,626	640,659	497,572
<u>Class B</u>	<u>93,262</u>	<u>39,493</u>	<u>38,836</u>	<u>48,074</u>	<u>89,666</u>
<b>All Types</b>	<b>542,452</b>	<b>602,121</b>	<b>688,619</b>	<b>698,373</b>	<b>592,587</b>
<b>Total Availabilities:</b>					
Class A	2,901,606	3,033,180	2,853,683	2,720,204	2,693,709
<u>Class B</u>	<u>737,031</u>	<u>682,598</u>	<u>781,512</u>	<u>677,144</u>	<u>626,728</u>
<b>All Types</b>	<b>3,853,716</b>	<b>3,914,144</b>	<b>3,830,464</b>	<b>3,595,462</b>	<b>3,509,556</b>
Growth Rate (%):	0.4%	1.5%	0.5%	1.3%	0.3%
<b>Vacancy:</b>					
Class A	12.7%	12.9%	12.1%	11.5%	11.4%
<u>Class B</u>	<u>12.0%</u>	<u>11.1%</u>	<u>12.7%</u>	<u>11.0%</u>	<u>10.2%</u>
<b>All Types</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.5%</b>	<b>10.8%</b>	<b>10.5%</b>
<b>Gross Absorption</b>					
	1,091,579	1,731,240	1,610,711	1,519,296	1,446,734
<b>Net Absorption</b>					
	136,798	508,434	159,249	434,340	85,906
<b>New Construction:</b>					
Build-To-Suit	0	433,555	0	0	0
<u>Speculative</u>	<u>171,876</u>	<u>135,307</u>	<u>75,569</u>	<u>199,338</u>	<u>0</u>
<b>Total New Construction:</b>	<b>171,876</b>	<b>568,862</b>	<b>75,569</b>	<b>199,338</b>	<b>0</b>
<b>Average Asking Rate (FS):</b>					
Class A	\$4.23	\$4.24	\$4.44	\$4.72	\$4.68
<u>Class B</u>	<u>\$3.15</u>	<u>\$3.40</u>	<u>\$3.53</u>	<u>\$3.76</u>	<u>\$3.80</u>
<b>All Types</b>	<b>\$3.92</b>	<b>\$4.00</b>	<b>\$4.13</b>	<b>\$4.37</b>	<b>\$4.42</b>
<b># of Availables by Size:</b>					
0 - 4,999 SF	309	282	312	329	317
5,000 - 9,999 SF	73	81	85	79	76
10,000 - 19,999 SF	59	50	49	41	46
20,000 SF & Up	41	47	43	42	44
<b>Total Availables:</b>	<b>482</b>	<b>460</b>	<b>489</b>	<b>491</b>	<b>483</b>

## Vacancy & Average Asking Rate Trend



# Office Market Report

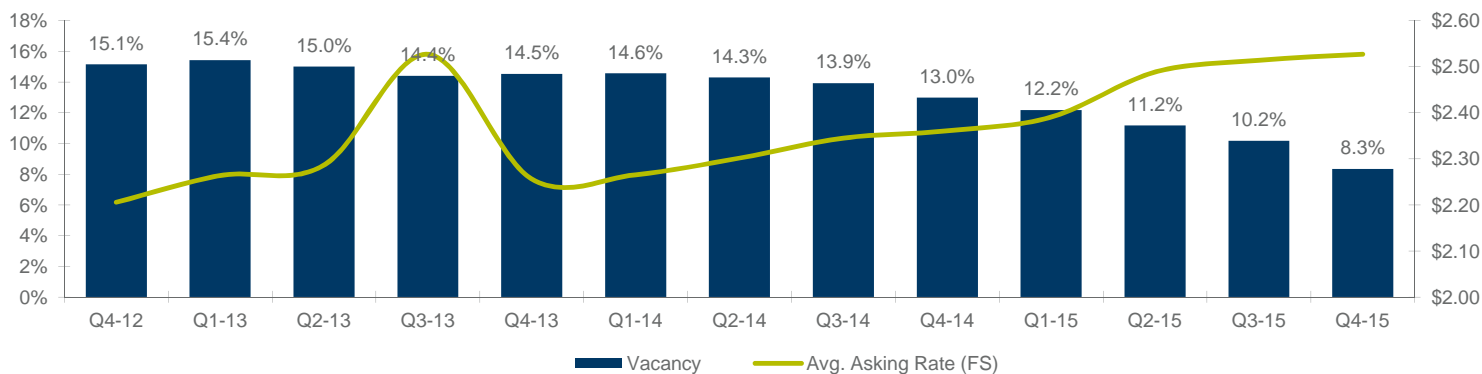
Bay Area • Fourth Quarter 2015



## East Bay Oakland

Quarter	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015
<b>Building Base:</b>					
Class A	14,178,868	14,178,868	14,178,868	14,283,868	14,283,868
<u>Class B</u>	<u>14,075,870</u>	<u>14,075,870</u>	<u>14,075,870</u>	<u>14,075,870</u>	<u>14,075,870</u>
<b>All Types</b>	<b>31,956,439</b>	<b>31,956,439</b>	<b>31,956,439</b>	<b>32,061,439</b>	<b>32,061,439</b>
<b>Direct Availabilities:</b>					
Class A	1,964,045	1,831,228	1,745,891	1,512,321	1,199,834
<u>Class B</u>	<u>1,169,090</u>	<u>1,049,999</u>	<u>958,735</u>	<u>883,198</u>	<u>799,488</u>
<b>All Types</b>	<b>3,861,573</b>	<b>3,576,763</b>	<b>3,357,113</b>	<b>3,051,900</b>	<b>2,505,870</b>
<b>Sublease Availabilities:</b>					
Class A	197,570	135,882	64,984	54,972	44,940
<u>Class B</u>	<u>47,106</u>	<u>126,166</u>	<u>123,359</u>	<u>128,829</u>	<u>103,628</u>
<b>All Types</b>	<b>287,009</b>	<b>316,129</b>	<b>211,676</b>	<b>212,488</b>	<b>167,922</b>
<b>Total Availabilities:</b>					
Class A	2,161,615	1,967,110	1,810,875	1,567,293	1,244,774
<u>Class B</u>	<u>1,216,196</u>	<u>1,176,165</u>	<u>1,082,094</u>	<u>1,012,027</u>	<u>903,116</u>
<b>All Types</b>	<b>4,148,582</b>	<b>3,892,892</b>	<b>3,568,789</b>	<b>3,264,388</b>	<b>2,673,792</b>
<b>Growth Rate (%):</b>					
<b>Vacancy:</b>					
Class A	15.2%	13.9%	12.8%	11.0%	8.7%
<u>Class B</u>	<u>8.6%</u>	<u>8.4%</u>	<u>7.7%</u>	<u>7.2%</u>	<u>6.4%</u>
<b>All Types</b>	<b>13.0%</b>	<b>12.2%</b>	<b>11.2%</b>	<b>10.2%</b>	<b>8.3%</b>
<b>Gross Absorption</b>					
	1,143,326	940,075	1,248,956	1,127,639	1,035,721
<b>Net Absorption</b>					
	300,961	255,690	324,103	409,401	590,596
<b>New Construction:</b>					
<b>Build-To-Suit</b>					
	0	0	0	0	0
<b>Speculative</b>					
	0	0	0	105,000	0
<b>Total New Construction:</b>					
	0	0	0	105,000	0
<b>Average Asking Rate (FS):</b>					
Class A	\$2.64	\$2.70	\$2.80	\$2.90	\$2.91
<u>Class B</u>	<u>\$1.98</u>	<u>\$2.01</u>	<u>\$2.14</u>	<u>\$2.10</u>	<u>\$2.12</u>
<b>All Types</b>	<b>\$2.36</b>	<b>\$2.39</b>	<b>\$2.49</b>	<b>\$2.51</b>	<b>\$2.53</b>
<b># of Availables by Size:</b>					
0 - 4,999 SF	398	383	355	311	267
5,000 - 9,999 SF	113	104	84	70	52
10,000 - 19,999 SF	63	55	47	44	31
20,000 SF & Up	50	45	41	38	33
<b>Total Availables:</b>	<b>624</b>	<b>587</b>	<b>527</b>	<b>463</b>	<b>383</b>

## Vacancy & Average Asking Rate Trend





# Office Market Report

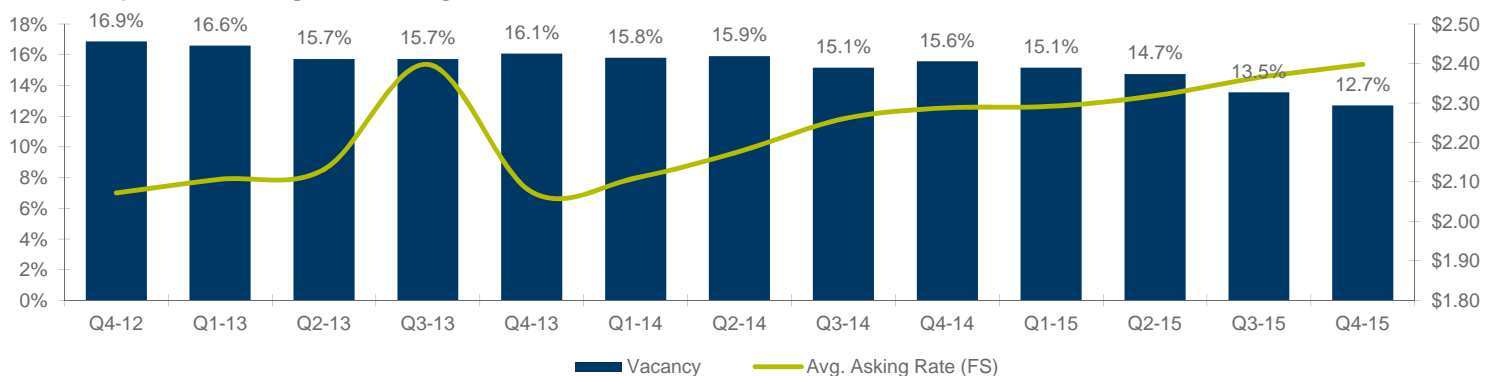
Bay Area • Fourth Quarter 2015



## East Bay Walnut Creek

Quarter	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015
<b>Building Base:</b>					
Class A	8,310,129	8,310,129	8,310,129	8,310,129	8,310,129
<u>Class B</u>	<u>8,194,872</u>	<u>8,194,872</u>	<u>8,194,872</u>	<u>8,194,872</u>	<u>8,194,872</u>
<b>All Types</b>	<b>16,505,001</b>	<b>16,505,001</b>	<b>16,505,001</b>	<b>16,505,001</b>	<b>16,505,001</b>
<b>Direct Availabilities:</b>					
Class A	1,329,738	1,243,176	1,241,994	1,156,723	1,096,028
<u>Class B</u>	<u>976,845</u>	<u>984,897</u>	<u>997,110</u>	<u>925,993</u>	<u>832,504</u>
<b>All Types</b>	<b>2,306,583</b>	<b>2,228,073</b>	<b>2,239,104</b>	<b>2,082,716</b>	<b>1,928,532</b>
<b>Sublease Availabilities:</b>					
Class A	151,346	178,983	118,251	78,633	92,179
<u>Class B</u>	<u>112,005</u>	<u>92,470</u>	<u>74,039</u>	<u>74,039</u>	<u>74,039</u>
<b>All Types</b>	<b>263,351</b>	<b>271,453</b>	<b>192,290</b>	<b>152,672</b>	<b>166,218</b>
<b>Total Availabilities:</b>					
Class A	1,481,084	1,422,159	1,360,245	1,235,356	1,188,207
<u>Class B</u>	<u>1,088,850</u>	<u>1,077,367</u>	<u>1,071,149</u>	<u>1,000,032</u>	<u>906,543</u>
<b>All Types</b>	<b>2,569,934</b>	<b>2,499,526</b>	<b>2,431,394</b>	<b>2,235,388</b>	<b>2,094,750</b>
Growth Rate (%):	-0.4%	0.4%	0.4%	1.2%	0.9%
<b>Vacancy:</b>					
Class A	17.8%	17.1%	16.4%	14.9%	14.3%
<u>Class B</u>	<u>13.3%</u>	<u>13.1%</u>	<u>13.1%</u>	<u>12.2%</u>	<u>11.1%</u>
<b>All Types</b>	<b>15.6%</b>	<b>15.1%</b>	<b>14.7%</b>	<b>13.5%</b>	<b>12.7%</b>
<b>Gross Absorption</b>					
	389,314	514,735	431,331	695,106	390,297
<b>Net Absorption</b>					
	-69,565	70,408	68,132	196,006	140,638
<b>New Construction:</b>					
Build-To-Suit	0	0	0	0	0
<u>Speculative</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total New Construction:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Average Asking Rate (FS):</b>					
Class A	\$2.56	\$2.56	\$2.61	\$2.69	\$2.72
<u>Class B</u>	<u>\$1.92</u>	<u>\$1.93</u>	<u>\$1.95</u>	<u>\$1.96</u>	<u>\$1.98</u>
<b>All Types</b>	<b>\$2.29</b>	<b>\$2.29</b>	<b>\$2.32</b>	<b>\$2.36</b>	<b>\$2.40</b>
<b># of Availables by Size:</b>					
0 - 4,999 SF	440	429	435	421	378
5,000 - 9,999 SF	63	60	64	55	60
10,000 - 19,999 SF	27	26	25	24	22
20,000 SF & Up	28	27	23	21	18
<b>Total Availables:</b>	<b>558</b>	<b>542</b>	<b>547</b>	<b>521</b>	<b>478</b>

## Vacancy & Average Asking Rate Trend



# Office Market Report

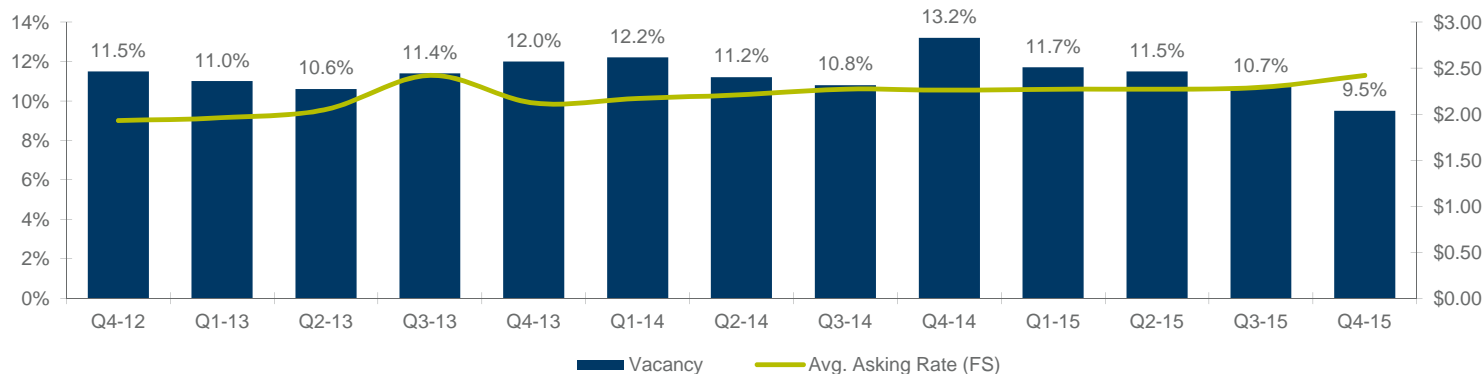
Bay Area • Fourth Quarter 2015



## East Bay Pleasanton

Quarter	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015
<b>Building Base:</b>					
Class A	16,898,598	16,898,598	16,898,598	16,898,598	16,898,598
<u>Class B</u>	<u>5,097,043</u>	<u>5,097,043</u>	<u>5,097,043</u>	<u>5,097,043</u>	<u>5,097,043</u>
<b>All Types</b>	<b>23,406,276</b>	<b>23,406,276</b>	<b>23,406,276</b>	<b>23,406,276</b>	<b>23,406,276</b>
<b>Direct Availabilities:</b>					
Class A	2,097,300	1,770,527	1,746,884	1,595,117	1,398,033
<u>Class B</u>	<u>647,203</u>	<u>620,251</u>	<u>533,963</u>	<u>500,878</u>	<u>490,542</u>
<b>All Types</b>	<b>2,744,503</b>	<b>2,390,778</b>	<b>2,280,847</b>	<b>2,095,995</b>	<b>1,888,575</b>
<b>Sublease Availabilities:</b>					
Class A	204,188	230,964	260,845	276,974	213,714
<u>Class B</u>	<u>36,949</u>	<u>29,868</u>	<u>42,605</u>	<u>40,074</u>	<u>31,311</u>
<b>All Types</b>	<b>241,137</b>	<b>260,832</b>	<b>303,450</b>	<b>317,048</b>	<b>245,025</b>
<b>Total Availabilities:</b>					
Class A	2,301,488	2,001,491	2,007,729	1,872,091	1,611,747
<u>Class B</u>	<u>684,152</u>	<u>650,119</u>	<u>576,568</u>	<u>540,952</u>	<u>521,853</u>
<b>All Types</b>	<b>3,090,001</b>	<b>2,747,600</b>	<b>2,684,281</b>	<b>2,515,761</b>	<b>2,224,029</b>
Growth Rate (%):	-2.4%	1.2%	0.2%		0.2%
<b>Vacancy:</b>					
Class A	13.6%	11.8%	11.9%	11.1%	9.5%
<u>Class B</u>	<u>13.4%</u>	<u>12.8%</u>	<u>11.3%</u>	<u>10.6%</u>	<u>10.2%</u>
<b>All Types</b>	<b>13.2%</b>	<b>11.7%</b>	<b>11.5%</b>	<b>10.7%</b>	<b>9.5%</b>
<b>Gross Absorption</b>					
	725,944	798,616	422,659	682,400	647,066
<b>Net Absorption</b>					
	-547,477	334,030	67,313	171,254	279,443
<b>New Construction:</b>					
Build-To-Suit	0	0	0	0	0
<u>Speculative</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total New Construction:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Average Asking Rate (FS):</b>					
Class A	\$2.45	\$2.49	\$2.46	\$2.45	\$2.57
<u>Class B</u>	<u>\$1.86</u>	<u>\$1.92</u>	<u>\$1.94</u>	<u>\$1.94</u>	<u>\$2.02</u>
<b>All Types</b>	<b>\$2.26</b>	<b>\$2.27</b>	<b>\$2.27</b>	<b>\$2.29</b>	<b>\$2.42</b>
<b># of Availables by Size:</b>					
0 - 4,999 SF	227	221	227	243	231
5,000 - 9,999 SF	56	51	48	40	50
10,000 - 19,999 SF	25	27	28	32	40
20,000 SF & Up	43	35	34	33	28
<b>Total Availables:</b>	<b>351</b>	<b>334</b>	<b>337</b>	<b>348</b>	<b>349</b>

## Vacancy & Average Asking Rate Trend



# Office Market Report

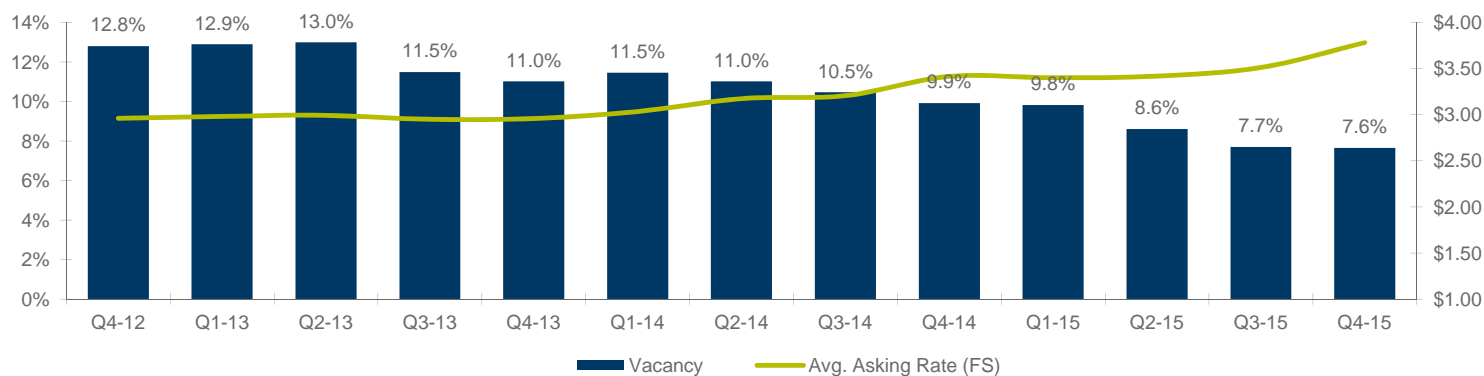
Bay Area • Fourth Quarter 2015



## Santa Clara County

Quarter	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015
<b>Building Base:</b>					
Class A	32,059,811	33,615,800	35,373,461	36,846,371	37,894,100
<u>Class B</u>	<u>17,267,554</u>	<u>17,267,554</u>	<u>17,267,554</u>	<u>17,267,554</u>	<u>17,267,554</u>
<b>All Types</b>	<b>63,082,077</b>	<b>64,638,066</b>	<b>66,395,727</b>	<b>67,868,637</b>	<b>68,916,366</b>
<b>Direct Availabilities:</b>					
Class A	2,734,885	2,733,822	2,447,965	2,184,647	2,255,071
<u>Class B</u>	<u>1,652,973</u>	<u>1,816,245</u>	<u>1,654,402</u>	<u>1,462,589</u>	<u>1,168,698</u>
<b>All Types</b>	<b>5,540,865</b>	<b>5,661,351</b>	<b>5,114,671</b>	<b>4,606,054</b>	<b>4,382,593</b>
<b>Sublease Availabilities:</b>					
Class A	502,349	477,330	435,965	410,821	649,010
<u>Class B</u>	<u>187,059</u>	<u>180,558</u>	<u>139,027</u>	<u>164,881</u>	<u>190,063</u>
<b>All Types</b>	<b>720,705</b>	<b>686,019</b>	<b>602,909</b>	<b>621,475</b>	<b>888,949</b>
<b>Total Availabilities:</b>					
Class A	3,237,234	3,211,152	2,883,930	2,595,468	2,904,081
<u>Class B</u>	<u>1,840,032</u>	<u>1,996,803</u>	<u>1,793,429</u>	<u>1,627,470</u>	<u>1,358,761</u>
<b>All Types</b>	<b>6,261,570</b>	<b>6,347,370</b>	<b>5,717,580</b>	<b>5,227,529</b>	<b>5,271,542</b>
Growth Rate (%):	1.1%	2.3%	3.6%	2.9%	1.5%
<b>Vacancy:</b>					
Class A	10.1%	9.6%	8.2%	7.0%	7.7%
<u>Class B</u>	<u>10.7%</u>	<u>11.6%</u>	<u>10.4%</u>	<u>9.4%</u>	<u>7.9%</u>
<b>All Types</b>	<b>9.9%</b>	<b>9.8%</b>	<b>8.6%</b>	<b>7.7%</b>	<b>7.6%</b>
<b>Gross Absorption</b>					
	2,062,555	2,784,912	3,357,739	3,578,962	2,550,901
<b>Net Absorption</b>					
	699,294	1,470,189	2,387,451	1,962,961	1,003,716
<b>New Construction:</b>					
Build-To-Suit	0	966,429	340,000	650,000	0
<u>Speculative</u>	<u>394,248</u>	<u>589,560</u>	<u>1,417,661</u>	<u>822,910</u>	<u>1,047,729</u>
<b>Total New Construction:</b>	<b>394,248</b>	<b>1,555,989</b>	<b>1,757,661</b>	<b>1,472,910</b>	<b>1,047,729</b>
<b>Average Asking Rate (FS):</b>					
Class A	\$3.71	\$3.67	\$3.74	\$3.85	\$4.16
<u>Class B</u>	<u>\$3.08</u>	<u>\$3.23</u>	<u>\$3.19</u>	<u>\$3.17</u>	<u>\$3.28</u>
<b>All Types</b>	<b>\$3.42</b>	<b>\$3.40</b>	<b>\$3.42</b>	<b>\$3.51</b>	<b>\$3.78</b>
<b># of Availables by Size:</b>					
0 - 4,999 SF	629	610	596	533	536
5,000 - 9,999 SF	134	147	146	137	144
10,000 - 19,999 SF	83	88	78	78	77
20,000 SF & Up	53	50	41	36	41
<b>Total Availables:</b>	<b>899</b>	<b>895</b>	<b>861</b>	<b>784</b>	<b>798</b>

## Vacancy & Average Asking Rate Trend



# Bay Area Office Report

Report Published By:

## Cushman & Wakefield Burlingame

1350 Bayshore Highway  
Suite 900  
Burlingame, CA 94010  
Tel +1 650 347 3700  
Fax +1 650 347 4307

## Cushman & Wakefield Oakland

555 12th Street  
Suite 1400  
Oakland, CA 94607  
Tel +1 510 465 8000  
Fax +1 510 465 1350

1111 Broadway  
Suite 1600  
Oakland, CA 94607  
Tel +1 510 763 4900

## Cushman & Wakefield Palo Alto

1950 University Ave.  
Suite 220  
E. Palo Alto, CA 94303  
Tel +1 650 852 1200  
Fax +1 650 856 1098

## Cushman & Wakefield San Jose

300 Santana Row  
Fifth Floor  
San Jose, CA 95128  
Tel +1 408 615 3400  
Fax +1 408 615 3444

10 Almaden Blvd.  
Suite 400  
San Jose, CA 95113  
Tel +1 408 436 5500

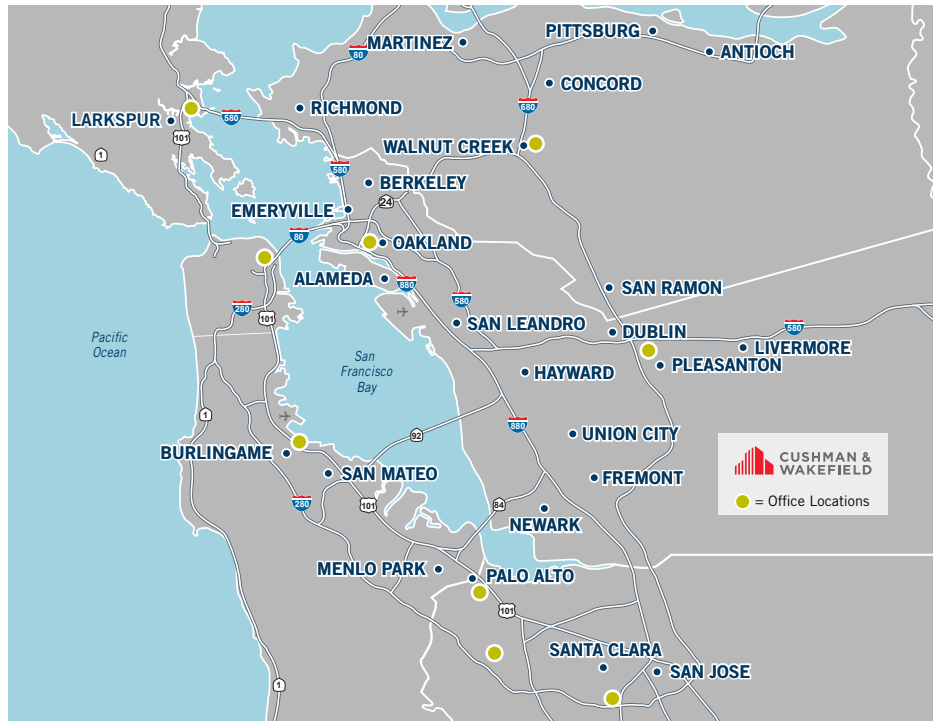
## Cushman & Wakefield San Francisco

201 California Street  
Suite 800  
San Francisco, CA 94111  
Tel +1 415 781 8100  
Fax +1 415 956 3381

425 Market Street  
Suite 2300  
San Francisco, CA 94105  
Tel +1 415 397 1700

## Cushman & Wakefield Larkspur/North Bay

900 Larkspur Landing Circle  
Suite 295  
Larkspur, CA 94939  
Tel +1 415 485 0500  
Fax +1 415 485 1341



## Definitions

### Class A Product

Steel and concrete construction, built after 1980, quality tenants, excellent amenities & premium rents.

### Class B Product

Built after 1960, fair to good finishes & wide range of tenants.

### Total Building Base

Includes Class A, Class B, and office Flex buildings over 10,000 square feet.

### Direct Availabilities

Total square footage being marketed for lease by landlord available within 90 days. This may include availabilities with pending leases.

### Sublease Availabilities

Total square footage being marketed for lease by sublessor.

### Vacancy

Total available square footage (direct & sublease) divided by Total Building Base.

### BTS (Build-to-Suit)

A method of leasing property whereby the landlord builds to suit the tenant (according to tenant's specifications). The cost of construction is figured into the rental amount of the lease, which is usually for a long term.

### New Spec (Speculative)

A building constructed for lease or sale but without having a tenant or buyer before construction begins.

### Gross Absorption

Total leasing and user sale activity in the marketplace in a given time period.

### Net Absorption

Change in occupied building square footage in a given time period.

### Avg. Asking Rate

Weighted Average Full Service Rate (by available square footage) of available spaces with NNN rates converted to Full Service rates.

### Avg. Time on Market

Weighted Average Time on market (by available square footage) of available spaces reflected in months.

### Availables by Size

Number of current available spaces for lease in the given size.

### Historical Continuity

Cushman & Wakefield maintains a building by building historical record. Comparing previous reports to this report may show different building size numbers and statistics. Changes are caused by reclassification of buildings and revised building sizes. Historical comparisons should be made from this report only as Cushman & Wakefield adjusts the historical record accordingly.



[cushmanwakefield.com](http://cushmanwakefield.com)