

## SF Peninsula 4Q14 Industrial Report

Industrial

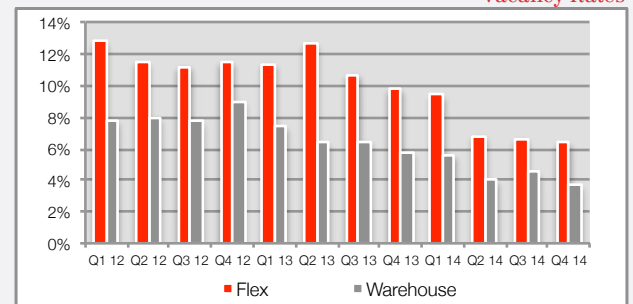


San Francisco Peninsula had a decrease in unemployment compared to the fourth quarter of 2013 with a 40 basis point drop to 4.1%. The region also had an increase in employment from 387,000 to 400,000. The unemployment rate is 170 basis points below the national unemployment rate of 5.8%.

San Francisco Peninsula quoted rates are lower than the quoted rates for San Francisco. Many businesses choose to lease in this area for lower rents and more available space, while still being close to San Francisco. Industrial space is not readily available in San Francisco, but the San Francisco Peninsula has more available space at generally lower quoted rates. The region reported a total warehouse vacancy of 1,428,804 square feet compared to San Francisco Downtown with only 155,414 total square feet vacant. Vacancy for warehouse space was 3.7% for the fourth quarter of 2014, a drop of 210 basis points since the fourth quarter of 2013 and quoted rates have increased from \$10.14 to \$10.36.

One major lease in this area was the lease of 64,427 square feet at 125-135 Constitution Dr. in Menlo Park; this was a lease by Atieva Inc., with move in April 2015. Two major sale transactions occurred in the fourth quarter of 2014 in the San Francisco Peninsula: DivcoWest purchased 1400-1500 Seaport Blvd. in Redwood City for \$12,750,000 from Shorenstein Properties and Jay Paul Companies purchased 345-355 Shoreway Rd. in San Carlos for \$12,750,000 from Sprinkel & Stancil. 1400-1500 Seaport Blvd. was fully leased to Abbott Laboratories and sits on 14.17 acres.

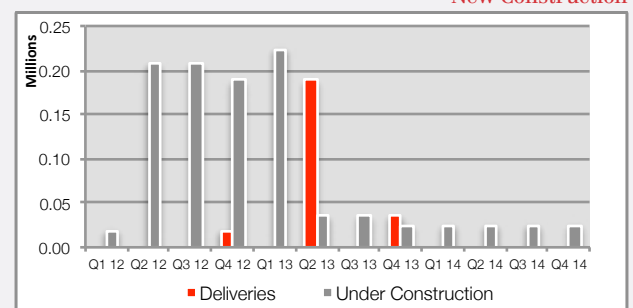
Vacancy Rates



Quoted Rates



New Construction



### Trends for 4Q14



VACANCY



VACANCY RATE



NET ABSORPTION

# SF Peninsula 4Q14

## Industrial Report

### Market Overview:

SUBMARKET NAME	# OF BLDGS	TOTAL RBA (SF)	VAC (%)	QUOTED RATES (\$/SF/YR)	YTD NET ABSORP. (SF)	YTD DELIV. (SF)	UNDER CONST. (SF)
San Mateo Central	498	8,338,067	3.52%	\$13.65	(12,184)	-	-
San Mateo North	880	26,907,677	3.85%	\$12.77	505,174	-	-
San Mateo South	1236	21,339,007	4.78%	\$15.31	675,768	-	25,600
San Mateo West	74	414,342	1.82%	\$12.48	-	-	-

### Significant Sales Transactions:

Buyer	Address	Price	City
DivcoWest	1400-1500 Seaport Blvd	\$259,000,000	Redwood City
Jay Paul Company	345-355 Shoreway Rd	\$12,750,000	San Carlos
Redwood City Jefferson LLC	141 Wilson St	\$7,199,000	Redwood City
Harabedian, Hall & Co.	360 Industrial Rd	\$7,191,000	San Carlos
Kevin Russell	165 Valley Dr	\$5,000,000	Brisbane
Ferro Family Trust	1331 San Mateo Ave	\$3,200,000	South San Francisco
Mckee Family Trust	615-621 Old County Rd	\$2,350,000	San Carlos
Dan Gootee	619 Airport Blvd	\$1,971,500	South San Francisco

### Significant Lease Transactions:

Tenant	Address	Size	City
Atieva Inc	125-135 Constitution Dr	64,427	Menlo Park
Myokardia	333 Allerton Ave	45,404	South San Francisco
Cort Furniture	1200-1210 San Mateo Ave	34,539	South San Francisco
Ascend Clinical, LLC	1400 Industrial Way	34,392	Redwood City
Intersect ENT (Renewal)	1555 Adams Dr	32,458	Menlo Park
Flexus	561 Eccles Ave	30,376	South San Francisco
EMC	4045-4055 Campbell Ave	27,391	Menlo Park
San Jose Mercury News Inc (Renewal)	255 Constitution Dr	23,400	Menlo Park
TechShop	2415 Bay Rd	21,564	Redwood City

# 4Q'14

## SF Peninsula Industrial Market Report

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