

Sunnyvale Real Estate Market for Third Quarter of 2014

Commercial real estate firm, Newmark Cornish & Carey, released the third quarter 2014 research and development (R&D) and office market reports this week. Sunnyvale's office vacancy rate is 7.19 percent compared to 5.5 percent in the third quarter 2013 and 8.63 percent in the third quarter 2012. The R&D vacancy rate is 8.5 percent compared to 10.9 percent in the third quarter 2013 and 10.2 percent in the third quarter 2012.

For comparison purposes, the following are rates for neighboring cities:

| Office | 3rd Quarter 2014 | 3rd Quarter 2013 | 3rd Quarter 2012 |
|------------------|-----------------------------|-----------------------------|-----------------------------|
| Santa Clara | 16.44% | 18.8% | 8.3% |
| Mountain View | 2.55% | 4.5% | 5.7% |
| San Jose | 13.12% | 14.34% | 16.4% |
| Sunnyvale | 7.19% | 5.5% | 8.3% |

| R&D | 3rd Quarter 2014 | 3rd Quarter 2013 | 3rd quarter 2012 |
|------------------|-----------------------------|-----------------------------|-----------------------------|
| Santa Clara | 15.57% | 16.8% | 16.6% |
| Mountain View | 3.06% | 5.8% | 6.7% |
| San Jose | 18.1% | 17.7% | 16.5% |
| Sunnyvale | 8.5% | 10.9% | 10.2% |

For context purposes, the Apple space in the downtown as well as on Benecia Avenue is considered office. The space LinkedIn leased is also considered office. The space Nissan R&D leased in Moffett Park is considered R&D.

As new development projects continue, realtors expect a fluctuation of vacancy rates due to the time frames of project completion as compared to completion of leasing agreements. Because of the current large projects under development in Sunnyvale, this may continue to occur for the next couple of years.