

# San Jose - Downtown

## TRANSIT VILLAGE APPEARS TO BE A MARKET MOVER

### Takeaway

Negligible space options and spiking rent in Mountain View, Sunnyvale and Menlo Park prompted more tenants to consider Downtown San Jose. Plans for major developments surrounding Diridon Station have given companies an even bigger push. In turn, landlords achieved the sharpest increase in effective rent during this cycle. Tenants will encounter additional decreases in concession packages in 2018 as occupancy levels remain at their highest level in years.

### Negotiated Rent

**\$48.50**  
TOTAL GROSS RENT ▲ 3.6%

### Concessions

**\$53.25** ▼ -1.4%  
**\$35.00** 4.5  
 IMPROVEMENT ALLOWANCE AVERAGE FREE RENT AVERAGE (MONTHS)

### Tenant Effective Rent

**\$40.66** ▲ 4.7%

### Building Expenses

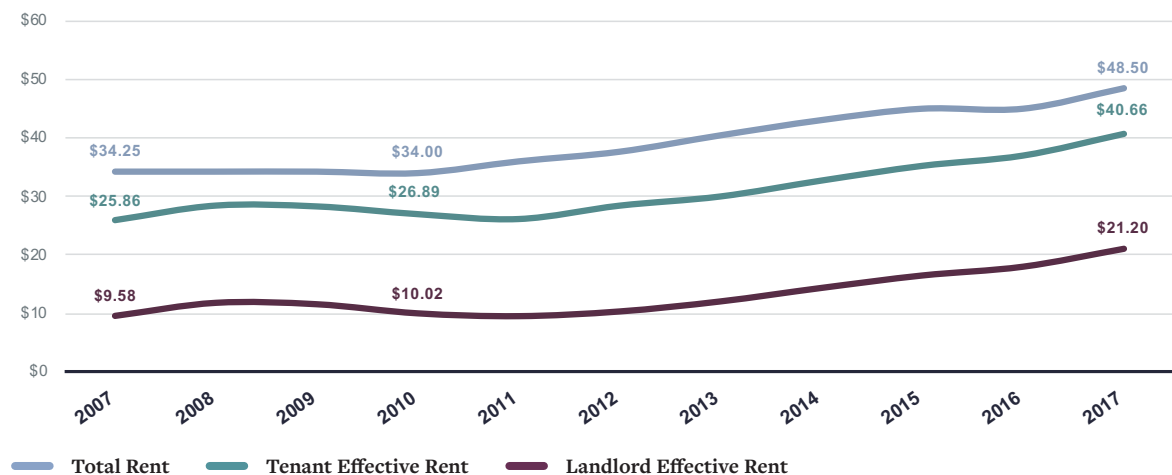
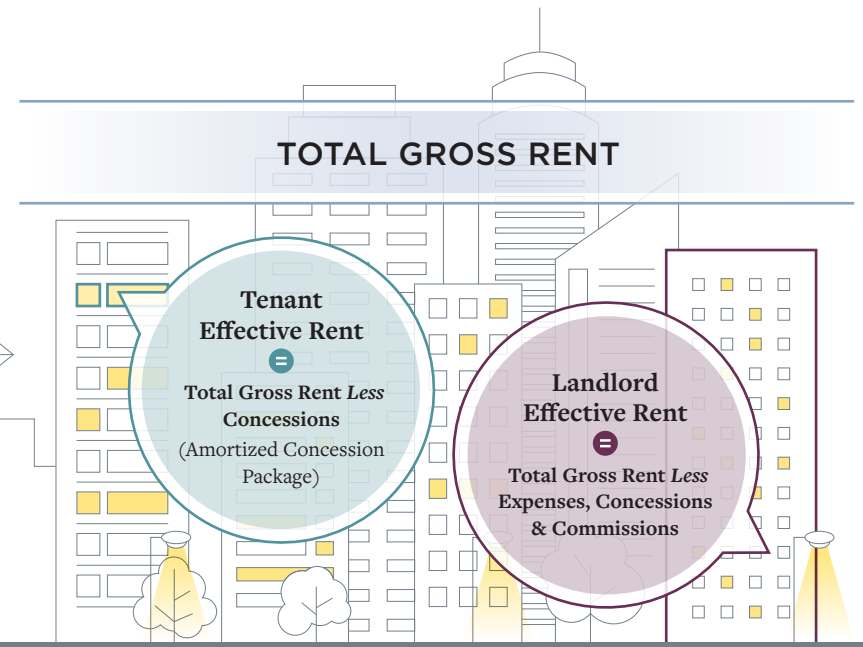
**\$11.50** ▲ 2.2%  
 OPEX  
**\$4.33** ▲ 1.9%  
 RE TAXES

### Landlord Effective Rent

**\$21.20** ▲ 7.4%



**RENT SENSIBLY.**  
DO YOU KNOW WHERE YOUR RENT GOES?



### METHODOLOGY

The *Effective Rent Index* tracks what tenants truly pay for top tier Class A office space (tenant effective rent) and what landlords ultimately walk away with (landlord effective rent) once building expenses and leasing costs are deducted from net rent. Derived from negotiated office leases, the index provides critical insight into the health of each market and its position along the 'landlord-tenant favorable' spectrum. For more information about the report or detailed methodology visit: [www.savills-studley.com/research/us/effective-rent-indexes.aspx](http://www.savills-studley.com/research/us/effective-rent-indexes.aspx).

