

Thursday, September 16, 2010 New York 77° | 63°

More

News, Quotes, Companies, Videos

SEARCH

SAN FRANCISCO BAY AREA

Welcome, **Tim Gallen** Logout
My Account My Journal Help

[U.S. Edition Home](#) [Today's Paper](#) [Video](#) [Blogs](#) [Journal Community](#)

Upgrade to WSJ Pro: **Get 4 Weeks Free**

[World](#) [U.S.](#) [New York](#) [Business](#) [Markets](#) [Tech](#) [Personal Finance](#) [Life & Culture](#) [Opinion](#) [Careers](#) [Real Estate](#) [Small Business](#)

[Campaign 2010](#) [Washington Wire](#) [Gulf Oil Spill](#) [Financial Regulation](#) [Capital Journal](#) [San Francisco Bay Area](#) [Journal Reports](#)

TOP STORIES IN
S.F. Bay Area

Location, Cost Fuel Demand for Mountain View Offices



Opera's Free Simulcasts Pay Off

Number of Uninsured Jumps in Bay Area

SAN FRANCISCO BAY AREA | SEPTEMBER 16, 2010

Location, Cost Fuel Demand for Mountain View Offices

Article

Comments

MORE IN SAN FRANCISCO BAY AREA »

Email Print Save This Like 4 + More Text

By PUI-WING TAM

How well a Silicon Valley town is faring can often be seen in how full its office spaces are. By that score, Mountain View is doing particularly well.

For Rent

Second quarter vacancy rates for Class A office space

Mountain View	4.5%
Palo Alto	14.0
Santa Clara	14.5
Menlo Park	14.8
Redwood City	28.9
San Jose	37.7
Sunnyvale	42.6

Source: Cornish & Carey Commercial

Of all Silicon Valley cities from as far north as Redwood City to as far south as San Jose, Mountain View had the lowest vacancy rate for its premium office properties—known as Class A office space—for the three months ended June 30. According to data from real-estate brokerage Cornish & Carey Commercial, Mountain View's vacancy rate for such properties was just 4.5% in the second quarter, down from 5.5% a year earlier.

Nearby Sunnyvale's Class A buildings had a vacancy rate of 42.6%, and downtown San Jose had a vacancy rate of 37.7% in the second quarter. Even popular Palo Alto had a vacancy rate of 14% in the same period, while Redwood City's premium office vacancy rate came in at 28.9%, according to Cornish & Carey.

Mountain View has long had a lower vacancy rate than many Silicon Valley towns, helped by its central location. More recently, its high occupancy

has been further fueled by the comeback of the technology industry, with some large companies taking more space in the city and many small start-ups moving into downtown Mountain View near lively Castro Street, say tech executives, landlords and real-estate brokers. It helps that rent in Mountain View is cheaper than in pricey Palo Alto, they add.

"Mountain View is doing much better than other areas, and we're seeing very fast improvement" in occupancy, says James Teng, who runs leasing for real-estate investment firm DivcoWest, which owns about one million square feet of space in the Bay Area. "For the rest of the Bay Area, it's not near to that level yet."

DivcoWest owns two buildings in Mountain View, says Mr. Teng. One, located outside the downtown area, has been fully occupied for the past few years because of a long-term lease with a tech company. The other property, located downtown, was 85% full in March but has since rapidly filled up and is now 100% full with start-ups and other companies, Mr. Teng



Email Newsletters and Alerts

The latest news and analysis delivered to your in-box. Check the boxes below to sign up.

- Real Time Economics Newsletter
- News Alert

SIGN UP

New! To sign up for Keyword or Symbol Alerts click [here](#).

To view or change all of your email settings, visit the [Email Setup Center](#).

San Francisco Bay Area Video

San Fran's Progressive Bloc Shows Cracks 3:02

Google-ITA Merger Plans Under Investigation 5:00

San Francisco Giants CEO Touts Ticket-Pricing Plan 3:49

Read Articles in San Francisco Bay Area

says.

One new arrival in Mountain View is Dave McClure, a start-up investor at his firm 500 Startups. In July, Mr. McClure signed a lease for a more than 10,000-square-foot space on the top floor of a 12-story building at 444 Castro St.

Mr. McClure says he chose a Mountain View office because of the proximity to big tech companies such as Google Inc., which has its headquarters in Mountain View, as well as Facebook Inc. in nearby Palo Alto. It helps that Mountain View isn't as expensive as Palo Alto, he adds, with Cornish & Carey data showing that downtown Mountain View's asking rents are at \$3.18 a square foot versus \$5.45 in downtown Palo Alto.

"We get full 360-degree views from our office," says Mr. McClure. "We're psyched about the space."

Write to Pui-Wing Tam at pui-wing.tam@wsj.com

Email Printer Friendly Order Reprints

MORE IN SAN FRANCISCO BAY AREA
Tools Sponsor: Constant Contact TRY EMAIL MARKETING FREE FOR 60 DAYS!

Like 4 people like this. Be the first of your friends.

Share: Facebook Twitter LinkedIn StumbleUpon Dribbble YouTube Facebook RSS

Breaking News-NACF Stock

Green Energy Clean Fuels. Oil Spill Cleanup Technology. www.NationalCleanFuels.com

2010 New Car Pricing

Buying a New Car, SUV or Hybrid? Find Discount Prices in Your Area! www.WhyPaySticker.com

AARP® Auto Insurance

Over 50? You Could Save Avg \$397*. Online Quote or Call 888-629-7721 AARP.TheHartford.com

Add a Comment

JOURNAL COMMUNITY

We welcome your thoughtful comments. Please comply with our Community rules. All comments will display your real name.

Text input field for adding a comment.

Track replies to my comment

Go to Comments tab

CLEAR POST

Related Stories

Brands Bounce Back, With Some Casualties 8 hrs ago

Google Fired Worker After Customer Breach 12 hrs ago

'Idol' Mulls JLo, Tyler to Juice Ratings 8 hrs ago

Allure of Home Ownership Dims, Fannie Mae Survey Shows 8 hrs ago

H-P to Buy ArcSight for \$1.5 Billion Yesterday 08:12 A.M.

Voters Divided; Leaders Needed 8 hrs ago

No 'Fairy Dust' for Yahoo Turnaround 8 hrs ago

Twitter to Include Photos and Video

Related Videos



13 hrs ago Laser Beams that Zap Your Fat Away!



9/10/2010 digits: Nokia's New Chief: A Tough Road Ahead



19 hrs ago digits: Twitter Gets a Face-Lift

The Top 25 Recruiter Picks

These schools produce the best graduates overall, according to companies that hire new college grads.

California Jai Life

Glass walls and a simple design give this Calabasas home, known as the Jai or "Victory" House, a clean modern look. A 75-foot lap pool separates the living areas from the bedrooms.

IBM CEO Thumps H-P

IBM CEO Samuel Palmisano criticized rival H-P's decision to spend heavily to acquire 3PAR and pay a hefty severance to former CEO Mark Hurd.

The 1099 Insurrection

The White House fights an effort to ease a burden on small business.

A Closet Named 'Iron Eagle'

Some homeowners are installing storm shelters that can withstand winds of up to 250 miles an hour, support the weight of a loaded tractor trailer, and even double as a closet.

Insurgent Republicans Vex Mainstream

Freeze! Zap! Bye-Bye, Fat

See All

RSS Feed

Most Popular

Read Emailed Video Commented Searches

- 1. The Top 25 Recruiter Picks
2. Opinion: Steve Malanga: Union Power and the Christie Effect
3. Opinion: Ronald J. Pestritto: Glenn Beck, Progressives and Me
4. Freeze! Zap! Bye-Bye, Fat
5. Opinion: Best of the Web Today: 'To HELL With Them!'

Most Read Articles Feed

Latest Headlines

Primaries Stoke Turmoil

Allure of Home Ownership Dims

Regulators to Target 'Window Dressing'

White House Taps Consumer Adviser

GOP Odds in Delaware Aren't Hopeless

SEC Looks to Allay Fears on FOIA Limits

More Democrats Join Call for Tax Cuts

U.S. Bill on China Gains Momentum

Obama Jobs GOP on Lending Bill

U.S. Files Jobs Complaint Against Tyson Foods

More Headlines

9/14/2010

Editors' Picks



Blimp Enthusiast Floats Idea of Round-the-World Race



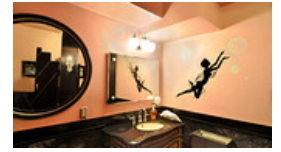
Zombie Buildings Haunt Spain Recovery



Woody Allen on Death, Love and Finances



Where Billionaires Are Putting Money



America's Best Bathroom, Er, Throned

[BACK TO TOP](#)

WSJ.com Account:

- [My Account](#)
- [Subscriber Billing Info](#)

Create an Account:

- [Register for Free](#)
- [Subscribe to WSJ.com](#)
- [Sign up for WSJ Professional](#)

Help & Information Center:

- [Help](#)
- [Customer Service](#)
- [Contact Us](#)
- [New on WSJ.com](#)
- [Tour the new Journal](#)

About:

- [News Licensing](#)
- [Advertising](#)
- [Advertise Locally](#)
- [Conferences](#)
- [About Dow Jones](#)
- [Privacy Policy - Updated](#)
- [Subscriber Agreement & Terms of Use - Updated](#)
- [Copyright Policy](#)
- [Jobs at WSJ.com](#)

WSJ.com:

- [Site Map](#)
- [Home](#)
- [World](#)
- [U.S.](#)
- [New York](#)
- [Business](#)
- [Markets](#)
- [Market Data](#)
- [Tech](#)
- [Personal Finance](#)
- [Life & Culture](#)
- [Opinion](#)
- [Autos](#)
- [Careers](#)
- [Real Estate](#)
- [Small Business](#)
- [Student Journal](#)
- [Corrections](#)

Tools & Formats:

- [Today's Paper](#)
- [Video Center](#)
- [Graphics](#)
- [Columns](#)
- [Blogs](#)
- [Topics](#)
- [Guides](#)
- [Alerts](#)
- [Newsletters](#)
- [Mobile](#)
- [iPad](#)
- [Podcasts](#)
- [RSS Feeds](#)
- [Journal Community](#)
- [WSJ on Twitter](#)
- [WSJ on Facebook](#)
- [WSJ on Foursquare](#)
- [My Journal](#)
- [Portfolio](#)

Digital Network

- [WSJ.com](#)
- [Marketwatch.com](#)
- [Barrons.com](#)
- [SmartMoney.com](#)
- [AllThingsD.com](#)
- [Finance Jobs at FINS](#)
- [BigCharts.com](#)
- [Virtual Stock Exchange](#)
- [ProfessorJournal.com](#)
- [WSJ U.S. Edition](#)
- [WSJ Asia Edition](#)
- [WSJ Europe Edition](#)
- [WSJ India Page](#)
- Foreign Language Editions:**
- [WSJ Chinese](#)
- [WSJ Japanese](#)
- [WSJ Portuguese](#)
- [WSJ Spanish](#)

Copyright ©2010 Dow Jones & Company, Inc. All Rights Reserved