



104,657 SF  
OFFICE/R&D BUILDING

HIGHWAY 101 IDENTITY

100% LEASED WITH  
NEAR TERM UPSIDE

**2125** O'NEIL  
DRIVE

SAN JOSE, CA





*This offering provides the exceptional opportunity to acquire an institutional quality office/R&D building with immediate income and significant near-term upside in the heart of Silicon Valley.*

## THE OFFERING

Cushman & Wakefield, as exclusive advisor, is pleased to present the opportunity to acquire the 100% fee simple interest in a 104,657 square foot, two-story office/R&D building located at 2125 O'Nel Drive in San Jose, CA (the "Property" or "2125 O'Nel"). The Property is situated within Bayshore Centre, a two building complex with identity along Highway 101. The building is 100% leased to a single tenant at a substantially below market rent with two years of term remaining.

The Property is located within the North First Street corridor in the heart of the Silicon Valley's "Golden Triangle", home to some of the region's most prestigious technology companies and an existing infrastructure geared for growth. This central location provides tenants with excellent access to the most important transportation facilities in the area including the region's major highways and expressways, Mineta San Jose International Airport (less than 5 minute drive), and the Karina Court VTA light rail station (5 minute walk). With multiple high-density residential developments in close proximity, the Property lies close to a deep and talented labor pool and accompanying retail amenities.

### PROPERTY SUMMARY

Property Address:	2125 O'Nel Drive, San Jose, CA 95131
Submarket:	North 1st Street
Stories:	Two
Site Area:	5.21 acres
Building Area:	104,657 square feet
Floor Plates:	±52,000 square feet
Year Built / Renovated:	1984 / 2012
Parking Ratio:	±3.66 / 1,000 rentable square feet
Occupancy:	100% leased to 8x8, Inc. (Nasdaq: EGHT)
Lease Expiration Date:	October 31, 2019

## INVESTMENT HIGHLIGHTS

### IMMEDIATE INCOME FROM AN ESTABLISHED TENANT

The building is currently 100% leased to 8x8 Inc. (NASDAQ: EGHT) through October 2019. The publicly traded company is a leading provider of cloud-based VoIP (Voice over Internet Protocol) services to businesses across the U.S. 8x8 has been public for 20 years and in business for 30 years. With the explosion in popularity of cloud-based services, the company has experienced consistent revenue growth since 2010. In Fiscal Year 2017, 8x8 generated \$253 million in revenue, a 21% increase over the prior year.

### NEAR TERM UPSIDE OPPORTUNITY

The current tenant has indicated its plans to relocate new a larger facility at the end of its term (10/31/2019), providing a new owner with a two year advance start to identify a replacement tenant and minimize or eliminate downtime. With a current in-place rent approximately 38% below market, there is significant upside potential.

### IDEAL STAND-ALONE HQ LOCATION

The two-story building is ideally configured for a technology user that seeks to house multiple functions under one roof. The ground floor features a mix of office and R&D areas including a Network Operations Center, lab areas, shipping & receiving, conference rooms, and creative office space. At the same time, the second floor office area can be utilized to accommodate administrative, executive, marketing and engineering functions. The building also offers heavy power (2,000 amps), dock-high loading, ample parking, and premium grade cabling and fiber installed by the current tenant. The building's 'all-in-one' functionality along with its excellent curb appeal and highway identity make it well positioned to capture a wide range of tenant demand. There are currently more than 80 active office and R&D requirements in Silicon Valley totaling 10.1 million square feet.







## HIGHWAY 101 IDENTITY

The Property line includes 500 feet of frontage along Highway 101, one of the most heavily traveled routes in the Bay Area, accommodating approximately 150,000 cars per day along this stretch. Properties with freeway proximity and visibility are in high demand as tenants seek out opportunities to promote their brand and attract employees.

## PRESTIGIOUS SILICON VALLEY LOCATION

San Jose's North First Street corridor has long been known as one of the most desirable trade areas in Silicon Valley. Some of the world's most notable technology companies such as Google, Samsung, eBay (PayPal), Cisco, Broadcom, Philips, Qualcomm and Dell maintain a significant presence in the immediate area adding to the submarket's reputation as a hotbed for Silicon Valley's Blue Chip technology tenants.

## IMMEDIATE PROXIMITY TO MAJOR CAMPUSES FOR PAYPAL AND APPLE

The global headquarters for PayPal is located directly across the street from the Property. PayPal was spun off from Ebay in 2015 and is one of the largest payment processors in the world. In addition, Apple recently assembled 86-acres less than a half mile north of the Property. The City of San Jose approved plans for the development of a 4.15 million square foot office/R&D campus on the site that could bring an estimated 20,000 jobs to the North First Street submarket.

*"This project further demonstrates the confidence of tech leaders in San Jose's future as a global innovation center... We look forward to supporting Apple's long-term growth here."* -San Jose Mayor Sam Liccardo



## SUPERIOR TRANSPORTATION & TRANSIT ACCESS

The Property's central location is ideally positioned to draw from the regional labor pool concentrated to the east and south, while at the same time accommodating high-income executives who live in the West Valley and along the Peninsula.



### EXCELLENT HIGHWAY ACCESS:

The Property is easily accessible from Highway 101 and Interstate 880, two of the Bay Area's primary north and south transportation arterials which provide access to either the San Francisco Peninsula or greater East Bay. The two highways also provide direct links to I-280, I-680, SR-237, SR-87, and SR-85.



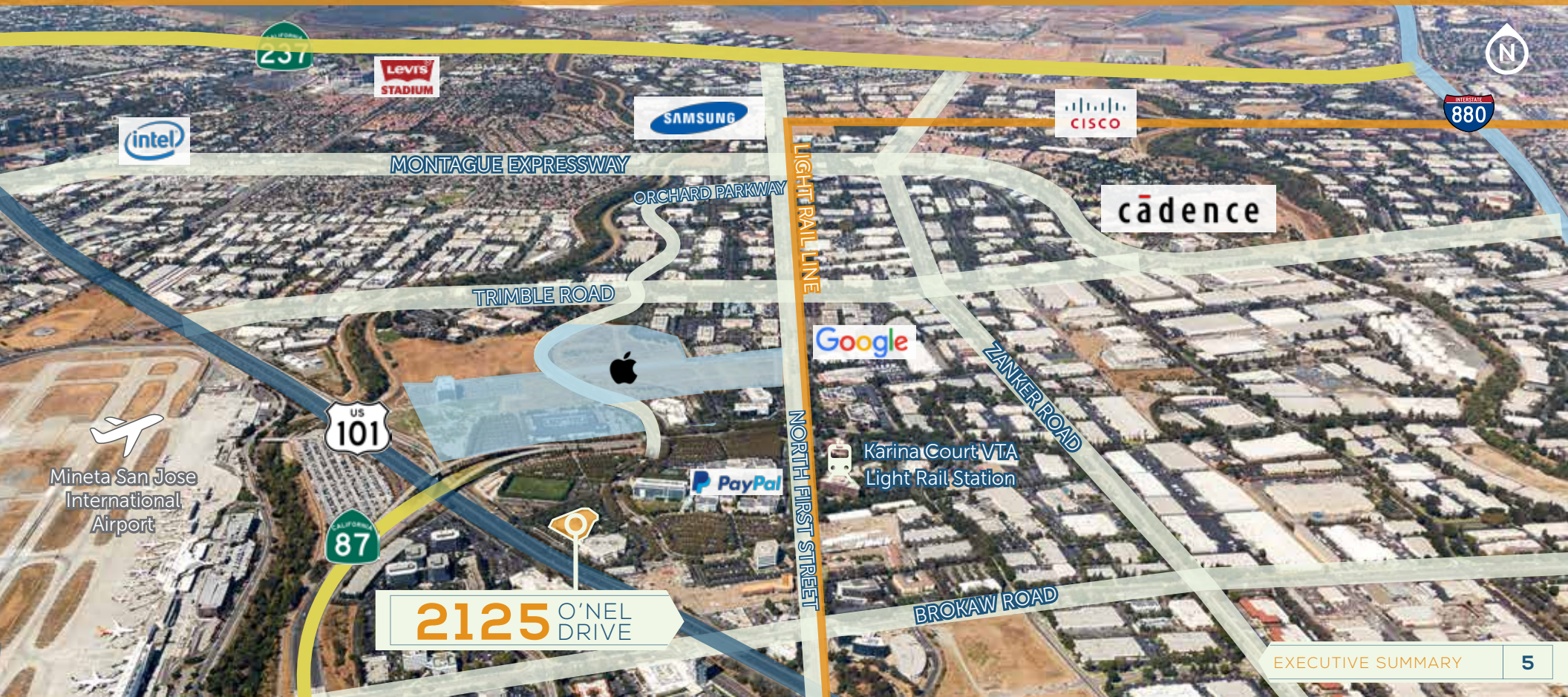
### AIRPORT WITHIN MINUTES:

Mineta San Jose International Airport is located approximately one mile from the Property. Mineta Airport serves more than nine million passengers per year and provides business travelers convenient and frequent access to more than 260 international and domestic flights daily.



### WALKING DISTANCE TO LIGHT RAIL:

Santa Clara Valley Transportation Authority (VTA) provides light rail service from Mountain View through San Jose with trains that link to Caltrain, Bay Area Rapid Transit (BART) and Mineta San Jose International Airport. The Karina Court VTA station is located within a five minute walk of the Property.







## SAN JOSE RENAISSANCE

A combination of city growth initiatives, corporate expansions, market trend towards high-density live-work-play environments, and growing necessity for transportation solutions have created the “perfect storm” for San Jose to become one Silicon Valley’s premier urban centers.

## PRO-BUSINESS INITIATIVES

The City of San Jose has become a landing spot for some of the region’s largest technology companies who have been forced to grow or relocate out of smaller submarkets such as Mountain View, Sunnyvale and Cupertino. In 2011, the city adopted the “Envision 2040 General Plan” with the goal of producing 470,000 new jobs in the city by 2035.

## NORTH FIRST STREET DENSITY INCREASE

The North First Street Corridor is slated to accommodate a significant portion of the growth planned in San Jose. The Property is located within the General Plan’s “Transit Employment Center”. Properties located within this zone qualify for a substantial density increase, further enhancing the site’s long-term intrinsic value.

## GOOGLE COMMITMENT

In June of this year, the City of San Jose approved plans to engage in discussions with Google to develop a colossal new transit-oriented campus adjacent to downtown San Jose. The six to eight million square foot development is expected to bring up to 20,000 new jobs to San Jose and will reshape downtown and neighboring submarkets dramatically.

## PROXIMITY TO NEW RESIDENTIAL & AMENITIES

Under the guidance of the Envision 2040 General Plan, the city intends to ultimately add 32,000 housing units within the North San Jose area. Over the past five years, approximately 8,000 new multi-family units have been completed.

The North First Street corridor residential and employment base is served by numerous retail amenities and recreational facilities. The immediate area includes more than thirty restaurants, eighteen hotels and eight banks.



## OFFICE/R&D MARKET HIGHLIGHTS

With a high concentration of revolutionary technology companies and an unparalleled stream of venture capital investment, Silicon Valley is renowned as the world’s center of technology. As one of the Bay Area’s key economic drivers, the region’s technology sector flourishes from immediate access to one of the most educated workforces in the nation. Over the past five years, growth from some of the region’s most prominent employers such as Apple, Google, Samsung, Netflix and LinkedIn has made the Silicon Valley one of the nation’s top performing office/R&D markets. Since 2011, the market has absorbed more than 11.0 million square feet of office/R&D space. Over the same period, asking rents have grown an average of 16.3% per year, significantly outpacing most major markets in the country.

### SILICON VALLEY MARKET SNAPSHOT

**10.2%**  
VACANCY

**\$2.15**  
AVG. ASKING RENT

**3.8 MSF**  
YTD. NET ABORPTION





# 2125 O'NEIL DRIVE

SAN JOSE, CA

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