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Membrane Technologies, other tech firms shift operations from Peninsula to East Bay

By George Avalos
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Membrane Technology & Research is moving its headquarters and other operations to Newark in the latest deal by a company migrating across the bay in search of less expensive offices.

Based in Menlo Park, Membrane Technology has signed a deal to lease 62,000 square feet at Stevenson Point Tech Park I, taking up an entire building at 39630 Eureka Drive.

Membrane will shift about 70 jobs to the new head offices, said Hans Wijmans, Membrane's CEO.

"We of course hope that the future will bring growth and will require new hires," Wijmans said.

The company makes membranes that can filter out unwanted substances from industrial operations. The tube-shaped devices can remove carbon dioxide and nitrogen emitted by refineries, coal plants and natural gas facilities.

Privately held Membrane doesn't disclose its revenue. Information from Manta.com, which compiles data on small businesses, estimated that Membrane's annual revenue is about \$34.7 million.

Membrane is slated to move in 2012. The lease was arranged through realty firms **Cresa Partners** and Cassidy Turley.

The cascade of technology companies expanding in realty hotbeds on the Peninsula has prompted, in some cases, smaller companies to scout for new homes.

"These companies are getting high-quality space for a lot less than they pay in Sunnyvale, Mountain View, Palo Alto or Menlo Park," said Michael Karp, a vice president with Cassidy Turley.

Membrane cut its overall rental rates by about 30 percent with the move to Newark, estimated **Mark Moser**, a principal executive with **Cresa Partners**.

"We looked from Redwood City to Santa Clara and then over to the Newark and Fremont area," **Moser** said. "The rent and tenant improvement package Membrane was being offered far surpassed the next-best alternative."

Membrane Technology suffered an explosion at one of its Menlo Park buildings in early September. One man, a company employee, was killed in the blast. Cal-OSHA is investigating the incident.

Besides Membrane, companies that have shifted operations from the Peninsula to Newark include StemCells, which moved 75 employees, and Synarc, which moved from San Francisco. Dow Corning moved from Menlo Park, Triple Ring Technologies moved from Palo Alto. Morgan Royce Industries, a printed circuit board maker, moved from Sunnyvale to Fremont.

Google (GOOG), VMware, Motorola Mobility, Microsoft, Apple (AAPL), Hewlett-Packard (HPQ) and Facebook have wolfed down big chunks of office and research space in Silicon Valley over the past several months. That activity, in turn, drove rents higher as buildings become more scarce.

"The companies that are moving over to the East Bay are getting a reverse commute for their employees," Karp said. "That makes a relocation more of an easy sell to companies that are coming from the Peninsula."