

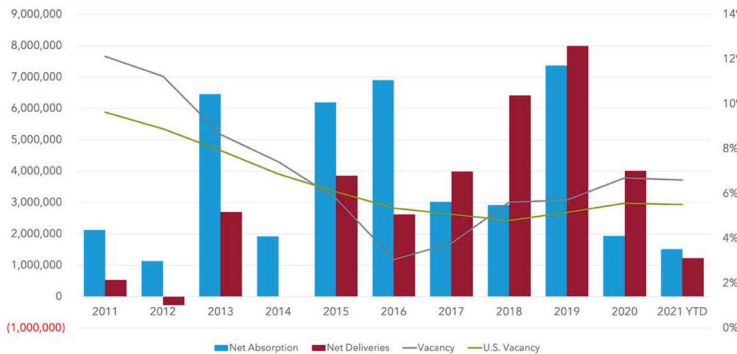
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR, *Senior Vice President*

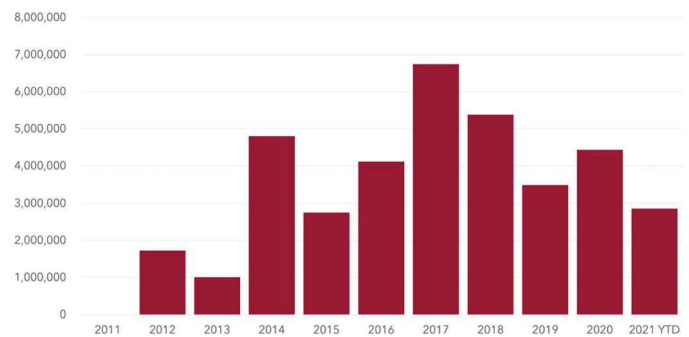
The Central Valley continued to demonstrate strong activity throughout Q1 and maintain a consistent pace of positive absorption yet again, highlighted by several large leases spanning food, beverage and logistics tenants. Development/construction deliveries and new starts dominate the landscape with several 1+ M SF buildings underway, most notably the first multi-story, 100' tall, 3.5 M SF Amazon facility in Tracy. Owner/user purchases remained strong with continued SBA payment forgiveness plans as part of the government stimulus. Trailer yards continue to be highly sought after properties from the owner/operator buyer and the name brand warehouse tenants needing more trailer parking adjacent to or near existing distribution centers.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▲ Net Absorption SF	2,008,852	(352,053)	1,885,758	442,112	(41,065)
▲ Vacancy Rate	6.30%	6.10%	5.90%	5.30%	4.90%
▲ Avg NNN Asking Rate	\$5.86 PSF	\$5.77 PSF	\$5.58 PSF	\$4.77 PSF	\$4.53 PSF
▼ SF Under Construction	2,857,537	4,433,117	3,354,147	4,843,235	4,555,730
▲ Inventory SF	188,850,118	186,968,300	186,567,960	183,919,825	182,990,266

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1836 Lapham Drive Modesto, CA	234,131 SF	\$40,100,000 \$171.27 PS	LCN Capital Partners Mercer Foods	Class C
340 Scotts Avenue Tracy, CA	95,000 SF	\$2,850,000 \$30.00 PSF	Big G'z Pallets Masonite	Class C
1444 Tillie Lewis Street Stockton, CA	62,400 SF	\$4,773,600 \$76.50 PSF	Fuel Stops Taggart	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4580 Logistics Drive Stockton, CA	709,556 SF	IDI Logistics	Allen Distribution	3PL
2300 North Chabot Court Tracy, CA	388,971 SF	Prologis, Inc	Hawthorne Hydroponics	Horticulture
6444 Arch Road Stockton, CA	383,382 SF	Buzz Oates	FedEx	3PL