



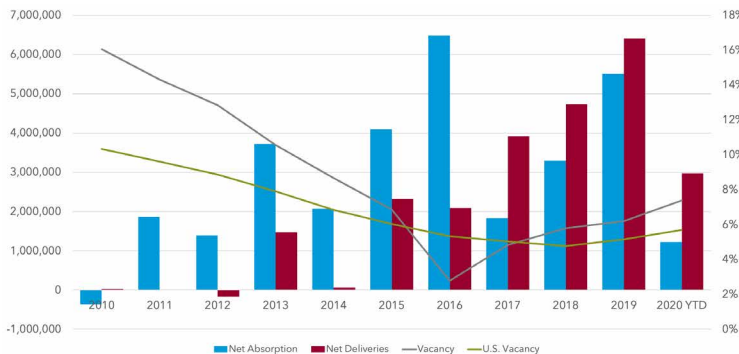
### INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR, *Senior Vice President*

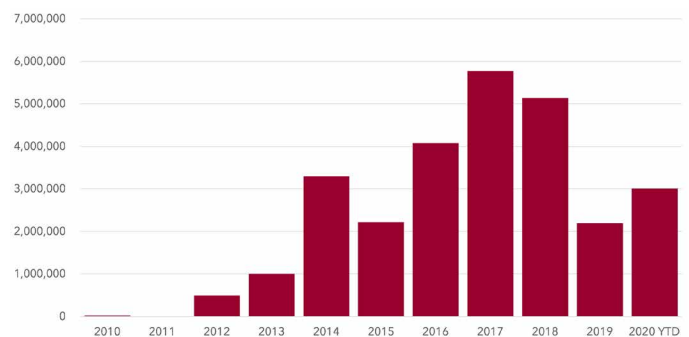
Despite the COVID-19 Pandemic, the Central Valley Industrial Market has remained active, bolstered by both large-scale long-term leasing for newly delivered product as well as investment acquisitions in the capital markets sector. Retail/e-commerce continue to be the leading occupiers, while trucking/transportation and consumer durable goods contribute to this quarter's completed transactions. Construction activity continues with several spec projects in Stockton, Tracy and Modesto adding to the industrial base - some of which are already close to signed commitments.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▲ Net Absorption	2,774,866 SF	1,308,697 SF	1,308,697 SF	5,508,882 SF	4,786,942 SF
▲ Vacancy Rate	7.2%	6.7%	6.3%	6.2%	5.2%
▲ Avg NNN Asking Rate	\$7.54 PSF	\$7.30 PSF	\$7.21 PSF	\$7.12 PSF	\$7.02 PSF
▲ Under Construction	3,005,147 SF	2,911,954 SF	3,425,041 SF	2,202,129 SF	2,893,526 SF
▲ Inventory	131,453,628 SF	128,528,416 SF	128,023,829 SF	127,930,292 SF	126,073,730 SF

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6440 Aviation Drive Stockton, CA	419,608 SF	\$37,765,000.00 \$90.00 PSF	Clarion Partners Panattoni Development Company	Class A
433 W. Scotts Ave Stockton, CA	111,842 SF	\$2,950,000 \$26.38 PSF	Lutsuk Masonite	Class C
18231 Murphy Parkway Lathrop, CA	118,056 SF	\$13,622,500.00 \$115.39 PSF	Overton Moore Properties Rad Urban	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9375 West Sugar Road Tracy, CA	925,475 SF	Phelan	Michaels	Retailer
6250 Prommontory Parkway Tracy, CA	851,200 SF	Prologis, Inc.	Amazon	Retailer
1150 E. Arbor Road Tracy, CA	210,000 SF	Prologis	Hollingsworth	Distribution

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