



INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR, *Senior Vice President*

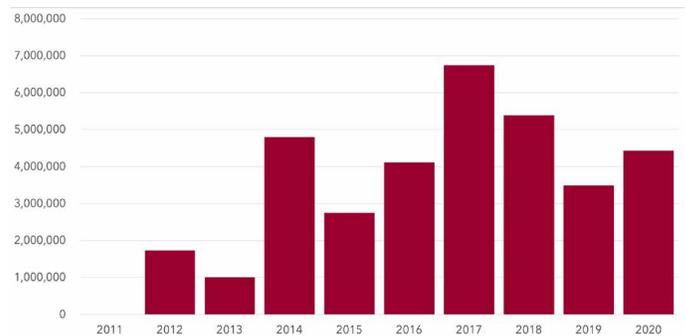
Central Valley industrial activity remained robust throughout the 4th quarter, highlighted by several large institutional transactions - both leased investment and acquisition for speculative development. Owner/user sales and tenant activity below 100,000 SF continue to be in high demand as that segment of the market has been overlooked by developers capitalizing on large scale distribution and e-commerce requirements which continue to expand throughout the region. New construction deliveries and a food processing plant shut down lead to negative absorption.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▼ Net Absorption	(352,053) SF	1,885,758 SF	442,112 SF	(41,065) SF	1,150,669 SF
▲ Vacancy Rate	6.10%	5.90%	5.30%	4.90%	4.90%
▲ Avg NNN Asking Rate	\$5.77 PSF	\$5.58 PSF	\$4.77 PSF	\$4.53 PSF	\$5.17 PSF
▲ Under Construction	4,433,117 SF	3,354,147 SF	4,843,235 SF	4,555,730 SF	3,490,217 SF
▲ Inventory	186,968,300 SF	186,567,960 SF	183,919,825 SF	182,990,266 SF	182,954,429 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1515 S. Fresno Avenue Stockton, CA	350,000 SF	\$20,100,000.00 \$57.00 PSF	Westcore Klein	Class C
1170 South Guild Avenue Lodi, CA	400,340 SF	\$44,600,000.00 \$111.41 PSF	STAG Industrial, Inc. Panattoni Development Company	Class A
4650 New Castle Road Stockton, CA	750,561 SF	\$96,000,000.00 \$127.90 PSF	Modlo USAA	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
17100 S. Harlan Road Lathrop, CA	100,000 SF	Vertical Ventures	Conex West	Manufacturing
3735 Imperial Way Stockton, CA	164,702 SF	Blackstone REIT	Kraft Foods	Cold Storage Distribution
502 East Whitmore Avenue Modesto, CA	170,000 SF	G3 Enterprises, Inc.	Wal-Mart	Warehouse Distribution

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property and Lee Proprietary Data. ©

© Copyright 2021 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com