



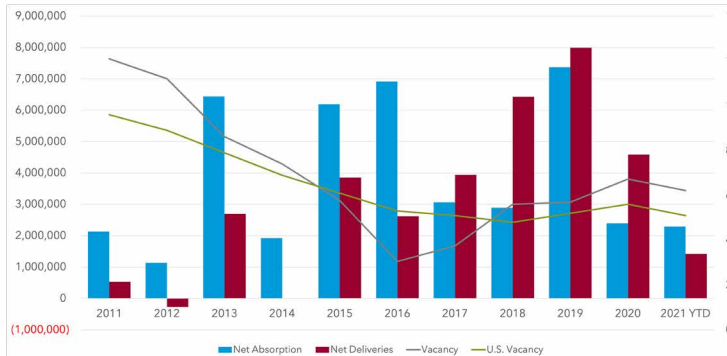
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR, *Senior Vice President*

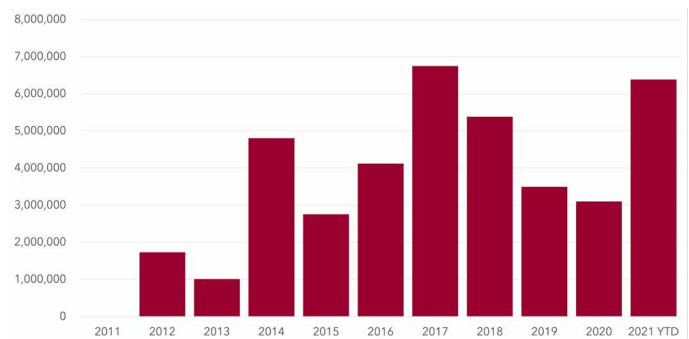
Industrial product throughout the Central Valley continues to enjoy strong demand and solid absorption which keeps the development pipeline full as demonstrated by the more than 8million square feet currently under construction, highlighted by a 1million square foot 50' clear spec by Prologis. The quarter enjoyed leasing activity in both the large big box and smaller multi-tenant (50,000sf) sectors, with a notable decrease in supply of the latter. In addition there were sizeable institutional investment sales that have become increasingly expected throughout the Central Valley further supporting the overall attractiveness and strength of the market.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▼ Net Absorption SF	688,427	2,008,852	(352,053)	1,885,758	442,120
▲ Vacancy Rate	6.6%	6.3%	6.1%	5.9%	5.30%
▲ Avg NNN Asking Rate PSF	\$6.60	\$5.86	\$5.77	\$5.58	\$4.77
▲ SF Under Construction	8,148,212	2,857,537	4,433,117	3,354,147	4,843,235
▼ Inventory SF	190,620,125	188,850,118	186,968,300	186,567,960	183,919,825

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1624 Army Court Stockton, CA	655,976 SF	\$53,750,000 \$81.94 PSF	DRA Advisors Derrmody	Class B
1400 Waterloo Road Stockton, CA	312,722 SF	\$12,800,000 \$40.93 PSF	LB Stone Properties Morning Star Foods	Class C
3838 Imperial Way Stockton, CA	150,000 SF	\$16,000,000 \$106.67 PSF	STAG Industrial Buzz Oates	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
600 Spreckels Avenue Manteca, CA	552,240 SF	Duke Realty	FEMA	Warehouse/ Distribution
2300 Chabot Court Tracy, CA	388,971 SF	Prologis	Hawthorne Hydroponics	Warehouse/ Distribution
6444 Arch Road Stockton, CA	383,382 SF	Buzz Oates	FedEx	Warehouse/ Distribution

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