



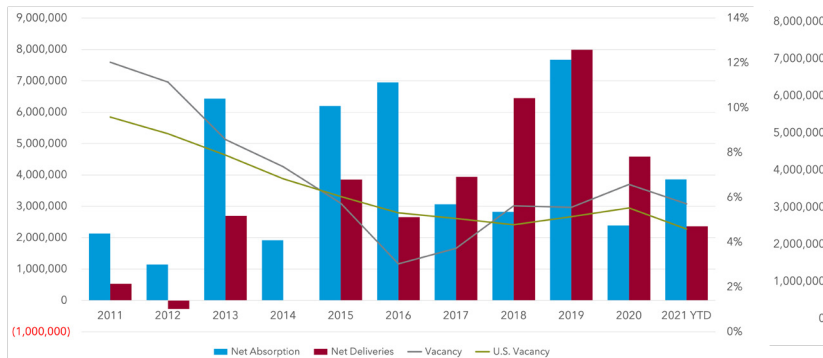
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR, *Senior Vice President*

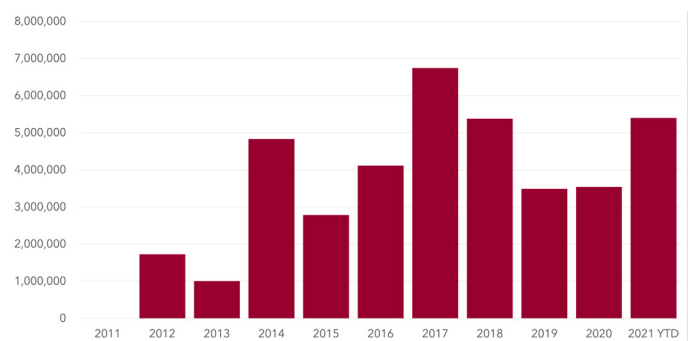
The Central Valley enjoyed a very strong Q3 2021 demonstrated by record setting absorption and additional institutional investment acquisitions. Overall vacancy decreased and lease rates continued their steady increase while we prepare to welcome upwards of 8million square feet of new inventory in the coming months. Warehousing, distribution and transportation/logistics continue to dominate the active requirements in the market, putting a premium on truck yards and/or facilities that can accommodate large trailer yards on-site.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Net Absorption SF	4,118,399	688,427	2,008,852	(352,053)	1,885,758
▼ Vacancy Rate	6.0%	6.6%	6.3%	6.1%	5.9%
▲ Avg NNN Asking Rate PSF	\$6.96	\$6.60	\$5.86	\$5.77	\$5.58
◀ ▶ SF Under Construction	8,148,212	8,148,212	2,857,537	4,433,117	3,354,147
◀ ▶ Inventory SF	190,620,125	190,620,125	188,850,118	186,968,300	186,567,960

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1207 E. Grant Line Road Tracy, CA	610,914 SF	\$112,000,000 \$183.33 PSF	CBRE Global Investors Black Creek Group	Class A
3923 B Street Stockton, CA	615,440 SF	\$105,000,000 \$170.61 PSF	GLP IDI	Class A
1203 N. Gertrude Stockton, CA	200,238 SF	\$10,537,000 \$53.00 PSF	BROE Mike Chu	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
700 D'Arcy Pkwy Lathrop, CA	440,538 SF	UBS	Tesla	Warehouse/ Distribution
6440 Aviation Drive Stockton, CA	419,608 SF	Clarion Partners	Costco	Warehouse/ Distribution
1624 Army Court Stockton, CA	373,022 SF	DRA Advisors	G-3	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 & Associates Proprietary Data. ©

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