



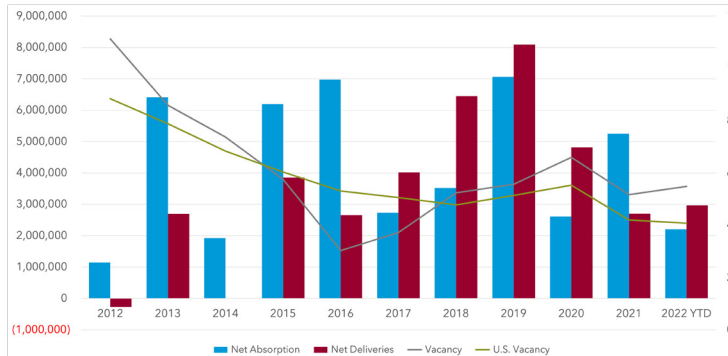
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR Senior Vice President

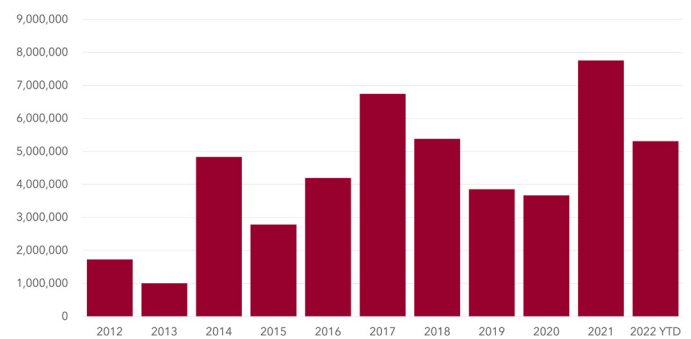
2022 continued where 2021 left off, delivering new Class A distribution space to meet the robust demand from occupiers in the e-commerce, food and beverage and 3rd Party Logistics industries. The first quarter saw the groundbreaking of another 3 million square feet throughout the Central Valley, further supporting the bullish confidence the development community has expressed in the market. Rental rates continue to climb, a function of both strong demand and increasing construction costs. Despite interest rate hikes the buying appetite of the owner/ occupier population looking to purchase remains higher than ever, with inventory at historically low rates and many sales in this sector occurring "off market".

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▼ 12 Mo. Net Absorption SF	768,414	1,677,800	4,118,399	688,427	2,008,852
▲ Vacancy Rate	7.8%	5.5%	6.0%	6.6%	6.3%
▲ Avg NNN Asking Rate PSF	\$7.32	\$7.08	\$6.96	\$6.60	\$5.86
▼ SF Under Construction	8,201,466	9,953,565	8,148,212	8,148,212	2,857,537
▲ Inventory SF	193,856,220	191,802,460	190,620,125	190,620,125	188,850,118

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2230 Stagecoach Stockton, CA	119,615 SF	\$13,300,000 \$112.00 PSF	Dalfen Industrial Rogers	Class B
2160 Santa Fe Hughson, CA	142,807 SF	\$8,900,000 \$62.00 PSF	HDC Holdings Dekleva	Class C
1109 Anderson Stockton, CA	28,227 SF	\$5,300,000 \$188.00 PSF	Seattle Tacoma Box Grupe	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
18601 Christopher Way Lathrop, CA	338,564 SF	Oates	Medline	Warehouse/ Distribution
6872 Promontory Tracy, CA	100,369 SF	Prologis	JIT Transportation	Warehouse/ Distribution
550 Tesla Drive Lathrop, CA	197,124 SF	Clarion	PAQ/Food-4-Less	Warehouse/ Distribution

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