



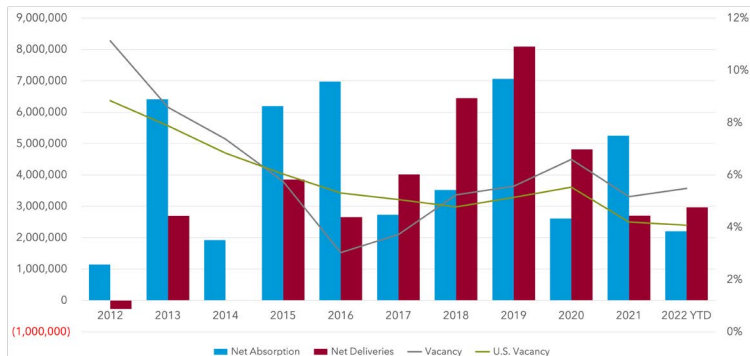
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR Senior Vice President

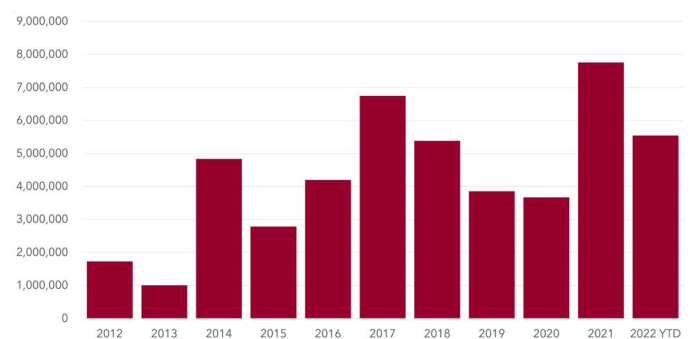
Construction remains active on several speculative projects being developed by institutional landlords who remain bullish on the Central Valley as a primary warehouse/distribution and logistics market positioned to serve the Western US. Despite economic concerns with inflation, oil prices and Wall Street volatility supply chain issues continue to require increasing inventories be kept at the ready, driving demand for distribution/fulfillment centers easily accessible to the consumer/population base.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲ 12 Mo. Net Absorption SF	1,700,000	768,414	1,677,800	4,118,399	688,427
▼ Vacancy Rate	6.2%	7.8%	5.5%	6.0%	6.6%
▲ Avg NNN Asking Rate PSF	\$7.80	\$7.32	\$7.08	\$6.96	\$6.60
▼ SF Under Construction	5,500,000	8,201,466	9,953,565	8,148,212	8,148,212
▲ Inventory SF	194,670,000	193,856,220	191,802,460	190,620,125	190,620,125

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1627 Army Court Stockton, CA	277,500 SF	\$23,800,000 \$86.00 PSF	Blackstone Stockbridge	Class B
1050 E. Grant Line Road Tracy, CA	219,500 SF	\$18,800,000 \$86.00 PSF	Blackstone Stockbridge	Class B
4545 Qantas Land Stockton, CA	172,500 SF	\$14,800,000 \$86.00 PSF	Blackstone Stockbridge	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
689 Pavillion Parkway Tracy, CA	1,100,000 SF	Prologis	Williams Sonoma	Warehouse/ Distribution
16825 Murphy Parkway Lathrop, CA	346,631 SF	Duke	NFI	Warehouse/ Distribution
5050 Yosemite Avenue Lathrop, CA	191,150 SF	Crow Holdings	Ryder	Warehouse/ Distribution

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