



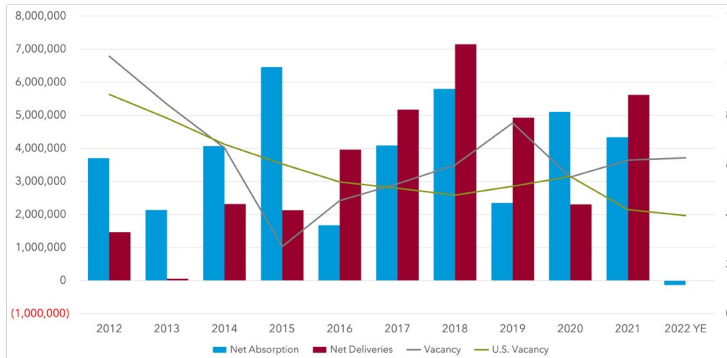
### INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR Senior Vice President

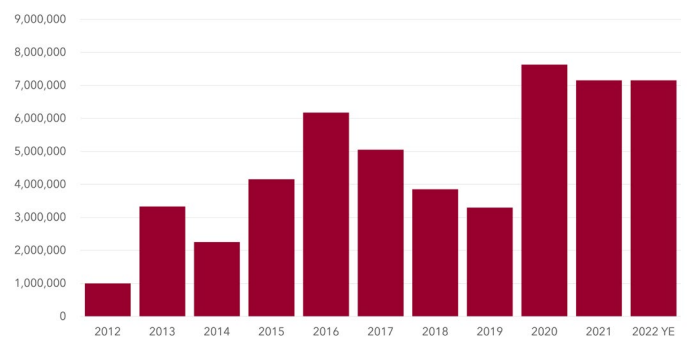
The year ended with the continued trends of positive absorption and full construction pipelines throughout the Central Valley. Asking and contract rents remain at all time highs with landlord concessions still minimal in general. New occupancies are being generated by both first time entrants into the market as well as expansion of existing tenants. Supply for owner/user purchase opportunities remains extremely tight, and despite high interest rates there remains a backlog of ready and willing buyers.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ Qtrly Net Absorption SF	637,560	2,133,404	1,700,000	768,414	1,677,800
▼ Vacancy Rate	4.2%	5.5%	6.2%	7.8%	5.5%
▲ Avg NNN Asking Rate PSF	\$8.76	\$8.16	\$7.80	\$7.32	\$7.08
▼ SF Under Construction	8,278,460	8,482,064	5,500,000	8,201,466	9,953,565
▲ Inventory SF	196,450,000	195,375,600	194,670,000	193,856,220	191,802,460

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4900 Stoddard Road Modesto, CA	139,552 SF	\$21,900,000 \$157.00 PSF	MTC Distributing Mountains to Coast LLC	Class B
18231 Murphy Parkway Lathrop, CA	118,056 SF	\$30,250,000 \$256.00 PSF	Lowenberg Corporation Overton Moore	Class B
4441 Alitalia Way Stockton, CA	86,400 SF	\$10,500,000 \$121.53 PSF	Goodwill Industries Buzz Oates	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
440 Industrial Drive Stockton, CA	522,405 SF	Buzz Oates	Allen Distribution	3PL
3462 W. Yosemite Avenue Lathrop, CA	306,412 SF	Phelan	DCG Distribution	3PL
6751 W. Shulte Road Tracy, CA	195,741 SF	Prologis	McColister's Moving & Storage	Warehouse/ Distribution

