



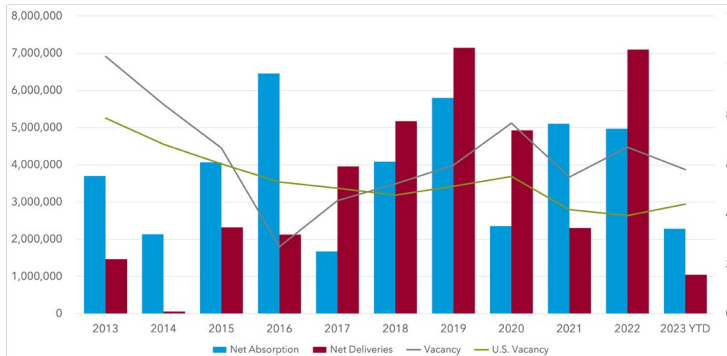
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR Senior Vice President

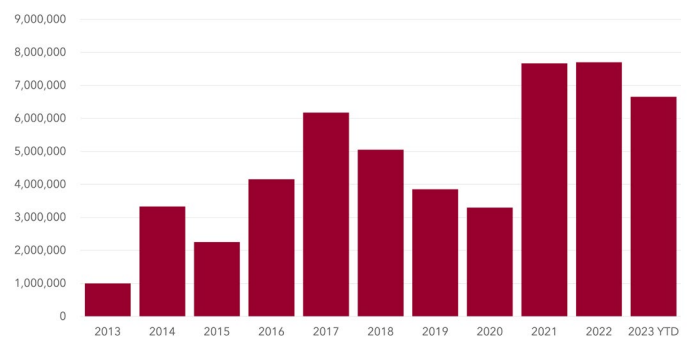
The 1st quarter of 2023 witnessed a more measured pace as compared to that enjoyed by 4th quarter of 2022, primarily due to new deliveries and a pause from many occupiers waiting to see what 2023 interest rates, consumer price indices and global unrest brings. Second and third generation (Class B and C) space is getting more attention as budget concerns loom and consumer spending cools. Investment sales - both institutional and private - has slowed while owners/sellers come to grips with rising interest rates and their unwillingness to adjust cap rates to meet market conditions.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▲ Qtrly Net Absorption SF	1,514,371	637,560	2,133,404	1,700,000	768,414
▲ Vacancy Rate	5.9%	4.2%	5.5%	6.2%	7.8%
◀ ▶ Avg NNN Asking Rate PSF	\$8.76	\$8.76	\$8.16	\$7.80	\$7.32
▼ SF Under Construction	6,466,750	8,278,460	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
NONE TO REPORT				

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5150 Glacier Street Lathrop, CA	600,000 SF	Crow Holdings	Tesla	Warehouse/ Distribution
5150 Glacier Street Lathrop, CA	579,859 SF	Crow Holdings	Tesla	Warehouse/ Distribution
4512 Frontier Way Stockton, CA	351,788 SF	Prologis	DHL	3PL
506 Whitmore Avenue Modesto, CA	172,500 SF	G3 Enterprises, Inc.	First Tactical, LLC	Warehouse/ Distribution
3735 Imperial Way Stockton, CA	164,702 SF	Link	Cal Chefs	Cold Storage Whse/Dist

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