



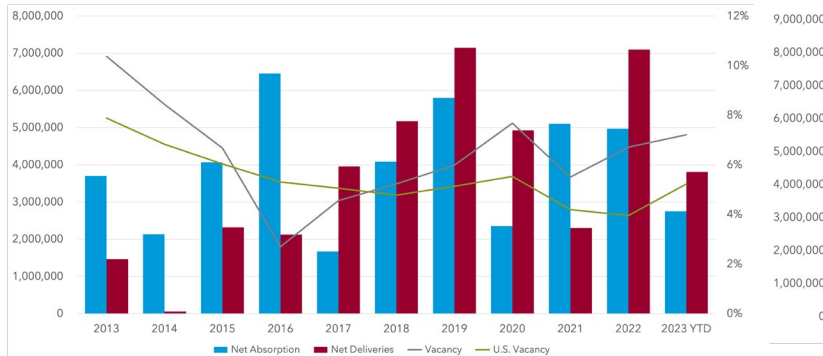
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR Senior Vice President

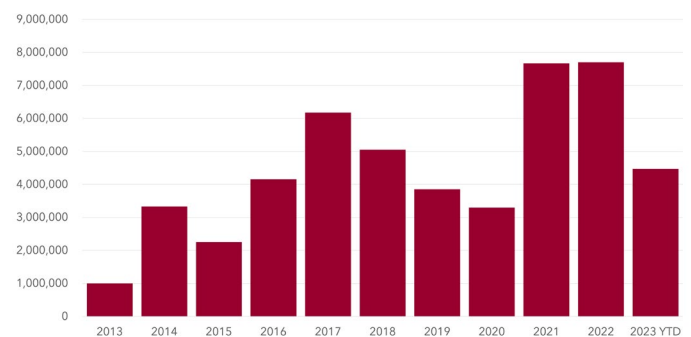
Sales and leasing activity is up across the Central Valley among owner/users and institutional investors. Requirements for spaces ranging from 100,000 to 200,000 SF have increased. Landlords show greater willingness to compete with free rent, TI packages, and moving/relocation incentives especially to help fill available remnants of larger buildings. The small buyer has definitely felt the effects of increased interest rates. SBA rates are near and at double digits. Functional buildings remain in short supply. Cash buyers continue to dominate the buying landscape with sellers showing increasing flexibility on terms.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ Qtrly Net Absorption SF	1,368,212	1,514,371	637,560	2,133,404	1,700,000
▲ Vacancy Rate	6.9%	5.9%	4.2%	5.5%	6.2%
◀ ▶ Avg NNN Asking Rate PSF	\$8.76	\$8.76	\$8.76	\$8.16	\$7.80
▼ SF Under Construction	5,994,767	6,466,750	8,278,460	5,500,000	8,201,466
◀ ▶ Inventory SF	196,450,000	196,450,000	195,375,600	194,670,000	193,856,220

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3458 Yosemite Avenue Lathrop, CA	381,555 SF	\$54,800,000 \$143.00 PSF	Clarion Phelan	Class A
1212 Performance Drive Stockton, CA	171,900 SF	\$28,800,000 \$167.00 PSF	Nearon CAL Sheets	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2820 N. Chrisman Road Tracy, CA	507,869 SF	Clarion/Seefried	Vertiv	Warehouse/ Distribution
400 Park Center Drive Patterson, CA	356,065 SF	Westcore	Trademango Solutions	Warehouse/ Distribution
4730 Fite Court Stockton, CA	143,888 SF	Link	Allen Distribution	3PL

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