



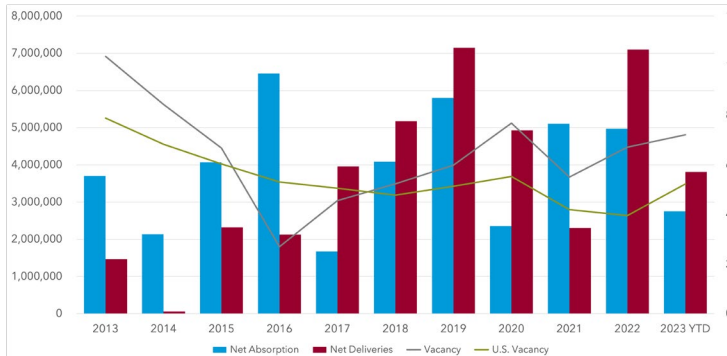
### INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR Senior Vice President

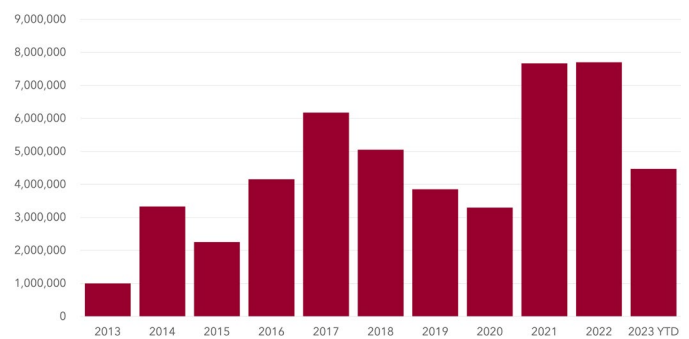
Sales and leasing activity is up across the Central Valley among owner/users and institutional investors. Requirements for spaces ranging from 100,000 to 200,000 SF have increased. Landlords show greater willingness to compete with free rent, TI packages, and moving/relocation incentives especially to 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<br>Lathrop, CA    | 381,555 SF | \$54,800,000<br>\$143.00 PSF | Clarion<br>Phelan    | Class A        |
| 1212 Performance Drive<br>Stockton, CA | 171,900 SF | \$28,800,000<br>\$167.00 PSF | Nearon<br>CAL Sheets | Class B        |

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

