



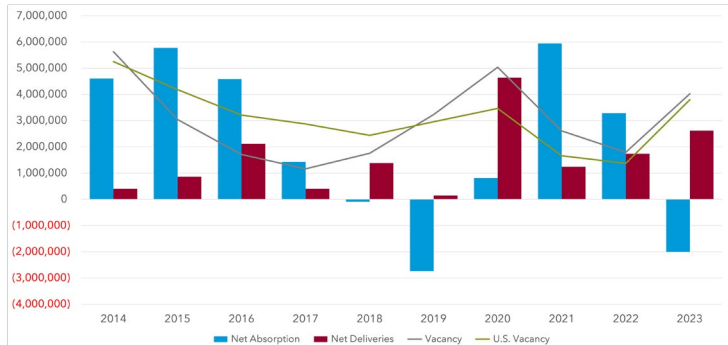
INDUSTRIAL MARKET OVERVIEW

CHRIS SCHOFIELD, SIOR, *Principal*

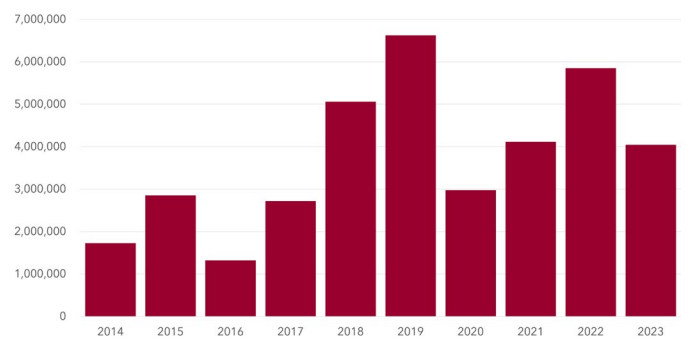
It was a slow last quarter to wrap up 2023 for the East Bay industrial marketplace. With still 4m square feet under construction we finished with 2m square feet of negative net absorption. This did not drive down rates but definitely stalled the pace of increases. As 2024 ramps up we expect to see more activity with rental rates softening. On the sale side, with the spike in interest rates, very few buildings hit the market. Those that did still achieved historically strong prices. As rates begin to decrease we expect more inventory to come online that will increase total volume.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	(2,007,831)	126,934	2,254,478	3,802,319	3,287,003
▲ Vacancy Rate	5.80%	5.20%	4.40%	4.20%	4.20%
▼ Avg NNN Asking Rate PSF	\$16.44	16.56	\$16.44	\$16.44	\$16.32
▼ SF Under Construction	4,045,206	4,427,321	5,249,095	5,018,521	5,849,686
▲ Inventory SF	21,407,236	19,531,286	17,426,326	16,592,193	16,361,761

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
37580 Filbert Street Newark, CA	84,482 SF	Undisclosed	Bridge Investment Group DataSafe, Inc.	Class A
336 Los Coches Street Milpitas, CA	41,184 SF	\$13,088,888 \$317.81 PSF	Chroma ATE, Inc. GDK Enterprises LLC	Class B
1841 S. 7th Street San Jose, CA	38,000 SF	\$8,300,000 \$218.42 PSF	Layline LLC UPS	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1075 Montague Expressway Milpitas, CA	386,383 SF	WP Invesments	JIT Transportation	3PL
1919 Williams Street San Leandro, CA	202,000 SF	Prologis	Torani	Food
650-680 85th Avenue Oakland, CA	128,168 SF	Prologis Trust	Lansum	3PL

