



INDUSTRIAL MARKET OVERVIEW

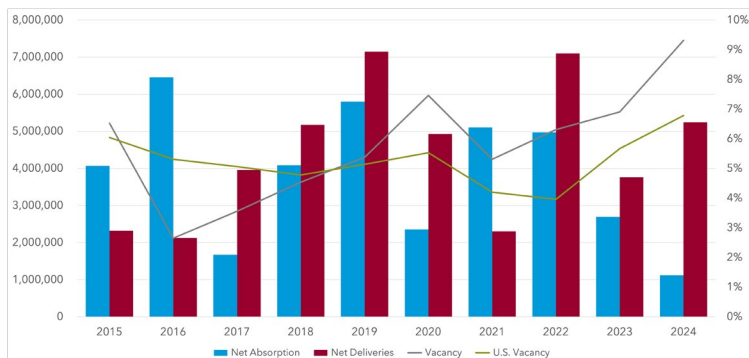
JIM MARTIN, SIOR Senior Vice President

Q2 2025 showed signs of life with new tenant activity increases and several new entries in the market “in progress” and should be signed in Q3. Spec construction remains extremely light with only a small handful of spec projects currently under construction. Landlord concessions including aggressive free rent and greater tenant improvement allowances/contributions continue to be offered to generate/entice tenant activity. In a surprising twist from previous quarters there was a significant uptick in capital markets transactions with several high profile Class A leased assets trading hands, showing continued confidence in the overall critical role the Central Valley plays as a key warehouse/distribution logistics market.

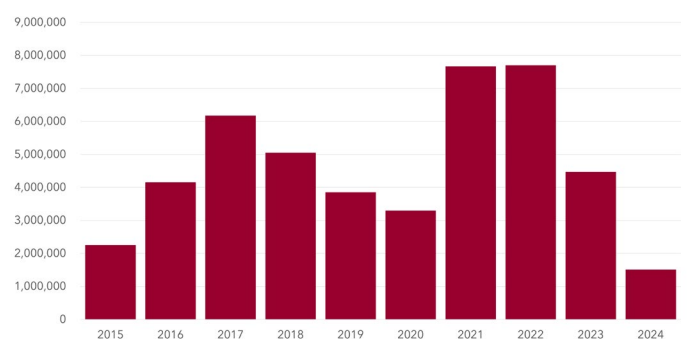
MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▼ Qtrly Absorption Units	115,085	312,900	343,650	191,360	477,360
▲ Vacancy Rate	8.90%	8.20%	8.20%	7.90%	7.10%
◀ ▶ Avg NNN Asking Rent PSF	\$8.76	\$8.76	\$8.76	\$8.76	\$8.76
◀ ▶ Sale Price PSF	*	*	*	*	*
◀ ▶ Cap Rate	*	*	*	*	*
▼ Under Construction	2,490,000	2,490,000	1,030,790	2,120,950	3,766,490
▲ Inventory	155,087,729	155,087,729	155,087,729	153,997,569	152,352,029

*Please contact Lee & Associates Stockton for Sale Price and Cap Rate Information

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Airport Way Manteca, CA	2,040,000 SF	\$264,000,000 \$129.41 PSF	EQT Exeter Centerpoint	Class A
5120 Glacier Street Lathrop, CA	1,135,653 SF	\$145,200,000 \$127.86 PSF	Dermody Bentall Green Oak	Class A
2518 Boeing Way Stockton, CA	58,600 SF	\$6,800,000 \$116.04 PSF	Buzz Oates ByQuest	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3005 E. Landing Avenue Stockton, CA	1,400,000 SF	Target	CJ Logistics	Warehouse/ Distribution
6868 Arch Road Stockton, CA	506,844 SF	Buzz Oates	ACR	Warehouse/ Distribution
1619 Boeing Way Stockton, CA	43,476 SF	Buzz Oates	Red Bull Distributing	Warehouse/ Distribution

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