



INDUSTRIAL MARKET OVERVIEW

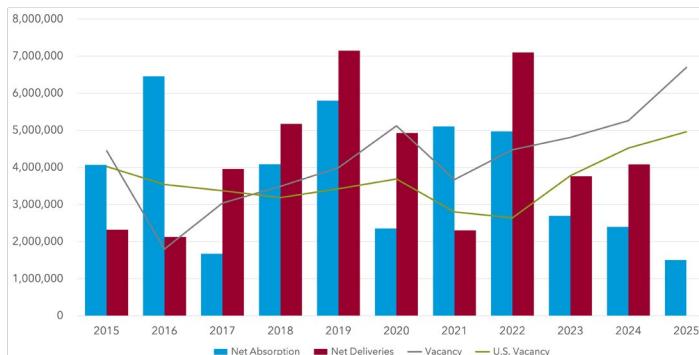
JIM MARTIN, SIOR Senior Vice President

2025 ended with positive net absorption, buoyed by several 2nd/3rd generation lease and sale transactions taking advantage of lingering vacancies to drive better economics and lease/sale terms. There were no new construction starts in the 4th Quarter but several large projects continue their way through the construction cycle with deliveries scheduled this year. Capital Markets investment activity remains relatively cool, however owner/user demand appears to have increased this quarter, possibly due to the government shutdown having been resolved and a backlog of SBA borrowers able to resume their purchase activity.

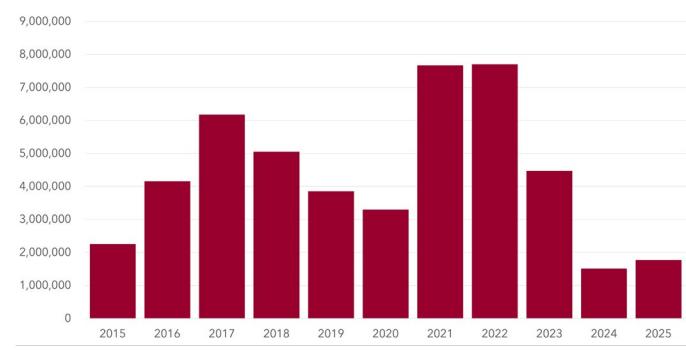
MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ Qtrly Absorption Units	943,608	92,550	115,085	312,900	343,650
▲ Vacancy Rate	9.10%	8.95%	8.90%	8.20%	8.20%
◀ ▶ Avg NNN Asking Rent PSF	\$8.76	\$8.76	\$8.76	\$8.76	\$8.76
◀ ▶ Sale Price PSF	*	*	*	*	*
◀ ▶ Cap Rate	*	*	*	*	*
▲ Under Construction	5,240,906	2,865,906	2,490,000	2,490,000	1,030,790
▲ Inventory	149,675,350	148,232,000	148,232,000	146,050,700	144,590,040

*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
224 Kelly Street Lodi, CA	120,255 SF	\$13,550,000 \$112.68 PSF	DH Gerber LLC Tower Investments	Class B
1195 N. Gertrude Avenue Stockton, CA	100,000 SF	\$3,708,000 \$37.08 PSF	SRB Properties LLC Chu Family	Class C
107 Val Dervin Parkway Stockton, CA	43,200 SF	\$4,500,000 \$104.17 PSF	Walters Trust Jackson Seamus LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6440 Aviation Drive Stockton, CA	419,608 SF	Clarion	Allen Distribution	Warehouse/ Distribution
1340 Dupont Court Manteca, CA	132,214 SF	Prologis	Titan Brands	Warehouse/ Distribution



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