



INDUSTRIAL MARKET OVERVIEW

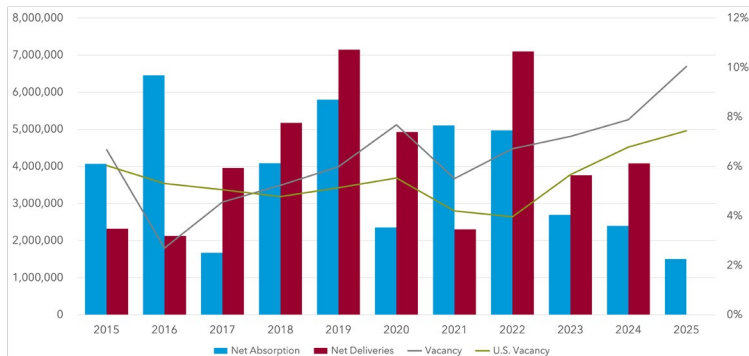
JIM MARTIN, SIOR Senior Vice President

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.

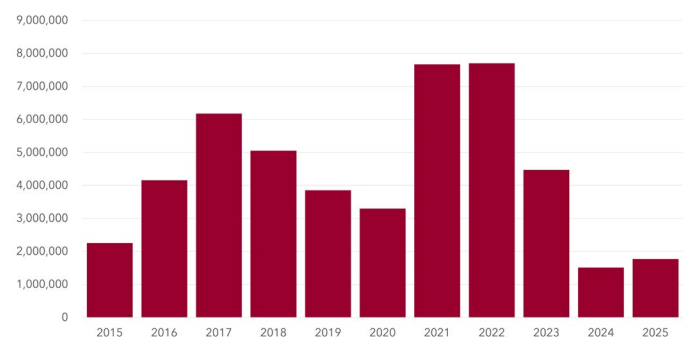
| MARKET INDICATORS | Q4 2025 | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▲ Qtrly Absorption Units | 943,608 | 92,550 | 115,085 | 312,900 | 343,650 |
| ▲ Vacancy Rate | 9.10% | 8.95% | 8.90% | 8.20% | 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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