



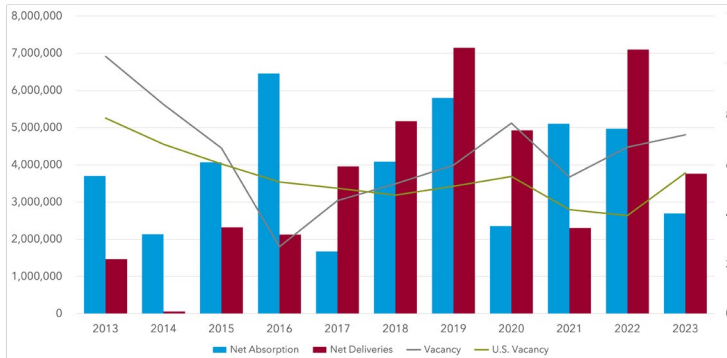
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR Senior Vice President

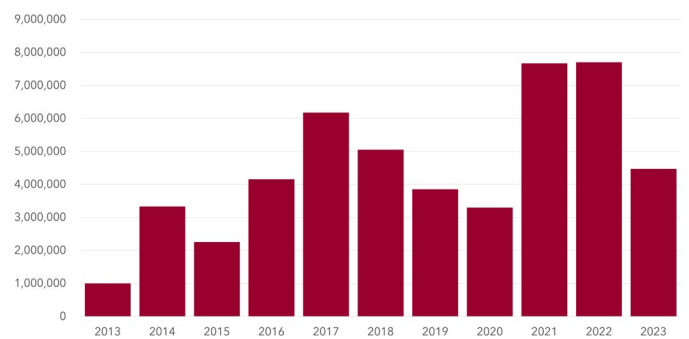
Q4 2023 welcomed robust industrial activity in both sales (owner/user and investor) and leasing segments of the market, highlighted by several noteworthy transactions completed by name brands signaling a positive outlook heading into 2024. Interest rates continue to plague the smaller owner/user SBA buyers and are causing owners to either adjust pricing or be willing to negotiate further from the ask than in previous years; transportation/trucking continues to struggle despite recently being the most active product type in the region. Rumors of renewed e-commerce activity and generally stable rental rates to date support continued momentum going forward.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ Qtrly Net Absorption SF	1,865,480	1,368,212	1,514,371	637,560	2,133,404
▲ Vacancy Rate	7.1%	6.9%	5.9%	4.2%	5.5%
◀ ▶ Avg NNN Asking Rate PSF	\$8.76	\$8.76	\$8.76	\$8.76	\$8.16
▼ SF Under Construction	4,129,287	5,994,767	6,466,750	8,278,460	5,500,000
◀ ▶ Inventory SF	196,450,000	196,450,000	196,450,000	195,375,600	194,670,000

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5120 Glacier Avenue Lathrop, CA	1,693,230 SF on 80 Acres	\$195,000,000 \$131.82 PSF	Exeter Property Trust Crow Holdings	Class A
945 E. Whitmore Avenue Modesto, CA	193,639 SF on 19.6 Acres	\$32,000,000 \$165.26 PSF	Boise Cascade G3	Class B
1175 S. Guild Avenue Lodi, CA	180,000 SF on 16.23 Acres	\$26,000,000 \$144.44 PSF	Cepheid Kubota	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3400 W. Yosemite, Bldg 3 Lathrop, CA	272,900 SF	Phelan	Macy's	Warehouse/ Distribution
600 Spreckles Avenue Manteca, CA	552,467 SF	Prologis	Daiso	Warehouse/ Distribution
601 Tesla Drive Lathrop, CA	173,261 SF	LBA	JBF Logistics	3PL

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com