



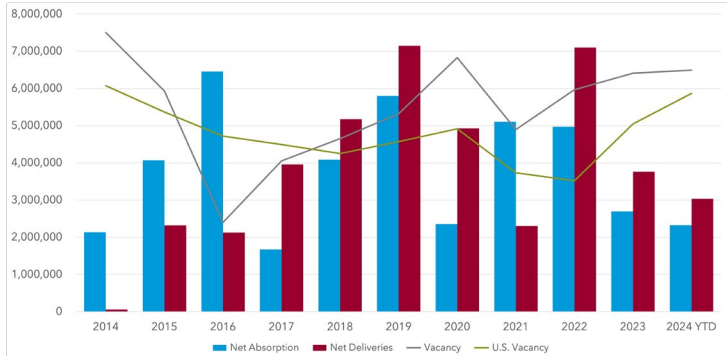
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR Senior Vice President

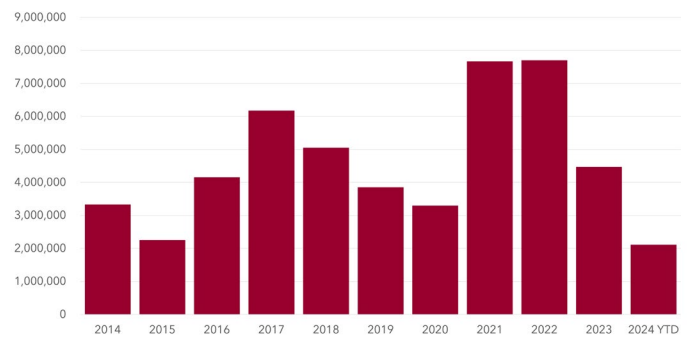
Despite continued momentum on the leasing front the Central Valley has seen an increase in 2nd / 3rd generation spaces hit the market for lease/sale due to closures of industrial manufacturing operations along with shifts in supply chain concerns with a handful of 3PLs vacating warehouse facilities. Q2 2024 saw several smaller (60,000sf and below) owner/user buildings hit the market - more so than seen in some time. Generally low supply of this product type should result in strong activity but the continued high interest rates has tempered owner/user buyers. Speculative construction remains at a standstill pending further absorption of existing spec product but some of the top leases in the quarter will help on that front.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▼ Qtrly Net Absorption SF	2,756,802	2,921,466	3,671,770	4,824,096	6,167,200
▲ Vacancy Rate	7.2%	6.8%	7.0%	6.1%	6.4%
▲ Avg NNN Asking Rate PSF	\$9.60	\$9.48	\$9.48	\$9.36	\$9.24
▼ SF Under Construction	2,110,939	3,720,004	5,148,452	6,331,730	5,108,682
▲ Inventory SF	152,471,484	150,862,419	149,433,971	148,245,705	148,235,507

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
16888 McKinley Avenue Lathrop, CA	827,363 SF on 106.05 Acres	\$146,000,000 \$176.46 PSF	Super Store Industries SoftBank Group	Class B
1624 Army Court Stockton, CA	655,976 SF on 36.41 Acres	\$71,800,000 \$109.46 PSF	DRA Kennedy Wilson	Class B
8477 S. Airport Way Stockton, CA	97,085 SF on 6.56 Acres	\$18,181,818 \$187.28 PSF	Phelan REAM Enterprises	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
504 E. Glenn Avenue Modesto, CA	350,325 SF	G3	Corrugated Supply Company	Warehouse/ Distribution
1919 Boeing Way Stockton, CA	233,932 SF	Clarion	Dollar Tree	Warehouse/ Distribution
8547 S. Airport Way Stockton, CA	106,641 SF	Phelan	Metalrays	Warehouse/ Distribution

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