



### INDUSTRIAL MARKET OVERVIEW

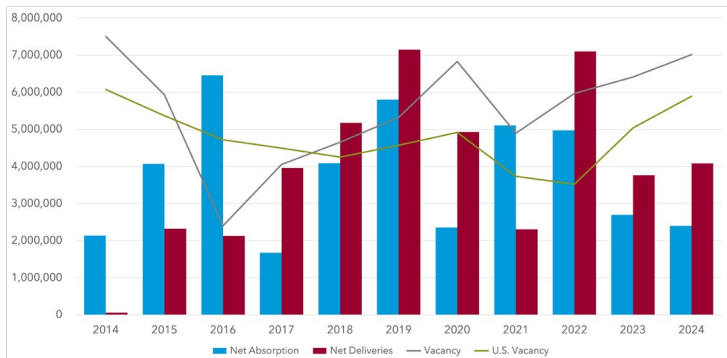
JIM MARTIN, SIOR Senior Vice President

The Central Valley Industrial Market saw the final spec project completed and delivered in Q4 2024 - the 3 building / 1,090,160sf Central Industrial Center developed by Conor Commercial in Stockton. Overall leasing activity throughout the region has been relatively flat, with the bulk of leases having been limited to the medium/smaller sizes and in 2nd/3rd generation spaces. Sales activity from the owner/user has continued to be the bright spot despite little change in interest rates. Overall short supply for functional buildings to buy from the owner/user has kept that segment of the market active. There is belief that 2025 will see some return to larger scale leasing activity following a slow 2024.

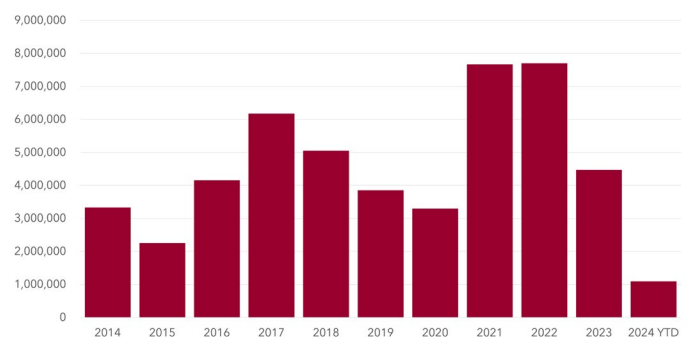
MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ Qtrly Absorption Units	343,650	191,360	477,360	1,865,480	1,368,212
▲ Vacancy Rate	8.20%	7.90%	7.10%	7.10%	6.90%
▲ Avg NNN Asking Rent PSF	\$8.76	\$8.76	\$8.76	\$8.76	\$8.76
◀ ▶ Sale Price PSF	*	*	*	*	*
◀ ▶ Cap Rate	*	*	*	*	*
◀ ▶ Under Construction	1,030,790	2,120,950	3,766,490	4,129,287	5,994,767
◀ ▶ Inventory	155,087,729	153,997,569	152,352,029	151,989,232	150,123,752

\*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
400 Gandy Dancer Drive Tracy, CA	159,040 SF	\$36,100,000 \$226.99 PSF	Finishing Trades Institute Fortress	Class B
550 Carnegie Manteca, CA	58,800 SF	\$6,750,000 \$114.80 PSF	Manteca Unified School District Carnegie Group	Class B
1820 Industrial Drive Stockton, CA	58,800 SF	\$11,200,000 \$190.48 PSF	PG&E Buzz Oates	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1880 N. MacArthur Drive Tracy, CA	86,163 SF	Dalfen	Native Seed	Warehouse/ Distribution
3021 Boeing Way Stockton, CA	150,000 SF	Buzz Oates	Hardwoods, Inc.	Warehouse/ Distribution
3838 Imperial Way Stockton, CA	60,000 SF	STAG Industrial	Reeds Home Delivery	Warehouse/ Distribution

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