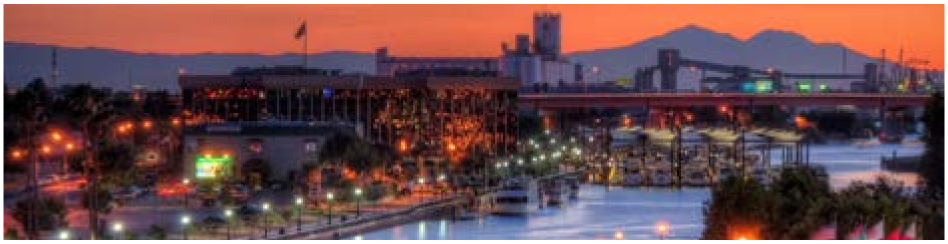
Q1

STOCKTON - CENTRAL VALLEY



SIGNIFICANT LEASE DEALS

Address	Submarket/City	SF	Tenant
17100 Murphy Pkwy	Lathrop	613,000	Tesla
4114 Airport Way	Stockton	135,058	MAK Freight
1440 Performance Dr	Stockton	114,000	Ipex

SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
1624 Army Crt Stockton	$35,275,000 Rehab/Investment	$53.77 -	655,976 Class B	Dermody Properties Toys R Us
4532 Newcastle Rd Stockton	$105,300,000 Leased Investment	$93.82 4.85%	1,122,341 Class A	CT Realty Bentall Kennedy
1340 Dupont Crt Manteca	- Portfolio Sale	- -	286,072 Class A	Dermody Properties Colony Capital

LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
1440 Performance Dr	Stockton	185,193	Buzz Oates
-	-	-	-
-	-	-	-

LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
BTS for Wayfair	Lathrop	1,100,000	Q2 2019
1137 E. Grant Line Rd	Tracy	610,914	Q2 2019
BTS for Katerra Chabot/Paradise	Tracy	567,870	Q2 2019

1,554,136 NET ABSORPTION SF

4.9% VACANCY 7,797,295 SF

$6.08 AVG. ASKING RATE PSF

1,055,456 DELIVERIES 7 Building

5,273,235 UNDER CONSTRUCTION 15 Buildings

JIM MARTIN, SIOR
Senior Vice President

Continued strong trends of positive absorption, institutional investment in the capital markets sector and demonstrated confidence in market fundamentals leading to several more new construction starts throughout the Central Valley. Owner/user and small tenancies in the <50,000 SF and below market, continue to drive rents and values up.

TOTAL INDUSTRIAL MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates	Net SF Absorption	SF Inventory	SF Under Construction
Q1 2019	4.9%	$6.08	1,554,136	179,092,855	5,273,235
Q4 2018	5.2%	$5.89	379,497	178,021,399	5,359,938
Q3 2018	4.7%	$5.82	993,031	176,735,629	6,034,794
Q2 2018	4.4%	$5.63	1,128,103	175,087,427	5,874,164
Q1 2018	3.9%	$5.40	1,345,239	172,992,599	7,794,549