



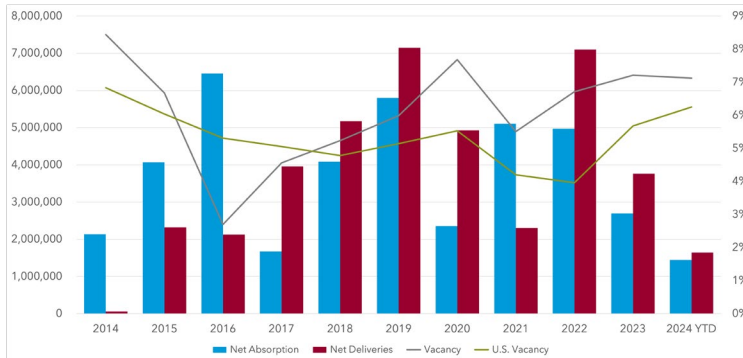
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR Senior Vice President

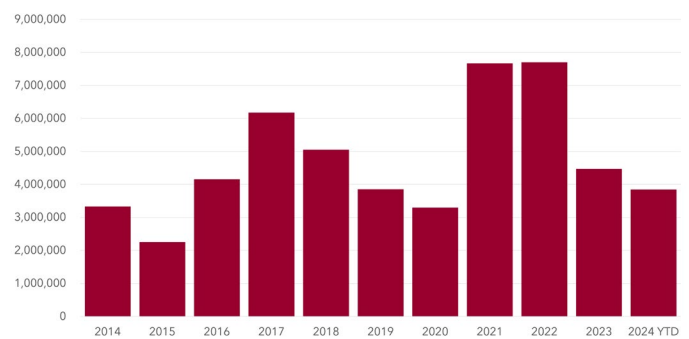
Leasing activity seems to have turned a corner with the volume of requirements/ tours for Class A warehouse/distribution facilities increasing along with completed leases. Another positive sign is the investment and Capital Markets acquisitions done in the quarter - notably led by the 5 building DRA portfolio purchased from Blackstone. The sentiment can be characterized as cautiously optimistic - no new spec activity which is not surprising given the recent delivery of nearly 3 million square feet of spec product. Owner/user sales under 100,000 square feet remain active despite the highest interest rates seen in the last decade, due to continuously low supply.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ Qtrly Net Absorption SF	3,096,415	1,865,480	1,368,212	1,514,371	637,560
▼ Vacancy Rate	6.8%	7.1%	6.9%	5.9%	4.2%
◀ ▶ Avg NNN Asking Rate PSF	\$8.76	\$8.76	\$8.76	\$8.76	\$8.76
▼ SF Under Construction	3,113,496	4,129,287	5,994,767	6,466,750	8,278,460
▲ Inventory SF	197,465,791	196,450,000	196,450,000	196,450,000	195,375,600

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
75 W. Valpico Tracy, CA	158,064 SF 15 Acres	\$19,500,000 \$123.37 PSF	DRA Advisors Blackstone	Class B
4747 Frontier Way Stockton, CA	150,000 SF 8.61 Acres	\$18,000,000 \$120.00 PSF	DRA Advisors Blackstone	Class B
4730 Fite Court Stockton, CA	143,888 SF 12.48 Acres	\$21,150,000 \$146.99 PSF	DRA Advisors Blackstone	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2690 E. Arch Road Stockton, CA	1,188,266 SF	IDI	Amazon	Warehouse/ Distribution
6201 S. Newcastle Stockton, CA	1,015,791 SF	First Industrial	Amazon	Warehouse/ Distribution
1205 E. Whitmore Modesto, CA	348,500 SF	G3	Trivium	Warehouse/ Distribution

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