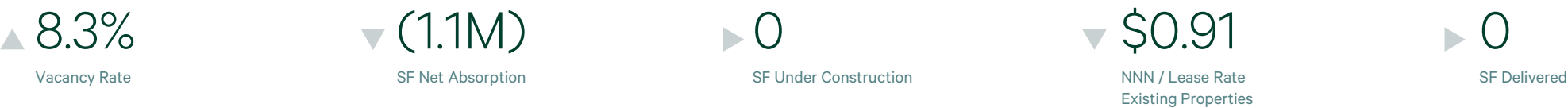


FIGURES | NAPA-SOLANO COUNTY INDUSTRIAL | Q1 2025

# Rising vacancy rates fuel large occupancy losses

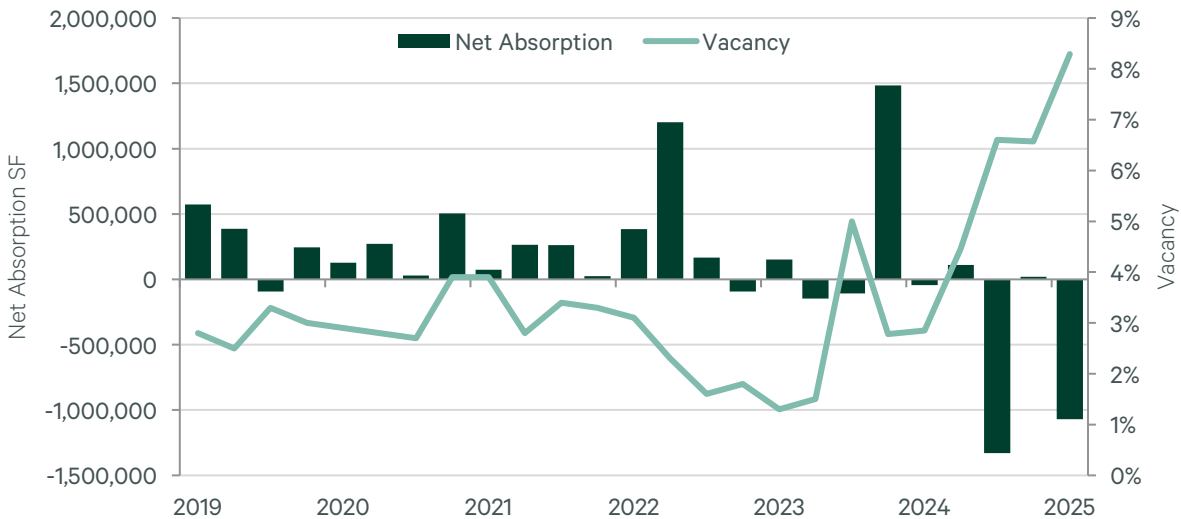


Note: Arrows indicate change from previous quarter.

## INDUSTRIAL MARKET HIGHLIGHTS

- The Napa-Solano Industrial Market, comprised of Napa and Solano counties, is home to 585,800 residents and hosts a labor force of 281,500. Through March of 2025, the total resident employment was 267,000 representing an increase of 500 jobs from Q4. The unemployment rate increased slightly, quarter-over-quarter (QoQ), to 5.15% at the end of the first quarter.
- The vacancy rate rose 170 basis points (bps) from 6.6% in Q4 2024 to 8.3% in Q1 2025. This was driven by significant new direct vacancies, including 644,000 sq. ft. at 1 Middleton Way in American Canyon, 129,960 sq. ft. at 2041 Cessna Dr in Vacaville, and 104,462 sq. ft. of sublease vacancy at 2373 Watney Way in Fairfield.
- Net absorption for the market was negative 1,070,185 sq. ft. This follows the 20,785 sq. ft. of positive absorption during Q4.
- As the wine industry continues to adjust to evolving consumer preferences, the market could see more occupancy losses in the short term.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 2025

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Ave. Asking Rate (\$)	Q1 Net Absorption	YTD Net Absorption
American Canyon	8,675,872	15.6%	17.4%	0.91	(644,000)	(644,000)
Manufacturing	475,767	3.9%	3.9%	0.90	0	0
R&D/Flex	15,040	0.0%	0.0%	1.10	0	0
Warehouse/Distribution	8,185,065	16.3%	18.2%	0.90	(644,000)	(644,000)
Benicia	8,564,332	3.4%	4.5%	1.06	(98,447)	(98,447)
Manufacturing	1,189,094	2.8%	2.8%	0.95	0	0
R&D/Flex	481,763	3.2%	3.2%	1.17	(4,000)	(4,000)
Warehouse/Distribution	6,893,475	3.5%	4.9%	1.04	(94,447)	(94,447)
Fairfield	17,582,455	10.6%	12.7%	0.86	(160,309)	(160,309)
Manufacturing	2,297,129	3.7%	3.7%	0.95	0	0
R&D/Flex	1,309,065	10.7%	11.0%	1.33	(3,605)	(3,605)
Warehouse/Distribution	13,976,261	11.7%	14.3%	0.82	(156,704)	(156,704)
Napa	9,310,873	3.0%	4.4%	1.17	26,910	26,910
Manufacturing	917,450	5.9%	5.9%	1.33	0	0
R&D/Flex	1,846,302	2.8%	2.8%	1.54	4,358	4,358
Warehouse/Distribution	6,547,121	2.6%	4.6%	1.03	22,552	22,552
Vacaville	13,151,436	9.6%	12.4%	0.84	(194,339)	(194,339)
Manufacturing	1,264,986	0.0%	0.0%	0.90	0	0
R&D/Flex	1,529,905	18.6%	19.2%	1.16	5,473	5,473
Warehouse/Distribution	10,356,545	9.5%	12.9%	0.84	(199,812)	(199,812)
Vallejo	4,841,219	2.1%	2.1%	1.31	0	0
Manufacturing	1,927,151	3.2%	3.2%	1.22	0	0
R&D/Flex	584,575	0.0%	0.0%	0.95	0	0
Warehouse/Distribution	2,329,493	1.7%	1.7%	1.47	0	0
Napa-Solano Ind. Market	62,126,187	8.3%	10.1%	0.91	(1,070,185)	(1,070,185)
Manufacturing	8,071,577	3.1%	3.1%	1.24	0	0
R&D/Flex	5,766,650	8.5%	8.8%	1.37	2,226	2,226
Warehouse/Distribution	48,287,960	9.1%	11.4%	0.87	(1,072,411)	(1,072,411)

Source: CBRE Research, Q1 2025

FIGURE 3: Notable Lease Transactions

Tenant	Address	SF Leased	Property Type
Alogistico LLC	4901-4955 Industrial Way, Benicia	72,000*	Warehouse**
Undisclosed	2557 Napa Valley Corporate Dr, Napa	22,075	Warehouse
Undisclosed	1705 Enterprise Dr, Fairfield	12,000	Warehouse

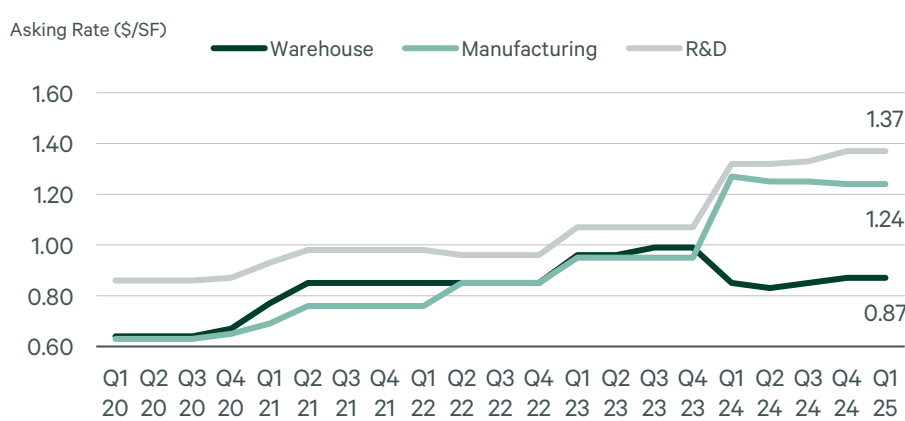
Source: CBRE Research, Q1 2025

\*Renewal \*\*CBRE Involved

FIGURE 4: Notable Sale Transactions

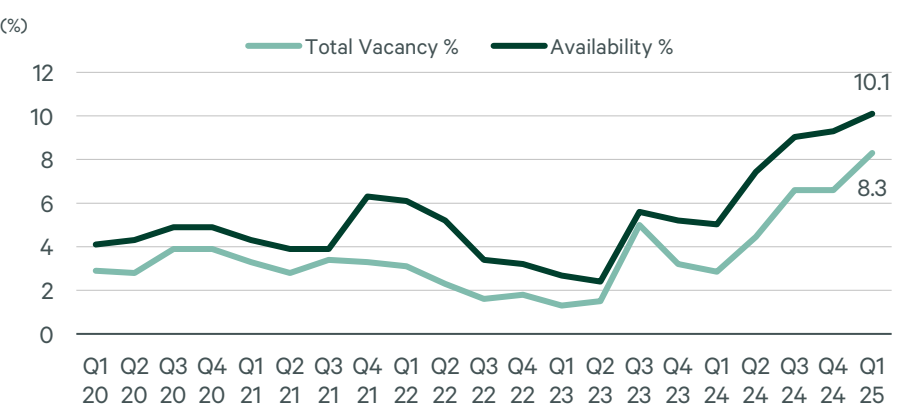
\* There were no notable Industrial sales of 10,000 sf. ft. or greater

FIGURE 5: Lease Rates



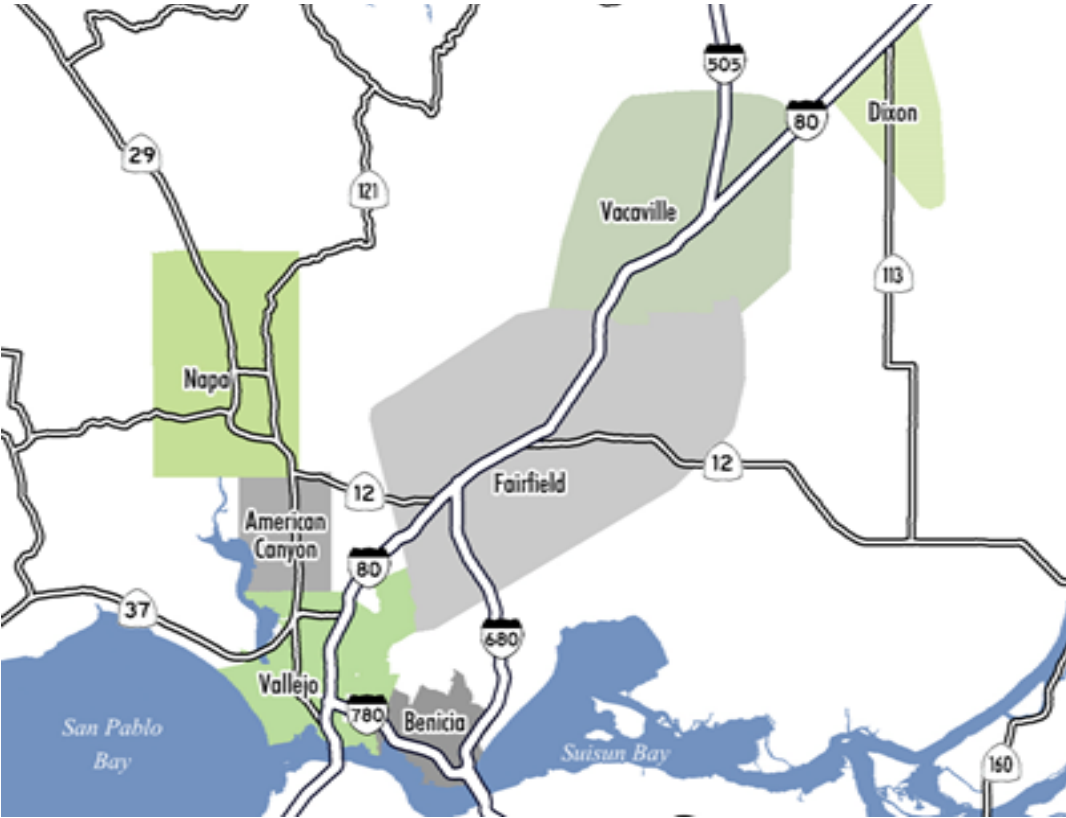
Source: CBRE Research, Q1 2025

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q1 2025

Submarket Map



Source: CBRE Research, Location Intelligence

Definitions

Average Asking Rate Direct Annual Lease Rates, NNN. Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy + Sublease Vacancy.

CBRE's market report analyzes existing single- and multi-tenant office buildings that total 10,000+ sq. ft. in downtown San Francisco, excluding owner-occupied buildings. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

Contacts

Mitchel LeGate  
Research Analyst  
+1 925 296 7732  
Mitchel.LeGate@cbre.com

Paul Magoria  
Research Manager  
+1 510 874 1912  
Paul.Magoria@cbre.com

Konrad Knutsen  
Director, Northern CA & Greater LA  
+1 916 446 8292  
Konrad.Knutsen@cbre.com

Walnut Creek Office  
1676 N California Blvd. Suite 500  
Walnut Creek, CA 94596