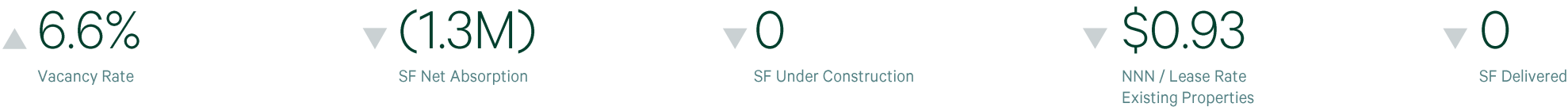


FIGURES | NAPA-SOLANO COUNTY INDUSTRIAL | Q3 2024

Vacancy growth continues as tenants shrink their footprint

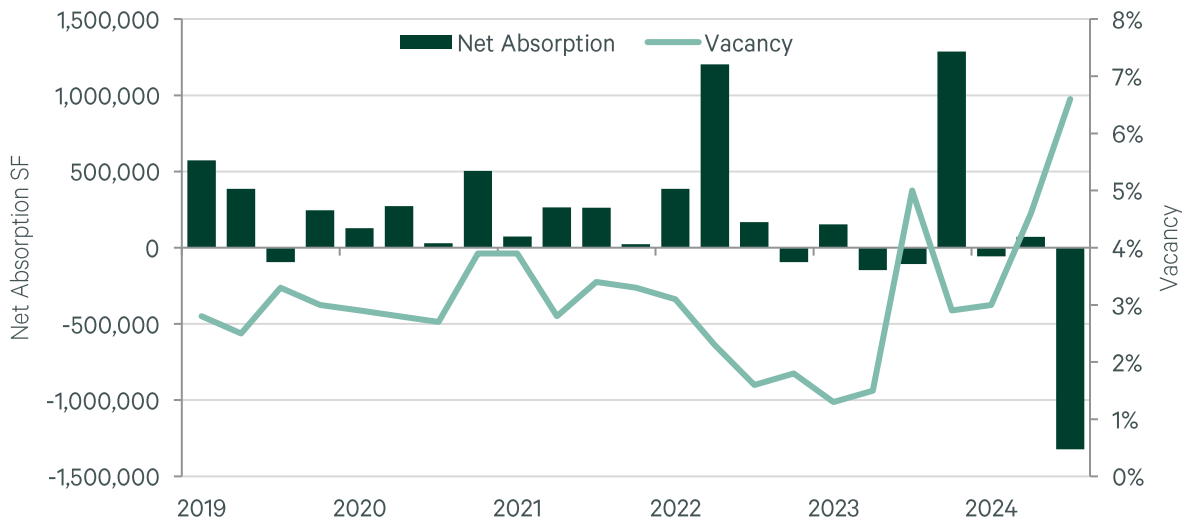


Note: Arrows indicate change from previous quarter.

INDUSTRIAL MARKET HIGHLIGHTS

- The Napa-Solano Industrial Market, comprised of Napa and Solano counties, is home to 584,500 residents and hosts a labor force of 279,700. Through September of 2024, the total resident employment was 265,700 representing an increase of 400 jobs from Q2. The unemployment rate increased slightly, quarter-over-quarter (QoQ), to 5.0% at the end of the third quarter.
- The vacancy rate increased 200 basis points (bps) QoQ from 4.6% in Q2 to 6.6% in Q3. This increase was due to large blocks of space becoming vacant throughout the quarter, most notably 607,208 sq. ft. at 5195 Fermi Dr in Cordelia, 365,040 sq. ft. at 400 Boone Dr in American Canyon, and lastly 240,000 sq. ft. at 303 Green Island Rd in American Canyon.
- Net absorption for the market was negative 1,323,136 sq. ft. This follows the 71,438 sq. ft. of positive absorption during Q2. Durkee Drayage Company signed the largest lease of the quarter for 122,000 sq. ft. at 539 Stone Rd in Benicia.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q3 2024

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Ave. Asking Rate (\$)	Q3 Net Absorption	YTD Net Absorption
American Canyon	8,675,872	8.3%	15.7%	1.00	(609,340)	(598,818)
Manufacturing	475,767	3.9%	3.9%	1.00	0	(18,585)
R&D/Flex	15,040	39.9%	39.9%	1.10	0	(6,000)
Warehouse/Distribution	8,185,065	8.5%	16.3%	1.00	(609,340)	(574,233)
Benicia	8,564,332	3.3%	5.41%	0.91	5,430	(62,907)
Manufacturing	1,189,094	3.3%	3.3%	0.95	1,500	(28,130)
R&D/Flex	481,763	15.5%	15.5%	1.05	(4,608)	259
Warehouse/Distribution	6,893,475	2.4%	5.1%	0.85	8,538	(35,036)
Fairfield	17,582,455	9.7%	11.8%	0.87	(693,079)	(576,792)
Manufacturing	2,297,129	3.7%	3.7%	0.95	(25,150)	(85,844)
R&D/Flex	1,309,065	10.5%	10.5%	1.05	(28,711)	(16,723)
Warehouse/Distribution	13,976,261	10.6%	13.3%	0.85	(639,218)	(474,225)
Napa	9,310,873	3.3%	3.5%	1.08	(23,311)	(103,601)
Manufacturing	917,450	6.6%	6.6%	1.20	(36,960)	(36,960)
R&D/Flex	1,846,302	3.0%	3.1%	1.35	10,306	(15,589)
Warehouse/Distribution	6,547,121	3.0%	3.3%	1.00	3,343	(51,052)
Vacaville	13,151,436	8.2%	10.1%	0.94	(4,876)	40,505
Manufacturing	1,264,986	0%	0%	0.90	0	0
R&D/Flex	1,529,905	19.2%	19.9%	1.05	(6,676)	(6,466)
Warehouse/Distribution	10,356,545	7.5%	9.9%	0.90	1,800	46,971
Vallejo	4,841,219	1.0%	1.0%	0.80	2,040	14,640
Manufacturing	1,927,151	2.2%	2.2%	0.80	0	0
R&D/Flex	584,575	0%	0%	0.95	0	0
Warehouse/Distribution	2,329,493	0.2%	0.2%	0.85	2,040	14,640
Napa-Solano Ind. Market	62,126,187	6.6%	9.0%	0.93	(1,323,136)	(1,286,973)
Manufacturing	8,071,577	3.1%	3.1%	0.99	(60,610)	(169,519)
R&D/Flex	5,766,650	9.8%	10.0%	1.08	(29,689)	(44,519)
Warehouse/Distribution	48,287,960	6.9%	9.9%	0.91	(1,232,837)	(1,072,935)

Source: CBRE Research, Q3 2024

FIGURE 3: Notable Lease Transactions Q3 2024

Tenant	Address	SF Leased	Type
Durkee Drayage Co	539 Stone Rd, Benicia	122,000	Renewal
General Logistics Systems U.S. Inc	6700-6750 Goodyear Rd, Benicia	39,955	Renewal
Algostico LLC	4901-4995 Industrial Way, Benicia	17,798	Expansion
Fabriquik LLC	510-518 Stone Rd, Benicia	12,824	New Lease

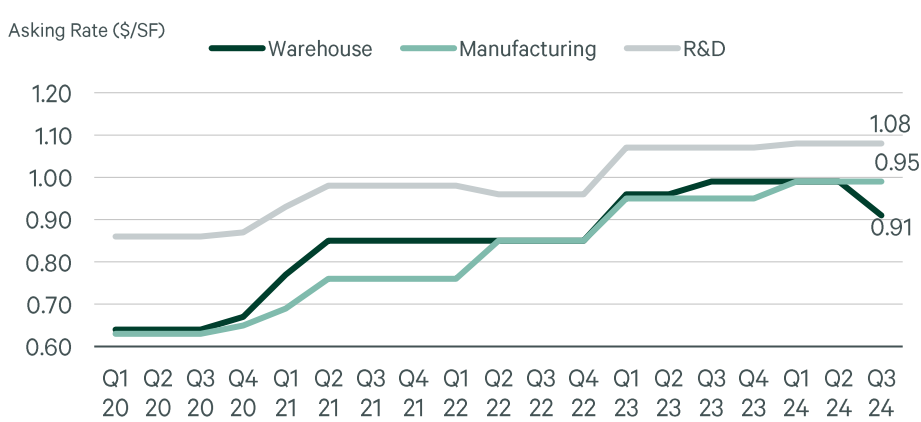
Source: CBRE Research, Q3 2024

FIGURE 4: Notable Sale Transactions Q2 2024

Buyer	Address	SF Sold	Sale Price \$/SF
Buzz Oates	75 S Kelly Rd, American Canyon	194,930	Undisclosed
Buzz Oates	89 S Kelly Rd, American Canyon	72,888	Undisclosed
Undisclosed	3210-3222 California Blvd, Napa	29,500	Undisclosed
Ambee21	907 Cotting Ln, Vacaville	12,396	\$1.9M

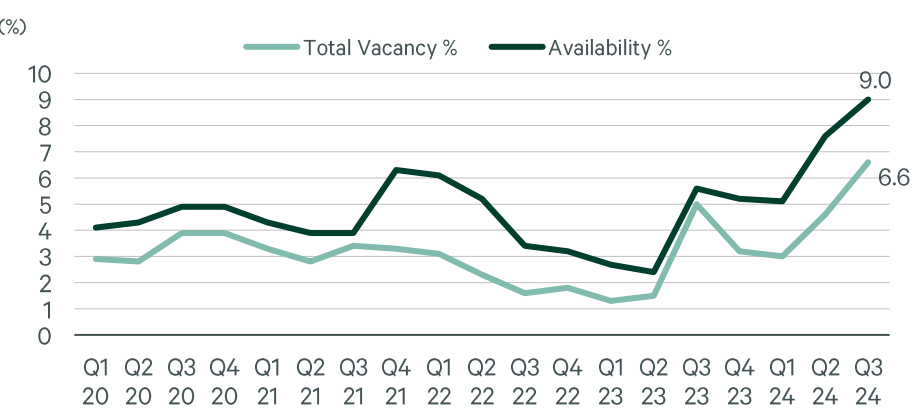
Source: CBRE Research, Q3 2024

FIGURE 5: Lease Rates



Source: CBRE Research, Q3 2024

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q3 2024

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.

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