

FIGURES | NAPA-SOLANO | Q2 2023

# Napa-Solano County Industrial Figures

▲ 1.5%  
 Vacancy Rate

▼ (146K)  
 SF Net Absorption

▶ \$0.99 PSF  
 NNN Lease Rate

▶ 3.5M SF  
 Under Construction

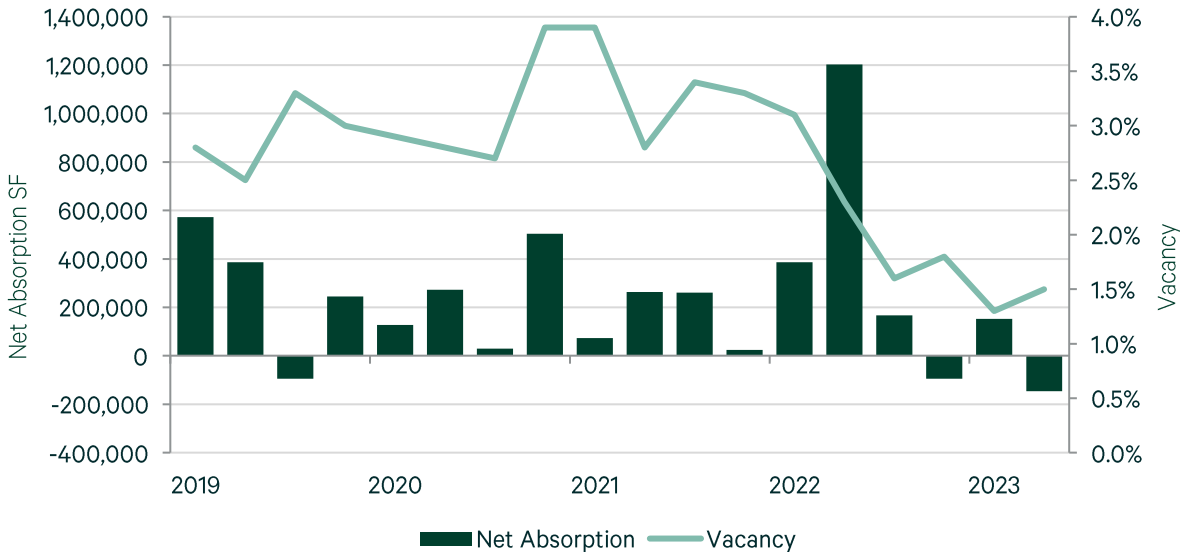
▶ 0 SF  
 Delivered

Note: Arrows indicate change from previous quarter.

## INDUSTRIAL MARKET HIGHLIGHTS

- The Napa-Solano Industrial Market, comprising of Napa and Solano counties, is home to 588,400 residents and hosts a labor force of 271,360. Through June of 2023, the total resident employment was roughly 263,870, representing an increase of roughly 6,020 jobs from this time last year. With this increase in employment, the unemployment rate has remained steady over the past quarter, standing at 3.4% at the end of the second quarter.
- Overall net absorption for the Napa-Solano Industrial market was -146,388 sq. ft. This follows the positive absorption during Q1 resulting in -98,189 sq. ft. for the first half of 2023.
- The vacancy rate increased 20 basis points(bps) quarter-over quarter(QoQ) from 1.3% in Q1 to 1.5% in Q2 largely due to new availability adds in American Canyon and Benicia.
- There is currently 3,549,642 sq. ft. under construction (only 4.2% pre-leased), of which 2,832,450 sq. ft. is expected to deliver by year end 2023.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Ave. Asking Rate (\$)	Q2 Net Absorption	YTD Net Absorption
American Canyon	8,687,272	1.1 %	1.1%	0.99	(93,466)	(93,466)
Manufacturing	475,767	0 %	0 %	0.95	0	0
R&D/Flex	15,040	0 %	0 %	1.05	0	0
Warehouse/Distribution	8,195,465	1.1 %	1.1 %	0.95	(93,466)	(93,466)
Benicia	8,560,028	1.0 %	4.0 %	0.98	(49,057)	(56,428)
Manufacturing	1,189,094	0 %	0.3 %	0.95	0	0
R&D/Flex	481,763	1.0 %	14.1 %	1.05	3,792	3,792
Warehouse/Distribution	6,889,171	1.1 %	4.0 %	0.95	(52,849)	(60,220)
Fairfield	15,903,048	1.9 %	3.3 %	0.98	56,831	167,862
Manufacturing	2,295,979	0 %	0 %	0.95	60,694	0
R&D/Flex	1,344,762	15.6 %	15.8 %	1.05	(6,196)	4,496
Warehouse/Distribution	12,262,307	0.8 %	2.5 %	0.95	2,333	163,366
Napa	8,807,875	1.4 %	1.5 %	1.20	(19,180)	(40,260)
Manufacturing	917,450	2.3 %	2.3 %	1.20	0	(2,094)
R&D/Flex	1,794,465	2.2 %	2.4 %	1.35	(8,150)	12,639
Warehouse/Distribution	6,095,960	1.0 %	1.0 %	1.25	(11,030)	(50,805)
Vacaville	9,146,577	2.3 %	2.6 %	0.95	(41,516)	(60,912)
Manufacturing	1,241,850	0 %	0 %	0.90	0	0
R&D/Flex	1,406,834	0.9 %	1.1 %	1.05	12,279	11,906
Warehouse/Distribution	6,497,893	3.1 %	3.4 %	0.90	(53,795)	(72,818)
Vallejo	4,841,219	0.5%	0.5 %	0.80	0	(14,985)
Manufacturing	1,927,151	0.5 %	0.5 %	0.75	0	(8,985)
R&D/Flex	584,575	0 %	1.6 %	0.90	0	0
Warehouse/Distribution	2,329,493	0.6 %	0.3 %	0.80	0	(6,000)
Napa-Solano Ind. Market	55,946,019	1.5 %	2.4 %	0.99	(146,388)	(98,189)
Manufacturing	8,047,291	0.4 %	0.4 %	0.95	60,694	(11,079)
R&D/Flex	5,627,439	5.0 %	6.2 %	1.07	1,725	32,833
Warehouse/Distribution	42,271,289	1.3 %	2.3 %	0.96	(208,807)	(119,943)

Source: CBRE Research

FIGURE 3: Notable Lease Transactions Q2 2023

Tenant	Address	SF Leased	Type
Baojia Energy	5160 Fulton Dr, Cordelia	60,694	New Lease
D.S. Services of America	395 W Channel Rd, Benicia	25,000	New Lease
LifeSpace Labs	3333 Vaca Valley Pkwy, Vacaville	9,892	New Lease

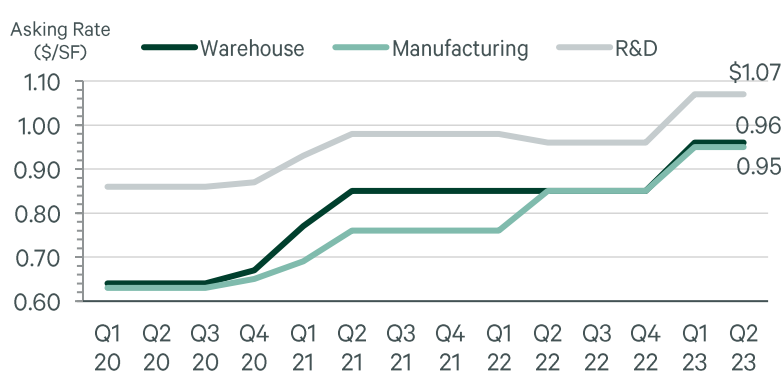
Source: CBRE Research

FIGURE 4: Notable Sale Transactions Q2 2023

Buyer	Address	SF Purchased	Sale Price
R.Emigh Livestock	473-477 E Channel Rd, Benicia	18,000	\$4.6M

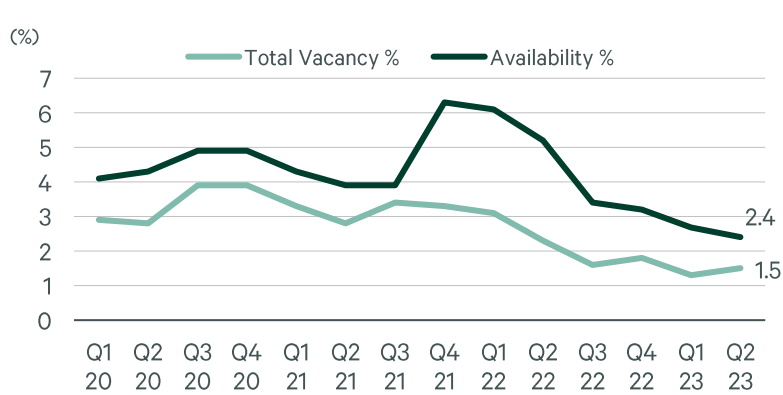
Source: CBRE Research

FIGURE 5: Lease Rates



Source: CBRE Research

FIGURE 6: Vacancy & Availability



Source: CBRE Research

Submarket Map



Source: CBRE Research, Location Intelligence

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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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