

FIGURES | NAPA-SOLANO COUNTY INDUSTRIAL | Q1 2024

Vacancy normalizing as lease transaction time grows

▲ 3.0%

Vacancy Rate

▼ (56K)

SF Net Absorption

► 1.1M

SF Under Construction

► \$0.99

NNN / Lease Rate
Existing Properties

► 0

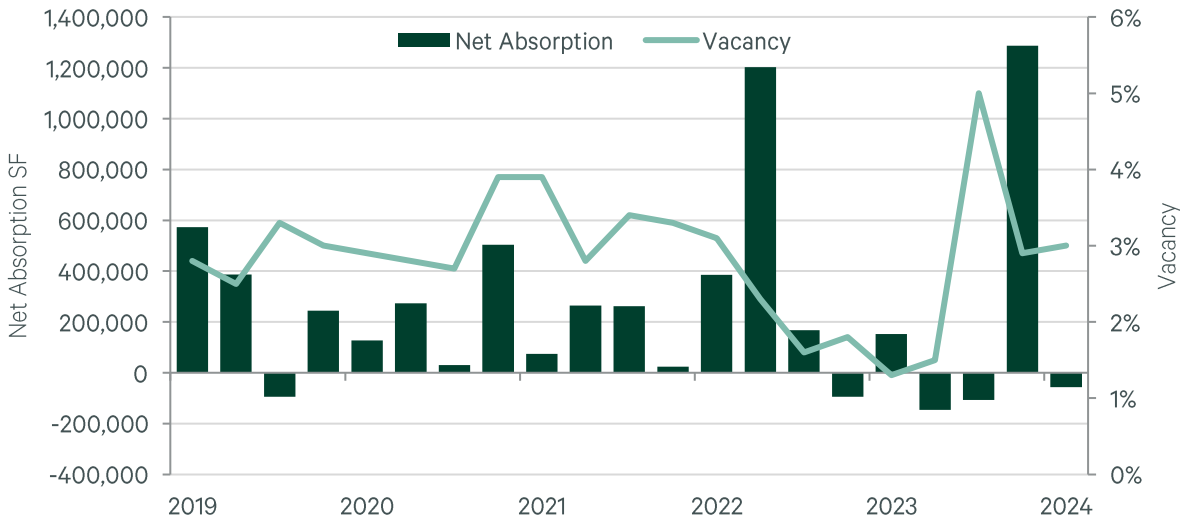
SF Delivered

Note: Arrows indicate change from previous quarter.

INDUSTRIAL MARKET HIGHLIGHTS

- The Napa-Solano Industrial Market, comprised of Napa and Solano counties, is home to 586,900 residents and hosts a labor force of 276,300. Through March of 2024, the total resident employment was 263,000 representing an increase of 600 jobs from Q4. The unemployment rate increased slightly, quarter-over-quarter (QoQ), to 4.8% at the end of the first quarter.
- The vacancy rate increased 10 basis points (bps) QoQ from 2.9% in Q4 to 3.0% in Q1.
- Net absorption for the market was negative 56,398 sq. ft, due largely to vacant subleases coming to market totaling over 111,336 sq. ft. This follows the 1,238,924 sq. ft. of positive absorption during Q4.
- Southern Glazer signed the largest lease of the quarter for 260,022 sq. ft. at 2130 Cordelia Rd in Fairfield. This building is under construction and scheduled to deliver in Q2.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 2024

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	1.3%	5.6%	1.00	1,100	1,100
Manufacturing	475,767	0%	0%	1.00	0	0
R&D/Flex	15,040	39.9%	39.9%	1.10	(6,000)	(6,000)
Warehouse/Distribution	8,185,065	1.4%	5.8%	1.00	7,100	7,100
Benicia	8,564,332	2.6%	4.0%	0.98	6,349	6,349
Manufacturing	1,189,094	0.8%	0.8%	0.95	1,500	1,500
R&D/Flex	481,763	13.6%	13.6%	1.05	9,475	9,475
Warehouse/Distribution	6,893,475	2.1%	3.9%	0.95	(4,626)	(4,626)
Fairfield	16,545,710	3.1%	7.4%	0.98	(94,346)	(94,346)
Manufacturing	2,295,979	2.6%	2.6%	0.95	(60,694)	(60,694)
R&D/Flex	1,309,065	9.8%	9.8%	1.05	(1,210)	(1,210)
Warehouse/Distribution	12,940,666	2.5%	8.0%	0.95	(32,442)	(32,442)
Napa	9,203,449	3.0%	3.2%	1.20	(53,056)	(53,056)
Manufacturing	917,450	2.6%	2.6%	1.20	0	0
R&D/Flex	1,846,302	2.8%	2.81 %	1.35	(7,881)	(7,881)
Warehouse/Distribution	6,439,697	3.1%	3.4%	1.25	(45,175)	(45,175)
Vacaville	12,724,047	4.8%	5.2%	0.95	93,455	93,455
Manufacturing	1,264,986	1.0%	1.0%	0.90	0	0
R&D/Flex	1,529,905	18.7%	19.4%	1.05	0	0
Warehouse/Distribution	9,929,156	3.1%	3.6%	0.90	93,455	93,455
Vallejo	4,841,219	1.5%	1.5%	0.87	(9,900)	(9,900)
Manufacturing	1,927,151	2.2%	2.2%	0.80	0	0
R&D/Flex	584,575	1.6%	1.6%	0.95	(9,060)	(9,060)
Warehouse/Distribution	2,329,493	0.9%	0.9%	0.85	(840)	(840)
Napa-Solano Ind. Market	60,554,629	3.0%	5.1%	0.99	(56,398)	(56,398)
Manufacturing	8,070,427	1.8%	1.8%	0.95	(59,194)	(59,194)
R&D/Flex	5,766,650	9.5%	9.7%	1.07	(14,676)	(14,676)
Warehouse/Distribution	46,717,552	2.4%	5.1 %	0.96	17,472	17,472

Source: CBRE Research, Q1 2024

FIGURE 3: Notable Lease Transactions Q1 2024

Tenant	Address	SF Leased	Type
Southern Glazer	2130 Cordelia Rd, Fairfield	260,022	New Lease
Ball Metal Beverage Container Company	2345 Huntington Dr, Fairfield	150,000	Renewal
Highline	921 Eubanks Dr, Vacaville	91,765	New Lease
Jabil, Inc	524 Stone Rd, Benicia	67,392	Renewal

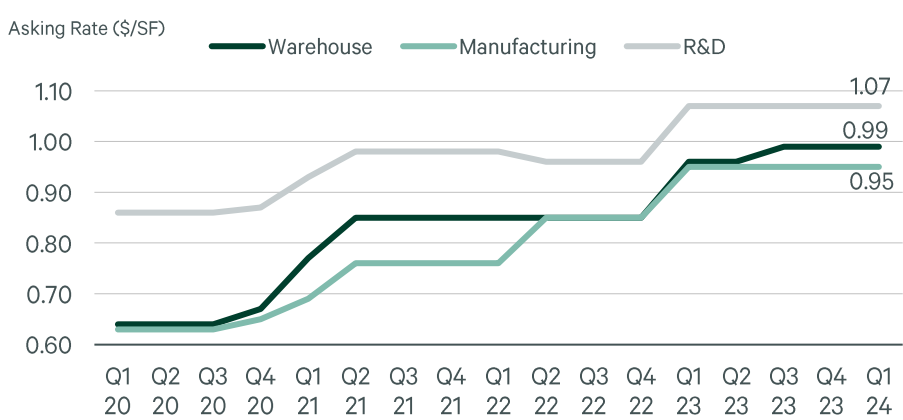
Source: CBRE Research, Q1 2024

FIGURE 4: Notable Sale Transactions Q1 2024

Buyer	Address	SF Purchased	Sale Price
Lonza	1000 New Horizons Way, Vacaville	450,000	Undisclosed
Store Capital Corporation	110-130 Camino Oruga, Napa	72,251	\$35M

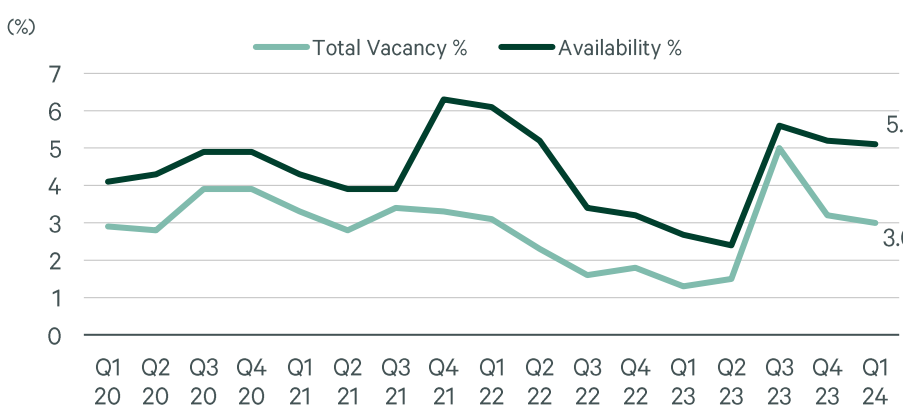
Source: CBRE Research, Q1 2024

FIGURE 5: Lease Rates



Source: CBRE Research, Q1 2024

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q1 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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