



Local Roots + Global Reach

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# SACRAMENTO INDUSTRIAL REPORT

## 4TH QUARTER 2019

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# VACANCY & RENTS



## Sacramento Outlook

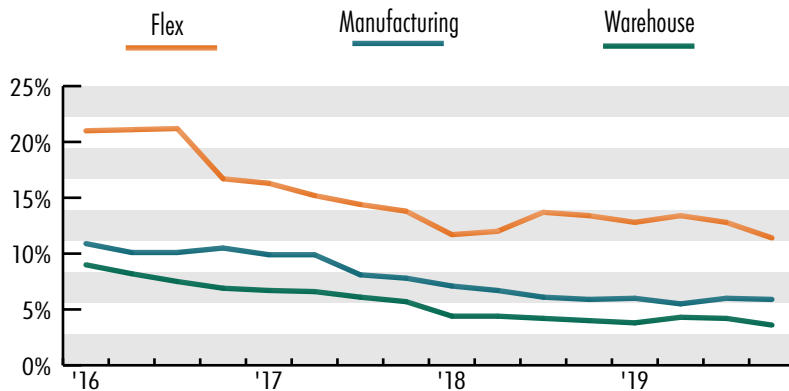
Fundamentals in the Sacramento industrial market have remained healthy in Q4 2019 as a result of strong leasing demand dropping the total vacancy rate to 4.38 percent from 4.84% in Q3 2019. Net absorption increased to 569,246 square feet from 237,069 square feet in Q3 2019. Industrial leasing continued to be healthy ending the year-to-date net absorption total to 848,413 square feet, albeit a decline compared to last year.

The positive leasing momentum along with the lack of new warehousing product has driven asking rents nearly 25% over the last 24 months. Proposition 64 (cannabis users) still show activity within the Sacramento market but has slowed down due to the permitting challenges.

Of the nearly 2,000,000 sf of new industrial buildings currently under construction, most all are buildings over 150,000 sf and approximately ½ have been pre-leased.

With the rent growth in recent years, rehabbing older properties is becoming more popular with users and developers alike. The impact on traditional manufacturers a have spurred companies like Coastal Partners to relook at how to take advantage of the new landscape.

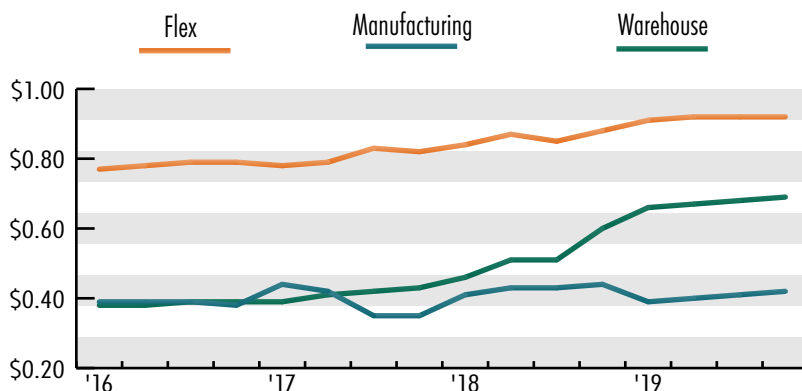
### VACANCY RATES BY PRODUCT | PHYSICALLY VACANT SPACE



Change in Vacancy (Year Over Year)

**-0.2%**

### AVERAGE RENTAL RATES | TRIPLE NET

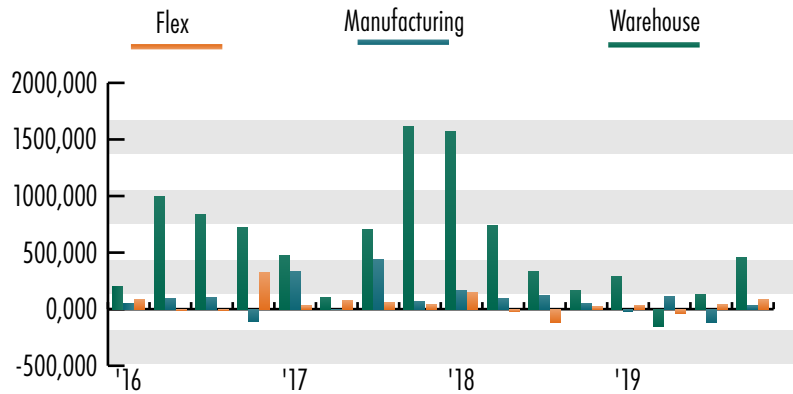


Change in Rents (Year Over Year)

**+5.8%**

# NOTEWORTHY TRANSACTIONS

## NET ABSORPTION | BY TYPE



## LEASE TRANSACTIONS | NOTABLE INDUSTRIAL TRANSACTIONS

Property Address	Submarket	Date Signed	Square Feet Leased	Est. Lease Rate	Tenant
1701 W National Dr	Natomas/Northgate	12/4/2019	146,019	\$0.59/NNN	-
4225 Pell Dr	Natomas/Northgate	11/10/2019	89,000	\$0.61/NNN	Capital Lumber Company
3640 Ramos Dr	West Sacramento	11/1/2019	40,587	\$0.55/NNN	-
8583 Elder Creek Rd	Power Inn	10/3/2019	25,000	\$1.35/MG	-
986 S Canyon Way	Auburn/Newcastle	11/1/2019	24,122	\$0.75/NNN	Dissent Off-Road

## SALE TRANSACTIONS | NOTABLE INDUSTRIAL TRANSACTIONS

7728 Wilbur Way Sacramento, CA 95828	8425 Carbide Ct Sacramento, CA 95828	3233 Dwight Rd Elk Grove, CA 95758	5001-5081 Florin Perkins Rd Sacramento, CA 95828	512 20th St Sacramento, CA 95811
Power Inn Ind Submarket	Power Inn Ind Submarket	Elk Grove/Laguna Ind Submarket	Power Inn Submarket	Downtown Ind Submarket
Sold 12/31/2019	Sold 12/24/2019	Sold 11/25/2019	Sold 11/18/2019	Sold 10/30/2019
±147,840 Total Sq. Ft.	±56,904 Total Sq. Ft.	±46,059 Total Sq. Ft.	±19,690 Total Sq. Ft.	±10,400 Total Sq. Ft.
\$10,600,000.00	\$9,085,000.00	\$4,100,000.00	\$2,675,000.00	\$2,600,000.00
\$71.70/Sq.Ft.	\$159.65/Sq.Ft.	\$89.02/Sq.Ft.	\$135.86/Sq.Ft.	\$250.00/Sq.Ft.



## STATISTICS BY SUBMARKET

\* Average Asking Rate Based on NNN

Manufacturing/Warehouse  
Avg. Sales Price Per SF (2019)



**\$93.99/SF**

Flex Industrial  
Avg. Sales Price/SF (2019)



**\$ 120.40/SF**

	Total Buildings	Net Rentable SF	Vacant SF	Vacancy Rate QTR	Net Absorption QTR	Gross Absorption	Under Construction SF	Average Asking Rate* (All Types)
Auburn/Newcastle	91	2,469,034	38,626	1.56%	(1,699)	536	0	\$0.75
Davis/Woodland	207	16,739,564	681,687	4.07%	34,952	73,732	20,000	\$0.41
Downtown	81	2,525,023	77,454	3.07%	0	0	0	\$0.72
East Sacramento	21	542,263	22,000	4.06%	0	0	0	-
Elk Grove/Laguna	125	5,907,366	234,893	3.98%	5,034	63,253	0	\$0.50
Folsom/El Dorado	142	4,432,861	216,053	4.87%	9,994	32,451	0	\$0.78
Mather	140	4,161,674	140,107	3.37%	7,474	28,354	28,350	\$0.73
McClellan	299	14,079,534	595,954	4.23%	38,220	86,561	457,637	\$0.79
Natomas/Northgate	232	13,179,220	638,725	4.85%	57,622	270,024	369,000	\$0.64
NE Sacramento	197	5,061,380	173,423	3.43%	5,446	40,504	0	\$0.69
Power Inn	575	24,305,468	704,651	2.90%	197,605	320,119	277,000	\$0.87
Richards	84	3,928,307	755	0.02%	25,744	25,744	0	\$0.47
Roseville/Rocklin	295	17,146,820	510,087	2.97%	16,520	48,450	161,734	\$0.61
South Sacramento	124	4,049,355	998,377	24.66%	(7,650)	16,640	0	\$0.74
Sunrise	345	10,341,332	309,887	3.00%	30,910	188,063	0	\$0.67
West Sacramento	336	19,187,219	1,146,529	5.98%	149,074	183,323	348,360	\$0.64
Manufacturing	341	23,359,390	1,374,937	5.89%	29,582	116,531	297,000	\$0.42
Warehouse	2,894	124,007,385	4,473,826	3.61%	457,567	1,130,192	1,341,769	\$0.69
Flex	209	7,146,672	812,345	11.37%	83,171	132,105	23,312	\$0.92
<b>Market Totals</b>	<b>3,294</b>	<b>148,056,420</b>	<b>6,489,208</b>	<b>4.38%</b>	<b>569,246</b>	<b>1,377,754</b>	<b>1,662,081</b>	<b>\$0.68</b>

THESE STATISTICS ENCOMPASS THE ENTIRE SURVEY, WHICH INCLUDES ALL INDUSTRIAL CLASS TYPES 10,000 SQUARE FEET AND LARGER.