

# MARKET TRENDS | SACRAMENTO

# INDUSTRIAL

3RD QUARTER  
2020

▼ ABSORPTION | ▼ RENTAL RATE | ▲ VACANCY | ▲ CONSTRUCTION DELIVERIES

Year-over-year change

### TOP SALE TRANSACTIONS FOR 3Q 2020

| Property              | Submarket        | Square Feet | Sale Price   | Price/SF | Buyer                              | Seller                          |
|-----------------------|------------------|-------------|--------------|----------|------------------------------------|---------------------------------|
| 3600 Massie Ct.       | West Sacramento  | 474,792     | \$25,600,000 | \$53.92  | Nor-Cal Beverage Company           | Panattoni Development Co., Inc. |
| 1600-1650 Tribute Rd. | NE Sacramento    | 39,612      | \$8,500,000  | \$214.58 | Marco Chavez                       | Kenmark Real Estate Group, Inc. |
| 4461 Business Dr.     | Folsom/El Dorado | 51,175      | \$6,599,000  | \$128.95 | Kilmainham Commercial Realty, Inc. | Siegbert & Ruth Klebe Trust     |

### TOP LEASE TRANSACTIONS FOR 3Q 2020

| Property                          | Submarket         | Square Feet | Date        | Landlord   | Tenant         |
|-----------------------------------|-------------------|-------------|-------------|------------|----------------|
| 3771 Channel Dr, West Sacramento  | West Sacramento   | 199,156     | July 2020   | LBA Realty | Dollar General |
| 7701 Foothills Blvd, Roseville    | Roseville/Rocklin | 149,900     | August 2020 | Panattoni  | Undisclosed    |
| 8681 Younger Creek Dr, Sacramento | Power Inn         | 114,030     | July 2020   | Buzz Oates | Undisclosed    |

### TOP UNDER CONSTRUCTION

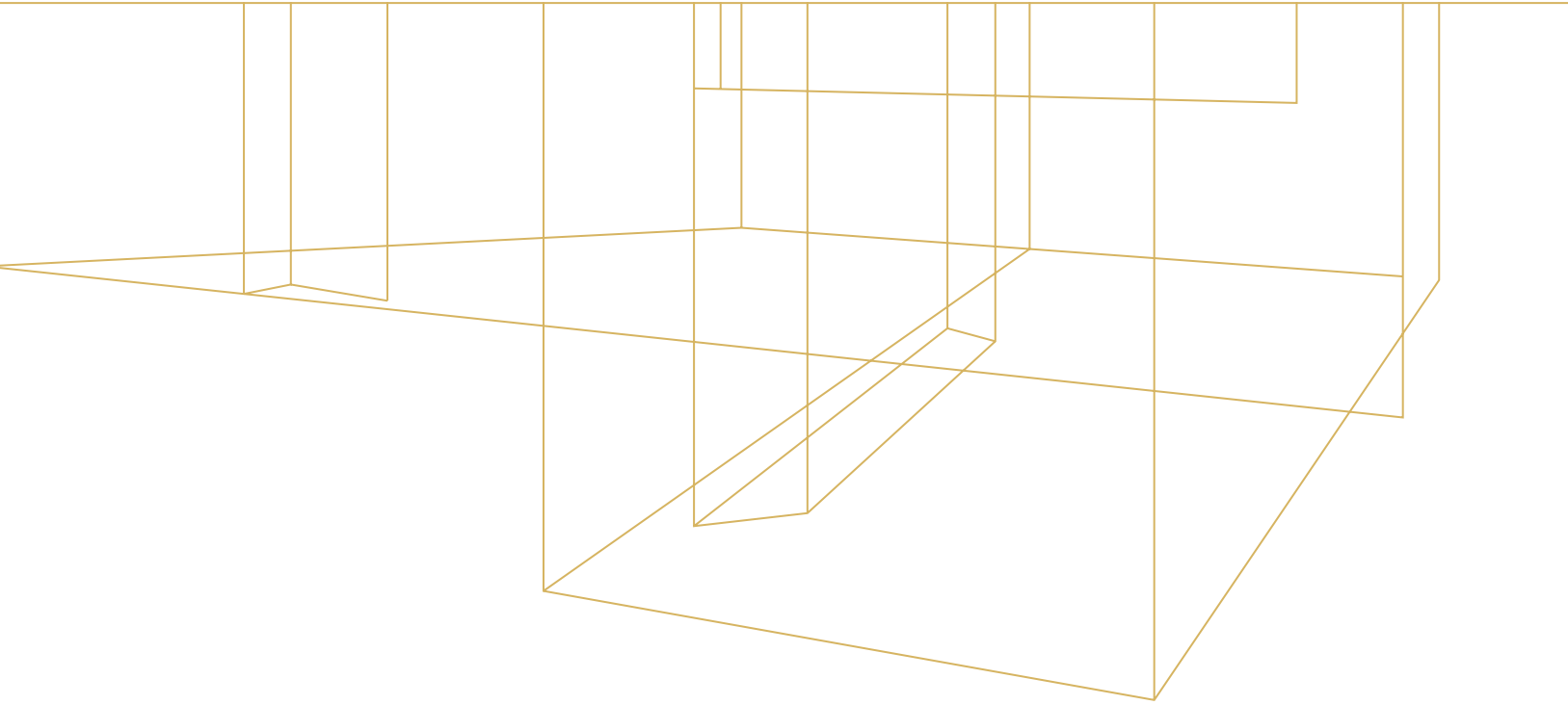
| Address                         | Submarket         | Square Feet | Owner                    | Delivery Date |
|---------------------------------|-------------------|-------------|--------------------------|---------------|
| 7000 Power Line Rd, Sacramento  | Natomas/Northgate | 1,132,000   | NorthPoint Development   | December 2020 |
| 8035 Metro Air Pky, Sacramento  | Natomas/Northgate | 602,516     | Buzz Oates               | August 2021   |
| 8040 Metro Air Pky, Sacramento  | Natomas/Northgate | 500,770     | Buzz Oates               | December 2020 |
| 3685 Massie Ct, West Sacramento | West Sacramento   | 475,000     | Ridge Capital, Inc.      | January 2021  |
| 3520 Carlin Dr, West Sacramento | West Sacramento   | 379,161     | Dermody Properties, Inc. | January 2021  |

## Market Breakdown

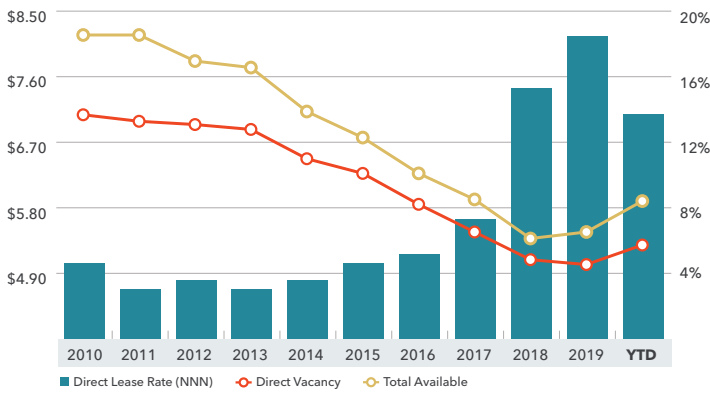
|                                 | 3Q 2020   | 2Q 2020   | 3Q 2019   | Annual % Change |
|---------------------------------|-----------|-----------|-----------|-----------------|
| Direct Vacancy Rate             | 5.7%      | 5.0%      | 4.9%      | 15.34%          |
| Total Availability Rate         | 8.4%      | 7.1%      | 6.4%      | 30.93%          |
| Asking Lease Rate (NNN Overall) | \$7.08    | \$7.32    | \$8.64    | -18.06%         |
| Total Lease Transactions (SF)   | 1,975,210 | 1,452,874 | 1,516,227 | 30.27%          |
| Sale Transactions (SF)          | 1,564,401 | 586,612   | 1,759,354 | -11.08%         |
| Direct Net Absorption           | -935,389  | 692,123   | 247,437   | N/A             |

## SACRAMENTO SUBMARKET STATISTICS

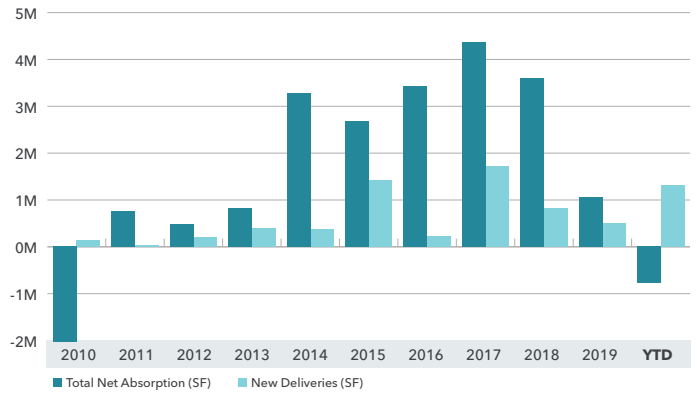
| Submarket                | Total Inventory    | Direct Vacancy Rate | Total Vacancy Rate | Total Available Rate | 3Q Direct Net Absorption | YTD Direct Net Absorption | 3Q Leasing Activity | YTD Leasing Activity | Rental Rate (NNN Overall) |
|--------------------------|--------------------|---------------------|--------------------|----------------------|--------------------------|---------------------------|---------------------|----------------------|---------------------------|
| Auburn/Newcastle         | 2,658,536          | 1.3%                | 1.3%               | 1.9%                 | -3,330                   | 8,280                     | 0                   | 22,286               | \$8.16                    |
| Davis/Woodland           | 16,932,851         | 8.0%                | 8.4%               | 12.0%                | -968,739                 | -654,874                  | 36,725              | 120,306              | \$4.56                    |
| Downtown                 | 2,722,516          | 4.2%                | 5.8%               | 5.8%                 | -37,950                  | -72,016                   | 12,250              | 32,245               | \$10.44                   |
| East Sacramento          | 638,320            | 5.1%                | 5.1%               | 5.1%                 | 0                        | 0                         | 0                   | 2,500                | \$24.00                   |
| Elk Grove/Laguna         | 6,219,413          | 2.8%                | 2.9%               | 3.3%                 | 76,205                   | 121,644                   | 32,996              | 110,297              | \$6.60                    |
| Folsom/El Dorado         | 5,057,786          | 4.1%                | 4.1%               | 6.5%                 | -2,222                   | 69,540                    | 18,811              | 67,910               | \$9.84                    |
| Marysville/Yuba City     | 6,856,500          | 2.9%                | 2.9%               | 4.2%                 | 27,780                   | -16,511                   | 30,000              | 181,000              | \$4.68                    |
| Mather                   | 5,266,687          | 4.4%                | 4.5%               | 7.0%                 | 34,345                   | -2,160                    | 35,047              | 121,852              | \$8.40                    |
| McClellan                | 15,939,761         | 5.9%                | 6.0%               | 7.6%                 | 255,893                  | 269,521                   | 36,112              | 537,139              | \$7.44                    |
| Natomas/ Northgate       | 14,558,467         | 4.2%                | 4.6%               | 13.4%                | -240,846                 | 27,855                    | 62,954              | 402,072              | \$7.32                    |
| NE Sacramento            | 6,065,986          | 5.8%                | 5.8%               | 10.0%                | -34,498                  | -104,191                  | 110,953             | 170,612              | \$8.76                    |
| Power Inn                | 25,842,197         | 5.8%                | 6.1%               | 8.1%                 | -316,973                 | -311,857                  | 733,045             | 1,131,050            | \$7.32                    |
| Richards                 | 4,200,212          | 5.3%                | 5.3%               | 7.9%                 | -137,903                 | -202,127                  | 0                   | 92,192               | \$6.24                    |
| Roseville/Rocklin        | 19,723,511         | 3.5%                | 3.6%               | 4.4%                 | 71,269                   | 44,537                    | 262,277             | 434,980              | \$7.44                    |
| South Sacramento         | 4,256,333          | 22.9%               | 24.0%              | 22.8%                | 6,690                    | 35,492                    | 10,890              | 37,394               | \$8.76                    |
| Sunrise                  | 11,690,872         | 4.4%                | 4.7%               | 6.8%                 | 65,956                   | -81,104                   | 218,368             | 431,243              | \$8.28                    |
| West Sacramento          | 20,814,814         | 6.8%                | 6.9%               | 9.2%                 | 268,934                  | 94,207                    | 374,782             | 1,071,799            | \$7.92                    |
| <b>Total</b>             | <b>169,444,762</b> | <b>5.65%</b>        | <b>5.88%</b>       | <b>8.38%</b>         | <b>-935,389</b>          | <b>-773,764</b>           | <b>1,975,210</b>    | <b>4,966,877</b>     | <b>\$7.08</b>             |
| General Industrial       | 26,998,892         | 8.6%                | 8.9%               | 11.8%                | -737,441                 | -568,330                  | 99,120              | 524,063              | \$5.52                    |
| Warehouse & Distribution | 123,555,849        | 4.6%                | 4.8%               | 6.6%                 | -194,586                 | -200,214                  | 1,705,161           | 3,807,454            | \$6.84                    |
| Flex                     | 18,890,021         | 8.5%                | 8.9%               | 10.9%                | -3,362                   | -5,220                    | 170,929             | 635,360              | \$10.56                   |



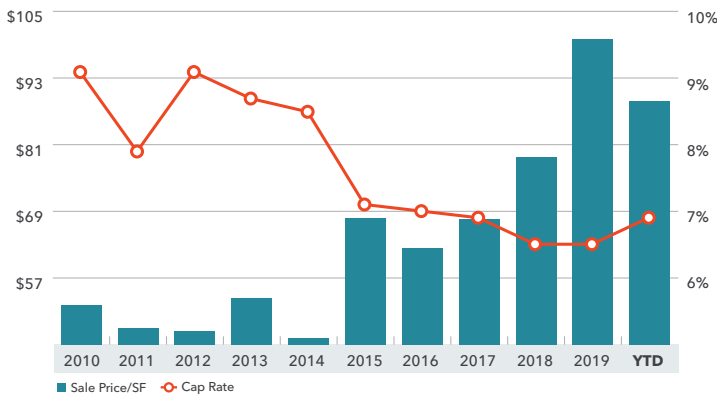
### LEASE RATE, VACANCY & AVAILABILITY



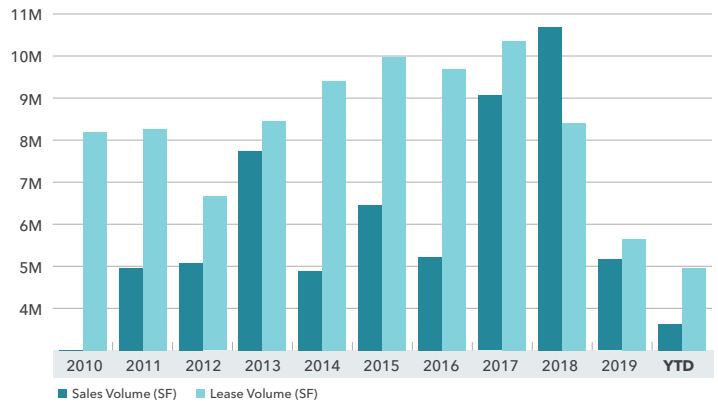
### TOTAL NET ABSORPTION & NEW DELIVERIES



### AVERAGE SALES PRICE/SF & CAP RATES



### SALE VOLUME & LEASE VOLUME



Kidder Mathews is the largest, independent commercial real estate firm on the West Coast, with 900 real estate professionals and staff in 22 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, and debt equity finance services for all property types.

The information in this report was composed by the Kidder Mathews Research Group.

**GARY BARAGONA**  
 Director of Research  
 415.229.8925  
[gary.baragona@kidder.com](mailto:gary.baragona@kidder.com)

**ERIC LUHRS**  
 Regional President, Brokerage  
 Northern California/Nevada  
 415.229.8888  
[eric.luhrs@kidder.com](mailto:eric.luhrs@kidder.com)

Designated Broker  
 Mark Read | LIC N° 00572743

[KIDDER.COM](http://KIDDER.COM)

#### COMMERCIAL BROKERAGE

**27M** ANNUAL SALES SF      **450+** NO. OF BROKERS  
**\$9.6B** ANNUAL TRANSACTION VOLUME      **42M** ANNUAL LEASING SF

#### VALUATION ADVISORY

**1,680+** APPRAISALS ANNUALLY      **37/23** TOTAL NO. APPRAISERS/MAI'S

#### PROPERTY MANAGEMENT

**70M+** MANAGEMENT PORTFOLIO SF      **\$12B+** IN ASSETS UNDER MANAGEMENT

This information supplied herein is from sources we deem reliable. It is provided without any representation, warranty or guarantee, expressed or implied as to its accuracy. Prospective Buyer or Tenant should conduct an independent investigation and verification of all matters deemed to be material, including, but not limited to, statements of income and expenses. CONSULT YOUR ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL ADVISOR.