

## NORTH I-680 1Q18 INDUSTRIAL MARKET

### Contra Costa County

The Contra Costa County industrial market ended the first quarter of 2018 with 173,794 square feet of positive net absorption. The availability rate now sits at 4.68%, down more than a full percent from the fourth quarter of 2017. The submarkets of Antioch, Concord, Martinez/Pacheco and Pleasant Hill all have availability rates below 4%. Pittsburg's statistics are still burdened by the 357,000 rentable square feet available at the United Spiral plant at 900 East Third Street.

Much of the positive absorption in Contra Costa County this quarter stemmed from the leasing activity at 1221-1225 California Avenue in Pittsburg, which is now 100% occupied. A few smaller lease transactions also added to the positive absorption and several larger renewals rounded out this quarter's leasing activity. In Martinez, Terracare Associates renewed their lease for 20,636 square feet at 921 Arnold Drive. In Concord, KHS&S Contractors renewed 16,924 square feet at 2500 Dean Leshar Drive and Tap Master, Inc. renewed 16,272 square feet at 5060 Forni Drive.

The Contra Costa County's industrial sale market continues to be scorching hot. During the first quarter of 2018 five industrial buildings traded, totaling 129,918 square feet. Lauren Ashley Provost Staging & Design purchased 1077 Shary Circle in Concord, an 11,000-square-foot light industrial building. GB Prosperity, Inc. relocated their operations from Shary Circle to their newly acquired building at 5121-5129 Port Chicago Highway, a 20,114-square-foot property in North Concord. Also in North Concord, Kevin Maddox 2008 Trust purchased 2278 Pike Court. The 20,404-square-foot property, which included a large private staging area, is one of the premier light industrial products in the Concord market. Nearby 4021 Pike lane was acquired by Jeff and Paulette Carpoff. The 38,400-square-foot light industrial building was a NNN investment leased to Benchmark Precision for three years with a capitalization rate of 6.30%. In Pittsburg, Making Waves Academy purchased three buildings totaling 40,000 square feet at 595 East Third Street.

Gonsalves & Santucci Inc.'s "spec" building at 5129 Commercial Circle in Concord is shell complete. The tenant, Prowess Inc., will be commencing construction of its office space this month. Also under development, the 225,950-square-foot Concord Logistics Center on Evora Road is still stuck in the planning stages due to litigation issues. The other development in the pipeline is Zocchi Company's Northpoint V, a two-building complex totaling 45,600 square feet. They plan to build two separate industrial buildings consisting of 9,980 square feet and 35,620 square feet.

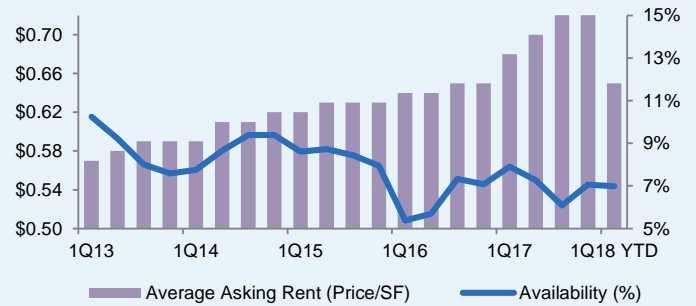
### Solano County

The Solano County industrial market finished the first quarter of 2018 with 141,609 square feet of negative absorption, raising the overall availability rate to 8.50%. The majority of new product on the market is located in the Benicia submarket, which has been historically tight over the last year.

A hefty 120,000 square feet of warehouse space became available at 437-457 Industrial Way. In addition, 31,900 square-feet became vacant at 3150 Bayshore Road and 49,920 square feet is now available at 521 Stone Road.

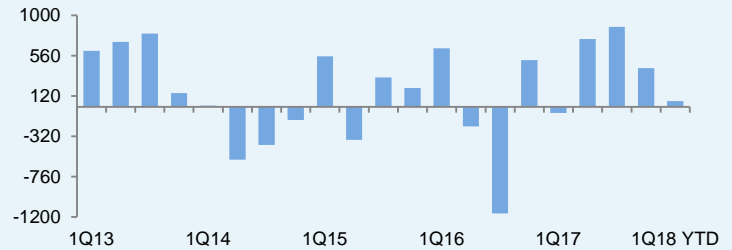
### Current Conditions

#### Asking Rent and Availability



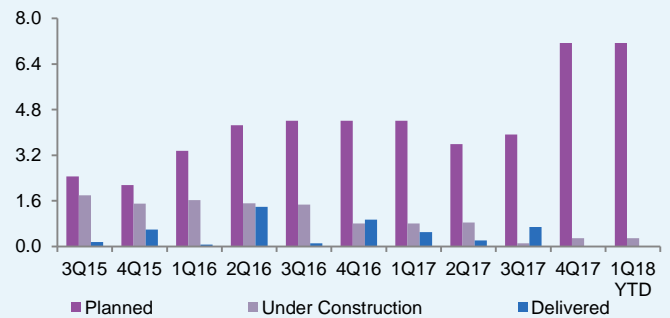
#### Net Absorption

Square Feet, Thousands



#### New Construction Pipeline

Square Feet, Millions



### Market Summary

	Current Quarter	Prior Quarter	Year Ago 12 Month Period	Forecast
Total Inventory (SF)	61.2M	61.4M	60.8M	↑
Availability Rate	6.58%	6.66%	7.6%	↓
Qtr Net Absorption (SF)	63K	-424K	-65K	↑
Dir. Avg. NNN Ask Rent	\$0.68	\$0.74	\$0.68	↑
Under Construction (SF)	293K	293K	801K	↑
Planned Construction (SF)	7.1M	7.1M	3.8M	↔

## NORTH I-680 1Q18 INDUSTRIAL MARKET

www.ngkf.com

The largest transaction of the quarter was Santa Clara Warehouses Inc.'s subleasing of 104,462 square feet from Berlin Packaging at 2373 North Watney Way in Fairfield. Also in Fairfield, ABC Supply Company renewed for 25,027 square feet at 237 Lopes Road. In Benicia, Wright Brothers Supply renewed their 25,440-square-foot lease at 3701 Industrial Way, High End Development, Inc. leased 15,438 square feet at 665 Stone Road and Total Western, Inc. renewed 14,000 square feet at 3985 Teal Court.

### Napa County

Napa County concluded the quarter with 31,327 rentable square feet of positive net absorption. This brought the market an availability rate of 4.90%. One notable transaction completed during the quarter was Leavitt Machinery's leasing of 4100 Paoli Loop Road in American Canyon. The property boasts a large yard and a rare combination of warehouse and office space.

Topping the notable sale transaction list for the quarter, Black Mountain Properties, LLC closed on the sale of Carneros Commons, a two-building 117,437-square-foot project located within the Napa Valley Commons Business Park.

Currently, 2,811,283 rentable square feet of space is in planning within the submarket. The most notable planned projects include The Napa Logistics Park, Napa Commerce Center, and Napa Airport Corporate Center, which are all strategically positioned projects with access to both the Napa County Airport as well as the Union Pacific Railroad.

### Select Lease/Owner User Transactions

Tenant	Building	Use	Submarket	Type	Square Feet
Santa Clara Warehouses Inc.	2373 N Watney Way	Warehouse	Fairfield	Sublease	104,462
Wright Brothers Supply	3701 Industrial Way	Warehouse	Benicia	Renewal	25,440
ABC Supply Company	237 Lopes Road	Light Industrial	Fairfield	Renewal	25,027
Terracare Associates	921 Arnold Drive	Light Industrial	Martinez/Pacheco	Renewal	20,636
Keenan, Hopkins, Suder and Stowell Contractors, Inc.	2500 Dean Leshner Drive	Warehouse	Concord	Renewal	16,924
Tap Master, Inc.	5060 Forni Drive	Warehouse	Concord	Renewal	16,272
High End Development, Inc.	665 Stone Road	Warehouse	Benicia	Direct	15,438
Total Western, Inc.	3985 Teal Court	Light Industrial	Benicia	Renewal	14,000

### Select Investment Sales Transactions

Buyer	Building	Submarket	Use	Sale Price	Price/SF	Square Feet
Black Mountain Properties, LLC	851 Napa Valley Corporate Way & 2700 Napa Valley Corporate Drive	Napa	R&D	\$21,130,000.00	\$179.93	117,437
Kortick Manufacturing	331, 351 & 401 Sunset Drive	Antioch	Light Industrial	\$5,950,000.00	\$110.98	53,615
560 TW, LLC	560-562 Technology Way	Napa	R&D	\$5,818,000.00	\$137.89	42,192
Making Waves Academy	595 E 3rd Street	Pittsburg	Light Industrial/R&D	\$7,000,000.00	\$175.00	40,000
Jeff and Paulette Carpoff	4021 Pike Lane	Concord	Light Industrial	\$6,100,000.00	\$158.85	38,400
Fernando Salmeron Reyes	473 Edison Court	Fairfield	Warehouse	\$3,600,000.00	\$116.32	30,950

### New Construction (Greater Than 100,000 Square Feet)

Project	Address	Submarket	Use	Status	Square Feet
Suisun Logistic Center	Peterson Road & Walters Road	Suisun City	Warehouse	Planned	2,632,167
Napa Logistics Park	Devlin Road	American Canyon	Warehouse	Planned	2,072,880
Napa Commerce Center	Devlin Road & Airport Blvd	Napa	Warehouse	Planned	388,000
Napa Airport Corporate Center	Airport Road & S Kelly Road	American Canyon	Warehouse	Planned	350,403
Columbus Craft Meats	North Watney Way & Courage Dr.	Fairfield	Warehouse	Planned	340,000
Guittard Chocolate Company	785 Chadbourne Road	Fairfield	Warehouse	Planned	290,000
Interchange Business Park	Eubanks Drive	Vacaville	Warehouse	Planned	263,400
Concord Logistics Center	Evora Road & Willow Pass Road	Concord	Warehouse	Planned	225,950
Metropolitan Van & Storage	South Watney Way	Fairfield	Warehouse	U/C	197,799
Nut Tree Business Park	50 Nut Tree Road	Vacaville	Warehouse	Planned	176,392
Oates Investments Project	100 Jim Oswalt Way	American Canyon	Warehouse	U/C	120,080
2370 North Watney Way	2370 North Watney Way	Fairfield	Warehouse	Planned	104,000

**NORTH I-680  
1Q18 INDUSTRIAL MARKET**

www.ngkf.com

**Submarket Statistics**

	Total Inventory (RSF)	Total Availability* (RSF)	Sublease Availability* (RSF)	Total Availability Rate	Sublease Availability Rate	Qtr Net Absorption (RSF)	YTD Net Absorption (RSF)	Direct NNN Asking Rent (Price/RSF)
<b>Contra Costa County</b>	<b>16,901,970</b>	<b>790,659</b>	<b>0</b>	<b>4.68%</b>	<b>0.00%</b>	<b>173,794</b>	<b>173,794</b>	<b>\$0.67</b>
<b>Antioch</b>	<b>3,134,770</b>	<b>71,843</b>	<b>0</b>	<b>2.29%</b>	<b>0.00%</b>	<b>-7,503</b>	<b>-7,503</b>	<b>\$1.01</b>
R&D	71,460	0	0	0.00%	0.00%	0	0	-
Industrial	1,813,370	63,773	0	3.52%	0.00%	567	567	\$0.97
Warehouse	1,249,940	8,070	0	0.65%	0.00%	-8,070	-8,070	\$1.30
<b>Pittsburg</b>	<b>4,060,632</b>	<b>524,114</b>	<b>0</b>	<b>12.91%</b>	<b>0.00%</b>	<b>147,492</b>	<b>147,492</b>	<b>\$0.49</b>
R&D	24,500	0	0	0.00%	0.00%	11,911	11,911	\$0.00
Industrial	2,881,105	73,514	0	2.55%	0.00%	8,433	8,433	\$0.55
Warehouse	1,155,027	450,600	0	39.01%	0.00%	127,148	127,148	\$0.49
<b>Concord</b>	<b>6,789,211</b>	<b>93,114</b>	<b>0</b>	<b>1.37%</b>	<b>0.00%</b>	<b>36,219</b>	<b>36,219</b>	<b>\$0.96</b>
R&D	559,598	0	0	0.00%	0.00%	4,000	4,000	-
Industrial	5,598,541	93,114	0	1.66%	0.00%	32,219	32,219	\$0.96
Warehouse	631,072	0	0	0.00%	0.00%	0	0	-
<b>Martinez/Pacheco</b>	<b>2,582,561</b>	<b>99,588</b>	<b>0</b>	<b>3.86%</b>	<b>0.00%</b>	<b>-414</b>	<b>-414</b>	<b>\$1.15</b>
R&D	318,341	85,994	0	27.01%	0.00%	0	0	\$1.19
Industrial	1,858,311	2,750	0	0.15%	0.00%	10,430	10,430	-
Warehouse	405,909	10,844	0	2.67%	0.00%	-10,844	-10,844	\$0.85
<b>Pleasant Hill</b>	<b>334,796</b>	<b>2,000</b>	<b>0</b>	<b>0.60%</b>	<b>0.00%</b>	<b>-2,000</b>	<b>-2,000</b>	<b>\$1.15</b>
R&D	9,466	0	0	0.00%	0.00%	0	0	-
Industrial	325,330	2,000	0	0.61%	0.00%	-2,000	-2,000	\$1.15
Warehouse	0	0	0	0.00%	0.00%	0	0	-
<b>Solano County</b>	<b>29,577,687</b>	<b>2,514,096</b>	<b>518,848</b>	<b>8.50%</b>	<b>1.75%</b>	<b>-141,609</b>	<b>-141,609</b>	<b>\$0.53</b>
<b>Benicia</b>	<b>7,710,955</b>	<b>396,248</b>	<b>13,036</b>	<b>5.14%</b>	<b>0.17%</b>	<b>-225,955</b>	<b>-225,955</b>	<b>\$0.47</b>
R&D	138,876	4,608	0	3.32%	0.00%	-4,608	-4,608	\$0.45
Industrial	2,432,827	26,171	0	1.08%	0.00%	-2,159	-2,159	\$0.62
Warehouse	5,139,252	365,469	13,036	7.11%	0.25%	-219,188	-219,188	\$0.46
<b>Fairfield</b>	<b>15,248,856</b>	<b>1,031,221</b>	<b>447,886</b>	<b>6.76%</b>	<b>2.94%</b>	<b>138,640</b>	<b>138,640</b>	<b>\$0.58</b>
R&D	1,419,651	116,619	0	8.21%	0.00%	-9,589	-9,589	\$0.97
Industrial	1,551,681	40,291	17,386	2.60%	1.12%	70,642	70,642	\$0.69
Warehouse	12,277,524	874,311	430,500	7.12%	3.51%	77,587	77,587	\$0.52
<b>Vacaville</b>	<b>6,617,876</b>	<b>1,086,627</b>	<b>57,926</b>	<b>16.42%</b>	<b>0.88%</b>	<b>-54,294</b>	<b>-54,294</b>	<b>\$0.63</b>
R&D	313,865	24,401	0	7.77%	0.00%	-6,714	-6,714	\$1.00
Industrial	614,413	25,248	0	4.11%	0.00%	-5,280	-5,280	\$0.75
Warehouse	5,689,598	1,036,978	57,926	18.23%	1.02%	-42,300	-42,300	\$0.42
<b>Napa County</b>	<b>14,740,327</b>	<b>722,786</b>	<b>94,582</b>	<b>4.90%</b>	<b>0.64%</b>	<b>31,327</b>	<b>31,327</b>	<b>\$0.82</b>
<b>American Canyon</b>	<b>7,447,743</b>	<b>332,638</b>	<b>7,500</b>	<b>4.47%</b>	<b>0.10%</b>	<b>4,920</b>	<b>4,920</b>	<b>\$0.61</b>
R&D	0	0	0	0.00%	0.00%	0	0	-
Industrial	1,537,978	75,630	0	4.92%	0.00%	4,920	4,920	\$0.70
Warehouse	5,909,765	257,008	7,500	4.35%	0.13%	0	0	\$0.58
<b>Napa</b>	<b>7,292,584</b>	<b>390,148</b>	<b>87,082</b>	<b>5.35%</b>	<b>1.19%</b>	<b>26,407</b>	<b>26,407</b>	<b>\$1.26</b>
R&D	1,435,649	74,614	42,672	5.20%	2.97%	-5,874	-5,874	\$1.30
Industrial	2,952,190	255,722	25,300	8.66%	0.86%	-17,519	-17,519	\$1.25
Warehouse	2,904,745	59,812	19,110	2.06%	0.66%	49,800	49,800	-
<b>NORTH I-680</b>	<b>61,219,984</b>	<b>4,027,541</b>	<b>613,430</b>	<b>6.58%</b>	<b>1.00%</b>	<b>63,512</b>	<b>63,512</b>	<b>\$0.65</b>
R&D	4,291,406	306,236	42,672	7.14%	0.99%	-10,874	-10,874	\$1.12
Industrial	21,565,746	658,213	42,686	3.05%	0.20%	100,253	100,253	\$0.93
Warehouse	35,362,832	3,063,092	528,072	8.66%	1.49%	-25,867	-25,867	\$0.51

---

## NORTH I-680 MARKET

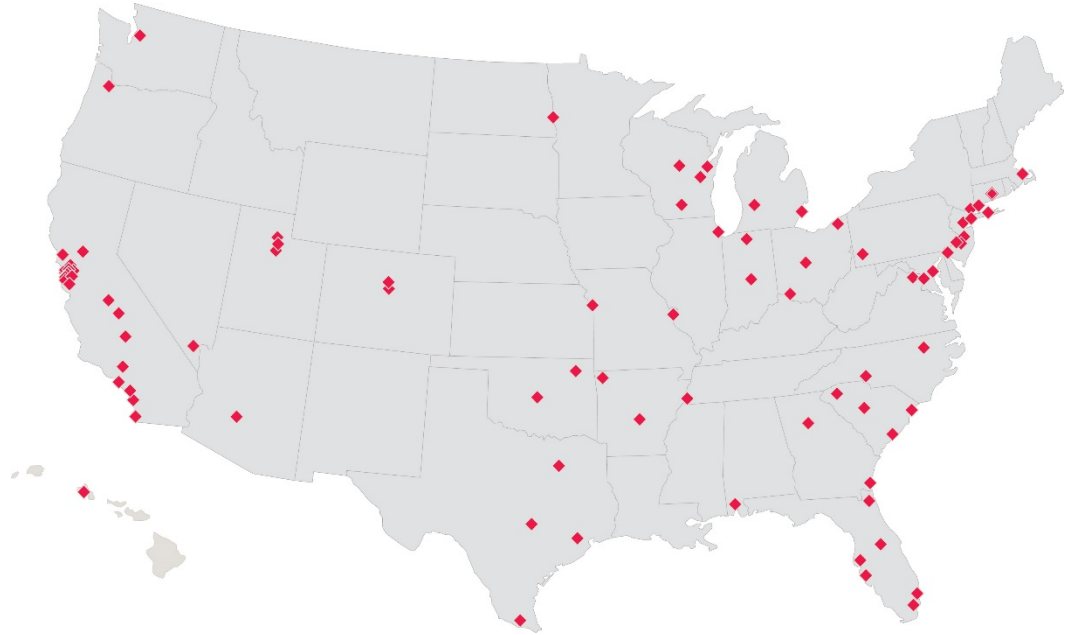
Newmark Knight Frank  
1333 North California Blvd, Suite 343  
Walnut Creek, CA 94596  
925.974.0100

Corporate CA RE #00832933

---

**Tyler Epting**  
Managing Director  
925.974.0238  
tepting@ngkf.com

## Newmark Knight Frank United States Office Locations



**Newmark Knight Frank has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents.**

Newmark Knight Frank Research Reports are also available at [www.ngkf.com/research](http://www.ngkf.com/research)

All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark Knight Frank (NKF) has not verified any such information, and the same constitutes the statements and representations only of the source thereof, and not of NKF. Any recipient of this publication should independently verify such information and all other information that may be material to any decision that recipient may make in response to this publication, and should consult with professionals of the recipient's choice with regard to all aspects of that decision, including its legal, financial, and tax aspects and implications.

Any recipient of this publication may not, without the prior written approval of NKF, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains.



Please recycle,  
whenever possible  
**Sustainably**  
Newmark Knight Frank