

Sacramento

Industrial market snapshot

Q3 2024

The Sacramento industrial market is slowing, with leasing activity at its lowest since Q1 2024. Net absorption is negative, and vacancy rates are rising, yet asking rates continue to climb. Although sales volume has declined, valuations remain stable. Looking ahead, interest rates are likely to further soften, spurring a return of leasing and investment interest.

-846K sf

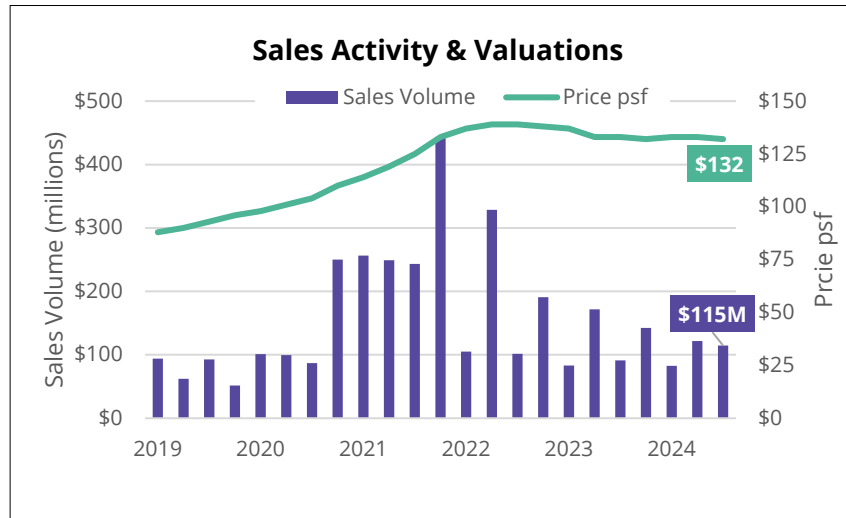
Net absorption dropped significantly into negative territory in Q3, reflecting a sharp decline in demand within Sacramento's industrial market.

7.0%

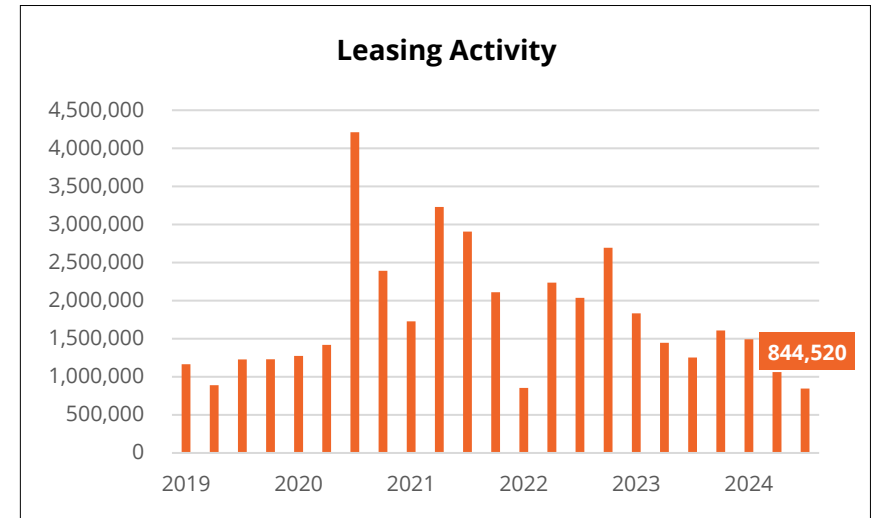
Industrial availability has gradually increased in recent quarters, but the market remains relatively robust.

\$0.76 NNN

Industrial asking rates rise quarter-over-quarter even as availability increases.



Sales volume has declined from its peak, and while valuations remain below 2022 highs, they continue to hold steady at stable levels.

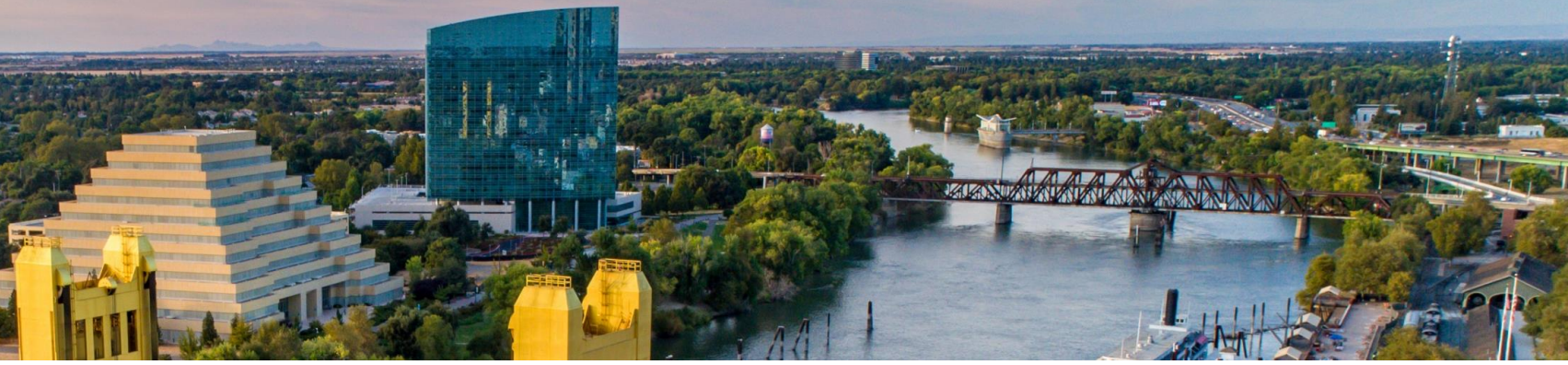


Despite resilient demand throughout the pandemic, the industrial market has begun to slow significantly. Industrial/Flex leasing activity in the Sacramento market has now hit its lowest level since Q1 2024.

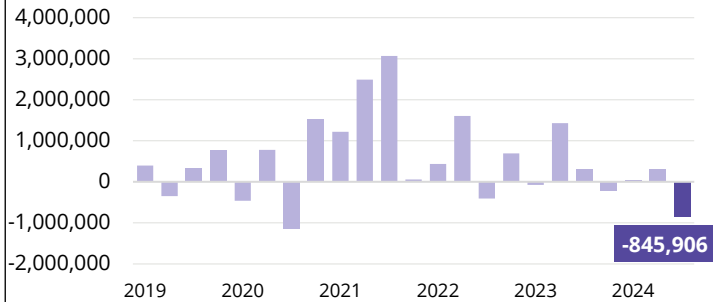
Sacramento

Industrial market snapshot

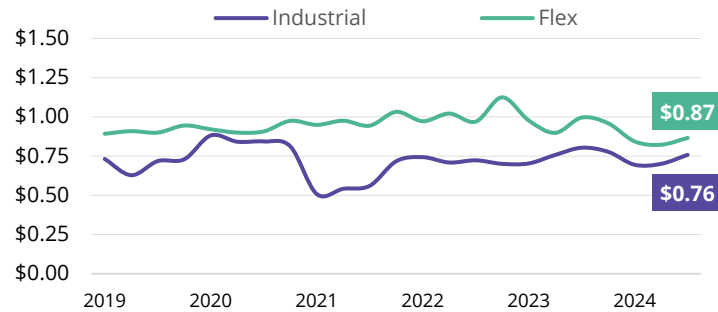
Q3 2024



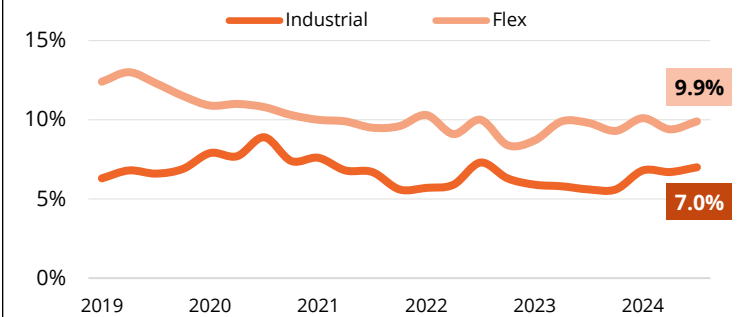
Industrial & Flex Net absorption (sf)



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Lease Type	Sign Date
Beckman Coulter	2040 Enterprise Blvd	87,000	Direct/Renewal	Aug-2024
Pure Nature Foods	3783 Channel Dr	66,306	Direct/New	Sep-2024
Ernest Packaging	2975 Ramco St	64,252	Direct/New	Sep 2024

Recent sales activity

Buyer	Address	Sales Price	Total RSF	Sale Date	Seller
EQT Exeter	3750 Zinfandel Dr.	\$24,300,000	163,639	Aug-2024	SalonGuys.com
Celebrations! Party Rentals	1721 Aviation Blvd	\$23,500,000	149,760	Jul-2024	Buzz Oates
Teichert, Inc.	3961 Channel Dr.	\$17,990,500	51,000	Jul-2024	Yara International ASA

Sacramento

Industrial market snapshot

Q3 2024

Industrial stats

	Inventory			Availability			Absorption		Asking Rent
	Existing inventory	Deliveries	Under development	Direct %	Sublet %	Total %	QTD Net absorption sf	YTD Net absorption sf	Psf/mo NNN
Auburn/Lincoln	4,468,055	0	0	1.5%	1.1%	2.6%	44,463	83,754	\$ 0.77
Davis/Woodland	15,381,512	0	212,970	9.5%	0.3%	9.8%	-871,563	-1,019,107	\$ 0.51
Downtown	2,855,282	0	0	11.3%	1.2%	12.5%	-36,128	-103,272	\$ 0.72
Folsom	1,813,167	0	0	15.2%	0.0%	15.2%	275,831	2,030	-
Highway 50 Corridor	14,482,244	0	155,076	5.2%	1.1%	6.3%	-133,429	33,101	\$ 0.91
North Natomas	15,966,143	0	525,000	4.9%	2.2%	7.2%	-205,714	3,366	\$ 0.72
Point West	2,984,606	0	0	6.3%	0.5%	6.8%	23,672	44,177	\$ 0.66
Rio Linda/North Highlands	12,796,851	0	82,000	2.6%	2.1%	4.7%	-71,390	-16,450	\$ 0.86
South Sacramento	21,559,741	0	0	5.1%	0.6%	5.4%	124,909	-165,922	\$ 0.79
West Sacramento	19,686,282	0	0	6.9%	1.1%	8.0%	73,406	571,016	\$ 0.82
Overall	111,993,883	0	975,046	5.9%	1.1%	7.0%	-775,943	-559,377	\$0.76

Note: Overall market statistics in this report consists of industrial & flex 20,000 sf and greater in these listed submarkets.
Source: AVANT by Avison Young

Sacramento

Industrial market snapshot

Q3 2024

Get in touch

Dave Smith
Principal, Managing Director - Sacramento
CA License # 01246923
+1 916 730 0921
dave.smith@avisonyoung.com

Howard Huang
Market Intelligence Analyst
Northern California
howard.huang@avisonyoung.com

Flex stats

	Inventory			Availability			Absorption		Asking Rent
	Existing inventory	Deliveries	Under development	Direct %	Sublet %	Total %	QTD Net absorption sf	YTD Net absorption sf	Psf/mo NNN
Auburn/Lincoln	494,444	0	0	2.7%	1.0%	3.8%	-5,128	-862	\$ 1.30
Davis/Woodland	379,622	0	0	21.3%	0.0%	21.3%	-30,700	-30,700	\$ 1.00
Downtown	361,345	0	0	9.1%	0.0%	9.1%	-9,264	20,736	\$ 0.63
Folsom	621,276	0	0	11.3%	0.0%	11.3%	5,837	10,799	-
Highway 50 Corridor	2,571,851	0	0	11.1%	1.4%	12.2%	44,539	10,292	\$ 0.85
North Natomas	1,386,342	0	0	7.5%	0.0%	7.5%	-16,859	-52,896	\$ 0.85
Point West	302,372	0	0	7.5%	0.0%	7.5%	0	9,919	-
Rio Linda/North Highlands	1,622,525	0	0	9.8%	4.0%	13.8%	-8,768	75,211	\$ 0.85
South Sacramento	795,771	0	0	6.9%	0.8%	7.7%	-24,018	32,141	\$ 0.95
West Sacramento	1,216,990	0	0	3.4%	0.0%	3.4%	-25,602	-16,929	\$ 0.86
Overall	9,752,538	0	0	8.9%	1.1%	9.9%	-69,963	57,771	\$0.87

Note: Overall market statistics in this report consists of industrial & flex 20,000 sf and greater in these listed submarkets.
Source: AVANT by Avison Young