



Accelerating success.

Industrial Continues to Outpace

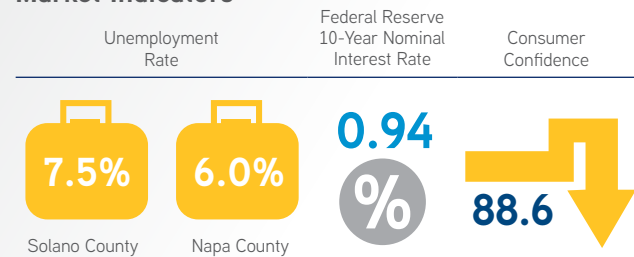
- > Industrial Inventory: 53,003,232 SF
- > Current Vacancy: 4.0%
- > Net Absorption: 880,915 SF

The Solano and Napa counties industrial market's vacancy rate decreased in the fourth quarter of 2020 from 4.1 percent to 4.0 percent. Demand for industrial properties continues to outpace other commercial real estate sectors, driven by the rapidly increasing demand for e-commerce distribution. Net absorption for the fourth quarter was positive 880,915 square feet and for the year it was positive 2,278,440 square feet. Average asking rates increased by \$0.02 to \$0.70 per square foot per month triple net (NNN) this quarter.

American Canyon

The vacancy rate in American Canyon increased from 0.9 percent to 5.0 percent in the fourth quarter. This increase was

Market Indicators

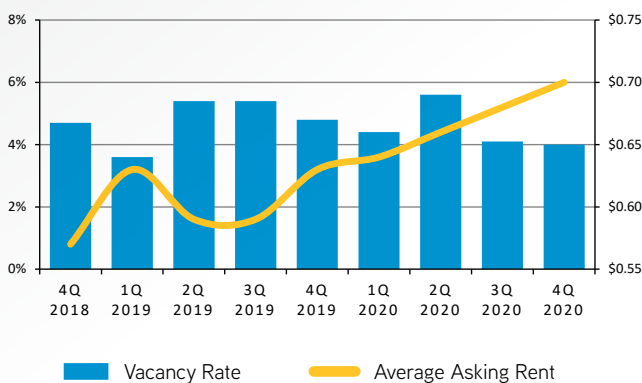


Market Trends

Relative to prior period	Q4 2020	Q1 2021*
Vacancy	↓	↓
Rental Rate	↑	↑
Net Absorption	↑	↑
Construction	↑	↑
*Projected		

Vacancy vs. Asking NNN Rental Rates

Solano and Napa Counties | All Classes



Asking rates continue to increase and vacancy remains low

Summary Statistics

Q4 2020 Solano & Napa Counties Industrial Market	Previous Quarter	Current Quarter
Overall Vacancy Rate	4.1%	4.0%
Net Absorption	1,086,259	880,915
Construction Completed	330,000	855,011
Under Construction	1,056,654	712,950
Overall Asking Rents*	\$0.68	\$0.70
Industrial	\$0.89	\$0.87
R&D/Flex	\$1.02	\$0.93
Warehouse/Distribution	\$0.61	\$0.65

*Asking Rents Reported Monthly



entirely attributable to the delivery of Orchard Partners' new speculative 702,000 square foot warehouse at 400 Boone Drive in the Napa Logistics Park. 336,960 square feet of the building has been pre-leased to Biagi Bros., and the remaining 365,040 square feet of the building is currently available for lease. Construction continues at 300 Boone Drive, also in the Napa Logistics Park, which will be a 201,950 square foot "last-mile" distribution center. The building was pre-leased by Amazon, and construction is estimated to be completed in the third quarter.

Benicia

Benicia's vacancy rate declined from 5.0 percent to 4.5 percent in the fourth quarter. The largest lease in Benicia in the quarter was Fidelity Paper and Supply Corporation's lease of the 120,000 square foot warehouse located at 540 Stone Road in the Benicia Industrial Park. In the second largest sale in this report, Ampports added to their holdings at the Benicia Port Terminal in purchasing the 36,841 square foot manufacturing property located at 921 Bayshore Road. The price was \$1,600,000, or \$43 per square foot.

City of Napa & Unincorporated Areas

The vacancy rate in Napa declined in all four quarters in 2020, and now stands at 2.2 percent, down from 3.4 percent in the prior quarter and 5.5 percent at the beginning of the year. Construction was completed on The Pigman Companies' second building at the Napa Commerce Center on Devlin Road, a 153,011 square foot warehouse. Fior di Sole, the parent company of Ca' Momi Winery, leased the entire building and will use it for case good wine storage. Additionally, Fior di Sole leased another large building in Napa in the fourth quarter, the 109,500 square foot warehouse located at 901 Kaiser Road formerly occupied by Mondavi/Constellation.

Vacaville

Vacaville's vacancy rate declined for the second consecutive quarter and is now 6.9 percent, down from 8.2 percent in the prior quarter. The two largest leases in this report were North Bay Distribution's renewals of the 227,430 square foot warehouse at 2031 Cessna Drive and the 220,800 square foot warehouse at 2050 Cessna Drive in the Vacaville Business Park. Buzz Oates has commenced construction on two warehouses totaling 511,000 square feet in the Vacaville Business Park. The buildings are expected to be completed in



The two largest leases in this report were North Bay Distribution's renewals of the 227,430 square foot warehouse at 2031 Cessna Drive and the 220,800 square foot warehouse at 2050 Cessna Drive in the Vacaville Business Park.

the fourth quarter of 2021. Oak Paper Products has already pre-leased 141,600 square feet of the 205,000 square foot warehouse at 2401 East Monte Vista. Amazon pre-leased the 617,760 square foot warehouse at 4800 Midway Road and construction is now underway with completion expected by July.

The largest sale in this report also took place in Vacaville as Ranger Northbay LLC purchased the 843,248 square foot NorthBay Logistics Center located at 700 Crocker Drive from LDK Ventures in an investment transaction. The price for the fully leased warehouse was \$88,500,000, or \$105 per square foot, and the cap rate was 5.28 percent.

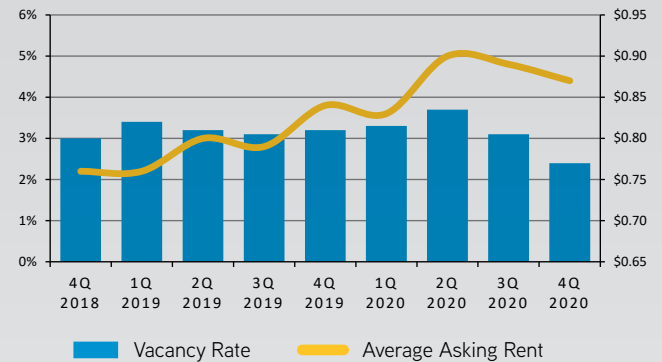
Summary

The pandemic driven boom in the e-commerce sector continues to drive demand for warehouse space as evidenced by the fact that there were six leases of 100,000 square feet or greater and the largest sale of the year in the fourth quarter. The food and wine industries are also significant drivers of demand and construction in Solano and Napa counties. Four big box warehouses totaling 1,330,710 square feet are currently under construction as the region's steady expansion continues.

The near and long term outlook for the region is very good as high demand for premium wine continues to be Napa's competitive advantage and Solano County's mix of affordability, available land, new product, good labor, and great location near the Port of Oakland, and between the major markets of the San Francisco Bay Area and Sacramento will continue to make this county attractive for users and investors alike.

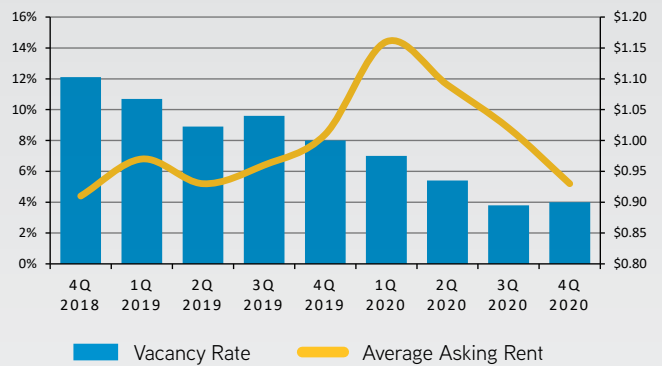
Vacancy vs. Asking NNN Rental Rates

Solano & Napa Counties | Industrial



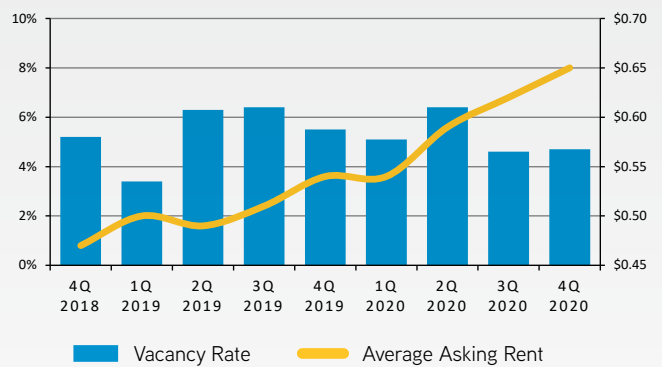
Vacancy vs. Asking NNN Rental Rates

Solano & Napa Counties | R&D/Flex



Vacancy vs. Asking NNN Rental Rates

Solano & Napa Counties | Warehouse/Distribution



Significant Lease Activity



Significant Sale Activity

PROPERTY ADDRESS	SALE DATE	SIZE	BUYER	TYPE
700 Crocker Drive, Vacaville	December, 2020	843,248 SF	Ranger NorthBay LLC	Warehouse/Distribution
921 Bayshore Road, Benicia	October, 2020	36,861 SF	Amports	Manufacturing
1270-1276 Callen Street, Vacaville	November, 2020	21,390 SF	Callen Holdings LLC	Light Industrial
935 Enterprise Way, Napa	December, 2020	14,300 SF	Morenita Foods Holdings LLC	Light Industrial

Market Comparisons – Fairfield

INDUSTRIAL MARKET

SUBMARKET	EXISTING PROPERTIES									ABSORPTION		CONSTRUCTION		RENTS
	BLDGS	TOTAL INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	SUBLEASE VACANT SF	SUBLEASE VACANCY RATE	TOTAL VACANT SF	TOTAL VACANCY RATE	VACANCY RATE PRIOR QUARTER	NET ABSORPTION CURRENT QTR SF	NET ABSORPTION YTD SF	COMPLETIONS CURRENT QTR SF	UNDER CONSTRUCTION SF	NNN AVG ASKING RATE
AMERICAN CANYON														
Industrial	29	744,397	71,799	9.6%	-	0.0%	71,799	9.6%	9.6%	-	-	-	-	\$0.75
R&D Flex		-	-	-	-	-	-	-	-	-	-	-	-	\$-
Warehouse / Distribution	33	7,961,412	365,040	4.6%	-	0.0%	365,040	4.6%	0.0%	336,960	666,960	702,000	201,950	\$0.75
TOTAL	62	8,705,809	436,839	5.0%	-	0.0%	436,839	5.0%	0.9%	336,960	666,960	702,000	201,950	\$0.75
BENICIA														
Industrial	121	3,744,047	75,558	2.0%	-	0.0%	75,558	2.0%	2.7%	27,016	(35,598)	-	-	\$0.75
R&D Flex	3	91,134	-	0.0%	-	0.0%	-	0.0%	0.0%	-	-	-	-	\$-
Warehouse / Distribution	35	4,341,885	274,457	6.3%	21,080	0.5%	295,537	6.8%	7.0%	7,762	66,104	-	-	\$0.65
Total	159	8,177,066	350,015	4.3%	21,080	0.3%	371,095	4.5%	5.0%	34,778	30,506	-	-	\$0.67
DIXON														
Industrial	27	774,893	-	0.0%	-	0.0%	-	0.0%	0.0%	-	-	-	-	\$-
R&D Flex		-	-	-	-	-	-	-	-	-	-	-	-	\$-
Warehouse / Distribution	6	1,509,030	-	0.0%	-	0.0%	-	0.0%	0.0%	-	447,042	-	-	\$-
Total	33	2,283,923	-	0.0%	-	0.0%	-	0.0%	0.0%	-	447,042	-	-	\$-
FAIRFIELD														
Industrial	90	2,971,043	29,483	1.0%	28,800	1.0%	58,283	2.0%	3.8%	54,421	90,188	-	-	\$0.75
R&D Flex	14	378,312	30,095	8.0%	-	0.0%	30,095	8.0%	8.0%	-	472	-	-	\$0.75
Warehouse / Distribution	66	11,298,748	505,576	4.5%	30,000	0.3%	535,576	4.7%	5.8%	121,957	500,751	-	-	\$0.67
Total	170	14,648,103	565,154	3.9%	58,800	0.4%	623,954	4.3%	5.5%	176,378	591,411	-	-	\$0.68
NAPA														
Industrial	84	2,367,939	95,960	4.1%	-	0.0%	95,960	4.1%	5.3%	29,672	114,354	-	-	\$1.15
R&D Flex	16	591,828	16,275	2.7%	-	0.0%	16,275	2.7%	2.6%	(885)	74,102	-	-	\$1.24
Warehouse / Distribution	41	3,976,632	38,879	1.0%	-	0.0%	38,879	1.0%	2.3%	202,840	217,390	153,011	-	\$0.68
Total	141	6,936,399	151,114	2.2%	-	0.0%	151,114	2.2%	3.4%	231,627	405,846	153,011	-	\$1.04
SUISUN CITY														
Industrial	12	207,713	5,616	2.7%	-	0.0%	5,616	2.7%	2.7%	-	(2,705)	-	-	\$0.85
R&D Flex	-	-	-	-	-	0.0%	-	-	-	-	-	-	-	\$-
Warehouse / Distribution	-	-	-	-	-	0.0%	-	-	-	-	-	-	-	\$-
Total	12	207,713	5,616	2.7%	-	0.0%	5,616	2.7%	2.7%	-	(2,705)	-	-	\$0.85
VACAVILLE														
Industrial	44	1,353,732	43,805	3.2%	-	0.0%	43,805	3.2%	3.6%	4,706	(7,847)	-	-	\$0.74
R&D Flex	4	85,691	-	0.0%	-	0.0%	-	0.0%	0.0%	-	-	-	-	\$-
Warehouse / Distribution	35	6,408,304	396,025	6.2%	100,000	1.6%	496,025	7.7%	9.3%	98,466	136,642	-	1,128,760	\$0.54
Total	83	7,847,727	439,830	5.6%	100,000	1.3%	539,830	6.9%	8.2%	103,172	128,795	-	1,128,760	\$0.56
VALLEJO														
Industrial	55	2,855,157	5,616	0.2%	-	0.0%	5,616	0.2%	0.2%	-	8,205	-	-	\$0.83
R&D Flex	4	54,962	2,000	3.6%	-	0.0%	2,000	3.6%	0.0%	(2,000)	2,380	-	-	\$1.00
Warehouse / Distribution	15	1,286,373	-	0.0%	-	0.0%	-	0.0%	0.0%	-	-	-	-	\$-
Total	74	4,196,492	7,616	0.2%	-	0.0%	7,616	0.2%	0.1%	(2,000)	10,585	-	-	\$0.87
MARKET TOTAL														
Industrial	462	15,018,921	327,837	2.2%	28,800	0.2%	356,637	2.4%	3.1%	115,815	166,597	-	-	\$0.87
R&D Flex	41	1,201,927	48,370	4.0%	-	0.0%	48,370	4.0%	3.8%	(2,885)	76,954	-	-	\$0.93
Warehouse / Distribution	231	36,782,384	1,579,977	4.3%	151,080	0.4%	1,731,057	4.7%	4.6%	767,985	2,034,889	855,011	1,330,710	\$0.65
MARKET TOTAL	734	53,003,232	1,956,184	3.7%	179,880	0.3%	2,136,064	4.0%	4.1%	880,915	2,278,440	855,011	1,330,710	\$0.70
QUARTERLY COMPARISON AND TOTALS														
Q4-20	734	53,003,232	1,956,184	3.7%	179,880	0.3%	2,136,064	4.0%	4.1%	880,915	2,278,440	855,011	1,330,710	\$0.70
Q3-20	732	52,144,910	2,000,164	3.8%	158,493	0.3%	2,158,657	4.1%	5.6%	1,086,259	1,397,525	330,000	1,056,654	\$0.68
Q2-20	731	51,814,910	2,749,413	5.3%	165,503	0.3%	2,914,916	5.6%	4.4%	92,177	311,266	734,828	1,184,704	\$0.66
Q1-20	728	51,039,442	2,148,132	4.2%	83,493	0.2%	2,231,625	4.4%	4.8%	219,089	219,089	-	1,919,269	\$0.64
Q4-19	728	51,039,442	2,314,283	4.5%	136,431	0.3%	2,450,714	4.8%	5.4%	329,508	330,158	-	1,919,269	\$0.63

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68 countries

\$3.5

billion in
annual revenue

2.0

billion square feet
under management

18,000+

professionals
and staff

\$129

billion in
total transaction value

*All statistics are for 2019 are in U.S. dollars and include affiliates.

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