

NorCal Snapshot

Industrial • 4th Quarter 2023

Property Type	# Bldgs	Inventory	Direct Vacant SF	Sublet Vacant SF	4Q 2023 Vacant %	3Q 2023 Vacant %	4Q 2022 Vacant %	4Q 2023 Net Absorption (SF)	3Q 2023 Net Absorption (SF)	2023 YTD Net Absorption (SF)	4Q 2022 Net Absorption (SF)	2022 YTD Net Absorption (SF)	4Q 2023 Deal Velocity	4Q 2022 Deal Velocity	2023 YTD Deal Velocity
Industrial	27,029	778,284,939	36,350,434	5,337,679	5.40%	4.80%	4.20%	(1,587,909)	(1,589,011)	(3,013,577)	971,406	7,059,781	377	431	1,703
Industrial Warehouse	18,081	463,782,615	19,806,192	3,488,723	5.00%	4.70%	4.20%	(733,693)	(1,301,809)	(2,132,950)	(537,363)	400,843	292	325	1,340
	45,110	1,242,067,554	56,156,626	8,826,402	5.20%	4.75%	4.20%	(2,321,602)	(2,890,820)	(5,146,527)	434,043	7,460,624	669	756	3,043

Source: CoStar

Speed Bumps?

The industrial markets in Northern California continue to slow as vacancy rates jumped 100 basis points in 2023 up to 5.2%. Most of the damage hit in Q3 & Q4 with the 5M sq. ft. in negative absorption split between the two quarters. Deal activity also dropped 12% in 2023 from 756 transactions in 2022 to 669 in 2023.

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