

FIGURES | SACRAMENTO INDUSTRIAL | Q1 2026

# Despite new West Sacramento vacancies leasing activity remains steady

▲ 6.1%  
Vacancy Rate

▼ (852,174)  
SF Net Absorption

▼ 29,510  
SF Construction Delivered

▼ 1.3M  
SF Under Construction

▶ \$0.83  
NNN/MTH Direct Lease Rate

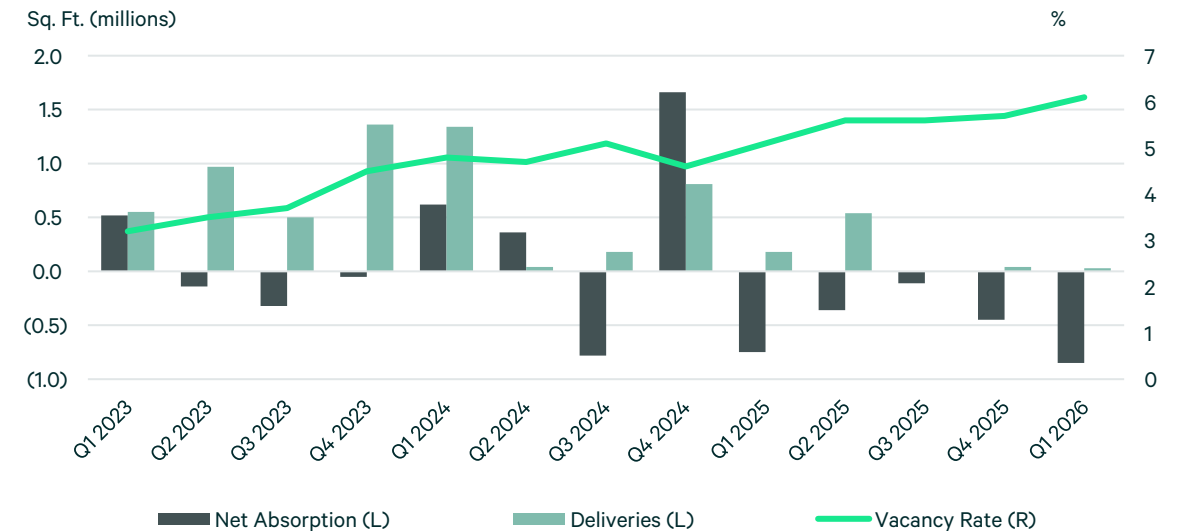
Note: Arrows indicate change from previous quarter.

## Market Overview

Over the past three years, the market has experienced a sustained rise in vacancy and availability alongside modest rent growth. Vacancy increased to 6.1% in Q1 2026, rising 290 basis points (bps) from the 3.2% recorded in Q1 2023, while availability followed a similar trajectory, climbing to 8.5% from 4.7% over the same period. Average asking rents posted limited growth, increasing 3.0% from \$0.81 to \$0.83 per sq. ft. on a monthly NNN basis (NNN). Construction activity remained active, with the pipeline totaling 1.3 million sq. ft. as of Q1 2026, including 239,000 sq. ft. of speculative space and 1.1 million sq. ft. designated as build-to-suit.

In Q1 2026, net absorption totaled negative 852,000 sq. ft. However, results were heavily skewed by three buildings in the West Sacramento submarket that went vacant during the quarter; these move-outs alone increased regional vacancy by 67 basis points. Excluding these three assets, marketwide absorption would have been positive, indicating underlying leasing activity improved despite headline losses. Vacancy increased 40 bps quarter-over-quarter and 100 bps year-over-year, while availability rose to 8.5%, up 16.4% from a year earlier.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

## Availability Rate

The market availability rate finished Q1 2026 at 8.5%, up from 8.2% in Q4 2025. Over the last three years, overall availability climbed from 4.7% in Q1 2023 to 8.5%, reflecting a sustained expansion in space options, but mainly due to large blocks of available space in the class a distribution sector.

East Sacramento and Elk Grove / Laguna / Galt recorded the lowest availability rates in Q1 2026, both at 1.5%, followed by Downtown / Midtown at 2.1%. At the other end of the spectrum, Lincoln posted the highest availability rate at 17.4%.

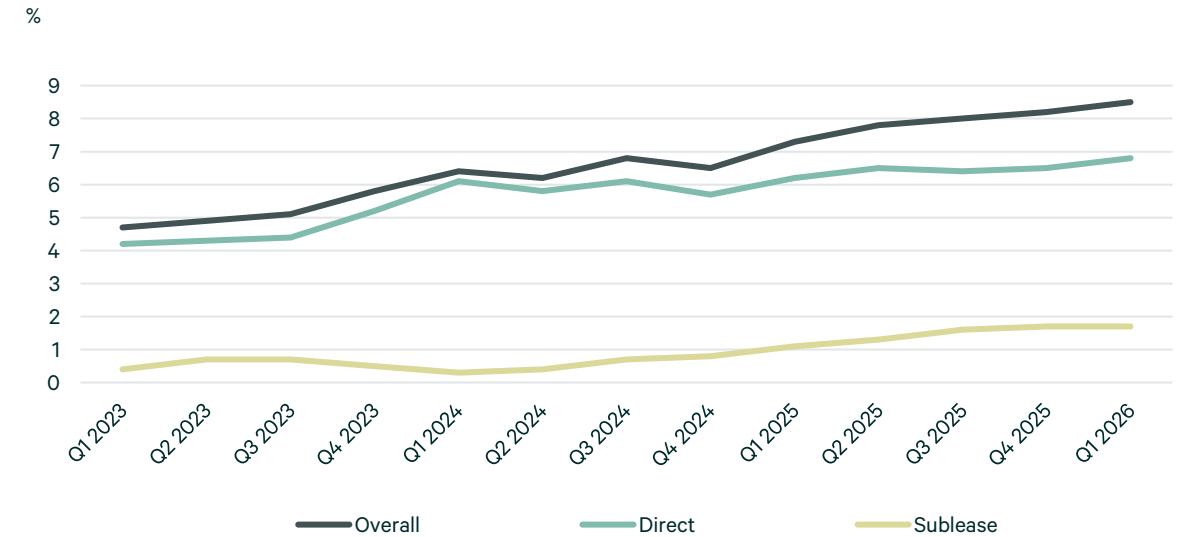
Sublease availability held at 1.7% in Q1 2026, unchanged from Q4 2025. In total, there was 3.2 million sq. ft. of sublease space on the market in Q1 2026.

## Asking Rent

Average asking rent across the market was \$0.83 per sq. ft. on a monthly NNN basis (NNN) in Q1 2026, unchanged quarter-over-quarter and year-over-year. Compared with Q1 2023, the market average has increased 3.8% over the past three years.

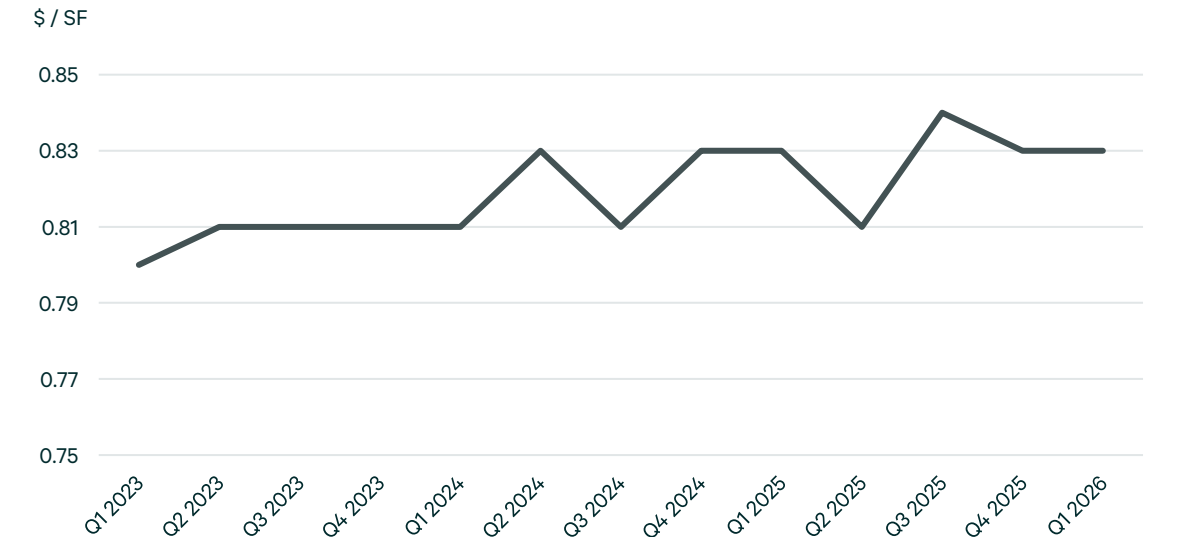
In Q1 2026, Folsom posted the highest average asking lease rate at \$1.27 NNN, followed by Davis at \$1.24 NNN. All other submarkets reported positive asking rents, including Auburn / Newcastle, Downtown / Midtown, East Sacramento, El Dorado, Elk Grove / Laguna / Galt, I-80 / Roseville Rd, Lincoln, McClellan Park, Northeast Sacramento, Northgate / Natomas, Power Inn, Rancho Cordova / Hwy 50, Richards, Roseville / Rocklin, South Sacramento, West Sacramento and Woodland, with the 19-submarket average at \$0.92 NNN and a \$0.71 NNN. spread between the highest and lowest submarkets.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

## Net Absorption

Net absorption totaled negative 852,000 sq. ft. in Q1 2026, below the negative 752,000 sq. ft. recorded in Q1 2025 and weaker than the negative 446,000 sq. ft. posted in Q4 2025. However, quarterly absorption was heavily skewed by three buildings in the West Sacramento submarket that went vacant during the quarter; these move-outs alone drove the marketwide loss. Excluding these three assets, overall absorption would have been positive, consistent with the fact that no submarkets recorded negative net absorption during the quarter.

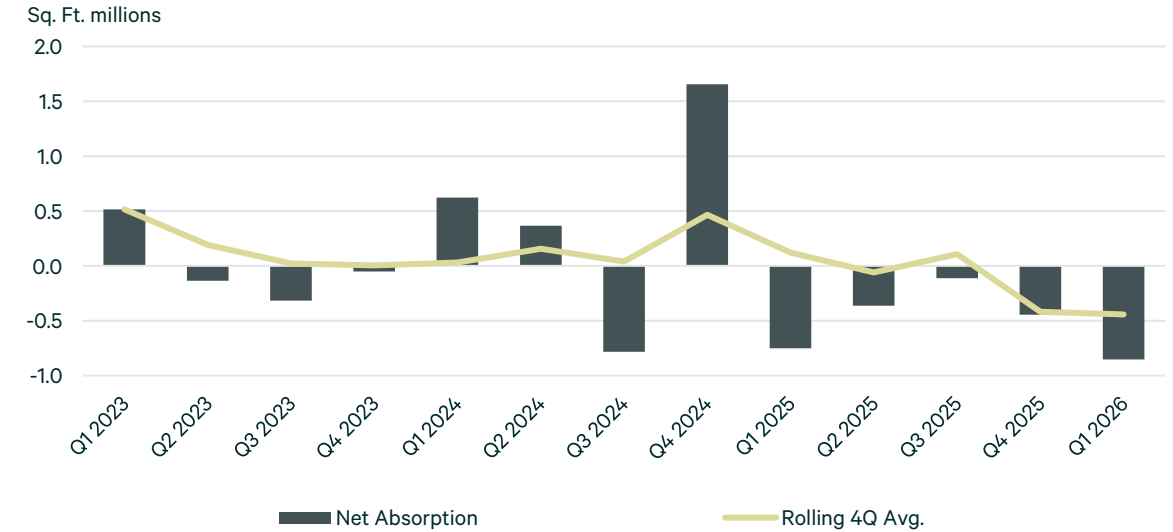
Over the past 12 months, net absorption totaled negative 1.8 million sq. ft., while cumulative absorption over the last three years reached negative 1.2 million sq. ft. Positive net absorption in Q1 2026 was concentrated primarily in the Woodland submarket, which recorded 402,000 sq. ft., followed by Northgate / Natomas at 352,000 sq. ft. Rancho Cordova / Hwy 50, Folsom, Roseville / Rocklin, and Richards also posted gains of 325,000 sq. ft., 79,000 sq. ft., 59,000 sq. ft., 25,000 sq. ft., respectively.

## Construction Activity

In Q1 2026, the market had 1.3 million sq. ft. under construction and 30,000 sq. ft. of new product delivered. Projects under construction decreased 2.1% quarter-over-quarter but was 148.5% higher than a year earlier, while deliveries fell 28.6% from Q4 2025 and 83.0% year-over-year.

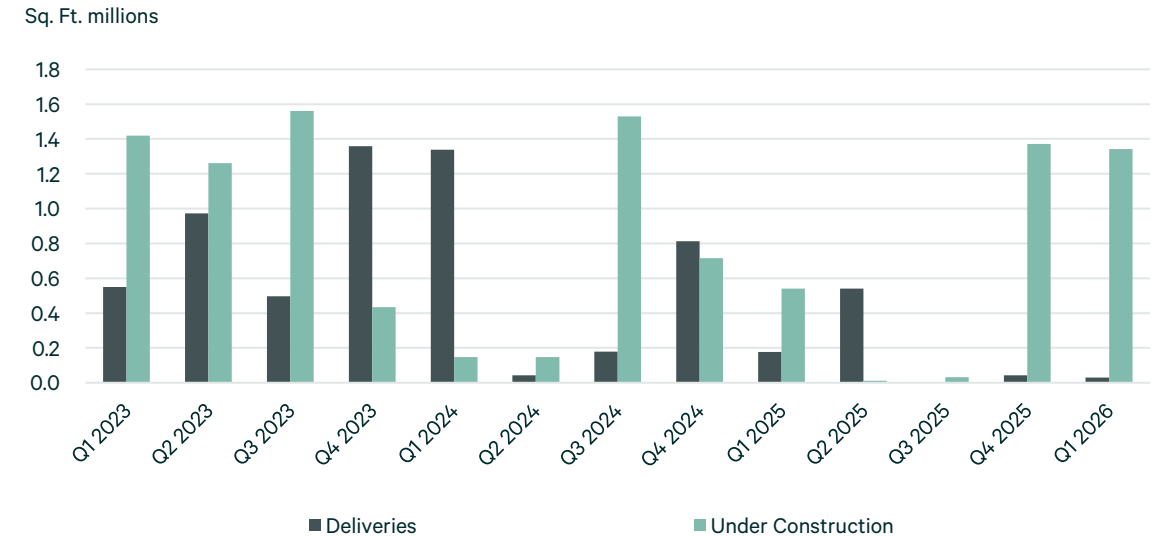
Under construction activity is concentrated in the Northgate / Natomas and Elk Grove / Laguna / Galt submarkets, with the highest share from the 949,000 sq. ft. 7360 Metro Air Parkway – Costco Depot (100% pre-leased, estimated Q4 2026 delivery) and an additional 165,000 sq. ft. at 10050 Waterman Road Confirmed (0% pre-leased, estimated Q2 2026 delivery). Remaining projects under construction projects included the 150,000-sq.-ft. Trader Joe’s Expansion in Rancho Cordova / Hwy 50 and the 78,000-sq.-ft. EDH – The Vault 4 bldgs in El Dorado, both fully pre-leased with deliveries scheduled between Q4 2026 and Q1 2027.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



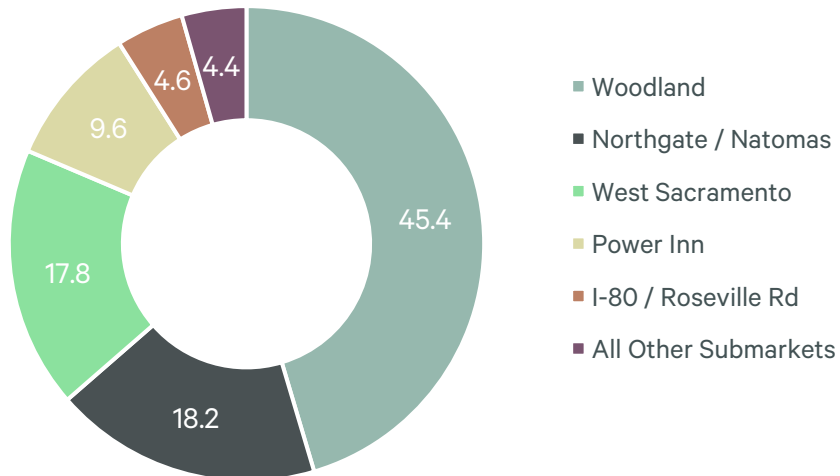
Source: CBRE Research, Q1 2026

## Leasing Activity

At the close of Q1 2026, leased area was 2.2 million sq. ft., down 2.7% quarter-over-quarter and 6.9% year-over-year. Compared to Q1 2023, activity is down 8.1% and remains below the mid-2024 peak of 3.4 million sq. ft. Since Q1 2023, tenants have leased a cumulative 28.4 million sq. ft.

By submarket, Woodland posts the highest leased area at 647,000 sq. ft., followed by West Sacramento at 366,000 sq. ft. Additional positive leasing is recorded in Northgate / Natomas (303,000 sq. ft.), I-80 / Roseville Rd (185,000 sq. ft.), Power Inn (220,000 sq. ft.), Rancho Cordova / Hwy 50 (224,000 sq. ft.), Richards (28,000 sq. ft.), and Roseville / Rocklin (109,000 sq. ft.).

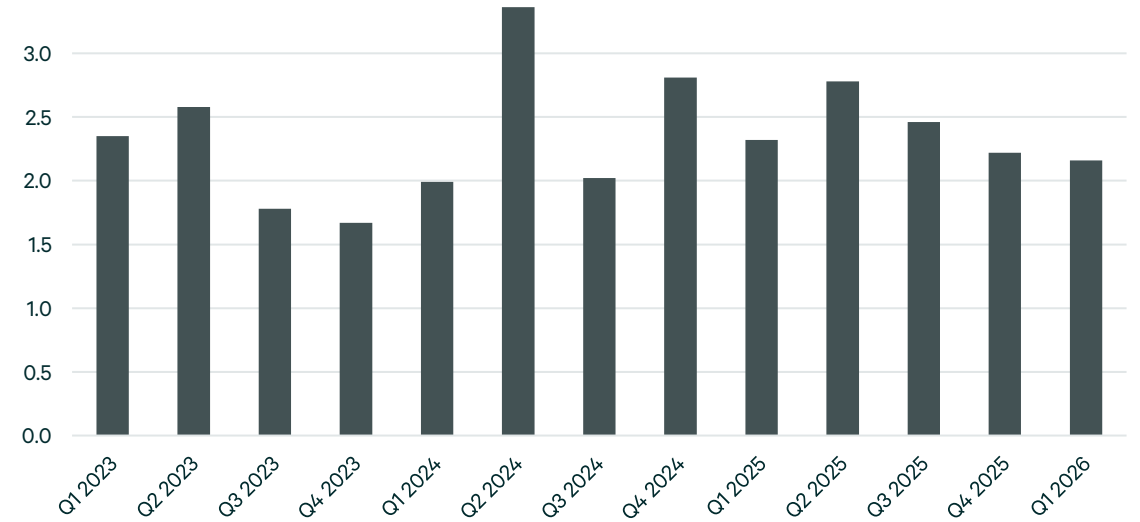
Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

Figure 6: Leasing Activity Trend

Sq. Ft. millions



Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Pacific Coast Producers	400,000	New Lease	2030 Hanson Way	Woodland
Ryder Integrated Logistics	275,807	New Lease	12190 Atlanta Cir	Rancho Cordova / Hwy 50
Cardinal Health	260,000	New Lease	7531 Metro Air Pkwy	Northgate / Natomas
Holman Automotive	77,000	New Lease	2975 Ramco St	West Sacramento
Watts Regulator Company, a Massachusetts	64,000	Renewal	1485 Tanforan Ave	Woodland
California Sugars, LLC a California	64,000	Renewal	1460 Tanforan Ave	Woodland
Buywander	53,000	New Lease	2080 Enterprise Blvd	West Sacramento
Indoor Sun Hydro	51,000	Renewal	5601-5671 Warehouse Way	Power Inn

Source: CBRE Research, Q1 2026

## Market Statistics by Submarket

Figure 9

Submarket	Net Rentable Area (MSF)	Total Vacant Available (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/mth)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)
Auburn / Newcastle	3.04	8.0	8.0	8.0	-	0.68	(0.01)	(0.01)	-	-
Davis	1.59	8.9	8.9	7.6	1.2	1.24	-	-	-	-
Downtown / Midtown	3.69	1.8	2.1	2.1	-	0.86	-	-	-	-
East Sacramento	0.89	-	1.5	1.5	-	1.20	-	-	-	-
El Dorado	4.17	5.8	6.1	6.1	-	1.17	-	-	-	0.08
Elk Grove / Laguna / Galt	7.74	1.2	1.5	1.4	0.1	1.09	-	-	-	0.16
Folsom	0.83	3.3	3.3	3.3	-	1.27	0.08	0.08	-	-
I-80 / Roseville Rd	11.01	6.0	6.6	5.7	0.9	0.73	(0.30)	(0.30)	-	-
Lincoln	3.77	8.8	17.4	9.8	7.6	0.79	-	-	-	-
McClellan Park	8.07	2.5	4.0	3.2	0.8	0.61	-	-	-	-
Northeast Sacramento	6.92	4.3	5.4	5.2	0.2	0.90	(0.01)	(0.01)	-	-
Northgate / Natomas	25.02	10.4	12.6	9.9	2.7	0.89	0.35	0.35	-	0.95
Power Inn	28.78	5.0	8.0	7.1	0.9	0.78	(0.10)	(0.10)	-	-
Rancho Cordova / Hwy 50	19.59	4.0	5.9	5.4	0.6	0.92	0.33	0.33	-	0.15
Richards	4.74	2.1	6.0	4.8	1.2	1.07	0.03	0.03	-	-
Roseville / Rocklin	16.77	4.2	8.6	5.2	3.4	0.96	0.06	0.06	30,000	-
South Sacramento	4.01	6.6	10.1	9.0	1.1	1.02	(0.02)	(0.02)	-	-
West Sacramento	25.37	12.0	14.4	11.3	3.1	0.75	(1.65)	(1.65)	-	-
Woodland	16.41	3.1	5.8	4.8	1.0	0.56	0.40	0.40	-	-
<b>Total</b>	<b>192.42</b>	<b>6.1</b>	<b>8.5</b>	<b>6.8</b>	<b>1.7</b>	<b>0.83</b>	<b>(0.85)</b>	<b>(0.85)</b>	<b>30,000</b>	<b>1.34</b>

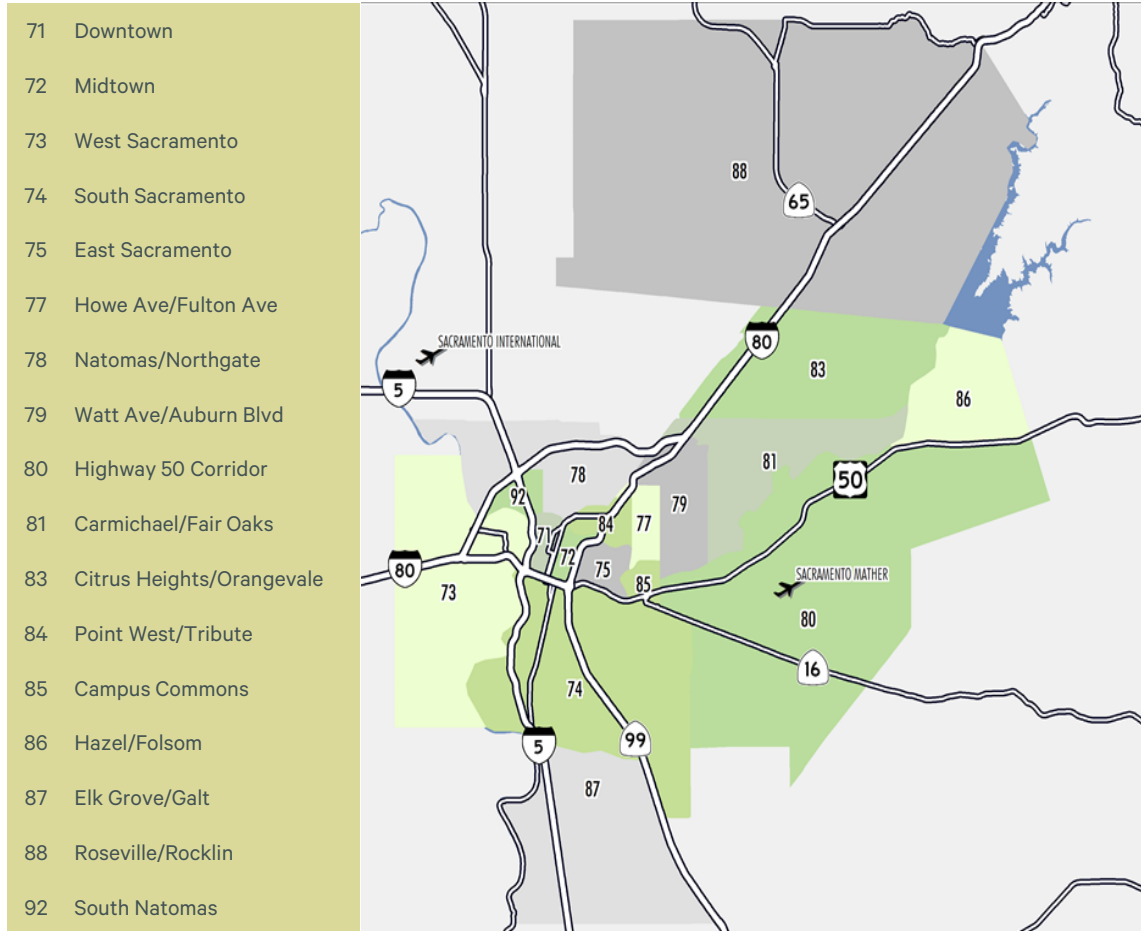
## Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (MSF)	Total Vacant Available (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Under 100,000 sq. ft.	107.30	4.3	5.8	5.1	0.7	0.94	37,000	37,000	30,000	0.08
100,000-199,999 sq. ft.	31.02	9.1	12.4	9.8	2.7	0.90	53,000	53,000	-	0.31
200,000-299,999 sq. ft.	16.72	10.0	11.9	10.0	1.9	0.71	(172,000)	(172,000)	-	-
300,000-499,999 sq. ft.	15.43	12.5	21.1	15.8	5.3	0.68	(373,000)	(373,000)	-	-
500,000-749,999 sq. ft.	10.33	5.2	7.7	2.8	4.9	0.70	(397,000)	(397,000)	-	-
750,000 sq. ft.	11.63	1.4	2.1	2.1	-	0.73	-	-	-	0.95
<b>Total</b>	<b>192.42</b>	<b>6.1</b>	<b>8.5</b>	<b>6.8</b>	<b>1.7</b>	<b>0.83</b>	<b>(852,000)</b>	<b>(852,000)</b>	<b>30,000</b>	<b>1.34</b>

Source: CBRE Research, Q1 2026

**Market Area Overview**



Source: CBRE Research, Location Intelligence

**Definitions**

Average Asking Rate Direct Monthly Lease Rates, Full-Service Gross. Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy + Sublease Vacancy. CBD Central Business District; consists of the Downtown submarket.

CBRE's market report analyzes existing single- and multi-tenant office buildings that total 10,000+ sq. ft. in the Greater Sacramento region., excluding owner-occupied buildings. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

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