

FIGURES | SACRAMENTO INDUSTRIAL | Q3 2026

Positive absorption continues amid active development

▼ 8.2%

Availability Rate

▲ 5.9%

Vacancy Rate

▼ 723,000

SF Net Absorption

▲ 949,000

SF Construction Delivered

▲ 1.2M

SF Under Construction

▲ \$0.82

Avg. Direct Asking Rate (NNN/MTH)

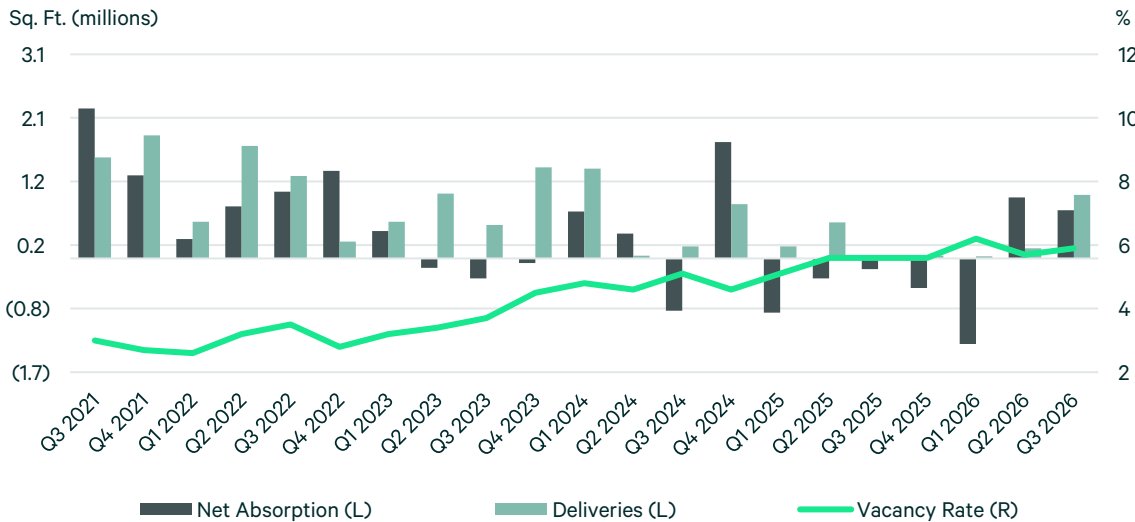
Note: Arrows indicate change from previous quarter.

Market Overview

The market continued its recovery in Q3 2026, posting a second consecutive quarter of positive absorption after significant occupancy losses earlier in the year. Net absorption totaled 723,000 sq. ft., following 909,000 sq. ft. in Q2 2026 and reversing the negative 1.29 million sq. ft. recorded in Q1 2026. Vacancy increased 20 basis points (bps) to 5.9%, while availability declined 30 bps to 8.2%. Average asking rents increased from \$0.81 to \$0.82 per sq. ft. on a monthly NNN basis. Construction activity remained ample, with 1.16 million sq. ft. under construction as of Q3 2026. Deliveries totaled 949,000 sq. ft., reflecting the completion of Costco's new distribution facility. Leasing activity remained robust at 2.73 million sq. ft.

Strong occupier demand continued to support market fundamentals during the quarter, generating positive absorption and lowering availability. Leasing activity remained elevated, indicating continued tenant expansion and relocation activity across the region. While vacancy increased modestly, sustained leasing demand suggests market conditions remained healthy overall.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Vacancy Rate

In Q3 2026, the market vacancy rate increased to 5.9%, up from 5.7% in Q2 2026. Overall vacancy remains above historical levels, rising from 3.7% in Q3 2023 to 5.9% currently, driven by a combination of higher direct vacancy and elevated sublease availability. Elk Grove / Laguna / Galt recorded the lowest non-zero vacancy rate in Q3 2026 at 1.8%, followed by Folsom at 2.1%. At the opposite end of the spectrum, West Sacramento recorded the highest overall vacancy rate at 11.1%, with South Sacramento and Davis also exceeding 10.0%.

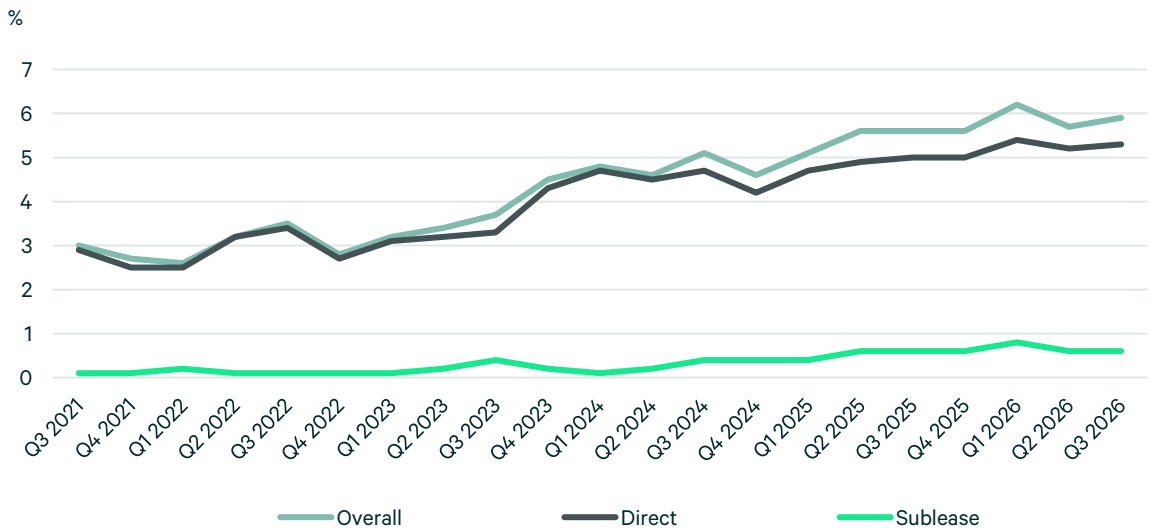
Sublease vacancy remained at 0.6% in Q3 2026, unchanged from Q2 2026 and one year ago. Total sublease availability across the market stands at 1.2 million sq. ft., up from approximately 0.4 million sq. ft. three years ago. While sublease space remains a relatively small component of total vacancy, it continues to account for a larger share of market availability than in prior years.

Net Absorption

Net absorption totaled 723,000 sq. ft. in Q3 2026, following 909,000 sq. ft. in Q2 2026. While absorption moderated slightly from the prior quarter, the market recorded its second consecutive quarter of occupancy gains following the losses experienced earlier in the year.

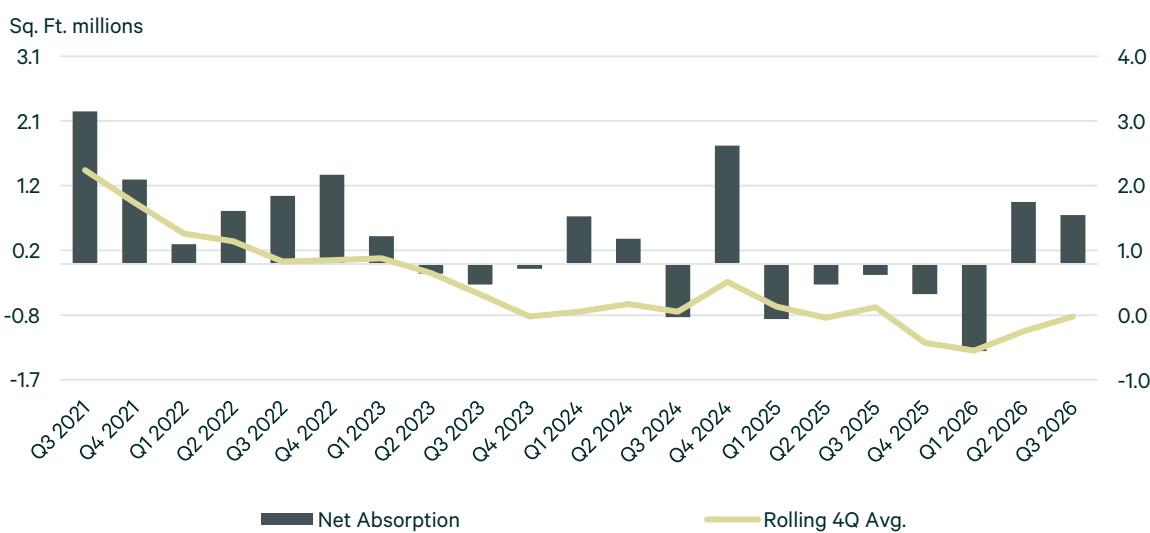
Positive net absorption was concentrated primarily in the Northgate / Natomas submarket, which recorded 1.08 million sq. ft., followed by Woodland at 67,000 sq. ft. Northeast Sacramento and I-80 / Roseville Rd also posted gains of 57,000 sq. ft. and 46,000 sq. ft., respectively. By contrast, Elk Grove / Laguna / Galt and South Sacramento recorded modest negative net absorption of 2,000 sq. ft. each.

Figure 2: Vacancy Rate



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Figure 3: Net Absorption Trend



CBRE Research

Asking Rent

The market average asking rent in Q3 2026 was \$0.82, up from \$0.81 in Q2 2026 but down from \$0.84 in Q3 2025. This equates to a 1.2% quarter-over-quarter increase and a reduction of 2.4% year-over-year change. Over the past five years, average rents have increased from \$0.73 in Q3 2021 to \$0.82 in Q3 2026, an increase of approximately 12.3%, with rates generally ranging between \$0.80 and \$0.84 since early 2023.

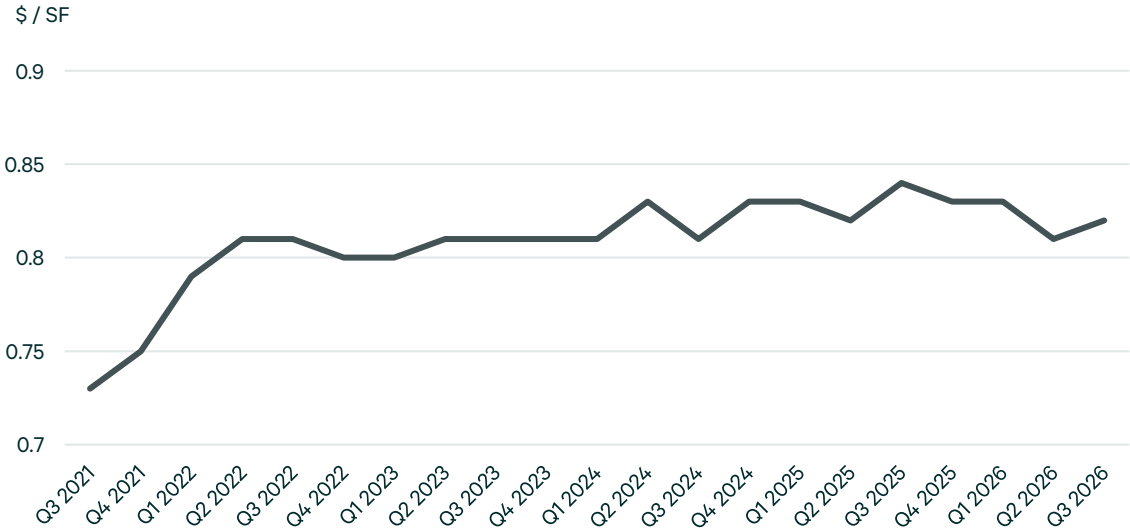
At the submarket level in Q3 2026, Folsom and Davis posted the highest average asking lease rates at \$1.27 and \$1.24, respectively. El Dorado at \$1.18, Richards and South Sacramento at \$1.03, and Northeast Sacramento at \$1.02 also ranked among the highest-priced submarkets, while Roseville / Rocklin at \$1.00 and Elk Grove / Laguna / Galt at \$0.99 rounded out the upper tier. On the economical end, Woodland at \$0.58, McClellan Park at \$0.61, and Auburn / Newcastle at \$0.68 offered discounted pricing, with most remaining submarkets such as Downtown / Midtown, Northgate / Natomas, Rancho Cordova / Hwy 50, and West Sacramento clustered in a mid-range band between \$0.73 and \$0.93.

Construction Activity

Construction activity in Q3 2026 showed a moderate pipeline and elevated completions, with 1.23 million sq. ft. under construction and 949,000 sq. ft. of space delivered during the quarter. Under construction volume increased 1.7% quarter-over-quarter to 1.23 million sq. ft. from 1.21 million sq. ft. and was significantly above the 32,000 sq. ft. recorded one year ago. Deliveries totaled 948,000 sq. ft., up from 150,000 sq. ft. in the prior quarter.

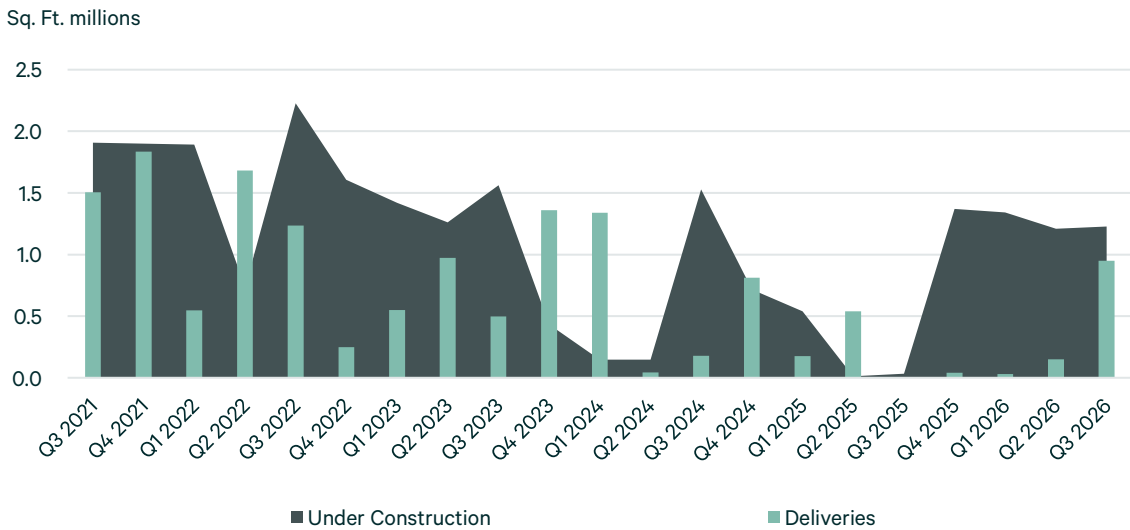
At the submarket level, under construction activity remains concentrated in Northgate, Rancho Cordova/Hwy 50, and Elk Grove/Laguna/Galt, which collectively account for the majority of the market's 1.2 million SF development pipeline.

Figure 4: Average Direct Asking Rate



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Figure 5: Construction Activity



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Investment Sale Activity

Investment-sale volume in the Sacramento industrial market decreased quarter-over-quarter but increased year-over-year in Q3 2026. Volume totaled \$124.33 million in Q3 2026, compared with \$219.06 million in Q2 2026 and \$57.07 million in Q3 2025, representing a 43.2% decline quarter-over-quarter and a 117.9% increase year-over-year. Year-to-date 2026 volume through Q3 2026 was \$424.98 million.

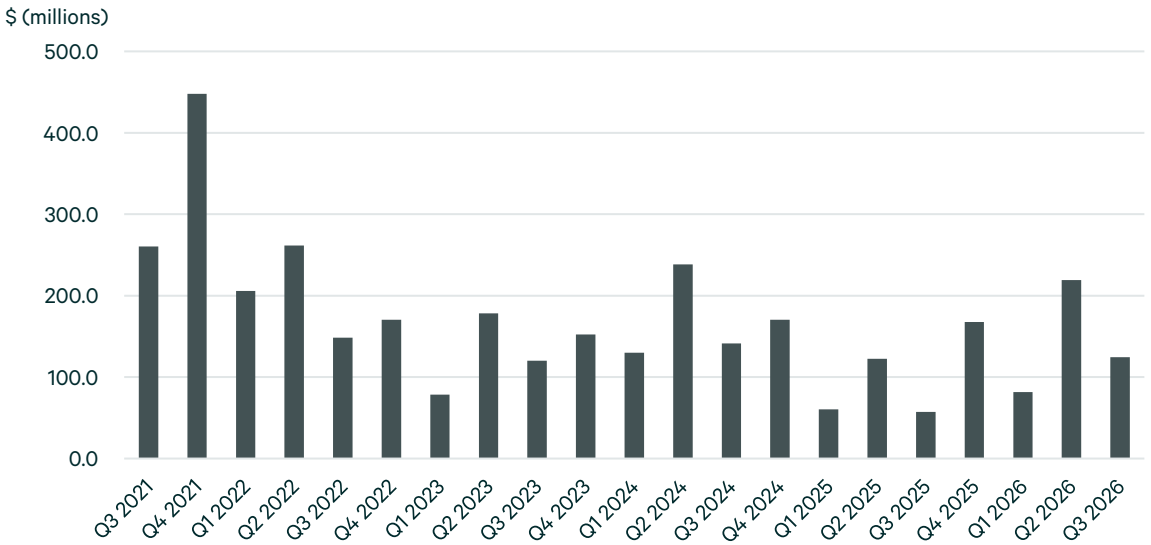
Buyer composition in Q3 2026 included private and institutional capital, and top sales occurred across several submarkets. Private buyers accounted for the largest share at 83.9%, followed by institutional buyers at 16.1%. The largest transaction was the sale of Northgate 37-43 in the Northgate / Natomas submarket to DRA Advisors for \$46.80 million across 343,355 sq. ft., or \$136.43 per sq. ft. The second-largest sale was Essendant in the I-80 / Roseville Rd submarket, acquired by Scannell Properties for \$23.80 million for 267,284 sq. ft., or \$88.86 per sq. ft., followed by 3600 Massie in West Sacramento, sold to OCP V MC LLC for \$22.00 million, with 474,792 sq. ft. trading at \$46.29 per sq. ft.

Figure 7: Key Sales

Property	Submarket	Buyer	Sales Price	Size (SF)	Price Per SF
Northgate 37-43	Northgate / Natomas	DRA Advisors	\$46.8M	343,355	\$136.43
Essendant	I-80 / Roseville Rd	Scannell Properties	\$23.8M	267,284	\$88.86
3600 Massie	West Sacramento	OCP V MC LLC	\$22M	474,792	\$46.29
9068 Elkmont Way	Elk Grove / Laguna / Galt	Chris Deralas Living Trust	\$8.5M	45,876	\$185.28
6301 Florin Perkins Road	Power Inn	George Warda	\$8.2M	54,000	\$151.85
7851 14th Avenue	Power Inn	NNM Management LLC	\$7.5M	9,000	\$833.33

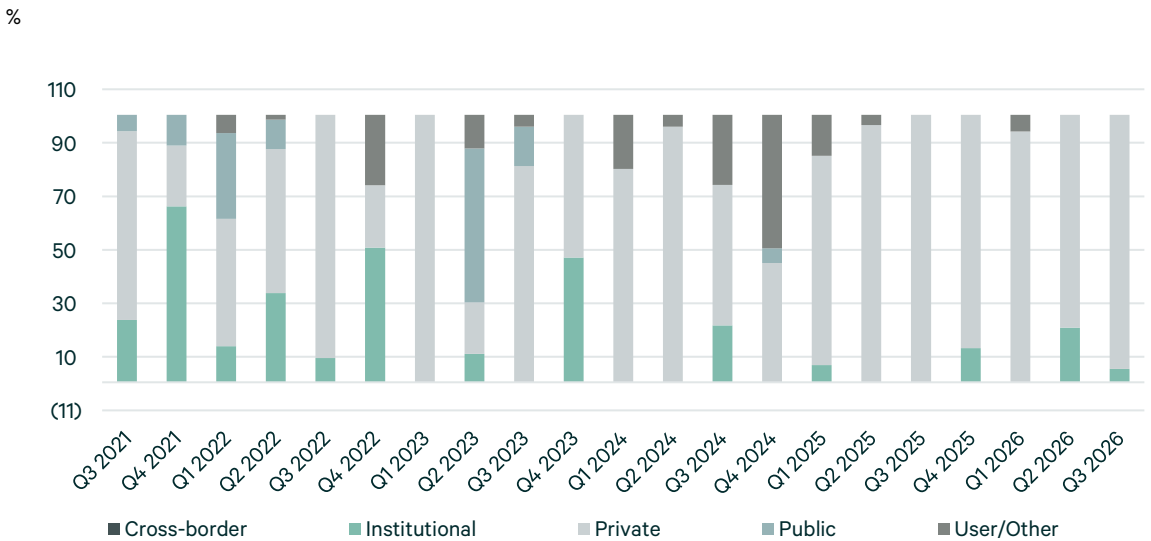
MSCI Real Capital Analytics

Figure 6: Quarterly Sales Volume



MSCI Real Capital Analytics

Figure 8: Buyer Composition



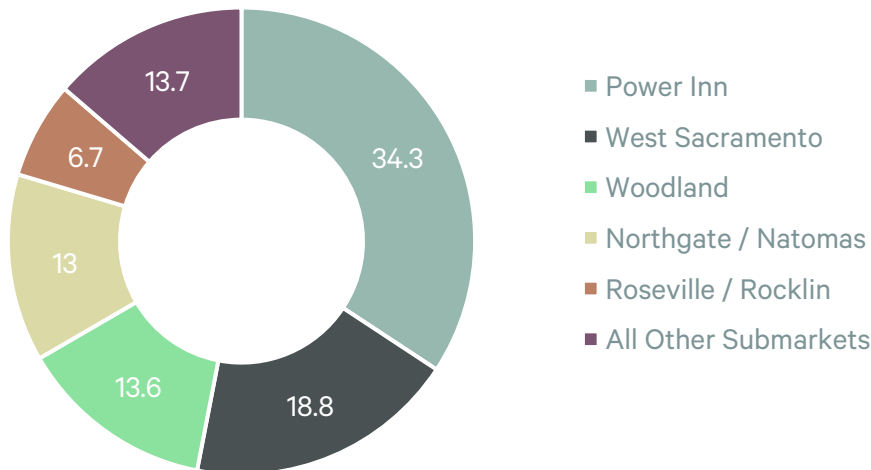
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Leasing Activity

At the close of Q3 2026, leased area totaled 2.73 million sq. ft., down 4.5% from Q2 2026 but up 11.5% from the 2.45 million sq. ft. recorded in Q3 2025. Leasing activity remains generally in line with recent historical trends and continues to support improving market fundamentals. Through the first three quarters of 2026, tenants have leased more than 8.1 million sq. ft. across the Sacramento industrial market.

By submarket, Power Inn posted the highest leased area at 936,000 sq. ft., followed by West Sacramento at 514,000 sq. ft. Additional notable leasing activity was concentrated in Woodland, Northgate / Natomas, Roseville / Rocklin, and Rancho Cordova / Hwy 50, while leasing transactions were recorded across nearly every submarket in the region. The broad distribution of activity highlights continued tenant demand throughout the market, with no single submarket accounting for a majority of leasing volume during the quarter.

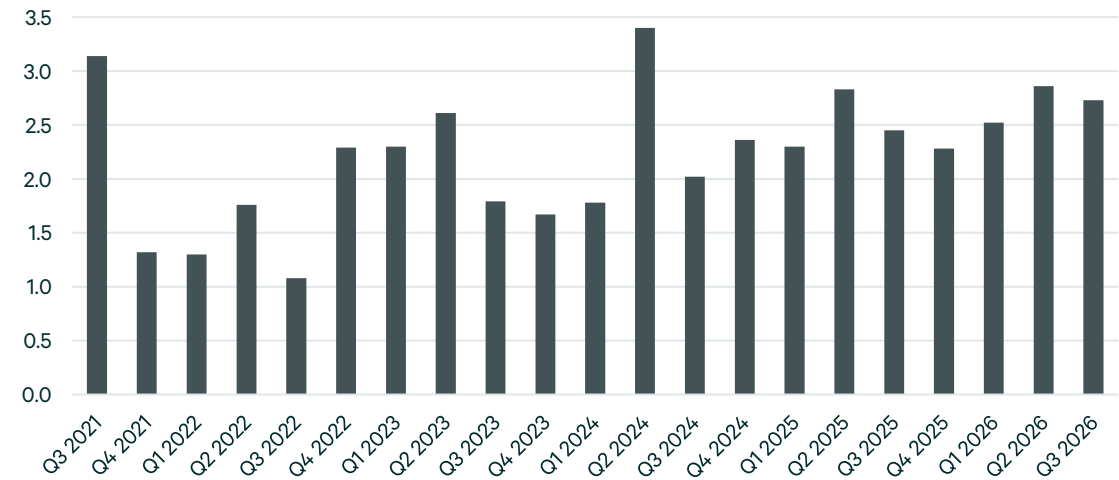
Figure 10: Leasing Activity by Submarket (% of Total Activity)



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Figure 9: Leasing Activity Trend

Sq. Ft. millions



CBRE Research

Figure 11: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Grocery Outlet	413,000	Renewal	4400 Florin Perkins Rd	Power Inn
State of CA EMSA	255,000	Renewal	8670 Younger Creek Dr	Power Inn
Peak Energy Corp.	183,000	New Lease	7180 BADIEE DR	Northgate / Natomas
Advanced Logistics & Distribution	159,000	New Lease	1400 Churchill Downs Ave	Woodland
Grocery Outlet	154,000	Renewal	1670 Overland Ct	West Sacramento
Living Spaces Furniture	124,000	New Lease	2935 Ramco St	West Sacramento
One Day Doors & Closets	90,000	New Lease	1251 Tinker Rd	Roseville / Rocklin

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	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 (SF)
Auburn / Newcastle	2.96M	8.3	8.3	8.3	-	0.68	(2,000)	(11,000)	-	-
Davis	1.58M	10.6	10.8	9.5	1.3	1.24	(28,000)	(31,000)	-	-
Downtown / Midtown	3.61M	2.4	2.4	2.4	-	0.87	-	(26,000)	-	-
East Sacramento	865,000	-	-	-	-	-	-	-	-	-
El Dorado	4.25M	7.4	8.0	8.0	-	1.18	-	(27,000)	-	78,000
Elk Grove / Laguna / Galt	7.36M	1.8	2.5	2.2	0.3	0.99	(2,000)	(47,000)	-	223,000
Folsom	819,000	2.1	2.4	2.4	-	1.27	-	89,000	-	-
I-80 / Roseville Rd	10.94M	4.6	5.4	4.4	1.0	0.86	46,000	(148,000)	-	-
Lincoln	3.75M	9.1	16.9	9.3	7.6	0.80	(10,000)	(9,000)	-	-
McClellan Park	8.07M	2.8	4.5	3.3	1.2	0.61	(68,000)	(21,000)	-	-
Northeast Sacramento	6.78M	3.2	4.4	4.3	0.1	1.02	57,000	76,000	-	-
Northgate / Natomas	25.98M	8.8	10.5	8.0	2.5	0.88	1.07M	1.53M	949,000	558,000
Power Inn	28.96M	4.3	6.6	5.9	0.7	0.79	(33,000)	81,000	-	86,000
Rancho Cordova / Hwy 50	19.57M	4.9	6.7	6.2	0.5	0.93	(203,000)	53,000	-	282,000
Richards	4.70M	3.0	4.6	3.4	1.3	1.03	(18,000)	(27,000)	-	-
Roseville / Rocklin	16.71M	4.7	8.0	4.4	3.6	1.00	(88,000)	(30,000)	-	-
South Sacramento	3.97M	10.2	10.2	9.0	1.1	1.03	(2,000)	(161,000)	-	-
West Sacramento	25.31M	11.1	13.2	11.5	1.7	0.73	(68,000)	(1.41M)	-	-
Woodland	16.32M	2.7	9.3	7.2	2.1	0.58	67,000	464,000	-	-
Total	192.52M	5.9	8.2	6.6	1.5	0.82	723,000	347,000	949,000	1,228,000

Source: CBRE Research, Q3 2026

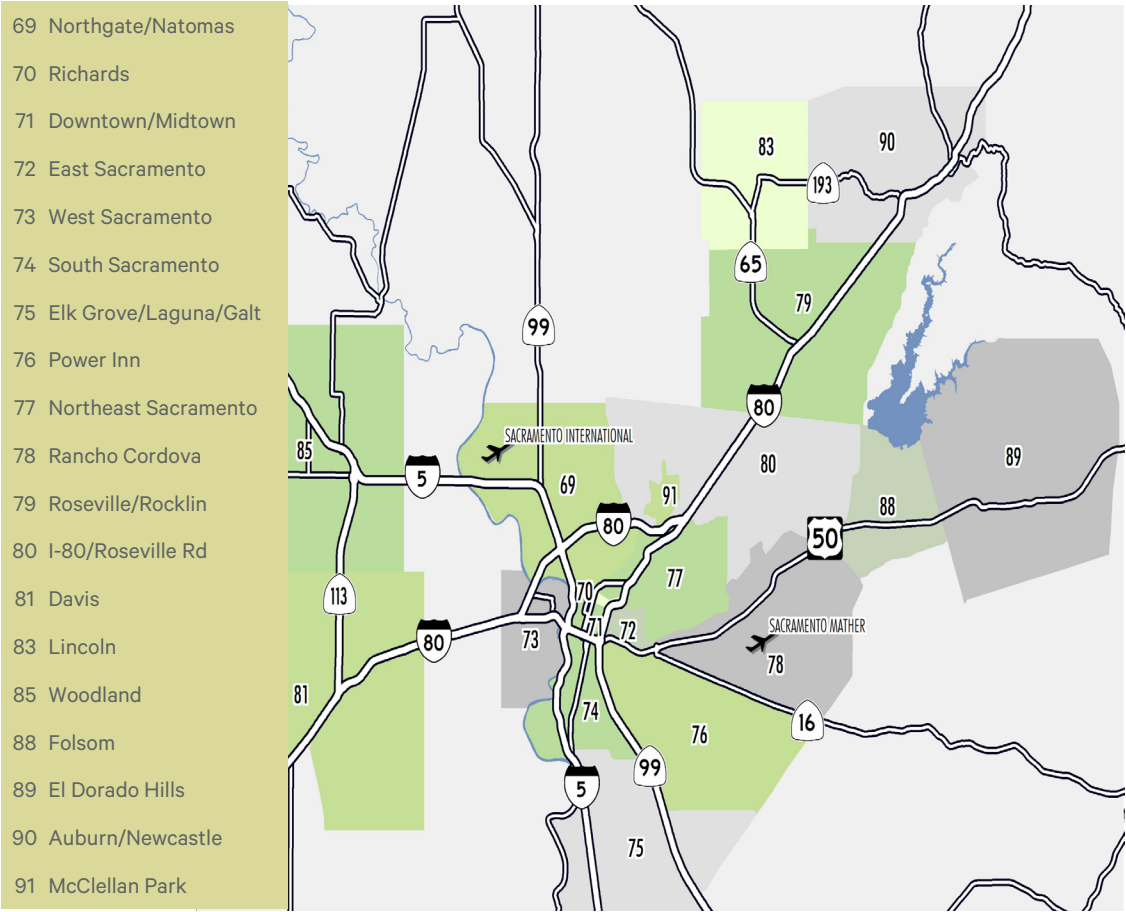
Market Statistics by Size

Figure 13

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	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 (SF)
Below 50K SF	72.78M	3.8	4.9	4.5	0.4	0.99	(98,000)	73,000	-	52,000
50K-99,999 SF	33.55M	6.2	8.0	6.6	1.4	0.91	(189,000)	(149,000)	-	220,000
100K-249,999 SF	39.72M	8.3	11.8	9.3	2.5	0.85	47,000	464,000	-	397,000
250K-499,999 SF	23.57M	10.0	14.8	10.3	4.5	0.67	100,000	(433,000)	-	-
500K-749,999 SF	10.33M	6.6	10.4	9.4	1.0	0.59	-	(532,000)	-	558,000
750,000 SF +	12.57M	1.5	1.5	1.5	-	0.73	863,000	923,000	949,000	-
Total	192.52M	5.9	8.2	6.6	1.5	0.82	723,000	347,000	949,000	1,228,000

Source: CBRE Research, Q3 2026

Market Area Overview



Source: CBRE Research, Location Intelligence

Definitions

Average Asking Rate Direct Monthly Lease Rates, Triple Net (NNN). Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy + Sublease Vacancy.

CBRE's market report analyzes existing single- and multi-tenant industrial buildings that total 5,000+ sq. ft. within defined submarkets, including 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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