

FIGURES | SACRAMENTO INDUSTRIAL | Q4 2025

# Steady leasing volume anchored by surge in active requirements

▼ 5.4%  
Vacancy Rate

▼ (13.8K)  
SF Net Absorption

▲ 1.4M  
SF Under Construction

▼ \$0.83  
NNN / Lease Rate  
Existing Properties

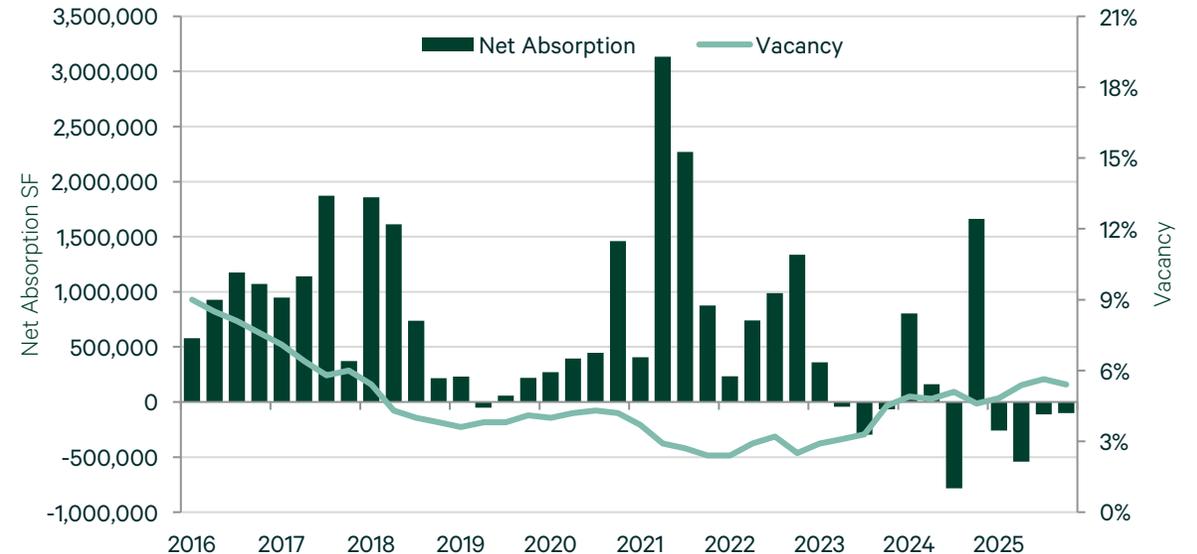
▲ 163K  
Industrial Using Employment  
Greater Sacramento Region

Note: Arrows indicate change from previous quarter.

## MARKET HIGHLIGHTS

- The Greater Sacramento region was home to 2.4 million residents with a labor force of 1.16 million at the close of Q4 2025. The unemployment rate ended Q4 2025 at 5.3%, up 20 basis points (bps) year over year. At the close of Q4 2025, the industrial sector accounted for 163,000 jobs, or 15% of the total employment in the region.
- The overall net absorption of the Sacramento industrial market came in at negative 13,765 sq. ft. in Q4 2025.
- Leasing activity remained strong in Q4 2025, totaling 2.0 million sq. ft. up from an already robust 1.7 million sq. ft. in Q3 2025.
- The average direct asking rate decreased one cent to \$0.83 per sq. ft. on a monthly NNN basis (NNN).
- Construction activity increased to 1,400,000 under construction at the close of Q4 2025. Deliveries amounted to just 30,000 sq. ft. in Q4 2025.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2025

## INDUSTRIAL OVERVIEW

The Sacramento industrial market was comprised of approximately 193 million sq. ft. of inventory at the close of Q4 2025. There was 1,400,000 sq. ft. under construction while 7.6 million sq. ft. remained in the planning stages of development. Both vacancy and availability rates for Q4 2025 were 5.4% and 8.2%, respectively.

The overall direct average asking rate across the Sacramento region finished Q4 2025 at \$0.83 NNN, a \$0.02 increase year-over-year. Folsom/El Dorado Hills had the highest overall average asking rate at \$1.14 NNN. McClellan Park had the most economical overall average asking rate at \$0.60 NNN.

The Sacramento market posted negative net absorption of 13,765 sq. ft. during the quarter. A bright spot was the Northgate/Natomas submarket, which recorded positive net absorption of 135,195 sq. ft. The largest contributors to the overall negative absorption were the Rancho Cordova and Power Inn submarkets, with -82,616 sq. ft. and -84,615 sq. ft., respectively.

The industrial market faced continued challenges in Q4 2025, marking the fourth straight quarter of negative net absorption. Available sublease space surged to 3.3 million sq. ft., more than doubling from 1.6 million sq. ft. in Q4 2024, with broader distribution across submarkets. Despite these headwinds, capital markets remained active, highlighted by several major portfolio sales that collectively exceeded \$230 million in transaction volume from the top three deals alone.

Looking forward, elevated sublease inventory is expected to keep pressure on vacancy rates and pricing. However, a slowdown in new construction and sustained interest from private capital could help stabilize fundamentals. The tenant pipeline continues to expand, signaling broad growth opportunities across the industrial market, with strong demand and sales activity across multiple segments. Strong leasing activity is anticipated in Q1 2026, supported by this growing pipeline and improving market sentiment.

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Q4 Net Absorption	YTD Net Absorption	Average Asking Rate NNN (\$)
Auburn / Newcastle	3,038,744	7.7	7.7	0	(164,765)	\$0.74
Downtown/Midtown / East Sacramento	4,590,167	1.4	2.1	(5,500)	(116,036)	\$0.88
Elk Grove / Laguna / Galt	7,739,918	1.1	1.5	2,578	30,091	\$1.07
Folsom / El Dorado Hills	5,006,710	5.5	5.7	(21,500)	(34,767)	\$1.14
I-80 / Roseville Rd	11,043,785	3.3	6.1	(45,846)	(58,322)	\$0.76
Lincoln	3,768,046	8.8	17.8	(17,150)	(118,266)	\$0.78
McClellan Park	7,985,624	2.5	4.0	0	204,727	\$0.60
Northeast Sacramento	6,916,723	4.2	5.2	7,889	(162,483)	\$0.89
Northgate / Natomas	25,022,041	10.4	12.8	135,195	(168,054)	\$0.87
Power Inn	28,691,162	4.5	7.8	(84,615)	(148,760)	\$0.77
Rancho Cordova / Hwy 50	19,616,129	5.7	7.4	(52,616)	(426,916)	\$0.85
Richards	4,735,386	2.6	3.9	13,172	(140,702)	\$0.96
Roseville / Rocklin	16,958,454	4.3	9.1	(20,372)	390,735	\$1.03
South Sacramento	4,023,962	6.0	9.3	46,416	(294,064)	\$1.03
West Sacramento	25,407,415	5.5	9.7	(147)	(37,351)	\$0.82
Woodland / Davis	18,014,937	5.8	8.5	28,731	341,659	\$0.62
<b>Market Total</b>	<b>192,559,203</b>	<b>5.4</b>	<b>8.2</b>	<b>(13,765)</b>	<b>(903,274)</b>	<b>\$0.83</b>

Source: CBRE Research, Q4 2025

FIGURE 3: Notable Lease Transactions Q4 2025

Tenant	Address	SF Leased	Type
DMM Holdings LLC	2031 Optisolar Ln, McClellan Park	320,000	New Lease
Silgan Containers Manufacturing Corporation	6200 Franklin Blvd, Sacramento	263,637	New Lease
Silgan Containers Manufacturing Corporation	6200 Franklin Blvd, Sacramento	217,634	Renewal
Lennox Industries Inc.	4908 Serna Dr, Sacramento	118,147	New Lease

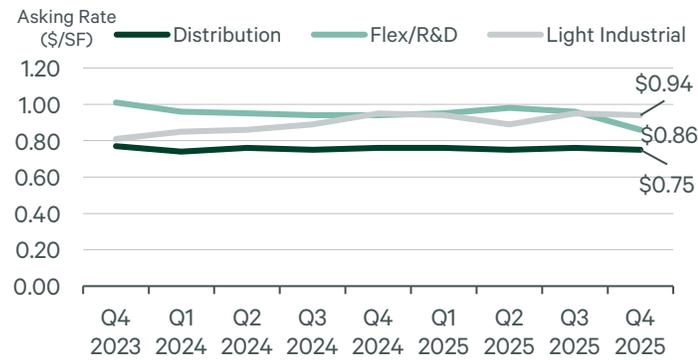
Source: CBRE Research, Q4 2025

FIGURE 4: Notable Sale Transactions Q4 2025

Buyer	Location	Square Feet	Sale Price
Dalfen Industrial	Enterprise Business Park Portfolio, West Sacramento	1,318,599	\$155.3M
Undisclosed	7000 Franklin Blvd, Sacramento	402,348	\$51.0M
DMJ Dromoland Properties	13 Property Portfolio in Sacramento Region	159,884	\$24.6M

Source: CBRE Research, Q4 2025

FIGURE 5: Average Asking Rates NNN



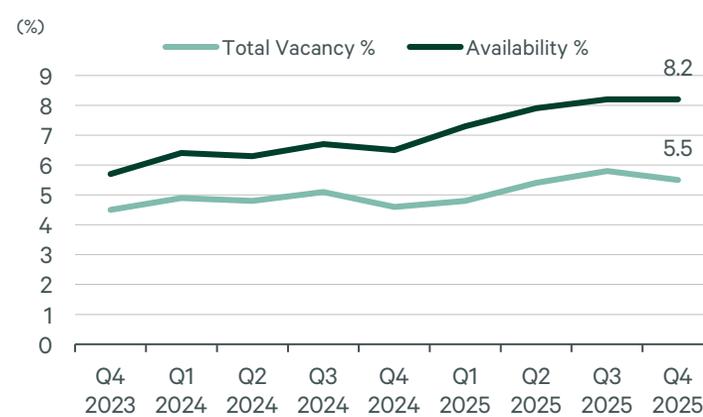
Source: CBRE Research, Q4 2025

FIGURE 7: Construction Completions



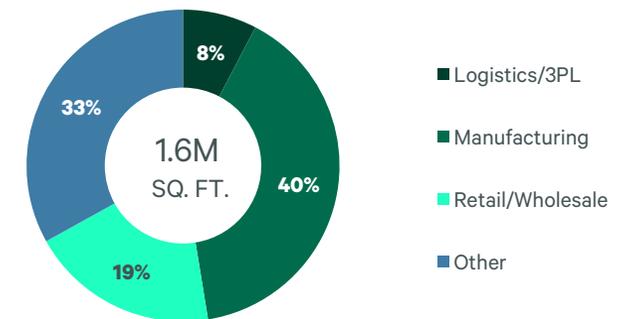
Source: CBRE Research, Q4 2025

FIGURE 6: Vacancy & Availability



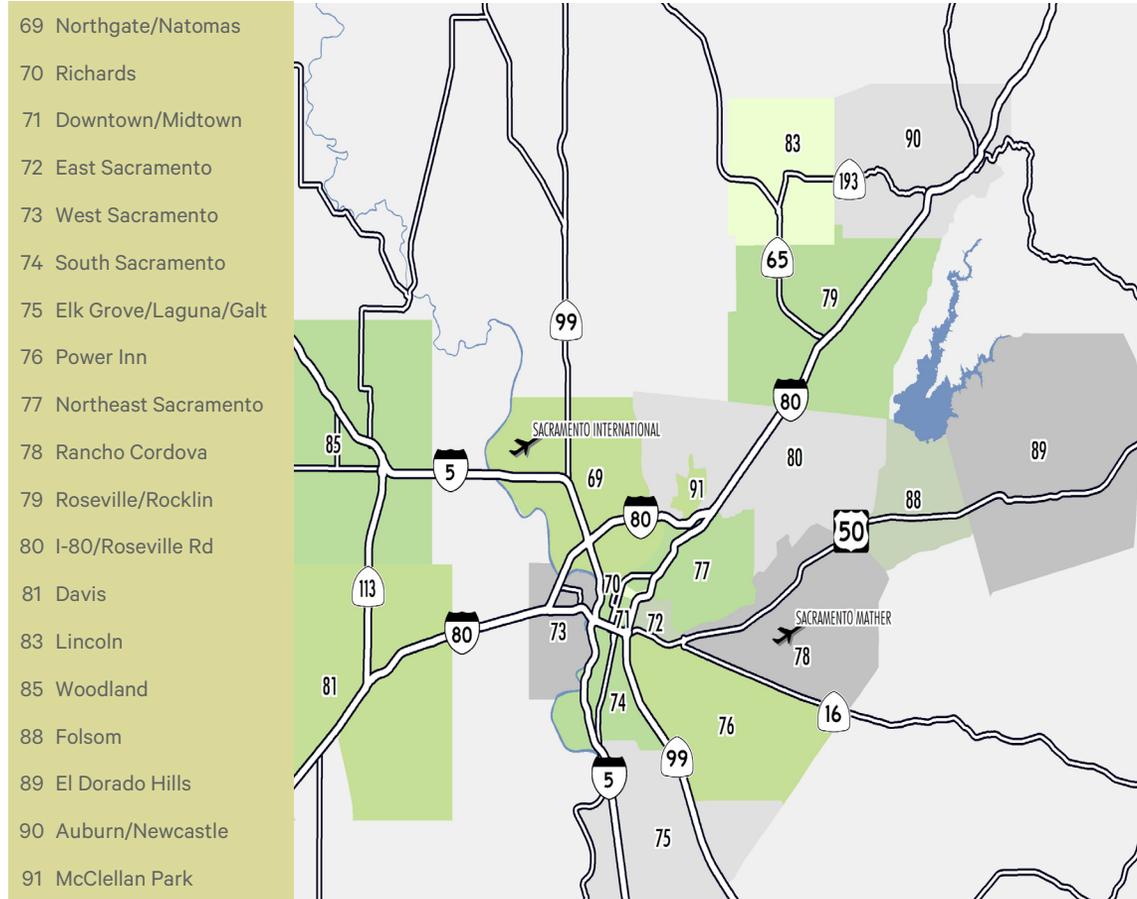
Source: CBRE Research, Q4 2025

FIGURE 8: Top 25 Leases of the Quarter by Industry



Source: CBRE Research, Q4 2025

**Submarket Map**



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.

**Contacts**

**Brandon Wilkinson**

Field Research Analyst  
+1 916 446 8281  
brandon.wilkinson@cbre.com

**Kyle Lodovico**

Field Research Analyst  
kyle.lodovico@cbre.com

**Stephen Delgado**

Field Research Analyst  
stephen.delgado@cbre.com

**Konrad Knutsen**

Research Director  
Northern CA, Greater Los Angeles  
+1 916 446 8292  
konrad.knutsen@cbre.com

**Sacramento Office**

500 Capitol Mall, 24<sup>th</sup> Floor  
Sacramento, CA 95814

© Copyright 2026 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE's Global Chief Economist.