

# Industrial Market Trends Fresno/Visalia

Grubb & Ellis Research

Second Quarter 2007



*New business park projects are coming out of the ground*

## New Business Park Opportunities Ahead

Industrial vacancy rates in the Fresno/Visalia market remain low, hovering around 6 percent or less for the last five quarters. Rental rates also remain steady at \$ .33 per square foot per month, triple net for warehouse distribution space and \$ .55 for flex space.

While available space is tight, there are a few new business park projects coming out of the ground and in the planning stages. These projects range from a collection of 5,000 to 10,000 square foot metal construction units in the Fresno Airport submarket to high end concrete tilt-up in the Northwest. Gateway Commerce Center, located at Barstow and Highway 99, will consist of two phases totaling approximately 200,000 square feet of multi-tenant commercial and light industrial space. This business park has tremendous highway visibility and offers attractive architectural design and landscaping, which will be a welcome change to the typical Highway 99 corridor landscape. This project is exclusively represented by Grubb & Ellis|Pearson Commercial.

In the South Valley, there is a planned 272-acre business park bordering the Tulare Airport. Several incentives are offered including fast track permitting, tax credits and deferred fees. This park, also represented by Grubb & Ellis|Pearson Commercial, will be an excellent site for large industrial users or distribution centers that can benefit from Tulare's mid-state location. Same day and one day deliveries can be made to all key California markets as well as Las Vegas, Phoenix and Salt Lake City.

### Fresno Industrial Market Trends

is a newsletter published quarterly by Grubb & Ellis | Pearson Commercial. To obtain additional copies or other Grubb & Ellis | Pearson Commercial Publications, please contact:

#### Tammy Katuin

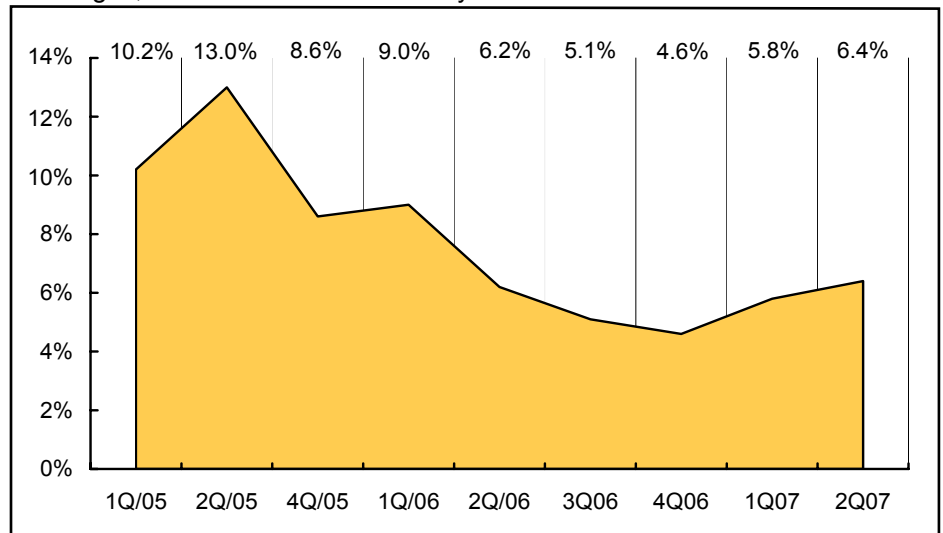
Director of Client Services  
Research, Marketing & Information Systems  
E-mail: [tkatuin@pearsonrealty.com](mailto:tkatuin@pearsonrealty.com)

Grubb & Ellis | Pearson Commercial

FRESNO  
7480 N. Palm Avenue, Suite 101  
Fresno, CA 93711  
559.432.6200

VISALIA  
3447 S. Demaree  
Visalia, CA 93277  
559.732.7300

Internet: [www.pearsonrealty.com](http://www.pearsonrealty.com)  
Independently Owned and Operated



Industrial Vacancy Rate\*

\*All Product Types

## Industrial Market Snapshot Fresno/Visalia Second Quarter 2007

By Submarket (All Property Types)	Total (1) SF	Vacant (2) SF	Vacant %	Net Absorption		Under Const. (3) SF	Asking Rent (4)	
				Current	Year To Date		WH/Dist	R&D/Flex
Northeast	11,623,983	241,190	2.1%	(24,198)	(80,400)	59,905	\$0.30	\$0.47
Northwest	7,641,052	280,011	3.7%	(60,598)	(94,028)	-	\$0.49	\$0.75
Southeast	26,982,850	2,282,814	8.5%	(189,450)	(479,972)	-	\$0.32	\$0.52
Southwest	8,180,662	472,267	5.8%	45,727	(56,395)	5,944	\$0.24	-
Visalia	9,831,415	830,084	8.4%	(87,900)	1,500,307	109,500	\$0.32	\$0.75
<b>Suburban Total</b>	<b>64,259,962</b>	<b>4,106,366</b>	<b>6.4%</b>	<b>(316,419)</b>	<b>789,512</b>	<b>175,349</b>	<b>\$0.33</b>	<b>\$0.55</b>
<b>Totals</b>	<b>64,259,962</b>	<b>4,106,366</b>	<b>6.4%</b>	<b>(316,419)</b>	<b>789,512</b>	<b>175,349</b>	<b>\$0.33</b>	<b>\$0.55</b>

By Property Type (All Submarkets)	Asking Rent						
	Total SF	Vacant SF	Vacant %	Current	Year To Date	Under Const.	Asking Rent
General Industrial	26,230,844	2,098,313	8.0%	129,277	1,357,957	120,444	\$0.26
R&D/Flex	863,599	237,150	27.5%	(8,746)	(7,369)	45,000	\$0.55
Warehouse/Distribution	37,165,519	1,770,903	4.8%	(436,950)	(561,076)	9,905	\$0.33
<b>Totals</b>	<b>64,259,962</b>	<b>4,106,366</b>	<b>6.4%</b>	<b>(316,419)</b>	<b>789,512</b>	<b>175,349</b>	<b>\$0.31</b>

(1) Inventory includes multi-tenant and single tenant buildings with at least 5,000 sq. ft.

(2) Vacant space includes both vacant direct and vacant sublease space.

(3) Space under construction includes speculative and build-to-suit for lease projects.

(4) Asking rates are per square foot per month, triple net. Rates for each building are weighted by the amount of available space within the building.

\*Grubb & Ellis statistics are audited annually and may result in revisions previously reported quarterly and final year-end figures.

### Grubb & Ellis Pearson Commercial Industrial Advisors

#### FRESNO

**Lou Ginise, SIOR**  
Senior Vice President  
Industrial Division  
559.447.6232  
lginise@pearsonrealty.com

**Ron Stoltenberg**  
Vice President  
Industrial Division  
559.447.6227  
rstoltenberg@pearsonrealty.com

**Ethan Smith**  
Vice President  
Industrial Division  
559.447.6256  
esmith@pearsonrealty.com

**Joshua Francois**  
Senior Sales Associate  
Industrial Division  
559.447.6261  
jfrancois@pearsonrealty.com

**Ross Parnagian**  
Sales Associate  
Industrial Division  
559.447.6228  
rparnagian@pearsonrealty.com

**William Thomas**  
Sales Associate  
Industrial Division  
559.447.6233  
wthomas@pearsonrealty.com

#### VISALIA

**Mike Porte**  
Senior Vice President  
559.302.7300  
mporte@pearsonrealty.com

**Pablo Contreras**  
Senior Sales Associate  
559.302.1910  
pcontreras@pearsonrealty.com

### Fresno Area Map By Submarket

