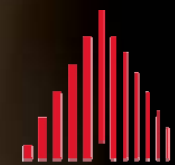


The logo for Colliers International, featuring the company name in white serif font on a dark blue square background. Below the text are three horizontal bars in yellow, cyan, and red.

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San Joaquin County Commercial Real Estate Market Update - 2010

Presented By: Tim Mustin
Research Analyst

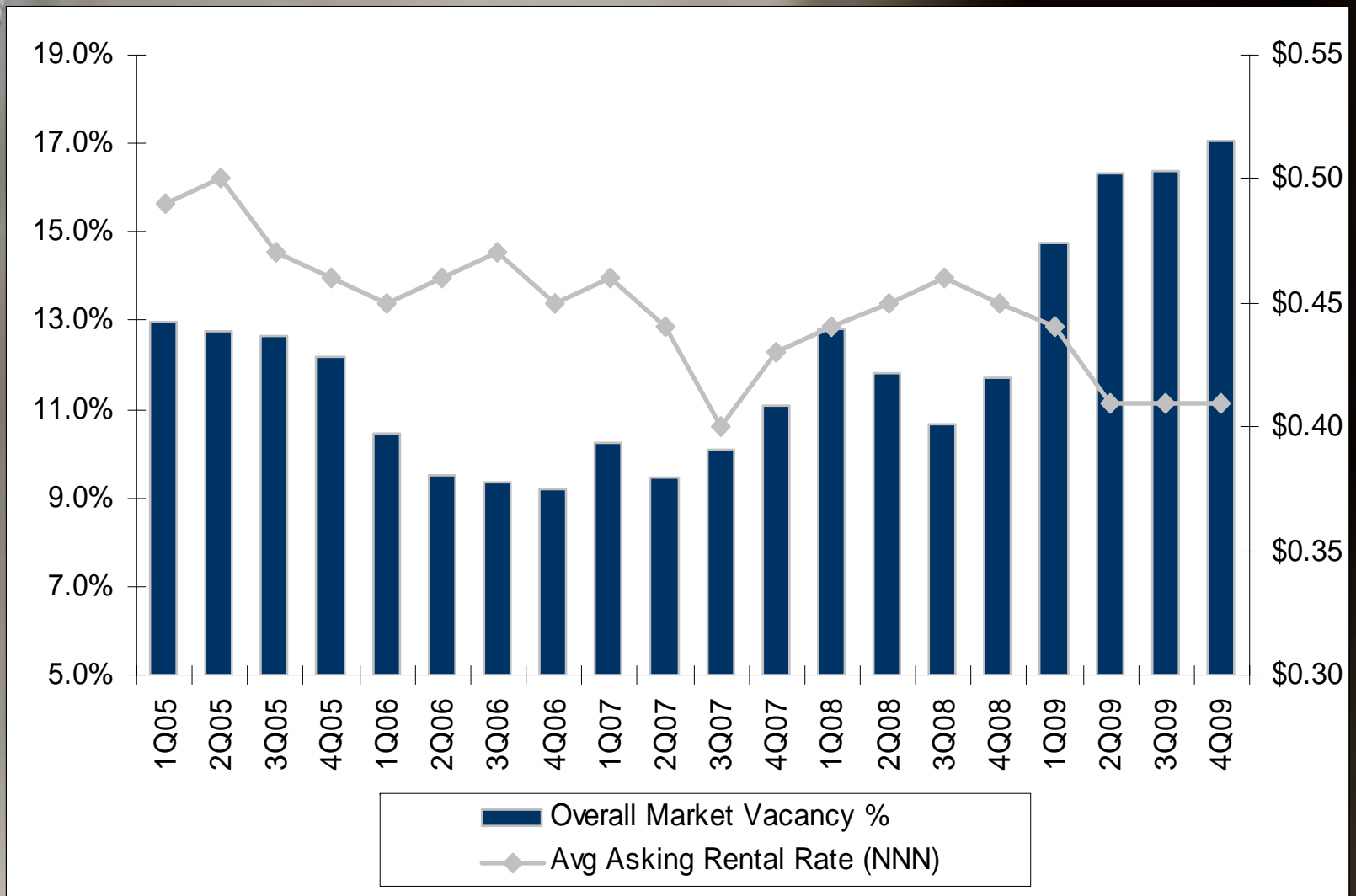
Date: January 21th, 2010

View of the Industrial Market

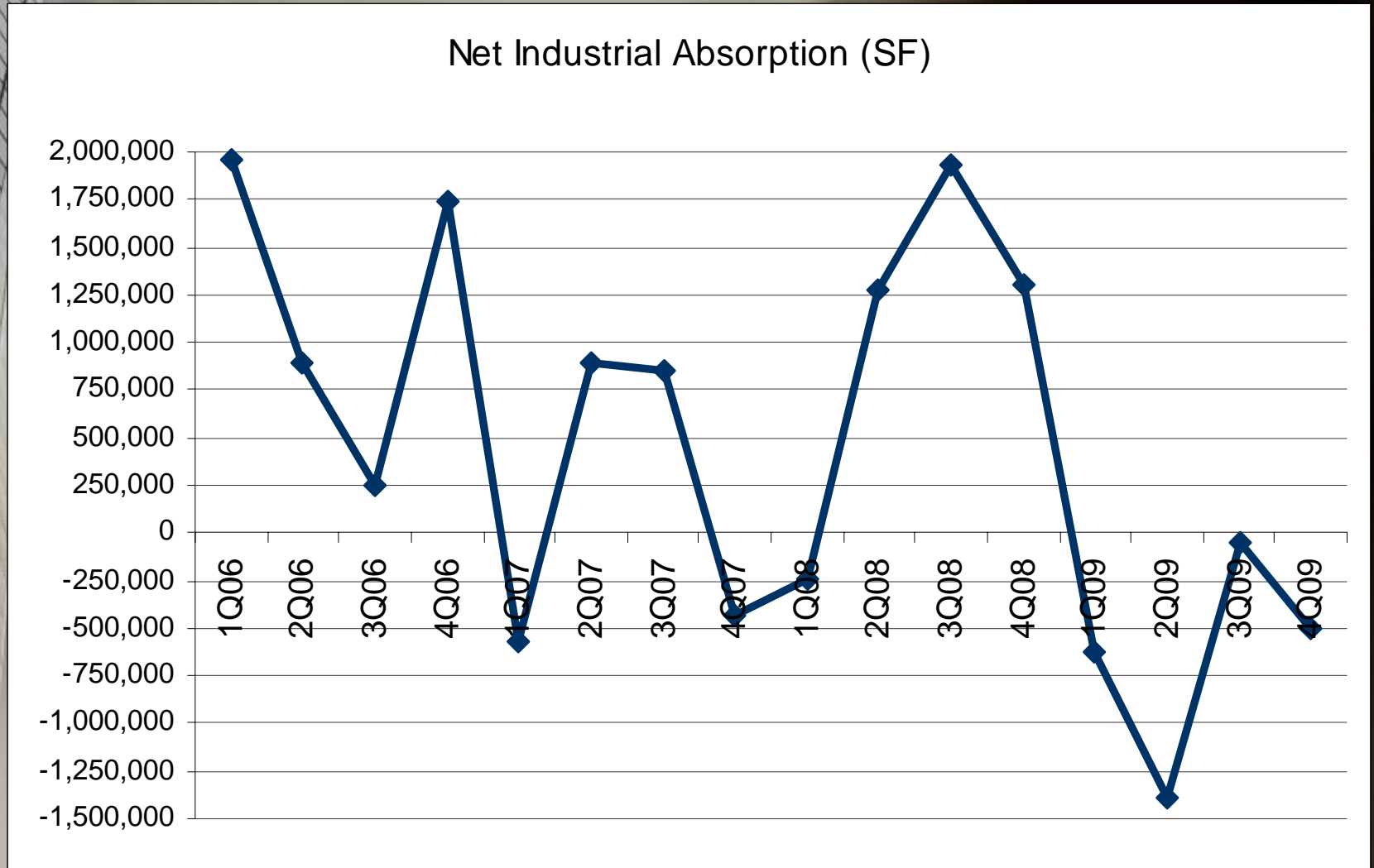
- Landlords being creative and willing to negotiate to close deals with credit tenants.
- Landlords seeking shorter lease terms.
- Corporate tenants have taken advantage of market conditions and leased institutional quality buildings.
- Vacancy direction is uncertain.
- Zero new Construction



Industrial Vacancy vs. Rents



Net Industrial Absorption

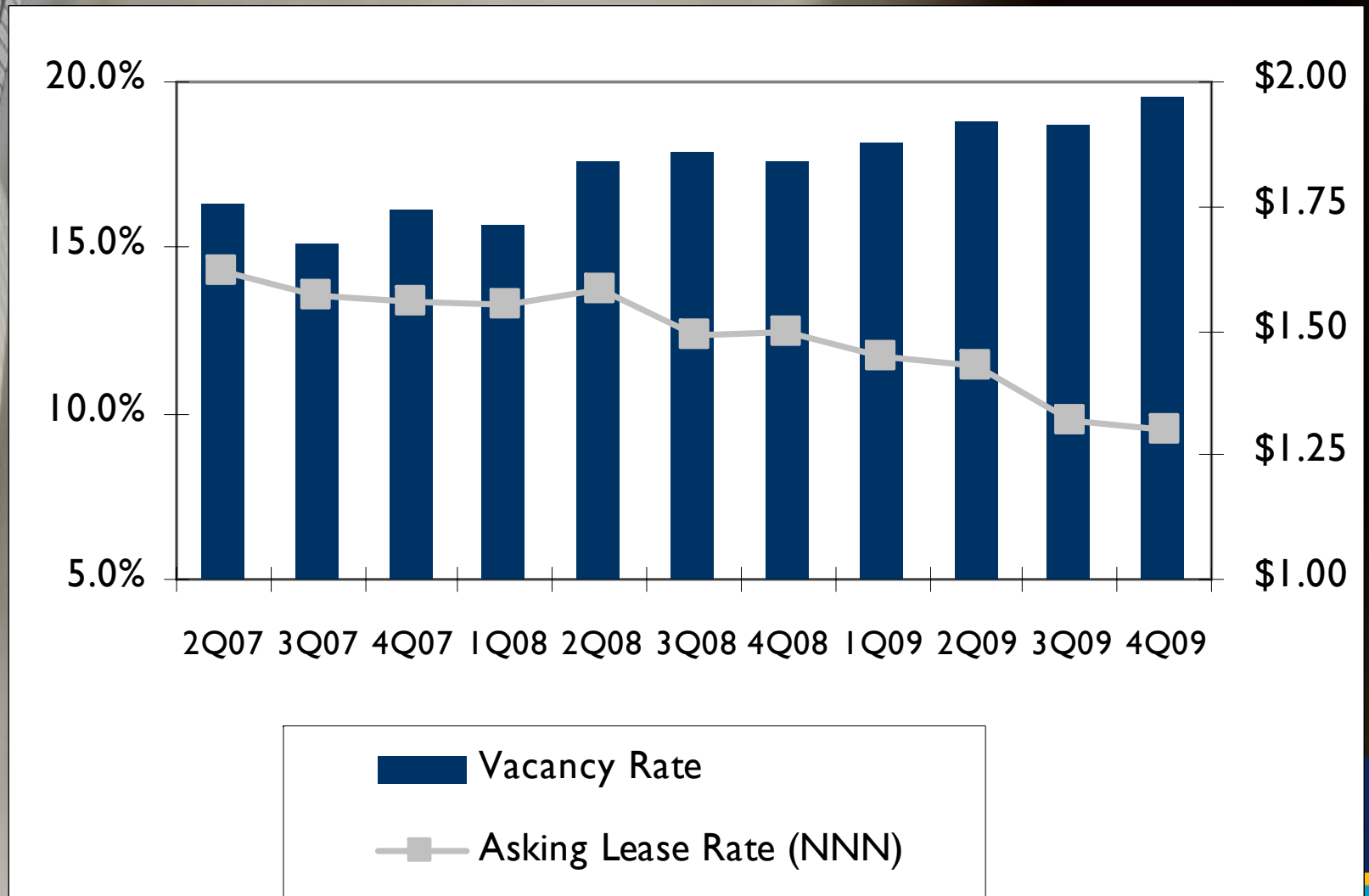


View of the Office Market

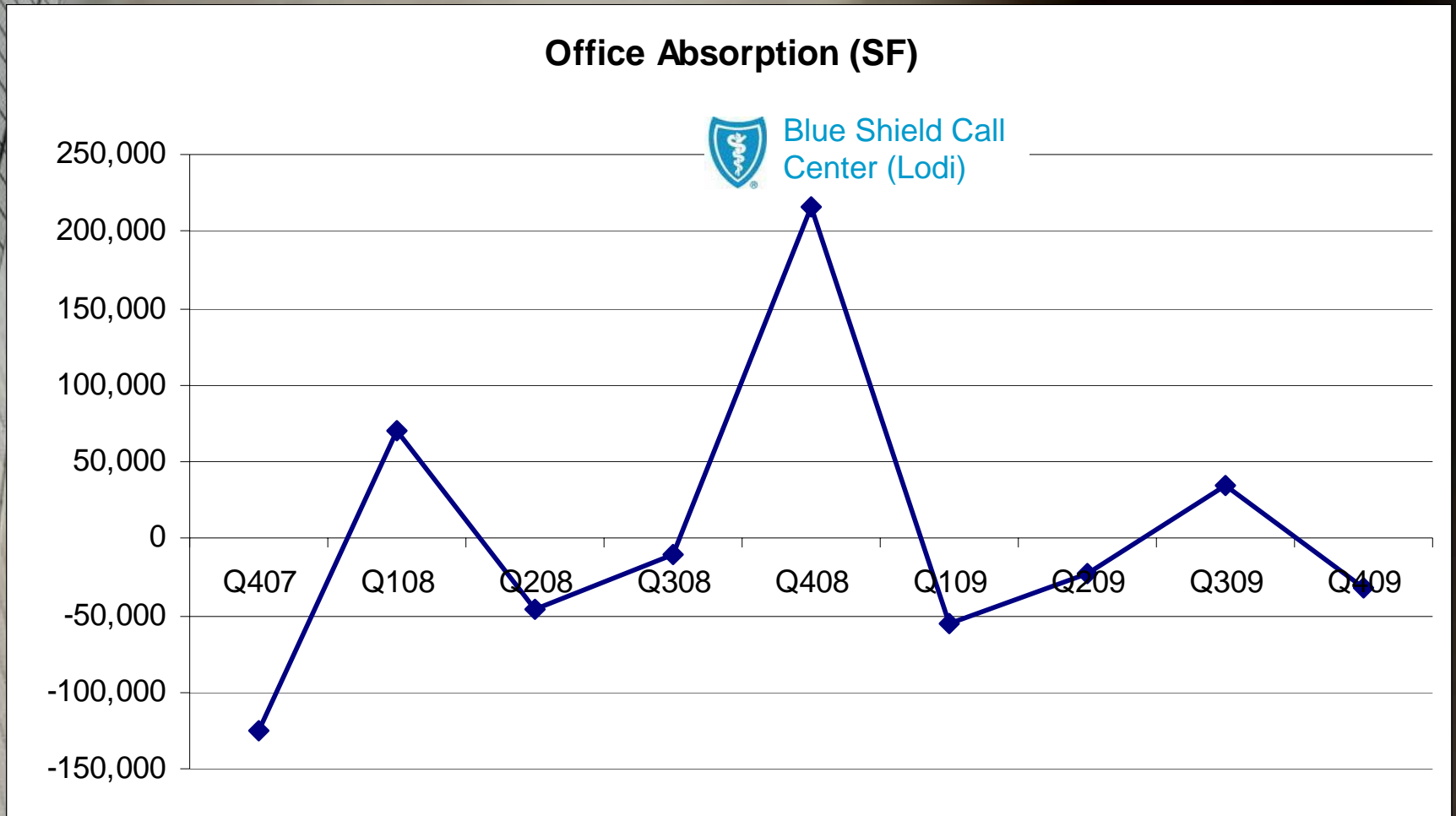
- Resources of “Home Office” use contributes to the “Wait and See” attitudes
- Subleasing not as prominent as Bay Area markets.
- Still looking for vacancy to plateau.



Office Vacancy vs. Rents

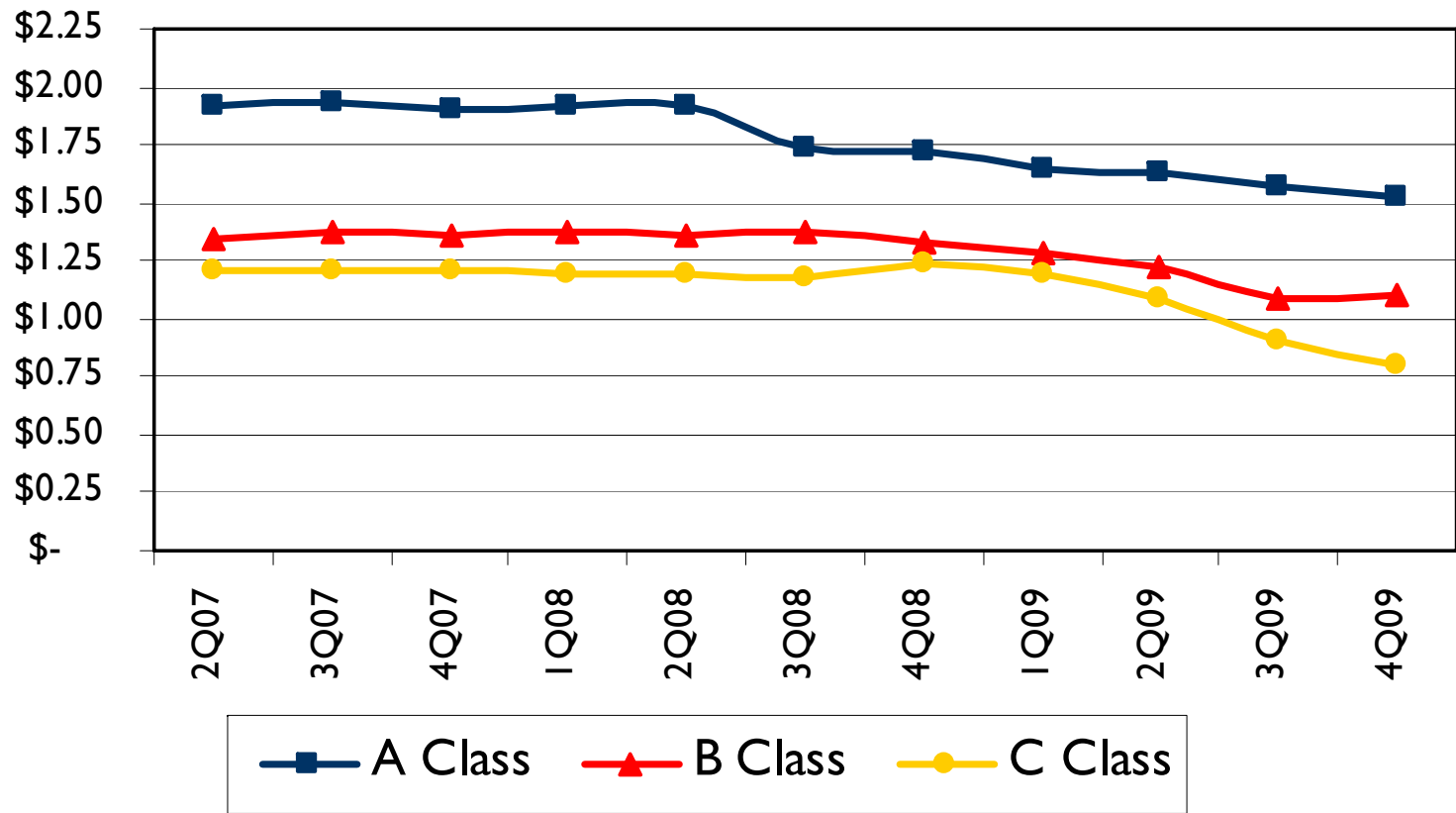


Net Office Absorption



Office Rents

Asking Lease Rates (NNN)

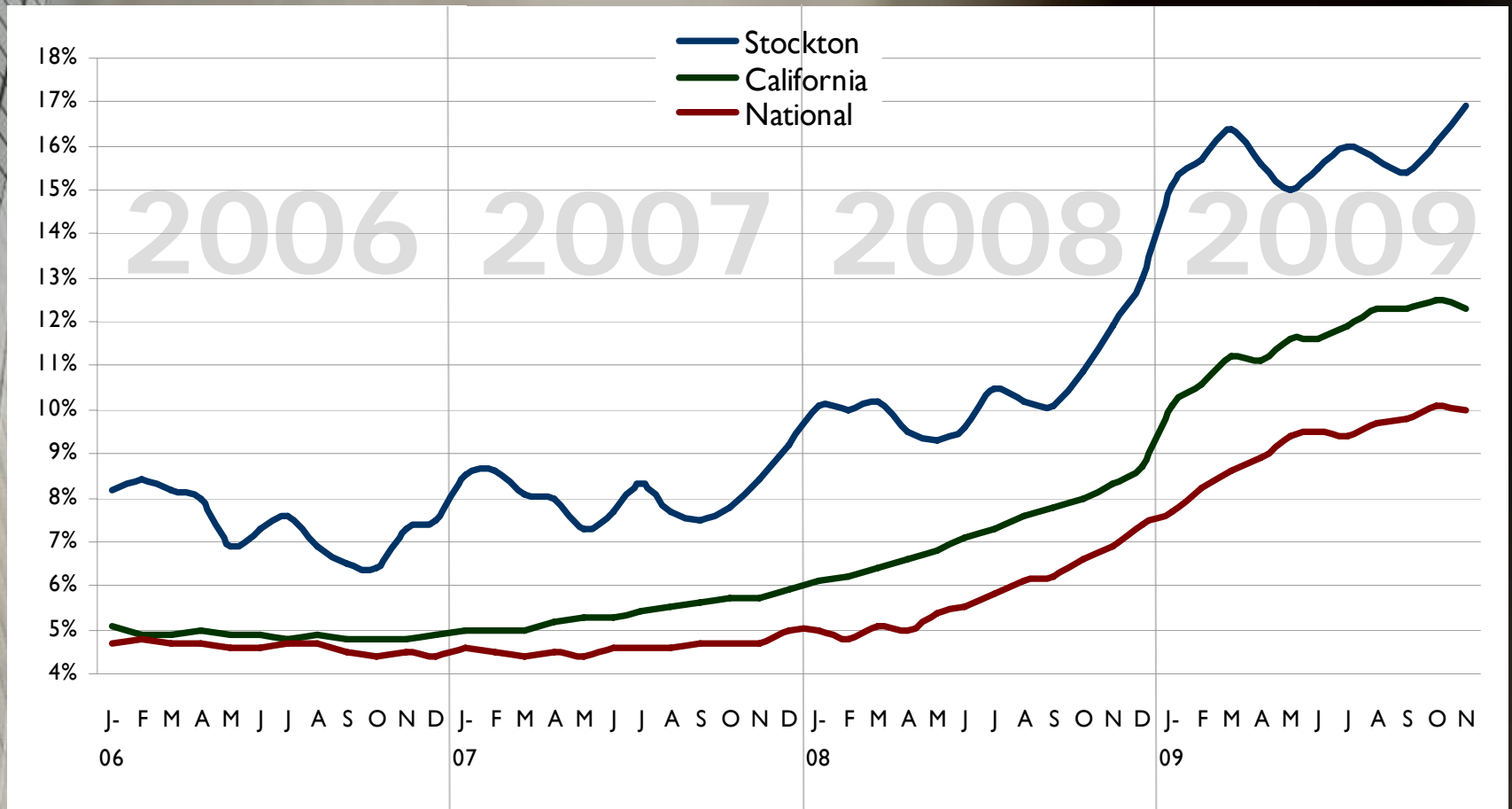


View of the Retail Market

- “Commuter Zone” communities boomed and are now bust.
- Necessity retail – grocery/drug – is maintaining foot traffic.
- Price impact sector doing well.
- Unanchored “B” Locations more vulnerable to vacancy.
- Zero new construction



Unemployment



Commercial Outlook

- Consumer demand needs to increase for positive change in CRE
- Foreclosures and negative homeowner equity will continue to acutely impact CRE.
- Investors remain on the sidelines attempting to “time” the market bottom.
- Construction will be stifled on two fronts:
 1. High Vacancy
 2. Permit Fees, Impact Fees, Transportation Fees.



Thank You

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