



## KEEGAN & COPPIN COMPANY, INC.

ONCOR INTERNATIONAL

### SOLANO COUNTY OVERVIEW

With 834 square miles and over one million people, Solano County is one of the Bay Area's fastest growing counties and ninth fastest in California. The county's population is expected to increase by 50% in 2025. Currently, more than half of Solano County's residents work outside the county with their average one-way commute time being more than 30 minutes.

After several years of waiting, economic growth and rising prices for land and space in the Silicon Valley and East Bay prompted business's to start moving north to Solano, County in the late 1990's. Even though the current economic slowdown impacting most of the Bay Area has slowed this migration, the availability of relatively affordable land and new construction adding to the existing 25 million plus square feet of industrial base, economic activity has been fairly strong for the last two years.

However, even though some recent vacancies in larger older buildings (Fiberbond, 258,000 square feet; BP Solar, 100,000 square feet; Professional Hospital Supply, 105,000 square feet.) and unoccupied new spec buildings (2701 Maxwell, 150,000 square feet; Gateway Plaza, 112,000 square feet.) have added to the vacancy rate the demand for new owner/user buildings has remained strong. For example the following buildings were completed or well under construction by the end of 2003; Home Sausage (47,600 square feet), North Bay Medical Office (32,652 square feet), Sutter-Fairfield Medical Center (83,730 square feet), Campbell's Carpet (45,116 square feet), American Woodworks (37,500 square feet), and Professional Hospital Supply (200,000 square feet).

With land available in the \$3.50 to \$5.00 per square foot range and warehouse space available at \$0.30 to \$0.45 NNN per square foot, average countywide industrial vacancy rates are approximately 12%. While the Benicia/South County area has little land for expansion, adequate supplies are available for the next 8 to 10 years as growth moves north along Hwy. 680 to Vacaville. Light industrial, manufacturing and flex space ranges from \$0.60 to \$0.85 NNN per square foot.

Encouraged by very supportive pro-business city and county governments, developments such as the Green Valley Corporate Park have started attracting new office users to the area. Phase I of this project included four two-story office buildings totaling 218,614 square feet. Initial tenants for the project which broke ground in 2002 are CoPart Inc. (103,000 square feet and St. Paul Insurance (27,000 square feet). Office space is available from \$1.10 to \$1.60 NNN per square foot on the high end and vacancy rates for office space in the business park areas (more than 1.7 million square feet) is around 10%.

Dependant on the resumption of bay area and northern California growth in 2004, Solano County is well positioned to continue attracting businesses with its low housing prices, vacancy rates and growing work force.