MIDQUARTER SNAPSHOT

Industrial Q4 2022 Los Angeles Central/ Southeast







Direct Vacanc

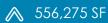


A 0.40

△ 2.4%



Under Construction







Net Absorption





Gross Absorption

₩ 1,400,701 SF



Rental Rates (NNN)

\$1.49



KEY TAKE AWAYS

MARKET

- Vacancy Rate: Increased by 25 BPS from Q3.
- Net Absorption: Has totaled -855K SF thus far into Q4.
- Asking Rents: Declined by \$0.01 PSF since Q3, to a rate of \$1.49 PSF NNN in Q4.
- Sales: The median price through mid-Q4 is \$316.79 PSF. Volume has totaled \$776.8M in Q4. The largest sale in Q4 has been a two building portfolio in La Mirada that sold for \$151.2M or \$447.54 PSF.
- Industrial Supply: Current under construction has increased to 556K SF, 44K SF has been delivered.

ECONOMIC OUTLOOK

- Interest Rates: At their November meeting, the FOMC decided to increase interest rates by another 75 bps to a range of 3.75%-4.0%. Projections of an additional increase of 50 bps before the end of the year with the fed funds rate ending 2022 at a mid-point of 4.4%.
- **Inflation**: The latest CPI shows slight signs of moderation from peak inflation.

• Supply Chain: According to the Freightos Baltic Index, the cost to ship a container from China/East Asia to North America West Coast declined 13% since Q3, at \$2,563 per container. Since the start of 2022, these rate have declined over 81%.

ECONOMIC OUTLOOK



EXPERIENCE IN A CHANGING MARKET

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