

MIDQUARTER SNAPSHOT

Industrial Q4 2022 San Gabriel Valley



MARKET ACTIVITY


Direct Vacancy
✓ 1.8%


Net Absorption
▲ 387,723 SF


Overall Vacancy
✓ 2.0%


Gross Absorption
▲ 1,372,392 SF


Under Construction
◀ 1,277,735 SF


Rental Rates (NNN)
▲ \$1.54


Median Sale \$/SF
\$316.33


Deal Volume
\$491M

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Declined by 26 BPS from Q3.
- **Asking Rents:** Increased by \$0.03 PSF or 1.9% since the end of Q3 to \$1.54 PSF NNN.
- **Industrial Supply:** No new deliveries thus far in Q4. UC remains at 1,277,735 SF.
- **Sale:** Volume has totaled \$491M in Q4. The median price PSF of those sales has been \$316.33.

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


U.S. Employment
▲ 3.7%


U6 Rate
▲ 6.8%


Interest Rate
▲ 6.6%
(30 year fixed)


Changing GDP
▲ 2.6%


Port Traffic Y/Y Δ
✓ 6.0%


NYSE Performance
▲ 11.1%


Inflation Change
✓ 7.76%


10 Yr. - 2 Yr. Spread
✓ -57 BPS

EXPERIENCE IN A CHANGING MARKET

@DAUMCOMMERCIAL



Although all information is furnished regarding for sale, rental or financing is from sources deemed reliable, such information has not been verified and no express representation is made nor is any to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, changes of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice.

www.daumcommercial.com | ONCOR INTERNATIONAL