



# Industrial Market Report

## Los Angeles Market

PREPARED BY

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**INDUSTRIAL MARKET REPORT**

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12 Mo Deliveries in SF

**3.3 M**

12 Mo Net Absorption in SF

**(389 K)**

Vacancy Rate

**2.4%**

12 Mo Rent Growth

**4.8%**

Los Angeles has been an extremely stable market with persistent demand for much of this cycle. However, a number of large-scale move-outs generated more than 3 million SF of negative net absorption in the first half of 2018. While the market experienced improved leasing activity during the second half of the year, rent growth sharply decelerated after growing by an average annual rate of 7.8% over the past five years. Rents still grew by 4.8% over the past four quarters—a healthy rate by historical terms—but these may be early signs that some industrial tenants are starting to face challenges brought on by the higher cost of doing business. Apart from rent escalations, many businesses with lower-skilled workers are facing minimum wage hikes that recently reached up to \$13.25/hour in the City of LA and a few other areas and up to \$12.00/hour in other parts of the County.

One constant challenge to industrial developers is bringing new product to LA—one of the key reasons that nearby Inland Empire has evolved into one of the hottest industrial markets in the country. A paucity of developable land and an onerous permitting process tend to keep a lid on development even during periods of peak demand growth. Net deliveries reached a recent high of 4.4 million SF in 2017, but fell to 1.9 million SF in 2018 with another 3.8 million SF expected to deliver in 2019. In comparison, the Inland Empire, which is two-thirds the size of LA as measured by existing inventory,

will likely have about 25 million SF of net deliveries per year from 2017 to 2019.

With industrial development becoming a difficult task, investors have instead turned to existing inventory and continue to accept low returns in exchange for stability and liquidity. Sales volume in 2018 topped the previous year's record high of \$5.4 billion (or 3.9% turnover). Local transactions can be motivated by a wide range of factors that aren't as common in other parts of the U.S. For example, one key trending motivating factor is the potential for adaptive reuse. Older and outdated buildings can often fetch top dollar when they have cosmetic appeal.

The largest leases as of late have been from third-party logistics companies attracted to infill properties and manufacturing companies that establish local production/distribution services. While LA ports are the busiest in the nation, the outlook for the industrial market does not fully hinge on future trade flows or changes to national trade policies because LA has a diverse tenant base. Manufacturing has long been a staple of the economy, even with job counts shrinking since the early 1990s. Aerospace, apparel, food processing and packaging, electronics and computers, and metals remain large manufacturing industries in the metro.

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	617,976,318	2.3%	\$12.34	4.6%	(667,109)	0	4,532,230
Specialized Industrial	253,447,483	1.9%	\$12.43	3.1%	(222,940)	0	143,000
Flex	58,404,269	5.6%	\$20.49	7.4%	(48,699)	0	0
<b>Market</b>	<b>929,828,070</b>	<b>2.4%</b>	<b>\$12.87</b>	<b>4.4%</b>	<b>(938,748)</b>	<b>0</b>	<b>4,675,230</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0%	4.0%	2.7%	5.6%	2010 Q1	2.1%	2017 Q4
Net Absorption SF	(389 K)	3,428,571	1,625,904	13,986,923	2014 Q3	(12,420,828)	2009 Q1
Deliveries SF	3.3 M	5,512,751	4,279,211	13,350,695	2002 Q1	779,694	2011 Q1
Rent Growth	4.8%	3.7%	1.9%	9.1%	2017 Q2	-4.9%	2009 Q4
Sales Volume	\$5.1 B	\$3.0B	N/A	\$5.7B	2018 Q3	\$976.8M	2009 Q3



LA is one of the largest industrial markets in the nation—with over 930 million SF of inventory. Yet available industrial space is scarce in LA, particularly newer and larger buildings suitable for modern-day logistics companies. Few buildings have delivered this cycle, and many of those were build-to-suit and preleased. The effects of supply constraints on this market cannot be overemphasized: with few developable sites, vacancies in LA, which slightly grew in 2018, still remain among the lowest in the nation.

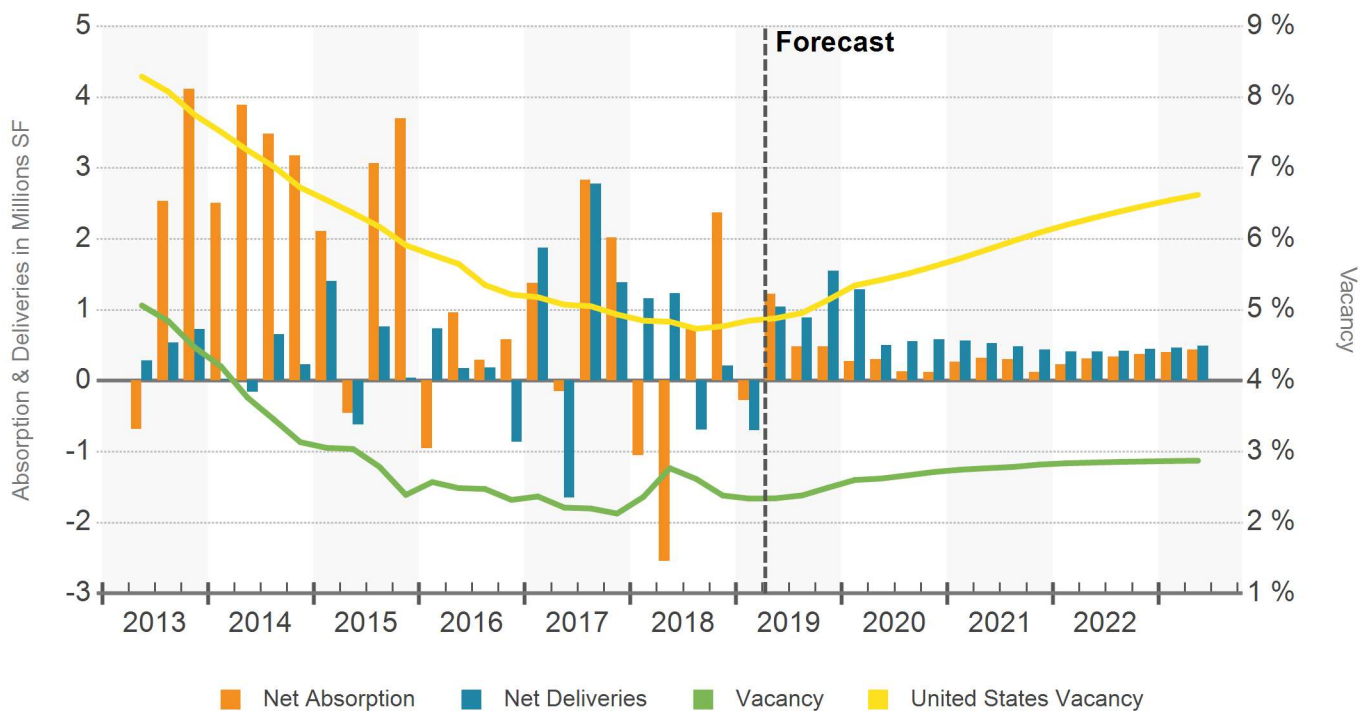
Leasing activity has picked up recently, after several large moveouts pricked the market in the first half of 2018. Third-party logistics companies account for a couple of the largest leases signed recently. Damco Logistics Services leased nearly one million SF at the Goodman Gateway in Santa Fe Springs in 2018 for ten years. Properties this large rarely become available in L.A, but Albertsons' acquisition of Safeway and Vons in 2015, who occupied the six-building property, prompted changes in the company's logistics operations. Also in 2018, Champion Logistics Group leased 635,000 SF in the LA Regional Distribution Center in Irwindale. A large portion of the center was long occupied by Warnaco, who closed down after the textile/clothing company was sold to the PVH Corporation in 2013; Charlie's Produce, a food produce wholesaler, moved out of the rest of the building.

While leasing has come from a broad range of industries,

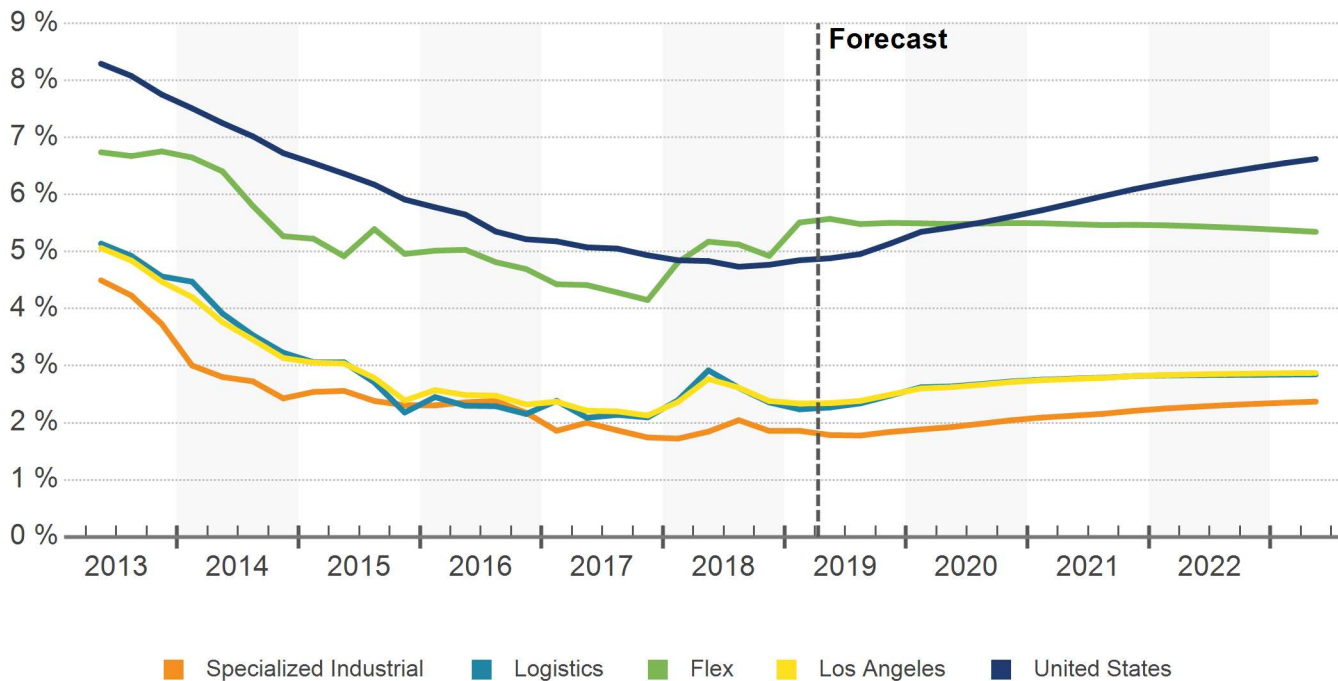
the apparel industry appears to be making strides to regain its footprint in LA. It should be noted, however, that some local apparel companies still import many of their products and local facilities are used for distribution, design, and administrative operations. Rather than concentrating in the downtown apparel district, apparel companies are signing large leases south of downtown with more feasible access to the ports. Some of the tenants involved in the largest leases last year include Revolve (280,000 SF) in Santa Fe Springs, Prompt Apparel (241,000 SF) in City of Industry, and Puma (206,000 SF) in Torrance. Locally-based Fashion Nova recently expanded from its 121,000 SF headquarters in Vernon to 403,000 SF in Santa Fe Springs, while Windsor Fashions recently renewed its 181,000 SF lease in Santa Fe Springs for five years.

LA is the primary point of entry for goods manufactured in Asia and shipped to the United States, and demand for its industrial space, and particularly logistics inventory, correlates with international trade trends. The ports of LA and Long Beach are expected to stay busy with imports from Asia; however, possible changes in trade policy with China and the expansion of the Panama Canal pose a threat to the market. Still, persistent industrial demand stemming both from port activities and manufacturing, coupled with the difficulty of bringing new industrial product to market, should ensure that LA fundamentals remain among the strongest in the nation.

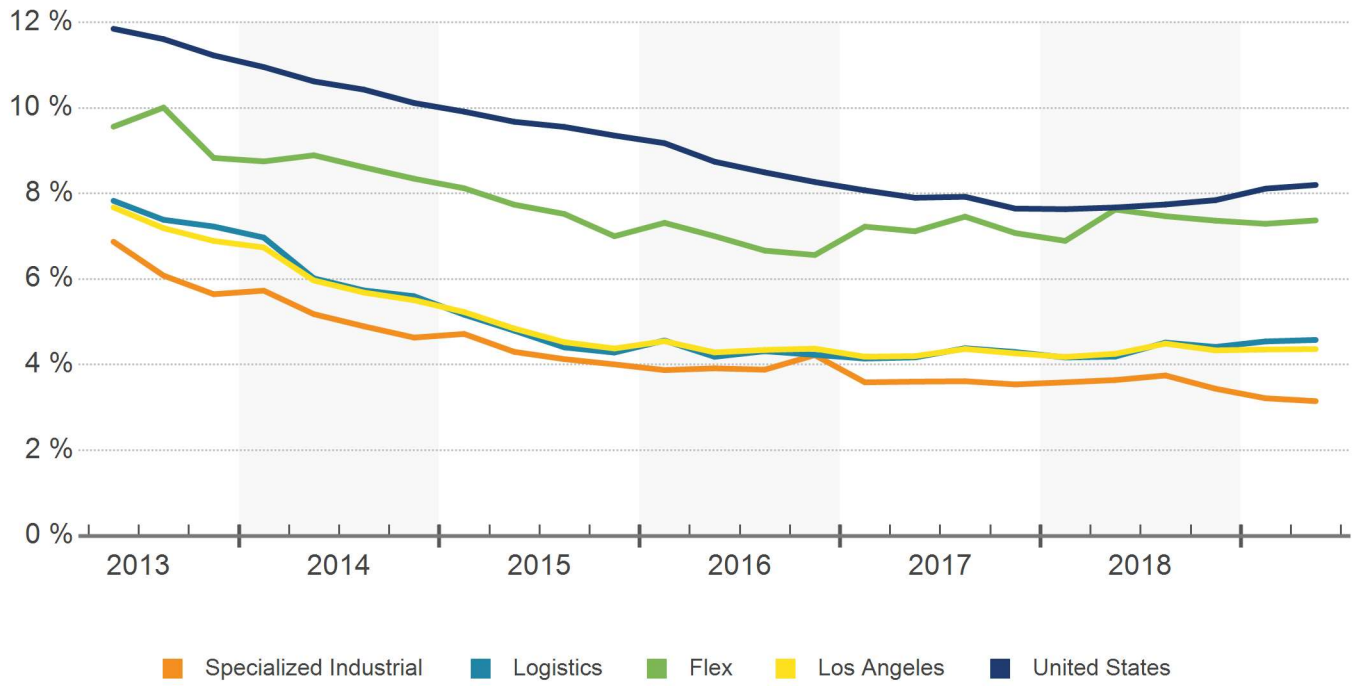
### NET ABSORPTION, NET DELIVERIES & VACANCY



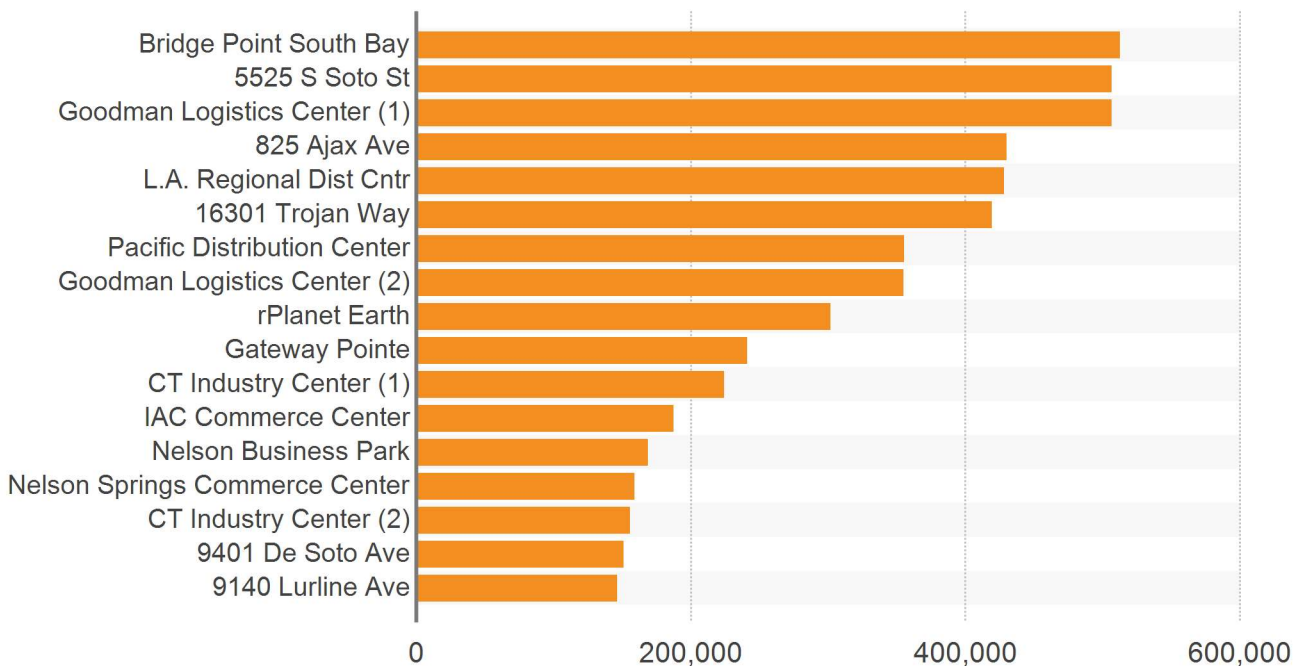
### VACANCY RATE



### AVAILABILITY RATE



### 12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS

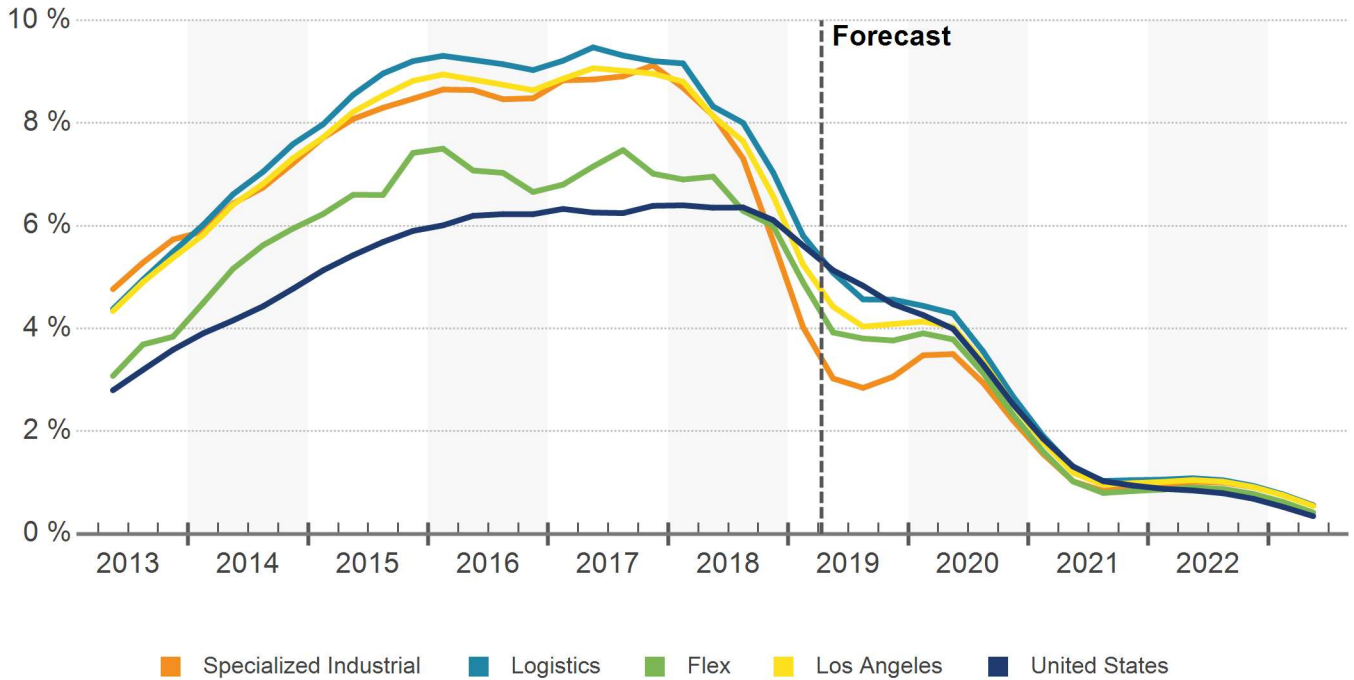


Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Bridge Point South Bay	Torrance Ind	512,490	0	0	0	0	0	512,490
5525 Soto St	Vernon Ind	506,580	0	0	0	0	0	506,580
Goodman Logistics Center (1)	Santa Fe Springs Ind	506,465	0	0	0	0	0	506,465
825 Ajax Ave	City of Industry Ind	430,078	0	0	0	0	0	430,078
L.A. Regional Dist Cntr	Irwindale Ind	635,566	0	0	0	0	0	428,131
16301 Trojan Way	La Mirada Ind	477,008	0	0	0	0	0	419,347
Pacific Distribution Center	Santa Fe Springs Ind	355,590	0	0	0	0	0	355,590
Goodman Logistics Center (2)	Santa Fe Springs Ind	403,635	0	0	0	0	0	354,843
rPlanet Earth	Vernon Ind	302,000	0	0	0	0	0	302,000
Gateway Pointe	City of Industry Ind	346,381	0	0	0	0	0	240,959
CT Industry Center (1)	City of Industry Ind	224,116	0	0	0	0	0	224,116
IAC Commerce Center	Santa Clarita Valley Ind	187,540	0	187,540	0	0	0	187,540
Nelson Business Park	City of Industry Ind	168,913	0	168,913	0	0	0	168,913
Nelson Springs Commerce Center	City of Industry Ind	159,140	0	0	12,000	0	0	159,140
CT Industry Center (2)	City of Industry Ind	155,600	0	0	0	0	0	155,600
9401 De Soto Ave	Chatsworth Ind	150,831	0	0	0	0	0	150,831
9140 Lurline Ave	Chatsworth Ind	146,516	0	0	0	0	0	146,516
<b>Subtotal Primary Competitors</b>		<b>5,668,449</b>	<b>0</b>	<b>356,453</b>	<b>12,000</b>	<b>0</b>	<b>0</b>	<b>5,249,139</b>
Remaining Los Angeles Market		924,159,621	22,671,082	(635,994)	(950,748)	0	0	(5,593,238)
<b>Total Los Angeles Market</b>		<b>929,828,070</b>	<b>22,671,082</b>	<b>(279,541)</b>	<b>(938,748)</b>	<b>0</b>	<b>0</b>	<b>(344,099)</b>

Industrial rents have averaged 7.8% annual growth over the past five years, as LA has been one of the most desired markets this cycle. Recently, however rent growth has sharply decelerated to 4.8% year-over-year, an indication that the cost of doing business has grown too much for some tenants. Big-block space, which is

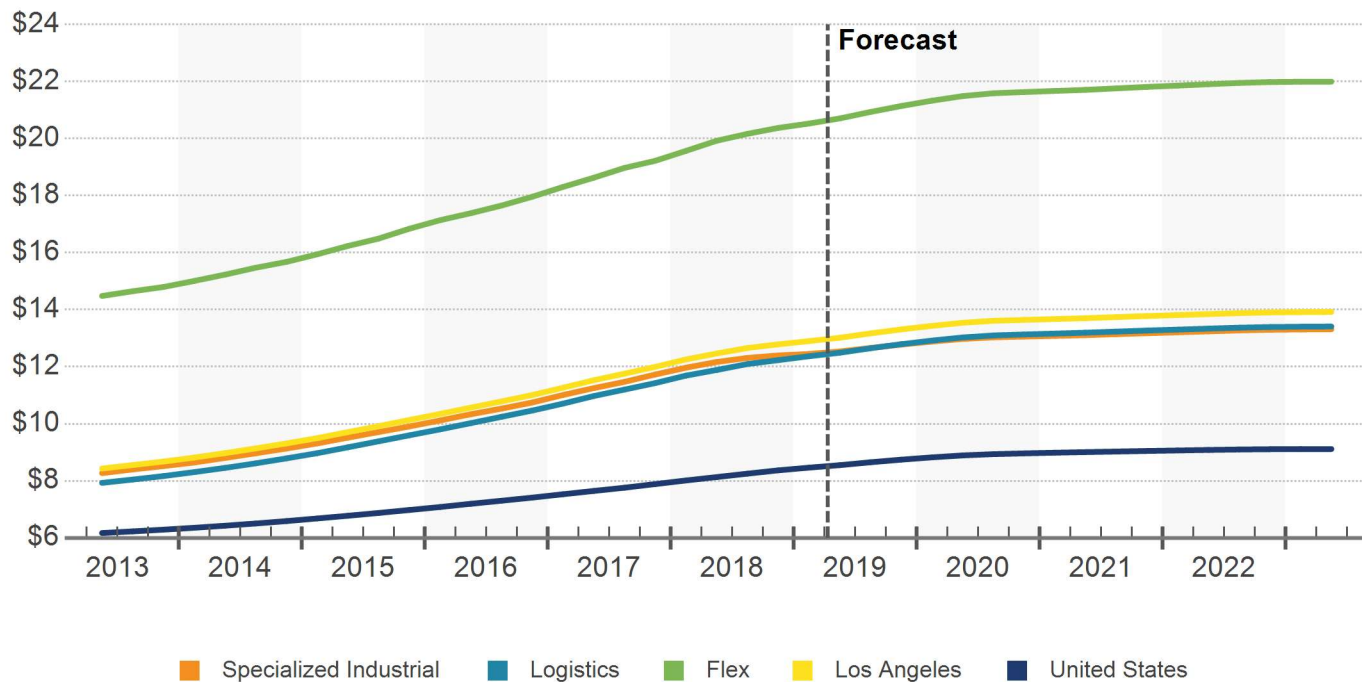
exceedingly rare in LA, has generated most of the gains to date and could continue to over perform given the lack of options for tenants. Flex buildings, heavily concentrated in the Westside submarket, have seen lower rent gains, but these buildings can often ask for rents comparable to 3 Star office space.

### MARKET RENT GROWTH (YOY)





### MARKET RENT PER SQUARE FOOT



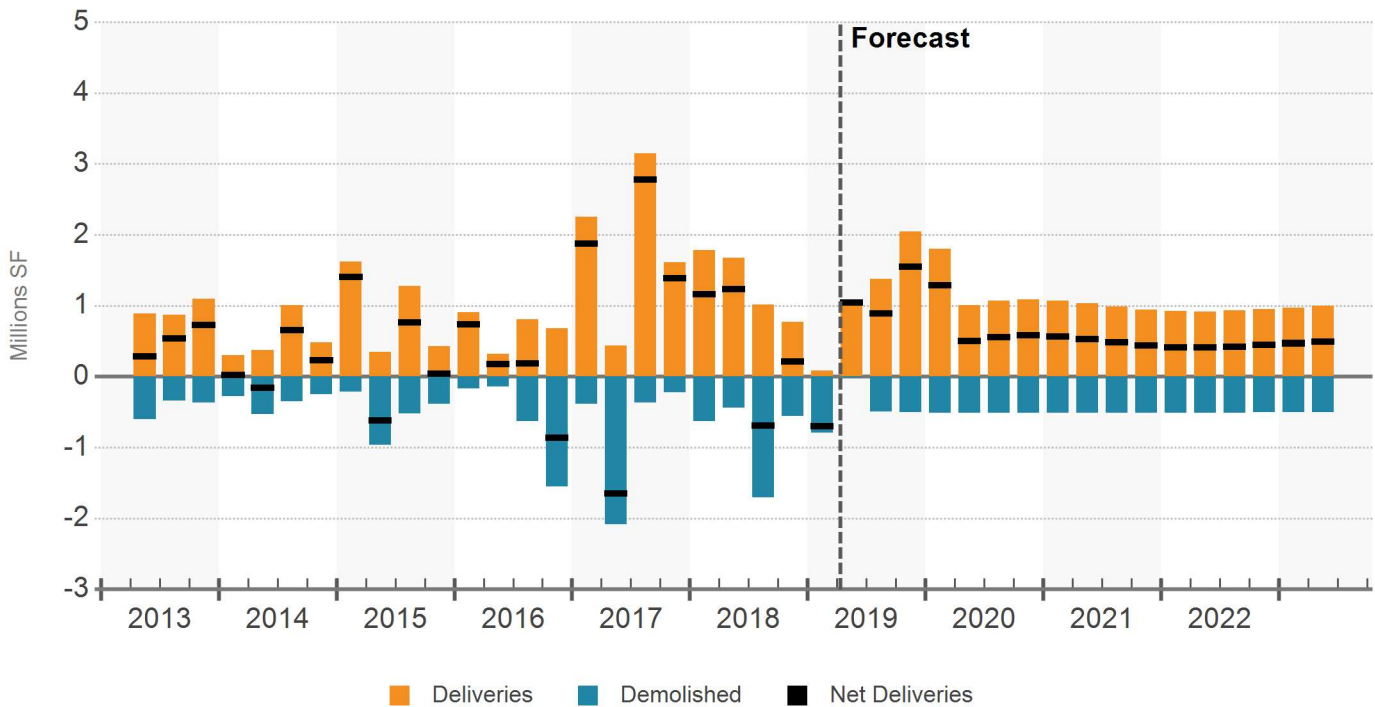
Industrial construction has been growing in LA, but not to the levels seen in the nearby Inland Empire market. About 4.4 million SF of new product delivered in 2017 net of demolitions and properties converted through adaptive reuse. Deliveries slowed in 2018 to about 1.9 million SF and another 3.8 million SF are projected to deliver in 2019.

Due to the difficulty in developing new, modern supply, much of LA's industrial inventory tends to be in properties that are smaller and older than might be considered normal for such a prominent national distribution market. Only about 20% of the metro's industrial space is in buildings of 250,000 SF or more, well below the percentage in other large industrial markets. For example, in Atlanta, Dallas-Fort Worth, and Chicago, buildings of that size comprise at least a third of inventory.

The few recent large developments are unique opportunities often formed out of external circumstances. For example, an 81-acre site in Arcadia had been used to mine rock and sand for 40 years. After a ten-year reclamation process, Yellow Iron Investments was able to develop the Arcadia Logistics Center on the property, which delivered in early 2018 with 1.1 million SF across four buildings. Not surprisingly, the spec development leased before it delivered, with FedEx as the largest tenant. Similarly, Goodman purchased a 1.2 million SF industrial campus in El Monte formerly occupied by Vons in 2016. The sale is also attributable to Albertsons' acquisition of Vons in 2015. Goodman recently broke ground on a two-building industrial facility to replace the aged stock with a total of 1.2 million SF.

With low vacancies and limited modern supply, deliveries should continue to perform well in the near future.

### DELIVERIES & DEMOLITIONS



# Under Construction Properties

Los Angeles Industrial

Properties

**40**

Square Feet

**5,093,214**

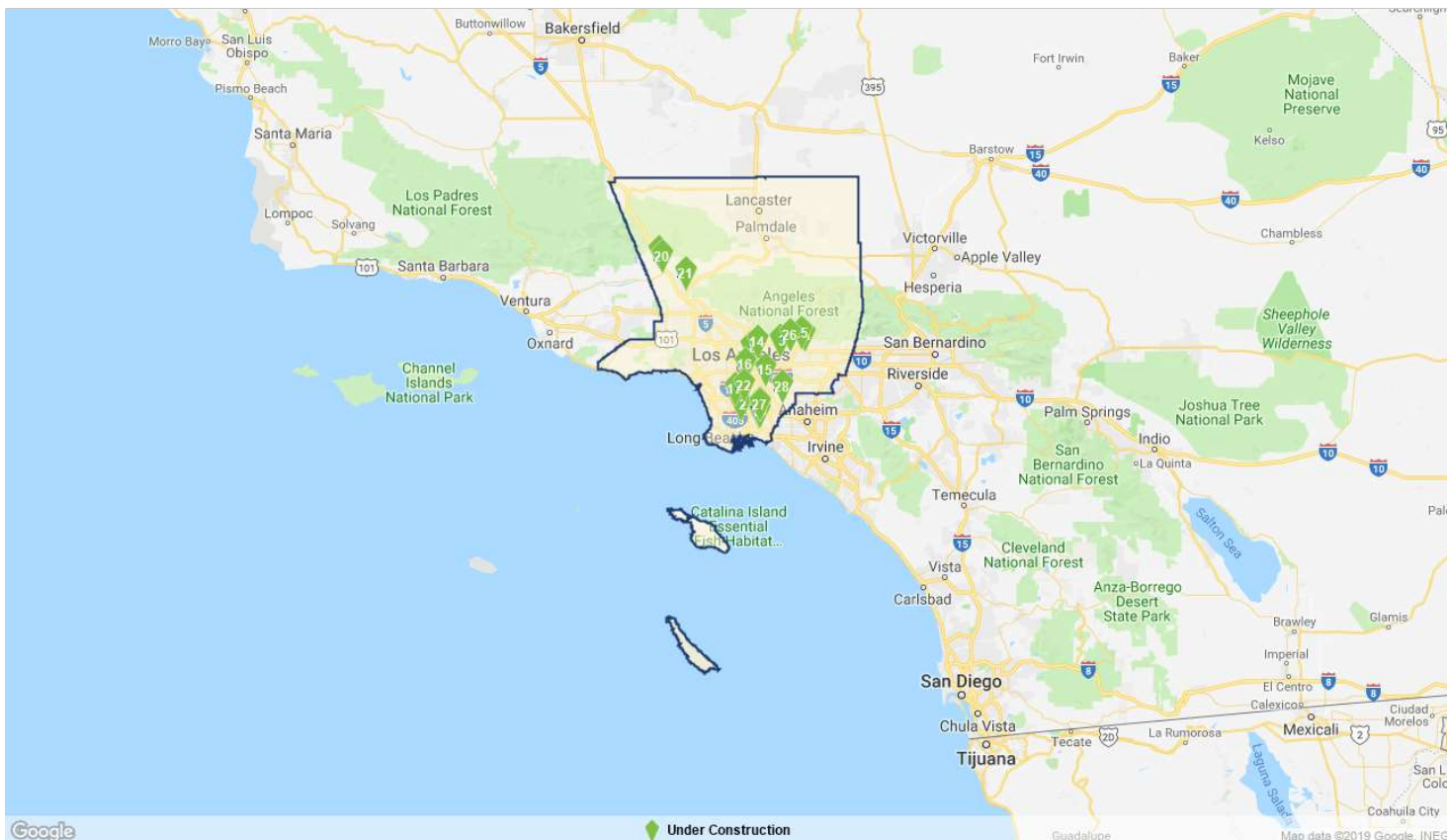
Percent of Inventory

**0.6%**

Released

**6.7%**

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <b>Goodman Logistics Cent...</b> 0 Shirley Ave	★★★★★	572,240	1	Jul-2018	Oct-2019	Goodman North America Goodman North America
2 <b>South Bay Ports Logistic...</b> 21900 S Wilmington Ave	★★★★☆	412,000	1	Jun-2018	Jul-2019	Millie & Severson Alpert & Alpert
3 <b>Goodman Logistics Cent...</b> 0 Shirley Ave	★★★★★	363,417	1	Jul-2018	Sep-2019	Goodman North America Goodman North America
4 <b>Prologis Vernon Busines...</b> 5215 S Boyle Ave	★★★★★	232,229	1	Jan-2019	Dec-2019	Prologis Prologis
5 <b>Bldg 3</b> 29040 Avenue Valley View	★★★★★	216,320	1	Jan-2018	Jun-2019	IAC Properties IAC Properties
6 <b>Bldg 3</b> 21380 Needham Ranch Pky	★★★★☆	212,236	1	Aug-2018	Jan-2020	Trammell Crow Company Trammell Crow Company
7 <b>Building 1</b> 2300 Redondo Ave	★★★★☆	204,936	1	Jul-2018	May-2019	Pacific Industrial LLC Pacific Industrial LLC



# Under Construction Properties

Los Angeles Industrial

## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 3301 Medford St	★ ★ ★ ★ ☆	202,580	1	Aug-2018	Sep-2019	- Randall Kendrick
9 Building 4 23015 Pine St	★ ★ ★ ☆ ☆	194,188	1	Apr-2019	Apr-2020	Trammell Crow Company Trammell Crow Company
10 Bldg 2 21375 Needham Ranch Pky	★ ★ ★ ★ ☆	172,324	1	Aug-2018	Jan-2020	Trammell Crow Company Trammell Crow Company
11 601 S Vincent Ave	★ ★ ★ ☆ ☆	146,000	1	Oct-2018	May-2019	- -
12 Bldg. 16 4001 Worsham Ave	★ ★ ★ ☆ ☆	138,413	2	Oct-2018	Aug-2019	- Urbana Development
13 Building 5 21401 Needham Ranch Pky	★ ★ ★ ☆ ☆	126,439	1	Apr-2019	Apr-2020	Trammell Crow Company Trammell Crow Company
14 905 Westminster Ave	★ ★ ★ ★ ☆	122,729	2	May-2018	May-2019	- -
15 7875 Telegraph Rd	★ ★ ★ ★ ☆	118,664	1	Dec-2018	Oct-2019	- -
16 Prologis Vernon Busines... 5215 S Boyle Ave	★ ★ ★ ★ ★	113,952	1	Jan-2019	Dec-2019	Prologis Prologis
17 New State of the Art Bul... 15100 S San Pedro St	★ ★ ☆ ☆ ☆	112,000	1	Sep-2017	Aug-2019	- Mobile Storage Group, Inc.
18 Building 2 3200 E Burnett Ave	★ ★ ★ ★ ☆	111,752	1	Jul-2018	May-2019	- -
19 Building 3 3600 E Burnett Ave	★ ★ ★ ★ ☆	105,004	1	Jul-2018	May-2019	- -
20 27949 Hancock Pky	★ ★ ★ ☆ ☆	100,000	2	Dec-2017	Jun-2019	Keane Constructors, Inc. -
21 Building 6 21420 Needham Ranch Pky	★ ★ ★ ☆ ☆	97,357	1	Apr-2019	Apr-2020	Trammell Crow Company Trammell Crow Company
22 126 E Oris St	★ ★ ☆ ☆ ☆	94,875	1	Aug-2018	Dec-2019	- Westcore Properties
23 Bldg 15 3881 McGowen Ave	★ ★ ★ ★ ☆	94,525	1	Oct-2018	Aug-2019	- Sares-Regis Group
24 Bldg 14 3550 Carson St	★ ★ ★ ★ ☆	87,605	1	Oct-2018	Aug-2019	- Urbana Development
25 5589 Ayala Ave	★ ★ ★ ☆ ☆	79,691	1	Jul-2018	May-2019	- -
26 242 Live Oak Ave	★ ★ ★ ☆ ☆	75,807	1	Aug-2018	Sep-2019	- RSG
27 Bldg 17 3861 Worsham Ave	★ ★ ★ ☆ ☆	74,723	1	Oct-2018	Aug-2019	- Urbana Development
28 14013 Marquardt Ave	★ ★ ★ ☆ ☆	71,743	1	Apr-2018	May-2019	- -



Transaction activity remains extremely busy in the LA industrial market. Sales volume in 2018 surpassed \$5.4 billion—about 7% of the nation's volume. Outsized rent growth in LA's industrial market has led to increased liquidity, driving rapid cap rate compression and price gains. Investors in the market have been motivated by a multitude of reasons exemplified in some of the largest recent transactions.

Expansion is one motivating factor for recent sales. For example, Kite Pharma purchased a 160,000 SF flex building in Santa Monica for \$130 million (\$815/SF) from Agensys in April 2018. Gilead Sciences, the parent company of Kite Pharma, has been expanding throughout the world, and Kite Pharma will occupy the entire three-story building, which is located near its Santa Monica headquarters. The price paid for this facility is a record high for the market for a building this size, and continued expansion of the biotech industry in LA could bode well for other flex properties.

Another motivating factor is the ability to secure a tenant. For example, Morgan Stanley purchased a new 500,000 SF distribution center in Torrance for \$102 million (\$200/SF), sold and developed by Bridge Development Partners. Morgan Stanley valued the asset's prime location near the ports. While the property was vacant at the time of sale, Morgan Stanley was able to secure Nordstrom as a tenant soon after closing.

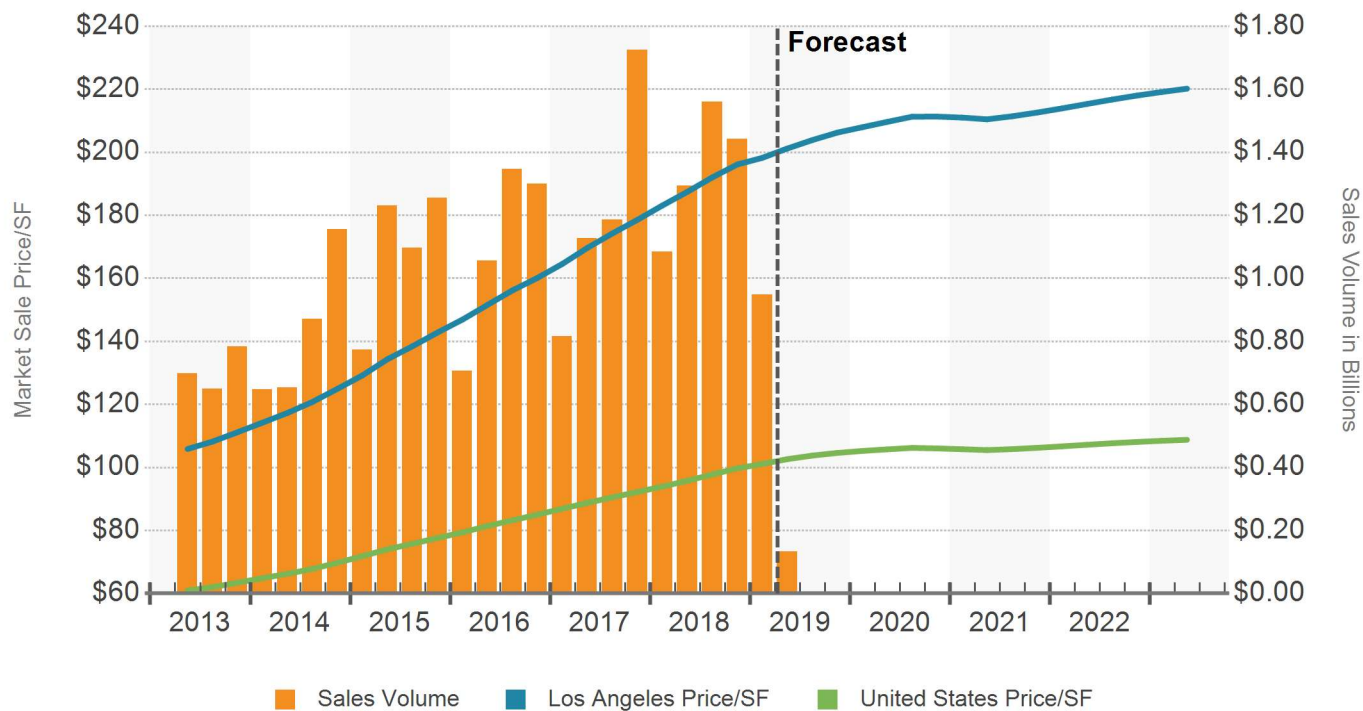
One unique sale involves a 94,000 SF warehouse in El

Segundo. NantHealth purchased the warehouse for \$50 million (\$531/SF). NantHealth is affiliated with the LA Times, who recently moved its operations to the neighboring building. While redevelopment efforts have not been disclosed, the high price for this building signals that it will likely no longer be used as a warehouse.

A more common motivation involves steady cash flow. Rexford Industrial, for example, purchased a 700,000 SF distribution building in Commerce for \$121 million (\$174/SF), sold and occupied by Supervalu. Supervalu, a high-quality and credit tenant, has the building leased for the next 20 years on a triple-net basis.

Acquiring aging industrial assets in LA to redevelop for multifamily or creative office use has also been a popular investor strategy this cycle. The Healthcare of Ontario Pension Plan implemented that strategy when it purchased a six-property portfolio Downtown for \$328.1 million in June 2017. Of the properties involved, two are mature industrial buildings that are being repurposed into a mixed-use development known as ROW DTLA. Upon completion, ROW will feature more than 1.4 million SF of creative office and retail space. Similarly, in 2016 the Harridge Development Group acquired the LA Times Olympic printing plant in Central LA for \$120 million (at a 3.5% cap rate). The facility is leased to the Times through 2023 and is in Downtown's burgeoning Arts District. More of these sales, but in smaller scale, are prevalent in the Westside Submarket.

### SALES VOLUME & MARKET SALE PRICE PER SF



# Sales Past 12 Months

Los Angeles Industrial

Sale Comparables

**1,787**

Avg. Cap Rate

**5.0%**

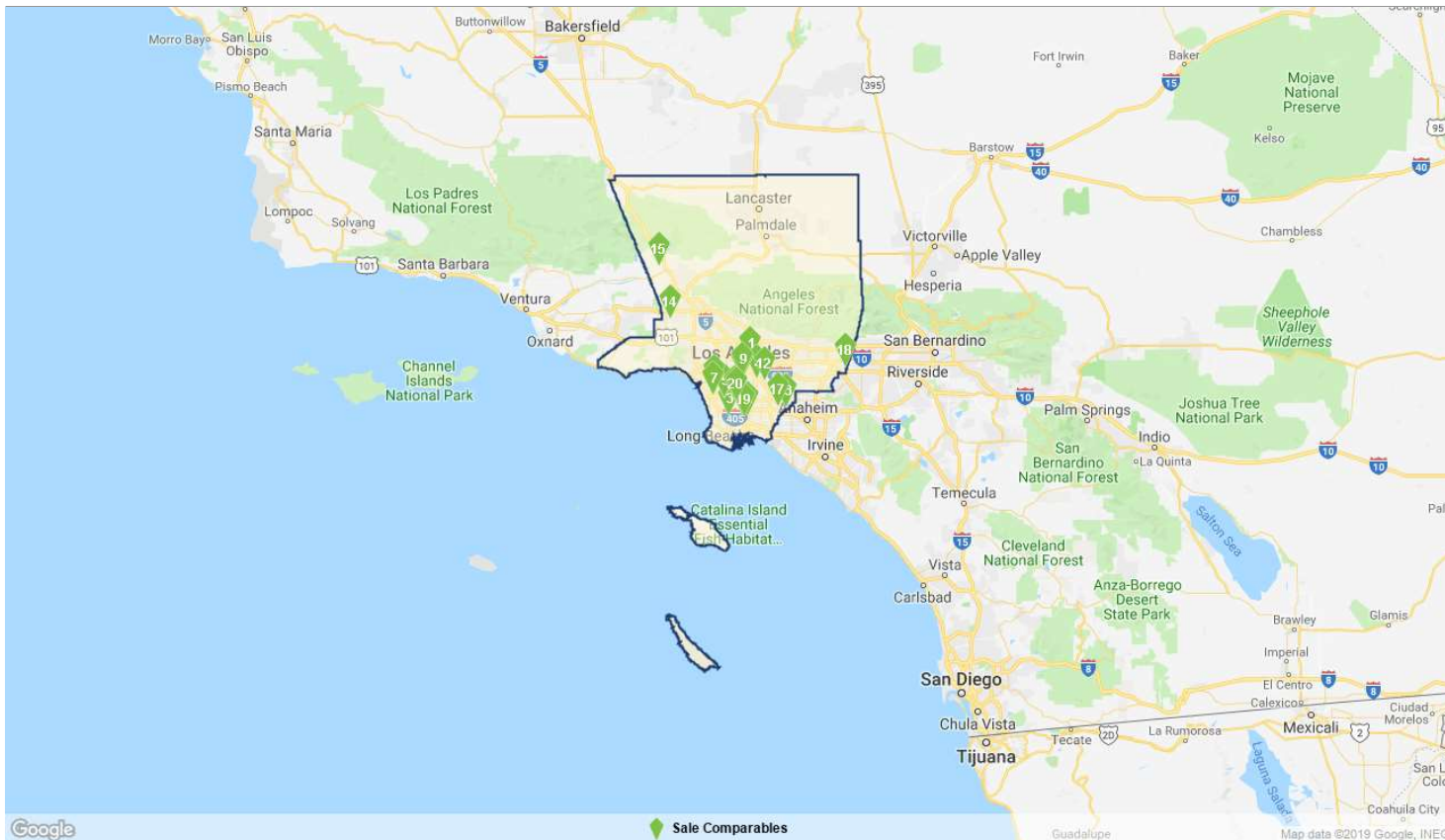
Avg. Price/SF

**\$193**

Avg. Vacancy At Sale

**8.1%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$184,204	\$5,458,402	\$2,500,000	\$165,660,000
Price Per SF	\$11	\$193	\$206	\$6,796
Cap Rate	1.3%	5.0%	4.8%	13.9%
Time Since Sale in Months	0.0	6.2	6.3	12.0
Property Attributes	Low	Average	Median	High
Building SF	162	22,086	8,955	2,117,123
Ceiling Height	8'	16'6"	15'8"	45'
Docks	0	3	0	280
Vacancy Rate At Sale	0%	8.1%	0%	100%
Year Built	1799	1965	1965	2018
Star Rating	★☆☆☆☆	★☆☆☆☆ 1.8	★★★☆☆	★★★★★



# Sales Past 12 Months

Los Angeles Industrial

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale				
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate	
1 3880 N Mission Rd	★★★★☆	1954	2,117,123	0%	12/18/2018	\$165,660,000	\$78	-	
2 United Natural Foods 5300 Sheila St	★★★★☆	1978	695,120	0%	5/9/2018	\$121,000,000	\$174	-	
3 Bridge Point South Bay 20333 Normandie Ave	★★★★☆	2018	512,490	100%	4/12/2018	\$102,500,000	\$200	5.1%	
4 Bldg 6 2815 W El Segundo Blvd	★★★★☆	2004	215,411	0%	8/22/2018	\$92,152,204	\$428	4.6%	
5 Bldg 5 2805 W El Segundo Blvd	★★★★★	2004	160,987	0%	8/22/2018	\$68,869,774	\$428	4.6%	
6 901 Hillcrest Blvd	★★★★☆	1994	121,454	0%	8/22/2018	\$51,957,671	\$428	4.6%	
7 2310 E Imperial Ave	★★★★☆	1999	93,800	0%	7/6/2018	\$49,787,000	\$531	-	
8 2200 E 55th St	★★★★☆	2011	286,416	0%	9/21/2018	\$48,610,534	\$170	-	
9 Sheffield Chair Company 2100 E 38th St	★★★★☆	1977	264,000	0%	9/21/2018	\$46,433,114	\$176	-	
10 20488-20490 Reeves Ave	★★★★☆	1983	180,068	0%	11/30/2018	\$42,368,056	\$235	-	
11 2910-2960 Pacific Comm...	★★★★☆	1988	150,000	0%	4/4/2019	\$38,444,921	\$256	5.1%	
12 1 Minson Way	★★★☆☆	1956	282,000	0%	11/15/2018	\$38,295,000	\$136	-	
13 14585-14589 Industry Cir	★★★★☆	1967	203,850	100%	11/30/2018	\$38,001,544	\$186	-	
14 20730 Prairie St	★★★★☆	1975	222,335	0%	12/28/2018	\$37,000,000	\$166	-	
15 IAC Commerce Center, B... 29125 Avenue Valley View	★★★★★	2017	187,540	0%	2/5/2019	\$37,000,000	\$197	-	
16 13344 S Main St	★★★★☆	1973	256,000	0%	10/15/2018	\$36,510,000	\$143	-	
17 12928-12958 Midway Pl	★★★★☆	1980	161,650	0%	4/4/2019	\$34,092,007	\$211	5.1%	
18 1400 E Phillips Blvd	★★★☆☆	-	49,795	0%	1/9/2019	\$32,026,500	\$643	5.2%	
19 RREEF Carson/ Del Amo... 20444 Reeves Ave	★★★★☆	1984	131,289	0%	11/30/2018	\$30,890,884	\$235	-	
20 1420 N Mckinley Ave	★★★★★	2017	136,685	100%	6/13/2018	\$30,000,000	\$219	4.6%	





LA's labor market has been extremely tight since mid-2016, with the unemployment rate currently standing near 4.5%—creating challenges for many firms trying to expand. The prohibitive cost of housing is a chronic problem for the metro and it's driving lower-income households east, to places like the Inland Empire and Phoenix. Yet LA remains an entry point for international migration, which helps offset the domestic population loss. The steady flow of international arrivals coupled with natural population growth is enough to keep Los Angeles growing, albeit very slowly. The metro averaged 0.5% annual population growth rate over the last ten years. LA is also an attractive destination for younger tech, entertainment, and professional workers—which often fall into the HENRY category (high earners, not rich yet)—a demographic that reliably drives apartment demand.

After years of subpar wage growth from 2010 to 2014 (average 1.8%), LA County's wages began to accelerate in 2015 and continued to expand in 2018, with average four-quarter wage growing by 3.8% in 18Q2 from 17Q2, compared to 2.6% in the nation. Competition for a dwindling pool of skilled workers should boost wages as well. Businesses in the cities of LA, Santa Monica, Pasadena, and unincorporated portions of the county will see an increase in the minimum wage over the next three years that will outpace the statewide mandate. Wage growth has been translating into income growth, as the annual median household income is about \$65,200. While income has hardly kept up with the growth of home prices, it has spurred growth in online spending, at dining establishments and, to a lesser extent, at traditional retail stores.

The population's rate of educational attainment may make it more challenging for businesses looking for highly skilled, tech-savvy workers. Only 30% of residents hold a bachelor's degree, compared to 40% in the largest 10 metros across the nation. But this proportion is growing. While recent job growth has favored many lower-paying sectors, such as health services and leisure and hospitality, businesses across many sectors have been transitioning to a higher proportion of high-skilled occupations. Computer and mathematical occupations, such as software developers and engineers, are among the most in-demand occupations based on both employment and wage growth in recent years. Much of the hiring for these workers is happening in the Westside submarkets synonymous with Silicon Beach, where companies like Hulu, Snapchat, and Electronic Arts have major operations and startup activity is prevalent.

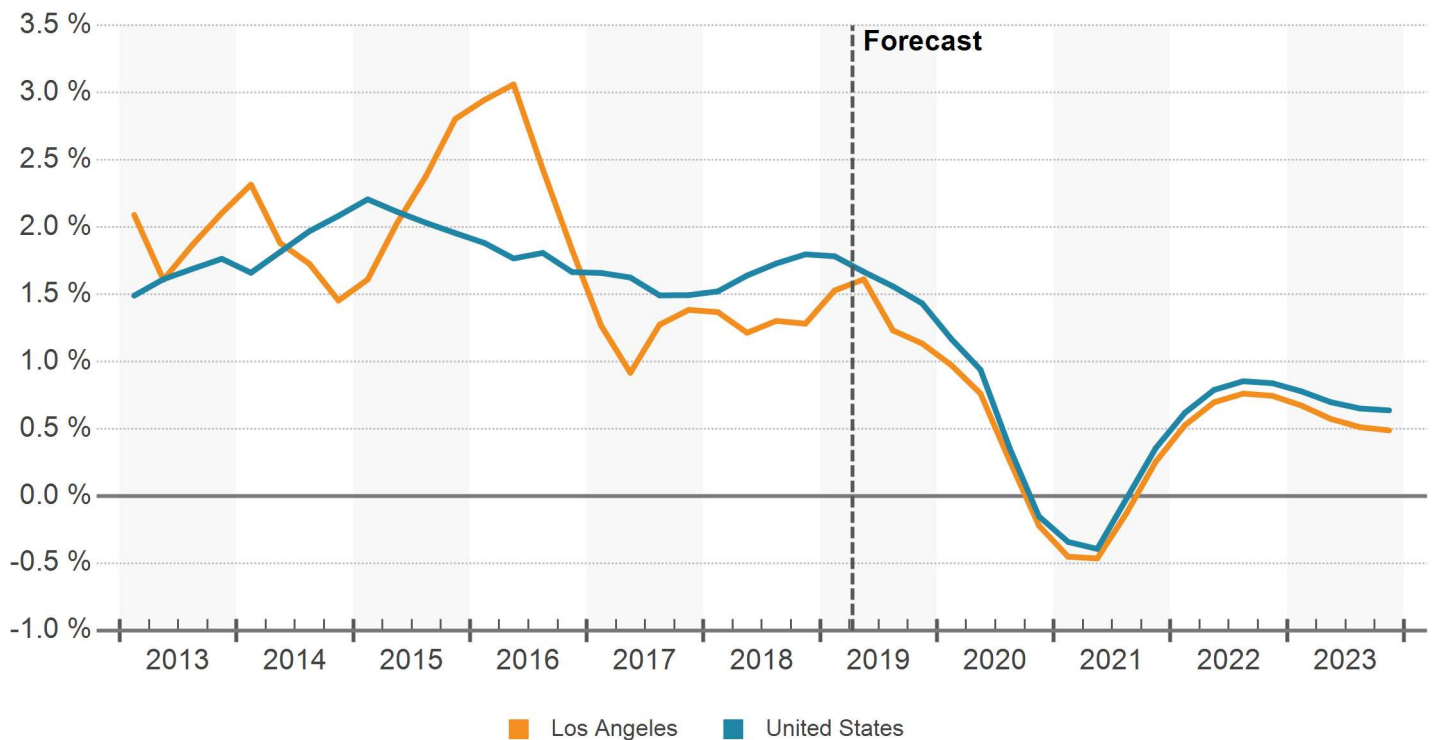
Logistics and transportation companies are not exempt from difficulties in finding highly skilled workers. In LA County, where warehouse space is generally more expensive than in neighboring Inland Empire, stacking is much more important and that encourages newer high-tech capital like robotics and skilled workers that can utilize warehouse management systems. Furthermore, demand for these workers and warehouse space will continue to rise as the rate of goods entering and exiting through the twin ports of LA continues to grow. Loaded TEU's reached an all-time high in 2018. However, uncertainty in trade negotiations between the United States and its major trading partners could negatively impact trade flows.

### LOS ANGELES EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	350	908.0	0.21%	1.66%	-1.56%	0.40%	-1.39%	-1.45%
Trade, Transportation and Utilities	844	1005.5	0.47%	1.10%	1.05%	0.99%	0.08%	0.15%
Retail Trade	421	880.8	0.15%	0.21%	0.66%	0.77%	0.13%	0.19%
Financial Activities	224	861.3	1.14%	1.39%	0.05%	0.84%	0.61%	0.64%
Government	585	863.3	0.22%	0.52%	-0.33%	-0.03%	0.52%	0.55%
Natural Resources, Mining and Construction	145	593.2	0.73%	4.31%	1.26%	1.32%	1.06%	1.04%
Education and Health Services	818	1131.8	1.52%	2.17%	2.11%	2.10%	0.95%	0.97%
Professional and Business Services	640	994.3	2.92%	2.72%	1.77%	2.37%	0.85%	1.20%
Information	218	2558.7	2.48%	0.31%	1.16%	-0.14%	-0.09%	0.00%
Leisure and Hospitality	559	1115.4	3.42%	2.42%	3.67%	2.36%	0.75%	1.02%
Other Services	157	886.2	3.41%	1.33%	1.14%	0.87%	0.11%	0.20%
<b>Total Employment</b>	<b>4,541</b>	<b>1.0</b>	<b>1.54%</b>	<b>1.77%</b>	<b>1.15%</b>	<b>1.26%</b>	<b>0.43%</b>	<b>0.56%</b>

Source: Moody's Analytics  
LQ = Location Quotient

### YEAR OVER YEAR JOB GROWTH



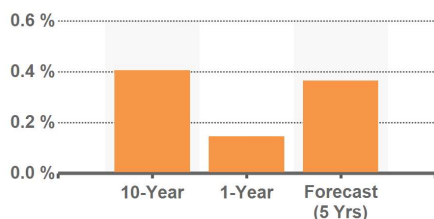
Source: Moody's Analytics

### DEMOGRAPHIC TRENDS

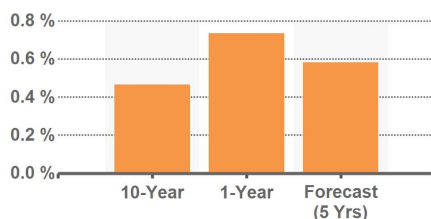
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	10,180,206	328,735,344	0.1%	0.6%	0.4%	0.7%	0.4%	0.6%
Households	3,456,111	126,754,789	0.8%	1.1%	0.6%	0.8%	0.9%	1.0%
Median Household Income	\$68,968	\$64,326	3.5%	3.7%	2.0%	2.3%	3.4%	2.8%
Labor Force	5,180,742	163,307	0.7%	1.1%	0.5%	0.6%	0.6%	0.8%
Unemployment	4.7%	3.8%	0.2%	-0.2%	-0.6%	-0.5%	-	-

Source: Moody's Analytics

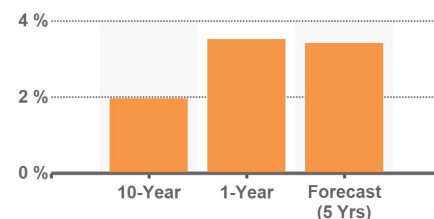
#### POPULATION GROWTH



#### LABOR FORCE GROWTH

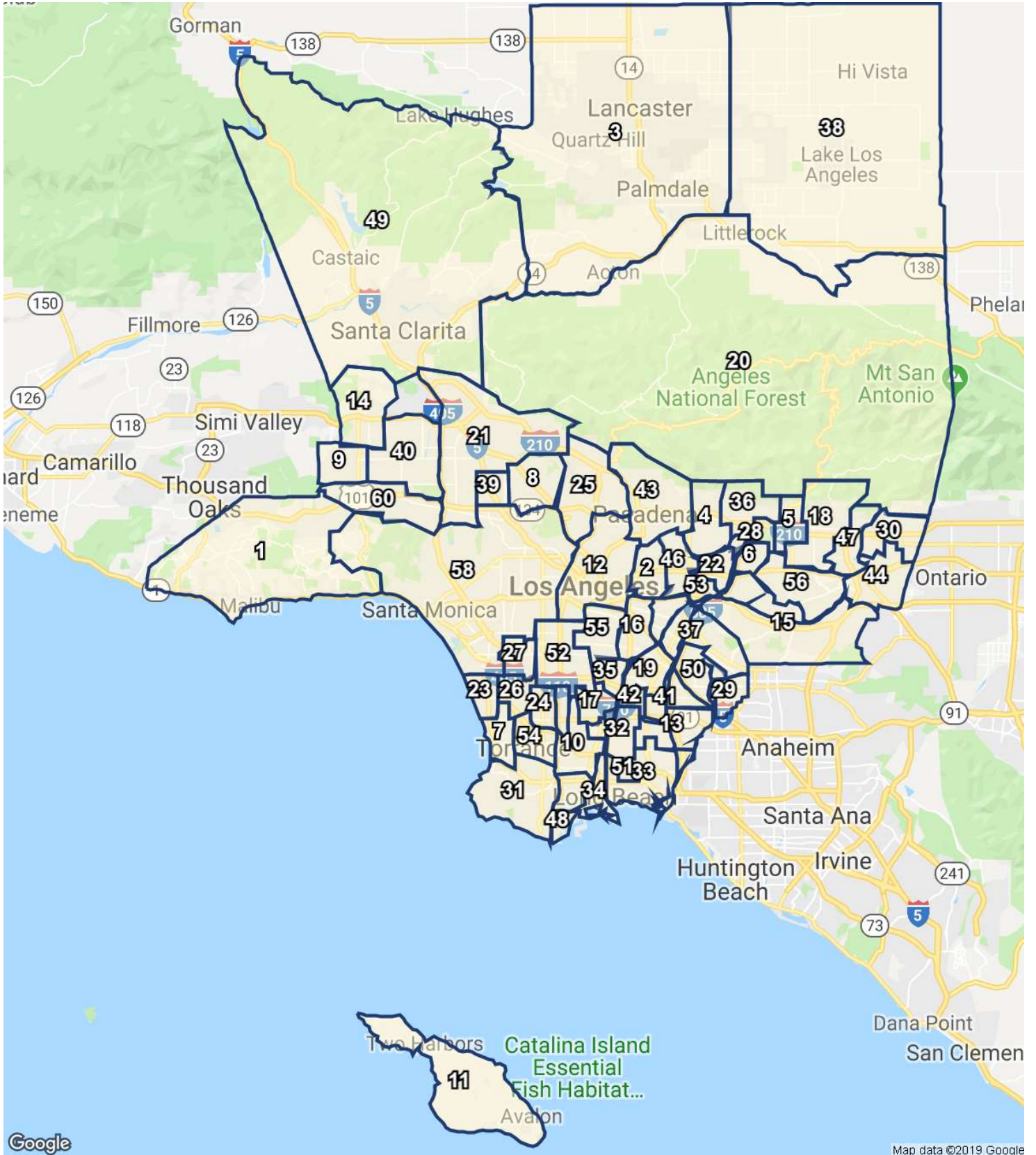


#### INCOME GROWTH



Source: Moody's Analytics

### LOS ANGELES SUBMARKETS



# Submarkets

Los Angeles Industrial

## SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Agoura Hills/Westlake Vill...	138	3,515	0.4%	48	0	0	0%	-	0	-	-	-
2	Alhambra	292	4,602	0.5%	45	0	0	0%	-	1	123	2.7%	9
3	Antelope Valley	428	10,408	1.1%	25	1	17	0.2%	15	1	43	0.4%	15
4	Arcadia/Temple City	179	2,017	0.2%	55	0	0	0%	-	0	-	-	-
5	Azusa	349	8,468	0.9%	29	0	0	0%	-	1	146	1.7%	8
6	Baldwin Park	333	4,809	0.5%	44	0	0	0%	-	0	-	-	-
7	Beach Cities	95	2,996	0.3%	54	0	0	0%	-	0	-	-	-
8	Burbank	1,137	15,112	1.6%	19	0	0	0%	-	0	-	-	-
9	Canoga Park	370	5,969	0.6%	38	0	0	0%	-	0	-	-	-
10	Carson	565	38,545	4.1%	7	0	0	0%	-	1	412	1.1%	4
11	Catalina Island	1	2	0%	59	0	0	0%	-	0	-	-	-
12	Central Los Angeles	4,352	78,022	8.4%	3	1	18	0%	14	1	203	0.3%	6
13	Cerritos/Lakewood	365	14,414	1.6%	20	1	71	0.5%	9	0	-	-	-
14	Chatsworth	650	19,777	2.1%	14	0	0	0%	-	0	-	-	-
15	City of Industry	1,423	83,074	8.9%	1	10	885	1.1%	1	0	-	-	-
16	Commerce	990	48,898	5.3%	5	0	0	0%	-	0	-	-	-
17	Compton	357	16,701	1.8%	17	0	0	0%	-	0	-	-	-
18	Covina/Glendora	288	3,422	0.4%	51	0	0	0%	-	3	85	2.5%	14
19	Downey	304	7,570	0.8%	33	0	0	0%	-	0	-	-	-
20	East LA Cnty Outlying	4	28	0%	58	0	0	0%	-	0	-	-	-
21	East San Ferndo Vily	2,491	47,708	5.1%	6	1	26	0.1%	13	1	16	0%	17
22	El Monte	429	8,290	0.9%	30	3	93	1.1%	7	4	1,028	12.4%	1
23	El Segundo	286	10,671	1.1%	24	0	0	0%	-	0	-	-	-
24	Gardena	688	11,202	1.2%	23	1	36	0.3%	12	0	-	-	-
25	Glendale	679	10,008	1.1%	27	0	0	0%	-	0	-	-	-
26	Hawthorne	351	9,177	1.0%	28	0	0	0%	-	0	-	-	-
27	Inglewood	321	5,112	0.5%	42	0	0	0%	-	0	-	-	-
28	Irwindale	253	10,055	1.1%	26	0	0	0%	-	2	155	1.5%	7
29	La Mirada	208	13,567	1.5%	21	1	419	3.1%	4	0	-	-	-
30	La Verne/Claremont	176	4,090	0.4%	46	0	0	0%	-	0	-	-	-
31	Lomita/Rolling Hills	294	7,624	0.8%	32	0	0	0%	-	0	-	-	-
32	Long Beach North	311	7,087	0.8%	37	0	0	0%	-	0	-	-	-
33	Long Beach SE	333	8,204	0.9%	31	0	0	0%	-	7	817	10.0%	3
34	Long Beach SW	468	5,063	0.5%	43	0	0	0%	-	0	-	-	-
35	Lynwood	205	5,864	0.6%	39	0	0	0%	-	0	-	-	-
36	Monrovia/Duarte	355	5,409	0.6%	40	0	0	0%	-	0	-	-	-
37	Montebello/Whittier	723	27,694	3.0%	8	0	0	0%	-	1	119	0.4%	10
38	NE LA Cnty Outlying	1	2	0%	60	0	0	0%	-	0	-	-	-
39	North Hollywood	461	7,311	0.8%	35	0	0	0%	-	0	-	-	-
40	Northridge	888	17,886	1.9%	16	0	0	0%	-	0	-	-	-
41	Norwalk/Bellflower	224	7,233	0.8%	36	0	0	0%	-	0	-	-	-
42	Paramount	371	7,426	0.8%	34	0	0	0%	-	0	-	-	-



### SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
43	Pasadena	267	3,475	0.4%	49	0	0	0%	-	0	-	-	-
44	Pomona	767	20,262	2.2%	13	1	74	0.4%	8	0	-	-	-
45	Rancho Dominguez	316	20,341	2.2%	12	0	0	0%	-	0	-	-	-
46	Rosemead/San Gabriel	184	3,431	0.4%	50	0	0	0%	-	0	-	-	-
47	San Dimas	162	3,572	0.4%	47	0	0	0%	-	0	-	-	-
48	San Pedro	50	1,632	0.2%	57	0	0	0%	-	0	-	-	-
49	Santa Clarita Valley	676	23,503	2.5%	11	0	0	0%	-	7	852	3.6%	2
50	Santa Fe Springs	1,649	54,197	5.8%	4	2	593	1.1%	2	2	89	0.2%	13
51	Signal Hill	349	5,211	0.6%	41	0	0	0%	-	0	-	-	-
52	South Central LA	639	15,945	1.7%	18	0	0	0%	-	1	95	0.6%	12
53	South El Monte	1,060	11,695	1.3%	22	1	53	0.5%	11	0	-	-	-
54	Torrance	683	26,262	2.8%	9	1	451	1.7%	3	1	35	0.1%	16
55	Vernon	2,246	81,862	8.8%	2	3	413	0.5%	5	2	346	0.4%	5
56	West Covina/Walnut	150	3,384	0.4%	52	2	63	1.9%	10	0	-	-	-
57	West Rancho Dominguez	999	25,336	2.7%	10	1	128	0.5%	6	1	112	0.4%	11
58	Westside	1,194	19,551	2.1%	15	0	0	0%	-	0	-	-	-
59	Wilmington	207	3,259	0.4%	53	0	0	0%	-	0	-	-	-
60	Woodland Hills/Tarzana	58	1,876	0.2%	56	0	0	0%	-	0	-	-	-

### SUBMARKET RENT

No.	Submarket	Asking Rent		12 Month Asking Rent		Annualized Quarterly Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Agoura Hills/Westlake Vill...	\$23.68	2	4.0%	57	-6.4%	45
2	Alhambra	\$13.20	28	4.9%	26	-5.7%	16
3	Antelope Valley	\$10.86	50	4.5%	53	-5.3%	5
4	Arcadia/Temple City	\$14.90	16	5.2%	9	-6.7%	57
5	Azusa	\$12.04	40	4.5%	54	-6.0%	29
6	Baldwin Park	\$12.58	34	4.8%	32	-6.0%	28
7	Beach Cities	\$20.37	5	5.4%	2	-5.8%	24
8	Burbank	\$18.48	7	4.9%	27	-6.4%	49
9	Canoga Park	\$15.02	15	4.7%	40	-5.7%	14
10	Carson	\$11.50	44	5.6%	1	-6.5%	52
11	Catalina Island	\$14.73	18	5.3%	4	-6.2%	37
12	Central Los Angeles	\$16.23	10	4.6%	46	-5.8%	22
13	Cerritos/Lakewood	\$10.58	54	5.0%	21	-5.8%	19
14	Chatsworth	\$13.69	24	5.2%	6	0.7%	2
15	City of Industry	\$10.95	49	5.2%	8	-5.8%	18
16	Commerce	\$10.33	57	4.8%	29	-6.1%	30
17	Compton	\$10.56	55	5.2%	7	-6.6%	53
18	Covina/Glendora	\$12.86	30	4.8%	38	-5.6%	10
19	Downey	\$11.06	47	4.7%	41	-6.3%	42
20	East LA Cnty Outlying	\$15.39	12	5.1%	16	-5.8%	17
21	East San Ferndo Vily	\$14.12	22	5.0%	24	-6.2%	35
22	El Monte	\$12.44	35	4.7%	43	-5.4%	7
23	El Segundo	\$20.87	4	4.4%	56	-6.4%	43
24	Gardena	\$11.62	43	4.8%	30	-5.8%	23
25	Glendale	\$16.64	9	4.8%	37	-6.0%	26
26	Hawthorne	\$13.73	23	5.2%	5	-6.6%	54
27	Inglewood	\$16.91	8	4.8%	31	-5.8%	20
28	Irwindale	\$11.02	48	5.0%	18	-6.4%	44
29	La Mirada	\$10.07	58	5.1%	15	-6.2%	36
30	La Verne/Claremont	\$12.32	37	5.0%	23	-5.6%	8
31	Lomita/Rolling Hills	\$14.15	21	5.1%	17	-6.4%	47
32	Long Beach North	\$13.20	27	3.5%	59	-5.6%	12
33	Long Beach SE	\$12.77	31	4.5%	51	-5.6%	13
34	Long Beach SW	\$15.11	14	4.5%	55	-6.1%	33
35	Lynwood	\$9.96	59	5.0%	20	-6.3%	40
36	Monrovia/Duarte	\$14.38	20	4.8%	35	-6.0%	27
37	Montebello/Whittier	\$10.49	56	4.6%	47	-6.3%	39
38	NE LA Cnty Outlying	\$14.73	17	5.3%	3	-6.2%	38
39	North Hollywood	\$14.58	19	4.5%	52	-6.3%	41
40	Northridge	\$15.85	11	4.7%	44	-7.0%	58
41	Norwalk/Bellflower	\$11.83	42	5.1%	13	-6.5%	51
42	Paramount	\$11.95	41	5.1%	11	-6.4%	50



### SUBMARKET RENT

No.	Submarket	Asking Rent		12 Month Asking Rent		Annualized Quarterly Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
43	Pasadena	\$21.42	3	3.2%	60	-5.3%	6
44	Pomona	\$9.77	60	5.1%	12	-6.4%	48
45	Rancho Dominguez	\$10.67	53	5.1%	14	-7.4%	59
46	Rosemead/San Gabriel	\$12.75	32	4.6%	48	-5.9%	25
47	San Dimas	\$12.43	36	5.0%	19	-5.7%	15
48	San Pedro	\$13.41	25	4.7%	39	-6.4%	46
49	Santa Clarita Valley	\$12.60	33	4.9%	28	-5.8%	21
50	Santa Fe Springs	\$11.11	45	4.8%	33	-6.6%	55
51	Signal Hill	\$15.29	13	4.9%	25	-6.1%	31
52	South Central LA	\$10.77	51	4.6%	49	-6.1%	34
53	South El Monte	\$12.28	38	4.8%	36	-5.6%	9
54	Torrance	\$13.13	29	5.1%	10	-4.6%	4
55	Vernon	\$10.76	52	4.7%	42	-6.1%	32
56	West Covina/Walnut	\$13.40	26	4.8%	34	0.4%	3
57	West Rancho Dominguez	\$11.10	46	5.0%	22	-6.6%	56
58	Westside	\$27.64	1	4.7%	45	-5.6%	11
59	Wilmington	\$12.20	39	3.8%	58	7.1%	1
60	Woodland Hills/Tarzana	\$19.82	6	4.5%	50	-8.4%	60



### SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	Agoura Hills/Westlake Vill...	112,829	3.2%	45	(31,543)	-0.9%	40	-
2	Alhambra	71,471	1.6%	22	4,167	0.1%	26	-
3	Antelope Valley	223,613	2.1%	30	(36,815)	-0.4%	43	-
4	Arcadia/Temple City	83,586	4.1%	52	(62,504)	-3.1%	47	-
5	Azusa	242,832	2.9%	37	(15,694)	-0.2%	35	-
6	Baldwin Park	74,531	1.5%	21	158,382	3.3%	9	-
7	Beach Cities	17,299	0.6%	2	4,349	0.1%	25	-
8	Burbank	157,256	1.0%	9	73,059	0.5%	17	-
9	Canoga Park	203,151	3.4%	48	(96,790)	-1.6%	51	-
10	Carson	367,437	1.0%	5	98,783	0.3%	14	-
11	Catalina Island	-	-	-	0	0%	-	-
12	Central Los Angeles	3,204,654	4.1%	51	(1,074,039)	-1.4%	59	-
13	Cerritos/Lakewood	449,320	3.1%	41	27,270	0.2%	19	2.6
14	Chatsworth	619,250	3.1%	42	180,848	0.9%	7	-
15	City of Industry	1,954,042	2.4%	35	897,800	1.1%	1	0.6
16	Commerce	922,893	1.9%	27	(327,466)	-0.7%	57	-
17	Compton	220,202	1.3%	15	(102,473)	-0.6%	52	-
18	Covina/Glendora	62,831	1.8%	26	(10,085)	-0.3%	33	-
19	Downey	78,326	1.0%	8	78,244	1.0%	16	-
20	East LA Cnty Outlying	-	-	-	5,565	20.1%	24	-
21	East San Ferndo Villy	553,405	1.2%	11	(34,599)	-0.1%	41	-
22	El Monte	361,820	4.4%	53	(1,117,803)	-13.5%	60	-
23	El Segundo	562,829	5.3%	55	118,773	1.1%	12	-
24	Gardena	372,215	3.3%	47	(95,764)	-0.9%	49	-
25	Glendale	183,256	1.8%	25	7,000	0.1%	23	-
26	Hawthorne	199,243	2.2%	31	(165,337)	-1.8%	53	-
27	Inglewood	152,759	3.0%	38	(71,289)	-1.4%	48	-
28	Irwindale	156,950	1.6%	23	467,935	4.7%	5	-
29	La Mirada	132,110	1.0%	6	562,973	4.1%	3	-
30	La Verne/Claremont	53,219	1.3%	13	72	0%	27	-
31	Lomita/Rolling Hills	56,373	0.7%	3	(12,536)	-0.2%	34	-
32	Long Beach North	159,725	2.3%	34	20,915	0.3%	21	-
33	Long Beach SE	255,223	3.1%	40	148,673	1.8%	10	-
34	Long Beach SW	161,950	3.2%	44	(36,468)	-0.7%	42	-
35	Lynwood	15,700	0.3%	1	(3,827)	-0.1%	30	-
36	Monrovia/Duarte	81,596	1.5%	20	11,989	0.2%	22	-
37	Montebello/Whittier	542,669	2.0%	28	43,828	0.2%	18	-
38	NE LA Cnty Outlying	-	-	-	0	0%	-	-
39	North Hollywood	90,535	1.2%	12	(39,781)	-0.5%	45	-
40	Northridge	309,994	1.7%	24	(192,206)	-1.1%	54	-
41	Norwalk/Bellflower	71,957	1.0%	7	96,609	1.3%	15	-
42	Paramount	106,153	1.4%	17	(17,472)	-0.2%	37	-



### SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
43	Pasadena	221,973	6.4%	57	(38,338)	-1.1%	44	-
44	Pomona	224,223	1.1%	10	121,675	0.6%	11	0.6
45	Rancho Dominguez	644,912	3.2%	43	(24,638)	-0.1%	38	-
46	Rosemead/San Gabriel	48,136	1.4%	16	(4,326)	-0.1%	31	-
47	San Dimas	78,781	2.2%	32	(43,596)	-1.2%	46	-
48	San Pedro	12,242	0.8%	4	(6,358)	-0.4%	32	-
49	Santa Clarita Valley	1,046,373	4.5%	54	229,273	1.0%	6	-
50	Santa Fe Springs	1,210,923	2.2%	33	857,649	1.6%	2	0.6
51	Signal Hill	68,598	1.3%	14	(15,814)	-0.3%	36	-
52	South Central LA	238,473	1.5%	19	164,075	1.0%	8	0
53	South El Monte	170,655	1.5%	18	25,692	0.2%	20	2.1
54	Torrance	551,628	2.1%	29	488,602	1.9%	4	-
55	Vernon	2,654,676	3.2%	46	(1,013,719)	-1.2%	58	-
56	West Covina/Walnut	85,569	2.5%	36	112,174	3.3%	13	0.4
57	West Rancho Dominguez	763,062	3.0%	39	(244,444)	-1.0%	55	-
58	Westside	775,854	4.0%	50	(291,804)	-1.5%	56	-
59	Wilmington	113,931	3.5%	49	(29,675)	-0.9%	39	-
60	Woodland Hills/Tarzana	115,869	6.2%	56	(95,994)	-5.1%	50	-

### OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	941,870,285	1,981,572	0.2%	2,000,458	0.2%	1.0
2022	939,888,713	1,684,313	0.2%	1,248,618	0.1%	1.3
2021	938,204,400	2,007,591	0.2%	1,007,620	0.1%	2.0
2020	936,196,809	2,922,509	0.3%	828,050	0.1%	3.5
2019	933,274,300	2,775,907	0.3%	1,902,747	0.2%	1.5
YTD	929,828,070	(670,323)	-0.1%	(1,218,289)	-0.1%	-
2018	930,498,393	1,909,236	0.2%	(491,025)	-0.1%	-
2017	928,589,157	4,389,351	0.5%	6,066,423	0.7%	0.7
2016	924,199,806	229,599	0%	876,596	0.1%	0.3
2015	923,970,207	1,589,703	0.2%	8,418,216	0.9%	0.2
2014	922,380,504	752,695	0.1%	13,046,954	1.4%	0.1
2013	921,627,809	1,255,551	0.1%	5,663,427	0.6%	0.2
2012	920,372,258	(1,151,684)	-0.1%	2,119,186	0.2%	-
2011	921,523,942	(1,321,717)	-0.1%	267,310	0%	-
2010	922,845,659	(1,829,651)	-0.2%	(3,083,420)	-0.3%	-
2009	924,675,310	335,712	0%	(7,941,991)	-0.9%	-
2008	924,339,598	1,672,655	0.2%	(9,755,454)	-1.1%	-
2007	922,666,943	1,620,935	0.2%	648,283	0.1%	2.5

### SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	253,824,094	62,288	0%	(99,435)	0%	-
2022	253,761,806	53,461	0%	(256,397)	-0.1%	-
2021	253,708,345	63,800	0%	(349,263)	-0.1%	-
2020	253,644,545	63,144	0%	(454,654)	-0.2%	-
2019	253,581,401	(38,592)	0%	5,860	0%	-
YTD	253,447,483	(172,510)	-0.1%	(396,766)	-0.2%	-
2018	253,619,993	(996,059)	-0.4%	(1,269,784)	-0.5%	-
2017	254,616,052	26,986	0%	1,128,538	0.4%	0
2016	254,589,066	(1,228,822)	-0.5%	(864,518)	-0.3%	-
2015	255,817,888	244,479	0.1%	543,989	0.2%	0.4
2014	255,573,409	(70,498)	0%	3,263,043	1.3%	-
2013	255,643,907	(168,327)	-0.1%	1,924,732	0.8%	-
2012	255,812,234	(1,364,032)	-0.5%	(2,482,652)	-1.0%	-
2011	257,176,266	(671,091)	-0.3%	(239,448)	-0.1%	-
2010	257,847,357	(137,437)	-0.1%	(426,288)	-0.2%	-
2009	257,984,794	(12,897)	0%	(1,075,829)	-0.4%	-
2008	257,997,691	183,767	0.1%	(2,618,881)	-1.0%	-
2007	257,813,924	(1,310,465)	-0.5%	(1,776,982)	-0.7%	-

### LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	629,631,816	1,916,602	0.3%	2,024,031	0.3%	0.9
2022	627,715,214	1,628,560	0.3%	1,463,438	0.2%	1.1
2021	626,086,654	1,941,044	0.3%	1,336,413	0.2%	1.5
2020	624,145,610	2,856,624	0.5%	1,277,722	0.2%	2.2
2019	621,288,986	2,819,855	0.5%	2,120,827	0.3%	1.3
YTD	617,976,318	(492,813)	-0.1%	(425,212)	-0.1%	-
2018	618,469,131	3,087,590	0.5%	1,404,351	0.2%	2.2
2017	615,381,541	4,005,520	0.7%	4,279,961	0.7%	0.9
2016	611,376,021	1,443,567	0.2%	1,572,549	0.3%	0.9
2015	609,932,454	1,535,953	0.3%	7,873,761	1.3%	0.2
2014	608,396,501	786,954	0.1%	8,882,502	1.5%	0.1
2013	607,609,547	1,225,197	0.2%	3,526,548	0.6%	0.3
2012	606,384,350	230,693	0%	5,198,717	0.9%	0
2011	606,153,657	(359,022)	-0.1%	(108,940)	0%	-
2010	606,512,679	(1,665,571)	-0.3%	(2,309,333)	-0.4%	-
2009	608,178,250	833,144	0.1%	(5,858,504)	-1.0%	-
2008	607,345,106	1,615,589	0.3%	(6,760,054)	-1.1%	-
2007	605,729,517	2,681,409	0.4%	2,595,773	0.4%	1.0

### FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	58,414,375	2,682	0%	75,862	0.1%	0
2022	58,411,693	2,292	0%	41,577	0.1%	0.1
2021	58,409,401	2,747	0%	20,470	0%	0.1
2020	58,406,654	2,741	0%	4,982	0%	0.6
2019	58,403,913	(5,356)	0%	(223,940)	-0.4%	-
YTD	58,404,269	(5,000)	0%	(396,311)	-0.7%	-
2018	58,409,269	(182,295)	-0.3%	(625,592)	-1.1%	-
2017	58,591,564	356,845	0.6%	657,924	1.1%	0.5
2016	58,234,719	14,854	0%	168,565	0.3%	0.1
2015	58,219,865	(190,729)	-0.3%	466	0%	-
2014	58,410,594	36,239	0.1%	901,409	1.5%	0
2013	58,374,355	198,681	0.3%	212,147	0.4%	0.9
2012	58,175,674	(18,345)	0%	(596,879)	-1.0%	-
2011	58,194,019	(291,604)	-0.5%	615,698	1.1%	-
2010	58,485,623	(26,643)	0%	(347,799)	-0.6%	-
2009	58,512,266	(484,535)	-0.8%	(1,007,658)	-1.7%	-
2008	58,996,801	(126,701)	-0.2%	(376,519)	-0.6%	-
2007	59,123,502	249,991	0.4%	(170,508)	-0.3%	-

### OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$13.92	165	0.2%	8.9%	26,906,595	2.9%	0%
2022	\$13.90	164	0.9%	8.7%	26,903,640	2.9%	0%
2021	\$13.78	163	1.0%	7.8%	26,443,591	2.8%	0.1%
2020	\$13.64	161	2.5%	6.7%	25,412,686	2.7%	0.2%
2019	\$13.31	157	4.1%	4.1%	23,277,790	2.5%	0.1%
YTD	\$12.87	152	0.7%	0.7%	22,671,082	2.4%	0.1%
2018	\$12.78	151	6.6%	0%	22,166,095	2.4%	0.3%
2017	\$11.99	142	9.0%	-6.2%	19,758,614	2.1%	-0.2%
2016	\$11.01	130	8.6%	-13.9%	21,442,906	2.3%	-0.1%
2015	\$10.13	120	8.8%	-20.7%	22,089,903	2.4%	-0.7%
2014	\$9.31	110	7.3%	-27.2%	28,918,416	3.1%	-1.3%
2013	\$8.68	103	5.4%	-32.1%	41,212,675	4.5%	-0.5%
2012	\$8.23	97	3.4%	-35.6%	45,620,551	5.0%	-0.3%
2011	\$7.96	94	1.3%	-37.7%	48,891,421	5.3%	-0.2%
2010	\$7.86	93	-2.4%	-38.5%	50,480,448	5.5%	0.1%
2009	\$8.05	95	-4.9%	-37.1%	49,226,679	5.3%	0.9%
2008	\$8.46	100	-0.2%	-33.8%	40,948,976	4.4%	1.2%
2007	\$8.47	100	3.0%	-33.7%	29,520,867	3.2%	0.1%

### SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$13.32	160	0.2%	7.5%	6,076,226	2.4%	0.1%
2022	\$13.29	160	0.9%	7.3%	5,914,387	2.3%	0.1%
2021	\$13.17	159	0.9%	6.3%	5,603,993	2.2%	0.2%
2020	\$13.06	157	2.2%	5.3%	5,189,124	2.0%	0.2%
2019	\$12.77	154	3.1%	3.1%	4,667,367	1.8%	0%
YTD	\$12.43	150	0.2%	0.2%	4,936,094	1.9%	0.1%
2018	\$12.39	149	5.7%	0%	4,711,838	1.9%	0.1%
2017	\$11.73	141	9.1%	-5.4%	4,438,113	1.7%	-0.4%
2016	\$10.75	129	8.5%	-13.3%	5,539,665	2.2%	-0.1%
2015	\$9.91	119	8.5%	-20.1%	5,903,969	2.3%	-0.1%
2014	\$9.13	110	7.2%	-26.3%	6,203,479	2.4%	-1.3%
2013	\$8.52	103	5.7%	-31.3%	9,537,020	3.7%	-0.8%
2012	\$8.06	97	3.5%	-35.0%	11,630,079	4.5%	0.5%
2011	\$7.79	94	1.2%	-37.2%	10,511,459	4.1%	-0.2%
2010	\$7.69	93	-2.7%	-37.9%	10,943,102	4.2%	0.1%
2009	\$7.90	95	-4.8%	-36.2%	10,654,251	4.1%	0.4%
2008	\$8.30	100	-0.7%	-33.0%	9,591,319	3.7%	1.1%
2007	\$8.36	101	2.7%	-32.6%	6,788,671	2.6%	0.2%



### LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$13.41	169	0.2%	9.7%	17,748,431	2.8%	0%
2022	\$13.39	168	0.9%	9.5%	17,834,192	2.8%	0%
2021	\$13.27	167	1.0%	8.5%	17,645,346	2.8%	0.1%
2020	\$13.13	165	2.7%	7.4%	17,011,732	2.7%	0.2%
2019	\$12.79	161	4.6%	4.6%	15,396,546	2.5%	0.1%
YTD	\$12.34	155	0.9%	0.9%	14,468,388	2.3%	0%
2018	\$12.23	154	7.0%	0%	14,578,968	2.4%	0.3%
2017	\$11.43	144	9.2%	-6.6%	12,888,509	2.1%	-0.1%
2016	\$10.46	132	9.0%	-14.5%	13,170,170	2.2%	0%
2015	\$9.60	121	9.2%	-21.5%	13,299,152	2.2%	-1.0%
2014	\$8.79	111	7.6%	-28.2%	19,636,960	3.2%	-1.3%
2013	\$8.17	103	5.5%	-33.2%	27,732,508	4.6%	-0.4%
2012	\$7.74	97	3.5%	-36.7%	30,033,859	5.0%	-0.8%
2011	\$7.48	94	1.5%	-38.8%	35,001,883	5.8%	0%
2010	\$7.37	93	-2.2%	-39.8%	35,251,965	5.8%	0.1%
2009	\$7.54	95	-5.2%	-38.4%	34,608,203	5.7%	1.1%
2008	\$7.95	100	-0.2%	-35.0%	27,916,555	4.6%	1.4%
2007	\$7.96	100	2.8%	-34.9%	19,540,912	3.2%	0%

### FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$21.98	150	0%	7.9%	3,081,938	5.3%	-0.1%
2022	\$21.98	150	0.8%	7.9%	3,155,061	5.4%	-0.1%
2021	\$21.81	149	0.8%	7.1%	3,194,252	5.5%	0%
2020	\$21.63	148	2.3%	6.2%	3,211,830	5.5%	0%
2019	\$21.14	145	3.8%	3.8%	3,213,877	5.5%	0.6%
YTD	\$20.49	140	0.6%	0.6%	3,266,600	5.6%	0.7%
2018	\$20.37	139	6.0%	0%	2,875,289	4.9%	0.8%
2017	\$19.22	132	7.0%	-5.7%	2,431,992	4.2%	-0.5%
2016	\$17.96	123	6.7%	-11.8%	2,733,071	4.7%	-0.3%
2015	\$16.84	115	7.4%	-17.3%	2,886,782	5.0%	-0.3%
2014	\$15.67	107	5.9%	-23.1%	3,077,977	5.3%	-1.5%
2013	\$14.79	101	3.8%	-27.4%	3,943,147	6.8%	0%
2012	\$14.25	98	2.6%	-30.1%	3,956,613	6.8%	1.0%
2011	\$13.88	95	0.6%	-31.8%	3,378,079	5.8%	-1.5%
2010	\$13.80	94	-2.2%	-32.2%	4,285,381	7.3%	0.6%
2009	\$14.12	97	-3.4%	-30.7%	3,964,225	6.8%	0.9%
2008	\$14.61	100	1.4%	-28.3%	3,441,102	5.8%	0.4%
2007	\$14.41	99	4.2%	-29.3%	3,191,284	5.4%	0.7%



### OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$222.47	225	5.4%
2022	-	-	-	-	-	-	\$218.02	220	5.4%
2021	-	-	-	-	-	-	\$212.62	215	5.3%
2020	-	-	-	-	-	-	\$211.34	214	5.1%
2019	-	-	-	-	-	-	\$206.25	208	4.9%
YTD	396	\$1,081 M	0.8%	\$5,079,750	\$194.85	5.0%	\$198.29	200	4.8%
2018	1,753	\$5,381 M	3.9%	\$5,383,447	\$191.38	5.1%	\$196.15	198	4.8%
2017	1,956	\$4,853 M	4.2%	\$4,286,351	\$159.58	5.0%	\$178.57	180	4.9%
2016	1,613	\$4,410 M	3.8%	\$4,153,266	\$147.26	5.5%	\$160.15	162	5.0%
2015	1,906	\$4,357 M	4.8%	\$3,684,718	\$138.86	5.7%	\$142.81	144	5.3%
2014	1,569	\$3,328 M	3.5%	\$3,070,715	\$119.48	6.1%	\$124.97	126	5.6%
2013	1,393	\$2,600 M	3.5%	\$2,655,170	\$96.81	6.6%	\$111.19	112	5.9%
2012	1,684	\$2,826 M	4.3%	\$2,946,480	\$97.92	6.8%	\$102.98	104	6.1%
2011	1,242	\$2,034 M	3.0%	\$3,047,686	\$98.31	7.2%	\$96.81	98	6.3%
2010	867	\$1,614 M	2.9%	\$2,678,057	\$78.90	8.2%	\$91.96	93	6.6%
2009	646	\$990.2 M	1.6%	\$2,279,323	\$94.85	7.5%	\$88.70	90	6.8%
2008	1,012	\$2,344 M	2.4%	\$3,048,887	\$124.19	5.8%	\$98.97	100	6.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### SPECIALIZED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$206.15	225	5.4%
2022	-	-	-	-	-	-	\$201.95	221	5.4%
2021	-	-	-	-	-	-	\$196.90	215	5.3%
2020	-	-	-	-	-	-	\$195.76	214	5.1%
2019	-	-	-	-	-	-	\$191.35	209	4.9%
YTD	120	\$279.4 M	0.9%	\$4,703,136	\$181.74	4.8%	\$184.65	202	4.8%
2018	459	\$1,191 M	3.7%	\$4,923,267	\$175.81	5.3%	\$182.67	200	4.8%
2017	522	\$1,128 M	4.2%	\$3,793,339	\$147.73	5.7%	\$166.01	181	4.9%
2016	435	\$962.3 M	3.3%	\$3,330,985	\$150.40	5.6%	\$148.46	162	5.1%
2015	481	\$1,055 M	4.4%	\$3,246,888	\$120.83	6.0%	\$132.08	144	5.3%
2014	418	\$947.1 M	4.0%	\$3,473,160	\$109.13	6.5%	\$115.58	126	5.6%
2013	336	\$697.3 M	3.4%	\$2,844,131	\$95.08	6.7%	\$102.76	112	5.9%
2012	467	\$669.8 M	4.2%	\$2,670,538	\$91.97	7.4%	\$95.10	104	6.2%
2011	345	\$505.1 M	3.1%	\$2,883,210	\$91.47	7.3%	\$89.22	98	6.4%
2010	230	\$404.1 M	3.1%	\$2,411,159	\$69.78	7.4%	\$84.88	93	6.6%
2009	191	\$300.1 M	1.6%	\$2,449,399	\$86.48	9.3%	\$81.91	90	6.9%
2008	267	\$640.8 M	2.7%	\$3,029,893	\$112.19	5.9%	\$91.47	100	6.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.



### LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$219.28	226	5.4%
2022	-	-	-	-	-	-	\$214.89	222	5.3%
2021	-	-	-	-	-	-	\$209.53	216	5.3%
2020	-	-	-	-	-	-	\$208.19	215	5.1%
2019	-	-	-	-	-	-	\$202.96	209	4.9%
YTD	235	\$713.8 M	0.8%	\$5,446,626	\$198.23	4.9%	\$194.73	201	4.8%
2018	1,163	\$3,639 M	3.9%	\$5,400,447	\$187.44	4.9%	\$192.56	199	4.8%
2017	1,298	\$3,313 M	4.2%	\$4,369,050	\$159.71	4.6%	\$175.21	181	4.9%
2016	1,039	\$2,887 M	3.9%	\$4,236,521	\$141.43	5.4%	\$157.20	162	5.0%
2015	1,252	\$2,844 M	5.0%	\$3,711,195	\$138.46	5.6%	\$140.25	145	5.2%
2014	1,011	\$2,016 M	3.2%	\$2,802,216	\$118.73	5.9%	\$122.64	126	5.6%
2013	931	\$1,676 M	3.5%	\$2,557,517	\$92.66	6.5%	\$109.02	112	5.9%
2012	1,075	\$1,978 M	4.5%	\$3,083,356	\$97.50	6.5%	\$100.95	104	6.1%
2011	799	\$1,299 M	3.0%	\$2,970,265	\$94.55	7.1%	\$94.93	98	6.3%
2010	573	\$1,009 M	2.9%	\$2,529,945	\$73.61	8.2%	\$90.08	93	6.6%
2009	403	\$627.1 M	1.6%	\$2,223,497	\$97.88	6.8%	\$86.86	90	6.8%
2008	609	\$1,484 M	2.3%	\$2,990,766	\$124.33	5.7%	\$96.97	100	6.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$327.72	214	5.4%
2022	-	-	-	-	-	-	\$321.58	210	5.4%
2021	-	-	-	-	-	-	\$314.09	205	5.3%
2020	-	-	-	-	-	-	\$312.87	204	5.1%
2019	-	-	-	-	-	-	\$306.36	200	4.9%
YTD	41	\$87.7 M	0.8%	\$3,921,855	\$214.29	5.4%	\$295.86	193	4.8%
2018	131	\$550.4 M	4.0%	\$6,627,574	\$285.94	6.1%	\$293.19	192	4.8%
2017	136	\$411.0 M	4.5%	\$5,415,805	\$202.95	5.6%	\$269.27	176	4.9%
2016	139	\$560.3 M	5.7%	\$6,163,290	\$178.79	6.0%	\$242.64	159	5.0%
2015	173	\$457.4 M	4.8%	\$5,043,580	\$217.74	6.0%	\$217.09	142	5.2%
2014	140	\$364.5 M	4.3%	\$3,997,805	\$166.21	6.0%	\$190.92	125	5.5%
2013	126	\$227.4 M	3.0%	\$2,881,358	\$157.42	6.8%	\$171.20	112	5.8%
2012	142	\$177.7 M	3.4%	\$2,666,271	\$138.16	8.2%	\$159.15	104	6.0%
2011	98	\$229.5 M	3.0%	\$4,215,979	\$161.11	7.4%	\$149.99	98	6.2%
2010	64	\$200.6 M	1.9%	\$5,645,223	\$209.90	8.8%	\$142.90	93	6.5%
2009	52	\$63.0 M	1.2%	\$2,082,671	\$111.96	-	\$137.87	90	6.7%
2008	136	\$220.0 M	2.4%	\$3,640,488	\$178.43	6.4%	\$153.06	100	6.3%

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