



Industrial Market Report

Los Angeles - CA

PREPARED BY

RE/MAX

Jeffery Turek
Vice President

 CoStar™

INDUSTRIAL MARKET REPORT

Market Key Statistics	1
Leasing	2
Rent	7
Construction	9
Under Construction Properties	11
Sales	13
Sales Past 12 Months	15
Economy	17
Market Submarkets	22
Supply & Demand Trends	26
Rent & Vacancy	28
Sale Trends	30

12 Mo Deliveries in SF

3.2M

12 Mo Net Absorption in SF

(17.1M)

Vacancy Rate

4.2%

12 Mo Rent Growth

5.3%

Los Angeles is at the center of the 2 billion-SF Southern California industrial market and is a key industrial hub in the U.S. Demand draws from the 20 million Southern California residents and from goods entering the twin ports of Los Angeles and Long Beach, which combined handle nearly a third of all imports to the United States.

Demand for industrial properties has been impacted by losses in imports entering the ports from Asia. Loaded inbound containers declined by 25% in the past three months (from February to May 2023) compared to the same period in 2022. Consequentially, market conditions have softened. The vacancy rate has risen from 1.7% in 22Q1 to 4.2% today, with sharper increases in trade-dependent submarkets such as Vernon, Commerce, and Central Los Angeles, as well as in older facilities across the county. Some tenants are putting space back on the market as sublet available space as they downsize operations. Demand from new businesses is also lackluster. Excluding renewals, leasing volume from new leases in the first half of 2023 was 5% lower than its pre-pandemic average in the first halves of 2015 to 2019, albeit nearly 50% greater than in the first half of 2022.

The higher amount of available space is helping tenants find new space or negotiate renewals as their lease terms end. Asking rents are much higher than three or

five years ago and have grown by 5.3% during the past 12 months. However, rents grew by just -0.3% in 2023Q3—the slowest pace in more than ten years.

The slack in trade flows, augmented by the effect of higher interest rates on business formation, brings uncertainty to the short-term outlook for the space market. However, challenges in developing new industrial buildings in Los Angeles keep supply growth tame and help make existing inventory more desirable. The current construction pipeline represents 0.8% of existing inventory, compared to 2.8% in the nation. Industrial properties in Los Angeles are often demolished for redevelopment, further reducing supply growth.

Local sales activity started to moderate in 23Q2, whereas capital market conditions have been tightening across the nation since the start of 2023. Some 23Q1 sales were streamlined to avoid paying the ULA transfer tax that went into effect on April 1, 2023, in the city of Los Angeles. While valuations are declining as cap rates are rising, most recent sales have benefited from long-term appreciation. Unlike other property types, the extended period of strong rent growth has helped prevent industrial assets from selling at prices below cost.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	643,246,992	4.5%	\$19.15	6.7%	(1,687,363)	0	7,530,600
Specialized Industrial	252,284,628	3.1%	\$17.90	3.9%	(143,033)	0	31,541
Flex	56,939,722	5.2%	\$25.61	7.3%	(14,482)	0	128,097
Market	952,471,342	4.2%	\$19.21	6.0%	(1,844,878)	0	7,690,238

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.0%	3.7%	3.8%	5.6%	2010 Q1	1.8%	2022 Q1
Net Absorption SF	(17.1M)	1,881,346	173,239	13,636,332	2021 Q4	(15,259,014)	2023 Q3
Deliveries SF	3.2M	5,378,081	3,803,349	13,612,263	2002 Q1	704,157	2011 Q1
Rent Growth	5.3%	4.9%	5.6%	14.3%	2022 Q2	-4.3%	2009 Q4
Sales Volume	\$7B	\$3.8B	N/A	\$9.6B	2022 Q2	\$979.3M	2009 Q3

Market conditions have deteriorated in the Los Angeles industrial market. The vacancy rate has increased to 4.2% from 2.4% a year ago and a historic low of 1.8% in 22Q1. The availability rate is 6.0% and many tenants have started to put space back on the market. The amount of sublet space available for lease has increased from 4.9 million SF a year ago to 8.7 million SF. Net absorption has been negative for five consecutive quarters including 23Q2.

A sharp decline in trade flows is impacting industrial demand. Business closures are not uncommon, even when the economy is booming, due to the combination of businesses reaching the end of their lifecycle and the entrepreneurial nature of the local logistics industry. For example, Farmer John announced that it would close its operations at its 118,000-SF cold storage facility in Vernon in 23Q1 after more than ninety years in business. In Irwindale, Tri-Mountain, an outdoor apparel company, announced that it would also close its operations in 23Q1 after a thirty-year run, vacating a 229,000-SF warehouse along the way.

Business closures are usually rapidly offset by business formation. When spaces become available in L.A. they usually don't stay on the market for long, around two-and-a-half months for existing space, but generally newer, more functional buildings lease faster. With respect to size, existing buildings in the 10,000-25,000-SF range currently take the shortest time to lease, around 1 month. In contrast, buildings larger than

100,000 SF typically take three months to lease. A building's location within L.A. County has less of an impact on the time to lease a space.

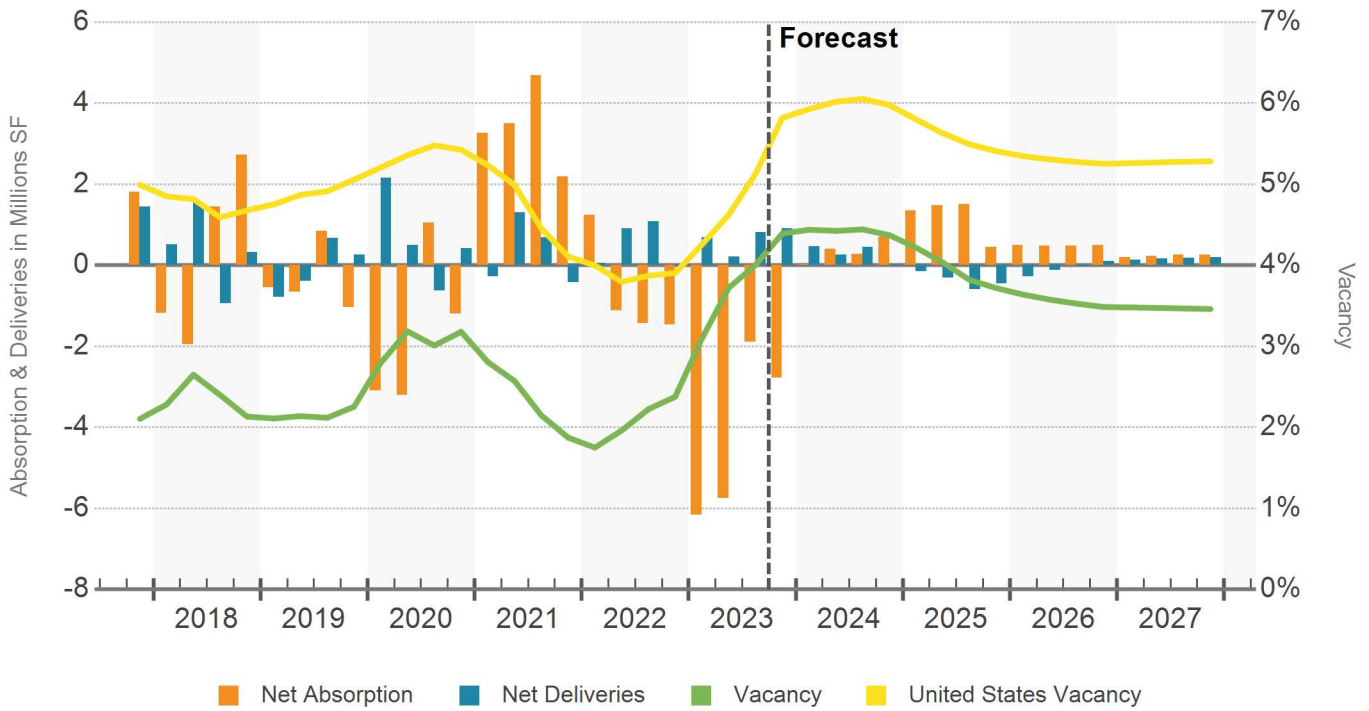
Flex properties have a relatively elevated vacancy rate of 5.2%, compared to logistics and specialized assets, at 4.5% and 3.1%, respectively. This spread has existed for almost a decade.

Spaces leased rarely reach 200,000 SF due to limited availability of that size. One of the largest spaces leased recently comes from Weida Freight System in the City of Industry, who leased 274,500 SF in January 2023. The building was previously occupied by multiple tenants, including Myers Container and Cambro Replenishment. Weida Freight System is expanding from a 43,100-SF facility in Torrance.

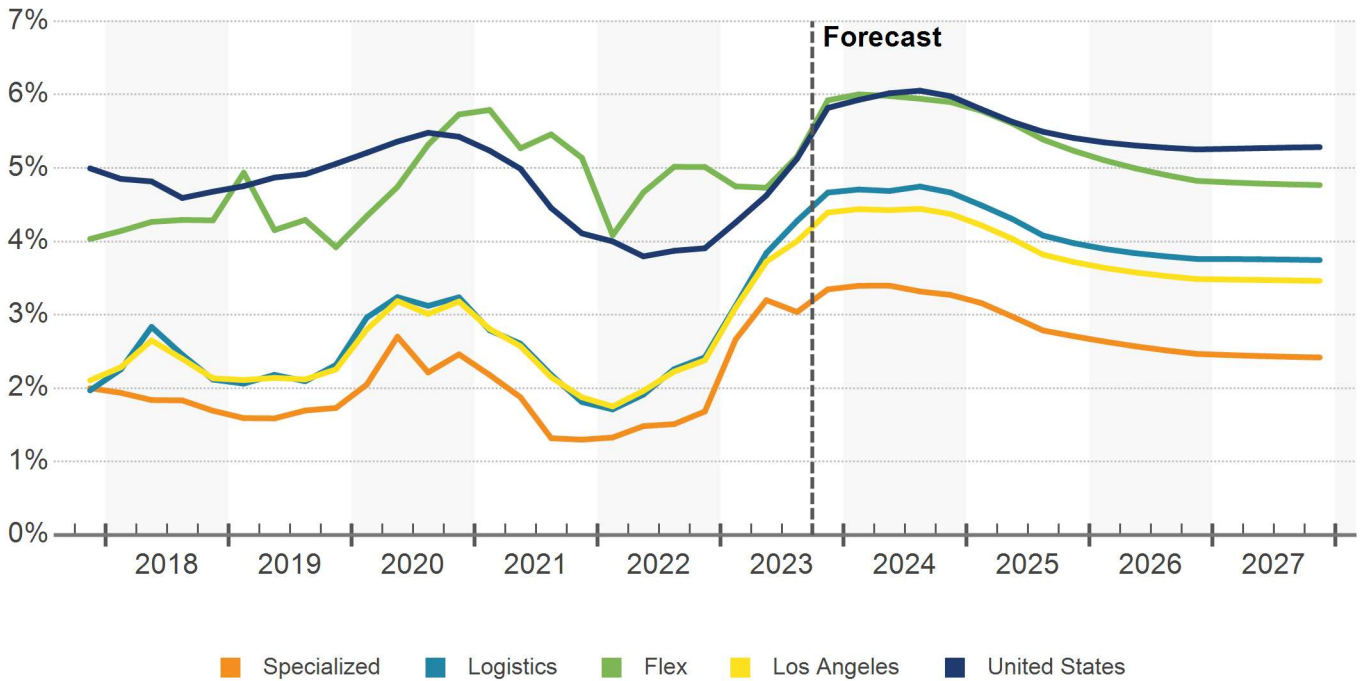
Market fundamentals are aided by restrained development activity over the long run that contrasts with most other major U.S. markets. Land availabilities are limited, and elevated construction costs hamper the ability to develop industrial space. At the same time, the market's proximity to the ports of Los Angeles and Long Beach drives strong demand from tenants of all sizes.

Industrial conditions in L.A. are likely to remain favorable to tenants for at least the short term, as vacancies according to CoStar's Base Case forecast are expected to peak within the next four quarters.

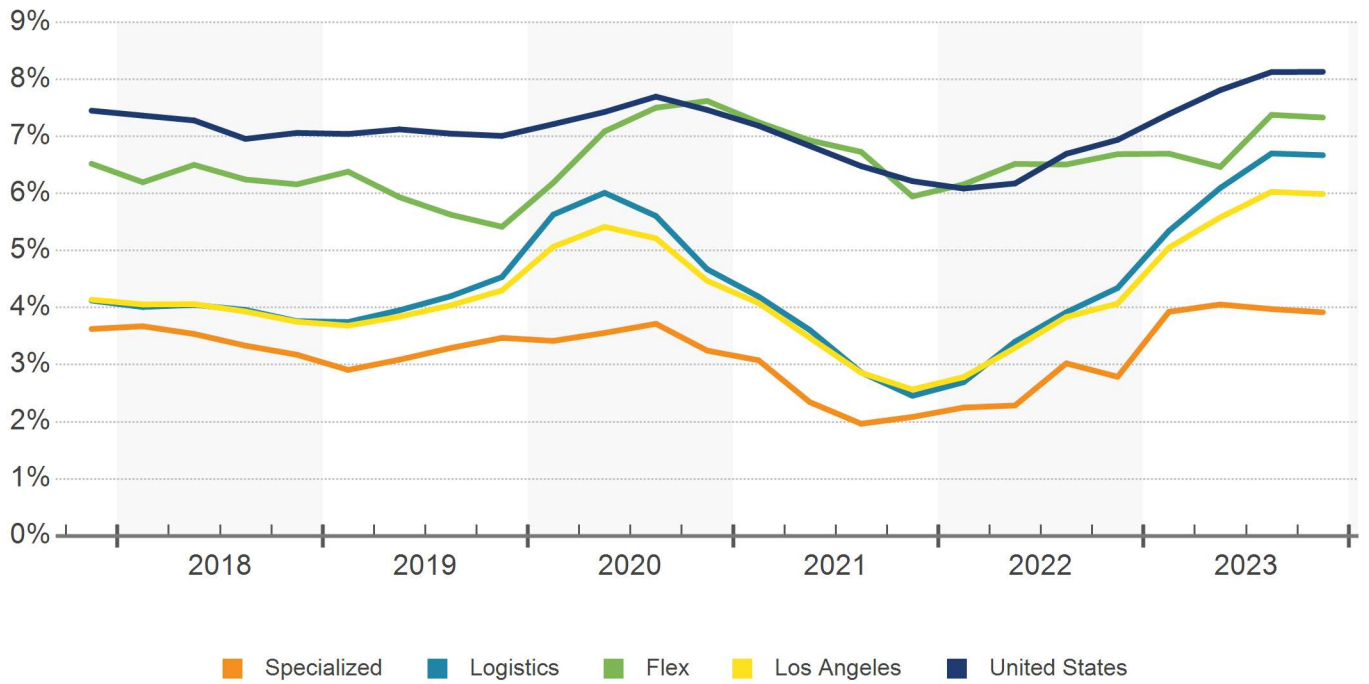
NET ABSORPTION, NET DELIVERIES & VACANCY



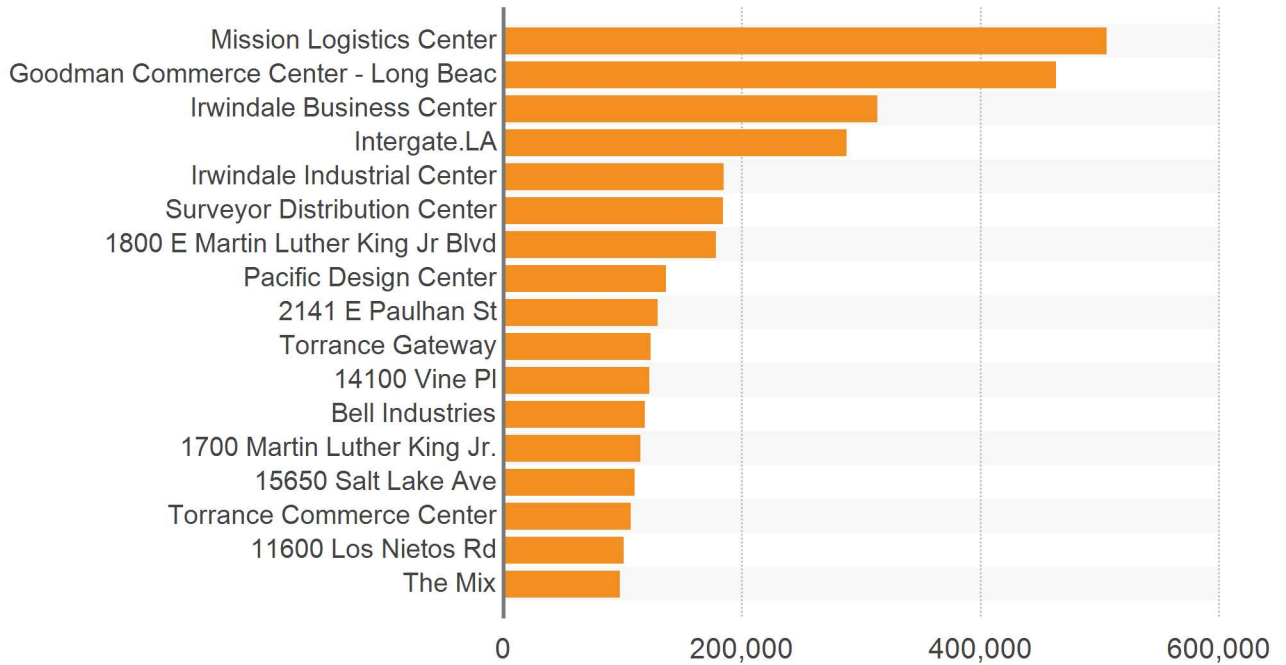
VACANCY RATE



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
Mission Logistics Center	Central Los Angeles...	506,225	0	0	0	506,225	0	506,225
Goodman Commerce Center - L...	Long Beach Ind	463,521	0	0	0	463,521	0	463,521
Irwindale Business Center	Upper San Gabriel V...	324,520	0	0	0	0	0	313,937
Intergate.LA	Gardena/Hawthorne...	288,000	0	288,000	0	0	0	288,000
Irwindale Industrial Center	Upper San Gabriel V...	184,879	0	0	184,879	0	0	184,879
Surveyor Distribution Center	East San Gabriel Val...	190,464	0	0	0	0	0	184,253
1800 E Martin Luther King Jr Blvd	Central Los Angeles...	181,939	0	71,930	0	0	0	178,351
Pacific Design Center	Westside Ind	757,278	95,271	125,000	0	11,700	0	136,700
2141 E Paulhan St	Rancho Dominguez Ind	133,752	0	0	0	0	0	129,390
Torrance Gateway	Torrance Ind	123,700	0	57,368	0	66,332	0	123,700
14100 Vine Pl	Cerritos/Norwalk Ind	122,514	0	0	0	122,514	0	122,514
Bell Industries	South LA Ind	118,800	0	0	118,800	0	0	118,800
1700 Martin Luther King Jr.	Central Los Angeles...	115,012	0	0	115,012	0	0	115,012
15650 Salt Lake Ave	City of Industry Ind	110,000	0	110,000	0	0	0	110,000
Torrance Commerce Center	Torrance Ind	107,140	0	0	0	107,140	0	107,140
11600 Los Nietos Rd	Santa Fe Springs/La...	106,251	1,876	0	0	1,880	0	101,032
The Mix	West San Fernando...	313,787	0	0	97,724	0	0	97,724
Subtotal Primary Competitors		4,147,782	97,147	652,298	516,415	1,279,312	0	3,281,178
Remaining Los Angeles Market		948,398,934	39,890,002	(6,820,141)	(6,270,960)	(3,166,549)	(1,844,878)	(20,352,665)
Total Los Angeles Market		952,546,716	39,987,149	(6,167,843)	(5,754,545)	(1,887,237)	(1,844,878)	(17,071,487)

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
21921-21931 Industry Way	City of Industry	1,000,720	Q4 22	Ryder	Cushman & Wakefield	Majestic Realty Co.
1270 Arrow Hwy	Upper San Gabriel Valley	765,000	Q1 23	-	-	-
680 S Lemon Ave	City of Industry	472,876	Q1 23	Furniture of America	Lee & Associates	Cushman & Wakefield
1452 W Knox St	Torrance	442,550	Q3 23	-	-	KBC Advisors;Prologis,...
9400-9500 Santa Fe Springs Rd *	Santa Fe Springs/La Mirada	411,034	Q4 22	GXO Logistics	CBRE	Newmark
3900 Arden Dr	Lower San Gabriel Valley	360,992	Q3 23	-	-	JLL
21558 Ferrero Pky	City of Industry	318,497	Q2 23	D Element Group	Colliers	Colliers
4889 4th St	Upper San Gabriel Valley	312,000	Q3 23	Js Tao International	-	JLL
25545-25710 Springbrook Ave	Santa Clarita Valley	299,234	Q4 22	Scenic Expressions	JLL	CBRE
901 Live Oak	Upper San Gabriel Valley	291,673	Q1 23	-	-	Realty Advisory Group,...
14001-14003 Orange Ave *	Downey/Paramount	282,000	Q3 23	Castle Metals	-	The Klabin Company
21508 Ferrero Pky	City of Industry	274,474	Q1 23	Weida Freight System, Inc.	Avison Young	Colliers
905 Live Oak	Upper San Gabriel Valley	260,889	Q1 23	-	-	Realty Advisory Group,...
1270 Arrow Hwy	Upper San Gabriel Valley	258,000	Q1 23	-	-	-
400 W Artesia Blvd	Compton	253,584	Q2 23	Speedup Logistics	-	Lee & Associates
131 Marcellin Dr	City of Industry	240,500	Q2 23	Win.IT America	Avison Young	Majestic Realty Co.
5500 E Olympic Blvd *	Commerce	235,019	Q4 22	Vericast	Newmark	CBRE
909 Colon St	San Pedro	223,865	Q2 23	West Logistics	Cushman & Wakefield	Cushman & Wakefield
13409 Orden Dr *	Santa Fe Springs/La Mirada	219,759	Q3 23	Wismettac Asian Foods, Inc.	CBRE	Colliers
2225 Workman Mill Rd	City of Industry	217,775	Q2 23	-	-	Majestic Realty Co.
16325 S Avalon Blvd *	West Rancho Dominguez	210,710	Q4 22	Jit Transportation	Colliers;Kidder Math...	-
19635-19777 E Walnut Dr N	City of Industry	200,435	Q3 23	CSS	DAUM Commercial...	CBRE
2230 E Carson St	Carson	198,292	Q4 22	Seko Logistics	-	-
4250 Shirley Ave	Lower San Gabriel Valley	194,807	Q2 23	-	-	CBRE
5010 Azusa Canyon Rd	Upper San Gabriel Valley	184,879	Q2 23	Irwindale Brew Yard	DNB Commercial	CBRE
17708 Rowland St	City of Industry	181,730	Q3 23	Action Sales	DAUM Commercial...	JLL
4010 E 26th St	Vernon	181,708	Q4 22	Rehrig Pacific Company	-	CBRE
6501 Flotilla St	Commerce	171,388	Q1 23	De Well Container Shippi...	-	Lee & Associates;Lee...
6108-6188 Peachtree St *	Commerce	162,294	Q4 22	Justman Packaging & Dis...	Lee & Associates;Le...	Lee & Associates;Lee...
6101-6191 Peachtree St *	Commerce	162,294	Q4 22	Justman Packaging and D...	Lee & Associates;Le...	Lee & Associates;Lee...
18669 San Jose Ave	City of Industry	160,000	Q3 23	-	-	Colliers
12065 Pike St	Santa Fe Springs/La Mirada	158,831	Q3 23	Anheuser Busch	-	Thor Equities
12910 Mulberry Dr	Santa Fe Springs/La Mirada	153,080	Q2 23	-	DAUM Commercial...	JLL
1200 W Artesia Blvd	Compton	151,800	Q1 23	Ralph's Grocery Store	-	-
13132 Lakeland Rd *	Santa Fe Springs/La Mirada	145,829	Q1 23	Votaw	-	-
740 111th	South LA	145,200	Q3 23	-	-	Major Properties
13215 Cambridge St	Santa Fe Springs/La Mirada	142,617	Q2 23	Weee! Inc.	JLL	CBRE
3250-3254 E 26th St *	Vernon	141,464	Q1 23	Seven-Up/RC Bottling	-	Newmark
2141 E Paulhan St	Rancho Dominguez	133,752	Q4 22	Maersk	-	Cushman & Wakefield
12012-12070 Burke St	Santa Fe Springs/La Mirada	129,578	Q3 23	-	-	Lee & Associates

*Renewal

The increase in available space has started to impact rents in 2023. While the market rent, which represents the average estimated rent of every industrial property in the metro, is 5.3% higher than 12 months ago, it grew by only -0.3% in 2023Q3. The average asking rent, based only on properties that are available for rent at the end of each quarter, has been relatively unchanged since 2022Q4.

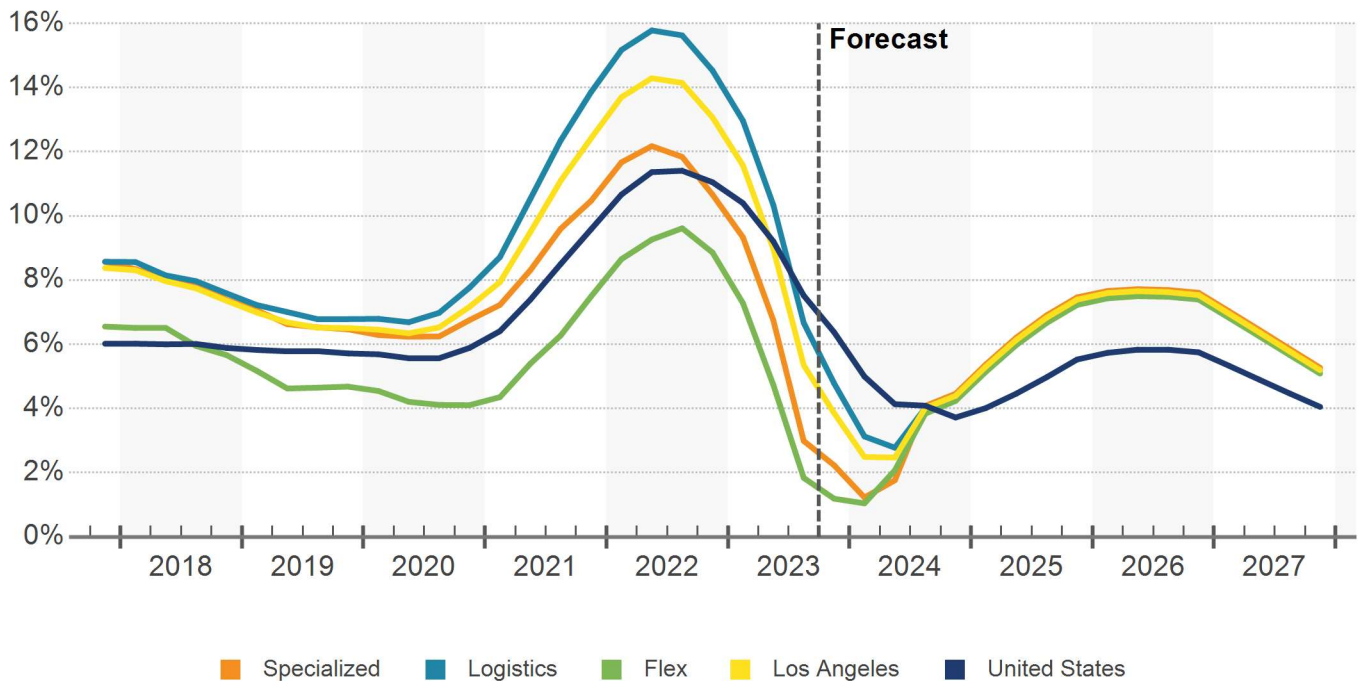
Current leasing conditions are a dire change from the recent years, where outsized demand led owners to increase rents at a flurry. Rent growth in Los Angeles has averaged 8.9% during the past five years, compared to 7.7% in the U.S. index markets. There are countless examples of properties that have leased at multiples higher between lease signings. For example, a 224,000-SF warehouse in Wilmington had an asking rent of \$27/SF NNN annually when West Logistics leased it in June 2023. Ten years ago, the same property was leased with an asking rate of \$6.96/SF NNN, representing an annual growth rate of 14.5% over the nearly 10-year period. For a smaller property, a 16,600-SF manufacturing building in Bellflower was leased in July 2023 for \$18.60/SF NNN annually. The same

building was listed in October 2010 at \$4.80/SF IG, representing an annual growth rate of 11% over the nearly 13-year period.

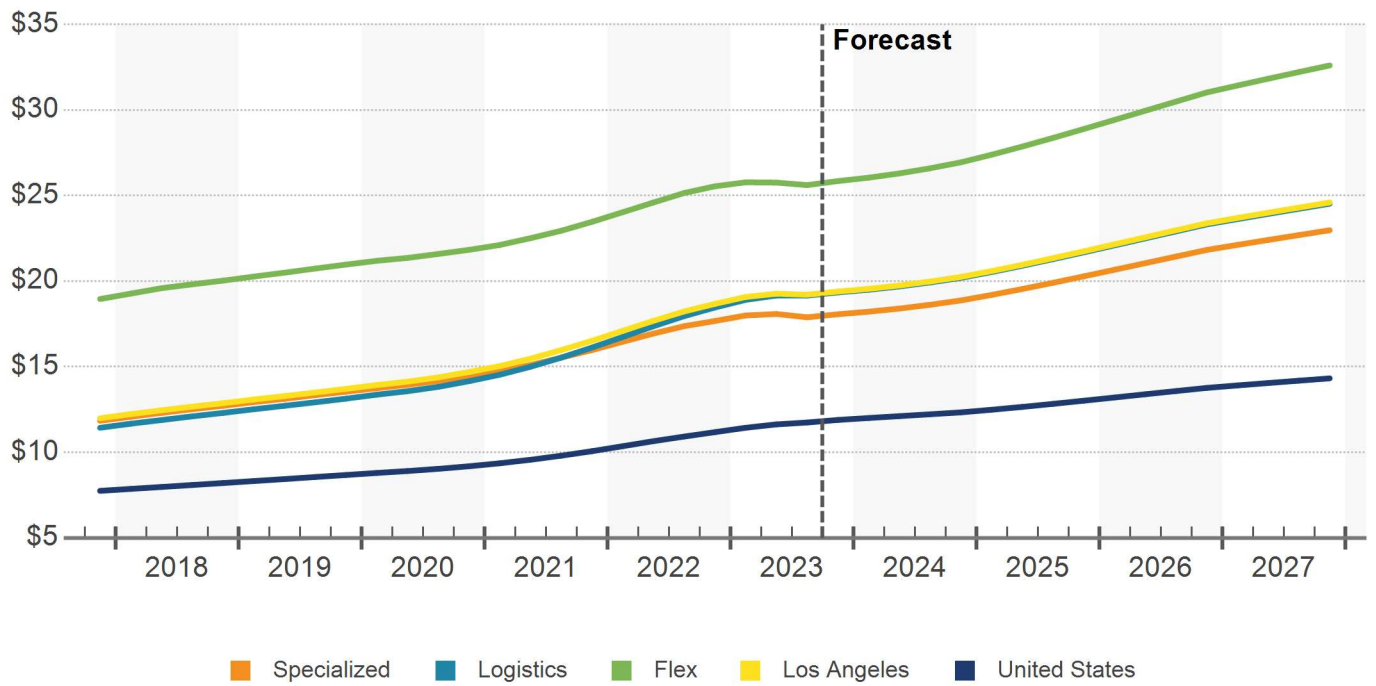
Rent growth in logistics properties continues to outpace rent growth in specialized industrial and flex properties. South Bay submarkets, such as Carson, Compton, Rancho Dominguez, and Torrance, which have great proximity to the ports, have been the top performers during the past 12 months, despite the recent softening in demand that is tied to the ports. In contrast, submarkets with the highest rental rates, including the Westside, Burbank, and Glendale, have had the sharpest pullback in rents. A portion of the demand for these areas comes from entertainment firms for production and studio space.

Going forward, rents are anticipated to continue to rise based on CoStar's baseline scenario but at a slower pace during the short term. As economic conditions improve in about two years, rent growth in the forecast returns to its more robust form experienced from 2017 to 2019.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



Los Angeles is a mature industrial market that has only had trivial supply growth in recent years. Most inventory was built before 2000 and designed for manufacturing purposes. The built-out nature of the metro, relatively high land values, restrictive development policies, and neighborhood opposition drive many developers east to the Inland Empire. A total of 43.6 million SF of new industrial space completed during the past decade; however, during the same time, the market has seen 30.3 million SF of space removed from its inventory. As a percent of existing inventory, supply has expanded by less than 1% during this period.

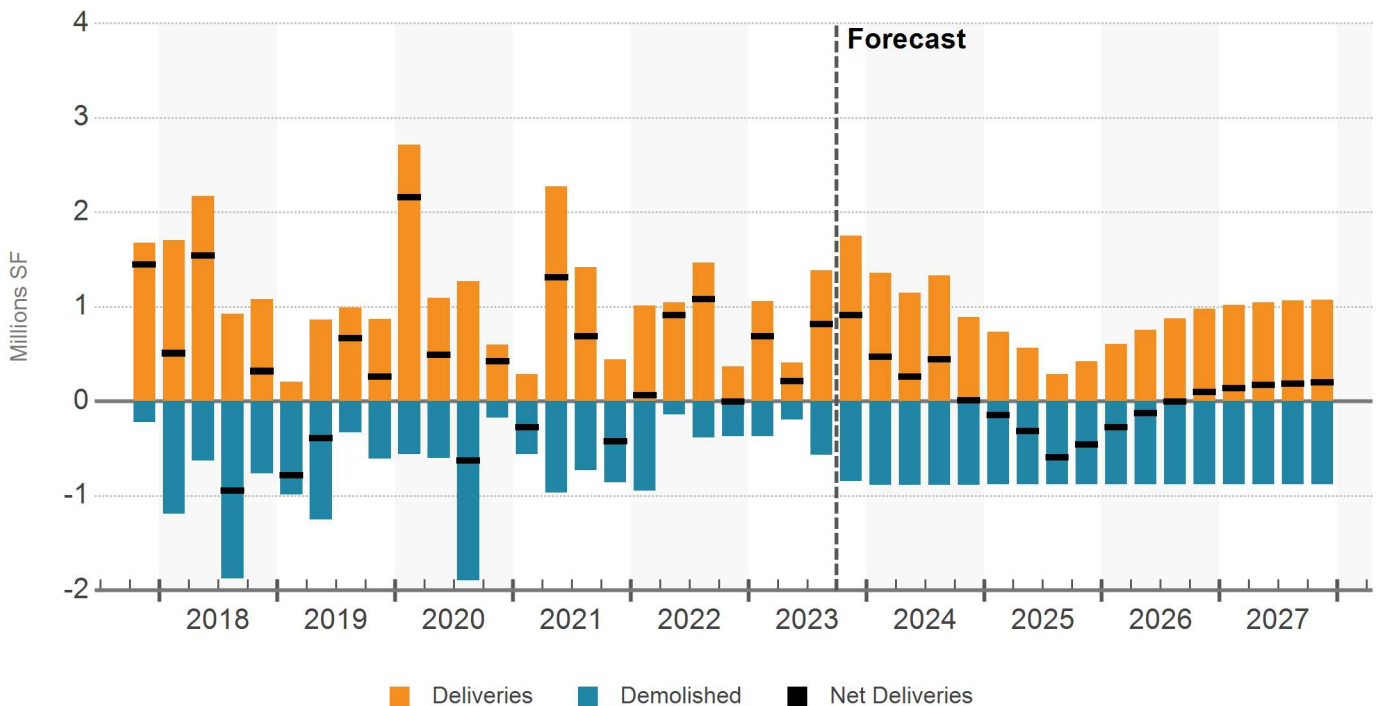
The bulk of new construction has been in the San Gabriel Valley, which is located on the eastern portion of the metro and has lower land values. In Irwindale for example, Duke Realty, recently acquired by Prologis, completed construction on a 530,000-SF warehouse in 2022Q3 that was leased by Home Depot while under construction. Just two miles north of the site, JH Properties is developing The Park @ Live Oak, a 1.4 million-SF business park. The two largest properties in

the business park have been leased, including one measuring 765,000 SF.

City of Industry, also located in the San Gabriel Valley, has long been a hotspot for development. For years, Majestic Realty has been adding to its Grand Crossing Industrial Park and currently has a 1 million-SF distribution center under construction. The property, which was leased in November 2022, is scheduled to complete construction in November 2023. When completed, it will be the largest industrial building developed since 2007, when Majestic Realty completed the construction of a 1.2 million-SF distribution center, also in the Grand Crossing industrial park.

In total, the construction pipeline has 7.7 million SF of space under construction in the metro, representing just 0.8% of current inventory. Roughly half of the space underway is available for lease, but there has been ample demand for new construction in the market. The recent softening that the market is experiencing has been concentrated in older industrial properties.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	City of Industry	9	3,169	1,328	41.9%	4	56,897	352,104	1
2	Upper San Gabriel Valley	5	1,706	1,576	92.4%	3	19,747	341,125	2
3	Vernon	4	399	76	19.0%	7	36,708	99,694	7
4	Lower San Gabriel Valley	3	378	378	100%	1	14,623	125,910	5
5	Commerce	3	362	0	0%	8	48,645	120,637	6
6	Santa Fe Springs/La Mira...	3	296	93	31.4%	5	35,773	98,556	8
7	West Rancho Dominguez	2	284	0	0%	8	25,945	141,957	4
8	Santa Clarita Valley	2	193	193	100%	1	37,013	96,745	9
9	Gardena/Hawthorne	1	191	0	0%	8	20,307	190,860	3
10	Antelope Valley	3	160	40	25.0%	6	25,611	53,284	10
	All Other	10	553	97	17.5%		23,737	55,348	
Totals		45	7,690	3,780	49.2%		26,888	170,894	

Under Construction Properties

Los Angeles Industrial

Properties

Square Feet

Percent of Inventory

Released

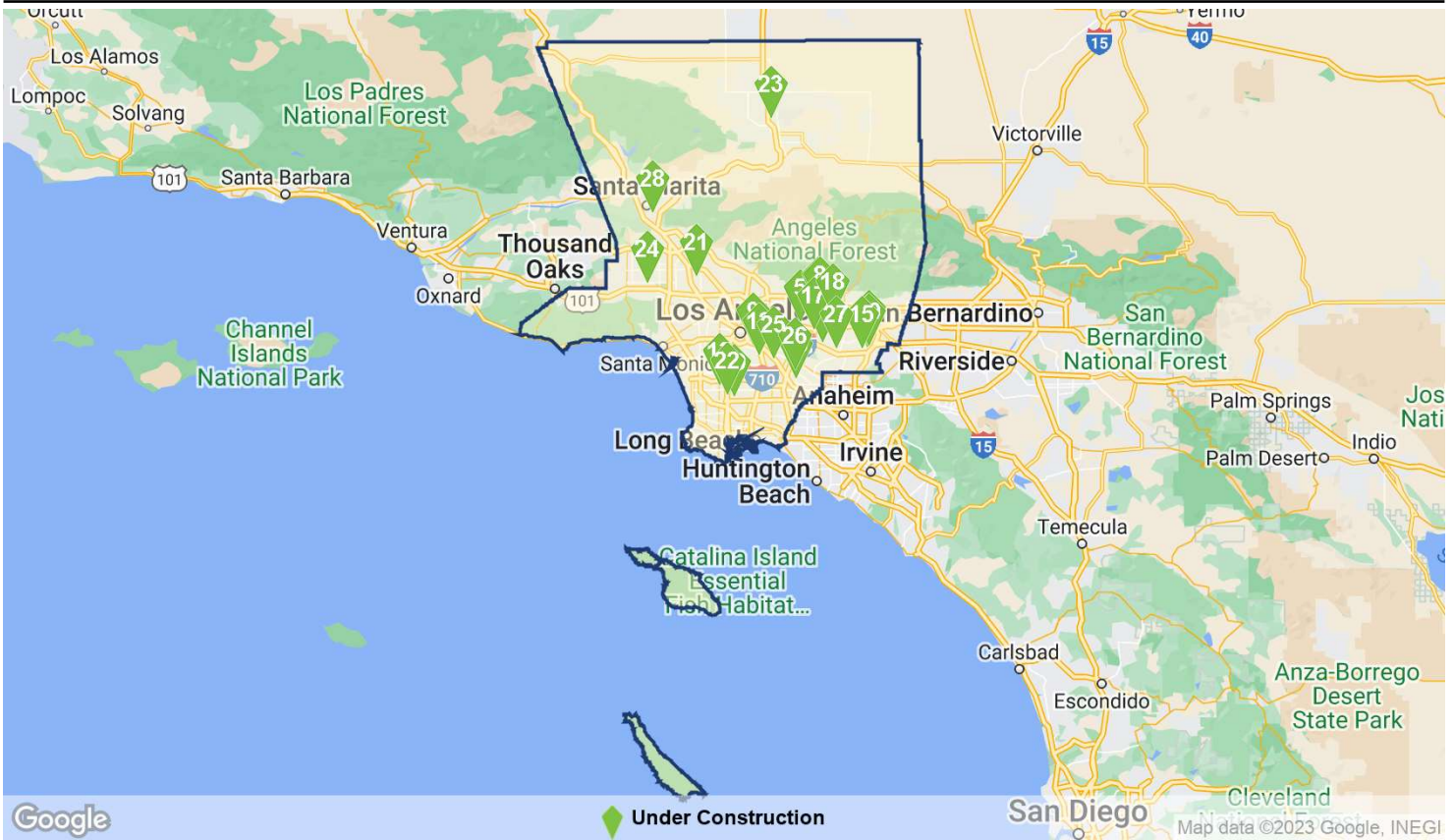
44

7,658,697

0.9%

48.9%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Grand Crossing South -... 21921-21931 Industry Way	★★★★★	1,000,720	1	May 2022	Nov 2023	Majestic Realty Co. Majestic Realty Co.
2 Building A 1270 Arrow Hwy	★★★★★	765,000	-	Jan 2023	May 2024	JH Properties, Inc. JH Properties, Inc.
3 171 Marcellin Dr	★★★★☆	694,400	1	Dec 2022	Dec 2023	-
4 Building 5 151 Marcellin Dr	★★★★★	606,480	1	Jun 2023	Mar 2024	-
5 3900 Arden Dr	★★★★☆	360,992	1	Jan 2023	Dec 2023	-
6 901 Live Oak	★★★★☆	291,673	1	Aug 2022	Nov 2023	-
7 905 Live Oak	★★★★☆	260,889	1	Aug 2022	Mar 2024	-

Under Construction Properties

Los Angeles Industrial

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 Building B 1270 Arrow Hwy	★ ★ ★ ★ ★	258,000	1	Jan 2023	May 2024	JH Properties, Inc. JH Properties, Inc.
9 3690 Union Pacific Ave	★ ★ ★ ★ ★	253,318	1	Sep 2023	Oct 2024	-
10 131 Marcellin Dr	★ ★ ★ ★ ★	240,500	1	Mar 2023	Dec 2023	-
11 15010 Don Julian Rd	★ ★ ★ ★ ★	219,242	1	Jun 2023	Sep 2024	-
12 Bridge Point Vernon II 4885 E 52nd Pl	★ ★ ★ ★ ★	210,347	1	Apr 2023	Jan 2024	-
13 1600 W 135th St	★ ★ ★ ★ ★	190,860	1	Aug 2023	Sep 2024	-
14 112 W Alondra Blvd	★ ★ ★ ★ ★	181,831	2	Aug 2023	Oct 2024	-
15 20922 Currier Rd	★ ★ ★ ★ ★	147,490	1	Jul 2022	Dec 2023	-
16 11401 Greenstone Ave	★ ★ ★ ★ ★	144,434	1	Nov 2022	Dec 2023	-
17 Industry West Logistics... 351 N Covina Ln	★ ★ ★ ★ ★	132,254	1	Jan 2023	Nov 2023	-
18 4416 Azusa Canyon Rd	★ ★ ★ ★ ★	130,063	1	Mar 2023	Apr 2024	-
19 1055 Sandhill Ave	★ ★ ★ ★ ★	127,930	1	Mar 2023	Apr 2024	- Rexford Industrial Realty, Inc.
20 Building 17 Needham Ranch Pky	★ ★ ★ ★ ★	107,522	1	Jan 2023	Dec 2023	- Trammell Crow Company
21 6950 Tujunga Ave	★ ★ ★ ★ ★	106,526	1	Aug 2023	Apr 2024	- Bridge Industrial
22 219 W Gardena Blvd	★ ★ ★ ★ ★	102,083	2	Aug 2023	Oct 2024	-
23 40347 Legacy Ln	★ ★ ★ ★ ★	99,853	1	Aug 2023	Sep 2024	Transwestern Real Estate Services -
24 Instil Bio Inc 18408-18412 W Oxnard St	★ ★ ★ ★ ★	97,116	2	Dec 2021	Dec 2023	Alvarez & Marsal Holdings LLC Instil Bio, Inc.
25 Building I 7400 Bandini Blvd	★ ★ ★ ★ ★	94,154	1	Jun 2023	Mar 2024	-
26 12521 Los Nietos Rd	★ ★ ★ ★ ★	92,771	1	May 2022	Nov 2023	- Panattoni Development Company
27 886 Azusa Ave	★ ★ ★ ★ ★	86,950	1	Jun 2022	Oct 2024	- Harmoni International Spice Inc,...
28 Building 18 Needham Ranch Pky	★ ★ ★ ★ ★	85,968	1	Jan 2023	Apr 2024	- Trammell Crow Company

Los Angeles Industrial has been an attractive asset type for institutional investors and public REITs for over a decade, as private owners, many of whom are entering retirement years, have been divesting. Sales volume has remained strong relative to the nation despite the rise in interest rates, both due to local policy changes and distress. The ULA transfer tax implemented in the city of L.A. raised transaction costs on April 1st, leading many investors to streamline sales that might have otherwise closed in 23Q2. For example, one of many trades that closed on the final days of 2022Q1 is GI Partners' acquisition of DirectTV's two-property, 210,000-SF facility in Los Angeles for \$210 million (\$1,000/SF), which contained data center facilities. The deed was filed with the county on the last day of March.

Year-to-date sales volume totals \$4.3 billion, with another jolt in activity in 23Q3, this time driven by owner-user sales of companies that are facing financial challenges and could use the capital to increase liquidity. For example, in August, locally-based 99 Cents Only Stores sold their 800,000-SF distribution building to Dart Warehouse Corporation for \$190 million (\$237/SF). The previous month, Yellow sold a 9.8-acre truck terminal, which included a 38,000-SF industrial building, for \$80 million.

Price discovery is underway after years of outsized rent growth paired with low-interest rates drove robust appreciation. The market price has averaged 13% annual growth over the past five years and long-term holds continue to reflect these gains. For example, Rexford Industrial REIT acquired a 608,000-SF distribution center in Santa Fe Springs for \$210 million (\$345/SF) in July 2023. Fully leased with GXO Logistics as the

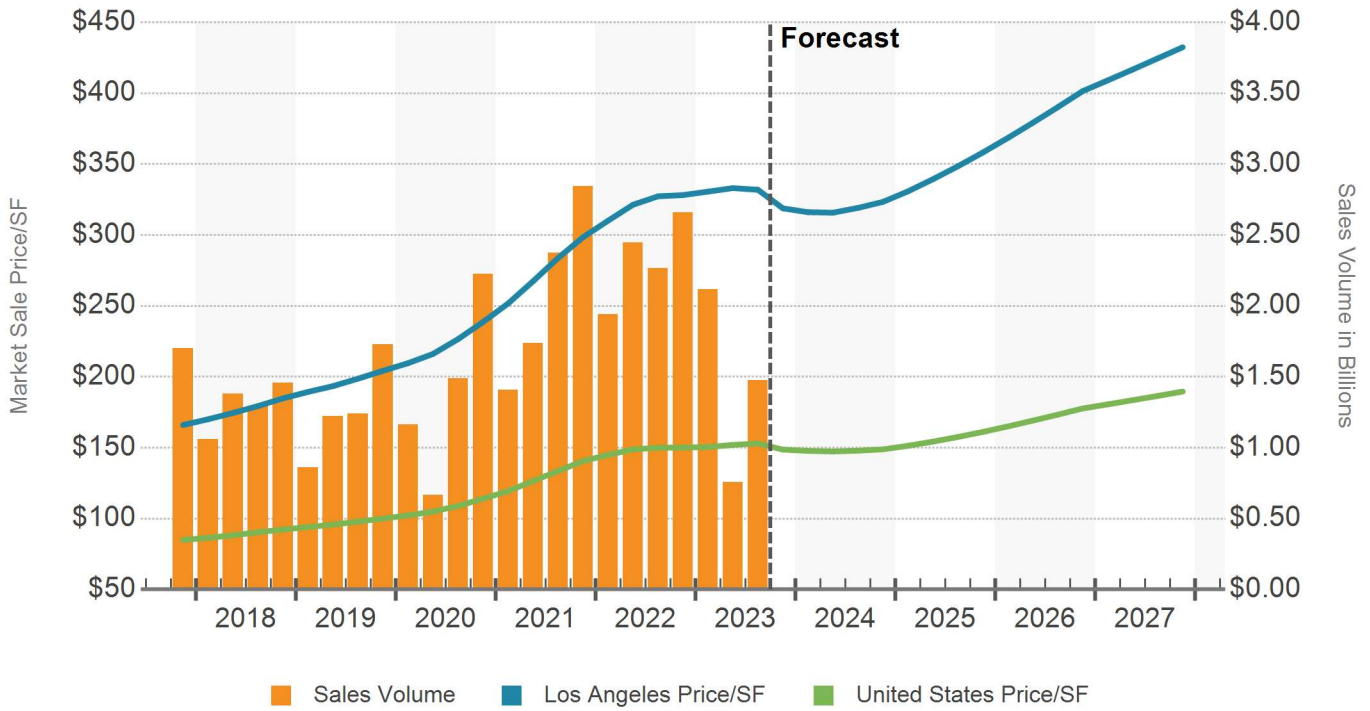
primary tenant, the property traded at a 5% cap rate. The seller, DWS Group, purchased the property in July 2015 for \$62.25 million, representing an annual appreciation return of 16.4%.

At the same time, nearly all sales of properties valued over \$5 million have sold for prices above their respective purchase price, including short-term holds. But some sellers are making concessions. For example, owner-user Sunset Olive Oil was asking for \$21.5 million for a 31,200-SF warehouse in Pico Rivera that they originally acquired in August 2020 for \$8.7 million. CapRock Partners, with plans to renovate and reposition the asset, was able to negotiate the price down to \$19.2 million (\$615/SF) when it sold in June 2023.

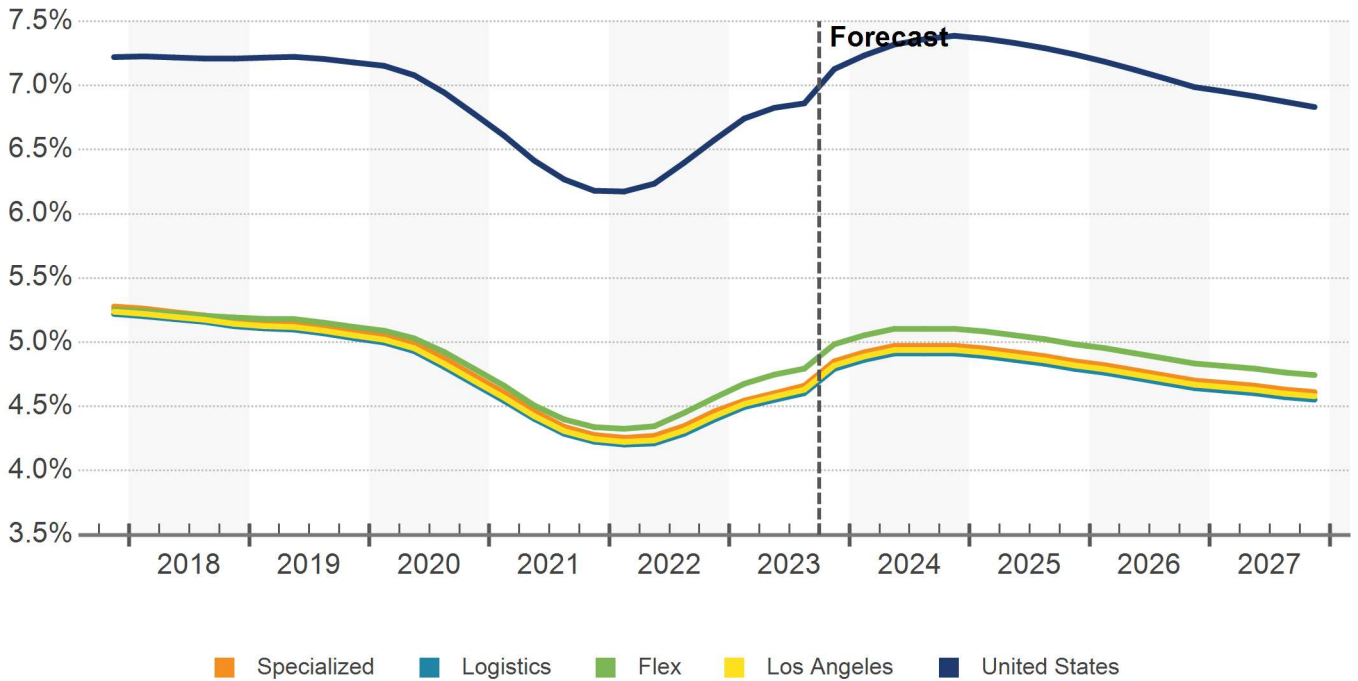
The metro's various demand drivers bring a variety of investment opportunities. The market price, representing the average value of every industrial property in the market, is \$330/SF, but it's not unusual to see properties trade higher by multiples. This is especially true for non-logistics properties, such as manufacturing, studio space, data centers, or aged buildings suitable for redevelopment. Properties with excess land or those in West L.A. often trade for much higher.

Cap rates have been rising from a trough in 2022Q1. At that time, trades that resemble Rexford Industrial REIT 608,000-SF distribution center in Santa Fe Springs that traded for a 5% cap rate were trading in the 3.5% to 4% range. The impact of the steep increase in interest rates is expected to continue to affect pricing in the short term. In CoStar's Base Case scenario, cap rates continue to march higher over the next four to eight quarters, placing downward pressure on prices.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Los Angeles Industrial

Sale Comparables

793

Avg. Cap Rate

4.8%

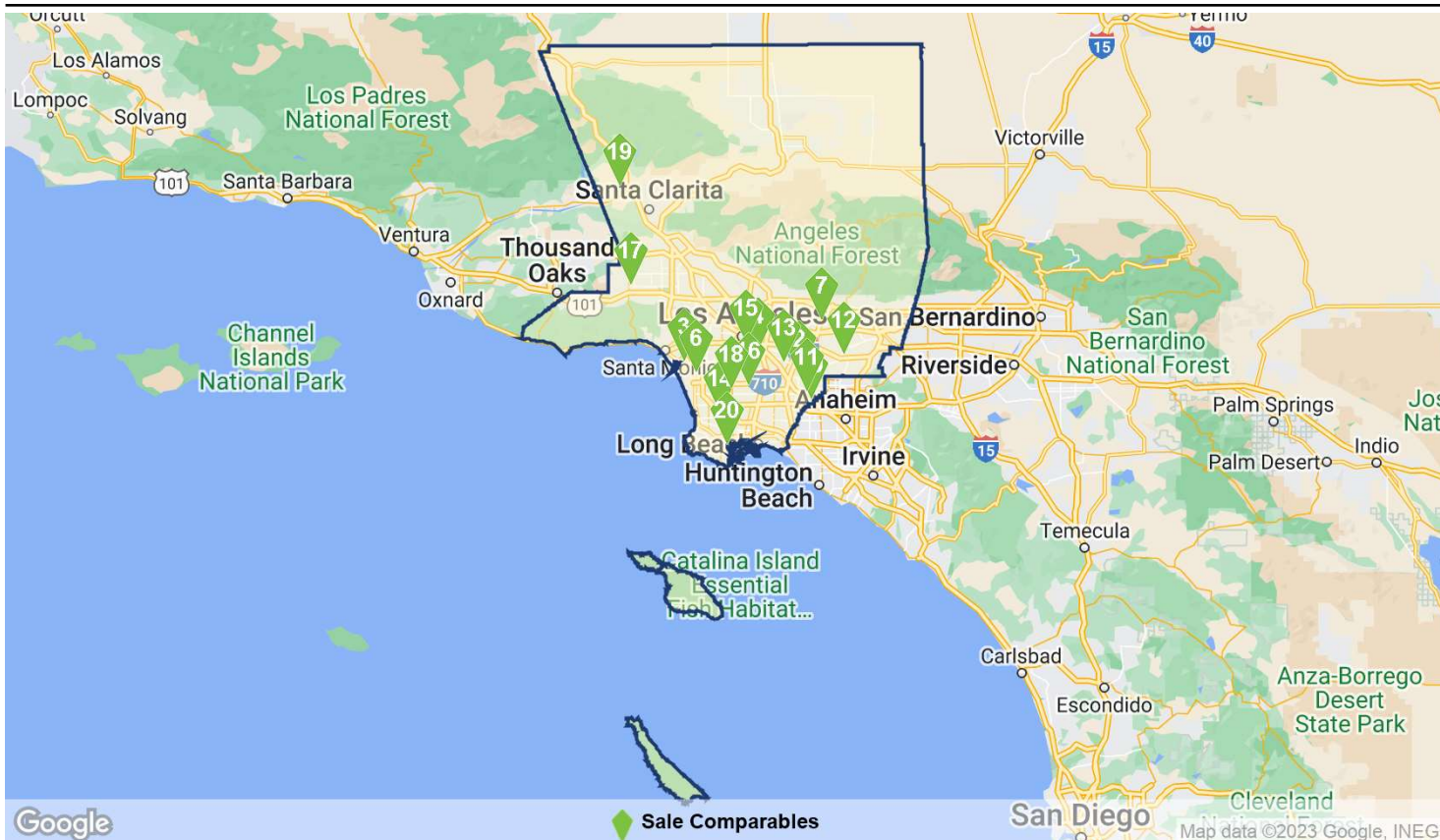
Avg. Price/SF

\$321

Avg. Vacancy At Sale

5.4%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$150,000	\$9,926,217	\$3,490,750	\$213,386,643
Price/SF	\$1.88	\$321	\$310	\$3,697
Cap Rate	2.5%	4.8%	5.0%	8.0%
Time Since Sale in Months	0.0	6.5	6.6	12.0
Property Attributes	Low	Average	Median	High
Building SF	440	34,336	10,500	800,000
Ceiling Height	9'	17'6"	16'	42'
Docks	0	4	0	129
Vacancy Rate At Sale	0%	5.4%	0%	100%
Year Built	1900	1970	1969	2022
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.2	★ ★ ★ ★ ★	★ ★ ★ ★ ★

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
1 300 Westmont Dr	★★★★★	2001	759,851	0%	2/1/2023	\$213,386,643	\$573	-
2 SFS Logistics Center 9400-9500 Santa Fe Sprin...	★★★★★	1979	595,304	0%	7/21/2023	\$210,000,000	\$353	5.0%
3 12800 Culver Blvd	★★★★★	1968	296,000	0%	3/30/2023	\$194,537,989	\$657	-
4 99¢ Only Stores HQ 4000 Union Pacific Ave	★★★★★	1947	800,000	0%	8/30/2023	\$190,000,000	\$238	-
5 350-400 Westmont Dr	★★★★★	2001	512,700	0%	2/1/2023	\$152,034,669	\$605	-
6 Hertz 9000 Airport Blvd	★★★★★	1981	38,680	0%	3/28/2023	\$143,000,000	\$3,697	-
7 13131 Los Angeles St	★★★★★	2022	529,866	0%	10/3/2022	\$137,717,208	\$260	-
8 16501 Trojan Way	★★★★★	2002	497,620	0%	10/3/2022	\$111,439,880	\$224	-
9 401 Westmont Ave	★★★★★	2001	340,659	0%	2/1/2023	\$107,011,577	\$641	-
10 16301 Trojan Way	★★★★★	2018	477,008	0%	10/3/2022	\$106,823,911	\$224	-
11 14041-14051 Rosecrans...	★★★★★	1997	229,125	0%	10/11/2022	\$99,658,225	\$435	-
12 825 Ajax Ave	★★★★★	2017	430,078	0%	10/3/2022	\$94,136,016	\$219	-
13 Bldg 2 8570-8600 Mercury Ln	★★★★★	2002	244,780	0%	12/23/2022	\$91,926,074	\$376	-
14 20100-20200 S Western...	★★★★★	2001	116,433	0%	8/9/2023	\$88,000,000	\$756	-
15 2160 E 7th St	★★★★★	1986	75,163	0%	3/29/2023	\$85,000,000	\$1,131	-
16 575 E Weber St	★★★★★	1971	37,867	0%	7/13/2023	\$80,000,000	\$2,113	-
17 21200 Victory Blvd	★★★★★	1962	183,972	0%	2/8/2023	\$78,500,000	\$427	-
18 13344 S Main St	★★★★★	2021	290,303	0%	10/3/2022	\$71,103,446	\$245	-
19 Bldg D 28355 Witherspoon Pky	★★★★★	1999	247,560	0%	8/28/2023	\$67,508,429	\$273	-
20 301 Westmont Dr	★★★★★	2001	207,282	0%	2/1/2023	\$66,567,111	\$655	-

The Los Angeles economy is vast and comprises substantial portions of the national entertainment, tourism, international trade, fashion, and aerospace industries. An abundance of creative workers and entrepreneurship lends itself to elevated levels of business formation and self-employment. The demographics are diverse in racial and ethnic composition, educational attainment, income, and wealth. L.A. has several major talent generators, including top-tier universities such as USC, UCLA, and Cal Tech that support a growing tech ecosystem.

The labor market is not as tight as other parts of the country and job growth lags due to population losses. Disputes between workers and employers have arisen across various industries, including writers and actors in entertainment, dock workers and delivery drivers in transportation, and hotel staff in hospitality. While each dispute is occupation-specific, the disputes are further escalated by Los Angeles' high cost of living, which is due to the challenges of building more housing. Companies often cite the challenges in hiring as a motivating factor to relocate to other parts of the country.

The post-pandemic recovery in employment levels was slow relative to the nation due to an acceleration of population losses. Nonfarm payrolls recovered to their February 2020 levels in late 2022, whereas stronger population growth markets experienced more rapid recoveries. The composition of employment by sector has shifted. Most notably, transportation firms have grown payrolls by nearly 9% since February 2020, while

accommodations payrolls are 10% lower.

The transportation sector sustained growth through the pandemic as warehousing demands increased by retailers and ecommerce operators. Much of the demand draws from the ports of Los Angeles and Long Beach, which rank first and second in the U.S. in terms of annual containers (TEUs) handled. The twin ports handled 19 million containers in 2022, which if combined would make them the fifth busiest port in the world. However, the ports face several potential challenges and trade flows have sharply fallen. Some trade is being diverted to the east coast, which has been facilitated by the expansion of the Panama Canal in 2016 and which can place many items closer to their destination. U.S. imports from China, a significant place of origin for goods entering through L.A.'s ports, have also been declining since tariffs were imposed in 2018.

The entertainment business is vital to the Los Angeles economy. Los Angeles has benefited from the boom in content creation and social media over the past ten years. However, programming for the next 12 months will likely be affected by the writer's and actor's strikes.

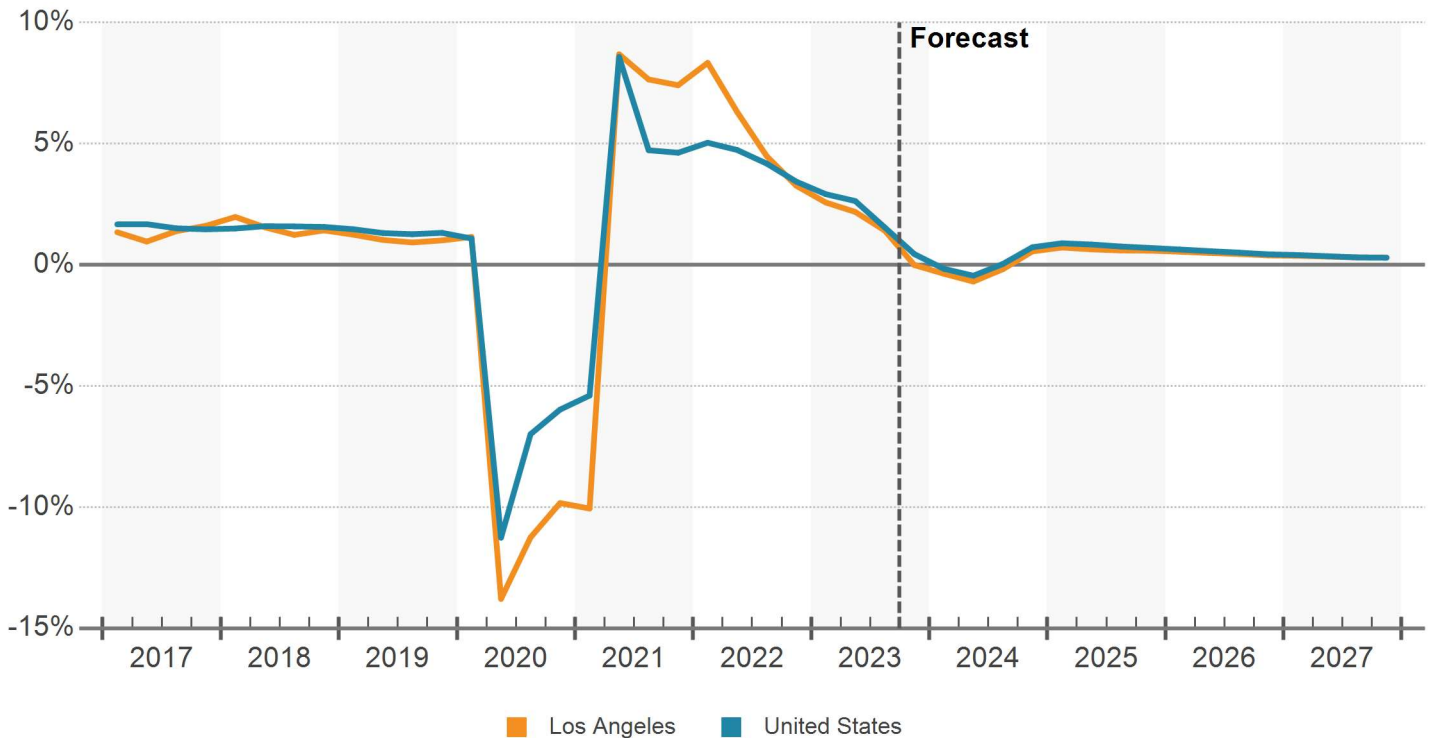
Tourism is also important for the local economy. Stores, restaurants, and lodging in tourist hotspots like Downtown L.A., Hollywood, Beverly Hills, and Santa Monica are dependent on tourists spending. Los Angeles has more than 50 million visitors per year, but hotel occupancy rates have yet to recover to pre-pandemic levels.

LOS ANGELES EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	319	0.8	-1.48%	0.33%	-1.64%	0.74%	-0.72%	0.07%
Trade, Transportation and Utilities	841	1.0	0.30%	0.31%	0.68%	1.12%	-0.11%	0.11%
Retail Trade	410	0.9	0.55%	0.20%	0.14%	0.29%	-0.19%	0.10%
Financial Activities	218	0.8	0.66%	0.48%	0.24%	1.43%	0.05%	0.13%
Government	569	0.9	0.82%	1.35%	0.44%	0.31%	0.21%	0.43%
Natural Resources, Mining and Construction	148	0.6	-3.36%	1.73%	2.18%	2.39%	0.06%	0.23%
Education and Health Services	911	1.2	3.66%	2.76%	2.61%	1.77%	0.95%	0.69%
Professional and Business Services	682	1.0	2.87%	1.21%	1.44%	2.08%	-0.18%	0.37%
Information	217	2.4	-9.98%	-1.51%	0.99%	1.24%	0.74%	0.29%
Leisure and Hospitality	550	1.1	6.41%	4.23%	2.18%	1.52%	1.12%	0.89%
Other Services	158	0.9	2.00%	1.86%	0.62%	0.61%	0.02%	0.29%
Total Employment	4,613	1.0	1.36%	1.50%	1.13%	1.31%	0.30%	0.39%

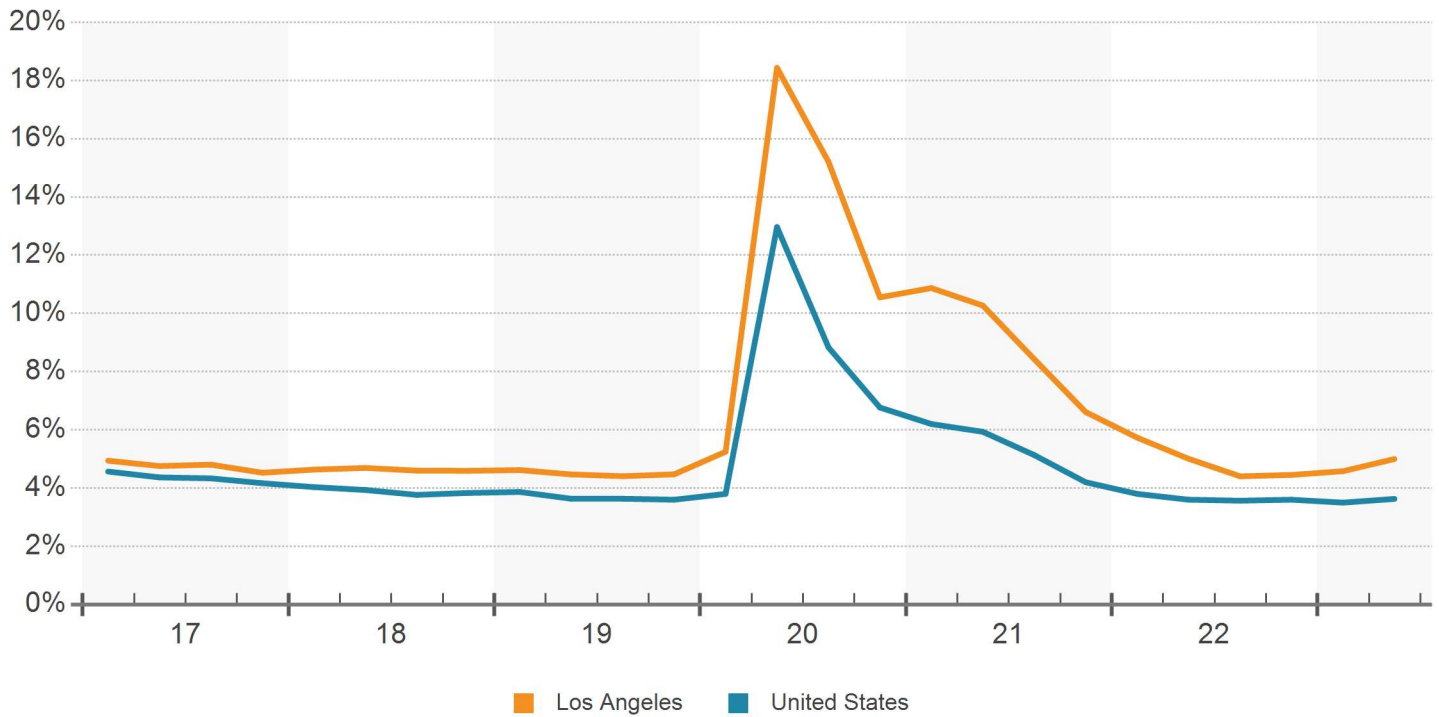
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

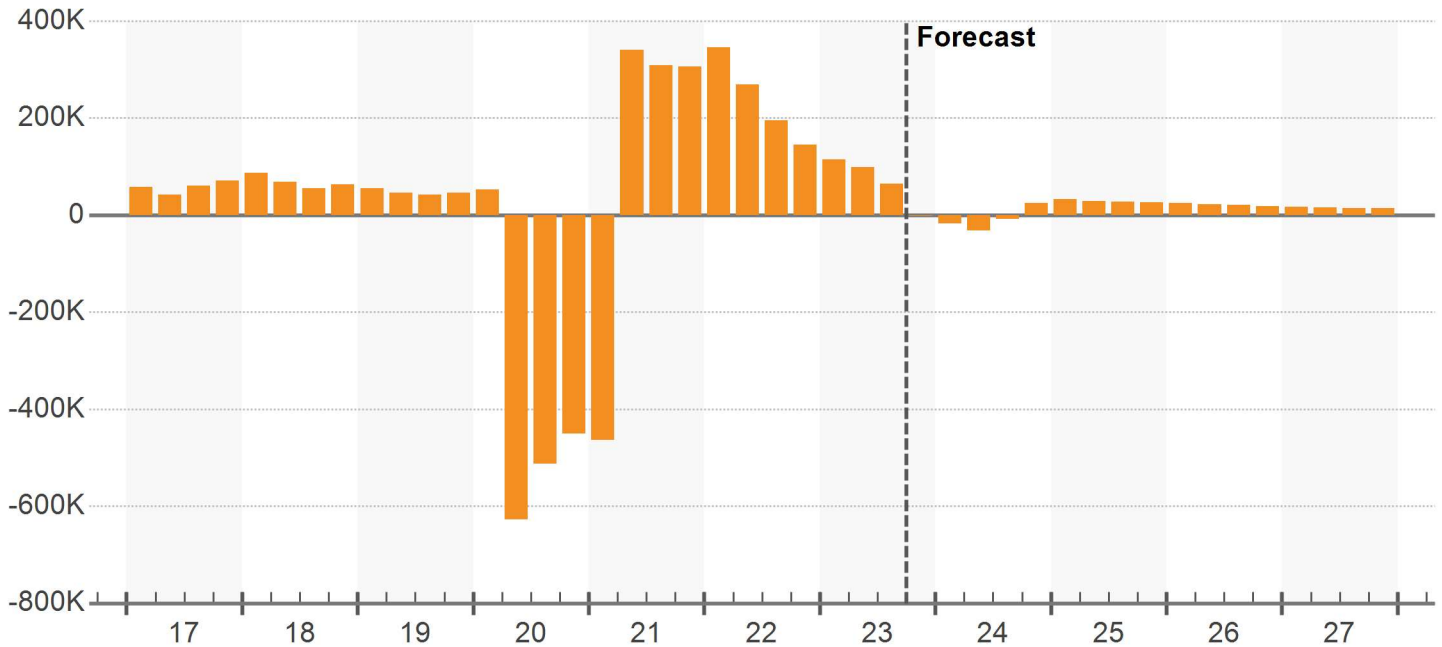


Source: Oxford Economics

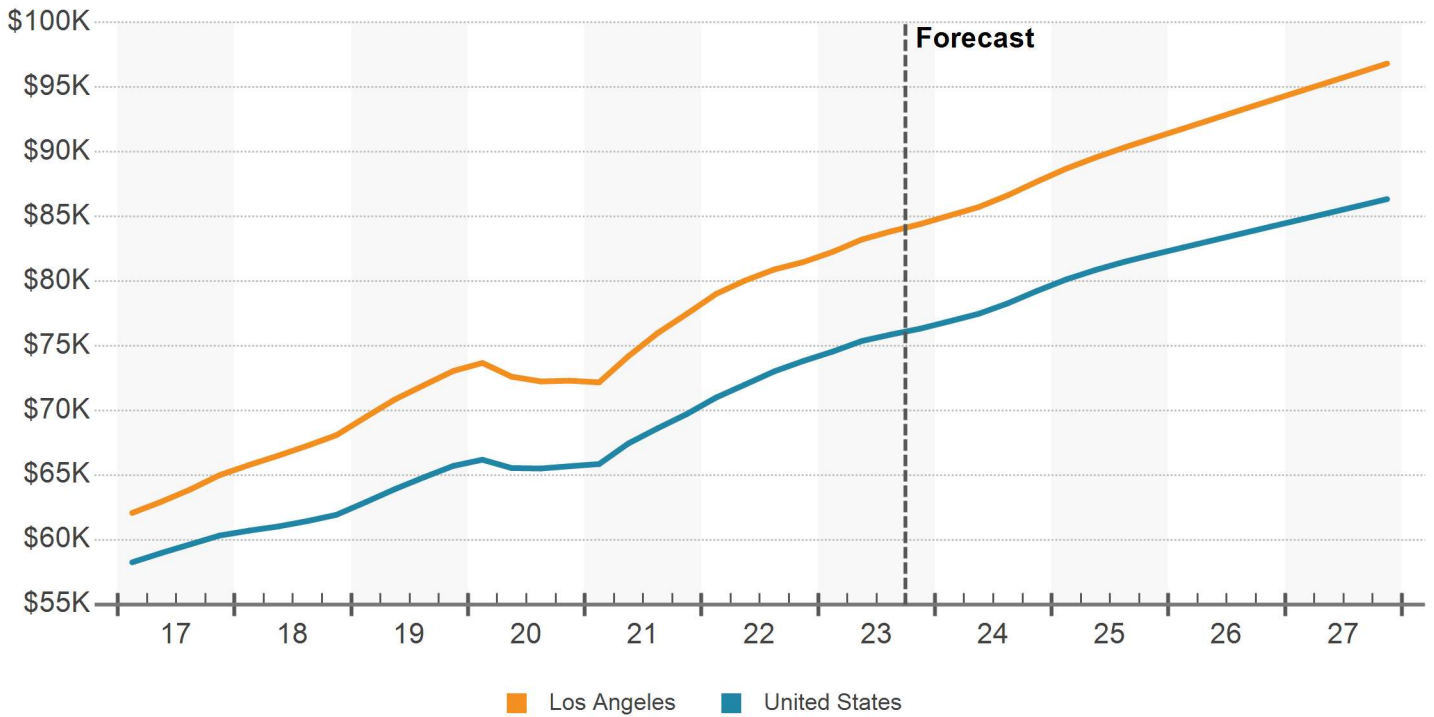
UNEMPLOYMENT RATE (%)



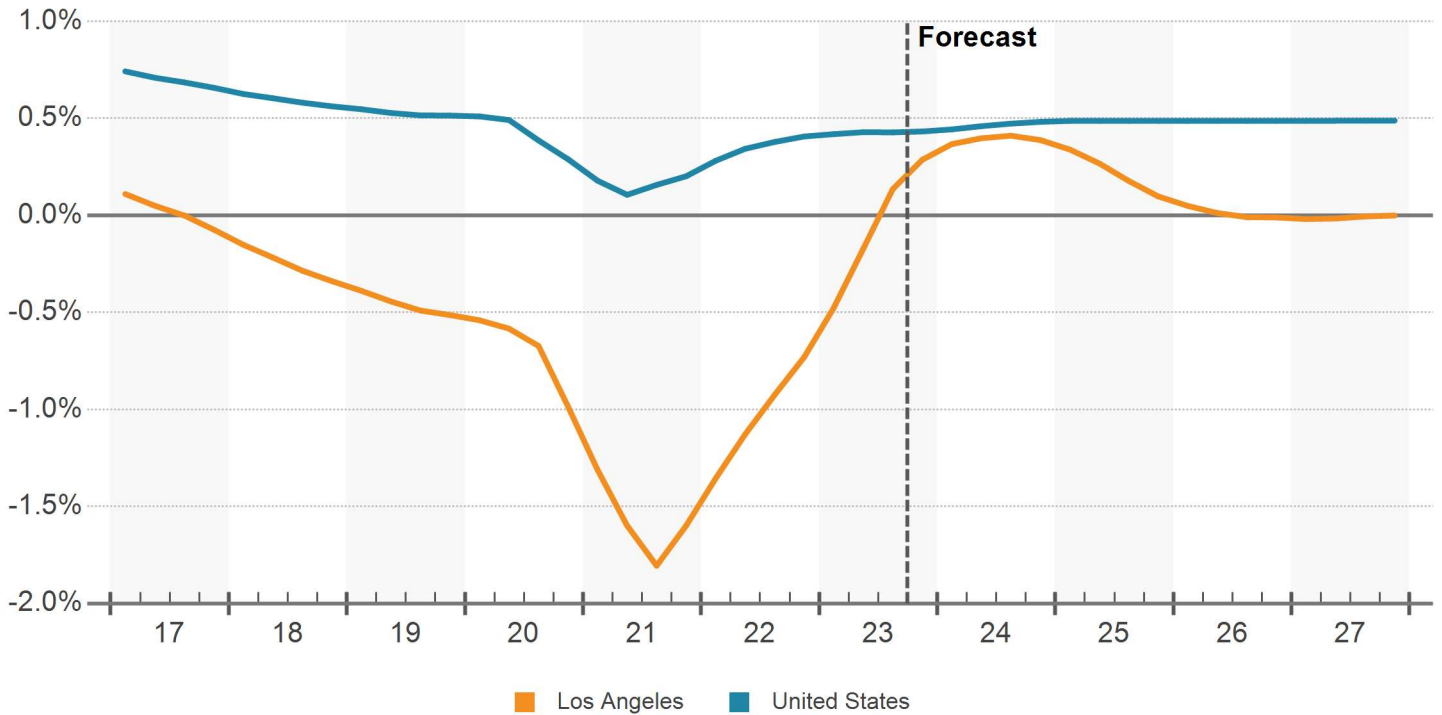
NET EMPLOYMENT CHANGE (YOY)



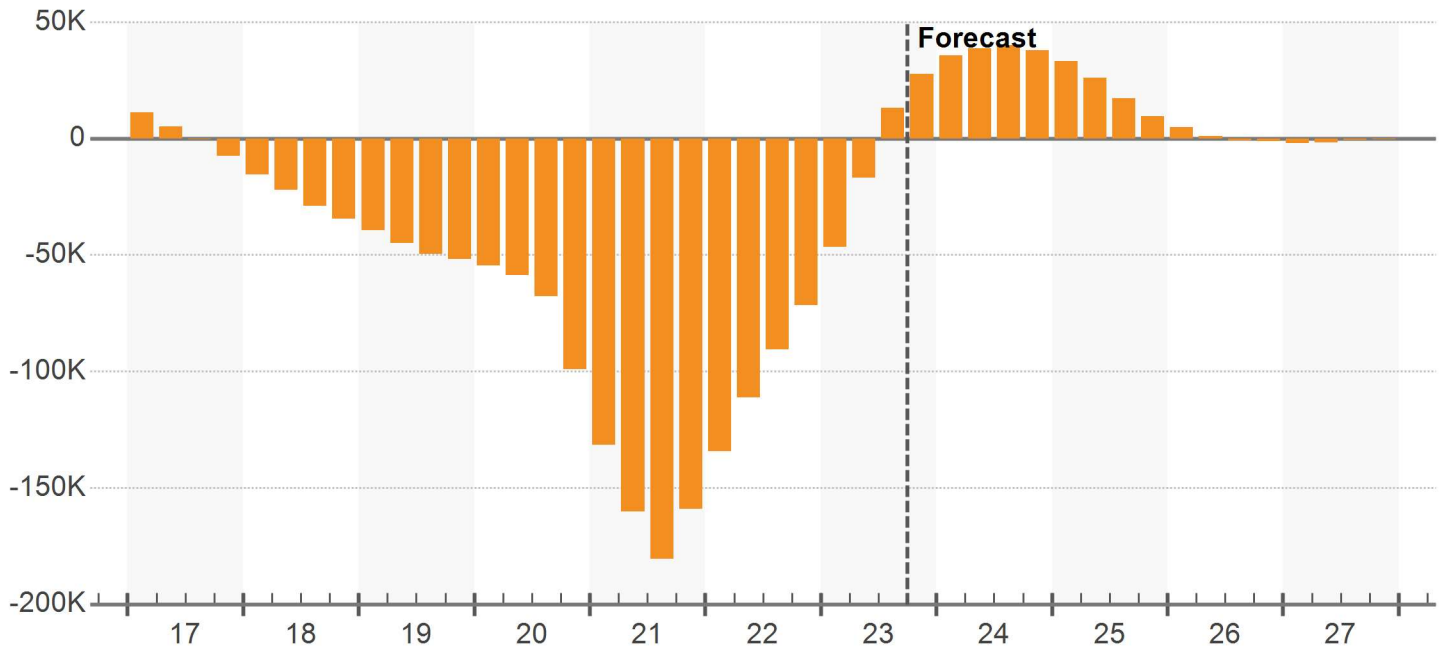
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

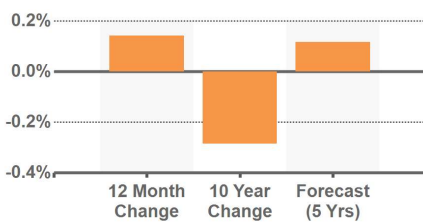


DEMOGRAPHIC TRENDS

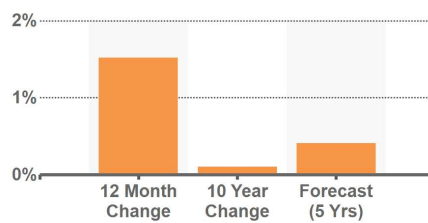
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	9,735,063	334,740,594	0.1%	0.4%	-0.3%	0.5%	0.1%	0.5%
Households	3,379,083	129,999,492	0.3%	0.6%	0.2%	0.9%	0.2%	0.6%
Median Household Income	\$83,860	\$75,882	3.6%	3.9%	4.4%	3.8%	3.4%	3.0%
Labor Force	5,021,426	165,919,156	1.5%	0.9%	0.1%	0.6%	0.4%	0.4%
Unemployment	5.0%	3.6%	0.6%	0.1%	-0.4%	-0.4%	-	-

Source: Oxford Economics

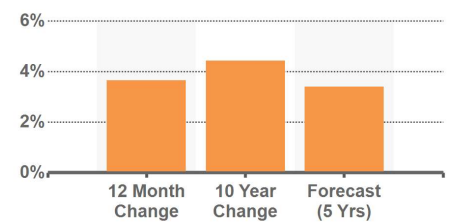
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

LOS ANGELES SUBMARKETS



Google

Map data ©2023 Google

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	Antelope Valley	465	11,909	1.3%	27	2	61	0.5%	11	3	160	1.3%	10
2	Burbank	1,135	15,813	1.7%	24	0	0	0%	-	0	-	-	-
3	Carson	572	39,609	4.2%	9	3	293	0.7%	3	1	128	0.3%	12
4	Catalina Island	1	2	0%	32	0	0	0%	-	0	-	-	-
5	Central Los Angeles	3,666	66,474	7.0%	4	1	176	0.3%	8	0	-	-	-
6	Cerritos/Norwalk	596	21,595	2.3%	20	1	23	0.1%	17	0	-	-	-
7	City of Industry	1,535	87,337	9.2%	1	1	34	0%	14	9	3,169	3.6%	1
8	Commerce	1,030	50,104	5.3%	6	1	40	0.1%	13	3	362	0.7%	5
9	Compton	382	17,224	1.8%	23	0	0	0%	-	0	-	-	-
10	Downey/Paramount	968	21,821	2.3%	19	1	43	0.2%	12	0	-	-	-
11	East LA Cnty Outlying	4	28	0%	30	0	0	0%	-	0	-	-	-
12	East San Ferndo Villy	2,982	55,301	5.8%	5	5	284	0.5%	4	1	107	0.2%	13
13	East San Gabriel Valley	1,118	28,197	3.0%	13	0	0	0%	-	1	38	0.1%	15
14	El Segundo/Beach Cities	366	12,097	1.3%	26	1	90	0.7%	10	1	32	0.3%	16
15	Gardena/Hawthorne	1,051	21,342	2.2%	21	0	0	0%	-	1	191	0.9%	9
16	Glendale	670	9,645	1.0%	28	0	0	0%	-	0	-	-	-
17	Long Beach	1,553	28,961	3.0%	12	0	0	0%	-	2	94	0.3%	14
18	Lower San Gabriel Valley	2,075	30,344	3.2%	10	1	8	0%	19	3	378	1.2%	4
19	Montebello	583	26,078	2.7%	16	0	0	0%	-	0	-	-	-
20	NE LA Cnty Outlying	6	113	0%	29	0	0	0%	-	0	-	-	-
21	Pasadena	1	3	0%	31	0	0	0%	-	0	-	-	-
22	Rancho Dominguez	314	20,351	2.1%	22	1	205	1.0%	5	0	-	-	-
23	San Pedro	594	13,585	1.4%	25	0	0	0%	-	0	-	-	-
24	Santa Clarita Valley	711	26,316	2.8%	14	1	319	1.2%	2	2	193	0.7%	8
25	Santa Fe Springs/La Mira...	1,997	71,438	7.5%	3	1	28	0%	15	3	296	0.4%	6
26	South LA	1,147	23,193	2.4%	18	0	0	0%	-	1	17	0.1%	17
27	Torrance	706	29,015	3.0%	11	8	1,057	3.6%	1	0	-	-	-
28	Upper San Gabriel Valley	2,126	41,982	4.4%	8	6	117	0.3%	9	5	1,706	4.1%	2
29	Vernon	2,274	83,474	8.8%	2	2	197	0.2%	6	4	399	0.5%	3
30	West Rancho Dominguez	1,008	26,152	2.7%	15	2	195	0.7%	7	2	284	1.1%	7
31	West San Fernando Valley	2,107	48,230	5.1%	7	2	23	0%	16	3	138	0.3%	11
32	Westside	1,681	24,742	2.6%	17	2	9	0%	18	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Antelope Valley	\$16.33	31	3.9%	28	2.2%	11
2	Burbank	\$26.84	3	4.7%	18	1.3%	23
3	Carson	\$18.94	16	8.5%	1	0%	30
4	Catalina Island	\$20.63	11	4.1%	26	1.4%	20
5	Central Los Angeles	\$21.56	7	4.6%	23	3.2%	6
6	Cerritos/Norwalk	\$17.30	24	6.4%	8	0.9%	25
7	City of Industry	\$17.53	23	6.5%	5	0.1%	29
8	Commerce	\$16.49	28	6.5%	7	1.1%	24
9	Compton	\$17.64	21	6.9%	3	1.9%	15
10	Downey/Paramount	\$16.86	26	5.2%	13	1.7%	16
11	East LA Cnty Outlying	\$21.29	8	2.8%	31	1.3%	22
12	East San Ferndo Villy	\$21.04	9	5.0%	14	2.2%	10
13	East San Gabriel Valley	\$15.86	32	5.5%	11	0.5%	26
14	El Segundo/Beach Cities	\$29.31	2	4.1%	27	1.7%	17
15	Gardena/Hawthorne	\$18.70	18	4.7%	19	2.3%	8
16	Glendale	\$24.51	5	4.6%	21	3.2%	5
17	Long Beach	\$20.70	10	4.5%	25	-3.0%	32
18	Lower San Gabriel Valley	\$18.19	20	4.6%	24	3.5%	2
19	Montebello	\$16.40	30	6.2%	9	1.6%	19
20	NE LA Cnty Outlying	\$19.30	15	7.2%	2	0%	31
21	Pasadena	\$26.25	4	1.8%	32	4.9%	1
22	Rancho Dominguez	\$17.62	22	6.5%	6	3.3%	4
23	San Pedro	\$20.06	13	5.2%	12	2.9%	7
24	Santa Clarita Valley	\$18.29	19	5.0%	15	3.4%	3
25	Santa Fe Springs/La Mira...	\$16.88	25	5.8%	10	1.7%	18
26	South LA	\$18.83	17	4.7%	20	2.2%	9
27	Torrance	\$20.17	12	6.8%	4	1.3%	21
28	Upper San Gabriel Valley	\$19.42	14	4.7%	17	0.3%	27
29	Vernon	\$16.46	29	4.6%	22	2.1%	12
30	West Rancho Dominguez	\$16.76	27	4.8%	16	2.1%	13
31	West San Fernando Valley	\$21.80	6	3.8%	30	0.2%	28
32	Westside	\$36.21	1	3.9%	29	1.9%	14

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Antelope Valley	292,732	2.5%	8	49,797	0.4%	2	0.6
2	Burbank	441,642	2.8%	10	(152,803)	-1.0%	13	-
3	Carson	1,876,576	4.7%	24	(1,629,341)	-4.1%	29	-
4	Catalina Island	-	-	-	0	0%	-	-
5	Central Los Angeles	3,542,512	5.3%	26	(232,588)	-0.3%	14	-
6	Cerritos/Norwalk	991,438	4.6%	23	(588,529)	-2.7%	23	-
7	City of Industry	3,583,084	4.1%	20	(2,336,170)	-2.7%	31	-
8	Commerce	1,718,002	3.4%	12	(1,464,988)	-2.9%	28	-
9	Compton	683,730	4.0%	17	(558,901)	-3.2%	22	-
10	Downey/Paramount	493,945	2.3%	5	(327,084)	-1.5%	17	-
11	East LA Cnty Outlying	1,200	4.3%	22	(1,200)	-4.3%	7	-
12	East San Ferndo Villy	1,359,122	2.5%	7	(233,132)	-0.4%	15	-
13	East San Gabriel Valley	406,000	1.4%	3	4,815	0%	4	-
14	El Segundo/Beach Cities	257,886	2.1%	4	17,391	0.1%	3	5.2
15	Gardena/Hawthorne	594,010	2.8%	9	(58,416)	-0.3%	10	-
16	Glendale	129,138	1.3%	2	(68,836)	-0.7%	11	-
17	Long Beach	1,083,010	3.7%	16	(31,502)	-0.1%	9	-
18	Lower San Gabriel Valley	1,062,511	3.5%	13	(368,700)	-1.2%	18	-
19	Montebello	1,088,341	4.2%	21	(894,995)	-3.4%	27	-
20	NE LA Cnty Outlying	1,000	0.9%	1	2,400	2.1%	5	-
21	Pasadena	3,428	100%	31	(3,428)	-100.0%	8	-
22	Rancho Dominguez	1,064,063	5.2%	25	(592,294)	-2.9%	24	-
23	San Pedro	331,158	2.4%	6	(113,183)	-0.8%	12	-
24	Santa Clarita Valley	1,064,595	4.0%	19	(400,412)	-1.5%	19	-
25	Santa Fe Springs/La Mira...	2,644,820	3.7%	15	(2,041,230)	-2.9%	30	-
26	South LA	924,415	4.0%	18	(254,427)	-1.1%	16	-
27	Torrance	2,029,171	7.0%	29	(402,329)	-1.4%	21	-
28	Upper San Gabriel Valley	1,526,691	3.6%	14	106,300	0.3%	1	0.1
29	Vernon	5,710,716	6.8%	28	(2,458,475)	-2.9%	32	-
30	West Rancho Dominguez	1,474,812	5.6%	27	(860,083)	-3.3%	26	-
31	West San Fernando Valley	1,499,810	3.1%	11	(400,918)	-0.8%	20	-
32	Westside	2,107,591	8.5%	30	(778,228)	-3.1%	25	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	953,430,288	691,189	0.1%	942,429	0.1%	0.7
2026	952,739,099	(307,928)	0%	1,950,651	0.2%	-
2025	953,047,027	(1,514,385)	-0.2%	4,778,171	0.5%	-
2024	954,561,412	1,181,440	0.1%	1,396,539	0.1%	0.8
2023	953,379,972	2,622,235	0.3%	(16,577,763)	-1.7%	-
YTD	952,471,342	1,713,605	0.2%	(15,639,143)	-1.6%	-
2022	950,757,737	2,060,380	0.2%	(2,784,910)	-0.3%	-
2021	948,697,357	1,293,957	0.1%	13,636,332	1.4%	0.1
2020	947,403,400	2,462,599	0.3%	(6,436,218)	-0.7%	-
2019	944,940,801	(213,821)	0%	(1,400,656)	-0.1%	-
2018	945,154,622	1,412,981	0.1%	1,036,995	0.1%	1.4
2017	943,741,641	4,758,418	0.5%	5,814,132	0.6%	0.8
2016	938,983,223	(1,228,736)	-0.1%	685,876	0.1%	-
2015	940,211,959	450,667	0%	7,670,170	0.8%	0.1
2014	939,761,292	130,085	0%	12,034,531	1.3%	0
2013	939,631,207	499,593	0.1%	5,324,593	0.6%	0.1
2012	939,131,614	(4,522,895)	-0.5%	(159,651)	0%	-
2011	943,654,509	(2,925,678)	-0.3%	(1,883,222)	-0.2%	-

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	248,605,996	(802,327)	-0.3%	(650,128)	-0.3%	-
2026	249,408,323	(830,968)	-0.3%	(195,831)	-0.1%	-
2025	250,239,291	(898,955)	-0.4%	544,431	0.2%	-
2024	251,138,246	(924,301)	-0.4%	(683,134)	-0.3%	-
2023	252,062,547	(955,222)	-0.4%	(5,123,178)	-2.0%	-
YTD	252,284,628	(733,141)	-0.3%	(4,284,204)	-1.7%	-
2022	253,017,769	(127,102)	-0.1%	(1,097,827)	-0.4%	-
2021	253,144,871	(1,374,144)	-0.5%	1,604,108	0.6%	-
2020	254,519,015	(1,871,797)	-0.7%	(3,726,317)	-1.5%	-
2019	256,390,812	(997,310)	-0.4%	(1,079,736)	-0.4%	-
2018	257,388,122	(600,367)	-0.2%	204,908	0.1%	-
2017	257,988,489	(354,601)	-0.1%	(135,716)	-0.1%	-
2016	258,343,090	(1,955,618)	-0.8%	(1,196,273)	-0.5%	-
2015	260,298,708	(238,002)	-0.1%	699,057	0.3%	-
2014	260,536,710	(158,164)	-0.1%	3,133,316	1.2%	-
2013	260,694,874	(190,622)	-0.1%	2,108,938	0.8%	-
2012	260,885,496	(1,994,269)	-0.8%	(2,636,453)	-1.0%	-
2011	262,879,765	(1,235,583)	-0.5%	(1,311,016)	-0.5%	-

Supply & Demand Trends

Los Angeles Industrial

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	648,522,764	1,639,665	0.3%	1,696,173	0.3%	1.0
2026	646,883,099	684,613	0.1%	2,065,721	0.3%	0.3
2025	646,198,486	(417,391)	-0.1%	4,044,675	0.6%	-
2024	646,615,877	2,317,006	0.4%	2,259,049	0.3%	1.0
2023	644,298,871	3,447,109	0.5%	(11,063,479)	-1.7%	-
YTD	643,246,992	2,395,230	0.4%	(11,308,682)	-1.8%	-
2022	640,851,762	2,628,541	0.4%	(1,339,141)	-0.2%	-
2021	638,223,221	2,857,499	0.4%	11,871,150	1.9%	0.2
2020	635,365,722	4,415,538	0.7%	(1,591,201)	-0.3%	-
2019	630,950,184	1,358,260	0.2%	18,393	0%	73.8
2018	629,591,924	2,454,974	0.4%	1,403,735	0.2%	1.7
2017	627,136,950	4,958,312	0.8%	5,808,794	0.9%	0.9
2016	622,178,638	1,026,512	0.2%	1,900,092	0.3%	0.5
2015	621,152,126	882,621	0.1%	6,866,699	1.1%	0.1
2014	620,269,505	244,179	0%	8,119,622	1.3%	0
2013	620,025,326	547,264	0.1%	2,750,158	0.4%	0.2
2012	619,478,062	(2,417,712)	-0.4%	3,456,753	0.6%	-
2011	621,895,774	(1,323,777)	-0.2%	(1,082,564)	-0.2%	-

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	56,301,528	(146,149)	-0.3%	(103,616)	-0.2%	-
2026	56,447,677	(161,573)	-0.3%	80,761	0.1%	-
2025	56,609,250	(198,039)	-0.3%	189,065	0.3%	-
2024	56,807,289	(211,265)	-0.4%	(179,376)	-0.3%	-
2023	57,018,554	130,348	0.2%	(391,106)	-0.7%	-
YTD	56,939,722	51,516	0.1%	(46,257)	-0.1%	-
2022	56,888,206	(441,059)	-0.8%	(347,942)	-0.6%	-
2021	57,329,265	(189,398)	-0.3%	161,074	0.3%	-
2020	57,518,663	(81,142)	-0.1%	(1,118,700)	-1.9%	-
2019	57,599,805	(574,771)	-1.0%	(339,313)	-0.6%	-
2018	58,174,576	(441,626)	-0.8%	(571,648)	-1.0%	-
2017	58,616,202	154,707	0.3%	141,054	0.2%	1.1
2016	58,461,495	(299,630)	-0.5%	(17,943)	0%	-
2015	58,761,125	(193,952)	-0.3%	104,414	0.2%	-
2014	58,955,077	44,070	0.1%	781,593	1.3%	0.1
2013	58,911,007	142,951	0.2%	465,497	0.8%	0.3
2012	58,768,056	(110,914)	-0.2%	(979,951)	-1.7%	-
2011	58,878,970	(366,318)	-0.6%	510,358	0.9%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$24.59	291	5.2%	31.7%	32,985,070	3.5%	0%
2026	\$23.38	277	7.5%	25.2%	33,202,471	3.5%	-0.2%
2025	\$21.74	257	7.4%	16.4%	35,431,304	3.7%	-0.7%
2024	\$20.24	239	4.4%	8.4%	41,729,542	4.4%	0%
2023	\$19.39	229	3.9%	3.9%	41,870,898	4.4%	2.0%
YTD	\$19.21	227	5.3%	2.9%	39,971,789	4.2%	1.8%
2022	\$18.67	221	13.1%	0%	22,619,041	2.4%	0.5%
2021	\$16.51	195	12.4%	-11.6%	17,792,527	1.9%	-1.3%
2020	\$14.69	174	7.2%	-21.3%	30,134,019	3.2%	0.9%
2019	\$13.71	162	6.5%	-26.6%	21,314,815	2.3%	0.1%
2018	\$12.87	152	7.4%	-31.1%	20,173,954	2.1%	0%
2017	\$11.99	142	8.4%	-35.8%	19,874,182	2.1%	-0.1%
2016	\$11.06	131	8.1%	-40.8%	21,087,788	2.2%	-0.2%
2015	\$10.23	121	8.3%	-45.2%	22,922,445	2.4%	-0.8%
2014	\$9.45	112	7.1%	-49.4%	30,223,511	3.2%	-1.3%
2013	\$8.82	104	5.4%	-52.8%	42,209,971	4.5%	-0.5%
2012	\$8.37	99	3.7%	-55.2%	47,034,971	5.0%	-0.4%
2011	\$8.07	95	1.8%	-56.8%	51,398,215	5.4%	-0.1%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$22.97	276	5.3%	30.0%	6,011,253	2.4%	0%
2026	\$21.82	263	7.6%	23.5%	6,152,104	2.5%	-0.2%
2025	\$20.28	244	7.5%	14.8%	6,775,790	2.7%	-0.6%
2024	\$18.87	227	4.5%	6.8%	8,212,772	3.3%	-0.1%
2023	\$18.06	217	2.2%	2.2%	8,434,477	3.3%	1.7%
YTD	\$17.90	215	3.0%	1.3%	7,807,574	3.1%	1.4%
2022	\$17.67	213	10.7%	0%	4,256,511	1.7%	0.4%
2021	\$15.97	192	10.5%	-9.6%	3,285,786	1.3%	-1.2%
2020	\$14.45	174	6.8%	-18.2%	6,263,155	2.5%	0.7%
2019	\$13.54	163	6.5%	-23.4%	4,436,875	1.7%	0%
2018	\$12.72	153	7.4%	-28.0%	4,354,449	1.7%	-0.3%
2017	\$11.84	142	8.6%	-33.0%	5,159,724	2.0%	-0.1%
2016	\$10.91	131	8.2%	-38.3%	5,378,609	2.1%	-0.3%
2015	\$10.08	121	8.1%	-42.9%	6,139,562	2.4%	-0.4%
2014	\$9.33	112	7.1%	-47.2%	7,076,621	2.7%	-1.3%
2013	\$8.72	105	5.8%	-50.7%	10,450,115	4.0%	-0.9%
2012	\$8.24	99	3.8%	-53.4%	12,749,675	4.9%	0.3%
2011	\$7.94	95	1.8%	-55.1%	12,107,491	4.6%	0.1%

LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$24.52	307	5.2%	32.8%	24,289,413	3.7%	0%
2026	\$23.31	292	7.5%	26.3%	24,326,759	3.8%	-0.2%
2025	\$21.68	272	7.4%	17.5%	25,692,427	4.0%	-0.7%
2024	\$20.19	253	4.4%	9.4%	30,165,796	4.7%	0%
2023	\$19.34	242	4.8%	4.8%	30,059,102	4.7%	2.2%
YTD	\$19.15	240	6.6%	3.8%	29,213,907	4.5%	2.1%
2022	\$18.46	231	14.5%	0%	15,509,995	2.4%	0.6%
2021	\$16.12	202	13.9%	-12.7%	11,561,089	1.8%	-1.4%
2020	\$14.15	177	7.8%	-23.3%	20,574,740	3.2%	0.9%
2019	\$13.13	165	6.8%	-28.8%	14,619,374	2.3%	0.2%
2018	\$12.30	154	7.6%	-33.4%	13,325,481	2.1%	0.1%
2017	\$11.43	143	8.6%	-38.1%	12,350,163	2.0%	-0.2%
2016	\$10.53	132	8.4%	-42.9%	13,358,537	2.1%	-0.1%
2015	\$9.71	122	8.6%	-47.4%	14,232,117	2.3%	-1.0%
2014	\$8.95	112	7.4%	-51.5%	20,216,195	3.3%	-1.3%
2013	\$8.33	104	5.4%	-54.9%	28,091,638	4.5%	-0.4%
2012	\$7.90	99	3.7%	-57.2%	30,294,532	4.9%	-0.9%
2011	\$7.62	95	1.9%	-58.7%	36,168,997	5.8%	0%

FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$32.60	225	5.1%	27.6%	2,684,404	4.8%	-0.1%
2026	\$31.02	214	7.4%	21.5%	2,723,608	4.8%	-0.4%
2025	\$28.88	200	7.2%	13.1%	2,963,087	5.2%	-0.7%
2024	\$26.94	186	4.2%	5.5%	3,350,974	5.9%	0%
2023	\$25.84	179	1.2%	1.2%	3,377,319	5.9%	0.9%
YTD	\$25.61	177	1.8%	0.3%	2,950,308	5.2%	0.2%
2022	\$25.54	176	8.9%	0%	2,852,535	5.0%	-0.1%
2021	\$23.46	162	7.5%	-8.1%	2,945,652	5.1%	-0.6%
2020	\$21.82	151	4.1%	-14.5%	3,296,124	5.7%	1.8%
2019	\$20.96	145	4.7%	-17.9%	2,258,566	3.9%	-0.4%
2018	\$20.03	138	5.7%	-21.6%	2,494,024	4.3%	0.3%
2017	\$18.95	131	6.6%	-25.8%	2,364,295	4.0%	0%
2016	\$17.79	123	6.3%	-30.3%	2,350,642	4.0%	-0.3%
2015	\$16.74	116	6.9%	-34.5%	2,550,766	4.3%	-0.6%
2014	\$15.65	108	5.9%	-38.7%	2,930,695	5.0%	-1.3%
2013	\$14.78	102	3.8%	-42.1%	3,668,218	6.2%	-0.6%
2012	\$14.25	98	2.9%	-44.2%	3,990,764	6.8%	1.5%
2011	\$13.84	96	0.8%	-45.8%	3,121,727	5.3%	-1.4%

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
2027	-	-	-	-	-	-	\$432.41	445	4.6%
2026	-	-	-	-	-	-	\$401.48	413	4.7%
2025	-	-	-	-	-	-	\$358.15	369	4.8%
2024	-	-	-	-	-	-	\$323.32	333	4.9%
2023	-	-	-	-	-	-	\$318.79	328	4.8%
YTD	547	\$4.3B	1.6%	\$8,639,342	\$335.40	5.0%	\$331.84	342	4.6%
2022	1,165	\$9.3B	3.5%	\$8,732,481	\$303.77	4.4%	\$328.15	338	4.4%
2021	1,381	\$8.4B	3.8%	\$6,326,575	\$249.67	4.7%	\$298.35	307	4.2%
2020	993	\$5.5B	2.9%	\$6,007,264	\$227.83	4.8%	\$238.63	246	4.7%
2019	1,249	\$5B	3.3%	\$5,514,698	\$212.83	4.6%	\$204.26	210	5.1%
2018	1,732	\$5.2B	3.7%	\$5,101,135	\$203.49	5.1%	\$184.83	190	5.1%
2017	1,950	\$4.8B	4.1%	\$4,164,817	\$157.32	5.0%	\$166	171	5.2%
2016	1,624	\$4.2B	3.8%	\$3,807,132	\$149.37	5.3%	\$158.11	163	5.1%
2015	1,897	\$4.4B	4.8%	\$3,548,296	\$136.63	5.7%	\$145.13	149	5.1%
2014	1,578	\$3.3B	3.5%	\$2,960,627	\$115.70	6.0%	\$125.44	129	5.5%
2013	1,399	\$2.7B	3.5%	\$2,562,433	\$95.99	6.9%	\$111.70	115	5.8%
2012	1,684	\$2.8B	4.3%	\$2,834,540	\$97.76	7.5%	\$102.78	106	6.0%

(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
2027	-	-	-	-	-	-	\$398.06	453	4.6%
2026	-	-	-	-	-	-	\$369.32	420	4.7%
2025	-	-	-	-	-	-	\$329.23	375	4.9%
2024	-	-	-	-	-	-	\$297.02	338	5.0%
2023	-	-	-	-	-	-	\$292.70	333	4.9%
YTD	128	\$830.2M	1.4%	\$7,035,961	\$329.93	5.4%	\$304.94	347	4.7%
2022	300	\$2.5B	3.5%	\$8,766,910	\$290.22	4.2%	\$300.75	342	4.5%
2021	338	\$2.1B	3.8%	\$6,431,252	\$228.39	4.6%	\$273.23	311	4.3%
2020	241	\$1.5B	3.2%	\$6,734,049	\$215.49	5.0%	\$217.88	248	4.7%
2019	344	\$1.3B	2.9%	\$5,273,635	\$218.52	4.6%	\$186.47	212	5.1%
2018	446	\$1.1B	3.7%	\$4,719,760	\$178.83	4.9%	\$168.90	192	5.2%
2017	523	\$1.1B	4.2%	\$3,906,474	\$149.16	5.7%	\$151.49	172	5.3%
2016	432	\$970M	3.5%	\$3,321,802	\$147.98	5.7%	\$143.58	163	5.1%
2015	474	\$1B	4.2%	\$3,190,304	\$123.03	6.4%	\$131.34	149	5.2%
2014	421	\$973.9M	4.2%	\$3,478,083	\$104.26	5.4%	\$113.50	129	5.6%
2013	336	\$776.9M	3.7%	\$3,046,646	\$93.87	6.9%	\$100.94	115	5.9%
2012	472	\$751.3M	4.6%	\$2,845,908	\$89.47	7.3%	\$92.76	106	6.1%

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(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
2027	-	-	-	-	-	-	\$433.62	449	4.6%
2026	-	-	-	-	-	-	\$402.63	417	4.6%
2025	-	-	-	-	-	-	\$359.16	372	4.8%
2024	-	-	-	-	-	-	\$324.23	336	4.9%
2023	-	-	-	-	-	-	\$319.73	331	4.8%
YTD	364	\$3.2B	1.7%	\$9,541,513	\$322.95	4.9%	\$332.74	345	4.6%
2022	730	\$6.2B	3.3%	\$9,075,596	\$314.84	4.3%	\$329.03	341	4.4%
2021	924	\$5.2B	3.6%	\$5,862,485	\$244.11	4.6%	\$298.38	309	4.2%
2020	660	\$3.7B	2.8%	\$5,938,805	\$229.93	4.5%	\$238.61	247	4.7%
2019	796	\$3.2B	3.4%	\$5,490,731	\$200.81	4.5%	\$203.79	211	5.0%
2018	1,154	\$3.4B	3.7%	\$4,975,464	\$200.48	5.1%	\$184.11	191	5.1%
2017	1,294	\$3.3B	4.1%	\$4,246,248	\$156.53	4.6%	\$165.14	171	5.2%
2016	1,060	\$2.6B	3.8%	\$3,796,137	\$144.20	5.0%	\$157.44	163	5.1%
2015	1,247	\$2.8B	5.0%	\$3,576,812	\$134.66	5.3%	\$144.66	150	5.1%
2014	1,019	\$2B	3.2%	\$2,702,904	\$117.83	6.0%	\$124.99	129	5.5%
2013	939	\$1.7B	3.5%	\$2,420,762	\$92.51	6.8%	\$111.26	115	5.8%
2012	1,075	\$1.9B	4.3%	\$2,895,128	\$98.98	7.1%	\$102.36	106	6.0%

(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
2027	-	-	-	-	-	-	\$570.50	395	4.7%
2026	-	-	-	-	-	-	\$530.58	368	4.8%
2025	-	-	-	-	-	-	\$474.44	329	5.0%
2024	-	-	-	-	-	-	\$429.30	298	5.1%
2023	-	-	-	-	-	-	\$423.47	294	5.0%
YTD	55	\$357.1M	1.2%	\$6,613,056	\$540.63	4.8%	\$440.45	305	4.8%
2022	135	\$637.9M	5.6%	\$6,316,084	\$261.72	5.3%	\$439.21	304	4.6%
2021	119	\$1.1B	5.5%	\$9,608,761	\$349.73	5.4%	\$409.06	284	4.3%
2020	92	\$351M	2.3%	\$4,442,645	\$269.84	5.9%	\$330.69	229	4.8%
2019	109	\$537.6M	3.4%	\$6,400,508	\$299.81	6.1%	\$288.26	200	5.1%
2018	132	\$675.6M	4.6%	\$6,894,072	\$291.66	5.5%	\$263.58	183	5.2%
2017	133	\$339.5M	3.9%	\$4,352,792	\$205.58	5.7%	\$240.06	166	5.3%
2016	132	\$568.2M	5.6%	\$5,165,024	\$182.84	6.0%	\$229.91	159	5.1%
2015	176	\$485.5M	5.5%	\$4,413,439	\$202.31	6.2%	\$211.50	147	5.1%
2014	138	\$319.2M	4.7%	\$3,469,946	\$148.40	6.4%	\$183.34	127	5.5%
2013	124	\$202.6M	2.8%	\$2,276,617	\$159.18	7.7%	\$164.42	114	5.8%
2012	137	\$157.2M	3.2%	\$2,246,076	\$138.37	8.8%	\$151.93	105	6.0%

(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.