

SUBMARKET STATISTICS

Submarket	Inventory	Under Construction	1Q 23 Deliveries	1Q 23 Direct Vacancy	1Q 23 Sublease Vacancy	1Q 23 Total Vacancy	4Q 22 Total Vacancy	1Q 23 Net Absorption	YTD Net Absorption	1Q 23 Avg Direct Asking Rent (NNN)
Bell/Bell Gardens/Cudahy	7,408,080	0	0	0.7%	0.1%	0.8%	0.3%	(36,508)	(36,508)	\$1.83
Commerce	62,141,310	40,210	0	6.1%	0.5%	6.6%	4.3%	(1,442,161)	(1,442,161)	\$1.70
Huntington Park	9,952,451	0	0	1.6%	1.0%	2.6%	2.3%	(37,256)	(37,256)	\$1.50
Lincoln Heights/City Terrace	11,675,010	0	0	13.9%	0.1%	14.0%	11.7%	(271,877)	(271,877)	\$1.45
Central Los Angeles	49,252,447	0	0	4.4%	0.3%	4.7%	4.0%	(377,777)	(377,777)	\$1.69
Maywood	796,355	0	0	8.0%	0.0%	8.0%	1.6%	(51,151)	(51,151)	\$1.15
Montebello	10,116,688	0	0	2.6%	0.3%	2.9%	2.6%	(24,755)	(24,755)	\$1.60
Pico Rivera	10,450,106	0	0	0.9%	0.0%	0.9%	0.9%	3,762	3,762	\$1.88
South Gate	9,653,147	0	0	0.7%	0.0%	0.7%	0.7%	1,155	1,155	\$1.48
Vernon	59,826,403	303,284	0	1.9%	0.9%	2.8%	1.9%	(532,757)	(532,757)	\$1.80
LA CENTRAL	231,271,997	343,494	0	4.0%	0.5%	4.5%	3.4%	(2,769,325)	(2,769,325)	\$1.73
Artesia	310,967	0	0	0.0%	0.0%	0.0%	0.0%	0	0	N/A
Bellflower	919,505	0	0	4.8%	0.0%	4.8%	5.2%	3,905	3,905	\$1.56
Buena Park	13,231,949	0	0	1.0%	0.5%	1.5%	0.6%	(113,564)	(113,564)	\$1.99
Cerritos	12,794,064	23,136	0	2.1%	0.2%	2.3%	1.9%	(54,747)	(54,747)	\$1.45
Cypress	4,614,357	0	0	1.0%	0.0%	1.0%	1.2%	12,079	12,079	\$1.55
Downey	4,704,516	0	107,359	3.2%	1.0%	4.2%	1.8%	(8,280)	(8,280)	\$1.82
La Mirada	13,496,456	0	0	1.1%	0.1%	1.2%	0.7%	(65,454)	(65,454)	\$1.67
La Palma	1,778,216	0	0	4.1%	0.0%	4.1%	4.1%	0	0	N/A
Los Alamitos	2,182,349	0	0	0.2%	0.0%	0.2%	0.6%	8,328	8,328	N/A
Norwalk	2,898,311	0	0	0.3%	0.0%	0.3%	0.2%	(2,932)	(2,932)	\$1.50
Santa Fe Springs	53,324,936	202,897	0	1.5%	0.2%	1.7%	1.1%	(326,256)	(326,256)	\$1.70
Whittier	8,989,285	40,900	28,332	2.9%	0.0%	2.9%	3.1%	19,545	19,545	\$1.73
MID-COUNTIES	119,244,911	266,933	135,691	1.6%	0.2%	1.8%	1.3%	(527,376)	(527,376)	\$1.70
City of Industry	79,031,656	2,249,453	0	2.5%	0.2%	2.7%	2.4%	(229,003)	(229,003)	\$1.66
East San Gabriel Valley	26,505,512	67,800	0	1.5%	0.1%	1.5%	0.8%	(189,557)	(189,557)	\$1.20
Lower San Gabriel Valley	25,918,268	372,992	0	1.8%	0.1%	1.8%	1.7%	(25,451)	(25,451)	\$1.67
Upper San Gabriel Valley	38,160,963	1,600,002	33,306	3.5%	0.3%	3.7%	3.6%	(9,428)	(9,428)	\$1.58
SAN GABRIEL VALLEY	169,616,399	4,290,247	33,306	2.5%	0.2%	2.6%	2.3%	(453,439)	(453,439)	\$1.61
Beach Cities/El Segundo	10,650,025	31,541	0	1.3%	0.3%	1.6%	1.2%	(38,120)	(38,120)	\$1.82
Carson	23,229,267	127,930	292,878	2.8%	0.0%	2.8%	0.8%	(177,728)	(177,728)	\$2.21
Compton/Rancho Dominguez	40,458,586	205,435	0	2.2%	0.1%	2.3%	1.1%	(494,697)	(494,697)	\$1.85
Gardena/Hawthorne/Inglewood/Lawndale	49,361,169	107,733	86,879	2.3%	0.2%	2.5%	1.5%	(431,711)	(431,711)	\$1.71
Harbor City/Lomita/San Pedro/Wilmington	9,365,668	0	0	5.1%	0.1%	5.2%	0.4%	(447,425)	(447,425)	\$2.15
Lakewood/Long Beach/Signal Hill	36,882,055	94,328	0	3.3%	0.1%	3.3%	3.2%	(25,511)	(25,511)	\$1.77
Lynwood/Paramount	13,580,522	0	0	1.2%	0.5%	1.7%	0.6%	(139,163)	(139,163)	\$1.45
Torrance	28,311,020	485,228	554,537	4.9%	0.2%	5.2%	3.3%	6,127	6,127	\$1.96
SOUTH BAY	211,838,312	1,052,195	934,294	2.9%	0.2%	3.0%	1.8%	(1,748,228)	(1,748,228)	\$1.87
LOS ANGELES TOTAL	731,971,619	5,952,869	1,103,291	2.9%	0.3%	3.2%	2.3%	(5,498,368)	(5,498,368)	\$1.71

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MARKET SNAPSHOT

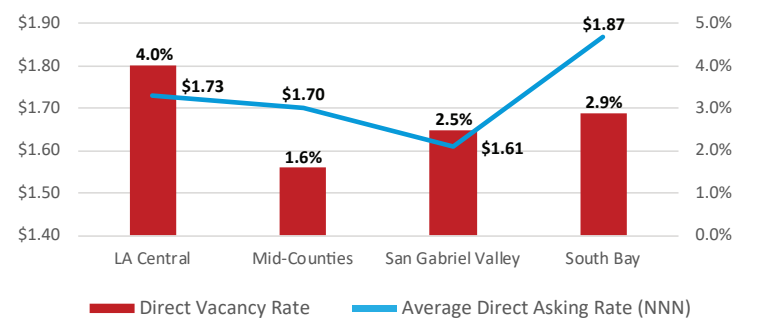
HIGHEST TOTAL SALE & LEASE ACTIVITY
SAN GABRIEL VALLEY
3,474,720 SF

HIGHEST AVERAGE DIRECT ASKING RATE (NNN)
SOUTH BAY
\$1.87

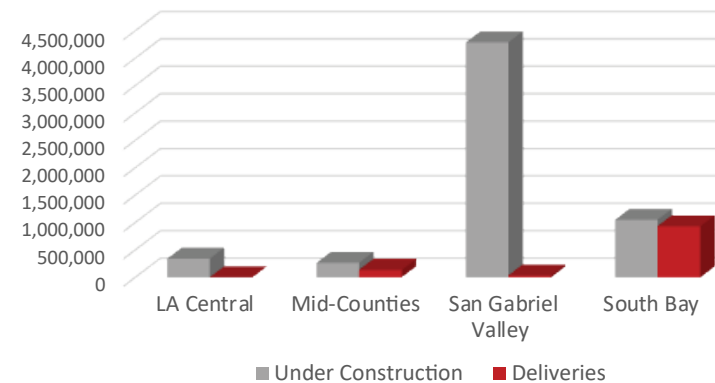
LOWEST DIRECT VACANCY
MID-CITIES
1.6%

HIGHEST SUBLEASE VACANCY RATE
LA CENTRAL
0.5%

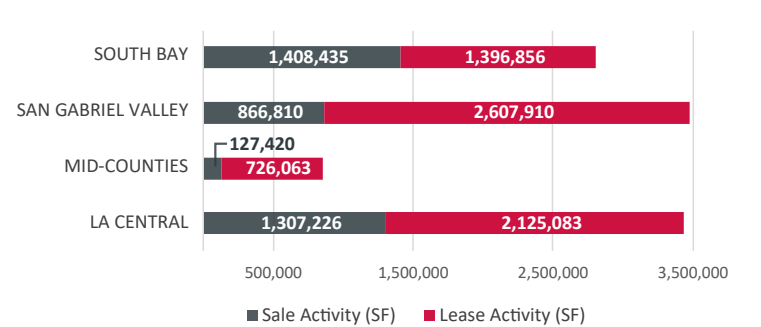
VACANCY AND ASKING RATE



UNDER CONSTRUCTION & DELIVERIES (SF)



SALE AND LEASE ACTIVITY (SF)



ARE RENTS STABILIZING?

The Los Angeles County Industrial Market concluded 1Q2023 with a total vacancy rate of 3.2%, up from 2.3% in the previous quarter and 1.6% from a year ago. Los Angeles Central submarket had the highest total vacancy rate at 4.5%, including a 0.5% sublease vacancy.

Some submarkets had minimal rate growth while others decreased asking rates. The average direct asking rate for Los Angeles County was \$1.71 NNN, up from \$1.37 NNN a year ago but unchanged from the end of 2022. The South Bay submarket had the highest average direct asking rate at \$1.87 NNN, while the San Gabriel Valley submarket had the lowest at \$1.61 NNN coinciding with the highest lease activity of the quarter.

During the quarter, lease transactions outpaced sales, with leases accounting for 64.9% of the total sale and lease activity based on square footage. Companies were opting for lease commitments instead of purchasing, as evidenced by an increase of 28.5% in lease activity and a decrease of 58% in sale activity.

The San Gabriel Valley submarket and Los Angeles Central submarket had the lowest average sold prices at \$290.38 PSF and \$331.73 PSF, respectively, and combined accounted for 58.6% of the total sale activity in Los Angeles County.

The declines in container cargo at the ports, rail total carloads, and intermodal traffic, combined with uncertainty, labor disputes at the ports, and multiple interest rate increases, resulted in a negative absorption of 5.5 million square feet in the Los Angeles County Industrial Market during 1Q2023.

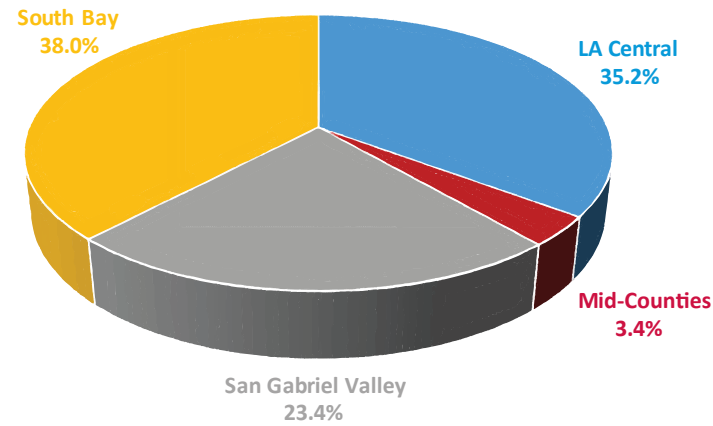
Overall, the sentiment in the Los Angeles County Industrial Market is cautiously optimistic with the potential for stabilizing rates.

Maggie Kusumawathy, Research and Marketing

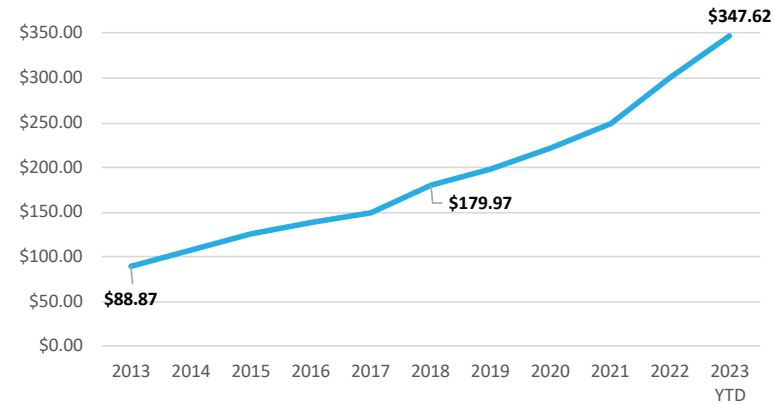
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LOS ANGELES INDUSTRIAL MARKET

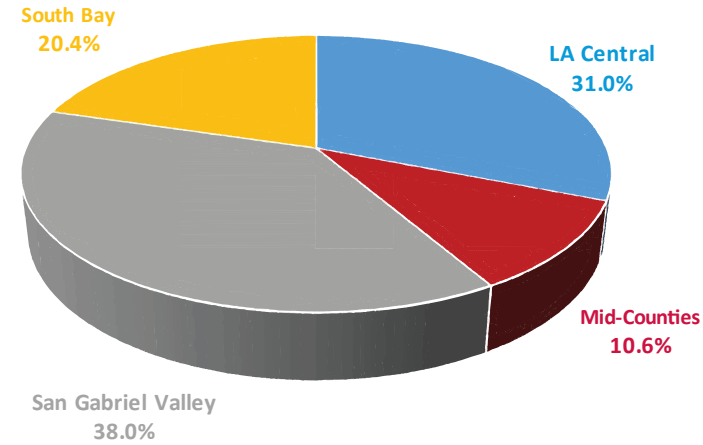
SALE ACTIVITY (SF)



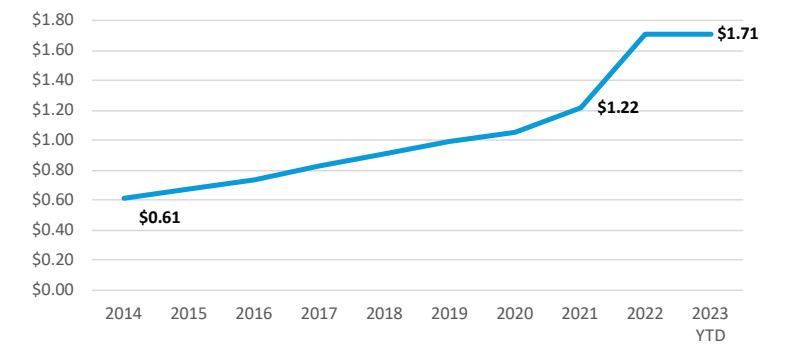
AVERAGE SALE PRICE PSF



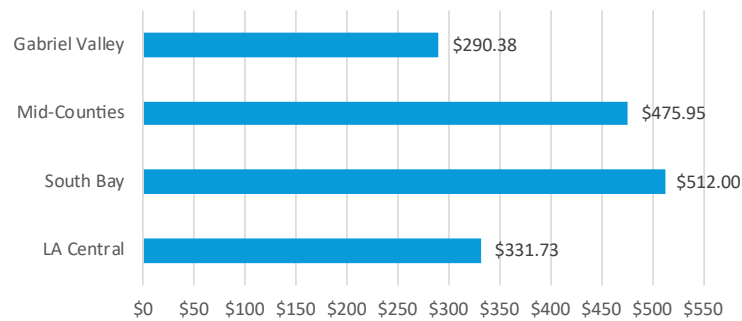
LEASE ACTIVITY (SF)



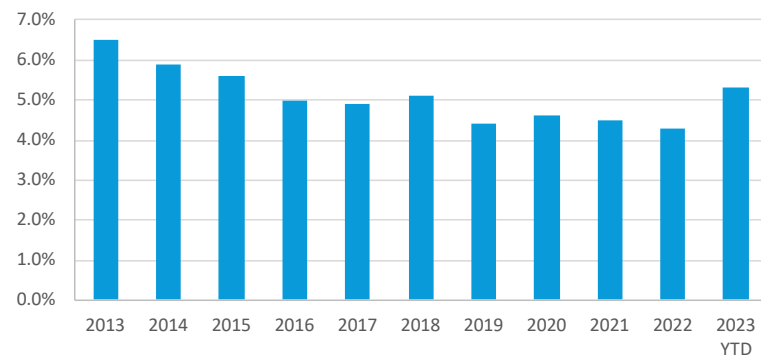
AVERAGE DIRECT ASKING RATE (NNN)



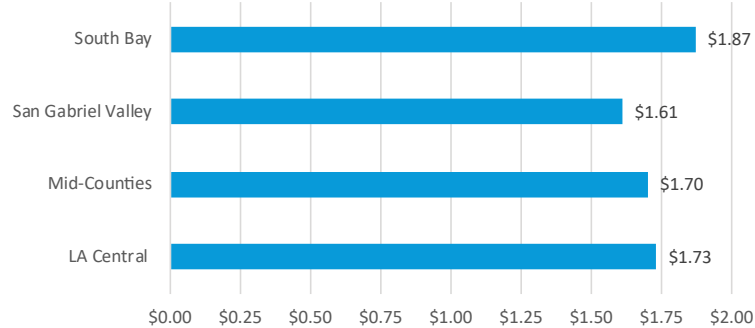
AVERAGE SALE PRICE PSF



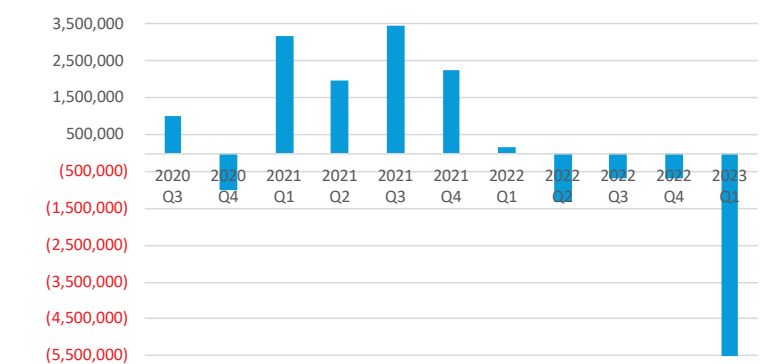
AVERAGE CAP RATE



AVERAGE DIRECT ASKING RATE (NNN)



NET ABSORPTION (SF)



TOP SALE TRANSACTIONS

Address	Transaction Size (SF)	Buyer	Property Type	Sale Type	Sale Price	Market
300-400 Westmont Dr, 301 & 401 Westmont Dr	1,820,492	CBRE Investment Manager & GPIF	Warehouse/Distribution	Investment	\$539,000,000	South Bay
1100 Baldwin Park Blvd	593,043	United Parcel Service	Warehouse/Distribution	Investment	\$19,750,000	San Gabriel Valley
1800 E Martin Luther King Jr Blvd	181,939	The Hanada Legacy Trust	Warehouse/Distribution	Investment	\$32,864,500	LA Central
1701 E 41st St	132,544	Bok Rhee	Warehouse/Distribution	Investment	\$42,198,500	LA Central
1700 Martin Luther King Jr Blvd	115,012	Jrt 39th Long Beach LLC	Warehouse/Distribution	Owner/User	\$34,805,000	South Bay

TOP LEASE TRANSACTIONS

Address	Transaction Size (SF)	Tenant	Property Type	Lease Type	Tenant Type	Market
901 & 905 Live Oak Ave	552,562	Glenair, Inc.	Warehouse/Distribution	Sublease	Electrical Parts	San Gabriel Valley
680 S Lemon Ave	472,876	Furniture of America	Warehouse/Distribution	Sublease	Furniture	San Gabriel Valley
21508 Ferrero Pkwy	274,474	Weida Freight System, Inc.	Warehouse/Distribution	Direct	Logistics	San Gabriel Valley
6501 Flotilla St	171,388	De Well Container Shipping, Inc.	Manufacturing	Direct	Logistics	LA Central
3250-3254 E 26th St	141,464	Seven-Up/RC Bottling	Warehouse/Distribution	Renewal	Food/Beverage	LA Central