

## SUBMARKET STATISTICS

Submarket	Inventory	Under Construction	4Q 22 Deliveries	4Q 22 Direct Vacancy	4Q 22 Sublease Vacancy	4Q 22 Total Vacancy	3Q 22 Total Vacancy	4Q 22 Net Absorption	YTD Net Absorption	4Q 22 Avg Direct Asking Rent (NNN)
Bell/Bell Gardens/Cudahy	7,404,757	0	0	0.3%	0.0%	0.3%	0.7%	29,884	21,521	\$1.87
Commerce	62,012,489	0	0	4.2%	0.1%	4.3%	3.8%	(286,599)	(389,722)	\$1.71
Huntington Park	9,927,488	0	0	2.1%	0.1%	2.3%	2.9%	66,704	(115,772)	\$1.28
Lincoln Heights/City Terrace	9,651,357	0	0	12.9%	0.0%	12.9%	14.0%	3,476	(395,703)	\$1.60
Central Los Angeles	49,167,563	0	0	3.8%	0.2%	3.9%	4.0%	28,111	(278,174)	\$1.56
Maywood	796,355	0	0	1.6%	0.0%	1.6%	1.6%	0	(5,575)	\$1.25
Montebello	10,029,954	0	0	2.2%	0.5%	2.6%	0.8%	(182,542)	(251,461)	\$1.39
Pico Rivera	10,435,134	0	0	0.7%	0.2%	0.9%	0.8%	(15,200)	15,374	\$1.65
South Gate	9,652,133	0	0	0.7%	0.0%	0.7%	0.5%	(17,264)	(40,260)	\$1.38
Vernon	59,670,183	303,284	240,419	1.7%	0.3%	2.0%	2.0%	223,818	(117,334)	\$1.65
<b>LA CENTRAL</b>	<b>228,747,413</b>	<b>303,284</b>	<b>240,419</b>	<b>3.2%</b>	<b>0.2%</b>	<b>3.4%</b>	<b>3.3%</b>	<b>(149,612)</b>	<b>(1,557,106)</b>	<b>\$1.67</b>
Artesia	332,967	0	0	0.0%	0.0%	0.0%	4.9%	16,237	52,128	\$1.34
Bellflower	919,505	0	0	5.2%	0.0%	5.2%	8.5%	29,980	(35,127)	\$1.71
Buena Park	13,251,255	0	0	0.6%	0.0%	0.6%	0.6%	2,616	(33,988)	\$1.37
Cerritos	12,752,476	23,136	0	1.7%	0.2%	1.9%	2.2%	39,983	(164,762)	\$1.61
Cypress	4,622,357	0	0	1.2%	0.0%	1.2%	0.9%	(12,203)	12,333	\$1.36
Downey	4,593,193	0	44,162	1.8%	0.0%	1.8%	0.5%	(18,176)	(18,176)	\$2.01
La Mirada	13,496,678	0	0	0.6%	0.1%	0.7%	0.4%	(47,851)	183,796	\$1.64
La Palma	1,778,216	0	0	4.1%	0.0%	4.1%	4.1%	0	11,421	\$1.75
Los Alamitos	2,182,349	0	0	0.6%	0.0%	0.6%	0.1%	(11,048)	(12,668)	\$1.49
Norwalk	2,898,311	0	0	0.2%	0.0%	0.2%	2.0%	51,181	(2,200)	\$1.50
Santa Fe Springs	53,380,901	144,434	0	1.0%	0.1%	1.1%	0.7%	(190,454)	(56,423)	\$1.70
Whittier	9,099,081	28,332	0	3.1%	0.0%	3.1%	0.4%	(242,839)	(275,701)	\$1.73
<b>MID-COUNTIES</b>	<b>119,307,289</b>	<b>195,902</b>	<b>44,162</b>	<b>1.2%</b>	<b>0.1%</b>	<b>1.3%</b>	<b>0.9%</b>	<b>(382,574)</b>	<b>(339,367)</b>	<b>\$1.69</b>
City of Industry	78,914,494	2,273,679	0	1.3%	0.2%	1.5%	1.6%	23,843	10,977	\$1.64
East San Gabriel Valley	26,371,396	37,690	0	0.7%	0.1%	0.8%	1.5%	192,354	(29,924)	\$1.21
Lower San Gabriel Valley	25,926,157	0	0	1.7%	0.0%	1.7%	1.8%	21,569	(106,197)	\$1.43
Upper San Gabriel Valley	37,751,149	610,308	0	3.5%	0.3%	3.7%	4.0%	89,591	186,541	\$1.62
<b>SAN GABRIEL VALLEY</b>	<b>168,963,196</b>	<b>2,921,677</b>	<b>0</b>	<b>1.8%</b>	<b>0.2%</b>	<b>1.9%</b>	<b>2.1%</b>	<b>327,357</b>	<b>61,397</b>	<b>\$1.57</b>
Beach Cities/El Segundo	10,607,289	31,541	0	1.0%	0.3%	1.3%	1.5%	20,560	(69,079)	\$1.80
Carson	22,911,265	292,878	0	0.8%	0.0%	0.8%	0.9%	20,720	49,840	\$1.93
Compton/Rancho Dominguez	40,084,862	205,435	0	0.7%	0.1%	0.8%	1.2%	172,832	(322,545)	\$1.87
Gardena/Hawthorne/Inglewood/Lawndale	49,167,181	86,879	107,733	1.5%	0.3%	1.9%	1.4%	(117,756)	29,868	\$1.70
Harbor City/Lomita/San Pedro/Wilmington	9,289,401	0	0	0.3%	0.1%	0.4%	1.1%	61,158	96,363	\$2.16
Lakewood/Long Beach/Signal Hill	36,868,728	94,328	0	3.2%	0.1%	3.2%	2.6%	(246,545)	(291,374)	\$1.68
Lynwood/Paramount	13,585,563	0	0	0.6%	0.1%	0.6%	0.9%	29,506	(64,484)	\$1.41
Torrance	28,040,872	1,036,532	17,347	3.1%	0.2%	3.3%	1.7%	(431,237)	106,059	\$1.79
<b>SOUTH BAY</b>	<b>210,555,161</b>	<b>1,747,593</b>	<b>125,080</b>	<b>1.7%</b>	<b>0.1%</b>	<b>1.8%</b>	<b>1.5%</b>	<b>(490,762)</b>	<b>(465,352)</b>	<b>\$1.80</b>
<b>LOS ANGELES TOTAL</b>	<b>727,573,059</b>	<b>5,168,456</b>	<b>409,661</b>	<b>2.1%</b>	<b>0.2%</b>	<b>2.3%</b>	<b>2.1%</b>	<b>(695,591)</b>	<b>(2,300,428)</b>	<b>\$1.71</b>

# Q4 2022 LOS ANGELES INDUSTRIAL MARKET



### MARKET SNAPSHOT

HIGHEST AVERAGE SOLD PRICE/SF

**LA CENTRAL**

**\$302.18**

HIGHEST AVERAGE DIRECT ASKING RATE (NNN)

**SOUTH BAY**

**\$1.80 PSF**

LOWEST DIRECT VACANCY

**MID-COUNTIES**

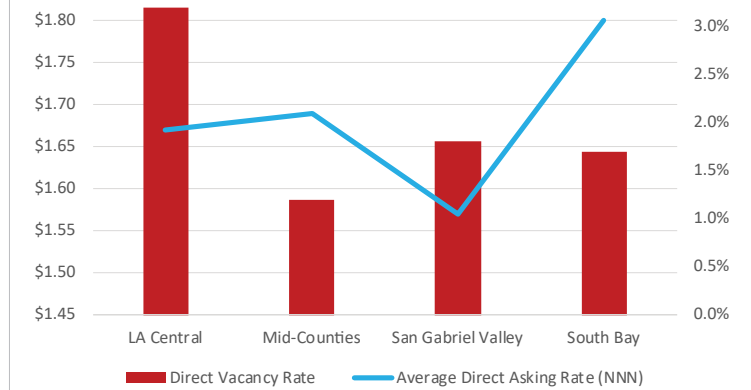
**1.2%**

HIGHEST TOTAL SALE & LEASE ACTIVITY

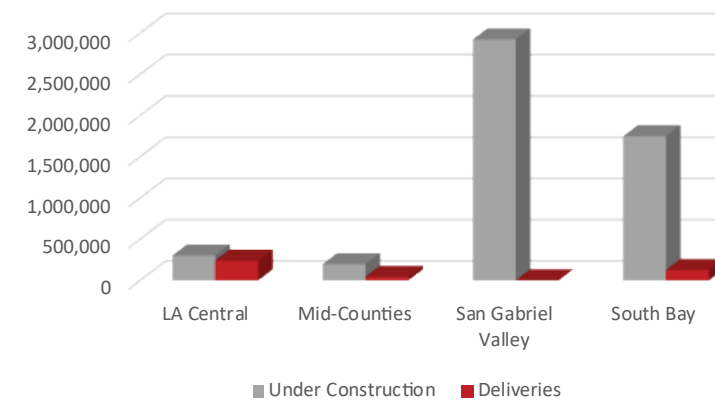
**SAN GABRIEL VALLEY**

**4,486,364 SF**

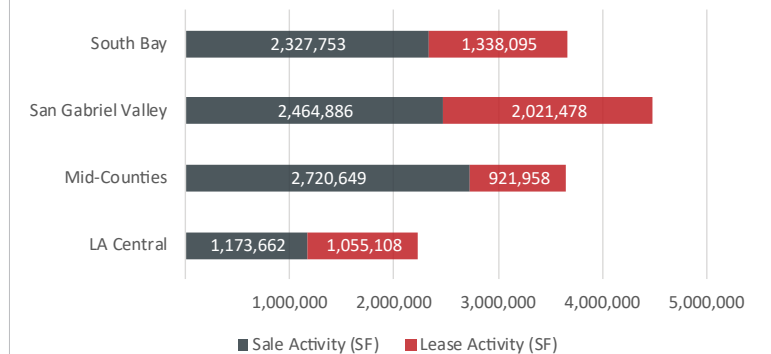
### VACANCY AND ASKING RATE



### UNDER CONSTRUCTION & DELIVERIES (SF)



### SALE AND LEASE ACTIVITY (SF)



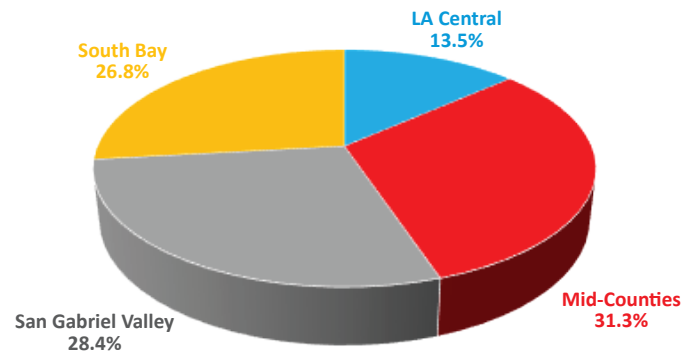
### Maggie Kusumawathy, Research and Marketing

The Los Angeles Industrial market closed the year of 2022 at 2.3% total vacancy, an increase from 2.1% last quarter and 1.6% one year ago. Average direct asking rate for 4Q2022 was \$1.71 PSF NNN, up from \$1.66 PSF NNN last quarter and \$1.21 NNN one year ago. The growth of average direct asking rate was 3% quarter-over-quarter, signaling a slowdown since the beginning of 2022. On the other hand, the average **sublease** asking rate growth has outpaced **direct** asking rate growth, increasing 7% on 4Q2022. Due to its proximity to the twin ports, the South Bay submarket was able to maintain its position as the highest average asking rate submarket at \$1.80 PSF NNN. Reflected by the most SF of total lease activity, the San Gabriel Valley submarket average direct asking rate of \$1.57 PSF NNN was a bargain for tenants. Medium - priced tenants who want to balance pricing and location, opt for LA Central and Mid-Counties at \$1.67 PSF NNN and \$1.69 PSF NNN, respectively. Logistics companies dominated top lease transactions as modern logistics spaces are still in strong demand. Cold storage properties of any size are still heating up the market, evidently shown by leases signed by Lee Kum Kee USA Foods in City of Industry, Worldwide Food Castle in Santa Fe Spring, and JSL Foods, Inc. in Commerce. Q42022 inked fewer sale transactions compared to Q32022, but traded 62% more SF, indicating buyers were looking for larger spaces. The average SF of sold properties for 4Q2022 was 61K SF compared to 38K SF in the previous quarter. LA Central outperformed South Bay in average sold price PSF by less than \$1, clocking at \$302.18 PSF. Local and national investors are still bullish as they added more industrial properties to their portfolios. Economic uncertainty, inflation and potential rising interest rates have created ambiguities for buyers and tenants. The best ways to navigate terms of uncertainty are to be flexible, be creative, re-strategize and have back up plans. A great example of flexibility was a conversion of a former textile mill into a food processing building in Vernon when the company couldn't find a suitable building. There were many sale-leaseback transactions during 4Q2022 as companies re-strategized plans. Consider leasing class B & C properties for less competition and lower rates, it is especially perfect for smaller and start-up companies.

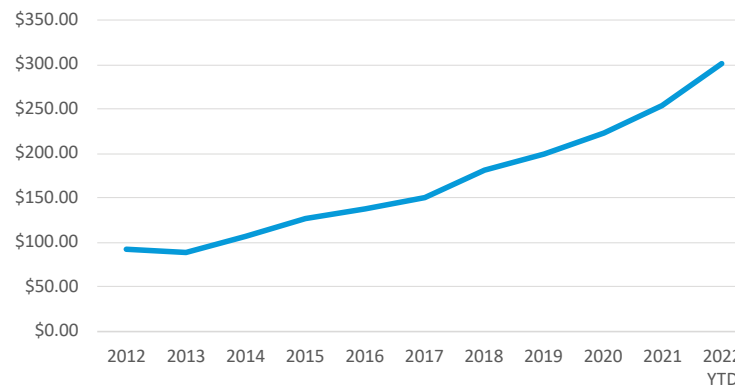
# Q4 22

## LOS ANGELES INDUSTRIAL MARKET

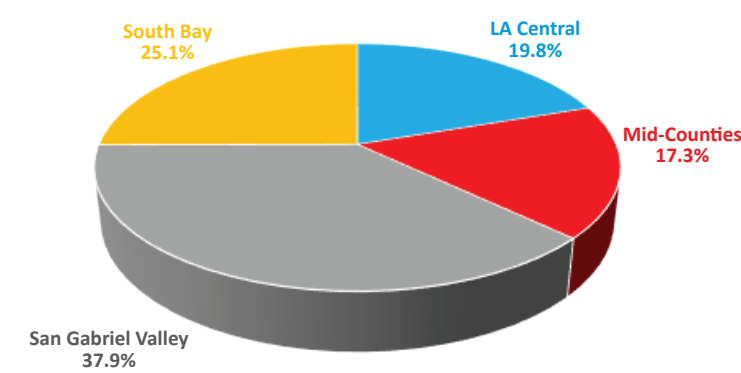
### SALE ACTIVITY (SF)



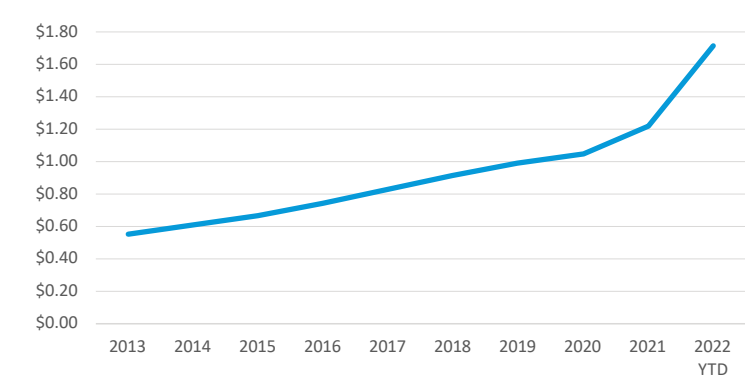
### AVERAGE SALE PRICE PSF



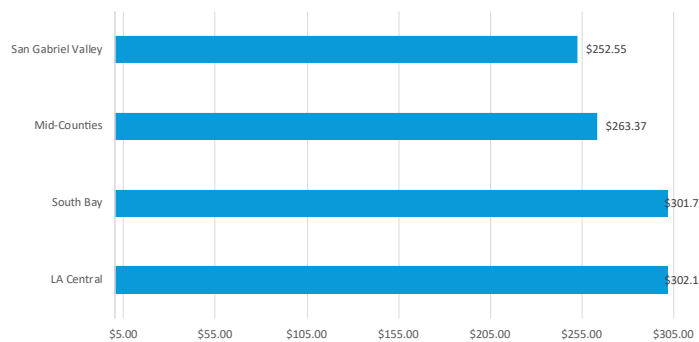
### LEASE ACTIVITY (SF)



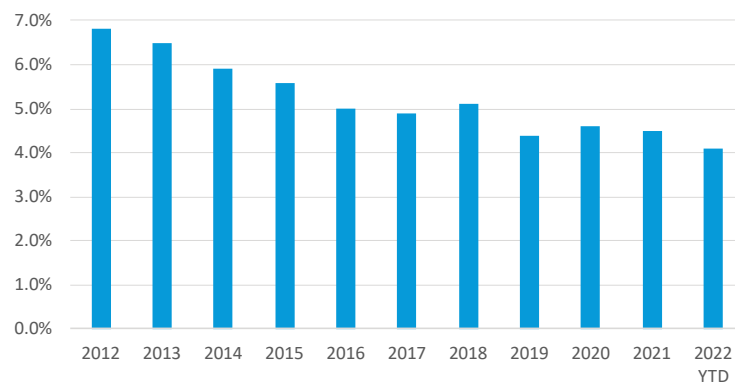
### AVERAGE DIRECT ASKING RATE (NNN)



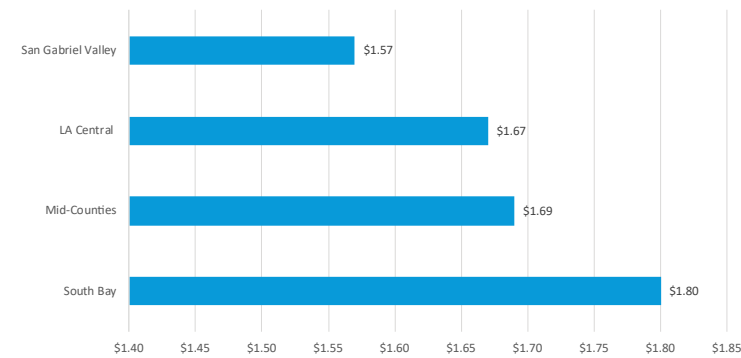
### AVERAGE SALE PRICE PSF



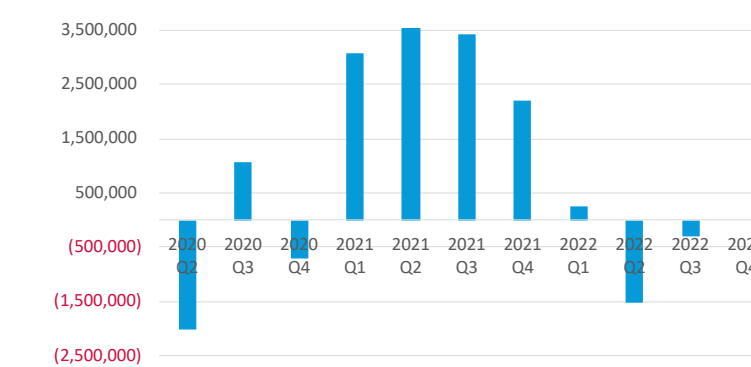
### AVERAGE CAP RATE



### AVERAGE DIRECT ASKING RATE (NNN)



### NET ABSORPTION (SF)



### TOP SALE TRANSACTIONS

Address	Transaction Size (SF)	Buyer	Property Type	Sale Type	Sale Price	Market
8570-8600 Mercury Ln & 7125-7185 Rosemead Blvd	356,419	BentallGreenOak	Warehouse/Distribution	Investment	\$135,000,000	LA Central
14001-14007 & 14041-14051 Rosecrans Ave	337,847	Nuveen	Warehouse/Distribution	Investment	\$151,200,000	Mid-Counties
2875 Pomona Blvd	290,000	Avant Real Estate, Inc.	Manufacturing	Investment	\$65,500,000	San Gabriel Valley
3700 E Olympic Ave	218,000	New Mountain Capital	Warehouse/Distribution	Sale Leaseback	\$51,300,000	LA Central
14400 S Figueroa St	120,700	Rexford Industrial Realty, Inc.	Warehouse/Distribution	Sale Leaseback	\$49,001,000	South Bay

### TOP LEASE TRANSACTIONS

Address	Transaction Size	Tenant	Property Type	Lease Type	Tenant Type	Market
21921-21931 Industry Way	1,000,720	Ryder Logistics	Warehouse/Distribution	Direct Lease	Logistics	San Gabriel Valley
9400-9500 Santa Fe Springs Rd	411,034	GXO Logistics Supply Chain, Inc.	Warehouse/Distribution	Renewal	Logistics	Mid-Counties
2230 Carson St	198,292	Seko Logistics	Warehouse/Distribution	Direct Lease	Logistics	South Bay
2141 E Paulhan St	133,752	Damco Maersk	Warehouse/Distribution	Direct Lease	Logistics	South Bay
7379 Telegraph Rd	112,704	2253 Apparel, Inc.	Warehouse/Distribution	Renewal	Apparel	LA Central