



We Can Assist you in Answering All of These Questions:



How do you know if it's the right time to relocate?



How do you know if leasing or selling/purchasing is best?



How can market conditions affect your decision?



What criteria should be considered before completing the transaction?



Before making a move, how far in advance should the planning begin?

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On A Personal Note

Joel and his family continue to seek treatment for his wife, Melia's, recent Bile Duct Cancer diagnosis. Thanks to the great doctors at the Mayo Clinic in Rochester, MN, Melia's recent liver resection surgery was successful. In addition to family and work obligations they will be focused on keeping Melia happy and comfortable during the next 5 months of Chemotherapy and Radiation Treatment.

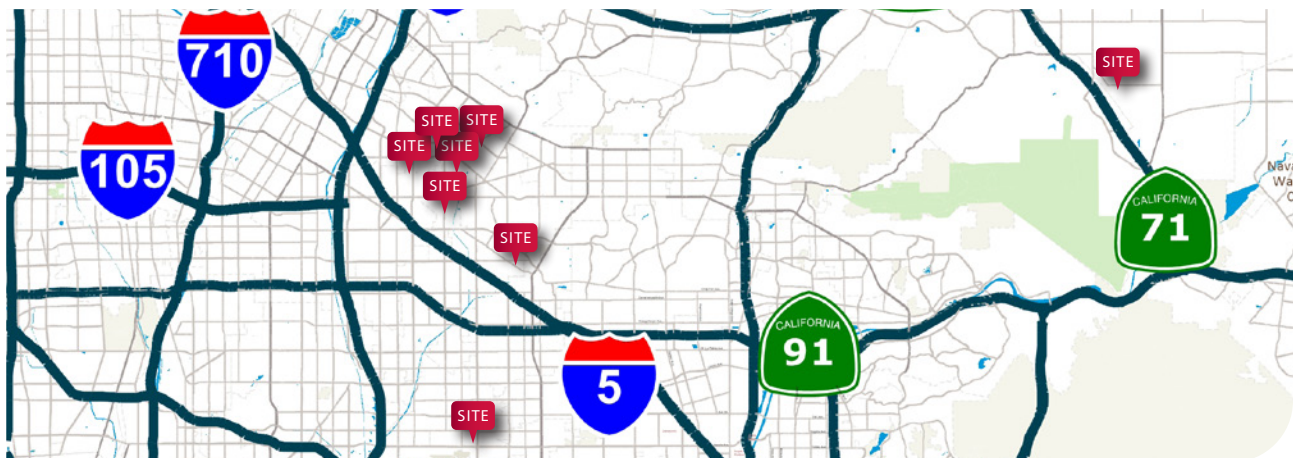
In addition to picking up additional workload while Joel is out of the office, Phillip and his wife Sonia continue to scramble around with all duties associated with 10, 6 and 5-year-old kids. The picture to the right is Phillip and his oldest, Luke, during their first father and son duck hunt!



MARKET STATS

	Change Over Last Quarter	4Q 2022	3Q 2022	4Q 2021	% Change Over Last Year
Vacancy Rate	▲ UP	1.09%	0.95%	0.57%	90.56%
Availability Rate	▼ DOWN	2.51%	2.73%	1.42%	77.28%
Average Asking Lease Rate	▲ UP	\$1.65	\$1.60	\$1.27	29.92%
Sale & Lease Transactions	▲ UP	1,647,688	1,402,815	2,039,200	(19.20%)
Gross Absorption	▼ DOWN	1,015,047	2,301,502	2,301,502	(55.90%)
Net Absorption	▼ NEGATIVE	(227,485)	24,302	426,368	N/A

RECENT TRANSACTIONS



I Don't Want To Be The First But I Certainly Don't Want To Be The Last

We were recently talking to a local investor that we've done business with over the years. In fact, we

dropped the price to get a tenant"? No, we responded. His reply, "Well, I don't want to be the first but I certainly don't want to be the last!" The ending comment was to reconnect in two weeks' time. Followed by the suggestion that, If we don't get any real leasing activity, we may have to be the first.

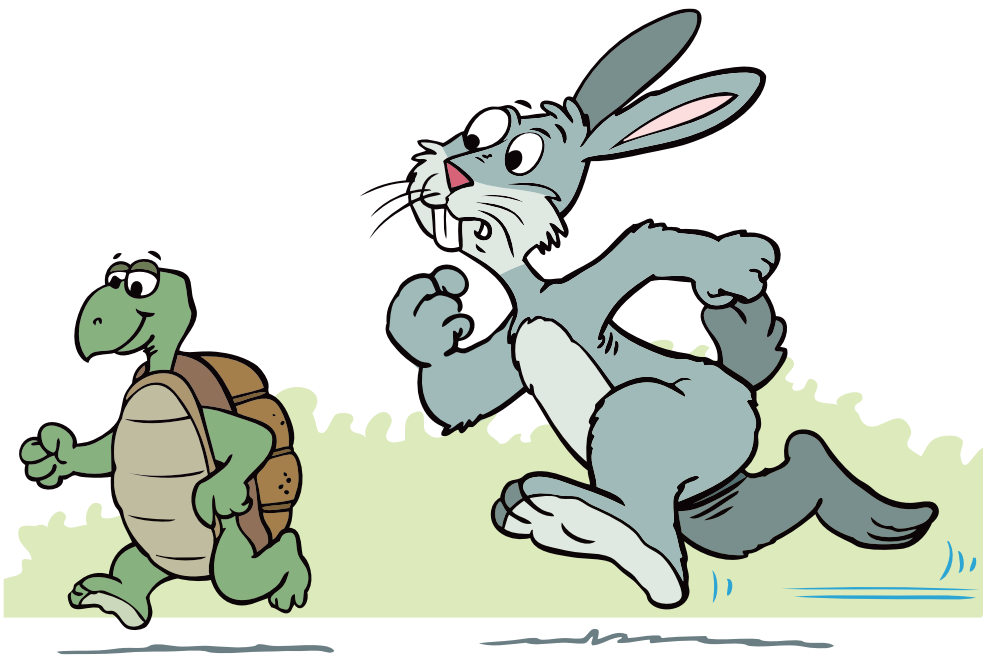
We've sent nothing but "High-

sure, slowing retail demand for goods and services, all time high lease and sale rates and unless you've had your head in the sand for the last 12 months, increases in interest rates. The benchmark for many commercial loans is the 10 Year Treasury, which is nearly double the rate it was 12 months ago, 1.68% vs 3.5%.

With all that said, we don't have sufficient data points to show trends but leasing and sales activity has slowed considerably and we anticipate lower lease and sale pricing forthcoming.

What's this mean to you? Well, if you're considering a sale or have an upcoming vacancy, prepare yourselves for more time on the market, lower lease rates and giving concessions to make deals.

Do you have any availabilities coming up this year? Are you considering selling your building? If you answered yes, we're here to help with any strategic real estate planning!



currently have two units available in one of their multi-tenant parks. The conversation was typical market updates, inquiries, tours, general activity type speak. He listened and responded with, "Has anyone

est Sale Price" or "Highest Lease Price" marketing material for the past several years but it seems the party is over. The speed and depth of the correction is T.B.D.

Causes being, inflationary pres-

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Phillip DeRousse & Joel Hutak have been Commercial Real Estate Experts in the Mid-Counties region of Southern CA for more than a combined 25 years.