



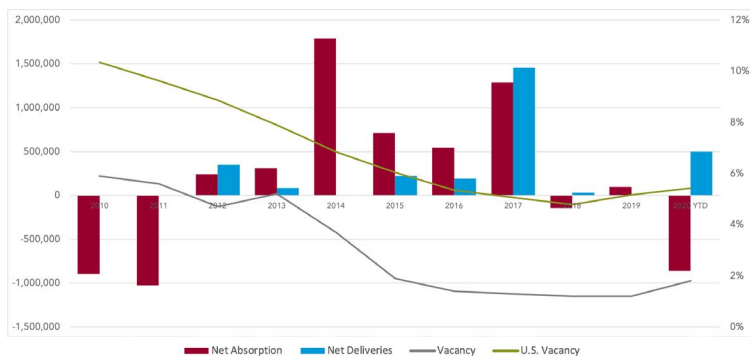
### INDUSTRIAL MARKET OVERVIEW

DAVID BALES, *Principal*

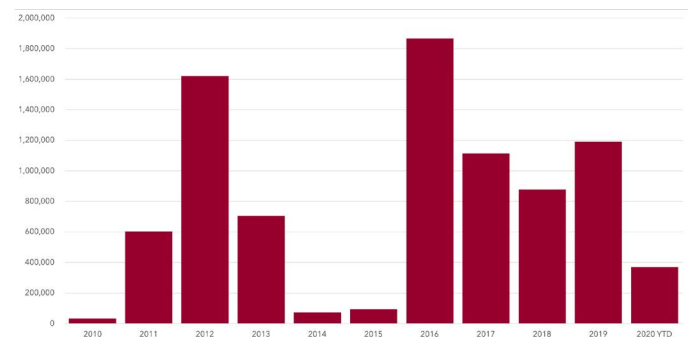
The first quarter of 2020 started very strong and paralleled all the highs of the previous quarter; however, that momentum abruptly stopped with the arrival of the Covid-19 virus. For the 1st quarter, the Ports of LA and Long Beach cargo volumes were down over 13% with the LA dropping 30% in March alone. As the 1st quarter closes, there is a cloud of uncertainty that will clear in time with the implementation of the US CARES stimulus program as well as a return to 'normalcy' in the coming months ahead. While it is speculation on exactly how long the social and economic effects will take to recover, it does seem hard to fathom that the market will immediately recover to February rents and sale prices.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▼ Net Absorption	(859,242) SF	(138,669) SF	93,305 SF	(71,879) SF	97,383 SF
▲ Vacancy Rate	1.80%	1.60%	1.30%	1.00%	1.20%
◀▶ Avg NNN Asking Rate	\$1.09/SF	\$1.09/SF	\$1.08/SF	\$1.07/SF	\$1.02/SF
▼ Under Construction	369,363 SF	868,453 SF	1,004,651 SF	1,396,225 SF	1,191,165 SF
▲ Inventory	3,611,416 SF	3,109,176 SF	2,558,544 SF	1,963,318 SF	2,373,129 SF

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
538 Crenshaw Torrance, CA	174,361 SF	Undisclosed	Black Creek Nutribon	Class A
19145 Gramercy Torrance, CA	108,186 SF	\$21,500,000 \$198.73/SF	IDI Alpine	Class B
1411 W. 178th St Gardena, CA	78,542 SF	\$14,000,000 \$178.25/SF	178 Gardena, LLC Saber 178th St	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
660-700 W Artesia Blvd, Compton, CA	457,960 SF	Saris Regis	TJ Maxx	Retailer
21900 S. Wilmington Carson, CA	411,840 SF	Private	CH Robinson	3PL
741-745 W. Artesia Compton, CA	381,811 SF	Saris Regis	TJ Maxx	Retailer