



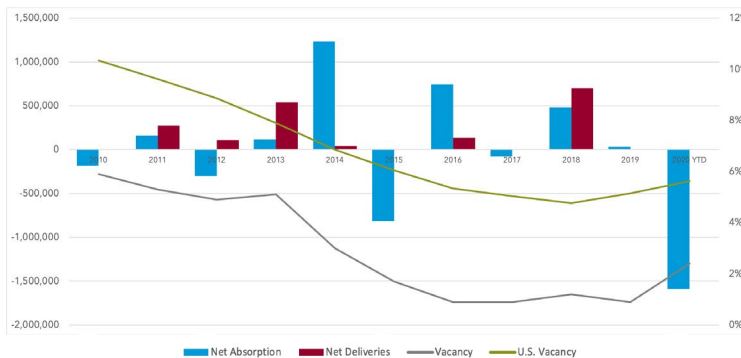
INDUSTRIAL MARKET OVERVIEW

DAVID BALES, *Principal*

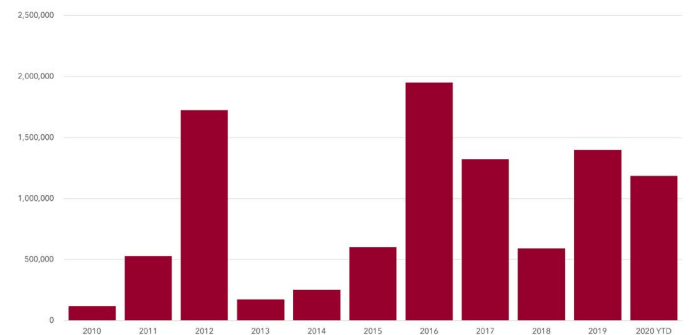
Rapid acceleration of e-commerce growth offset much of the decline of brick-and-mortar retail sales, significantly reducing the negative impacts of the Q2 lockdown. Vacancy ticked up from 1.7% to 2.4%, but asking rents largely were unchanged. Many users sought forbearance and there were some free rent concessions on renewals and new leases. Despite interruptions of construction in March and April, new developments are back on track. Although office and retail projects have suffered, the outlook remains good for industrial property.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▼ Net Absorption	(1,588,457) SF	(632,160) SF	(135,049) SF	170,286 SF	34,050 SF
▲ Vacancy Rate	2.4%	1.7%	1.5%	1.2%	0.9%
▲ Avg NNN Asking Rate	\$1.09 PSF	\$1.08 PSF	\$1.08 PSF	\$1.07 PSF	\$1.07 PSF
▲ Under Construction	1,185,722 SF	562,301 SF	868,453 SF	1,004,651 SF	1,396,225 SF
▼ Inventory	197,898,454 SF	197,961,614 SF	917,523,632 SF	197,104,612 SF	196,733,428 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2001 E Dominguez St Carson, CA	312,338 SF	\$63,620,000 \$203;.66 PSF	BSREP III Dominguez, LLC Western Tube & Conduit Corp.	Class B
538 Crenshaw Blvd Torrance, CA	169,576 SF	\$495,000,000 \$291.90	BTC III Gateway Logistics Ctr LP The Tansavatdi Family Trust	Class A
1055 Sandhill Ave Carson, CA	158,595 SF	\$14,453,000 \$91.13 PSF	Rexford Industrial Realty General Mills Operations	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
19600 S Western Ave Torrance, CA	314,559 SF	DWS	Ceva Logistics	Transportation
18301 Broadwick St Compton, CA	115,286 SF	The Carson Companies	Globe Con Freight Systems	Transportation
2012 Abalone Ave Torrance, CA	107,154 SF	Prologis	Health-Ade Kombucha	