



INDUSTRIAL MARKET OVERVIEW

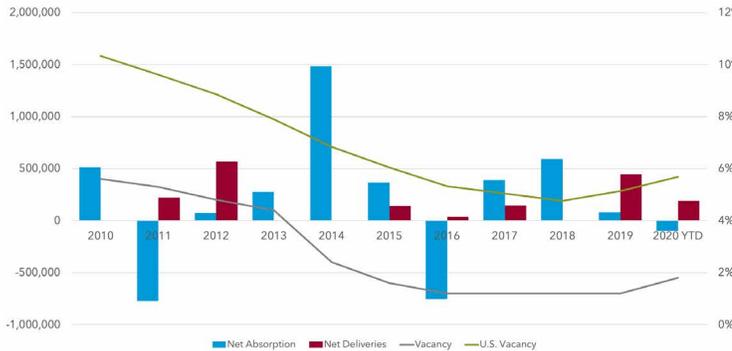
DAVID BALES, *Principal*

After the uncertainty of the 1st and 2nd quarters - the 3rd quarter returned with positive absorption that reduced the vacancy to a Pre- Covid level from 2.4% back down to 1.8%. With supply decreasing in ALL Southern California markets and Import volumes surging for the 3rd quarter at the Ports of LA and Long Beach, building rents increased to and ALL TIME high of \$1.11 for the quarter, which was an increase by almost 2% (7.5% Annualized Rent Growth) and is the first time the South Bay average has broken \$1.10 threshold. The Biggest sale was for a former Costco site that was converted to a last mile facility for Amazon and sold at a sub 4 cap and elevated the per square foot price to over \$500 per Square Foot.

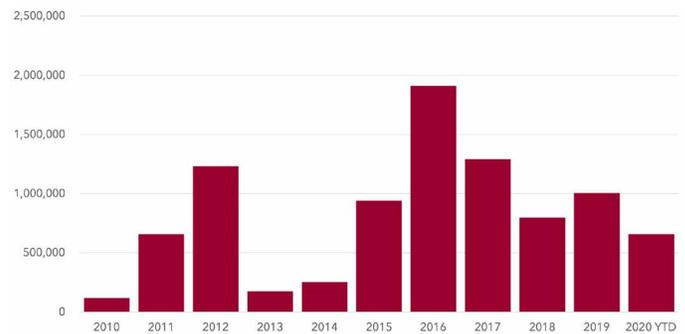
MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▲ Net Absorption	495,122 SF	(1,428,642) SF	(534,353) SF	(118,655) SF	80,842 SF
▲ Vacancy Rate	1.8%	2.3%	1.6%	1.4%	1.2%
◀▶ Avg NNN Asking Rate	\$1.11 PSF	\$1.09 PSF	\$1.08 PSF	\$1.08 PSF	\$1.07 PSF
▼ Under Construction *	656,310 SF	847,213 SF	432,053 SF	868,453 SF	1,004,651 SF
▲ Inventory	198,049,058 SF	197,874,403 SF	197,937,563 SF	197,499,581 SF	197,170,605 SF

* LAST QUARTER COSTAR REPORTED Q2 UNDER CONSTRUCTION AS 1,185,722 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2751 Skypark Drive Torrance, CA	147,721 SF	\$81,000,000 \$548.33 PSF	Real Term Bridge	Class A
15650-15700 S. Avalon Blvd Unincorporated LA, CA	166,088 SF	\$28,079,500 \$169.05 PSF	Rexford Industrial - 15650 Avalon Big Lou Holdings, LLC	Class C
1451 W Knox Street Los Angeles, CA	146,830 SF	\$44,230,000 \$301.23 PSF	BCIF Harbor Gateway Logistics Ctr The Boeing Company	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
100 W Victoria Street Long Beach, CA	188,049 SF	CenterPoint Properties	Junction Ventures, LLC	Transportation and Warehousing
20500 S Alameda Street Carson, CA	147,390 SF	CenterPoint Properties	Quik Pick Express	Transportation and Warehousing
801 W Artesia Boulevard Compton, CA	120,000 SF	Prologis, Inc.	Lucas Films	Full Studio

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property and Lee Proprietary Data. ©

© Copyright 2020 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com