



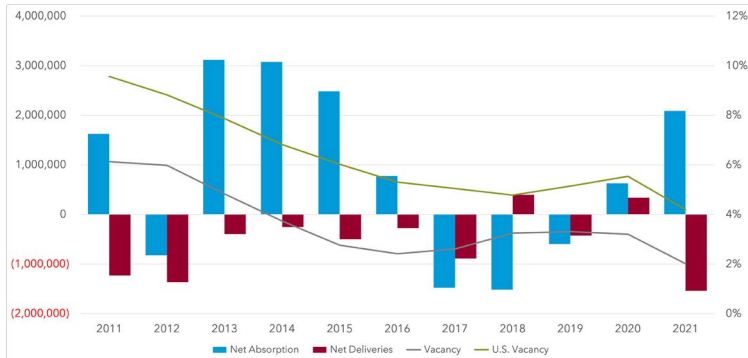
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

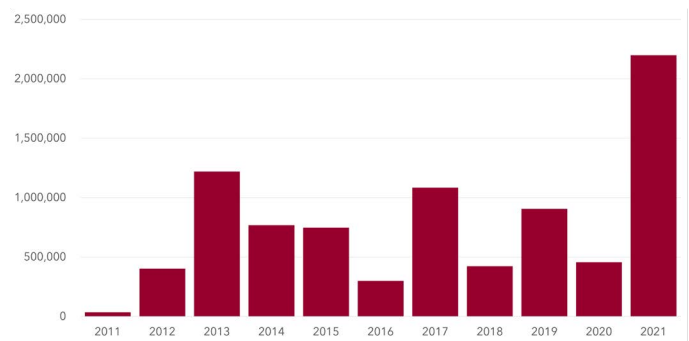
Industrial users leased 1.8 million SF of space in the fourth quarter. It was the most three-month net absorption in 17 years. The strong tenant expansion also drove down the vacancy rate to an all-time low of 2%. Demand for industrial product continues to out-strip supply. Businesses are reacting to pandemic-fueled e-commerce growth, along with disruptions at several points in the global supply chain, affecting everything from raw materials to finished goods. At year end, a growing armada of as many as 105 cargo ships have been anchored miles offshore with each awaiting a berth at the port of Los Angeles or Long Beach. The government is starting to publicly address the growing supply chain problems.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▼ 12 Mo. Net Absorption SF	2,086,346	2,161,996	1,952,260	516,471	628,761
▼ Vacancy Rate	2.0%	2.6%	2.7%	3.1%	3.2%
▲ Avg NNN Asking Rate PSF	\$1.31	\$1.28	\$1.26	\$1.23	\$1.22
▲ SF Under Construction	2,198,746	2,161,871	391,897	287,762	456,670
▼ Inventory SF	300,406,149	301,834,079	302,085,122	302,218,570	301,943,777

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2009 Raymer Avenue Fullerton, CA	123,972 SF	\$32,150,000 \$259.33 PSF	Oaktree Capital Management CapRock Partners	Class B
3071-3075 E. Coronado Street Anaheim, CA	106,000 SF	\$28,000,000 \$264.15 PSF	Rexford Industrial Realty, Inc. HEPA Corporation	Class C
17451 Von Karman Avenue Irvine, CA	91,420 SF	\$26,000,000 \$284.40 PSF	9th Street Partners LLC Desmond Ventures, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5555 McFadden Avenue Huntington Beach, CA	100,922 SF	Sares-Regis Group	Summerset Professional Grill	Appliance Manufacturing
20481 Crescent Bay Drive Lake Forest, CA	88,355 SF	Rexford Industrial Realty, Inc.	Herbalife	Food Supplements
117 Waterworks Way Irvine, CA	79,448 SF	The Irvine Company	Genesis	Automotive

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