

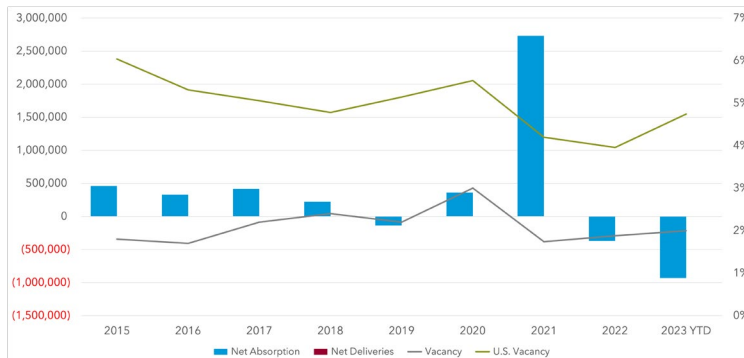
INDUSTRIAL MARKET OVERVIEW

MIKE TINGUS, *President*

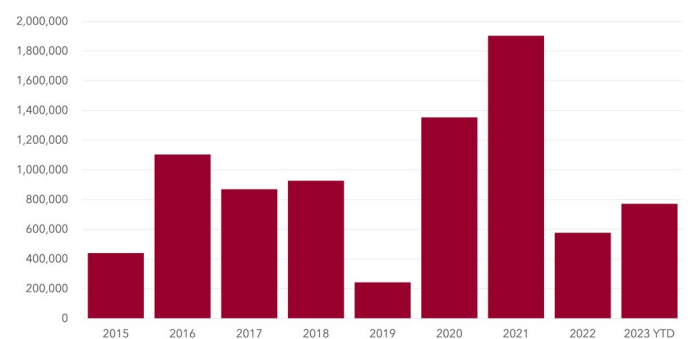
Leasing activity surged quarter-over-quarter, increasing by 20% to 930,166 SF, making this the highest amount of space leased since Q2 2022. Lease rates continue to soar, reaching another record high of \$1.78 PSF. Sales prices are also on the rise after a slight dip at the beginning of Q1, with Q2 ending with eight sales for a median price of \$293 PSF. Q2 witnessed a monumental tenfold increase in negative net absorption, reaching an all-time high of 636,796 SF. The Santa Clarita Valley was the leader in the ongoing trend, reporting 311,913 SF of negative absorption. The Northridge submarket stands out as the only submarket with positive net absorption, reporting 72,720 SF of positive net absorption.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	(479,469)	(404,977)	(369,633)	(321,696)	(147,874)
▼ Vacancy Rate	2.30%	2.40%	1.88%	1.62%	1.65%
▲ Avg NNN Asking Rate PSF	\$1.78	\$1.76	\$1.67	\$1.73	\$1.62
▼ SF Under Construction	771,645	791,694	576,875	626,924	703,699
▲ Inventory SF	166,489,820	166,017,467	165,924,843	165,850,047	165,786,670

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
9223 Deering Avenue Chatsworth, CA	37,169 SF	\$10,779,000 \$290.00 PSF	The Aprahamian Family Trust Northwest Industrial Center LLC	Class B
31238 Via Colinas Westlake Village, CA	22,244 SF	\$6,150,000 \$276.00 PSF	Chris Gray 31238 Via Colinas Associates LLC	Class A
7124 DeCelis Place Van Nuys, CA	7,500 SF	\$2,730,000 \$364.00 PSF	MTD Vanities R&T Investments LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
26801 Agoura Road Calabasas, CA	128,700 SF	Cypress-Calabasas LLC	ResMed, Inc	Medical Equipment
25000 Avenue Stanford, Wrhse 1 & 2 Valencia, CA	30,384 SF	25000 Ave Stanford Group LLC	3PL	Asset Servicing Enterprise
9160 Deering Avenue Chatsworth, CA	19,600 SF	UNAS MONEDAS LLC	Glamlite, Inc	Cosmetics Manufacturer

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 & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com