



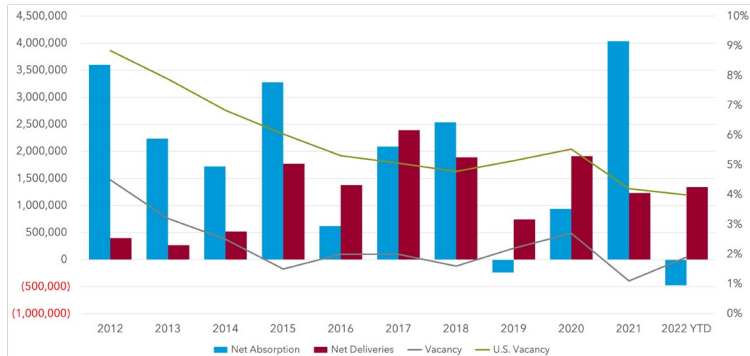
INDUSTRIAL MARKET OVERVIEW

LEJO MAMMEN, *Director of Technology & Market Research*

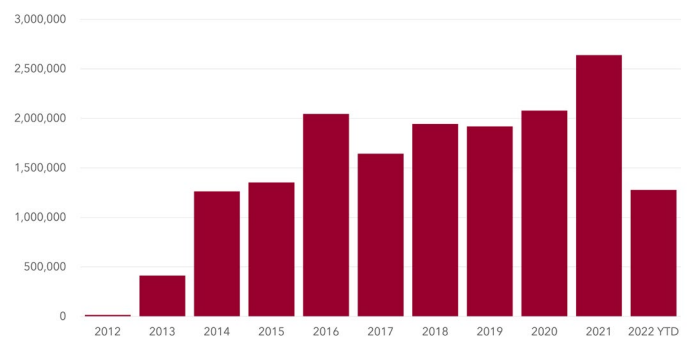
Record demand continues to fuel the San Gabriel Valley industrial market. Although the sectors are slowing, continued growth in tech and e-commerce drive the need for industrial and warehouse facilities. Vacancy rates, at 1.9%, are at historic lows causing market rents to increase 28% year-over-year. They now stand at \$18.60 per SF and are the highest on record. Over a million square feet of industrial space is under construction, however, it is not enough to keep pace with the level of demand. Even with the economy forecast to slow, these market conditions are expected to continue throughout the year and into 2023.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	(476,931)	1,005,784	(356,032)	1,347,963	505,928
▲ Vacancy Rate	1.9%	1.8%	0.9%	0.6%	0.8%
▲ Avg NNN Asking Rate PSF	\$18.60	\$18.12	\$14.28	\$12.72	\$12.72
▼ SF Under Construction	1,277,735	2,232,494	2,207,003	2,516,343	1,500,226
▲ Inventory SF	172,382,129	171,204,928	170,988,970	170,679,630	170,402,801

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
9320-9328 Telstar El Monte, CA	246,912 SF	\$73,000,000 \$295.65 PSF	301 Swall Telstar Telstar Owner	Class B
159 N San Antonio Pomona, CA	182,275 SF	\$45,900,000 \$251.82 PSF	Evox CA Pomona SD II Pomona	Class B
11077 Rush Street South El Monte, CA	159,780 SF	\$47,300,000 \$296.03 PSF	GWL Direct 11077 Rush Seller	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
13131 Los Angeles Street Irwindale, CA	528,710 SF	Duke Realty	Home Depot	Warehouse
18045 Rowland Street Industry, CA	200,000 SF	BPP Shiraz	Ryder	Logistics
18669 San Jose Avenue Industry, CA	160,000 SF	Link Logistics	Puma	Warehouse

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 2022 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com