



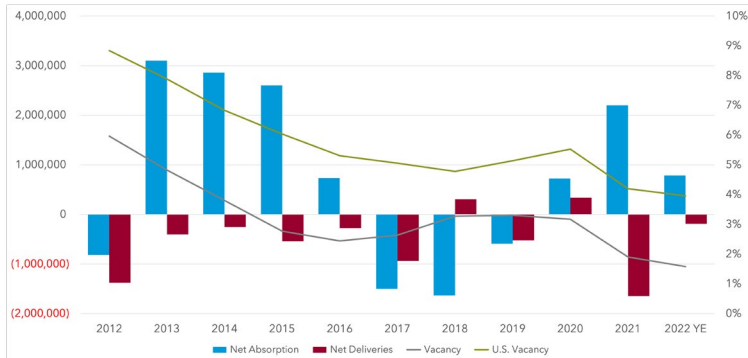
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

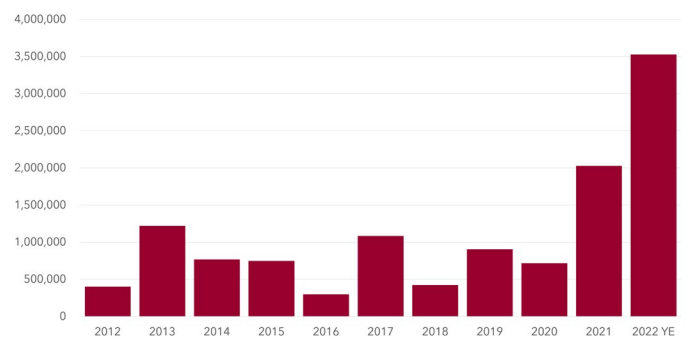
A fourth-quarter surge in demand for space drove the county's overall vacancy rate to a record low of 1.6% and lease rates continued their rise to unprecedented levels. Net absorption totaled 817,228 square feet in the fourth quarter and was 892,331 square feet for the year. After a stronger year of net growth in 2021, it was the second highest volume of annual growth since 2015. At the close of 2022, NNN asking rental rates averaged \$1.57 per square foot countywide, a record 18% year-over-year increase that follows a 13.7% jump in 2021 and 7.5% average annual rent growth the previous five years.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▲ 12 Mo. Net Absorption SF	746,723	264,314	(652,814)	429,807	357,193
▼ Vacancy Rate	1.6%	1.9%	1.9%	1.7%	1.9%
▲ Avg NNN Asking Rate PSF	\$18.96	\$18.48	\$17.64	\$16.56	\$15.96
▲ SF Under Construction	3,527,917	3,118,251	3,192,799	2,295,743	2,028,635
▼ Inventory SF	300,154,829	300,220,369	300,032,798	300,238,106	300,344,416

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10811 Bloomfield Los Alamitos, CA	229,644 SF	\$57,463,879 \$250.23 PSF	Prologis, LP Duke Realty Corporation	Class C
6280 Artesia Boulevard Buena Park, CA	218,640 SF	\$59,976,691 \$274.32 PSF	Prologis, LP Duke Realty Corporation	Class B
1050 S State College Boulevard Fullerton, CA	210,400 SF	\$52,564,000 \$249.83 PSF	1050 College Partners State College Buildings I, LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
601-605 W Dyer Road Santa Ana, CA	135,371 SF	Bloom Family Trust	Shinoda Design Center	Wholesaler
1225 W Imperial Highway Brea, CA	126,681 SF	Clarion Partners/ Pacific Industrial	Knight-Swift Warehousing & Fulfillment	3PL
19531 Pauling Foothill Ranch, CA	75,507 SF	Operon Group	3PL Fulfillment, Inc.	3PL

