



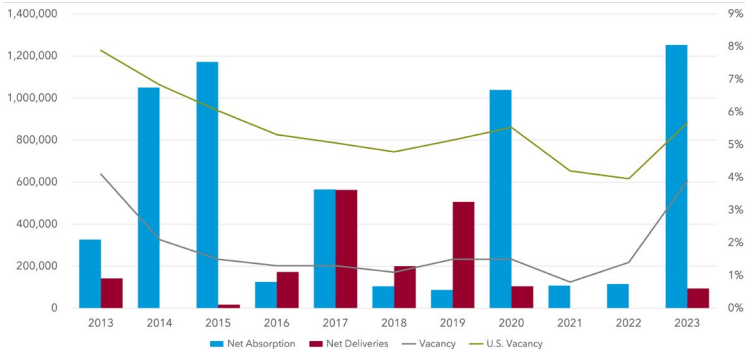
### INDUSTRIAL MARKET OVERVIEW

BRANDON CARRILLO, *Principal*

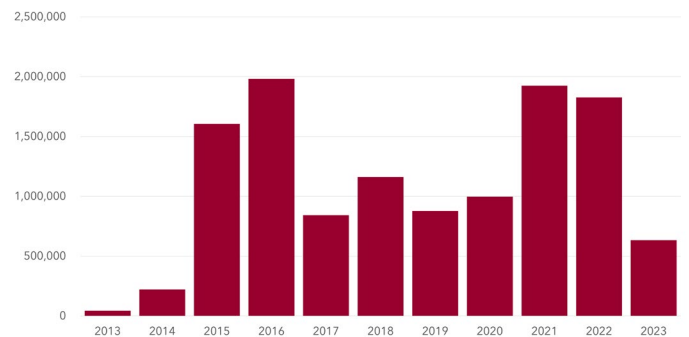
As the year ended with Q4, the vacancy rate continued its year long trend upward to 3.9% Direct Inventory. Strong demand for port-adjacent warehouse space continues, but tenants and buyers are more selective and price sensitive. Average asking lease rates continued downward for the quarter to \$1.78 per SF NNN while land lease rates for truck & trailer parking have dropped, as supply chains shedded excess space in the Post Covid World. The most notable sale was Black Rock's \$213-million purchase of the 17.5-acre site in San Pedro in the heart of the LA Ports. Developers have slowed their pace of construction as there is currently 633,144 SF under construction.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	1,252,920	1,142,905	2,131,654	1,939,485	115,155
▲ Vacancy Rate	3.90%	3.50%	3.70%	2.60%	1.40%
▼ Avg NNN Asking Rate PSF	\$21.36	\$22.68	\$23.64	\$18.96	\$22.08
▼ SF Under Construction	633,144	696,877	912,766	1,020,499	1,827,233
▲ Inventory SF	202,163,801	202,069,473	201,378,810	201,271,077	200,336,568

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
15801 E. First Street City of Industry, CA	993,142 SF	\$120,000,000 \$121.00 PSF	Rexford Industrial Realty, Inc. The Pabst Brewing Company	Class B
99¢ Only Stores HQ, 4000 Union Pacific Commerce, CA	903,335 SF	\$190,000,000 \$210.00 PSF	Dart Warehouse Corporation 99 Cents Only Stores LLC	Class B
300 Westmont Drive San Pedro, CA	759,851 SF	\$213,386,643 \$573.00 PSF	CBRE Investment Management BlackRock, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
680 S. Lemon Avenue City of Industry, CA	472,876 SF	Furniture of America	Lee & Associates	Manufacturing
1452 W. Knox Street Torrance, CA	442,550 SF	National Road Logistics	Undisclosed	Undisclosed
3900 Ardeb Drive Lower San Gabriel Valley, CA	360,992 SF	Foot Locker	Undisclosed	Undisclosed

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