



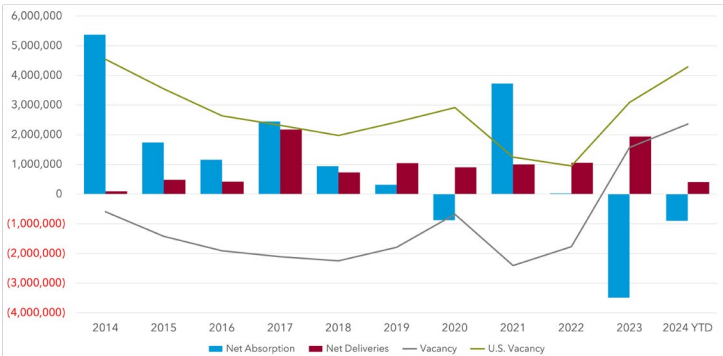
INDUSTRIAL MARKET OVERVIEW

BRANDON CARRILLO, *Principal*

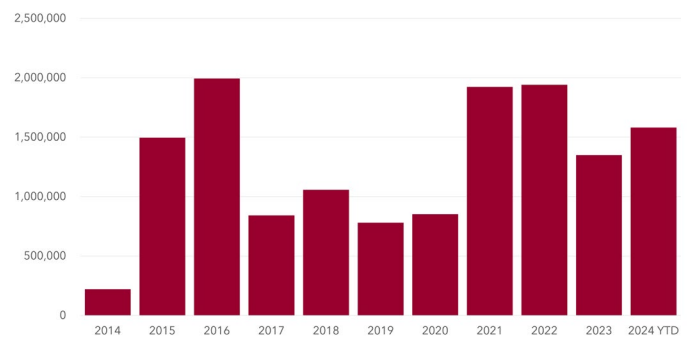
Average lease rates continued their downward trend from \$1.69 PSF NNN in 2Q24 to \$1.65 PSF NNN in 3Q24. Lease rates for industrial space have decreased since 2023 due to contracting demand and rising vacancy rates. Despite the return of landlord concessions like free rent and teaser rates, this hasn't been enough to keep vacancy rates down. The vacancy rate rose to 4.40% in 3Q24 from 4.20% in 2Q24. Sale prices also continued to fall, dropping from \$288 PSF in 2Q24 to \$259 PSF in 3Q24. The Federal Reserve's 50-basis-point rate cut in September sparked some optimism, but its effect on the South Bay market will take time. Local businesses are closely watching the Presidential Election for potential policy shifts.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ 12 Mo. Net Absorption SF	669,007	(531,392)	(676,130)	(1,099,459)	1,508,314
▲ Vacancy Rate	4.4%	4.2%	4.5%	3.9%	3.5%
▼ Avg NNN Asking Rate PSF	\$19.80	\$20.28	\$21.00	\$21.48	\$22.68
▼ Sale Price PSF	\$258.92	\$288.61	\$310.75	\$334.31	\$415.15
▲ Cap Rate	4.30%	-	-	5.30%	4.90%
▼ Under Construction SF	1,580,868	1,708,643	1,203,833	1,350,009	1,073,346
▲ Inventory SF	202,226,292	202,098,517	202,098,517	201,823,519	201,729,191

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
200-204 W. 140th Street Los Angeles, CA	60,457 SF	\$14,100,000 \$233.22 PSF	Unique Freight Transport, Inc. Longpoint Realty Partners	Class C
1195 W. Victoria Street Compton, CA	20,832 SF	\$7,000,000 \$336.02 PSF	Triumph Link, USA, Inc. Donney Kim	Class C
15206 Grevillea Avenue Lawndale, CA	12,108 SF	\$7,000,000 \$578.13 PSF	JJBB LLC Wayne G. Anastasi	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3025 E. Dominguez Street Carson, CA	360,884 SF	Link Logistics	Fullstack Modular LLC	Modular Construction
19301 Prairie Avenue Torrance, CA	108,320 SF	Oaktree Capitol Management	Sony Honda Mobility	Automotive Company
2226 S. 223rd Street Carson, CA	97,338 SF	Panattoni Development	GrayMatter Robotics	Robotic Automation

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