

Q1 Industrial Market Insight

Lee & Associates® Research
Los Angeles Central
City of Industry

2024



Q1 2024 Market Insight Central Los Angeles

Central LA Highlights

- **Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancies and availability increased, lease rates decreased, sales and leasing activity were at historic lows, and construction starts diminished.
- **Vacancy Rate:** Continues to rise, increasing 80 bps from Q4 2023 to a rate of 5.9% in Q1. Year over year, the vacancy rate increased 180 bps or by 4.4 MSF.
- **Asking Rents:** Declined by \$0.14 or 8.2% year-over-year to a rate of \$1.55 NNN PSF in Q1.
- **Inflation:** Headline CPI continues to be elevated above the Fed's 2% target at 3.5%. Overall PCE inflation grew by 0.3% from February and 2.7% from the prior year, while core PCE inflation grew by 0.3 month-over-month and 2.8% year-over-year.
- **GDP & Employment:** In Q1, the U.S. economy grew by 1.6% year-over-year, below market growth-expectations of 2.5%. The unemployment rate fell by 10 basis points (bps) to 3.8% and the labor force participation rate ticked up to 62.7%. Average hourly earnings rose by 4.1% year-over-year, in line with market expectations and above inflation.
- **Port Activity:** Port of LA activity (measured by Total TEUs) is up 29.98% year to date as compared with the first three months of 2023.
- **Supply Chain:** The cost from China/East Asia to North America West Coast increased 33.5% over Q1, ending at \$3,623 per container per Freightos.

CITY	# of Bldgs	Inventory	Vacancy	Availability	Net Absorption	Gross Absorption	Direct Asking Rate (NNN)	Asking Sale Rate
BELL/BELL GARDENS	206	6,883,975	3.5	4.6	-21,132	5,950	\$1.67	\$259
COMMERCE	848	46,409,405	5.4	9.6	-823,253	322,464	\$1.58	\$246
CUDAHY	44	1,029,344	5.1	13.6	-17,500	11,905	\$1.15	\$232
HUNTINGTON PARK	214	3,984,363	7.3	8.4	-142,660	10,800	\$0.92	\$239
DTLA	4641	142,758,275	6.4	8.7	-706,045	1,584,876	\$1.49	\$295
MAYWOOD	64	869,543	6.3	8.2	16,978	55,087	\$1.11	\$325
MONTEBELLO	247	10,158,280	8.6	11.8	-71,115	112,840	\$1.71	\$254
PICO RIVERA	208	10,327,983	2.9	4.8	-132,049	8,247	\$1.43	\$266
SOUTH GATE	283	989,940	2.2	4.6	-56,154	405,718	\$1.59	\$247
VERNON	822	44,294,962	6.5	7.8	67,306	655,508	\$1.49	\$257

↑ 3.8%

US Unemployment
Rate

↑ 1.6%

GDP - Quarter 1
% - Change YOY

↑ 4.6%

U.S. 10-Year Treasury
Note

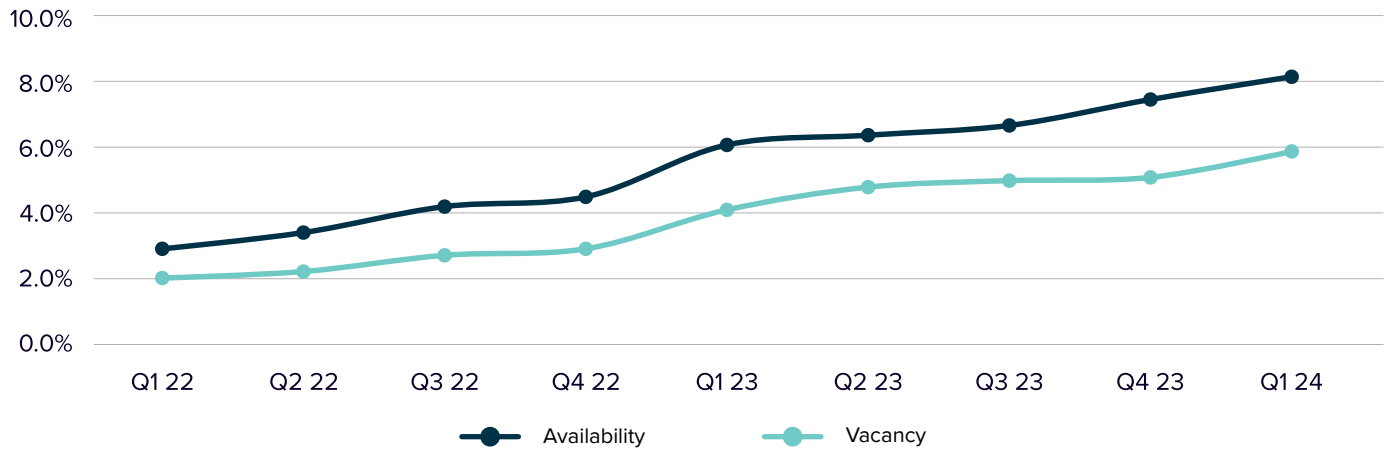
> Market Summary

	Q1 2023	Q4 2023	Q1 2024
Total Inventory (SF)	244,776,751	245,109,437	245,109,437
Overall Vacancy	4.1%	5.1%	5.9%
Overall Availability	6.1%	7.5%	8.2%
Under Construction (SF)	447,227	869,605	869,605
Net Absorption (SF)	2,894,707	-164,653	-2,019,582
Overall Asking Lease Rates (NNN)	\$1.69	\$1.61	\$1.55

> Labor Force

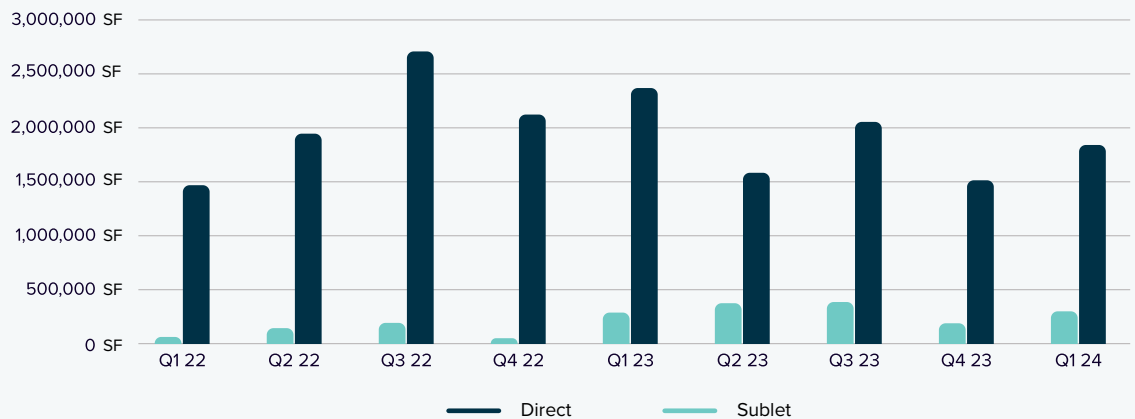
	Construction	Manufacturing	Transportation, Trade & Utilities
12-Mo Employment Growth (%)	0.5%	-1.5%	-0.1%
12-Mo Actual Employment Change	-700	-4,900	-1,200

> Vacancy vs Availability

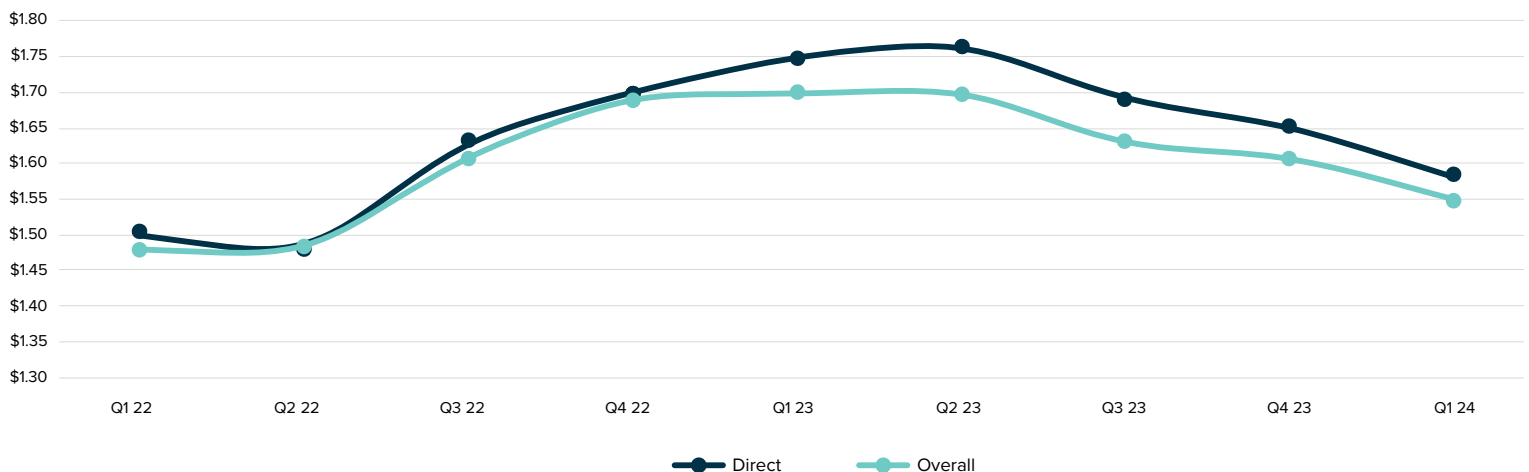


Leasing Activity & Absorption

Leasing activity totaled **2.14 million square feet (MSF)** in Q1, below the historical quarterly average of **2.29 MSF**. Net absorption in the first quarter was negative, posting **-2.01 MSF**, marking the eight consecutive quarter of diminishing demand.



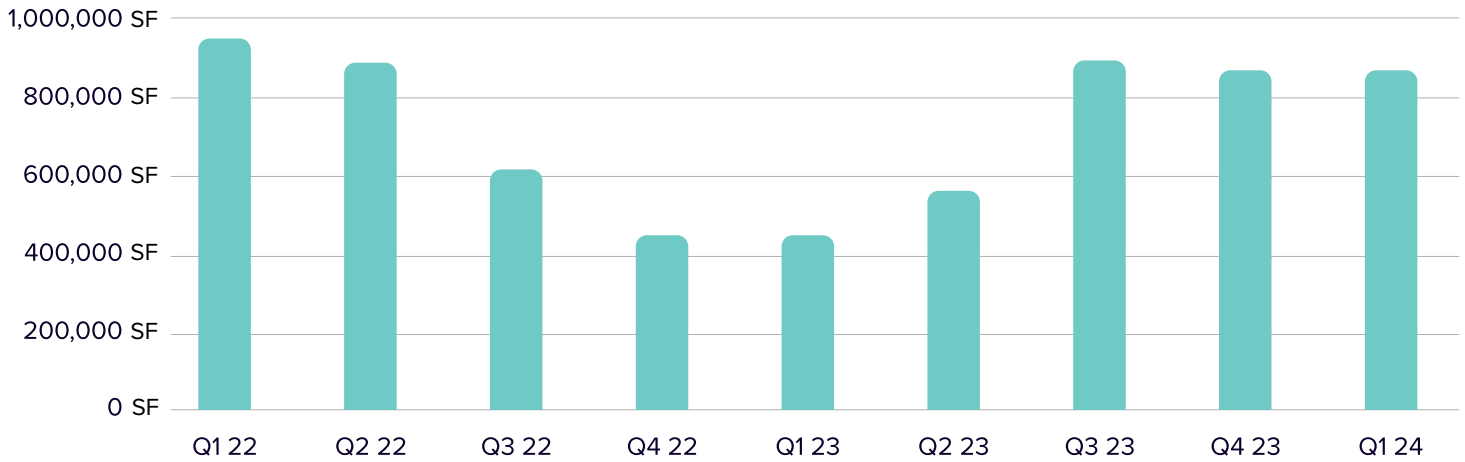
> Rental Rates





Q1 24 | Central Los Angeles

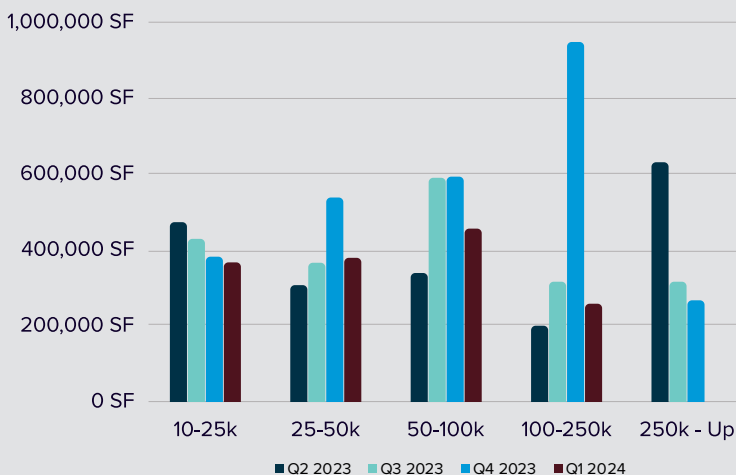
> Construction



> Sales Trends



> Lease Expiration



Central Los Angeles
Largest Lease Transaction
By Square Foot
Lessee: Four Seasons
5804-5874 Slauson, Commerce

631,264^{sf}

> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)
320-336 W 31ST ST	Los Angeles	73,622	Planned Parenthood	Cref Dita Owner LLC
3316-3326 S MAIN ST	Los Angeles	51,972	South Main St Properties	Mae M Durant Family Trust
2640 E 26TH ST, UNIT A/B	Vernon	40,129	L&L 2640 LLC	Vernon by the River LLC
1230 LONG BEACH AV	Los Angeles	24,806	Joo Hyun Lee	H & A Tobman Family LLC
2017 8TH ST	Los Angeles	23,486	Moir Cosmetics	Hankook Investments

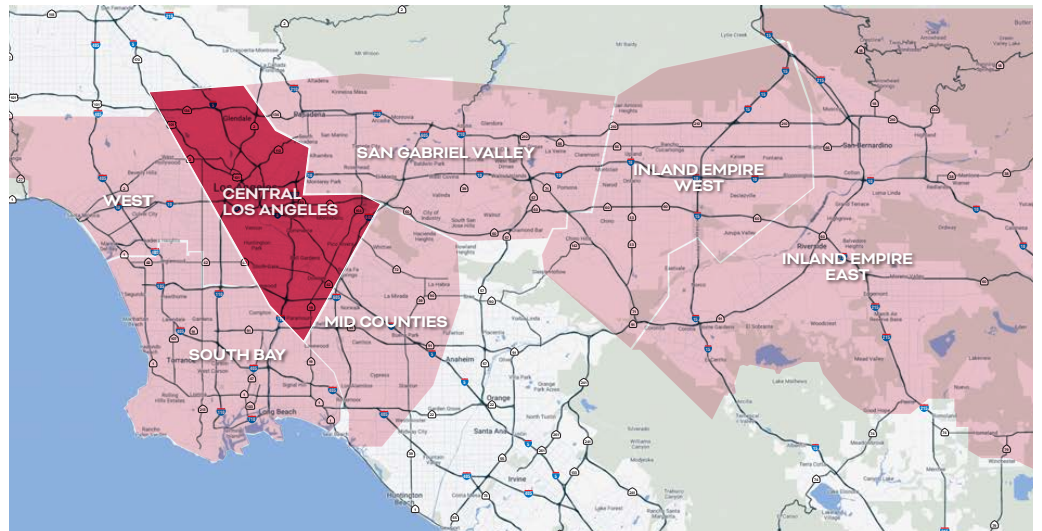
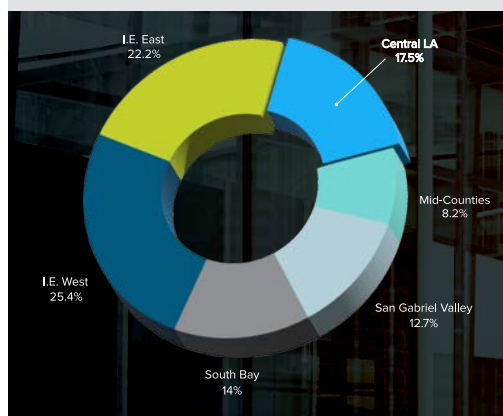
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
5804-5874 SLAUSON	Commerce	631,264	LIT Commerce Dist	Four Seasons (Gen Merch)
5525 S SOTO	Vernon	138,100	Transformco	Popular 21
4231 LIBERTY BL	South Gate	87,038	South Gate Industrial	Elite Vinyl Windows
1520-1530 BEACH ST	Montebello	77,056	Alere Property Group	Blower-Demsey
5715 BICKET ST	Huntington Park	72,000	5715 Bickett LLC	Citizens of Humanity

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
3690 UNION PACIFIC	Los Angeles	Real Estate Development Associates	253,318	Oct-24
4885 E 52ND PL	Vernon	Bridge Industrial	210,347	May-24
7400 BANDINI BLVD	Commerce	Bridge Industrial	94,154	May-24
3270 E WASHINGTON BLVD	Los Angeles	Brenntag North America	73,777	Aug-24

Inventory Comparison





Q1 2024 Market Insight Mid-Counties

Mid-Counties Highlights

- **Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancies and availability increased, lease rates decreased, sales and leasing activity were at historic lows, and construction starts diminished.
- **Vacancy Rate:** Continues to rise, increasing 70 bps quarter-over-quarter and 290 bps year-over-year to reach the current rate of 4.6%.
- **Asking Rents:** At a \$1.58, asking lease rents declined by \$0.11 or 6.5% from the Q1 2023 rate of \$1.69.
- **Inflation:** Headline CPI continues to be elevated above the Fed's 2% target at 3.5%. Overall PCE inflation grew by 0.3% from February and 2.7% from the prior year, while core PCE inflation grew by 0.3 month-over-month and 2.8% year-over-year.
- **GDP & Employment:** In Q1, the U.S. economy grew by 1.6% year-over-year, below market growth-expectations of 2.5%. The unemployment rate fell by 10 basis points (bps) to 3.8% and the labor force participation rate ticked up to 62.7%. Average hourly earnings rose by 4.1% year-over-year, in line with market expectations and above inflation.
- **Port Activity:** Port of LA activity (measured by Total TEUs) is up 29.98% year to date as compared with the first three months of 2023.
- **Supply Chain:** The cost from China/East Asia to North America West Coast increased 33.5% over Q1, ending at \$3,623 per container per Freightos.

CITY	# of Bldgs	Inventory	Vacancy	Availability	Net Absorption	Gross Absorption	Direct Asking Rate (NNN)	Asking Sale Rate
ARTESIA	27	313,400	5.4	7.5	-16,903	0	0	\$339
BELLFLOWER	66	1,003,395	0	0	9,700	9,700	\$1.59	\$328
BUENA PARK	221	13,580,292	5	9.8	-174,118	19,257	\$1.39	\$240
CERRITOS	250	12,819,667	3.6	9	117,697	321,236	\$1.45	\$271
CYPRESS	87	4,749,670	6.6	2.2	49,336	105,846	\$1.84	\$271
LA MIRADA	177	13,144,946	9.1	11.2	-322,839	102,583	\$1.49	\$269
LA PALMA	16	1,778,216	4.1	4.7	0	0	0	\$215
LOS ALAMITOS	92	2,191,101	1	3.9	-13,203	6,728	\$1.45	\$294
NORWALK	90	2,919,603	3.6	3.6	-9,456	5,058	\$1.67	\$259
SANTA FE SPRINGS	1346	53,889,465	4	8	-314,328	389,830	\$1.69	\$288
WHITTIER	163	4,200,258	2.3	7.5	-28,909	26,331	\$1.50	\$265
DOWNNEY	139	4,664,653	4.5	5.3	-2,406	40,000	\$1.32	\$276

↑ 3.8%

US Unemployment
Rate

↑ 1.6%

GDP - Quarter 1
% - Change YOY

↑ 4.6%

U.S. 10-Year Treasury
Note

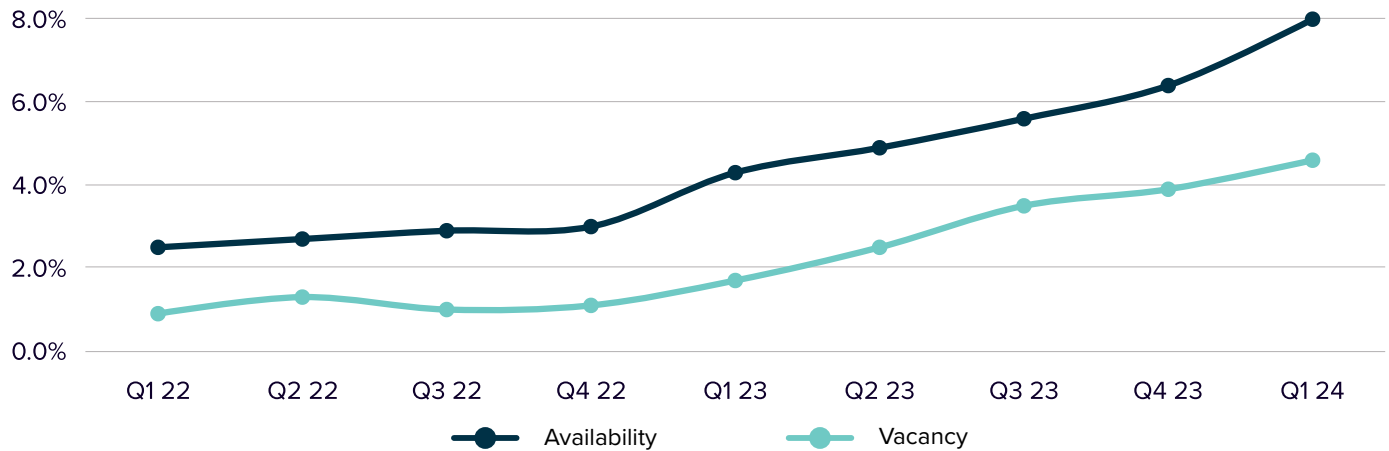
> Market Summary

	Q1 2023	Q4 2023	Q1 2024
Total Inventory (SF)	115,092,073	115,115,209	115,259,643
Overall Vacancy	1.7%	3.9%	4.6%
Overall Availability	4.3%	6.4%	8.0%
Under Construction (SF)	515,221	515,221	370,787
Net Absorption (SF)	-637,466	-410,634	-727,429
Overall Asking Lease Rates (NNN)	\$1.69	\$1.68	\$1.58

> Labor Force

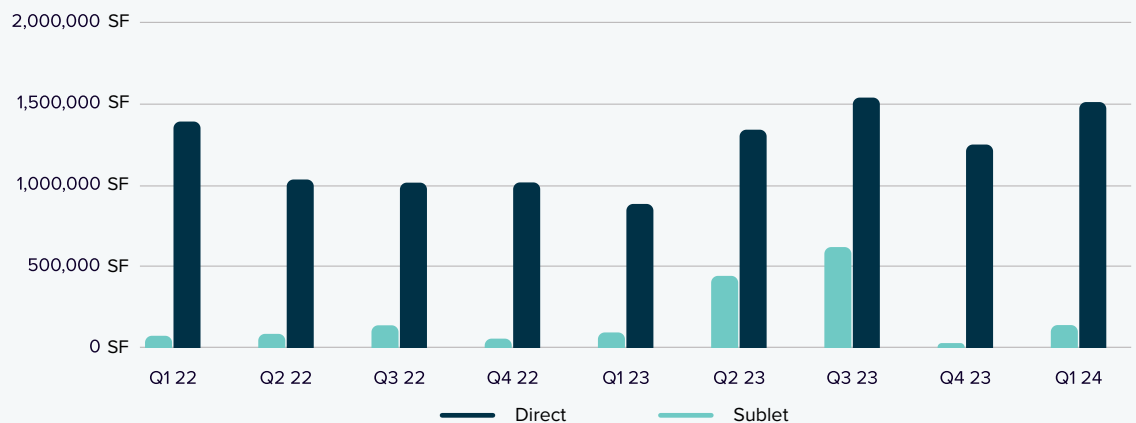
	Construction	Manufacturing	Transportation, Trade & Utilities
12-Mo Employment Growth (%)	0.5%	-1.5%	-0.1%
12-Mo Actual Employment Change	-700	-4,900	-1,200

> Vacancy vs Availability

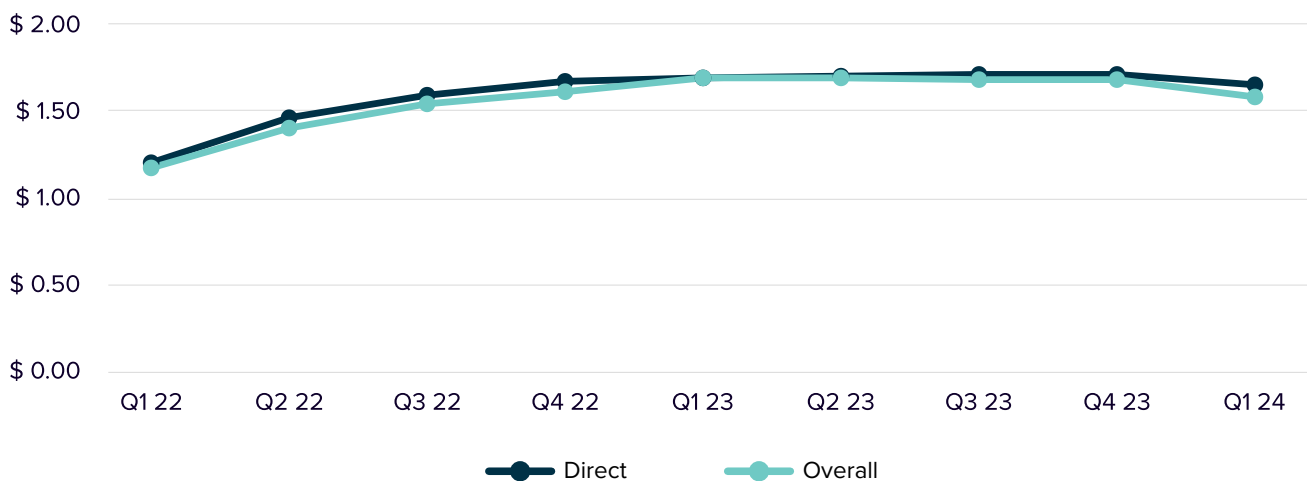


Leasing Activity & Absorption

Leasing activity totaled **1.64 million square feet (MSF)** in Q1, below the historical quarterly average of **1.83 MSF**. Net absorption in the first quarter was negative, posting **-727,429 MSF**, marking six consecutive quarters of diminishing demand in the past eighteen months.



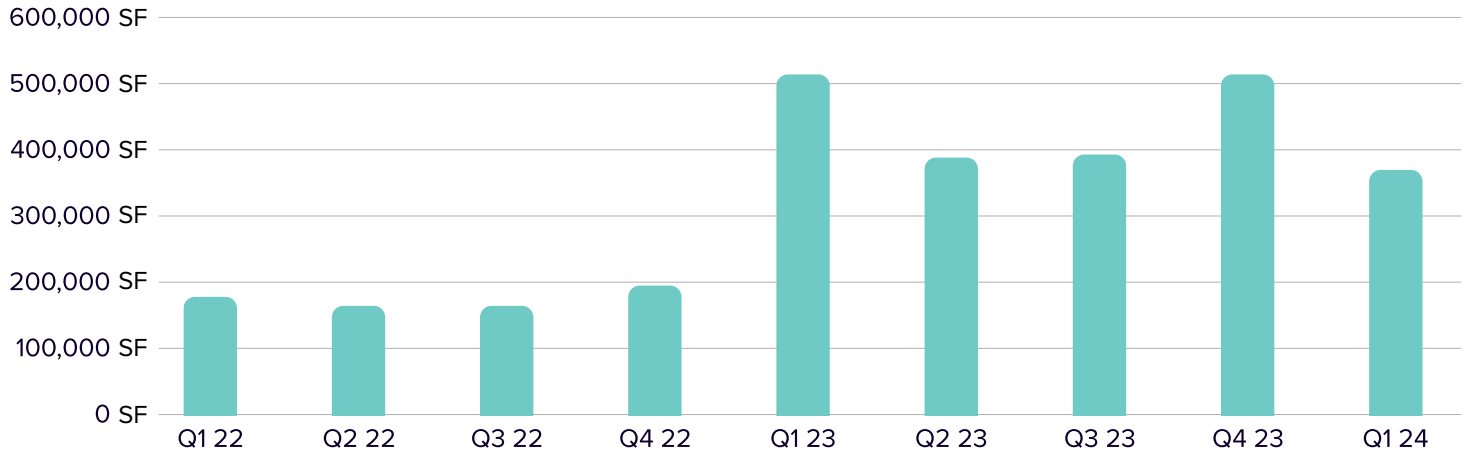
> Rental Rates



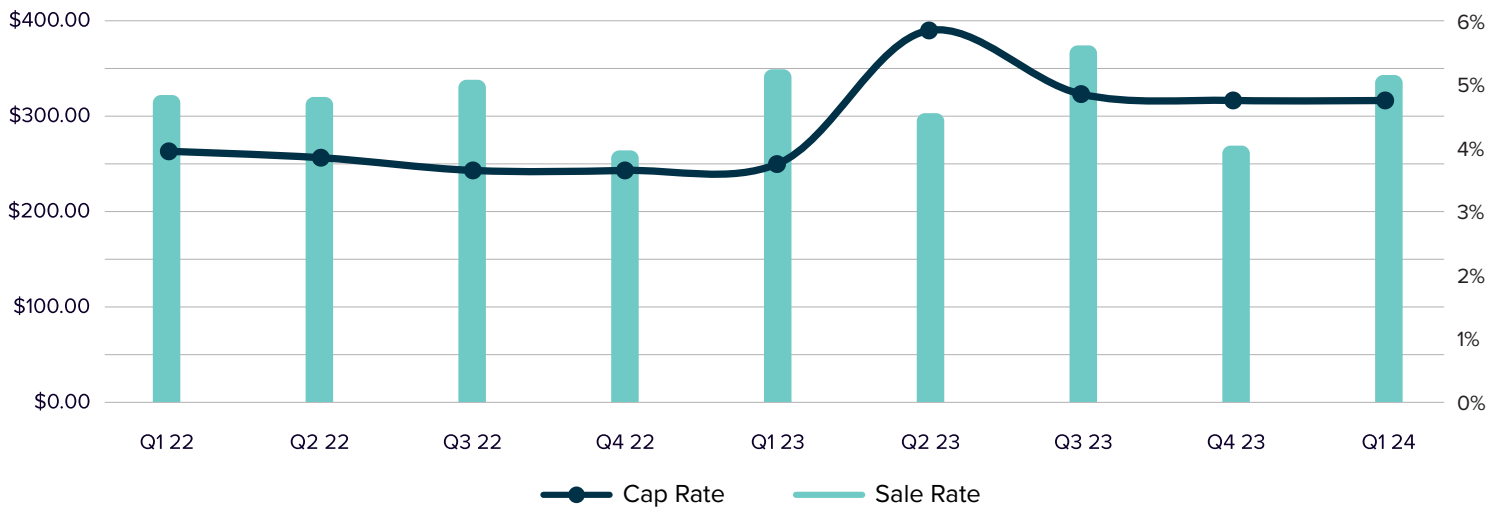


Q1 24 | Mid-Counties

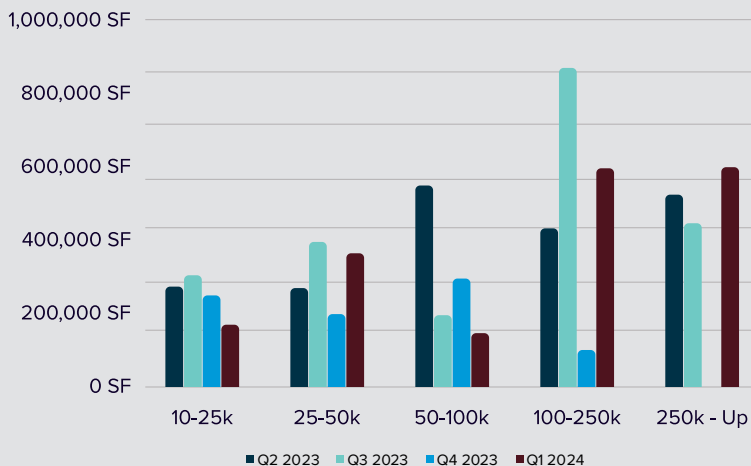
> Construction



> Sales Trends



> Lease Expiration



> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)
14407 ALONDRA BL	La Mirada	221,415	Rexford	Icon Owner Pool
12930-12958 MIDWAY PL	Cerritos	161,650	Rexford	WPT Midway
14647-14725 NORTHAM ST	La Mirada	220,212	Rexford	BPP Shiraz La Mirada
14680-14700 ALONDRA BL	La Mirada	196,000	Rexford	BPP Shiraz La Mirada
9028 DICE RD	Santa Fe Springs	96,000	Rexford	GPT KIK USA

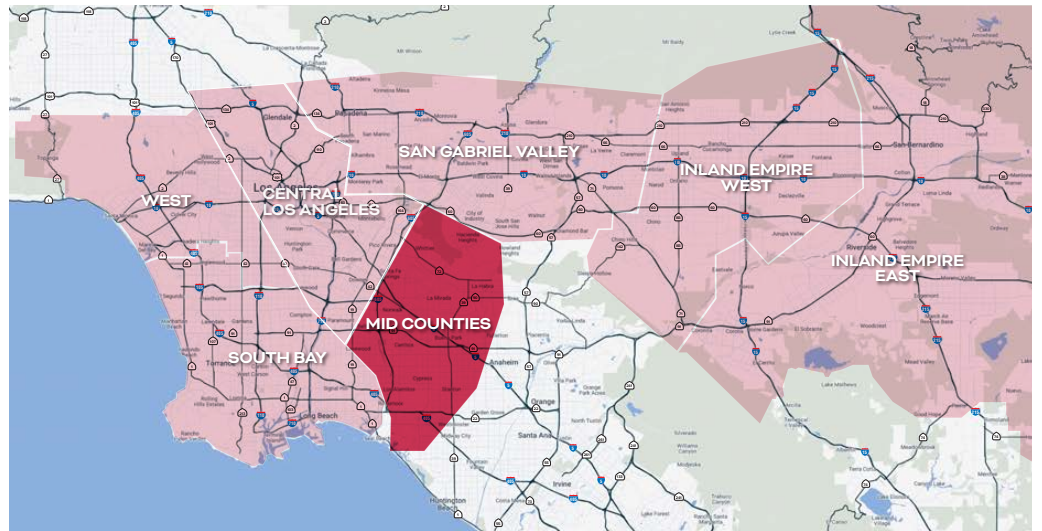
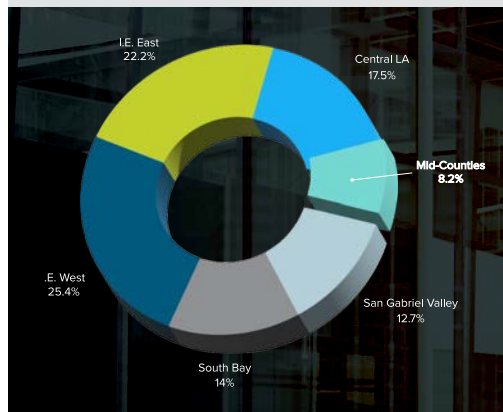
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
12821 CARMENITA RD	Santa Fe Springs	117,774	Golden Springs Building	Montage Fulfillment
14455-14489 INDUSTRY CR	La Mirada	112,946	Heitman	National Sign
14221 ARTESIA BL	La Mirada	106,118	Artesia Capital	Felix Lighting Corp
11333 GREENSTONE AV	Santa Fe Springs	105,270	AEW	Twin Meds
17707-17719 VALLEY VIEW AV	Cerritos	71,786	17719 D&D Mgmt	CMA Dishmachines

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
10251 SANTA FE SPRINGS-BLDG 3	Santa Fe Springs	Centris Industrial	121,124	Dec-24
10000 PIONEER BLVD	Santa Fe Springs	Rexford	104,667	Jul-24
12551 TELEGRAPH RD-BLDG 2	Santa Fe Springs	Centris Industrial	58,463	May-24
9920 PIONEER BLVD	Santa Fe Springs	Rexford	35,918	Jul-24

Inventory Comparison



Q1 2024 Market Insight San Gabriel Valley

SGV Highlights

- **Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancies and availability increased, lease rates decreased, sales and leasing activity were at historic lows, and construction starts diminished.
- **Vacancy Rate:** Continues to rise, increasing 90 bps from Q4 2023 to a rate of 4.8% in Q1. Year over year, the vacancy rate increased 190 bps or by 3.8 MSF.
- **Asking Rents:** Declined slightly by \$0.01 from the Q1 2023 peak of \$1.62 to a rate of \$1.61 NNN PSF in Q1.
- **Inflation:** Headline CPI continues to be elevated above the Fed's 2% target at 3.5%. Overall PCE inflation grew by 0.3% from February and 2.7% from the prior year, while core PCE inflation grew by 0.3 month-over-month and 2.8% year-over-year.
- **GDP & Employment:** In Q1, the U.S. economy grew by 1.6% year-over-year, below market growth-expectations of 2.5%. The unemployment rate fell by 10 basis points (bps) to 3.8% and the labor force participation rate ticked up to 62.7%. Average hourly earnings rose by 4.1% year-over-year, in line with market expectations and above inflation.
- **Port Activity:** Port of LA activity (measured by Total TEUs) is up 29.98% year to date as compared with the first three months of 2023.
- **Supply Chain:** The cost from China/East Asia to North America West Coast increased 33.5% over Q1, ending at \$3,623 per container per Freightos.

CITY	# of Bldgs	Inventory	Vacancy	Availability	Net Absorption	Gross Absorption	Direct Asking Rate (NNN)	Asking Sale Rate
ALHAMBRA	112	2,156,150	4.1	4.9	-3,734	5,998	\$1.26	\$324
ARCADIA	104	2,533,083	2.2	2	-991	33,967	\$1.85	\$352
AZUSA	251	6,930,125	2.7	4.9	-41,692	60,850	\$1.46	\$304
BALDWIN PARK	248	5,164,064	3.9	3.5	4,859	51,016	\$1.36	\$302
CLAREMONT	20	600,639	0	0	0	0	0	\$241
COVINA	168	2,709,929	2.2	2.5	11,330	30,814	0	\$277
DIAMOND BAR	20	453,896	0	0	0	0	0	\$283
DUARTE	70	1,798,317	3.6	0.8	-6,989	0	0	\$314
EL MONTE	316	9,002,980	2.4	2.6	47,011	66,973	\$1.62	\$300
GLENORA	45	658,849	6.4	6.2	315,000	0	0	\$305
INDUSTRY	1,051	75,746,320	6.8	9.6	-380,000	525,877	\$1.73	\$265
IRVINDALE	263	12,926,122	4.5	8.3	512,000	532,286	\$1.59	\$270
LA PUENTE	94	1,947,208	0.3	0.9	3,872	3,872	0	\$351
LA VERNE	136	2,932,458	4.9	4.8	-101	3,857	\$1.59	\$338
MONROVIA	208	3,423,845	3.2	8	-22,712	24,697	\$1.85	\$312
MONTEREY PARK	99	1,788,255	11.1	12.7	-127,107	12,610	\$1.19	\$345
PASADENA	98	1,478,188	3.1	6	7,873	2,300	\$1.95	\$382
POMONA	650	20,009,427	2.5	3.8	-111,718	53,310	\$1.20	\$262
ROSEMEAD	53	1,204,523	1.4	1.4	697	13,347	0	\$294
SAN DIMAS	127	3,178,727	2.4	4.4	-17,108	6,712	\$1.30	\$272
SAN GABRIEL	68	1,028,096	5.5	6	7,294	20,135	\$1.31	\$282
SOUTH EL MONTE	840	11,202,380	2.8	1.5	28,411	105,718	\$1.05	\$318
TEMPLE CITY	38	627,235	3.9	3.7	527	17,858	\$3.00	\$313
WALNUT	206	6,897,968	4.6	8.8	71,000	65,397	\$1.52	\$275
WEST COVINA	18	838,994	1.2	32.9	6,525	16,473	\$1.82	\$260

↗ 3.8%

US Unemployment
Rate

↗ 1.6%

GDP - Quarter 1
% - Change YOY

↗ 4.6%

U.S. 10-Year Treasury
Note

> Market Summary

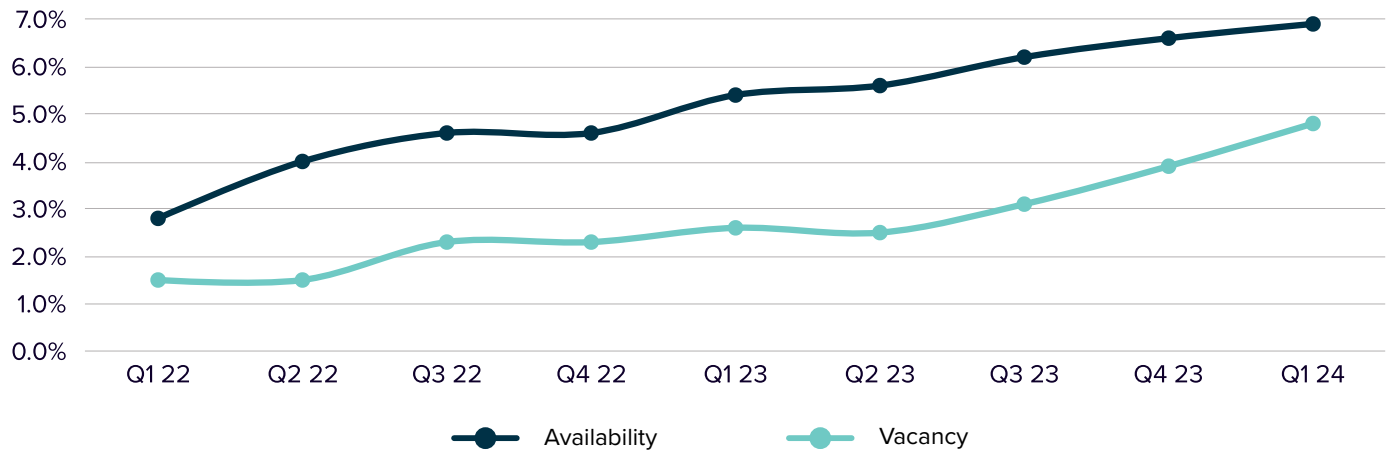
	Q1 2023	Q4 2023	Q1 2024
Total Inventory (SF)	175,027,744	176,841,499	177,249,878
Overall Vacancy	2.6%	3.9%	4.8%
Overall Availability	5.4%	6.6%	6.9%
Under Construction (SF)	3,569,883	2,851,630	2,443,251
Net Absorption (SF)	-426,861	112,493	304,247
Overall Asking Lease Rates (NNN)	\$1.62	\$1.56	\$1.61

> Labor Force

	Construction	Manufacturing	Transportation, Trade & Utilities
12-Mo Employment Growth (%)	0.5%	-1.5%	-0.1%
12-Mo Actual Employment Change	-700	-4,900	-1,200

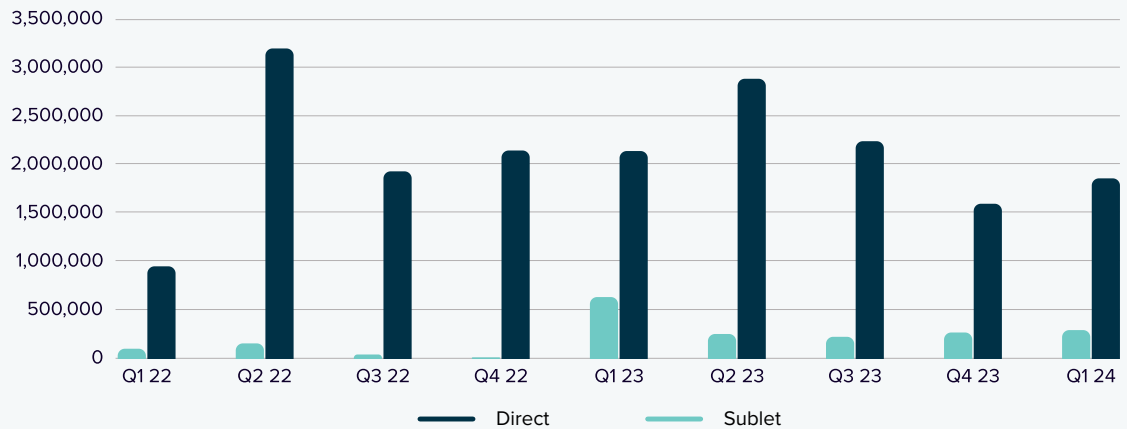
Source: U.S. BLS Stats by Industry

> Vacancy vs Availability

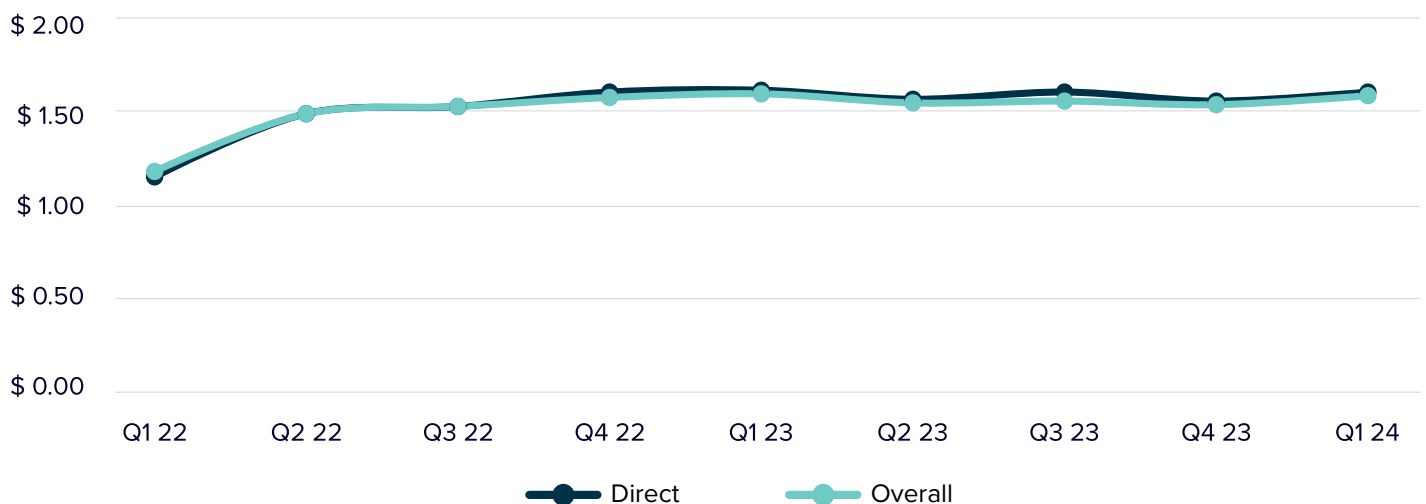


Leasing Activity & Absorption

Although absorption was positive this quarter, leasing activity totaled a mere **405,676 square feet** in Q1, more the five times below the historical quarterly average of **2.22 MSF**. The biggest transaction this quarter was ACL America's **232K square foot** lease from Link Logistics in the City of Industry.



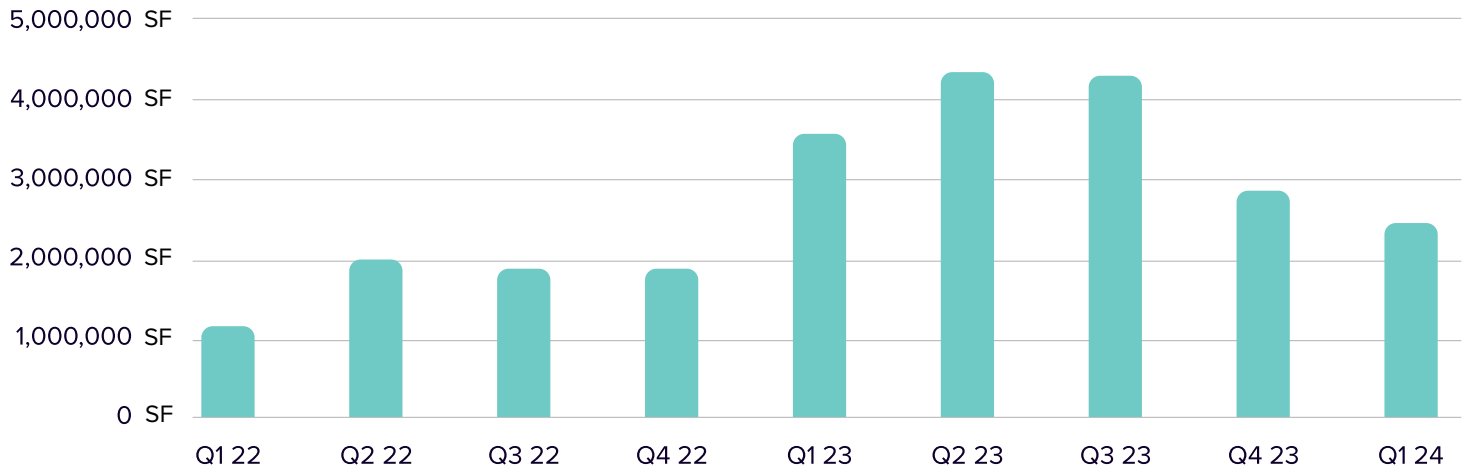
> Rental Rates



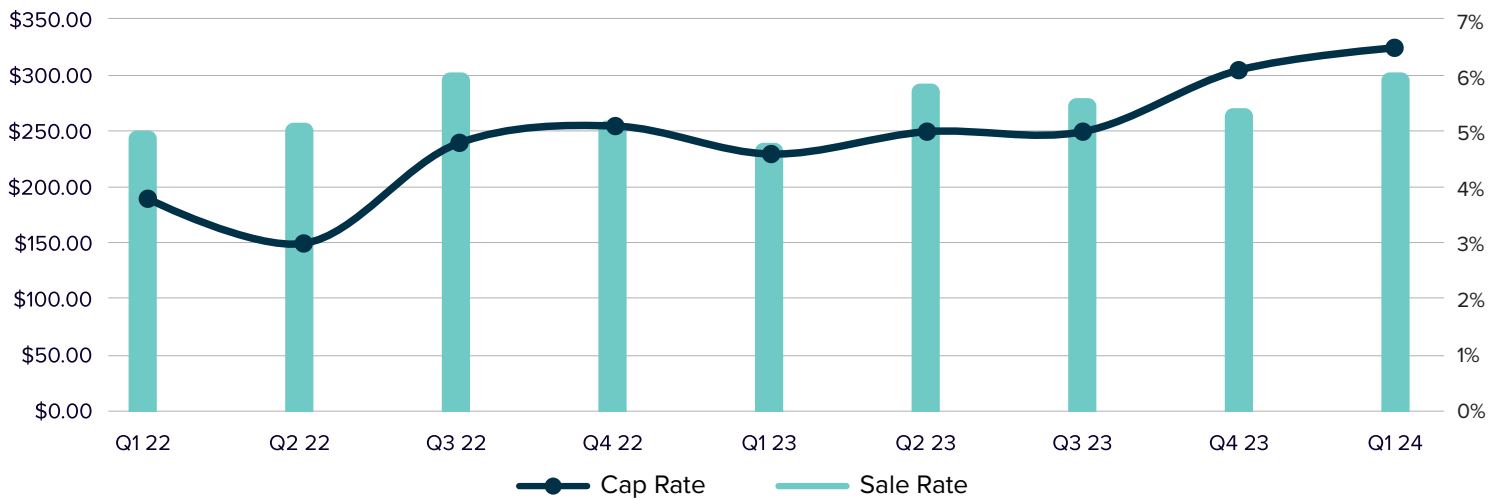


Q1 24 | San Gabriel Valley

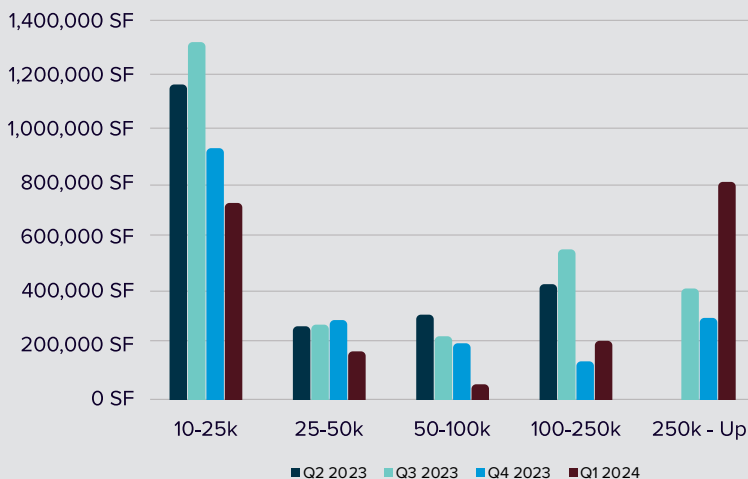
> Construction



> Sales Trends



> Lease Expiration



San Gabriel Valley
Largest Sale Transaction
By Square Foot
Buyer: Rexford
5000-5010 Azusa Canyon Rd, Irwindale

233,984sf

> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)
5000-5010 AZUSA CANYON RD	Irwindale	233,984	Rexford	AEW Capital
421-427 BALDWIN PARK BL	Baldwin Park	215,657	Rexford	BPP Shiraz Park
17745 VALLEY BLVD	Industry	183,442	Rexford	BPP Shiraz Hamp
15000 NELSON	Industry	125,494	Oceanside Investments	Nguyen Vy USA
18689 ARENTH AV	Industry	91,151	Freedom International Grp	Staley Point Capital

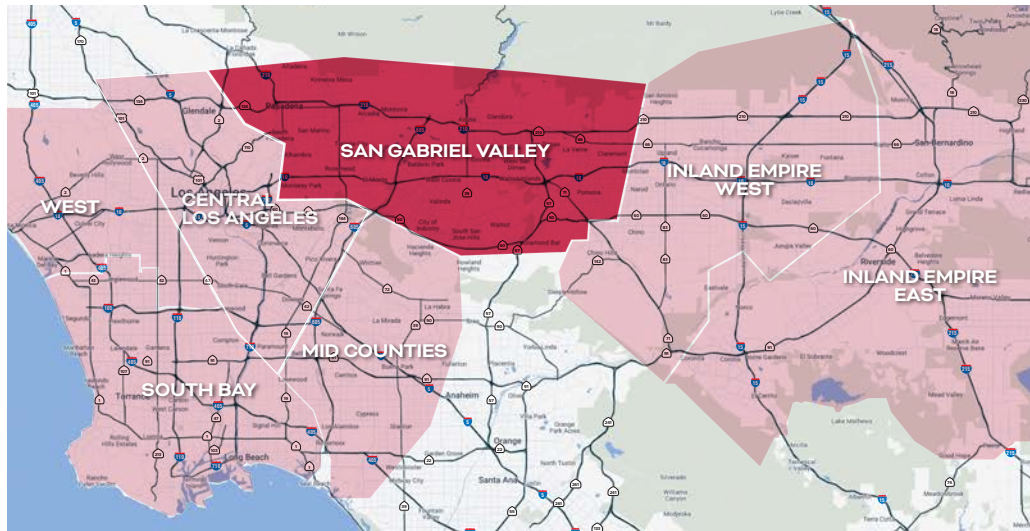
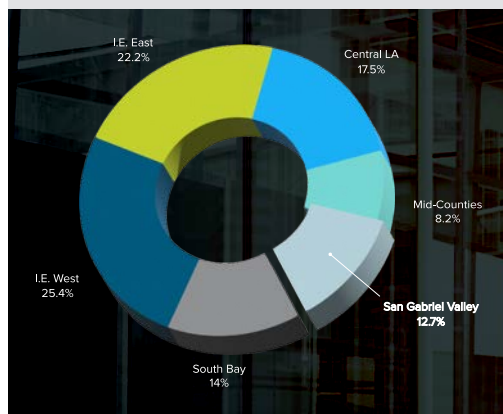
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
14425-14455 CLARK AV	Industry	232,643	Link Logistics	ACL America
383-393 CHERYL LN	Industry	122,842	Catellus Development	-
2680-2690 PELLISIER PL	Industry	112,000	Crossroads Properties	Cubework
245 VINELAND AV	Industry	96,000	245 Vineland LLC	Dynasty Shopping
17411 E VALLEY BL	Industry	92,000	Scout Cold Storage	-

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
171 MARCELLIN	City Of Industry	Majestic Realty	694,400	May-24
151 MARCELLIN	City Of Industry	Majestic Realty	606,480	May-24
901 LIVE OAK	Irwindale	Oltmans Construction Co	291,673	May-24
4200 W VALLEY BLVD	Walnut	CapRock Partners	269,780	Oct-24
15010 DON JULIAN RD	City Of Industry	Rexford	219,242	Sep-24

Inventory Comparison



Q1 2024 Market Insight South Bay

South Bay Highlights

- **Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancies and availability increased, lease rates decreased, sales and leasing activity were at historic lows, and construction starts diminished.
- **Vacancy Rate:** Continues to rise, increasing 30 bps from Q4 2023 to a rate of 4.8% in Q1. Year over year, the vacancy rate increased 190 bps or by 3.8 MSF.
- **Asking Rents:** Declined by \$0.24 or 12.1% from the Q2 2023 peak of \$1.97 to a rate of \$1.73 NNN PSF in Q1
- **Inflation:** Headline CPI continues to be elevated above the Fed's 2% target at 3.5%. Overall PCE inflation grew by 0.3% from February and 2.7% from the prior year, while core PCE inflation grew by 0.3 month-over-month and 2.8% year-over-year.
- **GDP & Employment:** In Q1, the U.S. economy grew by 1.6% year-over-year, below market growth-expectations of 2.5%. The unemployment rate fell by 10 basis points (bps) to 3.8% and the labor force participation rate ticked up to 62.7%. Average hourly earnings rose by 4.1% year-over-year, in line with market expectations and above inflation.
- **Port Activity:** Port of LA activity (measured by Total TEUs) is up 29.98% year to date as compared with the first three months of 2023.
- **Supply Chain:** The cost from China/East Asia to North America West Coast increased 33.5% over Q1, ending at \$3,623 per container per Freightos.

CITY	# of Bldgs	Inventory	Vacancy	Availability	Net Absorption	Gross Absorption	Direct Asking Rate (NNN)	Asking Sale Rate
CARSON	497	1	6.1	10	3,841	273,415	\$ 1.79	\$ 290
COMPTON	478	25,209,573	5.9	8.9	-665,538	56,942	\$ 1.63	\$ 270
EL SEGUNDO	155	7,510,001	1.5	1.4	-9,484	36,118	\$2.22	\$ 340
GARDENA	1178	29,176,494	4.4	7.1	-54,282	184,542	\$ 1.46	\$ 286
HARBOR CITY	95	1,765,758	6.4	6.8	-16,600	14,400	0	\$ 321
HAWTHORNE	220	8,190,278	2.3	3.2	-21,628	26,515	\$ 1.67	\$ 288
INGLEWOOD	236	4,968,155	3.3	3.7	-54,360	25,007	\$ 1.65	\$ 352
LAKEWOOD/HG	24	538,131	0.3	0.3	-1,850	0	0	\$ 333
LAWDALE	30	268,126	7.9	7.9	-10,272	2,000	0	\$ 319
LONG BEACH/TI	753	24,021,123	5	7.7	-8,397	149,346	\$ 1.45	\$ 311
LYNWOOD	99	4,363,391	2.6	2.6	-18,400	0	\$ 1.21	\$ 244
RANCHO DOMINGUEZ	228	13,863,562	6.3	8.2	-49,509	393,679	\$1.54	\$ 280
REDONDO/HERMOSA	34	1,744,149	0	0	0	0	0	\$ 368
SAN PEDRO	45	2,768,203	2.6	14.8	-6,500	0	0	\$ 281
SIGNAL HILL	206	3,040,985	2	3.5	-2,546	15,250	\$ 1.91	\$ 355
TORRANCE	635	29,372,671	5.3	6.6	488,159	598,232	\$ 2.14	\$ 327
WILMINGTON	150	4,116,179	2.2	2.2	-36,448	8,058	\$ 1.79	\$ 286

↑ **3.8%**

US Unemployment
Rate

↑ **1.6%**

GDP - Quarter 1
% - Change YOY

↑ **4.6%**

U.S. 10-Year Treasury
Note

> Market Summary

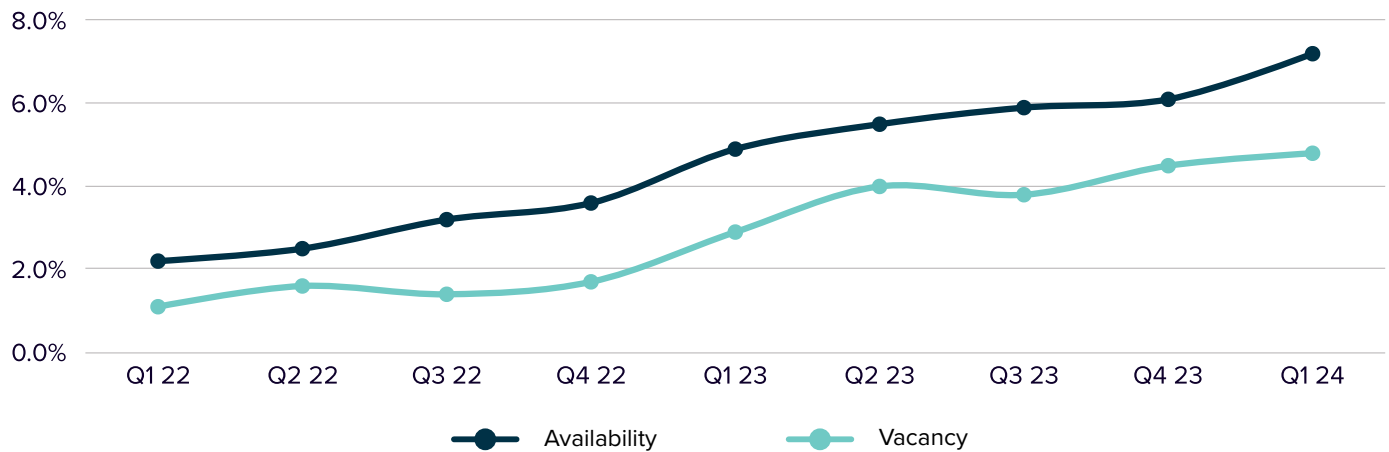
	Q1 2023	Q4 2023	Q1 2024
Total Inventory (SF)	195,747,709	196,458,082	196,594,470
Overall Vacancy	2.9%	4.5%	4.8%
Overall Availability	4.9%	6.1%	7.2%
Under Construction (SF)	974,536	1,538,212	1,408,081
Net Absorption (SF)	-1,457,077	-1,374,565	-453,542
Overall Asking Lease Rates (NNN)	\$1.55	\$1.77	\$1.73

> Labor Force

	Construction	Manufacturing	Transportation, Trade & Utilities
12-Mo Employment Growth (%)	0.5%	-1.5%	-0.1%
12-Mo Actual Employment Change	-700	-4,900	-1,200

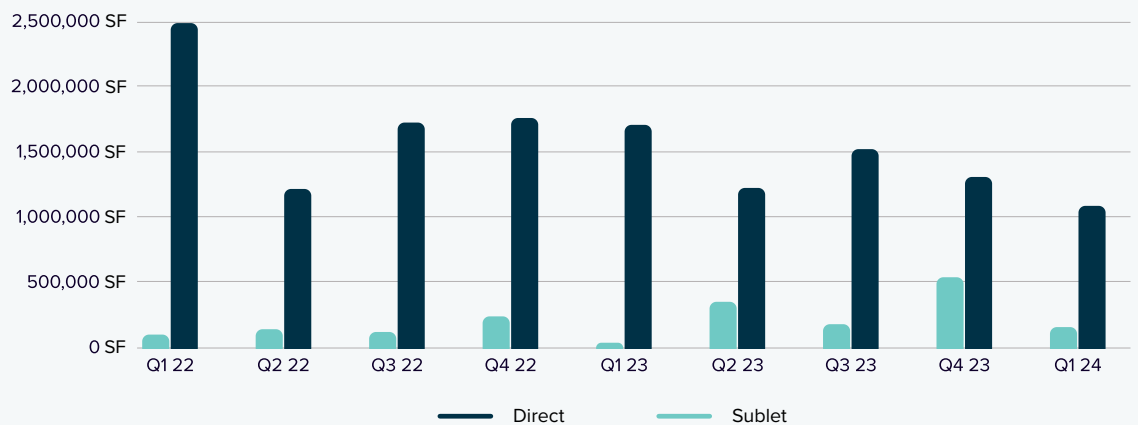
Source: U.S. BLS Stats by Industry

> Vacancy vs Availability

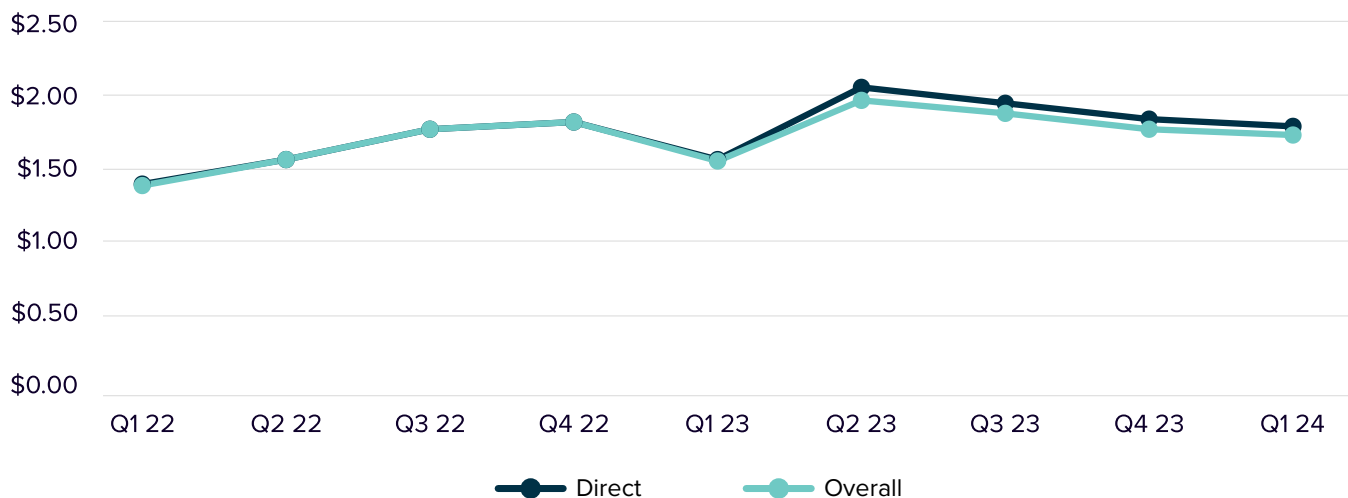


Leasing Activity & Absorption

Leasing activity totaled **1.24 million square feet (MSF)** in Q1, **49% below** the historical quarterly average of **2.44 MSF**. Net absorption in the first quarter was negative, posting **-453,542 MSF**, marking six out of seven quarters of diminishing demand in the past eighteen months.



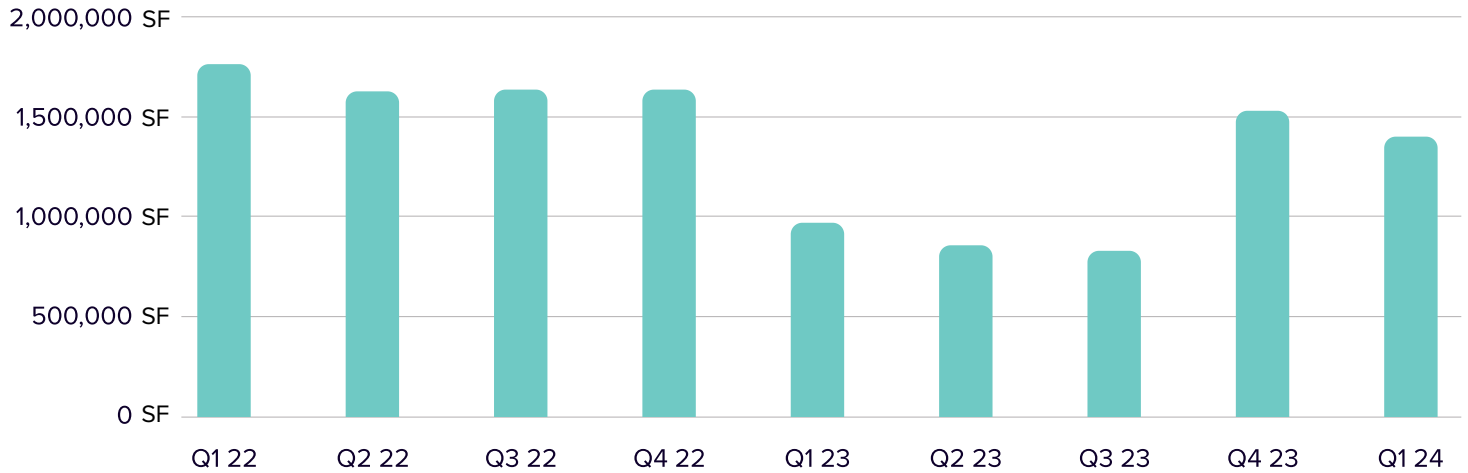
> Rental Rates



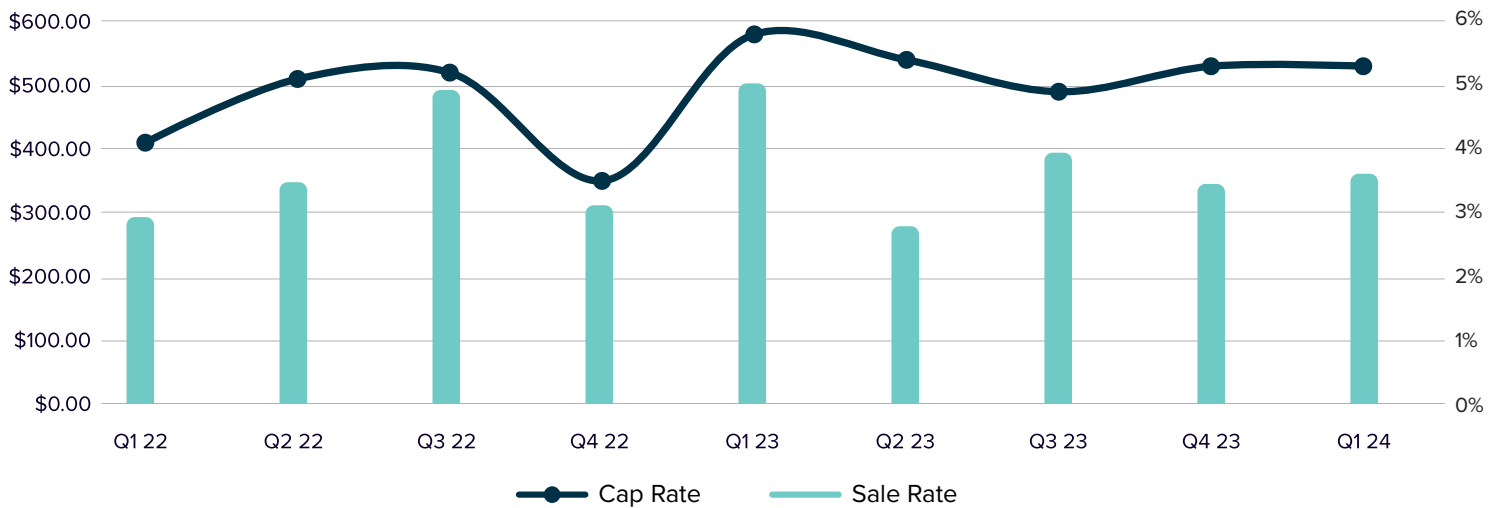


Q1 24 | South Bay

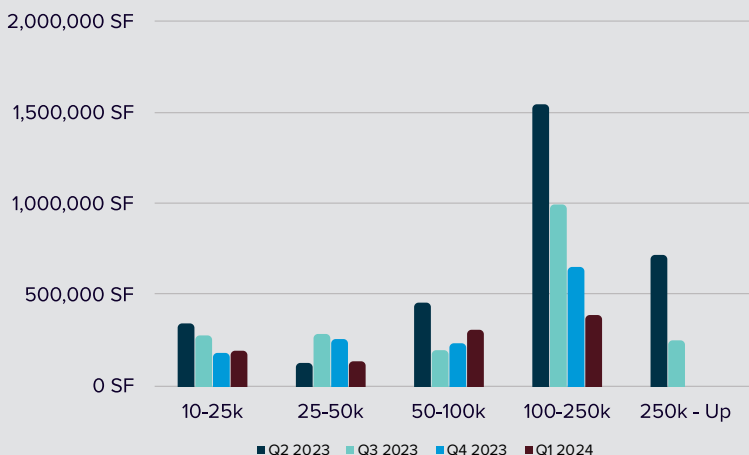
> Construction



> Sales Trends



> Lease Expiration



South Bay
Largest Lease Transaction
By Square Foot
Lessee: St. George Distribution Corp
1650 S Central Ave, Compton

418,344sf

> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)
1620 S. WILMINGTON AV	Compton	202,219	CenterPoint	South Bay Industrials Company, LLC
711 W. WALNUT ST	Compton	157,320	CenterPoint	South Bay Industrials Company, LLC
2910 PACIFIC COMMERCE DR	Rancho Dominguez	147,573	Rexford	WPT Pacific Commerce Drive, LP
425 W. CAROB ST	Compton	104,192	CenterPoint	Mark. H. Leschinsky
1111-1121 W ARTESIA BL	Compton	83,135	CenterPoint	South Bay Industrials Company, LLC

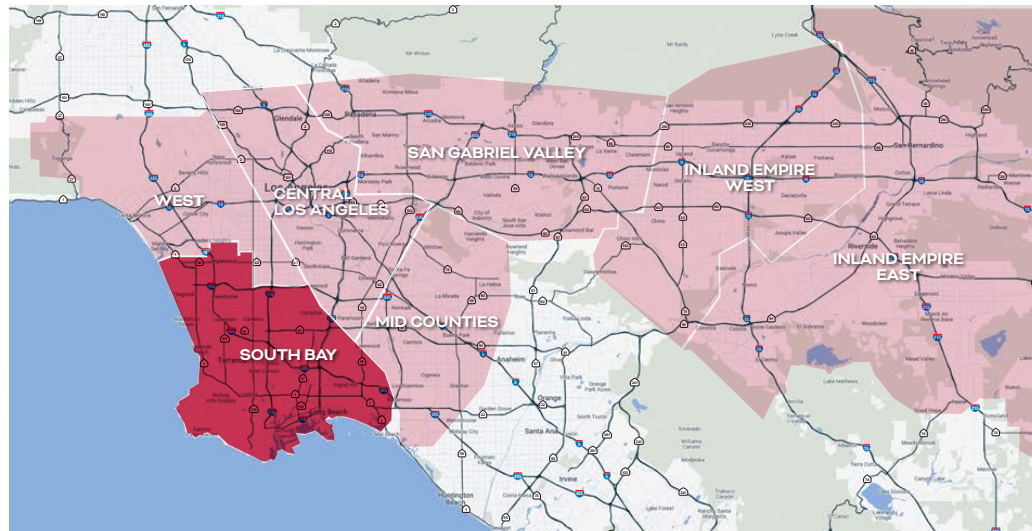
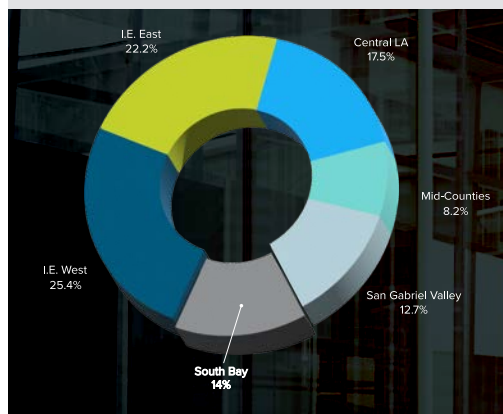
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
1650 S CENTRAL AV	Compton	418,344	Brookfield Properties	St George Distribution Corp
2132 E DOMINGUEZ ST	Carson	254,411	Prologis	Inland Star Distribution Center
2902 E VAL VERDE CT, BLDG C	Compton	184,074	Carson Estate Co	SBS Transportation
525 W MANVILLE ST	Compton	183,000	Heitman	Capital Logistics & Warehouse
900 E WATSON CENTER	Carson	152,000	Watson Land Company	Howmet

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
2001 E DOMINGUEZ ST	Carson	Brookfield Properties	429,112	Oct-24
1600 W 135TH ST	Gardena	OMP	190,860	Sep-24
1124 W ALONDRA BLVD	Gardena	Link Logistics	181,831	Oct-24
3590 COVER ST	Long Beach	RGNL	150,000	Dec-24

Inventory Comparison



Q1 2024 Market Insight Inland Empire West

IE West Highlights

- **Big Picture:** Apart from leasing activity, all the other metrics in the IE West were similar to trends across all submarkets in the Los Angeles Basin this quarter: vacancies and availability increased, lease rates decreased, sales activity were at historic lows, and construction starts diminished.
- **Vacancy Rate:** Quarter-over-quarter, vacancy rose by 110 bps while it rose 350 bps year-over-year, reaching 6.4% at the end of Q1.
- **Asking Rents:** Rental rates are \$1.40 NNN PSF, a year-over-year decline of \$0.13 or 8.4% from the Q1 2023 rate of \$1.53.
- **Inflation:** Headline CPI continues to be elevated above the Fed's 2% target at 3.5%. Overall PCE inflation grew by 0.3% from February and 2.7% from the prior year, while core PCE inflation grew by 0.3 month-over-month and 2.8% year-over-year.
- **GDP & Employment:** In Q1, the U.S. economy grew by 1.6% year-over-year, below market growth-expectations of 2.5%. The unemployment rate fell by 10 basis points (bps) to 3.8% and the labor force participation rate ticked up to 62.7%. Average hourly earnings rose by 4.1% year-over-year, in line with market expectations and above inflation.
- **Port Activity:** Port of LA activity (measured by Total TEUs) is up 29.98% year to date as compared with the first three months of 2023.
- **Supply Chain:** The cost from China/East Asia to North America West Coast increased 33.5% over Q1, ending at \$3,623 per container per Freightos.

CITY	# of Bldgs	Inventory	Vacancy	Availability	Net Absorption	Gross Absorption	Direct Asking Rate (NNN)	Asking Sale Rate
CHINO	938	55,902,777	5	8.5	-1,343,073	418,437	\$1.59	\$283
EASTVALE	71	14,456,540	9.4	13.5	-1,103,213	0	\$1.60	\$288
FONTANA	789	73,435,952	6.5	16.7	1,419,362	2,515,870	\$1.50	\$284
JURUPA VALLEY	316	33,069,507	5.6	11.6	1,151,823	1,315,406	\$1.27	\$257
MIRA LOMA	20	712,371	5.4	5.4	31,009	31,009	\$1.36	\$339
MONTCLAIR	208	4,164,242	3.4	18.9	61,979	105,986	\$0.67	\$335
ONTARIO	1528	124,434,981	7	11.5	716,950	3,805,428	\$1.28	\$273
RANCHO CUCAMONGA	746	43,344,526	5.1	12.3	-9,991	403,394	\$1.65	\$275
UPLAND	260	4,094,592	7.7	9.9	-54,441	51,122	\$1.09	\$276

↑ 3.8%

US Unemployment
Rate

↑ 1.6%

GDP - Quarter 1
% - Change YOY

↑ 4.6%

U.S. 10-Year Treasury
Note

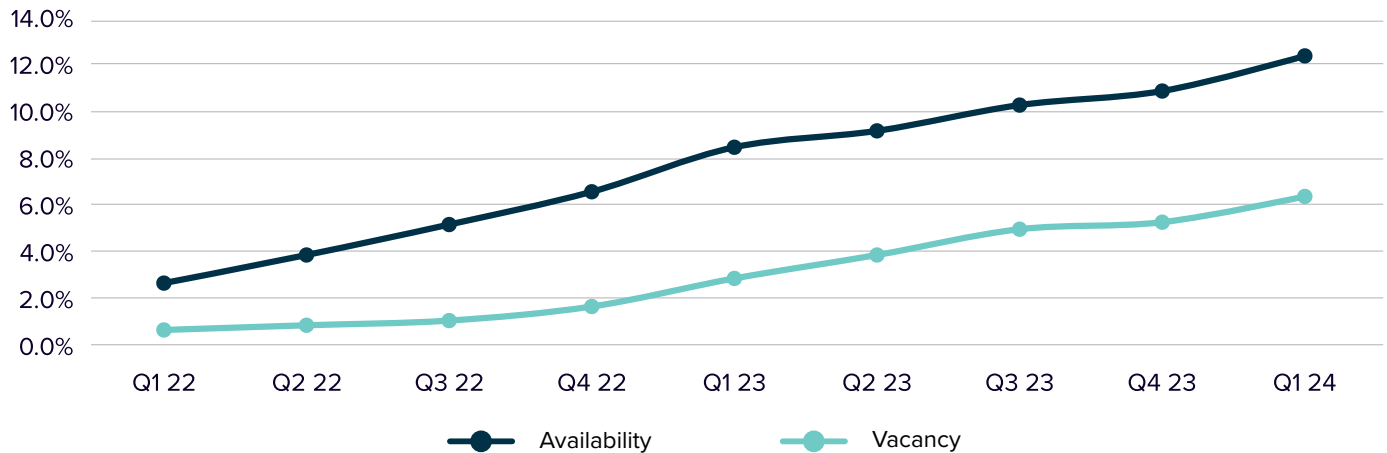
> Market Summary

	Q1 2023	Q4 2023	Q1 2024
Total Inventory (SF)	341,792,712	350,859,316	356,225,514
Overall Vacancy	2.9%	5.3%	6.4%
Overall Availability	8.5%	10.9%	12.4%
Under Construction (SF)	25,674,647	22,144,131	16,929,388
Net Absorption (SF)	-724,899	5,465,814	849,174
Overall Asking Lease Rates (NNN)	\$1.53	\$1.46	\$1.40

> Labor Force

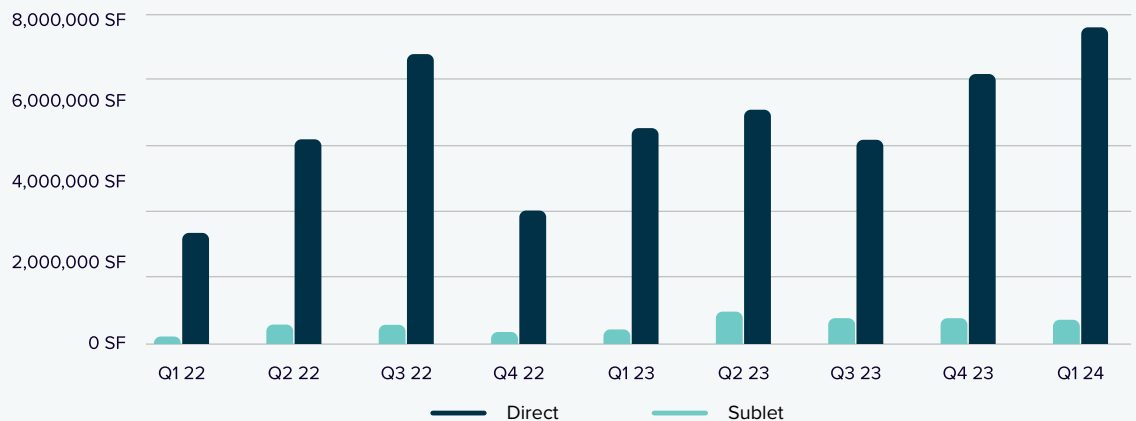
	Construction	Manufacturing	Transportation, Trade & Utilities
12-Mo Employment Growth (%)	0.5%	-1.5%	-0.1%
12-Mo Actual Employment Change	-700	-4,900	-1,200

> Vacancy vs Availability

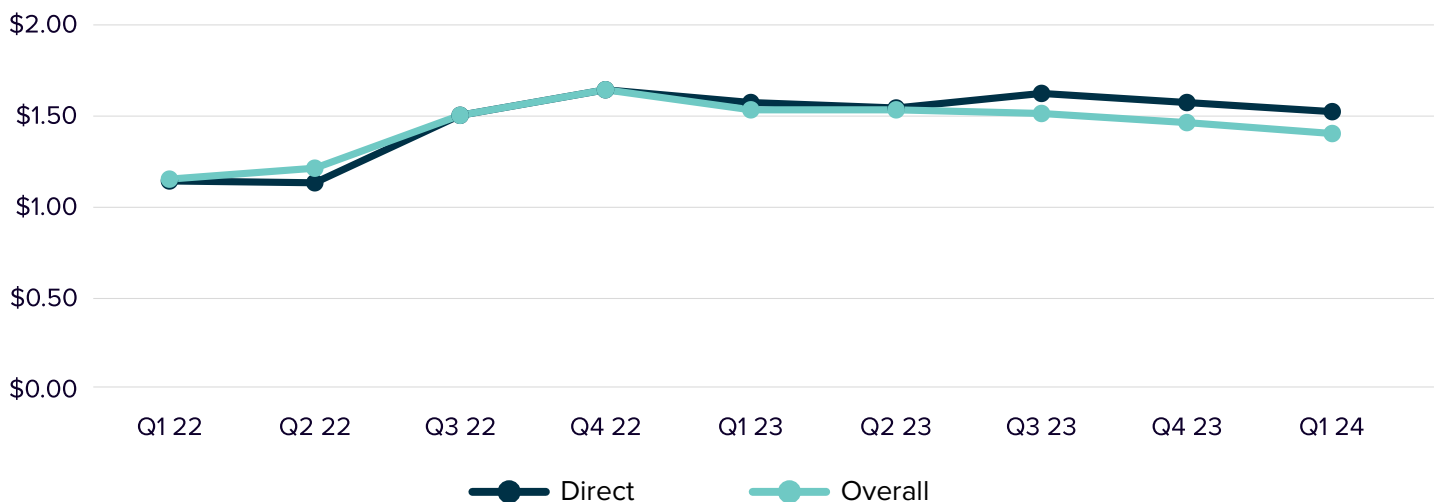


Leasing Activity & Absorption

Leasing activity totaled **8.4 million square feet (MSF)** in Q1, far surpassing the historical quarterly average of **5.9 MSF** typical for the submarket. Amazon has returned to the market in a big way having signed two large leases at the end of Q1 totaling over **2 MSF** in Eastvale and Jurupa Valley. Amazon is rumored to be looking to lease more space in the coming quarters as they have found it easier to lease existing buildings and modify as appropriate, rather than build new structures from the ground up due to lengthy entitlement processes and time sensitive infrastructure hurdles.



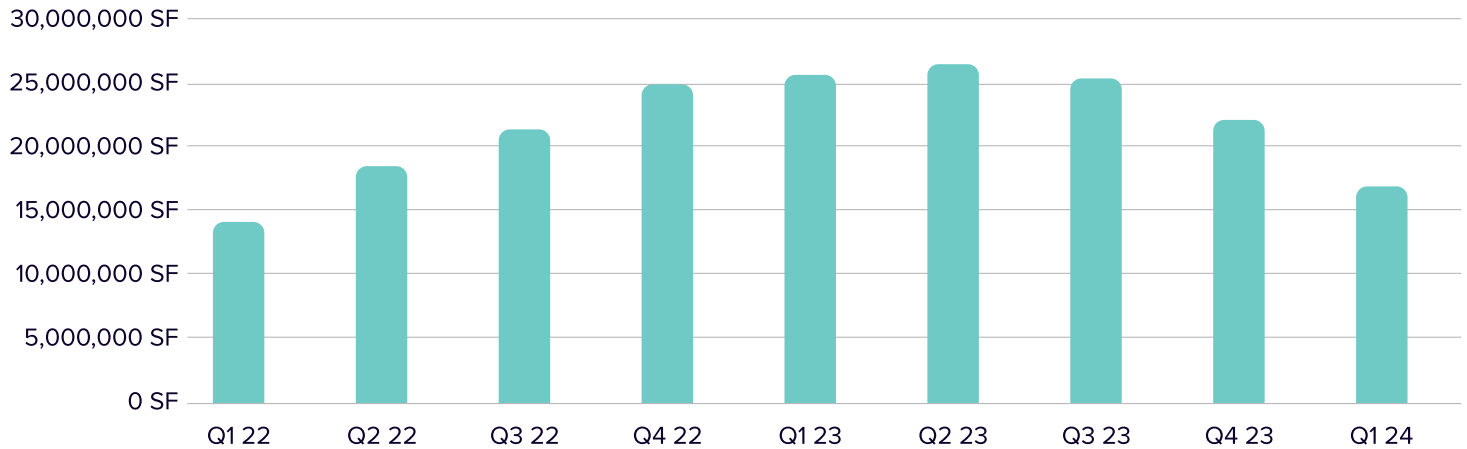
> Rental Rates



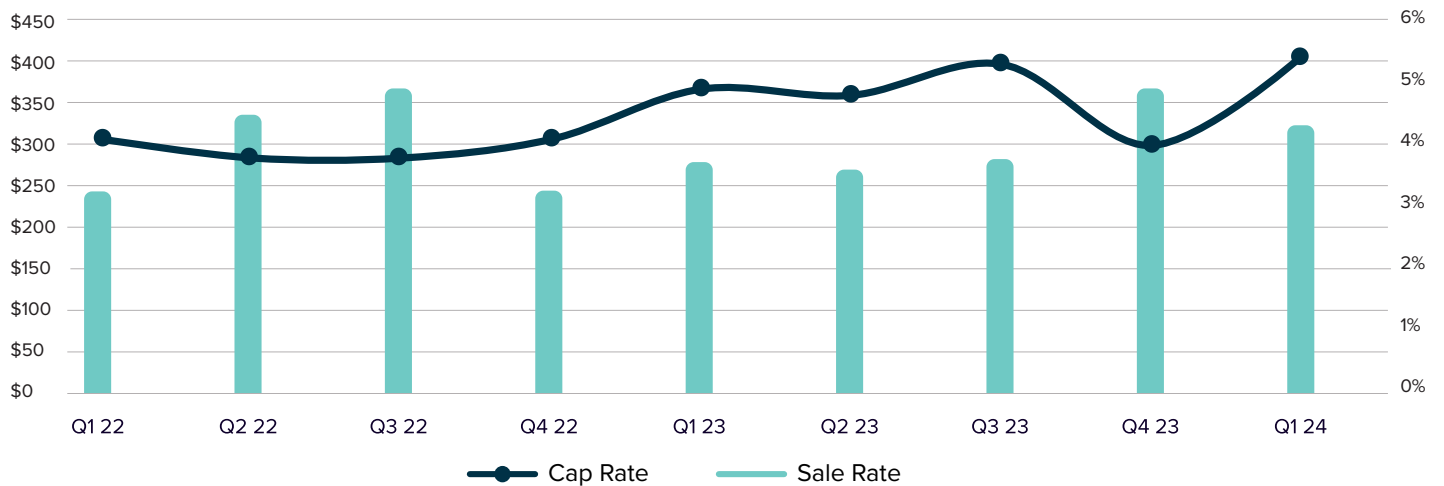


Q1 24 | Inland Empire West

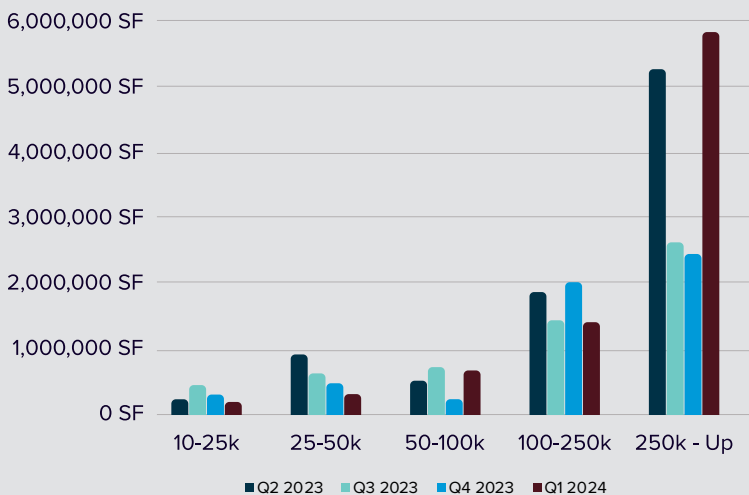
> Construction



> Sales Trends



> Lease Expiration



> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)
8545 PECAN AV	Rancho Cucamonga	98,685	Pecan Ave, LLC	Xebec
4001 GREYSTONE	Ontario	41,814	Excelsior Partners, LLC	GF Properties
4115 SCHAEFER AVE (PART OF PORTFOLIO)	Chino	33,500	Rexford	Blackstone
1893 SLAKE PL	Ontario	24,732	MJP Capital LLC	Chase Lake Logistics Fund I LP
2072 W11TH ST	Upland	15,400	Amertop, LLC	Yellow Iron Development 257 LLC

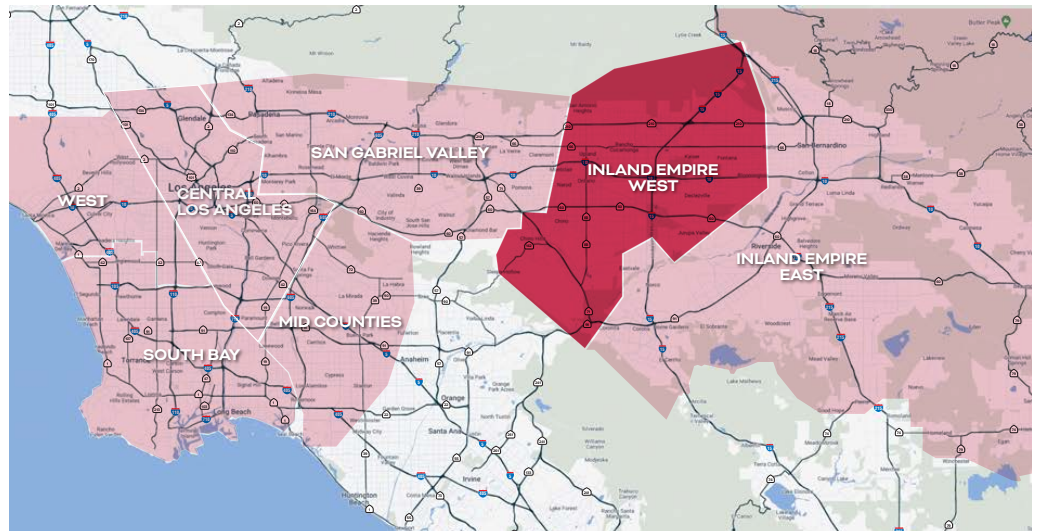
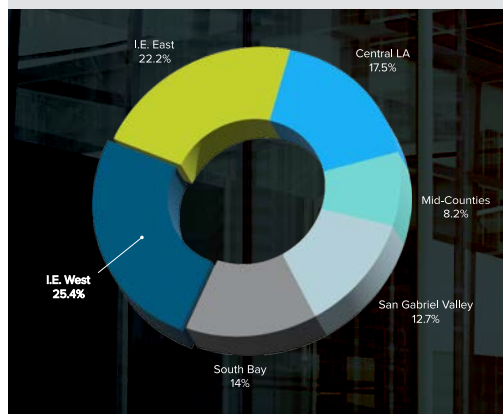
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
6120 CLINKER DR	Jurupa Valley	1,025,132	CT Realty Investors	Amazon
4000 HAMNER AV	Eastvale	10,003,918	Dermody Properties	Amazon
11281 CITRUS AV	Fontana	1,003,592	Alere Property Grp	Elogistek
16300 FERN AV	Chino	799,052	Invesco	Shark Ninja
14120 RAMONA	Chino	435,000	Majestic Realty	Amcor Rigid Plastics

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
1363 MERRILL AV	Ontario	Prologis	1,488,800	Jun-24
4704 WALKER AV	Ontario	Prologis	1,411,000	Apr-24
3413 MANITOU	Jurupa Valley	Blackstone	1,379,287	May-24
9253 DREAMLAND DR	Fontana	Hillwood	1,286,550	Jan-25
4121 COYOTE CANYON	Fontana	CapRock Partners	1,171,788	May-24

Inventory Comparison



Q1 2024 Market Insight Inland Empire East

IE East Highlights

- **Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancies and availability increased, lease rates decreased, sales and leasing activity were at historic lows, and construction starts diminished.
- **Vacancy Rate:** 23.1 MSF of space or 7.5% of the base is vacant in the IE East. Quarter-over-quarter and year-over-year, vacancy increased by 140 bps and 490 bps, respectively.
- **Asking Rents:** Lease rates in the IE East are on average \$0.25 lower than in the West. They are now \$1.15 NNN PSF, down 6.5% or \$0.08 from a year ago.
- **Inflation:** Headline CPI continues to be elevated above the Fed's 2% target at 3.5%. Overall PCE inflation grew by 0.3% from February and 2.7% from the prior year, while core PCE inflation grew by 0.3 month-over-month and 2.8% year-over-year.
- **GDP & Employment:** In Q1, the U.S. economy grew by 1.6% year-over-year, below market growth-expectations of 2.5%. The unemployment rate fell by 10 basis points (bps) to 3.8% and the labor force participation rate ticked up to 62.7%. Average hourly earnings rose by 4.1% year-over-year, in line with market expectations and above inflation.
- **Port Activity:** Port of LA activity (measured by Total TEUs) is up 29.98% year to date as compared with the first three months of 2023.
- **Supply Chain:** The cost from China/East Asia to North America West Coast increased 33.5% over Q1, ending at \$3,623 per container per Freightos.

CITY	# of Bldgs	Inventory	Vacancy	Availability	Net Absorption	Gross Absorption	Direct Asking Rate (NNN)	Asking Sale Rate
BANNING	48	1,944,130	5.5	5.5	-47,631	9,622	\$0.91	\$218
BEUMONT	0	0	5.5	5.5	-465,954	0	0	\$224
BLOOMINGTON	127	10,618,656	4.2	6	-242,218	38,170	\$0.99	\$274
CORONA/NORCO	1014	35,735,901	8.5	12	-59,593	143,773	\$1.28	\$279
COLTON/GRAND TERRACE	188	11,323,476	11.7	9.7	-30,156	153,804	\$0.66	\$221
MORENO VALLEY	111	33,003,219	2	6.4	37,180	140,459	\$0.95	\$195
PERRIS	249	42,577,660	15.6	8.9	437,806	1,043,006	\$1.11	\$216
REDLANDS/LOMA LINDA	246	31,354,038	11.8	12.7	-117,327	797,553	\$0.86	\$220
RIALTO	211	31,515,824	9.1	15.2	-325,876	65,620	\$1.44	\$241
RIVERSIDE	1,134	58,536,857	7	9.8	-604,146	544,781	\$1.17	\$218
SAN BERNARDINO/HIGHLAND	611	46,119,760	6.4	12.9	-1,137,521	442,537	\$1.14	\$226

↑ 3.8%

US Unemployment
Rate

↑ 1.6%

GDP - Quarter 1
% - Change YOY

↑ 4.6%

U.S. 10-Year Treasury
Note

> Market Summary

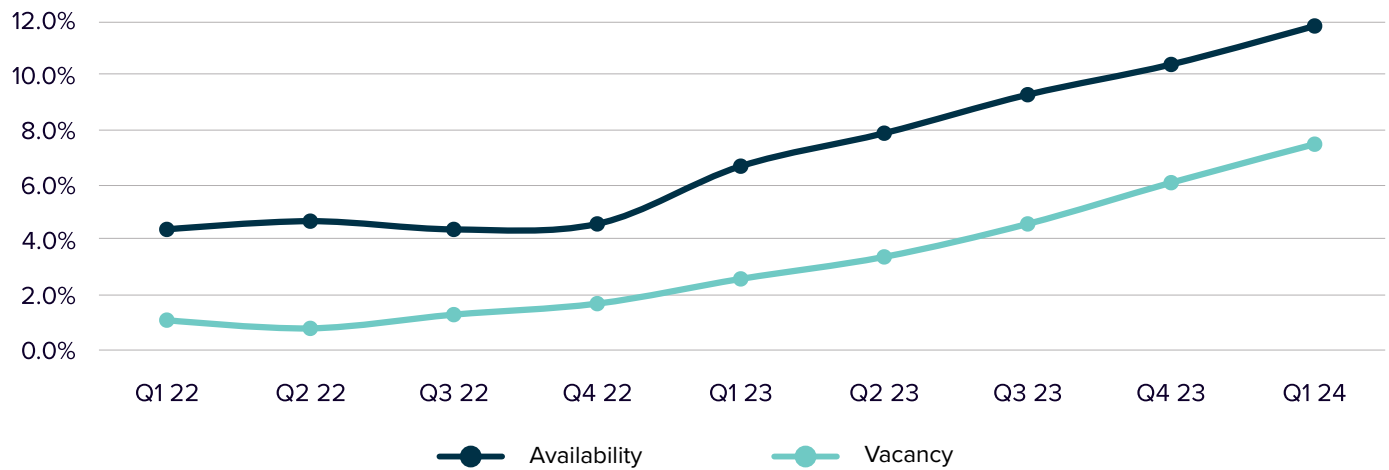
	Q1 2023	Q4 2023	Q1 2024
Total Inventory (SF)	302,727,786	310,705,272	310,705,272
Overall Vacancy	2.6%	6.1%	7.5%
Overall Availability	6.7%	10.4%	11.8%
Under Construction (SF)	19,414,384	8,456,313	7,223,224
Net Absorption (SF)	2,096,436	-246,992	-2,471,367
Overall Asking Lease Rates (NNN)	\$1.23	\$1.17	\$1.15

> Labor Force

	Construction	Manufacturing	Transportation, Trade & Utilities
12-Mo Employment Growth (%)	0.5%	-1.5%	-0.1%
12-Mo Actual Employment Change	-700	-4,900	-1,200

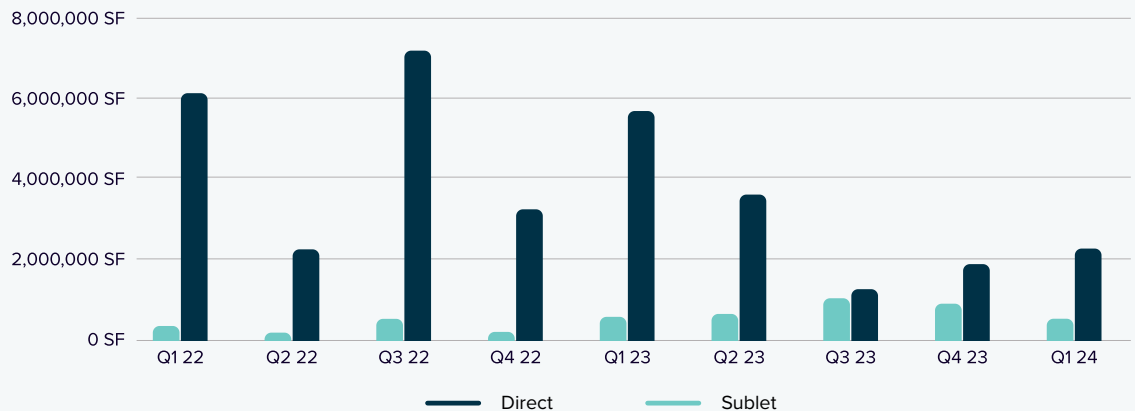
Source: U.S. BLS Stats by Industry

> Vacancy vs Availability

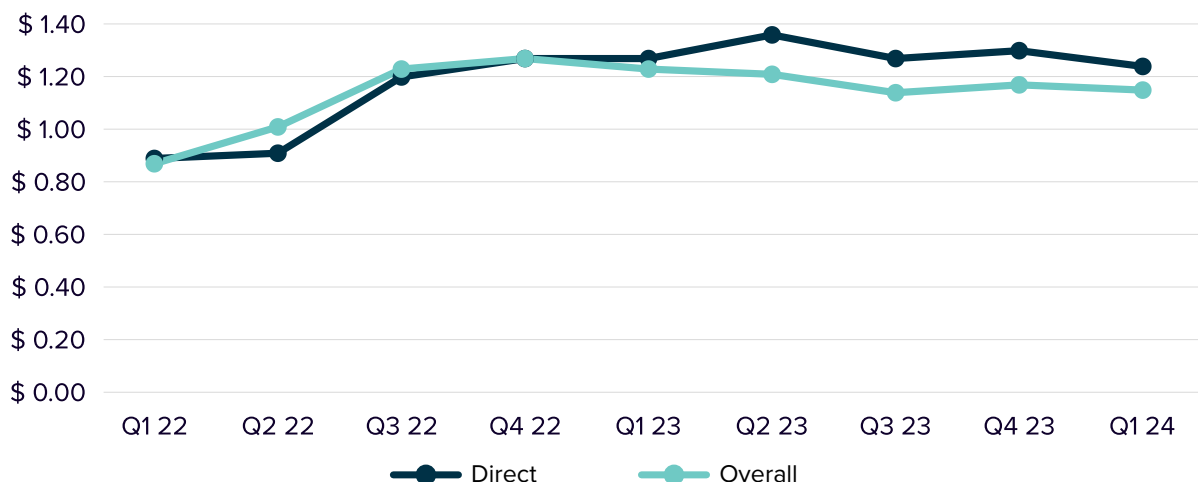


Leasing Activity & Absorption

Leasing activity totaled **2.83 million square feet (MSF)** in Q1, far below the historical quarterly average of **3.70 MSF**. At its peak in Q3 2023, sublet space leased nearly on a 1 for 1 basis with relet space. However, in this quarter, relet or direct space leased at four times the rate. Direct leasing activity totaled **2.28 MSF** while sublet leasing activity totaled **541,819 square feet**.



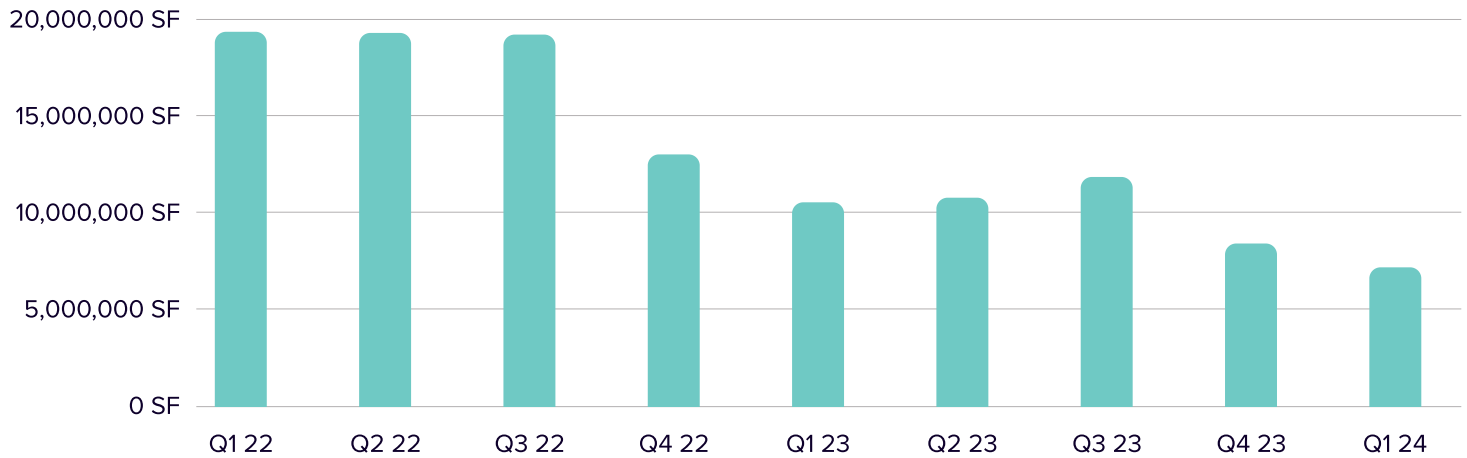
> Rental Rates



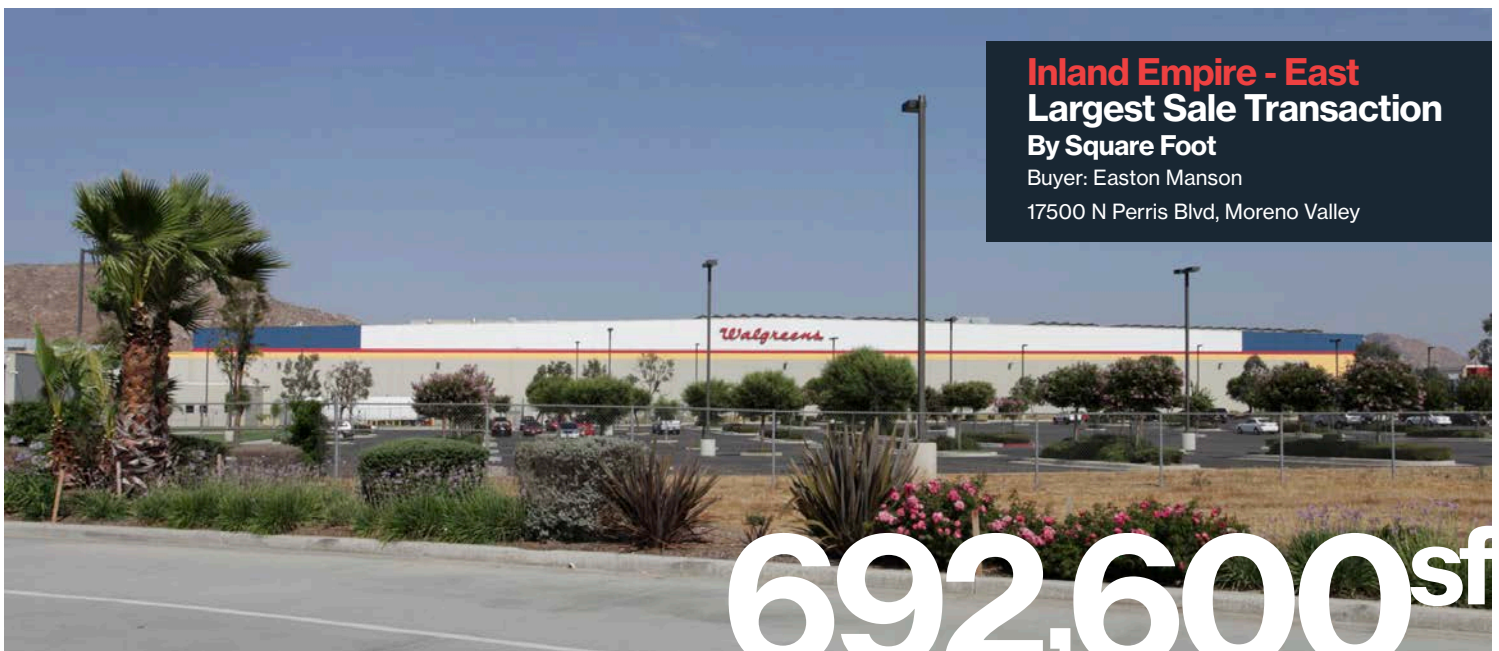
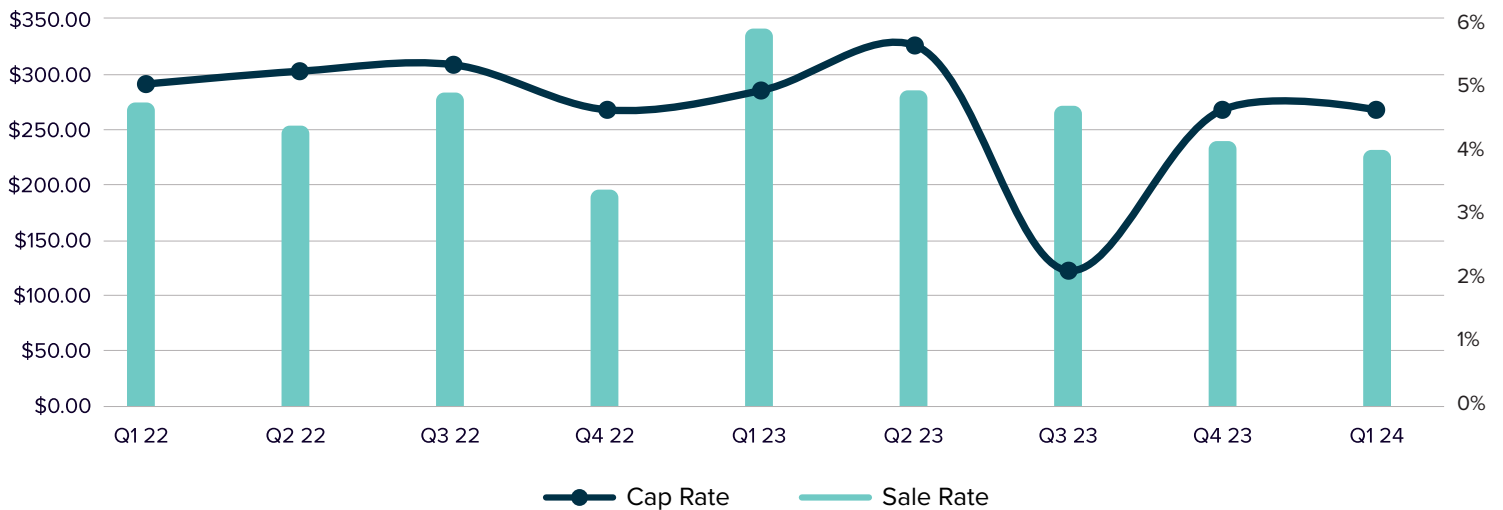


Q1 24 | Inland Empire East

> Construction



> Sales Trends



> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)
17500 PERRIS BL	Moreno Valley	692,600	Easton Manson	Walgreens
6450 SYCAMORE CANYON	Riverside	71,700	WPT Capital	RJ Property Management & Development
19930 ROSITA AV	Corona	58,000	IOS II Rosita CA, LLC	Primoris Services Corporation
4695 N. HALLMARK PKWY	San Bernardino	51,886	Bradley Shames	Robert J. Norton
1141 CALIFORNIA AV	Corona	49,861	Rocket Prop LLC	CCA Realty LLC

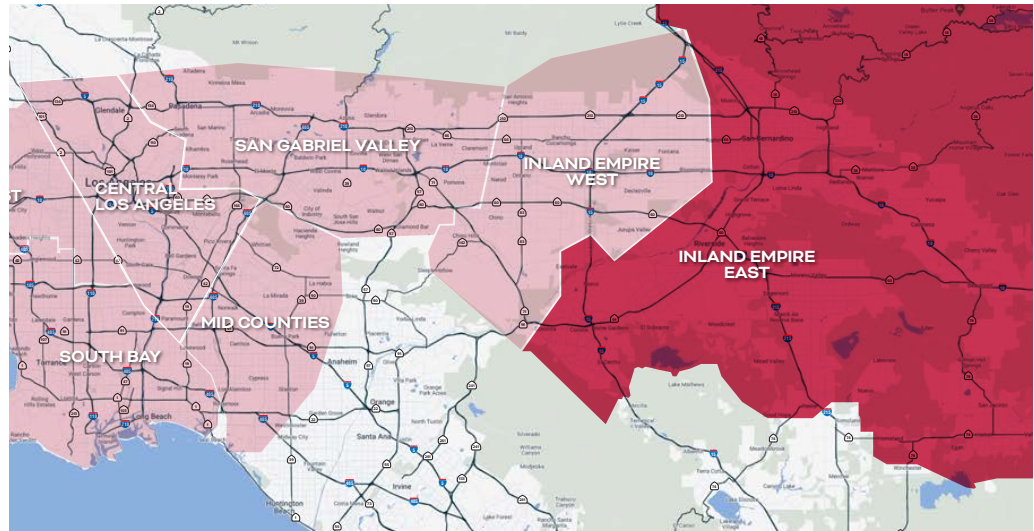
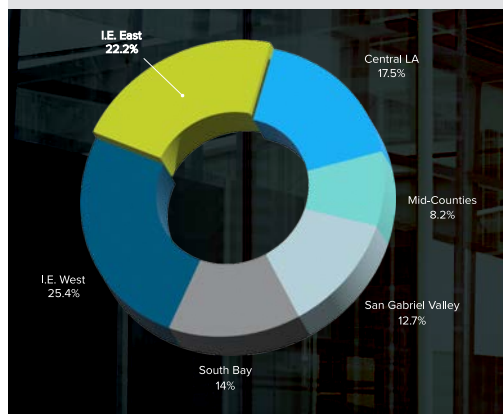
> Top 5 New Leases

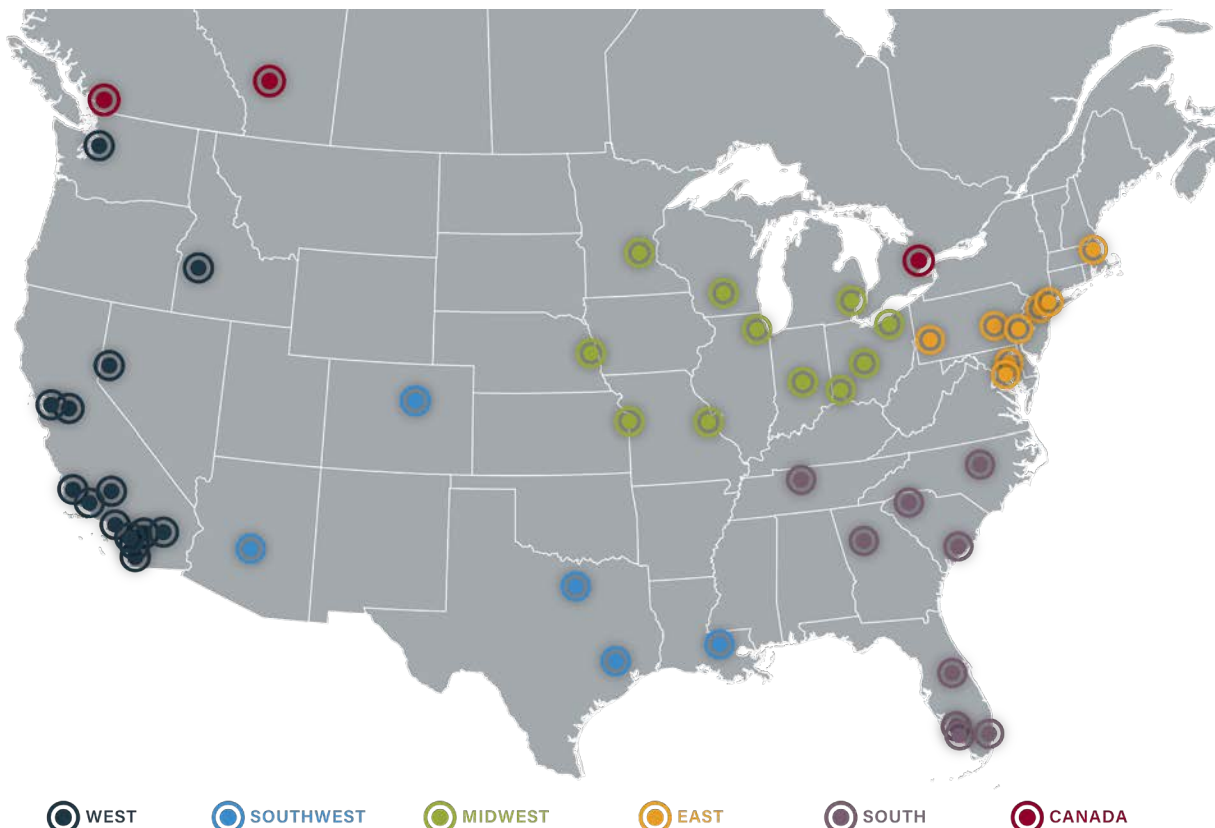
Address	City	Size (SF)	Lessor	Lessee(s)
17500 N PERRIS	Moreno Valley	692,600	Easton Manson	Walgreens
675 E CENTRAL AV	San Bernardino	480,510	675 Central LLC	Hybrid Promotions
12249 HOLLY ST	Colton	457,120	Alere Property Grp	-
27164 SAN BERNARDINO AV	Redlands	188,546	Sun Life	WestMark Logistics
127 W JURUPA AVE	Bloomington	137,744	Alere Property Grp	Sharp Electronics

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
3600 REDLANDS AV	Perris	IDI Logistics	548,019	May-24
350 W VALLEY BLVD	Rialto	Birtcher Development	490,410	Oct-24
22773 OLEANDER AV	Perris	Majestic Realty	406,496	Jun-24
18369 HARVILL AV	Perris	Majestic Realty	347,672	Feb-25
9TH ST & TIPPERCANOE ST	San Bernardino	Oakmont Industrial	337,385	Jul-24

Inventory Comparison





108% Increase in Brokered Sale & Lease SF Over 5 Years

\$32⁺ Billion Transaction Volume (2022)

15K⁺ Professionals and Growing Internationally

75⁺ Offices Nationwide

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