

Q2 Industrial Market Insight

Lee & Associates® Research
Los Angeles Central
City of Industry

2024

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Q2 2024 Market Insight Central Los Angeles

Central LA Highlights

- **Big Picture:** With few notable exceptions, across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts diminished. The exceptions include the Mid-Counties and the I.E. West. New construction increased in the former submarket, while net absorption was positive in the latter.
- **Vacancy Rate:** Continues to rise, increasing 40 bps quarter-over-quarter and 150 bps year-over-year to reach the current rate of 6.3%.
- **Asking Rents:** At \$1.35 NNN per square foot, asking lease rents declined by \$0.20 or 12.9% from the Q1 2024 rate of \$1.55 NNN.
- **Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.9%, year-over-year. At the June meeting, the FOMC decided once again to maintain rates at the current range of 5.25-5.50%. The median forecast of FOMC members currently projects at least one rate cut to occur in 2024, most likely in September.
- **GDP:** Real gross domestic product (GDP) increased at an annual rate of 2.8 % in the second quarter of 2024, according to the "advance" estimate by the BLS. In the first quarter, real GDP increased 1.4%. The increase in the second quarter primarily reflected increases in consumer spending, inventory investment, and business investment. Imports, which are a subtraction in the calculation of GDP, increased.
- **Port Activity:** Activity at both the Port of LA and Long Beach was stable on a quarter-over-quarter basis. Respectively, activity (measured by the change in Total TEUs) is up 2.20% and 1.26%. Monthly, however, Long Beach port activity in June spiked by 41% compared to the same period last year.
- **Supply Chain:** The cost from China/ East Asia to North America West Coast increased 94.4% over Q2, ending at \$8,101/FEU as of July 12, 2024, per container via Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Sale Price (\$/SF)
BELL/BELL GARDENS	157	6,757,409	2.2	2	86,895	97,048	\$1.52	\$270
COMMERCE	739	46,451,659	5.7	11.1	-85,103	438,439	\$1.18	\$253
CUDAHY	34	1,017,197	3	11.5	22,935	31,095	\$1.15	\$248
HUNTINGTON PARK	160	3,680,148	7.6	9.1	6,516	9,500	\$0.00	\$247
DTLA	4650	143,341,922	7	9.1	-836,429	1,490,639	\$1.20	\$309
MAYWOOD	46	820,688	4.9	6.6	8,759	9,759	\$1.42	\$326
MONTEBELLO	217	10,047,174	6.7	9.8	197,945	224,734	\$1.67	\$261
PICO RIVERA	197	10,299,615	5.3	7.7	-184,117	179,725	\$0.00	\$280
SOUTH GATE	229	9,856,614	3.1	7.8	-90,195	11,607	\$1.36	\$258
VERNON	797	44,503,451	7.2	7.3	-169,560	546,713	\$1.38	\$272

↗ 4.1%

US Unemployment
Rate

↗ 2.8%

GDP - Quarter 2
% - Change YOY

↗ 4.19%

U.S. 10-Year Treasury
Note

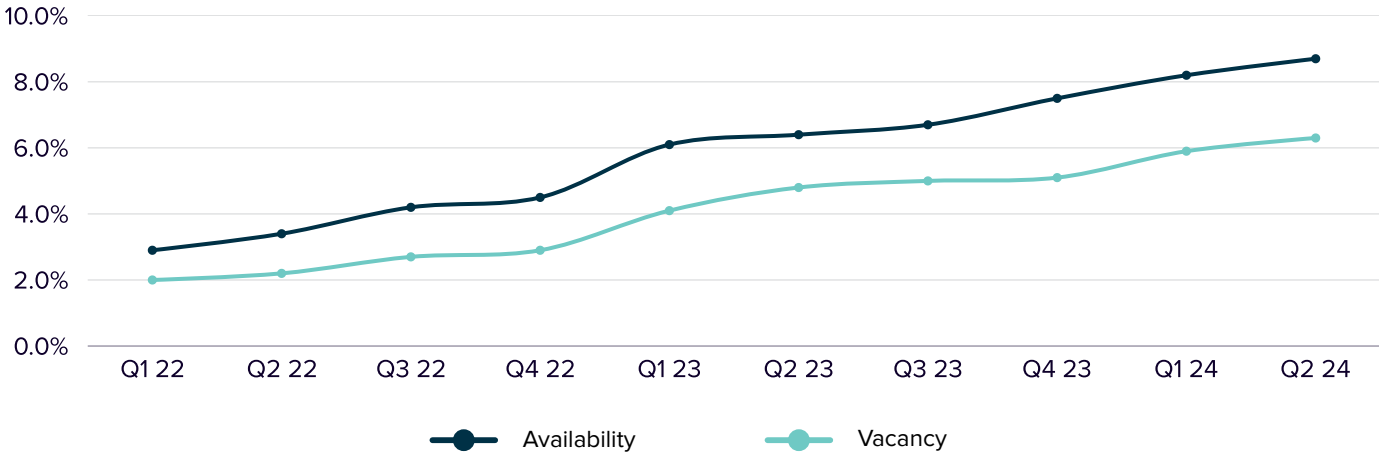
> Market Summary

	Q2 2023	Q1 2024	Q2 2024
Total Inventory (SF)	245,658,754	245,109,437	245,415,079
Overall Vacancy	4.8%	5.9%	6.3%
Overall Availability	6.3%	8.2%	8.7%
Under Construction (SF)	785,942	869,605	594,929
Net Absorption (SF)	-500,096	-2,019,582	-830,455
Overall Asking Lease Rates (NNN)	\$1.70	\$1.55	\$1.35

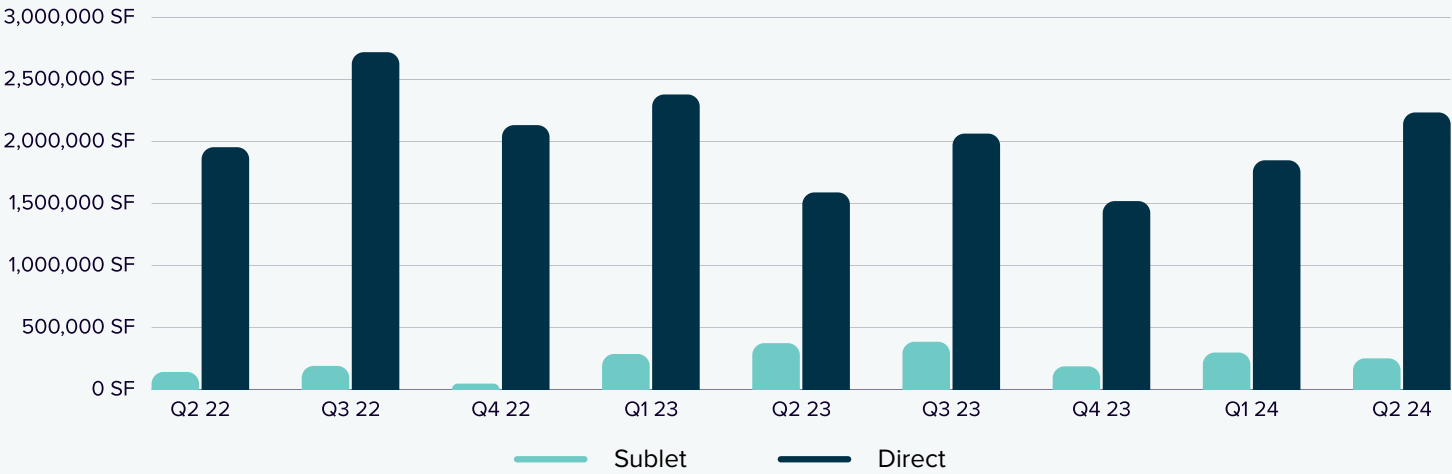
> Port Stats

PORTS	Month	Loaded Inbound	Loaded Outbound	Total Loaded	Total TEUs	YOY-TEU Change - Month	YOY-TEU Change - Quarter
LOS ANGELES	January	441,763	126,554	568,317	855,652	17.86%	29.58%
	February	408,764	132,755	541,519	781,434	60.18%	
	March	379,542	144,718	524,259	743,417	19.28%	
	April	416,929	133,046	549,975	770,337	11.95%	2.20%
	May	390,663	125,963	516,625	752,893	-3.37%	
	June	428,753	122,515	551,268	827,757	-0.63%	
LONG BEACH	January	325,339	86,525	411,864	674,015	17.47%	16.35%
	February	329,850	87,474	417,324	674,723	24.10%	
	March	302,521	105,099	407,620	654,082	8.31%	
	April	364,665	98,266	462,931	750,424	14.39%	1.26%
	May	345,271	100,885	446,156	695,937	-8.21%	
	June	419,698	98,300	517,998	842,446	41.10%	

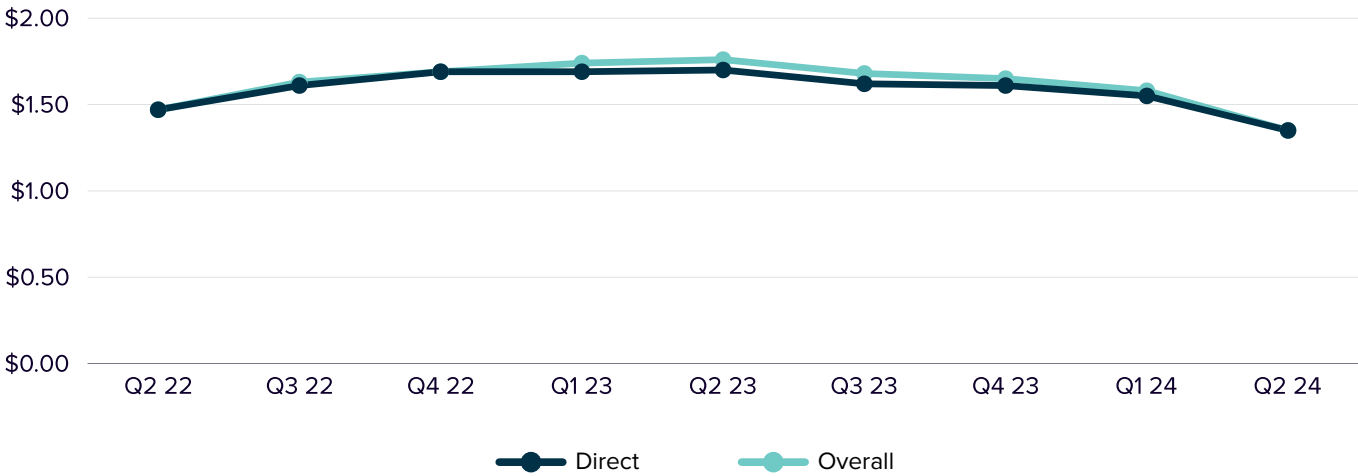
> Vacancy vs Availability



Leasing Activity



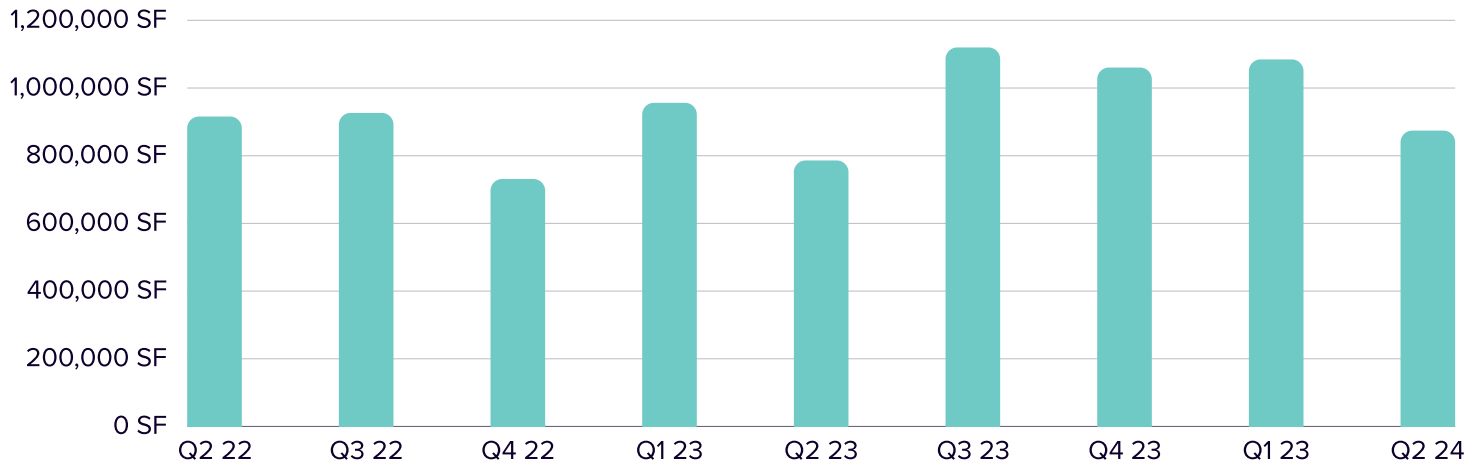
> Rental Rates



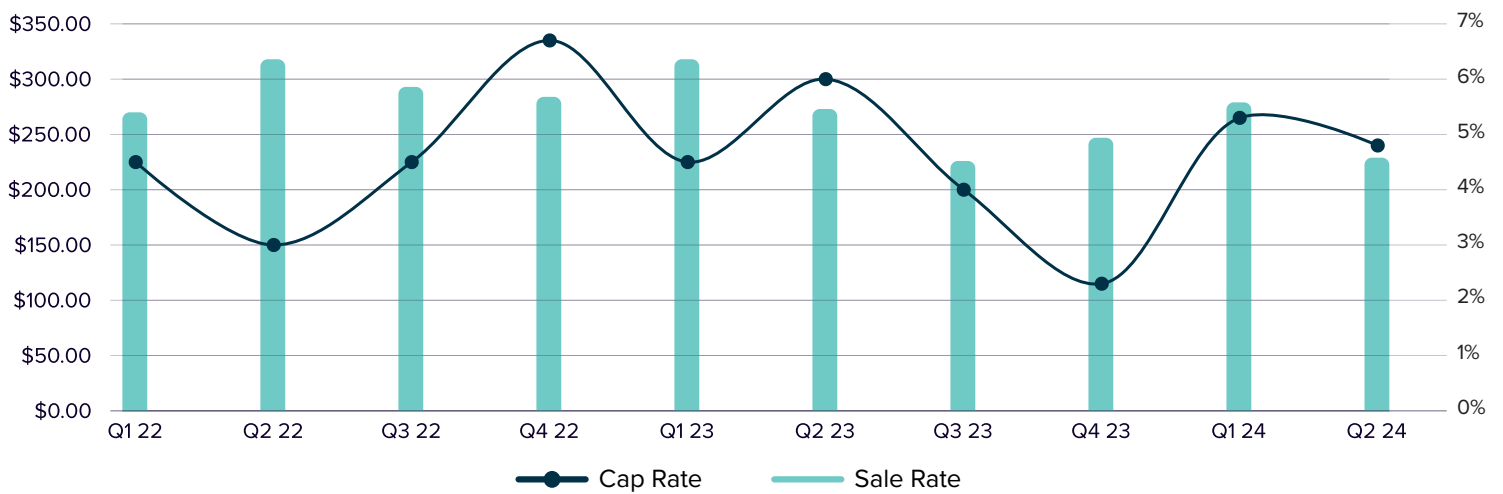


Q2 24 | Central Los Angeles

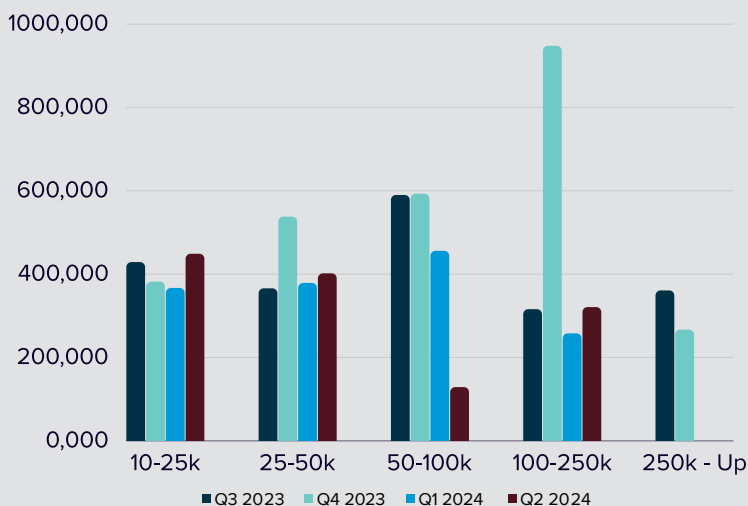
> Construction



> Sales Trends



> Lease Expiration



> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
4101 WHITESIDE ST	Los Angeles	43,681	Ofer Dardashti	Jomex LLC	\$9.6M
1454-1458 ESPERANZA ST	Los Angeles	37,595	Tom Kim	Innovative	\$9.1M
3510 GARFIELD AVE	Commerce	27,500	Sang Chung	Charles Woo	\$6.6M
1373 N BROADWAY	Los Angeles	24,633	Nexus Studio Group	Carol Gonser	\$4.45M
1518 PALOMA ST	Los Angeles	22,272	Orly La LLC	Samuel Kim	\$3.9M

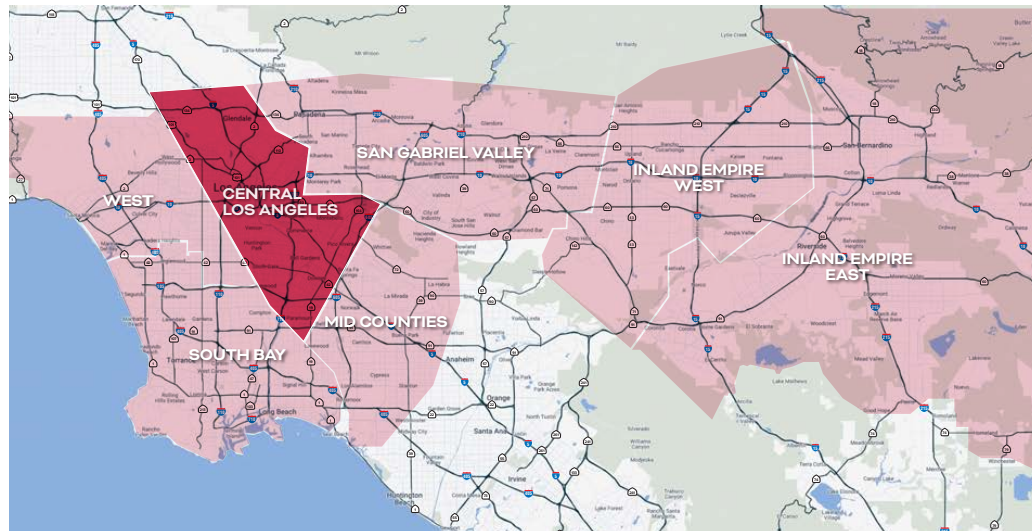
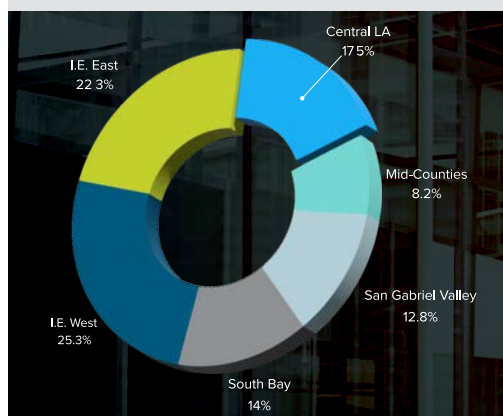
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
5801 S 2ND ST	Vernon	185,089	Bridge Industrial	Reformation USA
4615 ALCOA AVE, A & C	Vernon	165,180	45th St LLC	Capital Logistics & Warehousing
5401-5411 S SOTO ST	Vernon	131,639	Damrak Investments	Swat Fame Inc.
6100 S MALT AVE	Commerce	115,581	Borstein Enterprises	Portos Bakery
5500 S BOYLE AVE	Vernon	102,400	Joseph & Jacob Khobian	Style Melody, Inc.

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
3690 UNION PACIFIC AVE	Los Angeles	Real Estate Development Associates	253,318	Oct-24
3270 E WASHINGTON BLVD	Vernon	Comstock	73,777	Aug-24
3165 E SLAUSON AVE	Los Angeles	-	69,522	Aug-24
7421 E SLAUSON AVE - BLDG II	Commerce	Bridge Industrial	57,411	Jul-24
5637 E 61ST ST	Vernon	Rexford	47,088	Sep-24

Inventory Comparison



Q2 2024 Market Insight Mid-Counties

Mid-Counties Highlights

- **Big Picture:** With few notable exceptions, across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts diminished. The exceptions include the Mid-Counties and the I.E. West. New construction increased in the former submarket, while net absorption was positive in the latter.
- **Construction:** 706,4544 square feet of space is under construction in the submarket, more than double the amount under construction a year ago (Q2 2023 – 331,005 SF).
- **Vacancy Rate:** Continues to rise, increasing 90 bps quarter-over-quarter and 200 bps year-over-year to reach the current rate of 6.3%.
- **Asking Rents:** At \$1.56 NNN per square foot, asking lease rents declined by \$0.02 or 1.2% from the Q1 2024 rate of \$1.58 NNN.
- **Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but is gradually improving. Currently, headline CPI inflation has grown by 2.9%, year-over-year. At the June meeting, the FOMC decided once again to maintain rates at the current range of 5.25-5.50%. The median forecast of FOMC members currently projects at least one rate cut to occur in 2024, most likely in September.
- **GDP:** Real gross domestic product (GDP) increased at an annual rate of 2.8 % in the second quarter of 2024, according to the "advance" estimate by the BLS. In the first quarter, real GDP increased 1.4%. The increase in the second quarter primarily reflected increases in consumer spending, inventory investment, and business investment. Imports, which are a subtraction in the calculation of GDP, increased.
- **Port Activity:** Activity at both the Port of LA and Long Beach was stable on a quarter-over-quarter basis. Respectively, activity (measured by the change in Total TEUs) is up 2.20% and 1.26%. Monthly, however, Long Beach port activity in June spiked by 41% compared to the same period last year.
- **Supply Chain:** The cost from China/ East Asia to North America West Coast increased 94.4% over Q2, ending at \$8,101/FEU as of July 12, 2024, per container via Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Sale Price (\$/SF)
ARTESIA	27	310,416	4.9	11.8	-60,608	0	\$1.45	\$356
BELLFLOWER	66	1,003,395	0	0	0	9,700	\$1.51	\$343
BUENA PARK	219	13,271,832	5.8	11.8	-87,812	85,896	\$1.76	\$269
CERRITOS	249	12,774,149	5.8	9	-279,634	124,317	\$1.41	\$283
CYPRESS	85	4,263,400	6.2	10.7	52,545	56,503	\$1.77	\$317
LA MIRADA	178	13,186,648	7	10.5	270,397	427,311	\$1.57	\$279
LA PALMA	16	1,778,216	4.1	0	0	0	\$0.00	\$239
LOS ALAMITOS	92	2,192,082	3	4.8	-44,712	0	\$1.45	\$309
NORWALK	90	3,088,005	3	3	13,420	17,970	\$1.67	\$267
SANTA FE SPRINGS	1345	54,057,778	5.5	8	-855,793	429,840	\$1.71	\$302
WHITTIER	163	4,196,885	2.2	7.1	3,522	36,483	\$1.33	\$275
DOWNEY	143	4,665,238	5.3	3.9	-36,734	32,855	\$1.34	\$291

↗ 4.1%

US Unemployment
Rate

↗ 2.8%

GDP - Quarter 2
% - Change YOY

↗ 4.19%

U.S. 10-Year Treasury
Note

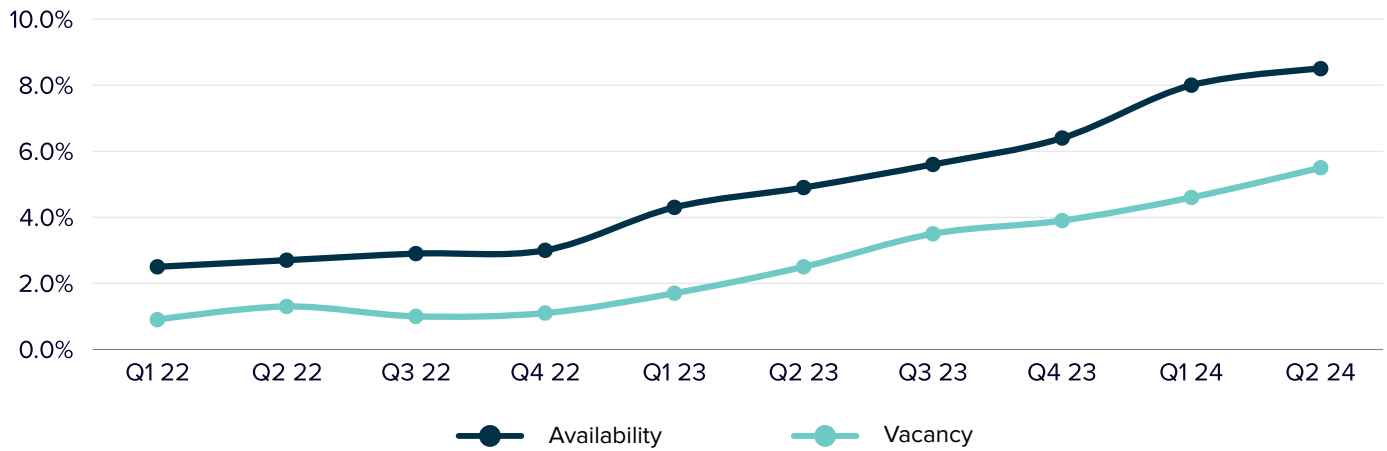
> Market Summary

	Q2 2023	Q1 2024	Q2 2024
Total Inventory (SF)	114,689,380	115,259,643	114,577,384
Overall Vacancy	3.5%	4.6%	5.5%
Overall Availability	5.6%	8.0%	8.5%
Under Construction (SF)	331,005	370,787	706,444
Net Absorption (SF)	-894,142	-727,429	-188,723
Overall Asking Lease Rates (NNN)	\$1.69	\$1.58	\$1.56

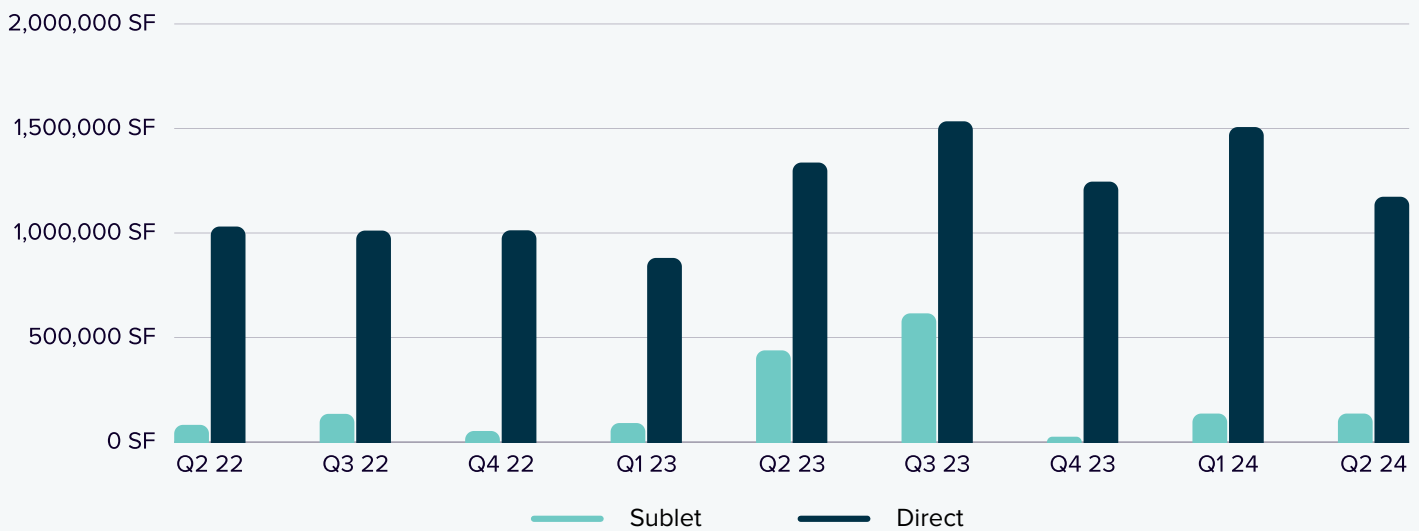
> Port Stats

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LOS ANGELES	January	441,763	126,554	568,317	855,652	17.86%	29.58%
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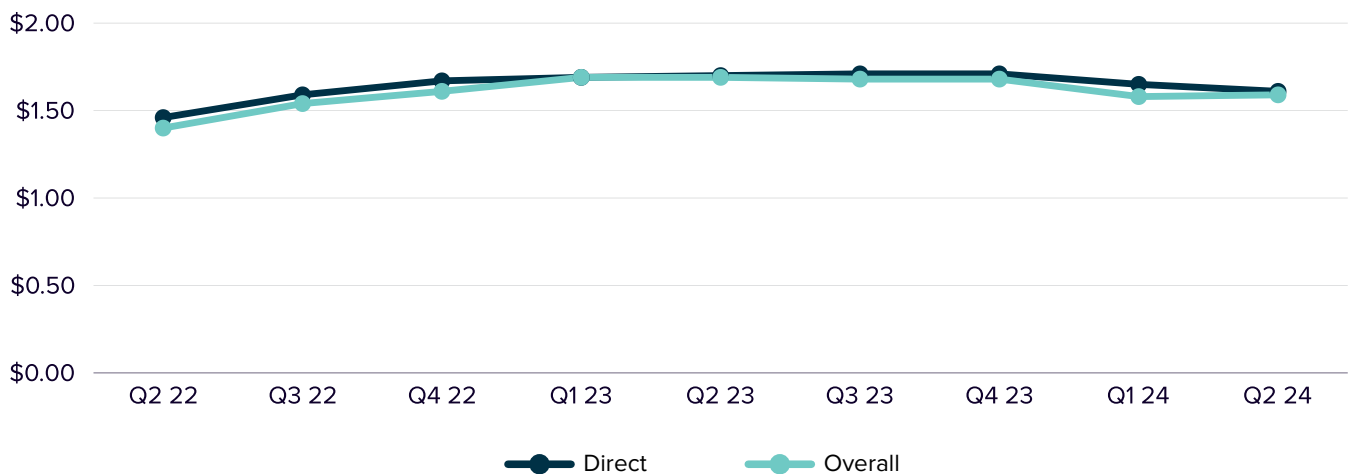
> Vacancy vs Availability



Leasing Activity



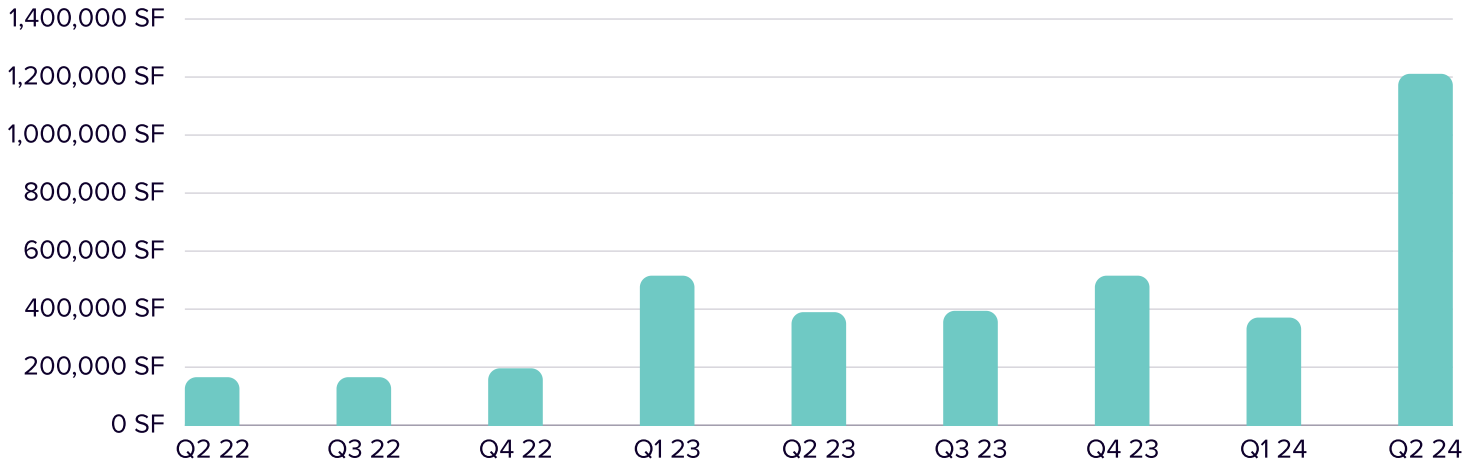
> Rental Rates



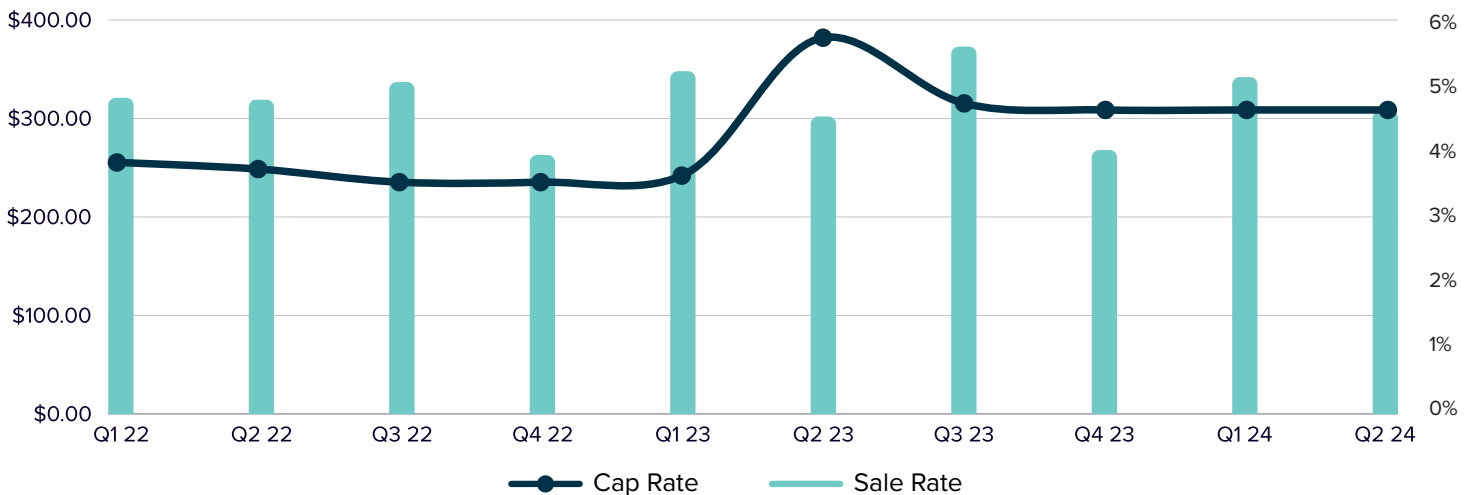


Q2 24 | Mid-Counties

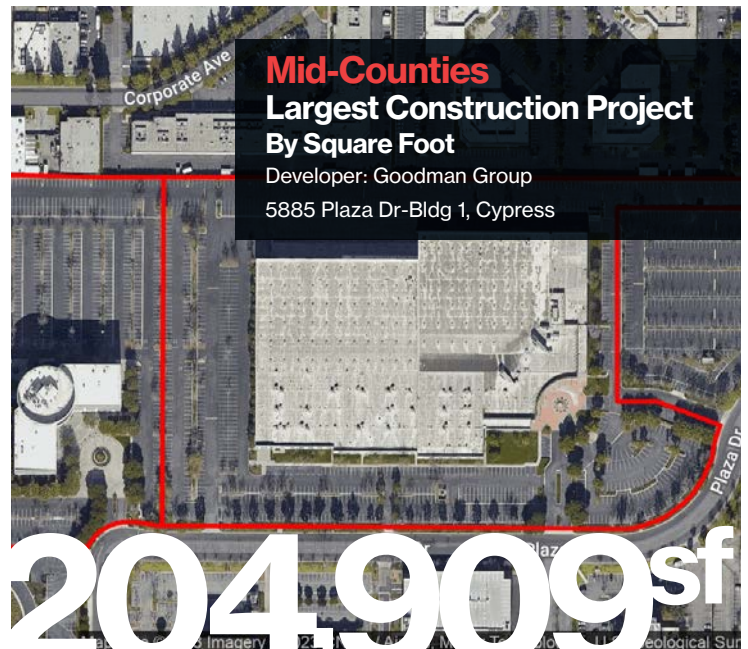
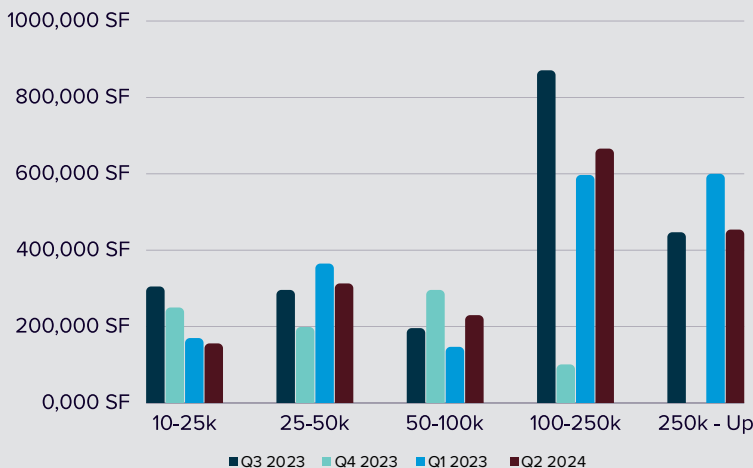
> Construction



> Sales Trends



> Lease Expiration



> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
12301 WOODRUFF AVE	Downey	30,800	SGV LLC	Lund Robertson	\$7.05M
14575 FIRESTONE BLVD	La Mirada	21,987	RDO Equipment	Firestone Blvd	\$9.25M
12848 IMPERIAL HWY	Santa Fe Springs	20,139	Xiongfei Liu	Elsi Sanchez	\$5M
10838 BLOOMFIELD AVE- BLDG 2	Santa Fe Springs	17,303	Salta Capital Partners	Antares Enterprises	\$6.92M
6305 E ALONDA BLVD- BLDG T	Paramount	16,608	Los Altos Beef Inc.	Ittella Food Inc.	\$6.85M

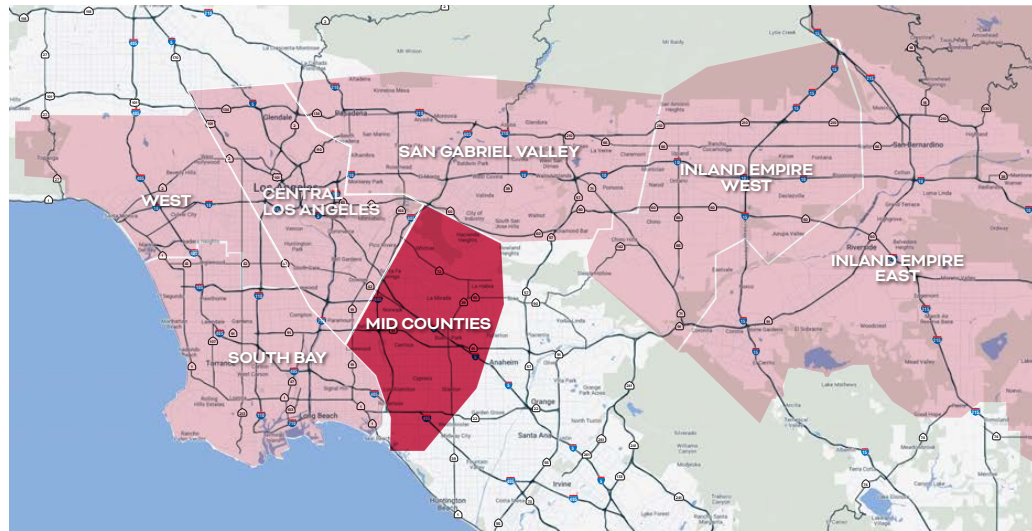
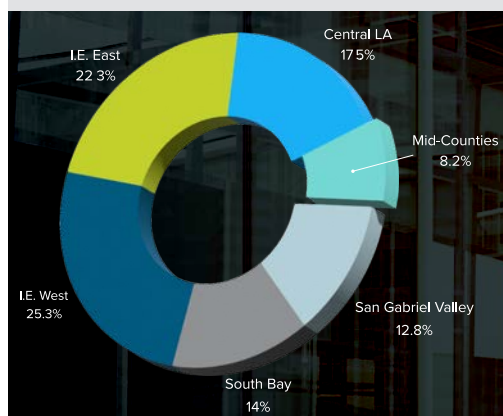
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
6101-6131 KNOTT AVE	Buena Park	272,548	Com Ref So Cal Industrial	Wheel Pros, LLC
16509 TROJAN WAY	La Mirada	180,969	Cotton On USA	Americhine Apparel
16930 VALLEY VIEW AVE	La Mirada	125,000	Pacific Industrial	HK Trans
16220 CARMENITA RD	Cerritos	108,253	SCIND Carmenita Point	Confidential
14221 ARTESIA BLVD	La Mirada	106,118	Artesia Capital	Felix Lighting

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
5885 PLAZA DR - BLDG 1	Cypress	Goodman Group	204,909	Nov-25
9615 NORWALK BLVD	Santa Fe Springs	Rexford	201,571	Mar-25
5755 PLAZA DR - BLDG 2	Cypress	Goodman Group	185,359	Mar-25
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

Inventory Comparison



Q2 2024 Market Insight San Gabriel Valley

SGV Highlights

- **Big Picture:** With few notable exceptions, across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts diminished. The exceptions include the Mid-Counties and the I.E. West. New construction increased in the former submarket, while net absorption was positive in the latter.
- **Vacancy Rate:** Continues to rise, increasing 110 bps quarter-over-quarter and 340 bps year-over-year to reach the current rate of 5.9%.
- **Asking Rents:** At \$1.56 NNN per square foot, asking lease rents declined by \$0.05 or 3.1% from the Q1 2024 rate of \$1.61 NNN.
- **Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.9%, year-over-year. At the June meeting, the FOMC decided once again to maintain rates at the current range of 5.25-5.50%. The median forecast of FOMC members currently projects at least one rate cut to occur in 2024, most likely in September.
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- **Port Activity:** Activity at both the Port of LA and Long Beach was stable on a quarter-over-quarter basis. Respectively, activity (measured by the change in Total TEUs) is up 2.20% and 1.26%. Monthly, however, Long Beach port activity in June spiked by 41% compared to the same period last year.
- **Supply Chain:** The cost from China/East Asia to North America West Coast increased 94.4% over Q2, ending at \$8,101/FEU as of July 12, 2024, per container via Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Sale Price (\$/SF)
ALHAMBRA	112	2,153,914	3.2	4.9	17,805	23,465	\$1.26	\$340
ARCADIA	104	2,536,463	2.4	5	-4,383	19,180	\$1.52	\$368
AZUSA	252	6,943,366	3.7	6.9	-74,343	29,982	\$1.41	\$316
BALDWIN PARK	250	5,260,471	4.9	4.6	-53,993	74,425	\$1.48	\$320
CLAREMONT	20	600,639	0	0	0	0	\$0.00	\$252
COVINA	168	2,722,845	2.8	5.1	-1,130	10,747	\$1.87	\$301
DIAMOND BAR	20	453,896	0.4	0.4	-1,599	0	\$1.65	\$298
DUARTE	70	1,798,317	7.4	4.2	-68,394	4,555	\$0.00	\$327
EL MONTE	316	9,009,617	1.7	1.9	122,403	161,252	\$1.60	\$313
GLENORA	45	658,849	6.6	9.9	-1,400	3,000	\$1.65	\$324
INDUSTRY	1,054	77,509,593	8.3	10.5	197,805	1,184,380	\$1.61	\$275
IRVINDALE	262	13,099,184	6.1	8.8	65,236	604,026	\$1.60	\$281
LA PUENTE	95	1,952,113	1.4	1.6	-16,708	0	\$0.00	\$370
LA VERNE	136	2,934,151	3.1	2.1	51,893	80,189	\$1.38	\$351
MONROVIA	208	3,423,845	2.7	8.7	14,689	33,810	\$1.85	\$325
MONTEREY PARK	99	1,798,755	10.4	12.4	50	27,720	\$1.19	\$362
PASADENA	96	1,445,299	4.6	7.9	-21,058	12,250	\$2.13	\$403
POMONA	654	20,047,035	3.8	4.7	-257,328	28,254	\$1.23	\$274
ROSEMEAD	53	1,205,383	3.1	3.1	-20,670	16,650	\$1.24	\$306
SAN DIMAS	127	3,178,727	3.1	4.3	-22,093	21,978	\$1.85	\$284
SAN GABRIEL	68	1,028,296	2.5	3	31,190	41,364	\$1.24	\$297
SOUTH EL MONTE	840	11,209,372	3.5	2.5	-82,328	66,255	\$1.48	\$334
TEMPLE CITY	38	626,035	3.4	4.8	3,375	13,459	\$3.00	\$323
WALNUT	206	6,909,134	5.4	11.2	-54,939	64,282	\$1.51	\$288
WEST COVINA	18	791,560	1.3	22.2	-4,038	0	\$1.87	\$263

↗ 4.1%

US Unemployment
Rate

↗ 2.8%

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U.S. 10-Year Treasury
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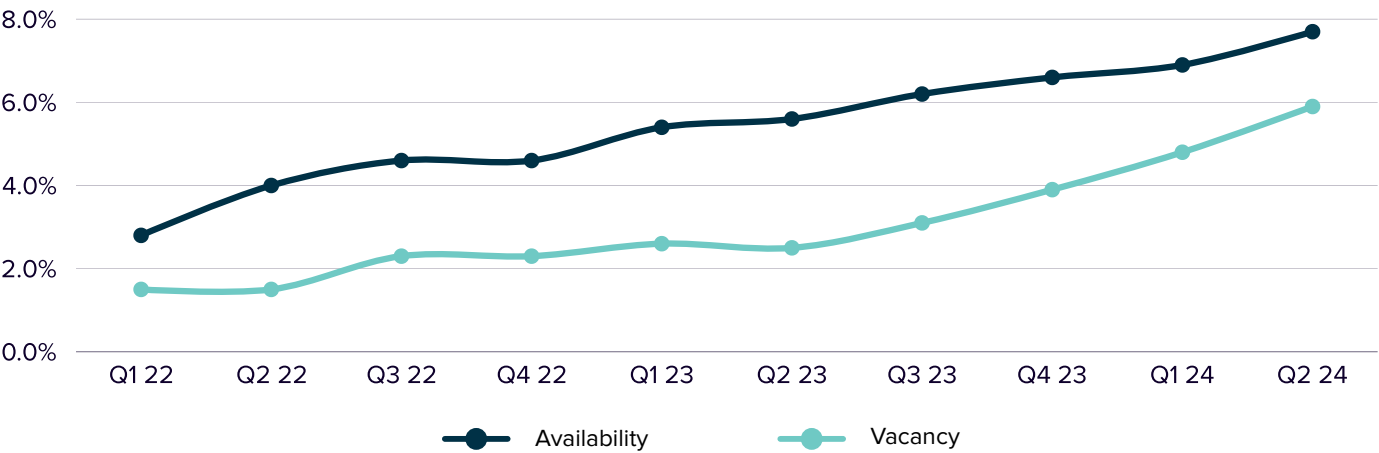
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Total Inventory (SF)	175,359,292	177,249,878	179,266,354
Overall Vacancy	2.5%	4.8%	5.9%
Overall Availability	5.3%	6.9%	7.7%
Under Construction (SF)	3,653,191	2,443,251	706,444
Net Absorption (SF)	-163,480	-304,247	-188,723
Overall Asking Lease Rates (NNN)	\$1.57	\$1.61	\$1.56

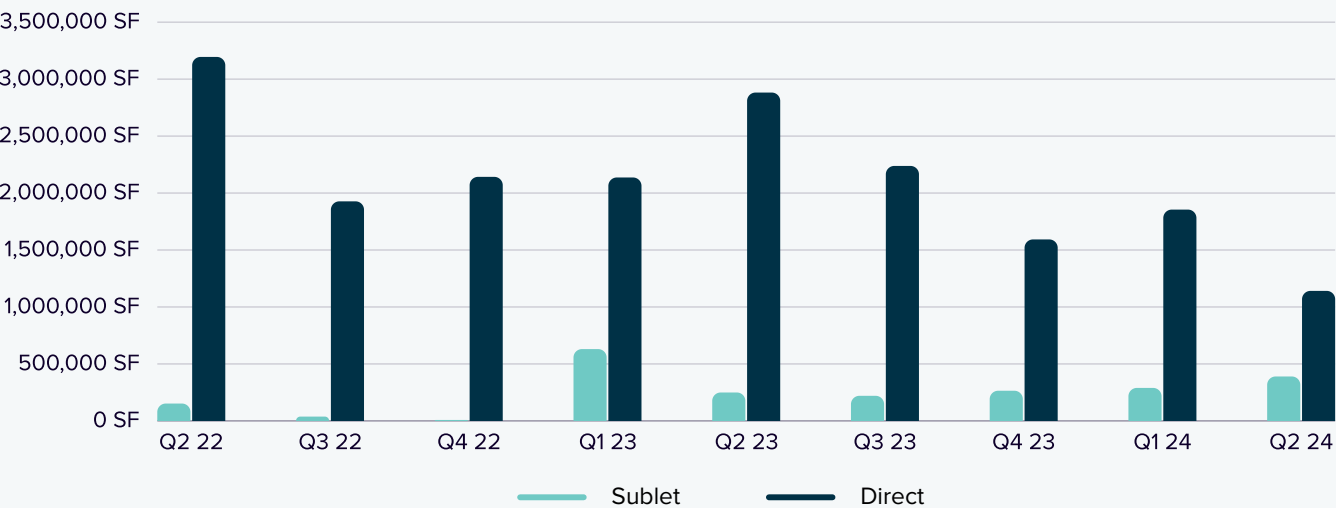
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	April	416,929	133,046	549,975	770,337	11.95%	
	May	390,663	125,963	516,625	752,893	-3.37%	2.20%
	June	428,753	122,515	551,268	827,757	-0.63%	
LONG BEACH	January	325,339	86,525	411,864	674,015	17.47%	
	February	329,850	87,474	417,324	674,723	24.10%	16.35%
	March	302,521	105,099	407,620	654,082	8.31%	
	April	364,665	98,266	462,931	750,424	14.39%	
	May	345,271	100,885	446,156	695,937	-8.21%	1.26%
	June	419,698	98,300	517,998	842,446	41.10%	

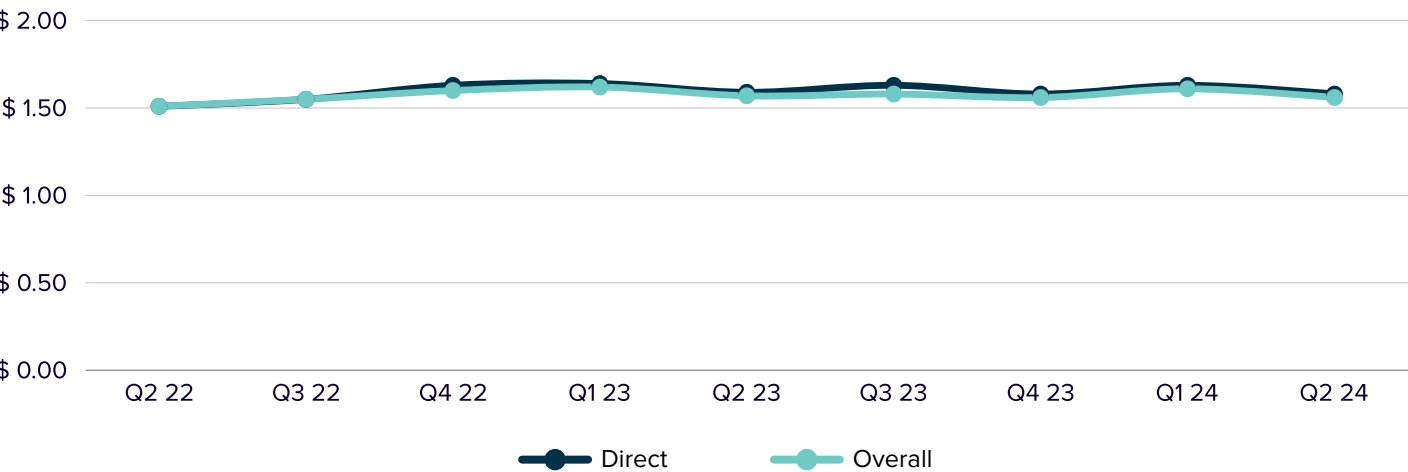
> Vacancy vs Availability



Leasing Activity



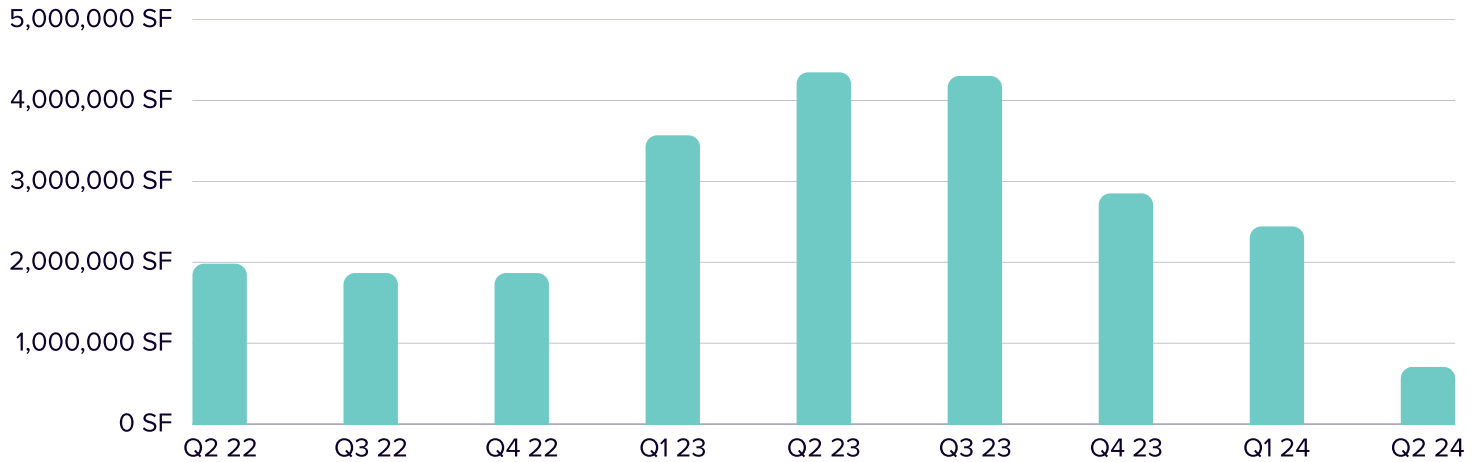
> Rental Rates



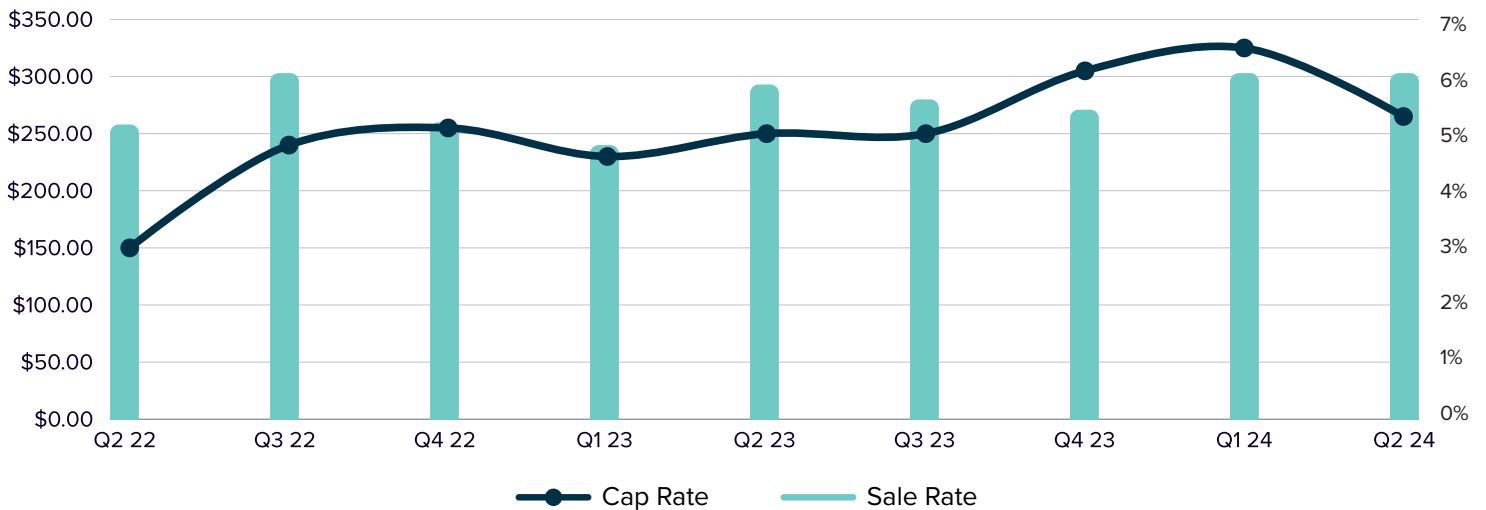


Q2 24 | San Gabriel Valley

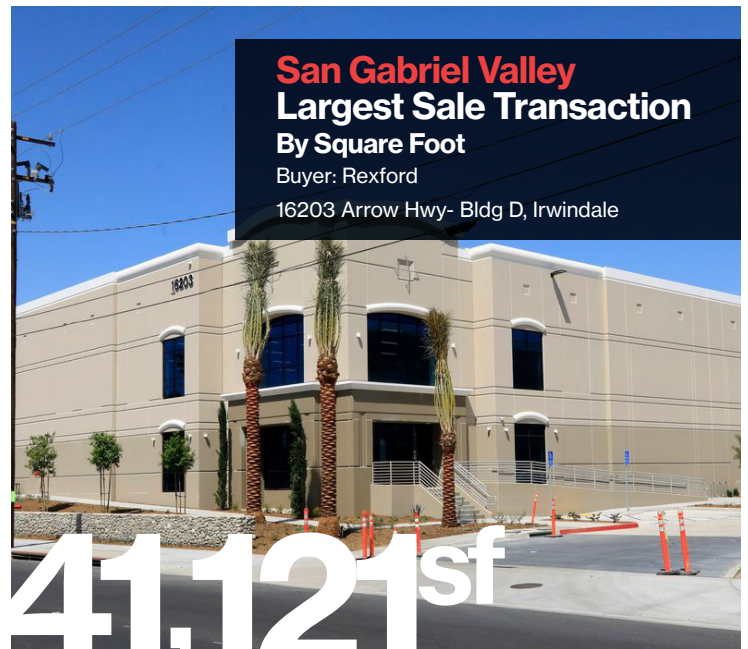
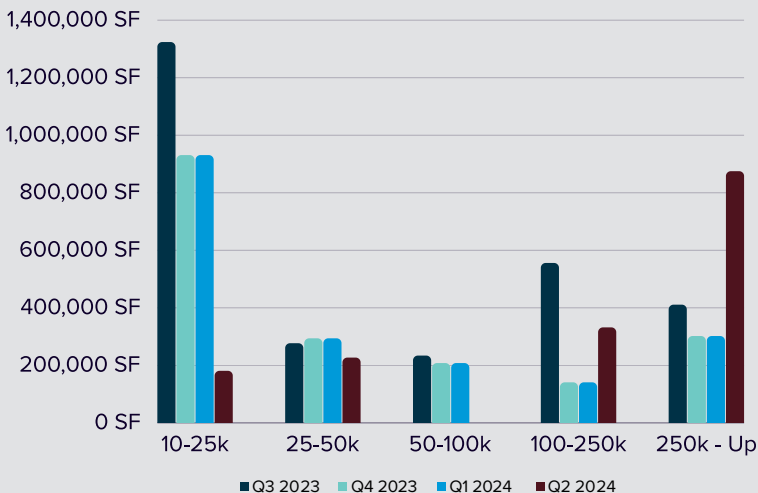
> Construction



> Sales Trends



> Lease Expiration



> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
16203 ARROW HWY - BLDG D (PART OF A PORTFOLIO)	Irwindale	41,121	Rexford	Panattoni	\$15.11M
1355-1365 W FOOTHILL BLVD (PART OF A PORTFOLIO)	Azusa	28,880	Terrano Realty	Blackstone	\$7.84M
16223 ARROW HWY - BLDG A	Irwindale	28,135	Rexford	Panattoni	\$10.34M
1871 WRIGHT ST	La Verne	24,681	A Good Gift LLC	Arthur Liu	\$7.4M
16057-16059 FOOTHILL BLVD (PART OF A PORTFOLIO)	Irwindale	24,500	Terrano Realty	Blackstone	\$6.65M

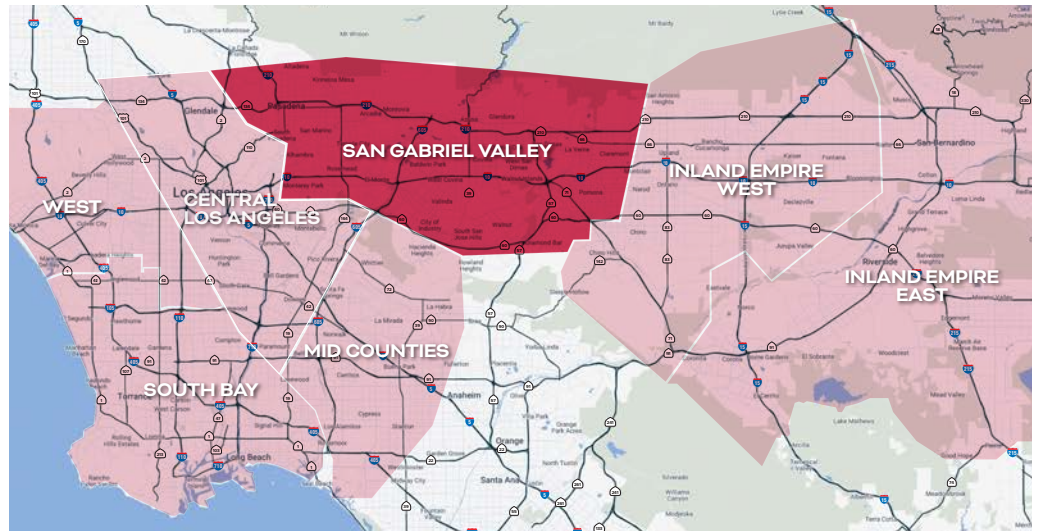
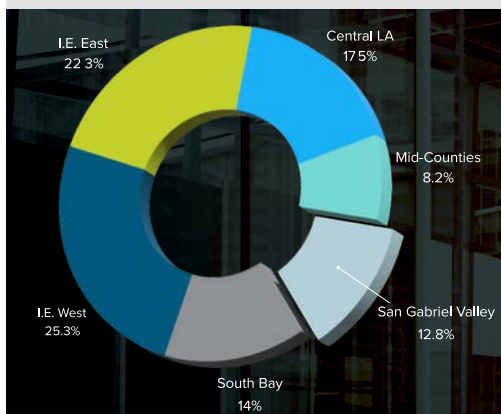
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
111 N BALDWIN PARK BLVD	Industry	127,540	Harvard Label	Howard Appliances
431 BALDWIN PARK BLVD	Industry	102,654	Impex Fitness	ASPIC, Inc.
18895 ARENTH AVE	Industry	100,000	George C & Tomy Chen	Confidential
15245-15325 E STAFFORD ST	Industry	76,500	EV Stafford LLC	Maintex Inc.
1335 PHILADELPHIA ST, A	Pomona	67,202	Alere Property Group	Ne Miracle Inc.

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
4200 W VALLEY BLVD	Walnut	CapRock Partners	269,780	Oct-24
15010 DON JULIAN RD	City Of Industry	Rexford	219,242	Sep-24
4416 AZUSA CANYON RD	Irwindale	Rexford	129,619	Nov-24
886 AZUSA AVE	City Of Industry	-	87803	Oct-24

Inventory Comparison





Q2 2024 Market Insight South Bay

South Bay Highlights

- **Big Picture:** With few notable exceptions, across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts diminished. The exceptions include the Mid-Counties and the I.E. West. New construction increased in the former submarket, while net absorption was positive in the latter.
- **Vacancy Rate:** Continues to rise, increasing 110 bps quarter-over-quarter and 190 bps year-over-year to reach the current rate of 5.9%.
- **Asking Rents:** At \$1.64 NNN per square foot, asking lease rents declined by \$0.09 or 5.2% from the Q1 2024 rate of \$1.73 NNN.
- **Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.9%, year-over-year. At the June meeting, the FOMC decided once again to maintain rates at the current range of 5.25-5.50%. The median forecast of FOMC members currently projects at least one rate cut to occur in 2024, most likely in September.
- **GDP:** Real gross domestic product (GDP) increased at an annual rate of 2.8 % in the second quarter of 2024, according to the "advance" estimate by the BLS. In the first quarter, real GDP increased 1.4%. The increase in the second quarter primarily reflected increases in consumer spending, inventory investment, and business investment. Imports, which are a subtraction in the calculation of GDP, increased.
- **Port Activity:** Activity at both the Port of LA and Long Beach was stable on a quarter-over-quarter basis. Respectively, activity (measured by the change in Total TEUs) is up 2.20% and 1.26%. Monthly, however, Long Beach port activity in June spiked by 41% compared to the same period last year.
- **Supply Chain:** The cost from China/ East Asia to North America West Coast increased 94.4% over Q2, ending at \$8,101/FEU as of July 12, 2024, per container via Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Sale Price (\$/SF)
CARSON	496	35,944,133	6.2	7.3	-34,123	274,752	\$1.71	\$300
COMPTON	479	25,221,969	5.9	10.6	8,835	212,700	\$1.55	\$284
EL SEGUNDO	154	7,543,644	1.2	1.8	24,538	37,818	\$2.28	\$357
GARDENA	1178	29,183,321	5.3	6.8	-490,268	219,803	\$1.41	\$299
HARBOR CITY	95	1,765,758	4.9	4.9	27,066	30,000	\$0.00	\$330
HAWTHORNE	221	81,999,858	1.4	2.3	76,500	78,100	\$1.59	\$301
INGLEWOOD	236	4,967,658	5.8	6.2	-125,356	42,305	\$1.48	\$370
LAKEWOOD/HG	24	538,131	0	0.3	1,850	1,850	\$0.00	\$349
LAWNDALE	30	268,126	7.9	11.3	0	0	\$0.00	\$335
LONG BEACH/TI	749	23,505,057	5.1	9.4	-47,597	204,069	\$1.54	\$333
LYNWOOD	99	4,385,200	3.1	12.5	-24,400	8,483	\$1.30	\$255
RANCHO DOMINGUEZ	227	13,827,828	2.2	6.1	454,702	490,529	\$1.48	\$295
REDONDO/HERMOSA	34	1,750,535	0	0	0	0	\$0.00	\$384
SAN PEDRO	45	2,768,203	13.8	14.3	-332,399	6,500	\$0.00	\$294
SIGNAL HILL	207	3,041,140	3.4	3.3	-41,652	14,910	\$1.88	\$368
TORRANCE	634	29,315,488	5.5	6.5	-108,890	81,896	\$2.02	\$343
WILMINGTON	150	4,104,246	0.8	1.4	56,671	73,601	\$1.71	\$300

↗ 4.1%

US Unemployment
Rate

↗ 2.8%

GDP - Quarter 2
% - Change YOY

↗ 4.19%

U.S. 10-Year Treasury
Note

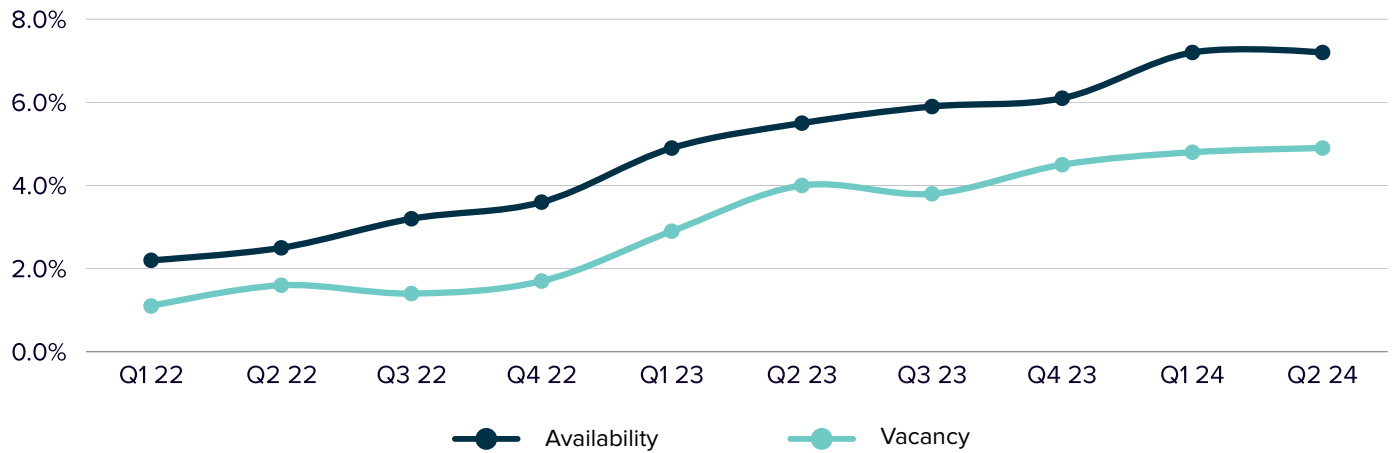
> Market Summary

	Q2 2023	Q1 2024	Q2 2024
Total Inventory (SF)	195,247,667	196,594,470	196,082,585
Overall Vacancy	4.0%	4.8%	5.9%
Overall Availability	5.4%	7.2%	7.7%
Under Construction (SF)	999,676	1,408,081	1,720,350
Net Absorption (SF)	-2,104,809	-453,542	-554,023
Overall Asking Lease Rates (NNN)	\$1.77	\$1.73	\$1.97

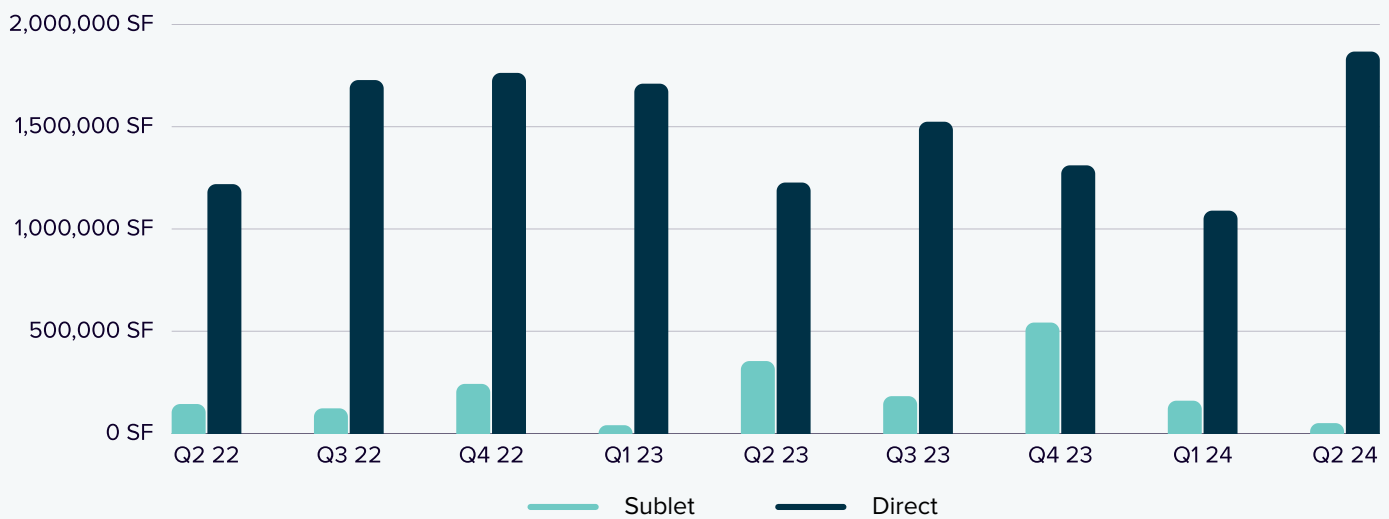
> Port Stats

PORTS	Month	Loaded Inbound	Loaded Outbound	Total Loaded	Total TEUs	YOY-TEU Change - Month	YOY-TEU Change - Quarter
LOS ANGELES	January	441,763	126,554	568,317	855,652	17.86%	29.58%
	February	408,764	132,755	541,519	781,434	60.18%	
	March	379,542	144,718	524,259	743,417	19.28%	
	April	416,929	133,046	549,975	770,337	11.95%	2.20%
	May	390,663	125,963	516,625	752,893	-3.37%	
	June	428,753	122,515	551,268	827,757	-0.63%	
LONG BEACH	January	325,339	86,525	411,864	674,015	17.47%	16.35%
	February	329,850	87,474	417,324	674,723	24.10%	
	March	302,521	105,099	407,620	654,082	8.31%	
	April	364,665	98,266	462,931	750,424	14.39%	1.26%
	May	345,271	100,885	446,156	695,937	-8.21%	
	June	419,698	98,300	517,998	842,446	41.10%	

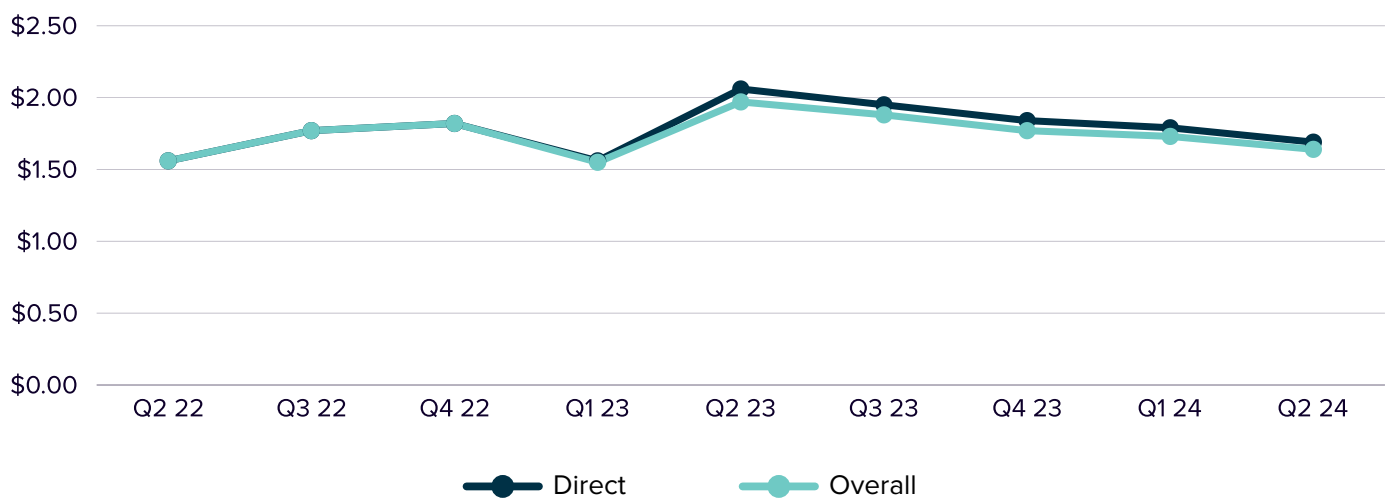
> Vacancy vs Availability



Leasing Activity



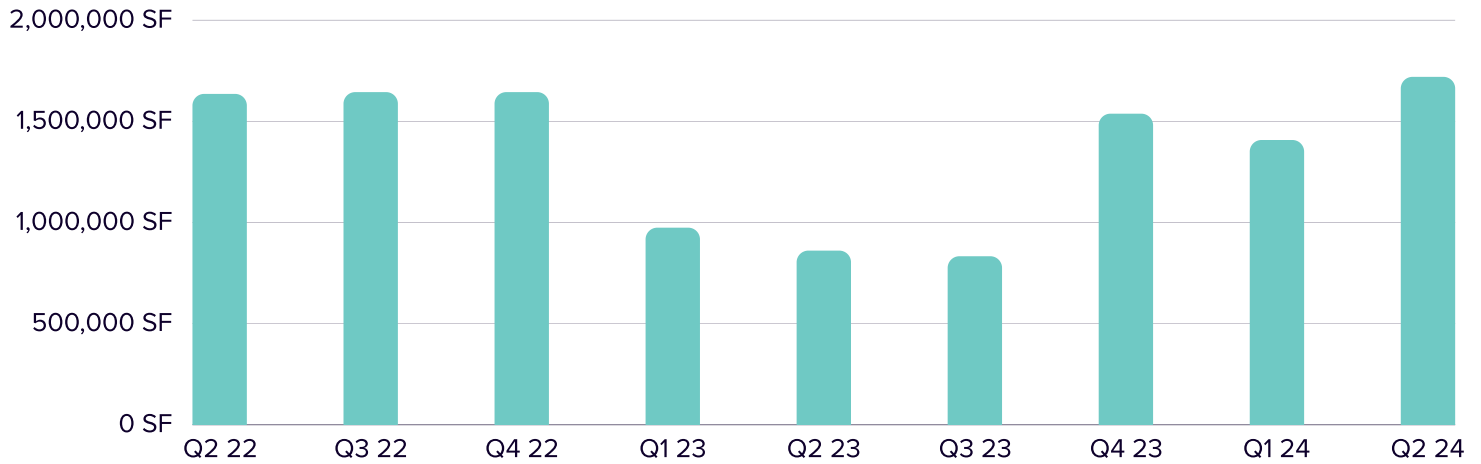
> Rental Rates



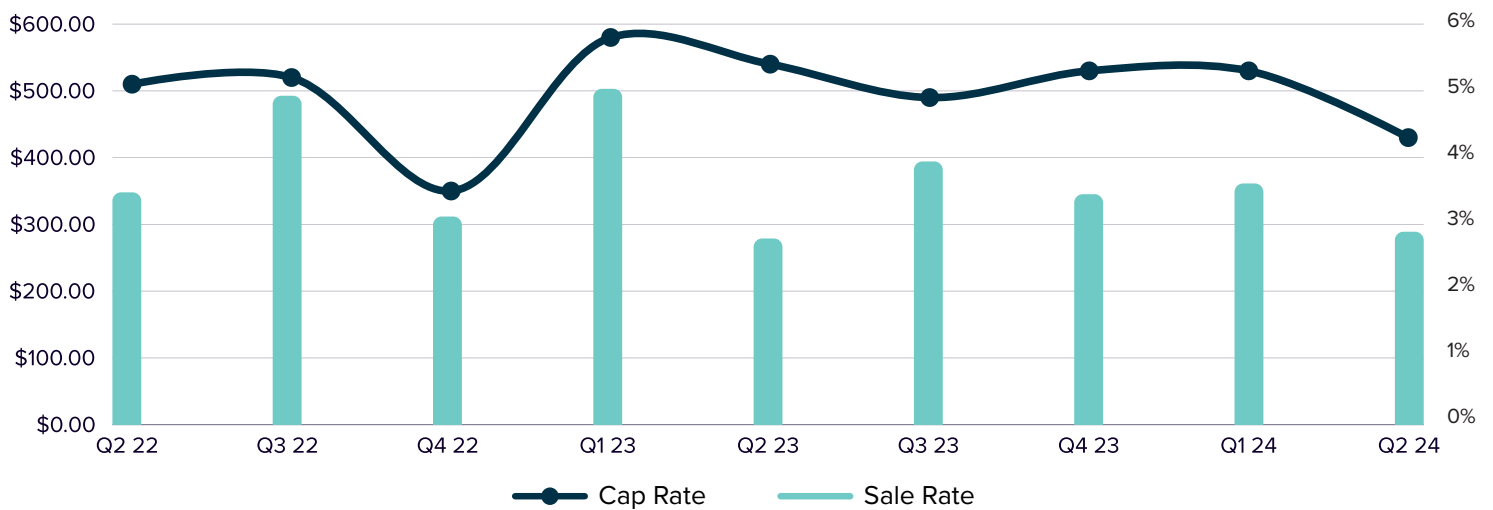


Q2 24 | South Bay

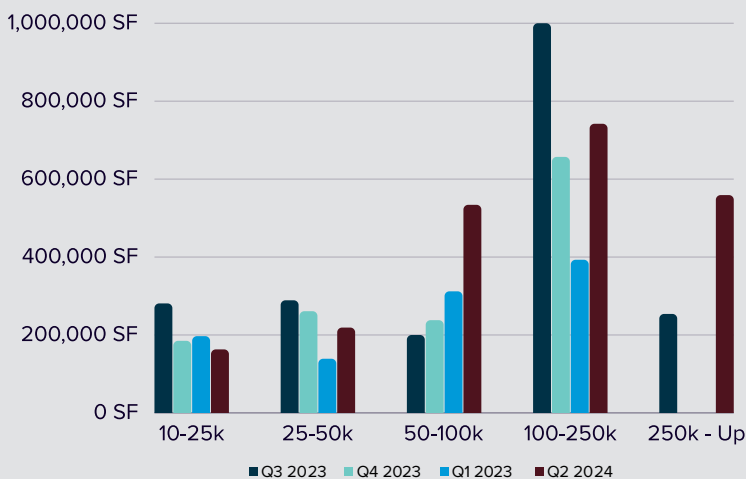
> Construction



> Sales Trends



> Lease Expiration



> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
200-290 E. 4TH ST	Long Beach	45,572	JPI	Turnbridge Equities	\$14.7M
1610 W. ARTESIA BLVD	Gardena	39,900	The Picerne Group	Robert A. Stein Living Trust	\$15.2M
15401 S. FIGUEROA ST	Gardena	38,584	Ichi Trading	Rexford Industrial Realty	\$10.2M
2701 SIGNAL PKWY	Signal Hill	31,500	R.E. Michel Company	Jim & Marilyn Kirby	\$10.5M
620 W. 135TH ST	Gardena	28,707	Nicole Hoffer	Danile L. Terheggen	\$8.40M

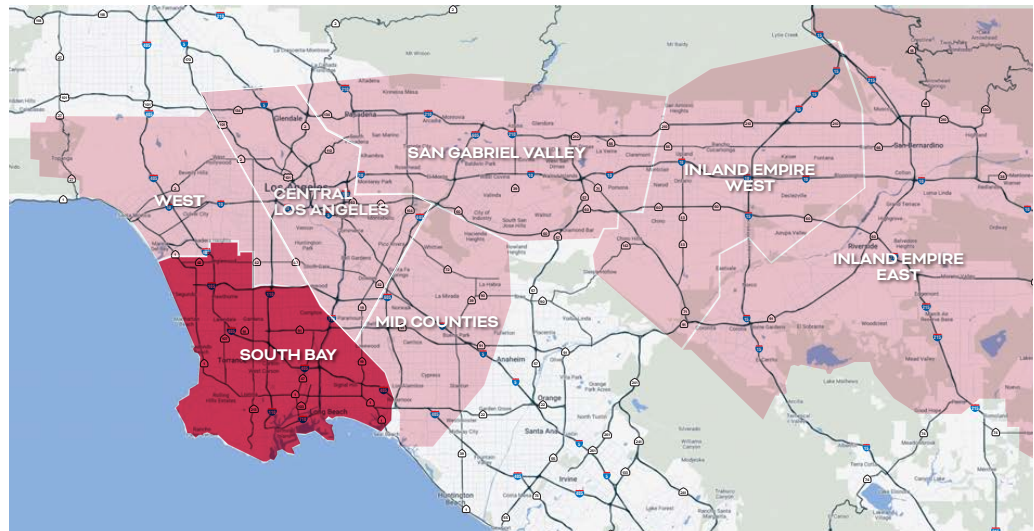
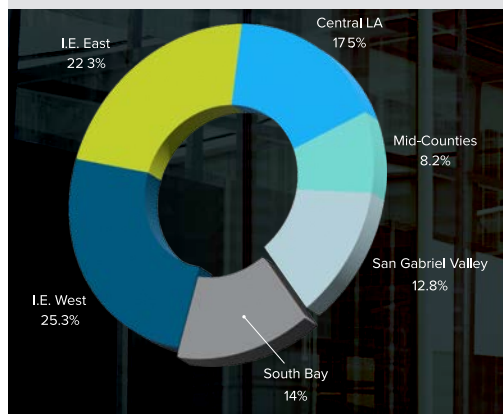
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
1650 GLENN CURTISS ST	Carson	338,932	Carson Dominguez Properties	KW Logistics
2501 ROSECRANS AVE	Compton	300,217	JP Morgan	Forward AIR
18055 HARMON AVE	Carson	258,414	Watson Partners	Agron Inc
18500 CRENSHAW BLVD	Torrance	180,269	GPJCO Properties	George P. Johnson
1355 SEPULVEDA BLVD	Torrance	174,211	Bridge Industrial	K2 Space Corporations

> 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



Q2 2024 Market Insight Inland Empire West

IE West Highlights

- **Big Picture:** With few notable exceptions, across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts diminished. The exceptions include the Mid-Counties and the I.E. West. New construction increased in the former submarket, while net absorption was positive in the latter.
- **Vacancy Rate:** Continues to rise, increasing 30 bps quarter-over-quarter and 210 bps year-over-year to reach the current rate of 6.1%.
- **Asking Rents:** At \$1.39 NNN per square foot, asking lease rents declined by \$0.14 or 9.1% from the Q2 2023 rate of \$1.53 NNN.
- **Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.9%, year-over-year. At the June meeting, the FOMC decided once again to maintain rates at the current range of 5.25-5.50%. The median forecast of FOMC members currently projects at least one rate cut to occur in 2024, most likely in September.
- **GDP:** Real gross domestic product (GDP) increased at an annual rate of 2.8 % in the second quarter of 2024, according to the "advance" estimate by the BLS. In the first quarter, real GDP increased 1.4%. The increase in the second quarter primarily reflected increases in consumer spending, inventory investment, and business investment. Imports, which are a subtraction in the calculation of GDP, increased.
- **Port Activity:** Activity at both the Port of LA and Long Beach was stable on a quarter-over-quarter basis. Respectively, activity (measured by the change in Total TEUs) is up 2.20% and 1.26%. Monthly, however, Long Beach port activity in June spiked by 41% compared to the same period last year.
- **Supply Chain:** The cost from China/East Asia to North America West Coast increased 94.4% over Q2, ending at \$8,101/FEU as of July 12, 2024, per container via Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Sale Price (\$/SF)
CHINO	938	55,883,509	6.2	8.6	-91,045	790,147	\$1.32	\$299
EASTVALE	71	14,456,540	9.3	10.6	18,764	257,917	\$1.57	\$304
FONTANA	792	74,056,489	5.7	14.3	1,167,421	1,433,418	\$1.47	\$300
JURUPA VALLEY	322	37,794,738	7.7	11.5	1,841,590	2,591,581	\$1.25	\$275
MIRA LOMA	20	712,371	6.7	6.7	-9,392	0	\$1.36	\$359
MONTCLAIR	208	4,164,242	4.9	19.1	-62,656	45,942	\$0.60	\$353
ONTARIO	1527	125,863,299	5.8	12.1	3,109,738	5,072,949	\$1.24	\$288
RANCHO CUCAMONGA	746	43,388,782	5.5	9.6	-153,189	1,038,541	\$1.83	\$289
UPLAND	260	4,104,332	6.7	8.1	44,427	195,294	\$1.09	\$286

↗ 4.1%

US Unemployment Rate

↗ 2.8%

GDP - Quarter 2 % - Change YOY

↗ 4.19%

U.S. 10-Year Treasury Note

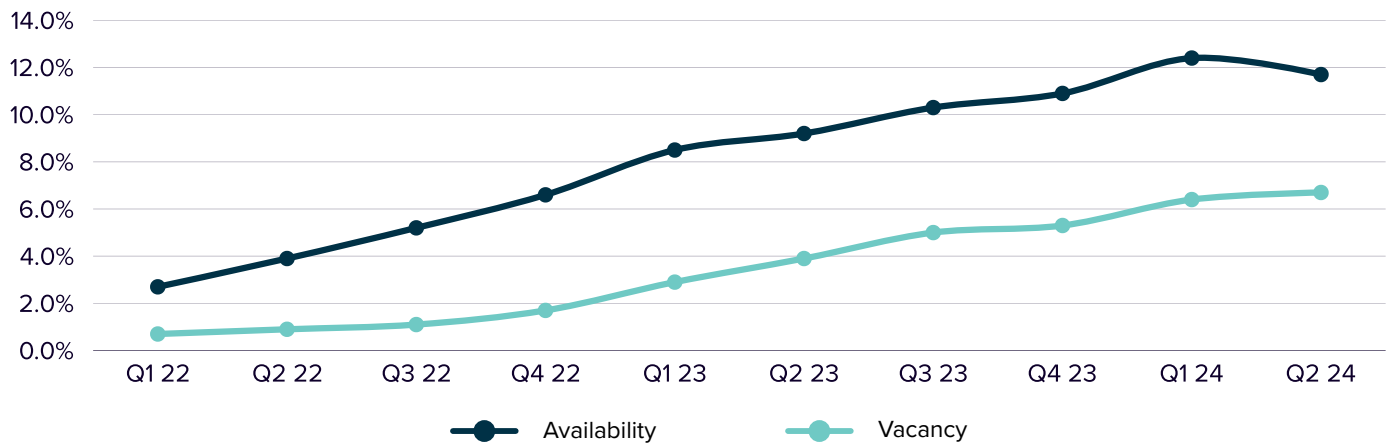
> Market Summary

	Q2 2023	Q1 2024	Q2 2024
Total Inventory (SF)	342,273,630	356,225,514	355,896,866
Overall Vacancy	4.0%	6.4%	6.1%
Overall Availability	9.2%	12.4%	11.7%
Under Construction (SF)	26,478,345	16,929,388	12,294,111
Net Absorption (SF)	-2,955,544	808,011	4,462,435
Overall Asking Lease Rates (NNN)	\$1.53	\$1.40	\$1.39

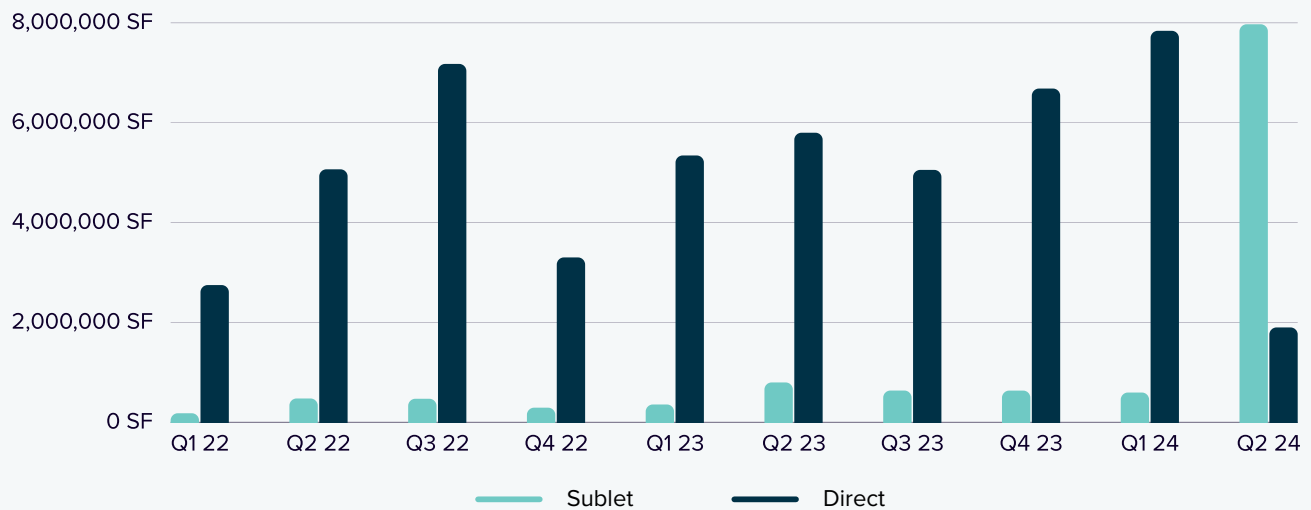
> Port Stats

PORTS	Month	Loaded Inbound	Loaded Outbound	Total Loaded	Total TEUs	YOY-TEU Change - Month	YOY-TEU Change - Quarter
LOS ANGELES	January	441,763	126,554	568,317	855,652	17.86%	29.58%
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	May	390,663	125,963	516,625	752,893	-3.37%	
	June	428,753	122,515	551,268	827,757	-0.63%	
LONG BEACH	January	325,339	86,525	411,864	674,015	17.47%	16.35%
	February	329,850	87,474	417,324	674,723	24.10%	
	March	302,521	105,099	407,620	654,082	8.31%	
	April	364,665	98,266	462,931	750,424	14.39%	1.26%
	May	345,271	100,885	446,156	695,937	-8.21%	
	June	419,698	98,300	517,998	842,446	41.10%	

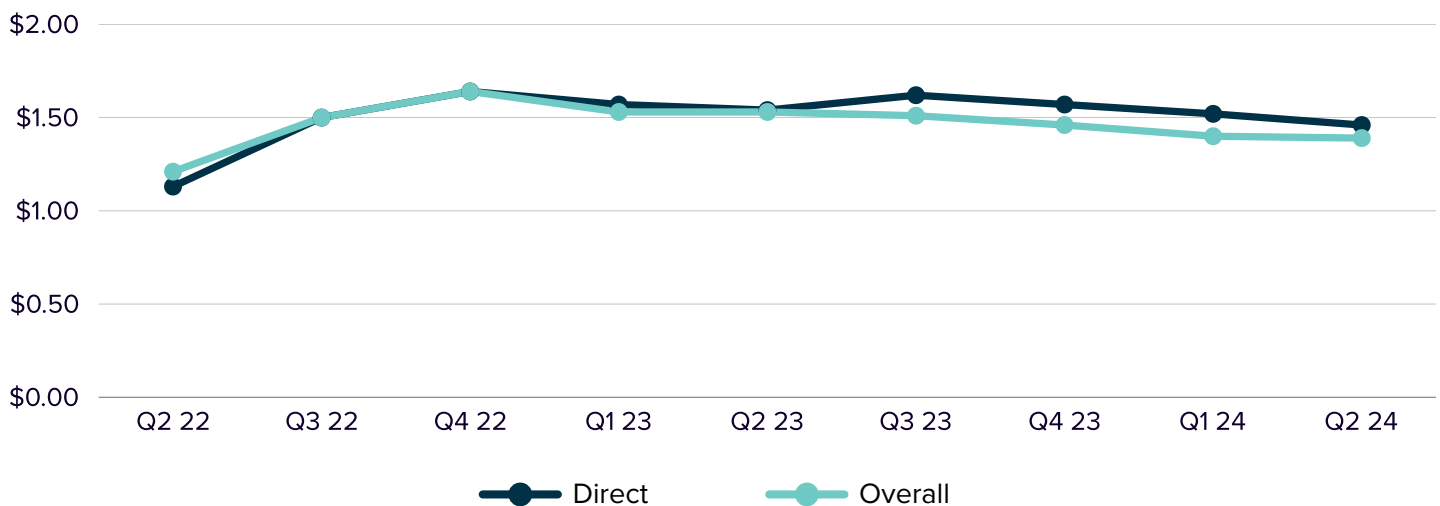
> Vacancy vs Availability



Leasing Activity



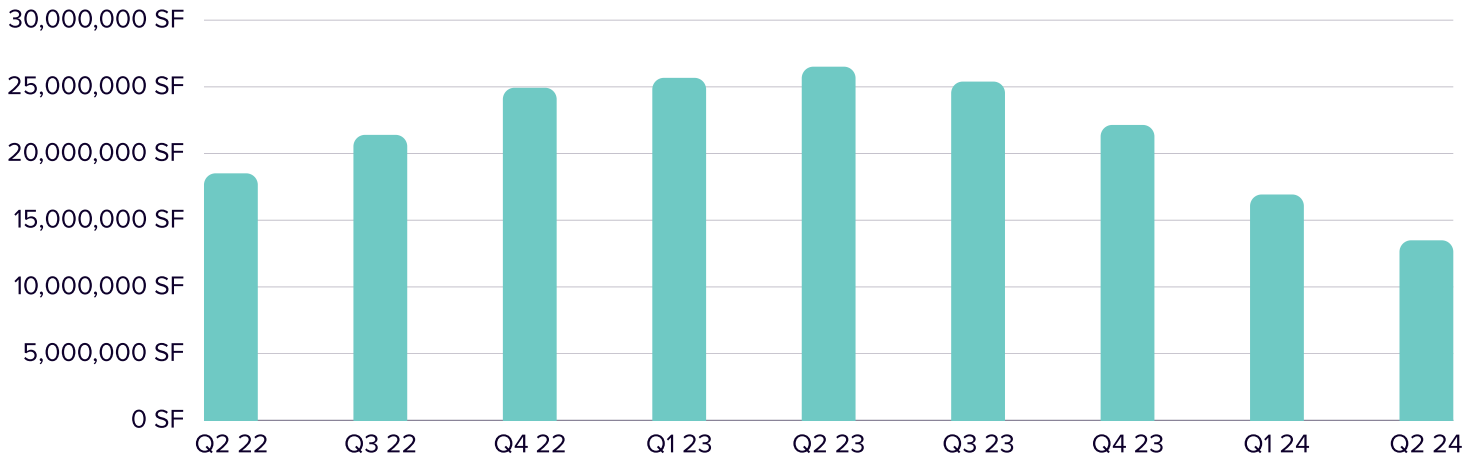
> Rental Rates



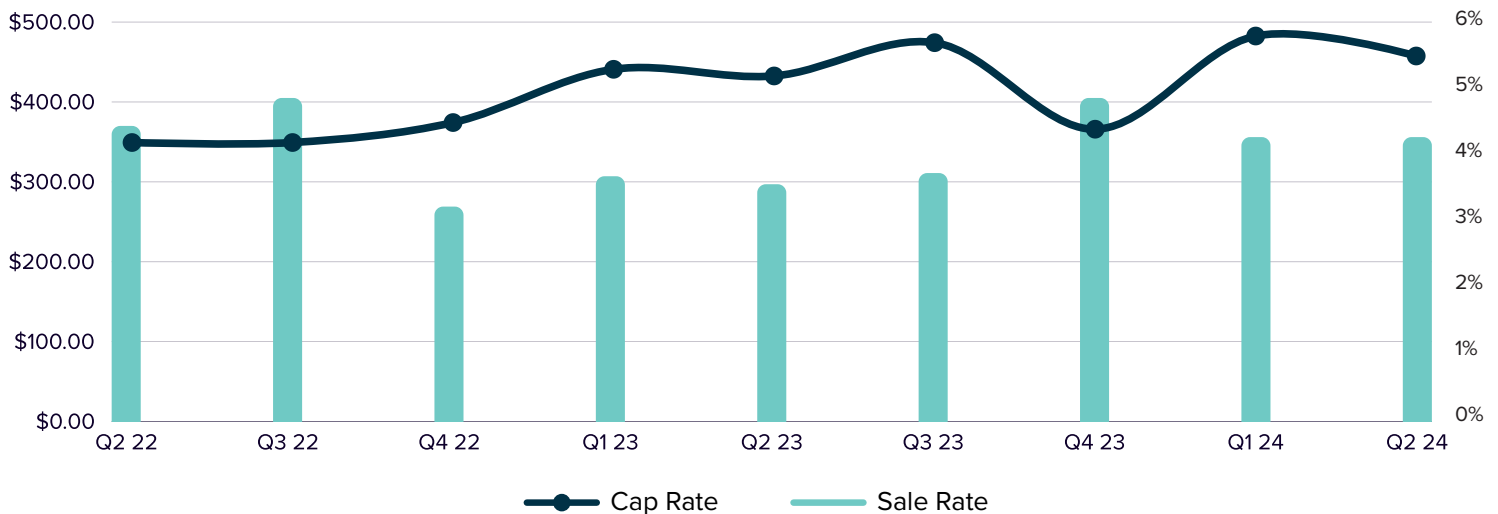


Q2 24 | Inland Empire West

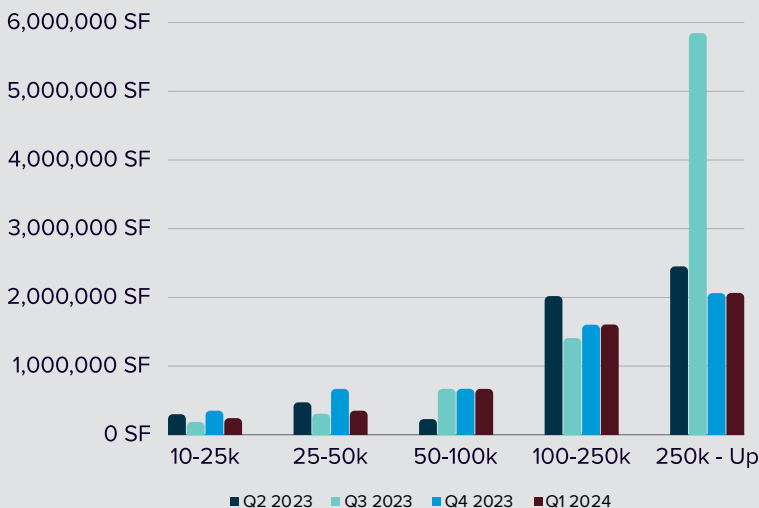
> Construction



> Sales Trends



> Lease Expiration



Inland Empire - West
Largest Lease Transaction
By Square Foot
Lessee: Amazon
4121 Coyote Canyon Rd, Fontana

1,171,788sf

> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
13423 SANTA ANA AVE	Fontana	819,004	EQT Exeter	John Hancock Real Estate	\$197M
4450 E. LOWELL ST /3351 E. PHILADELPHIA - 2 BLDGS	Ontario	519,116	Stockbridge Capital Group	Principal Real Estate Investors	\$142.25M
11145 INLAND AVE	Jurupa Valley	209,907	Goldman Sachs	Bixby Land Company	\$43.25M
16796 BOYLE AVE	Fontana	172,219	BentallGreenOak	Principal Real Estate Investors	\$58.25M
10655 E. 7TH ST	Rancho Cucamonga	103,216	Reyes Holdings	Khun Capital Management	\$25.8M

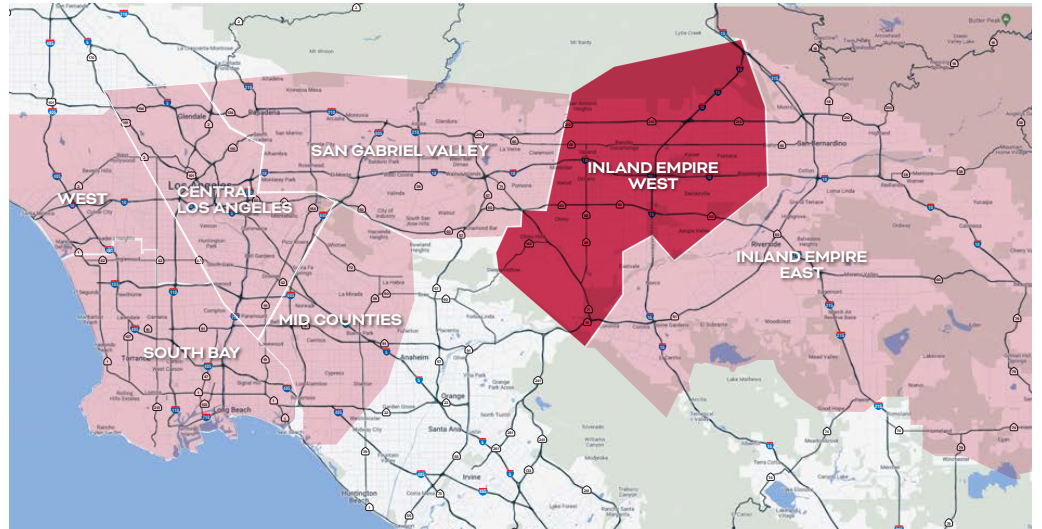
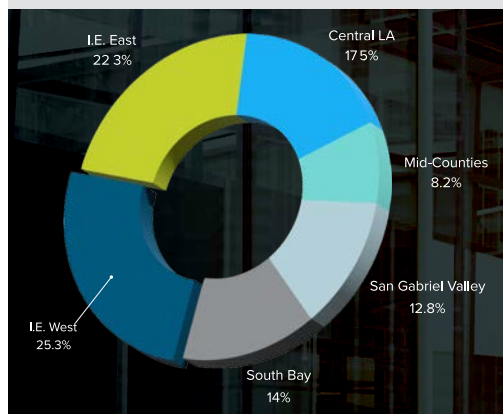
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
4121 COYOTE CANYON RD	Fontana	1,171,788	Caprock Partners	Amazon
16604 SLOVER AVE	Fontana	690,967	Panattoni/MetLife	Campbell's Soup
12400 ARROW RT	Rancho Cucamonga	611,573	Ares Industrial	B. Braum
13277 SAN BERNARDINO AVE	Fontana	577,905	Pacab, LLC	Confidential
3510 E. FRANCIS ST	Ontario	562,089	Prologis	Gigacloud

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
1363 MERRILL AVE	Ontario	Prologis	1,488,800	Jun-24
4704 WALKER AVE	Ontario	Prologis	1,411,000	Apr-24
3413 MANITOU AVE	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





Q2 2024 Market Insight

Inland Empire East

IE East Highlights

- **Big Picture:** With few notable exceptions, across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts diminished. The exceptions include the Mid-Counties and the I.E. West. New construction increased in the former submarket, while net absorption was positive in the latter.
- **Vacancy Rate:** Continues to rise, increasing 120 bps quarter-over-quarter and 530 bps year-over-year to reach the current rate of 8.7%.
- **Asking Rents:** At \$1.05 NNN per square foot, asking lease rents declined by \$0.10 or 8.6% from the Q1 2024 rate of \$1.15 NNN.
- **Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.9%, year-over-year. At the June meeting, the FOMC decided once again to maintain rates at the current range of 5.25-5.50%. The median forecast of FOMC members currently projects at least one rate cut to occur in 2024, most likely in September.
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- **Port Activity:** Activity at both the Port of LA and Long Beach was stable on a quarter-over-quarter basis. Respectively, activity (measured by the change in Total TEUs) is up 2.20% and 1.26%. Monthly, however, Long Beach port activity in June spiked by 41% compared to the same period last year.
- **Supply Chain:** The cost from China/ East Asia to North America West Coast increased 94.4% over Q2, ending at \$8,101/FEU as of July 12, 2024, per container via Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Sale Price (\$/SF)
BANNING	48	1,944,130	0.8	54.3	0	0	\$0.79	\$229
BEUMONT	48	8,410,430	5.5	5.5	5,000	5,000	\$0.69	\$240
BLOOMINGTON	126	10,679,362	11.1	14.4	-653,115	0	\$0.99	\$290
CORONA/NORCO	1012	35,700,377	7.7	11.1	246,548	729,177	\$1.27	\$297
COLTON/GRAND TERRACE	190	11,381,570	8.8	9.2	334,665	547,010	\$0.65	\$234
MORENO VALLEY	113	33,076,273	4.4	8.1	-726,514	225,001	\$1.20	\$214
PERRIS	261	44,328,650	10.6	14.3	947,288	1,420,253	\$1.12	\$234
REDLANDS/LOMA LINDA	248	31,374,132	12.3	14.6	-176,332	427,002	\$0.81	\$234
RIALTO	210	31,385,645	11	14.3	-599,828	484,090	\$1.34	\$255
RIVERSIDE	1,136	58,668,774	8.1	11.3	-612,460	193,639	\$1.14	\$233
SAN BERNARDINO/HIGHLAND	616	46,795,140	8.1	14.5	78,322	705,613	\$0.92	\$239

↗ 4.1%

US Unemployment Rate

↗ 2.8%

GDP - Quarter 2 % - Change YOY

↗ 4.19%

U.S. 10-Year Treasury Note

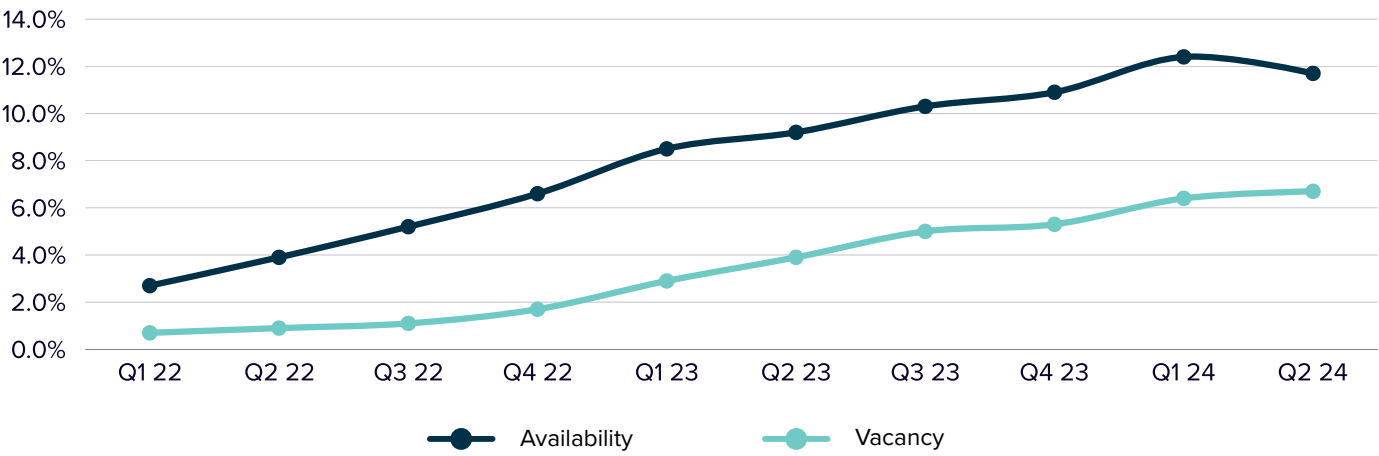
> Market Summary

	Q2 2023	Q1 2024	Q2 2024
Total Inventory (SF)	304,843,918	310,705,272	313,317,611
Overall Vacancy	3.4%	7.5%	8.7%
Overall Availability	7.6%	11.8%	12.6%
Under Construction (SF)	10,635,769	7,223,224	6,877,978
Net Absorption (SF)	-1,199,750	-2,471,367	-885,182
Overall Asking Lease Rates (NNN)	\$1.21	\$1.15	\$1.05

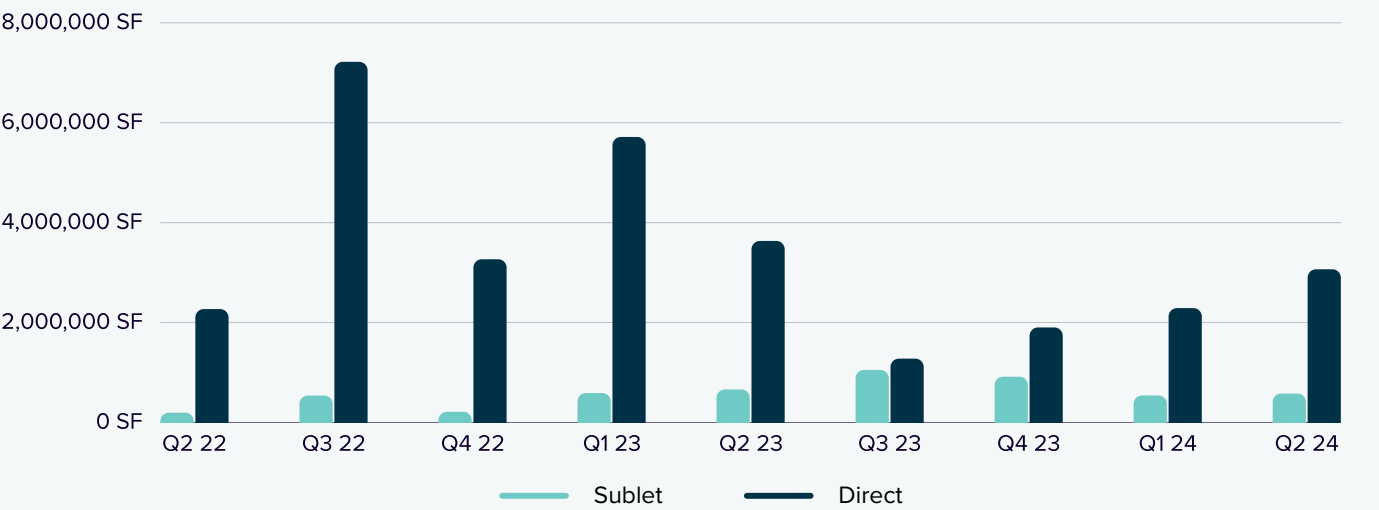
> Port Stats

PORTS	Month	Loaded Inbound	Loaded Outbound	Total Loaded	Total TEUs	YOY-TEU Change - Month	YOY-TEU Change - Quarter
LOS ANGELES	January	441,763	126,554	568,317	855,652	17.86%	29.58%
	February	408,764	132,755	541,519	781,434	60.18%	
	March	379,542	144,718	524,259	743,417	19.28%	
	April	416,929	133,046	549,975	770,337	11.95%	2.20%
	May	390,663	125,963	516,625	752,893	-3.37%	
	June	428,753	122,515	551,268	827,757	-0.63%	
LONG BEACH	January	325,339	86,525	411,864	674,015	17.47%	16.35%
	February	329,850	87,474	417,324	674,723	24.10%	
	March	302,521	105,099	407,620	654,082	8.31%	
	April	364,665	98,266	462,931	750,424	14.39%	1.26%
	May	345,271	100,885	446,156	695,937	-8.21%	
	June	419,698	98,300	517,998	842,446	41.10%	

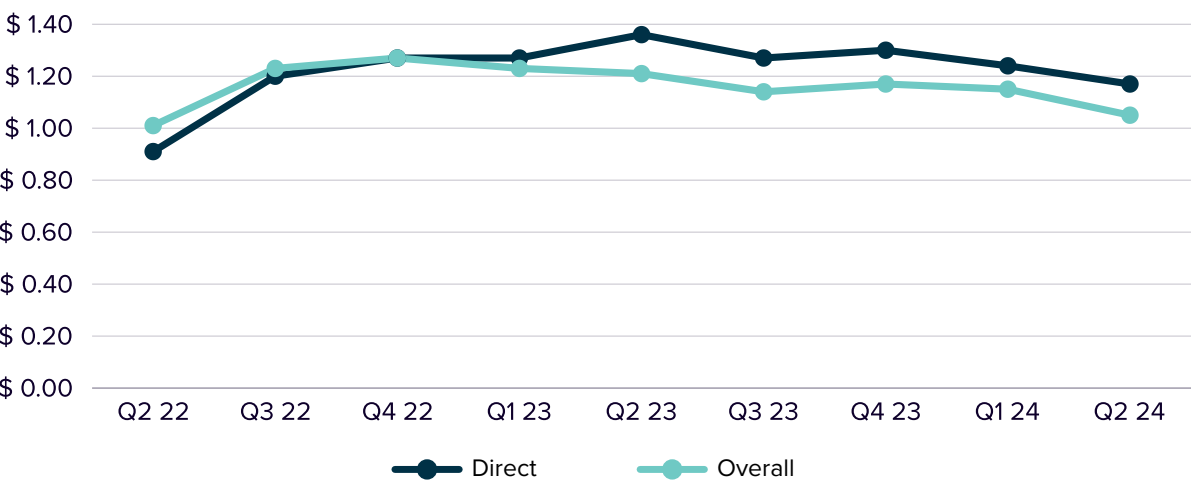
> Vacancy vs Availability



Leasing Activity



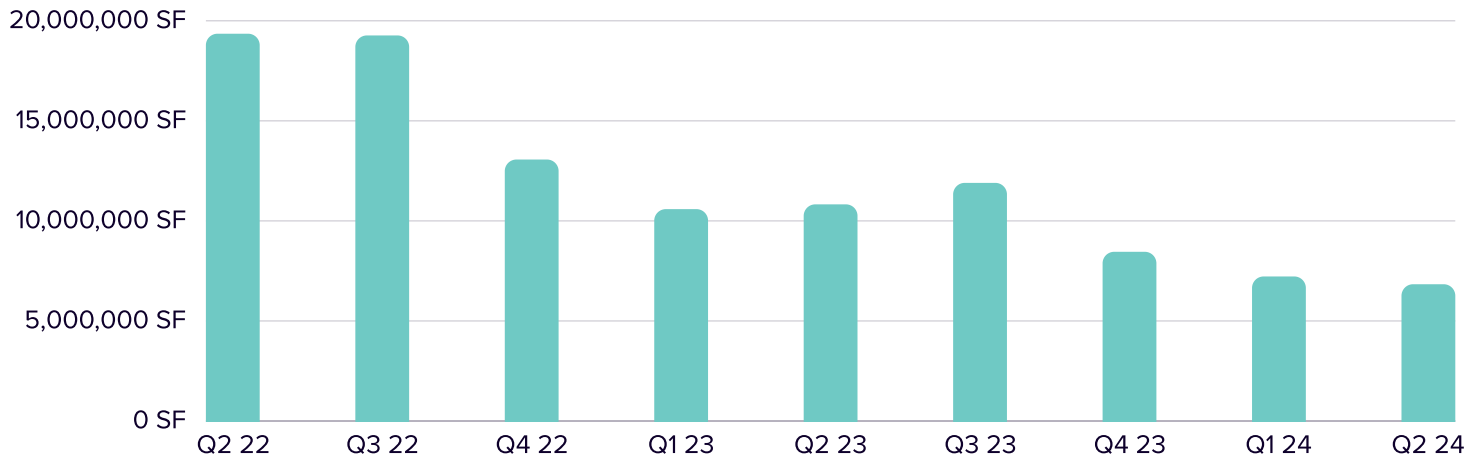
> Rental Rates



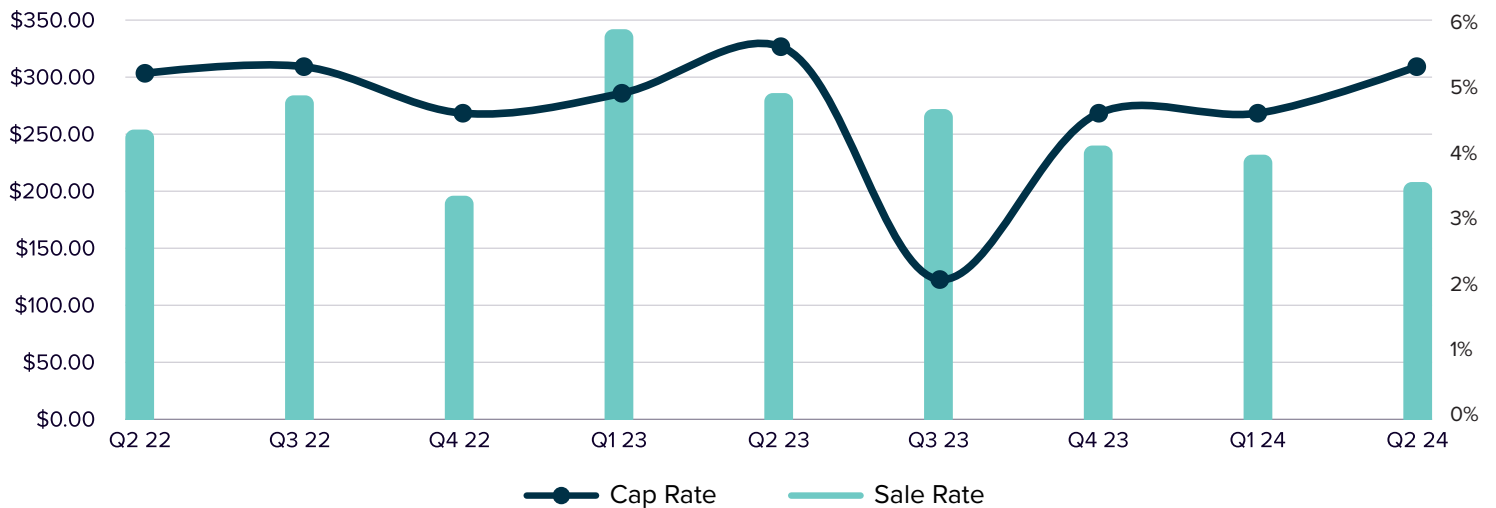


Q2 24 | Inland Empire East

> Construction



> Sales Trends



> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
4982 HALLMARK PKWY	San Bernardino	340,080	Dalfen Industrial	Bixby Land Company	\$74.05M
3120 WILSON AVE	Perris	248,483	TA Realty	Core5 Industrial Properties	\$53.42M
210 RADIO RD	Corona	143,785	Thoro Packing	The Carlyle Group	\$46.97M
1765 WATSON RD	Perris	35,756	Grove Lumber & Building Supplies	Soil Retention Products	\$10.25M
149 VIA TREVIZIO	Corona	23,964	Empire Imports, LLC	Greg Roembke	\$7.96M

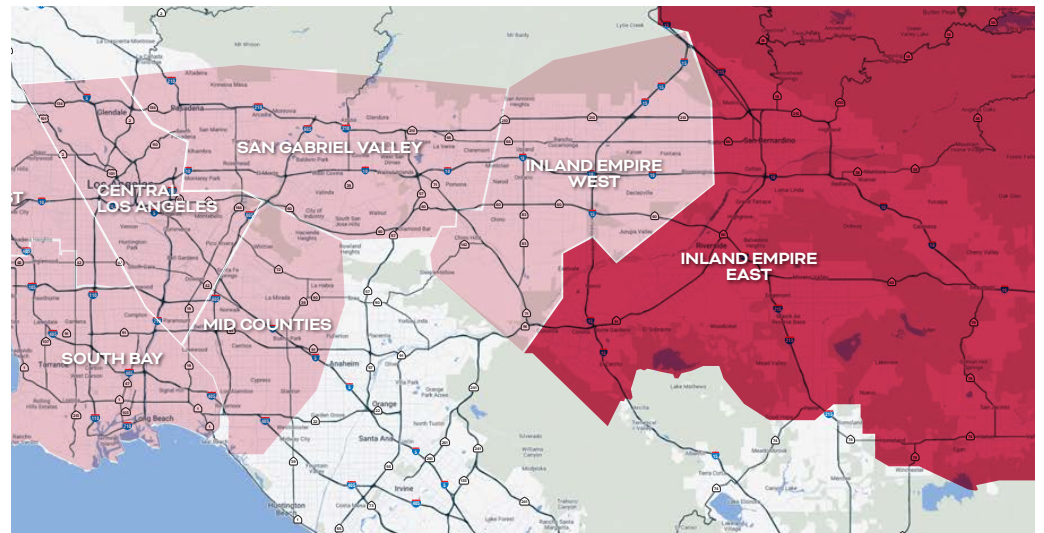
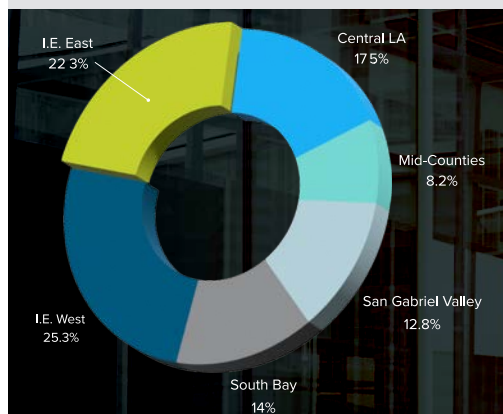
> Top 5 New Leases

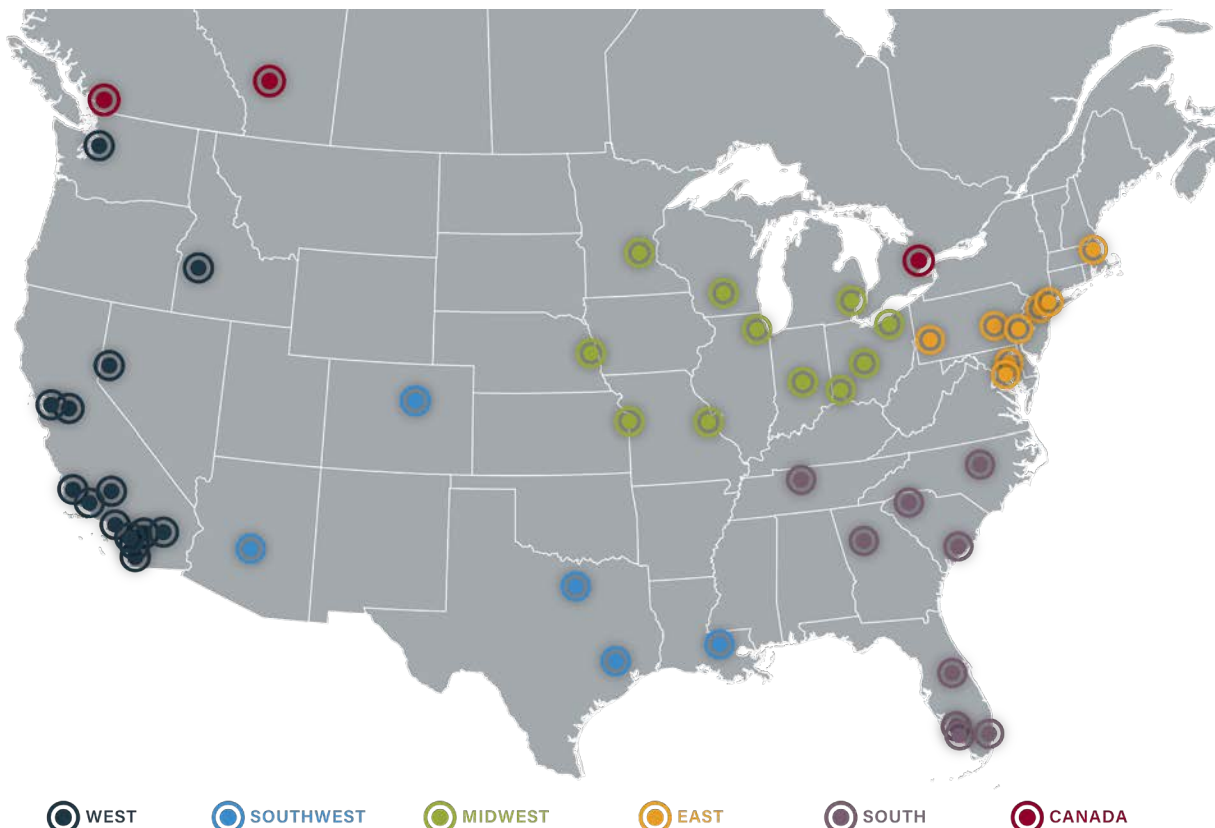
Address	City	Size (SF)	Lessor	Lessee(s)
1710 BASELINE RD	Rialto	718,025	Nuveen	Geodis Logistics
230 W. SAN BERNARDINO AVE	Redlands	575,457	Prologis	Clorox Co.
1495 N. TAMARIND AVE	Rialto	390,521	United Legwear	Stg Logistics, Inc.
22490 HARLEY KNOX BLDG B	Perris	332,377	Mead Valley Industrial	Whitecap
568 W. SANTA ANA AVE	Rialto	211,115	Alere Inc.	Carrier Corporation

> Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
3600 REDLANDS AVE	Perris	IDI Logistics	548,019	May-24
350 W VALLEY BLVD	Rialto	Birtcher Development	490,410	Oct-24
22773 OLEANDER AVE	Perris	Majestic Realty	406,496	Jun-24
18369 HARVILL AVE	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

INDUSTRY SPONSORSHIPS & ORGANIZATIONS



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These reports are based on industrial single and multi-tenant buildings that are greater than 5,000.

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