MIDQUARTER **SNAPSHOT**

Industrial Q1 2021 Los Angeles County



MARKET ACTIVITY ECONOMIC OUTLOOK **KEY TAKE AWAYS** MARKET \sim • Vacancy Rate: Slight decrease of 10 BPS from Q4. 111 • Net Absorption: QTD Q1 is over 825K SF of positive net Net Absorption Direct Vacancy U.S. Employment U6 Rate absorption. 2.9% • Asking Rents: Increased slightly by \$0.01 PSF to \$1.20. \searrow ▲ 825,644 SF \bigvee 6.3% \bigvee 11.1% • Sale Activity: Volume down by over 51% from the mid-Q4 levels. The median price PSF is \$205.00 in Q1. • Leasing Activity: At this point in Q1, leasing activity % Ş, down from the prior period with just over 4.1M SF. Industrial Supply: Properties under construction Overall Vacancy Gross Absorption Changing GDP Interest Rate stands at 4.4M SE. 3.2% 2.7% (30 year fixed) \bigvee ▲ 6,211,417 SF \searrow 4.0% FCONOMIC OUTLOOK NYSE \$ • GDP: Q4 estimates show a growth rate of 4.0%. • Employment: The unemployment rate continues to **Under Construction** Rental Rates (NNN) decline, but the employment situation is bleak for Port Traffic Y/Y Δ NYSE Performance millions of Americans as thousands of business are **∀**4,414,498 SF \bigvee \$1.20 ▲ 22.4% 5.3% \land permanently closing due to governmental mandated closures. • Economic Relief: Congress and the new administration have proposed a \$1.9T stimulus ~ package. Analyst predict some stimulus will be Sale Price Change passed in March. Deal Volume Inflation Change 10 Yr. - 2 Yr. Spread • Stability: The completion of the Presidential election 6.5% \bigvee 51.7% ▲ 117 BPS will likely add economic stability to the commercial 1.4% \land real estate market.

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