MIDQUARTER SNAPSHOT

Industrial Q1 2021 LA West/South



MARKET ACTIVITY ECONOMIC OUTLOOK **KEY TAKE AWAYS** MARKET \sim • Vacancy Rate: Increased by 20 BPS to 3.5% in Q1. 111 • Net Absorption: Has totaled -402K SF in Q1. Net Absorption Direct Vacancy U.S. Employment U6 Rate • Gross Absorption: Down to over 1.1M SF in Q1. 2.9% • Asking Rates: The average asking rental rate has \land A -402,307 SF \vee 6.3% \bigvee 11.1% fallen nearly 6% from Q4 to \$1.43 PSF in Q1. • Sales: The median price PSF in Q1 so far is \$252.50. Volume in Q1 is tracking to be lower than Q4. % Ş, Overall Vacancy Gross Absorption Changing GDP Interest Rate 3.5% 2.7% (30 year fixed) ✓ 1,170,400 SF \land \searrow 4.0% FCONOMIC OUTLOOK 9/~ \$ 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 ₩ 883,923 SF \$1.43 \land ▲ 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 4.4% 63.5% \searrow ▲ 117 BPS will likely add economic stability to the commercial 1.4% \land real estate market.

EXPERIENCE IN A CHANGING MARKET @DAUMCOMMERCIAL

Although all information is furnished regarding for sale, rental or financing is from sources deemed reliable, such information has not been verified and no express representation is made nor is any to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, changes of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice.