MIDQUARTER SNAPSHOT

Industrial Q3 2021 Los Angeles County



MARKET ACTIVITY ECONOMIC OUTLOOK **KEY TAKE AWAYS** MARKET \sim • Vacancy Rate: Slight decrease of 10 BPS from Q2. 111 • Net Absorption: QTD Q3 has totaled under 1.3M SF of Net Absorption Direct Vacancy U.S. Employment U6 Rate positive net absorption. • Asking Rents: Increased by \$0.08 PSF to \$1.33. 2.0% \bigvee ✓ 1.283.205 SF \bowtie 9.2% \bigvee 5.4% • Sale Activity: Q3 is off to a hot start totaling over \$950M in volume. With a median price PSF of \$249.52. % \$ • Leasing Activity: Is tracking just below Q2 levels, totaling 5.1M SF QTD Q3. Overall Vacancy Gross Absorption Changing GDP Interest Rate • Industrial Supply: 600K SF has been delivered so far in 2.9% (30 year fixed) \bigvee 2.2% Q3. Under construction now stands at 3.8M SF. ▲ 6,997,049 SF 6.5% \searrow \land FCONOMIC OUTLOOK NYSE \$ • GDP: The U.S. economy grew at a rate of 6.5% in Q2. Concerns over the "delta" variant have slightly **Under Construction** Rental Rates (NNN) weakened the growth trajectory, with forecasted Port Traffic Y/Y Δ NYSE Performance increase of 6.0% in Q3. **∀**3,798,735 SF \wedge \$1.33 ▲ 40.4% 3.0% \land • Inflation: Concerns over inflation grow louder as the latest CPI showed an increase of 5.28%. Due to this, the FOMC indicated rate hikes are likely to occur sooner than previously anticipated. ~ S) • Infrastructure: The Senate has passed a \$1T infrastructure package. The timeline of this Median Sale \$/SF Deal Volume Inflation Change 10 Yr. - 2 Yr. Spread legislation passing in the House is uncertain. \$249.52 \$950.8M 5.28% ♥ 106 BPS \land

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