MIDQUARTER SNAPSHOT

Industrial Q3 2021 San Gabriel Valley



MARKET ACTIVITY ECONOMIC OUTLOOK **KEY TAKE AWAYS** MARKET \sim • Vacancy Rate: Slight increase of 30 BPS from Q2. 111 • Asking Rents: Increased by \$0.13 PSF since Q2 to Net Absorption Direct Vacancy U.S. Employment U6 Rate \$1.06 PSF. • Industrial Supply: Construction activity increased to 1.9% ✓ -492.032 SF \bigvee 9.2% \land \bigvee 5.4% over 1.4M SF. • Sale: Volume had totaled \$85.4M in Q3. On pace to exceed Q2 levels. The median price PSF is \$190.65. % \$ The largest sale in Q3 is a two property portfolio in Baldwin Park that was purchased by In-N-Out Burgers Overall Vacancy Gross Absorption Changing GDP Interest Rate for \$30.9M 2.9% (30 year fixed) 2.0% ✓ 948,475 SF \land \land 6.5% 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. ▲ 1,435,820 SF \$1.06 \land ▲ 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. \$190.65 \$85.4M 5.28% ♥ 106 BPS \land

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