



////////////////////

////////////////////Los Angeles////////////////////

////////////////////

////////////////////Orange County////////////////////

////////////////////

////////////////////Ventura////////////////////

////////////////////

////////////////////Inland Empire////////////////////

////////////////////

////////////////////Phoenix////////////////////

////////////////////

Q4 | 2021

Market Report



//////////////////// Orange County Industrial

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.

MARKET ACTIVITY

KEY TAKE AWAYS

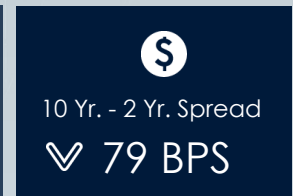
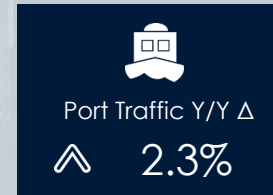
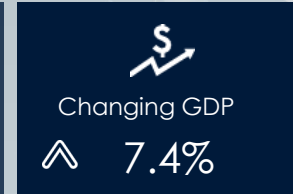
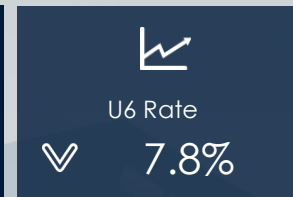
ECONOMIC OUTLOOK

MARKET

ECONOMIC OUTLOOK

- **Vacancy Rate:** Fell by 70 BPS to 2.0% overall.
- **Net Absorption:** Increased by 486K SF from revised downward Q3, totaling over 508K SF in Q4.
- **Asking Rents:** Increased by \$0.06 PSF or 4.8% in Q4.
- **Industrial Supply:** One delivery of 108K SF in Q4. Under construction is expanded to 2.2M SF in Q4.
- **Sales:** Volume declined by 26.4% from Q3, totaling \$472.8M in Q4. Total volume in 2021 was over \$2B. Up 30% from 2020. The median price PSF in Q4 was \$303.54. An increase of 7.1% from Q3.

- **GDP:** The U.S. GDP grew at a rate of 2.3% in Q3. In Q4, the rate of growth is expected to increase at a rate of 7.4%.
- **Inflation:** The latest CPI showed an increase of 6.9%, adding another data point that current inflation is likely more than transitory.
- **Supply Chain:** The historic backlog of ships waiting to dock off the Ports of LA & Long Beach began to ease towards the end of Q4. According to the Freightos Baltic Index, the cost to ship a container from China/East Asia to North America West Coast declined 21.7% over Q4, ending at \$14,070 per container.



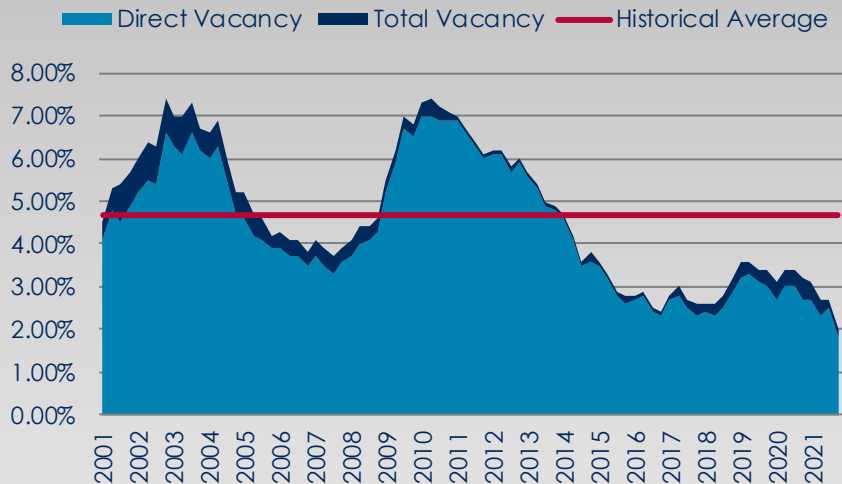
EXPERIENCE IN A CHANGING MARKET

@DAUMCOMMERCIAL

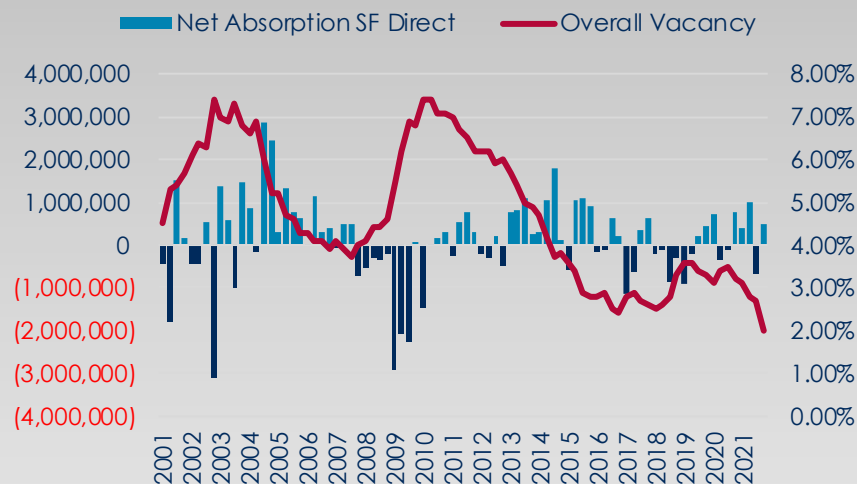


Although all information is furnished regarding for sale, rental or financing is from sources deemed reliable, such information has not been verified and no express representation is made nor is any to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, changes of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

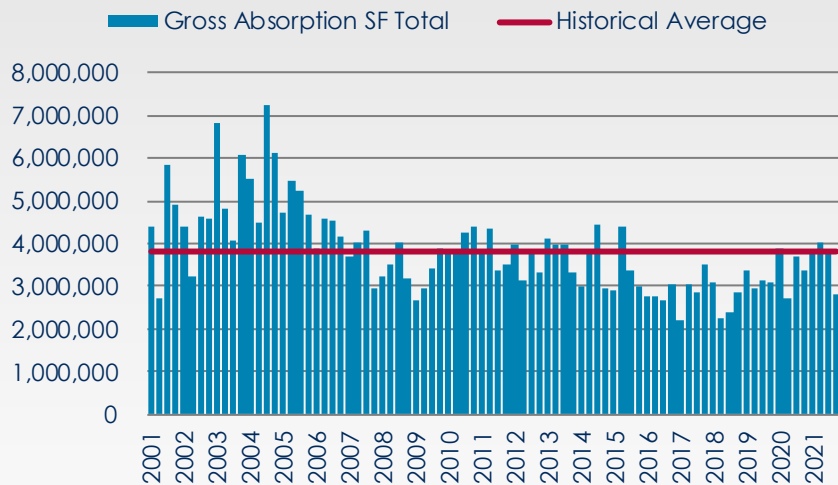
OVERALL VACANCY DECLINED BY 70 BPS FROM REVISED Q3 TO 2.0% IN Q4



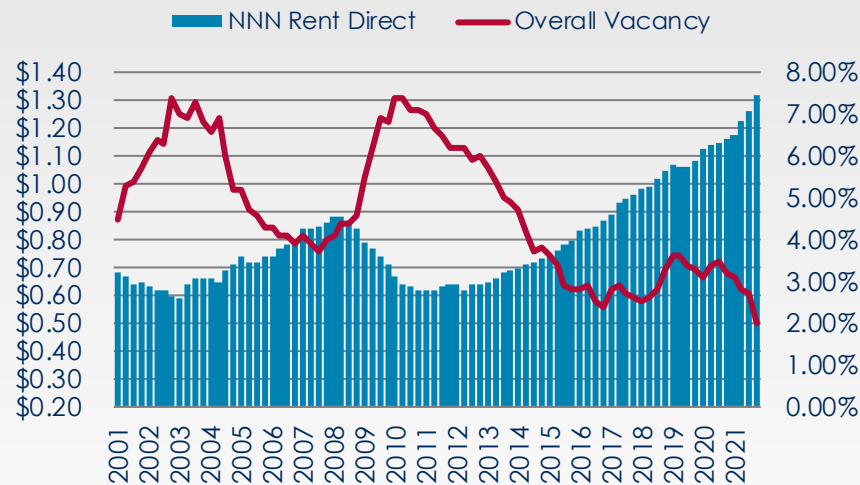
NET ABSORPTION INCREASED BY 486K SF FROM REVISED Q3 TO OVER 508K SF IN Q4



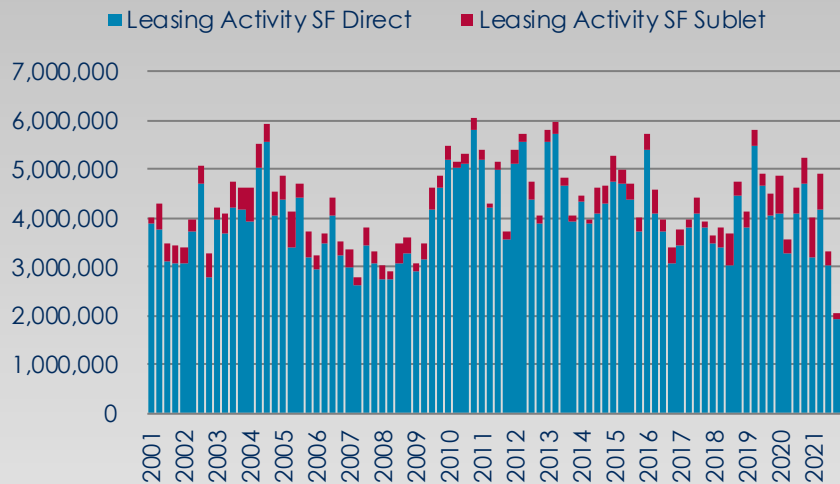
GROSS ABSORPTION DECLINED BY 27% FROM Q3 TO 2.8M SF IN Q4



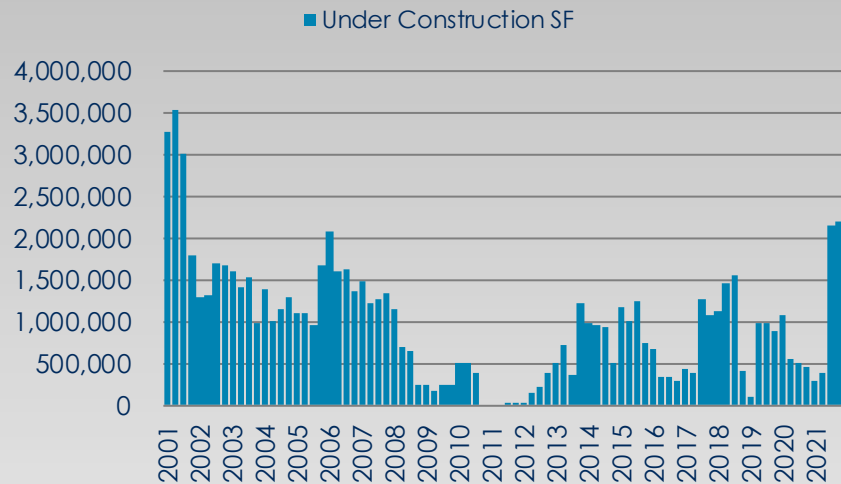
ASKING RENTS ROSE BY \$0.06 PSF OR 4.8% IN Q4 TO \$1.32 PSF NNN



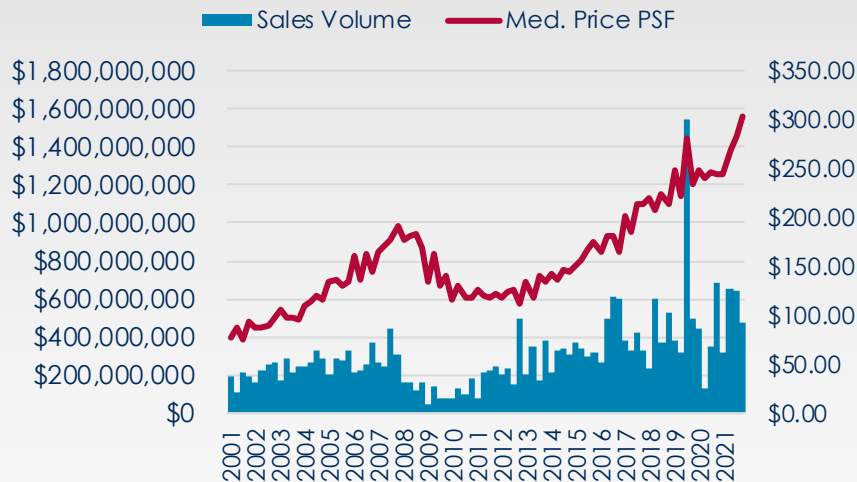
LEASING ACTIVITY
DECLINED BY 38% TOTALING JUST OVER 2M SF IN Q4



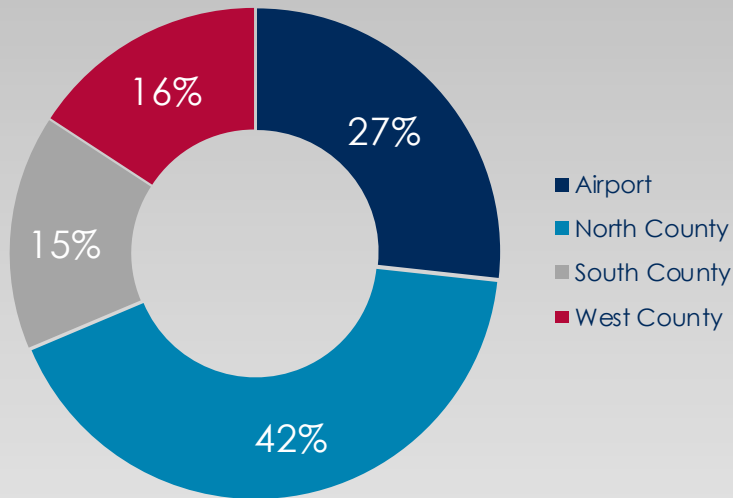
CONSTRUCTION ACTIVITY
ONE DELIVERY OF 108K SF IN Q4. UC EXPANDED TO 2.2M SF



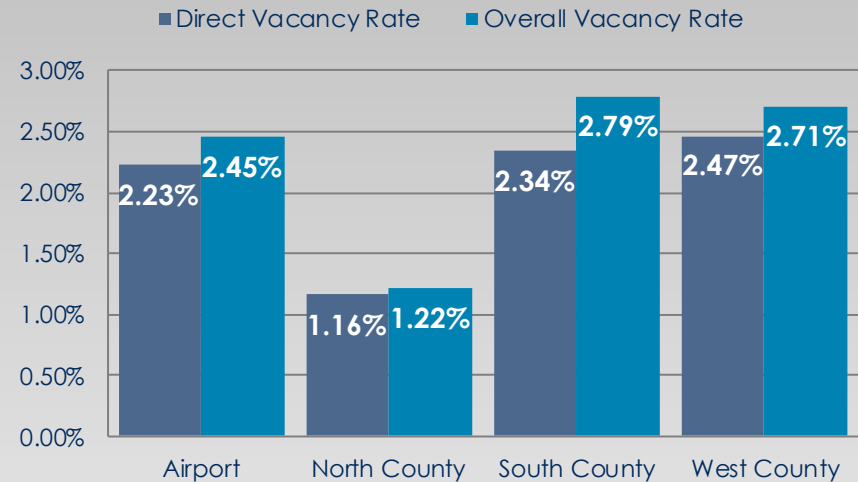
SALES
VOLUME FELL BY 26.4%. MEDIAN PRICE IN Q4 WAS \$303.54 PSF



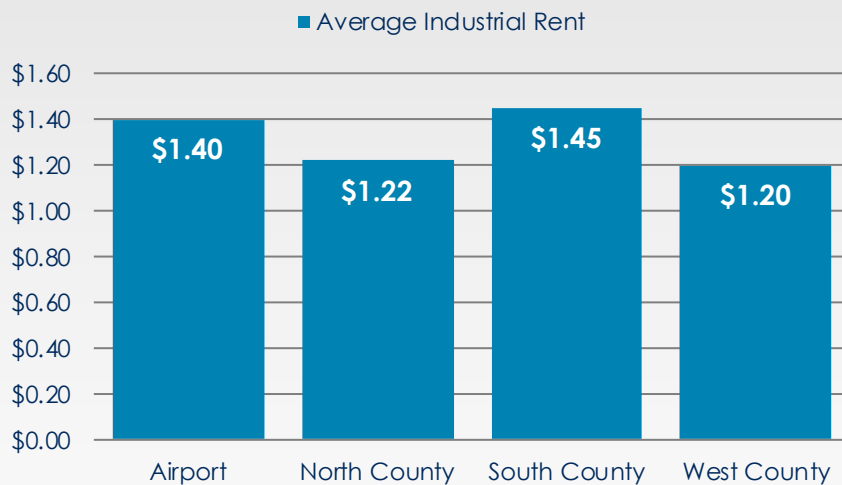
SQUARE FOOT BREAKDOWN- 295,604,713 SF MARKET SIZE



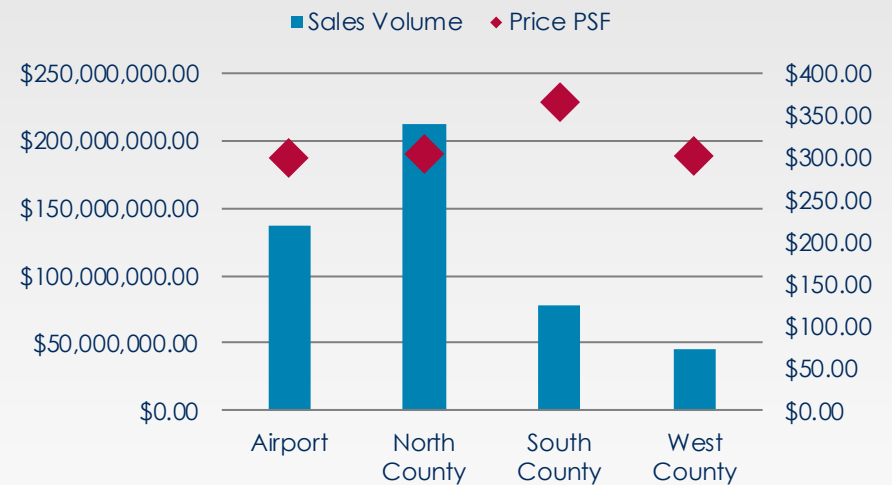
VACANCY BREAKDOWN



AVERAGE ASKING RENT PSF NNN AT CLOSE OF QUARTER



VOLUME BREAKDOWN



METHODOLOGY & TERMINOLOGY

Methodology

Industrial and flex (R & D) buildings that are 5,000 square feet and greater.

Direct Vacant SF

Space that is vacant and ready for occupancy by a user. The space is being offered for lease or sale directly from the landlord.

Total Vacant W/ Sublet SF

Space that is vacant and ready for occupancy by a user. The space is being offered for lease or sale by the landlord or for sublease by the current tenant.

Direct Vacancy Rate

Total vacant direct space (vacant space for lease or sale from the landlord or owner) divided by the total rentable square footage for existing buildings only.

Vacancy W/ Sublet Rate

Total vacant direct space and sublease space divided by the total rentable square footage for existing buildings only.

Gross Absorption

The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing activity, which is the sum of all space leased over a certain period of time.

Net Absorption

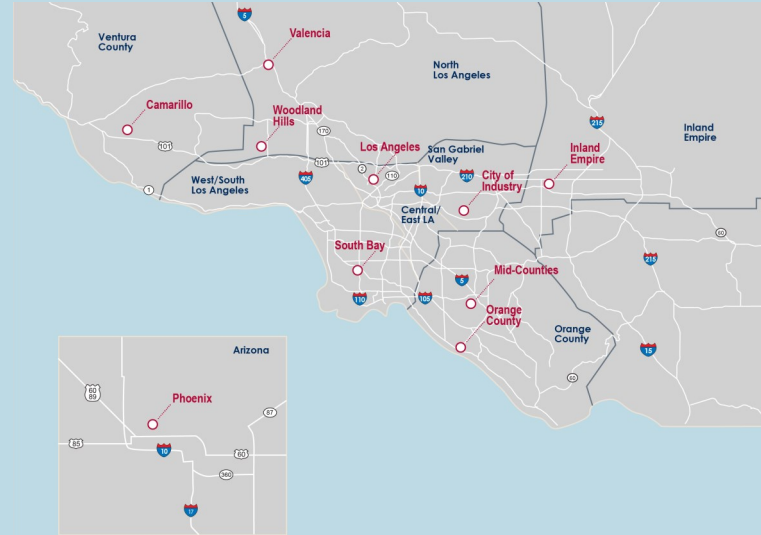
The net change in occupied space over a given period of time, calculated by summing all the positive changes in occupancy (move ins) and subtracting all the negative changes in occupancy (move outs).

Under Construction

Planned buildings for which construction has started but have not yet been granted a Certificate of Occupancy. Planned buildings are not included.

Completed in 2021

New buildings with original construction completed in the year 2021 and granted a Certificate of Occupancy. Renovated buildings are not included.



DAUM OFFICES

LOS ANGELES, CALIFORNIA
801 S. Figueroa Street, Suite 600
Los Angeles, CA 90017 213-626-9101

LOS ANGELES NORTH, CALIFORNIA
21820 Burbank Boulevard, Suite 201
Woodland Hills, CA 91367
818-887-3600

SANTA CLARITA VALLEY, CALIFORNIA
28494 Westinghouse Place, Suite 312
Valencia, CA 91355
661-705-2299

SAN GABRIEL VALLEY, CALIFORNIA
13181 Crossroads Pkwy. N, Suite 100
City of Industry, CA 91746 562-695-7244

SOUTH BAY, CALIFORNIA
1025 W. 190th Street, Suite 420
Gardena, CA 90248
310-538-6700

MID-COUNTIES, CALIFORNIA
13810 Cerritos Corporate Drive, Suite C
Cerritos, CA 90703
562-207-3300

ORANGE COUNTY, CALIFORNIA
4400 MacArthur
Boulevard, Suite 950 Newport Beach, CA 92660
949-724-1900

VENTURA & SANTA BARBARA, CALIFORNIA
751 Daily Drive, Suite 105 Camarillo, CA 93010
805-987-8866

INLAND EMPIRE, CALIFORNIA
3595 E. Inland Empire Boulevard, Bldg. 5
Ontario, CA 91764
909-980-1234

PHOENIX ARIZONA
1702 E. Highland Avenue, Suite 120
Phoenix, AZ 85016
602-957-7300



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.

Los Angeles

Orange County

Ventura

Inland Empire

Phoenix

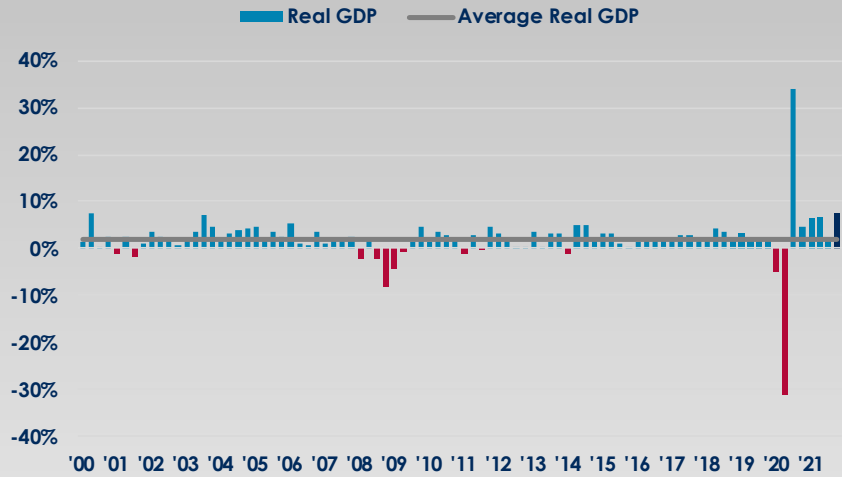
Economic Overview



Q4 2021

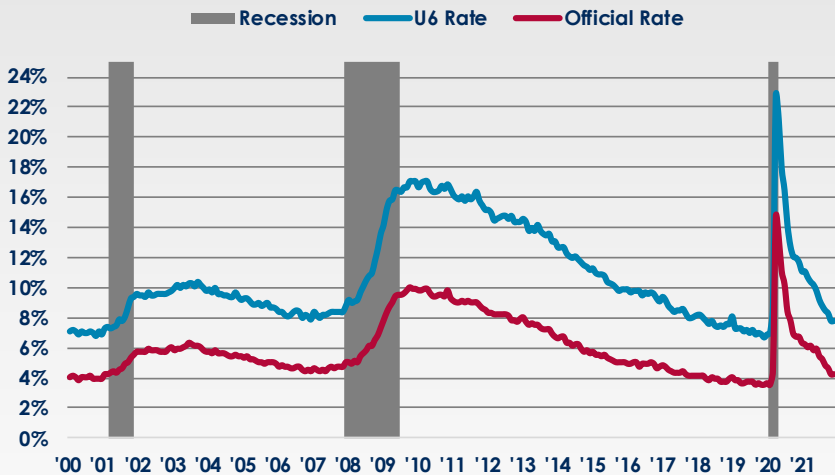
Although all information is furnished regarding for sale, rental or financing is from sources deemed reliable, such information has not been verified and no express representation is made nor is any to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, changes of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

GDP IN Q3 FINISHED AT 2.3%. Q4 EST. TO GROW AT 7.4%

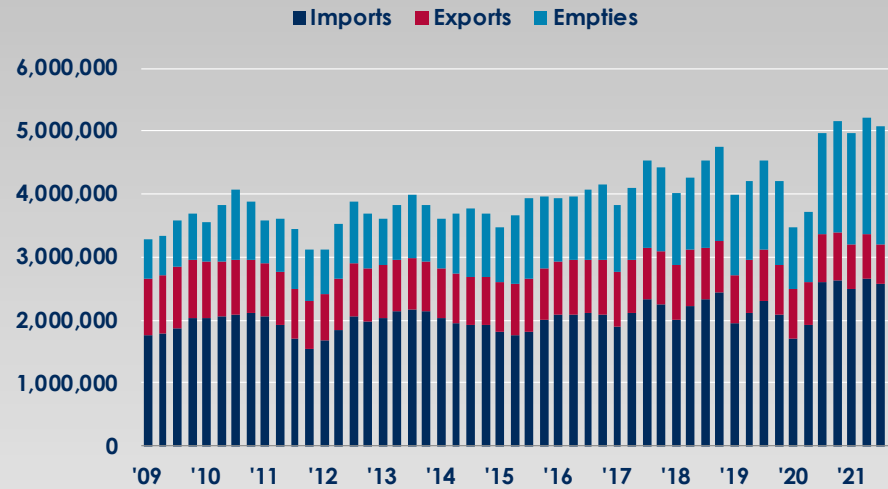


*7.4% for 4Q21 from the Federal Reserve Bank of Atlanta GDPNow

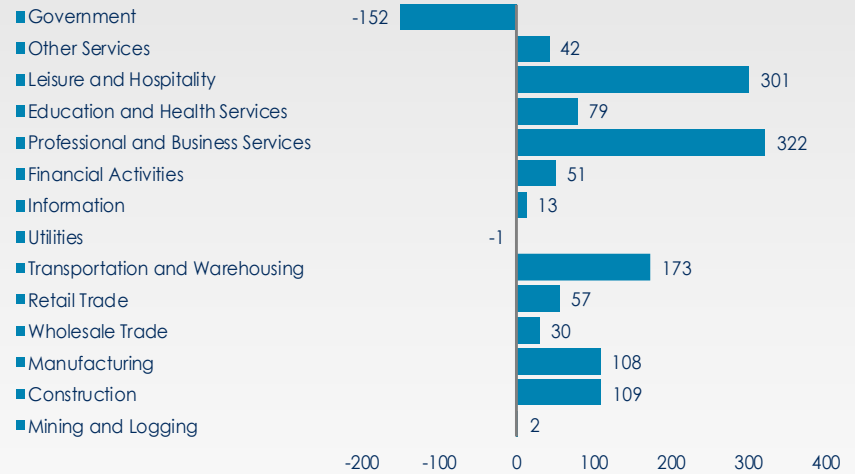
UNEMPLOYMENT CONTINUES TO DECLINE. STILL ABOVE PRE COVID LEVELS



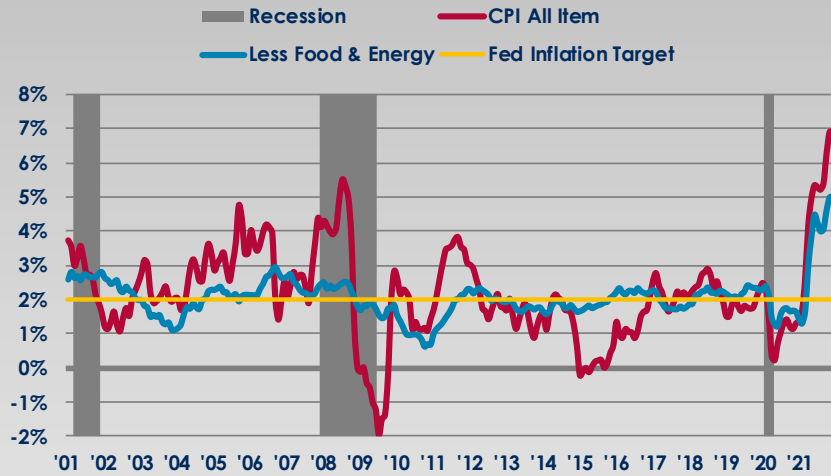
PORT ACTIVITY UP 2.3% Y/Y IN Q3, BUT DOWN 2.4% FROM Q2



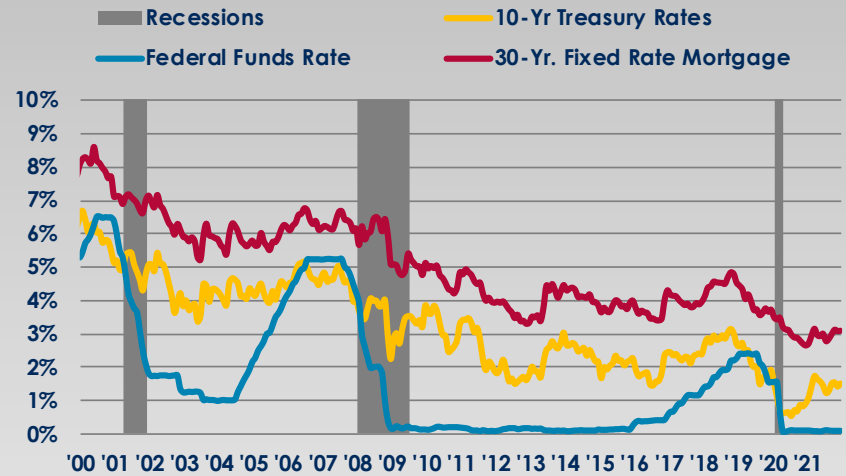
PROFESSIONAL & BUSINESS SERVICES SHOWED THE STRONGEST GROWTH



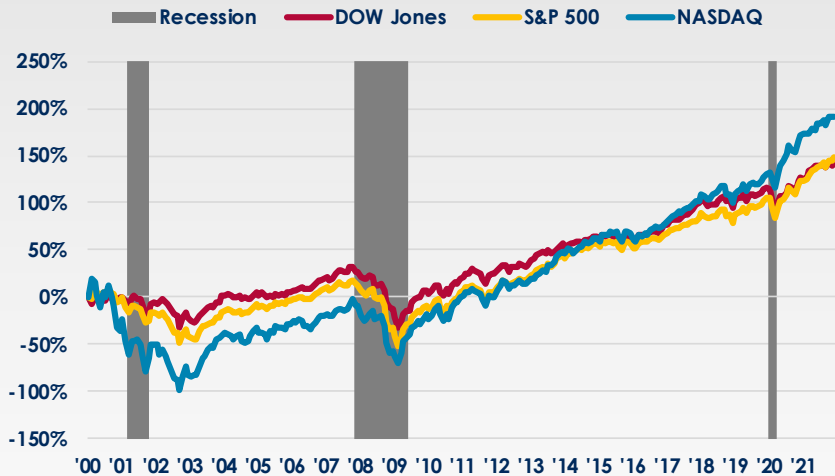
CPI INCREASES LARGEST IN THE LAST 30 YEARS



THE 10 YEAR WAS UNCHANGED OVER Q4 ENDING AT 1.52%



THE STOCK MARKET FINISHED Q4 AT ALL TIME HIGHS



10-2 YEAR BOND SPREAD DECLINED BY 45 BPS IN Q4

