

### MARKET ACTIVITY



### KEY TAKE AWAYS

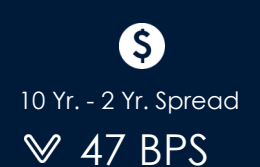
#### MARKET

- **Vacancy Rate:** Slight increase of 13 BPS from Q4.
- **Net Absorption:** Is negative thus far into Q1, totaling -1.3M SF.
- **Asking Rents:** Slight decrease of \$0.02 PSF to \$1.43.
- **Sale Activity:** Volume has totaled over \$1.0B so far in Q1. With a median price PSF of \$262.96.
- **Leasing Activity:** Totaled 2.7M SF in the first half of Q1.
- **Industrial Supply:** Over 4.5M SF is currently under construction in Los Angeles County. In Q1, 404K SF has been delivered.

#### ECONOMIC OUTLOOK

- **GDP:** The U.S. economy in Q4 grew at a rate of 6.9%.
- **Inflation:** The latest January CPI showed an increase of 7.53%. This represents the highest inflation rate since 1982.
- **Interest Rates:** The 10-Year Treasury has increased 53 BPS since the end of 2021. The 10 Yr. - 2 Yr. spread has fallen to the lowest level since Aug. 2020.
- **Supply Chain:** The historic backlog off the Ports of LA & Long Beach continues to ease in Q1. Since the close of Q4, shipping rates have increased 8% according to the Freightos Baltic Index. The cost to ship a container from China/East Asia to North America West Coast is now \$15,218 per container.

### ECONOMIC OUTLOOK



EXPERIENCE IN A CHANGING MARKET

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