

### MARKET ACTIVITY

Direct Vacancy  
↓ 1.5%

Net Absorption  
↑ 294,508 SF

Overall Vacancy  
↓ 1.7%

Gross Absorption  
↑ 1,471,383 SF

Under Construction  
↓ 824,959 SF

Rental Rates (NNN)  
↑ \$1.39

Median Sale \$/SF  
\$279.26

Deal Volume  
\$226M

### KEY TAKE AWAYS

#### MARKET

- **Vacancy Rate:** Down 7 BPS from Q4.
- **Net Absorption:** Has totaled over 294K SF in Q1. Representing 0.18% of inventory.
- **Industrial Supply:** One building located in Santa Clarita totaling 170K SF has been delivered in Q1. UC sits at 825K SF.
- **Asking Rents:** Increased by \$0.02 PSF or 1.5% since the end of Q4.
- **Sales:** The median price PSF half-way through Q1 is \$279.26. Volume has totaled \$226M thus far into Q1. The largest sale has been a 184K SF building in Woodland Hills that sold for \$60M or \$326.14 PSF.

#### 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

U.S. Employment  
↓ 4.0%

U6 Rate  
↓ 7.1%

Interest Rate  
↑ 3.7%  
(30 year fixed)

Changing GDP  
↑ 6.9%

Port Traffic Y/Y Δ  
↓ 7.1%

NYSE Performance  
↓ 6.5%

Inflation Change  
↑ 7.53%

10 Yr. - 2 Yr. Spread  
↓ 47 BPS

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.