

MIDQUARTER SNAPSHOT

Office Q1 2022 San Gabriel Valley



MARKET ACTIVITY

KEY TAKE AWAYS

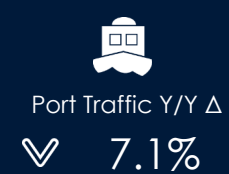
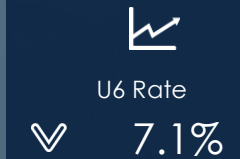
ECONOMIC OUTLOOK

MARKET

- **Vacancy Rate:** Declined by 20 BPS since Q4 to 10.4%.
- **Net Absorption:** Has totaled over 24K SF in Q1.
- **Gross Absorption:** Has totaled 90K SF already in Q1.
- **Sales:** Only 1 sale thus far in Q1. A 56,510 SF building in Irwindale sold for \$25M or \$442.40 PSF.
- **Asking Rents:** The average asking rent PSF increased by \$0.04 or 1.6% since Q4 to \$2.52.

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.



EXPERIENCE IN A CHANGING MARKET

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