

### MARKET ACTIVITY

Direct Vacancy  
▲ 2.2%

Net Absorption  
▲ -128,326 SF

Overall Vacancy  
▲ 2.4%

Gross Absorption  
▼ 186,127 SF

Under Construction  
▼ 479,397 SF

Rental Rates (NNN)  
▲ \$1.14

Median Sale \$/SF  
\$205.67

Deal Volume  
\$25.6M

### KEY TAKE AWAYS

#### MARKET

- **Vacancy Rate:** Increased by 17 bps since Q3.
- **Net Absorption:** Is negative thus far into Q4, totaling -128,326 SF.
- **Gross Absorption:** Significantly down, totaling only 186K SF halfway through Q4.
- **Industrial Supply:** No new deliveries yet in Q4. UC revised to 479K SF.
- **Sales:** Only four (4) sale transactions thus far in Q4. Totaling \$25.6M. 77% of the total volume was attributed to the sale of 2001 Sunkist Cir. Oxnard, CA.

#### ECONOMIC OUTLOOK

- **Interest Rates:** At their November meeting, the FOMC decided to increase interest rates by another 75 bps to a range of 3.75%-4.0%. Projections of an additional increase of 50 bps before the end of the year with the fed funds rate ending 2022 at a mid-point of 4.4%.
- **Inflation:** The latest CPI shows slight signs of moderation from peak inflation.
- **Supply Chain:** According to the Freightos Baltic Index, the cost to ship a container from China/East Asia to North America West Coast declined 13% since Q3, at \$2,563 per container. Since the start of 2022, these rate have declined over 81%.

### ECONOMIC OUTLOOK

U.S. Employment  
▲ 3.7%

U6 Rate  
▲ 6.8%

Interest Rate  
▲ 6.6%  
(30 year fixed)

Changing GDP  
▲ 2.6%

Port Traffic Y/Y Δ  
▼ 6.0%

NYSE Performance  
▲ 11.1%

Inflation Change  
▼ 7.76%

10 Yr. - 2 Yr. Spread  
▼ -57 BPS

EXPERIENCE IN A CHANGING MARKET

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