# MIDQUARTER SNAPSHOT

## Industrial Q4 2022 LA West/South







Direct Vacancy

2.1%



A 0.407

**△** 2.4%



Under Construction

**∧** 2,248,975 SF



\$516.49



Net Absorption

**▽** -552,162 SF



Gross Absorption

Rental Rates (NNN)

Deal Volume

\$365.9M

**₩** 864,818 SF

\$2.00

• 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%.

**FCONOMIC OUTLOOK** 

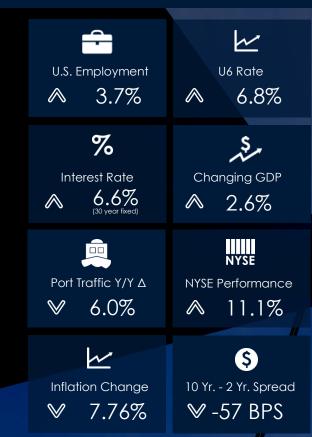
- **Inflation**: The latest CPI shows slight signs of moderation from peak inflation.
- Supply Chain: According to the Freightos Baltic Index, the cost to ship a container from China/East Asia to North America West Coast declined 13% since Q3, at \$2,563 per container. Since the start of 2022, these rate have declined over 81%.

### KEY TAKE AWAYS

#### MARKET

- Vacancy Rate: Increased by 23 BPS from Q3.
- Net Absorption: Has totaled -552K SF in Q4.
- Gross Absorption: Has totaled 865K SF thus far in Q4.
- Asking Rates: The average asking rental rate increased by \$0.02 PSF from Q3 to \$2.00 PSF in Q4.
- Sales: The median price PSF in Q4 so far is up to \$516.49.

### **ECONOMIC OUTLOOK**



**EXPERIENCE IN A CHANGING MARKET** 

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