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////////////////////Los Angeles////////////////////

////////////////////

////////////////////Orange County////////////////////

////////////////////

////////////////////Ventura////////////////////

////////////////////

////////////////////Inland Empire////////////////////

////////////////////

////////////////////Phoenix////////////////////

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Q1 | 2026

Market Report

//////////////////// Los Angeles Industrial



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.

MARKET ACTIVITY

Direct Vacancy
▲ 5.95%

Net Absorption
▼ -3,096,064 SF

Overall Vacancy
▲ 6.73%

Gross Absorption
▼ 12,054,082 SF

Under Construction
▼ 2,905,915 SF

Rental Rates (NNN)
▼ \$1.34

Median Sale \$/SF
▲ \$292.82

Deal Volume
▲ \$1.39B

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Increased by 46 bps from Q4 to 6.73% in Q1. Year over Year increase of 74 bps or 7.2 MSF.
- **Net Absorption:** Turned negative in Q1 after positive Q4, totaling -3.1 MSF.
- **Asking Rates:** Declined by \$0.02 or 1.5% to a rate of \$1.34 PSF NNN in Q1.
- **Leasing Activity:** Up 31.1% to 11.94 MSF in Q1.
- **Sale Activity:** Median price PSF in Q1 was \$292.82. Volume in Q1 totaled \$1.39B. An increase of 20.2% from Q4.
- **Trends:** The Central SE markets was the only submarket with declining vacancy in Q1.

ECONOMIC OUTLOOK

- **Interest Rates:** FOMC decided hold rates during two meeting over Q1 at 3.50%-3.75%. Only one cut projected in 2026.
- **Supply Chain:** YTD Y/Y volume at the San Pedro Port Complex is down 5.6% through Feb. The cost from China/East Asia to the West Coast declined 7.5% over Q1, ending at \$2,420 per container. (Freightos). Elevated tariffs with a 10% baseline and higher surcharges persist, generating strong federal revenue while gradually increasing consumer prices, especially for imported and other tradable goods.
- **Geopolitics:** The military action in Iran has increased oil prices by 70%+. Prices to remain elevated until conflict is resolved.

ECONOMIC OUTLOOK

U.S. Employment
▼ 4.3%

U6 Rate
▼ 8.0%

Interest Rate
▲ 6.38%
(30 year fixed)

Changing GDP
▲ 1.6%

Port Traffic Y/Y Δ
▼ 5.6%

NYSE Performance
▼ 5.1%

Inflation Change
▼ 2.47%

10 Yr. - 2 Yr. Spread
▼ 51 BPS

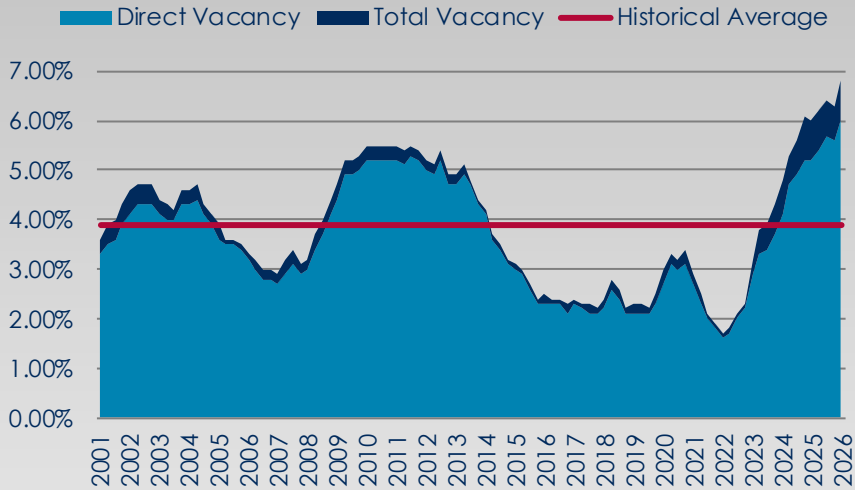
EXPERIENCE IN A CHANGING MARKET

@DAUMCOMMERCIAL

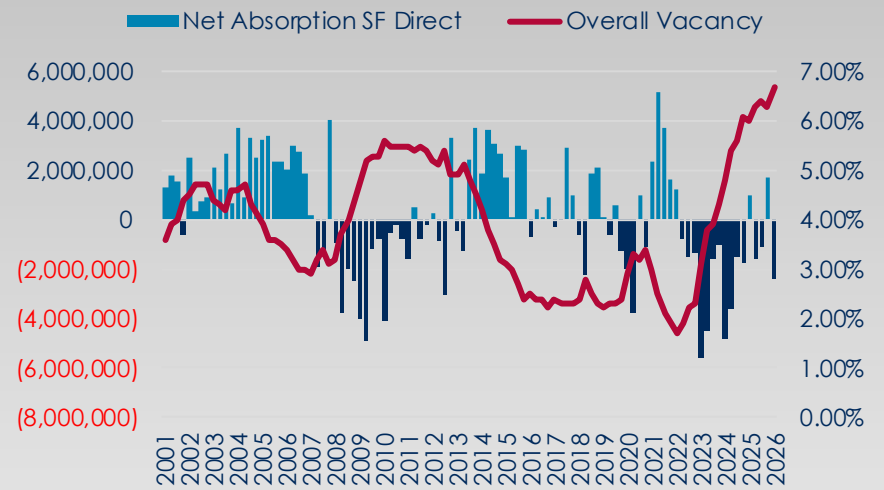


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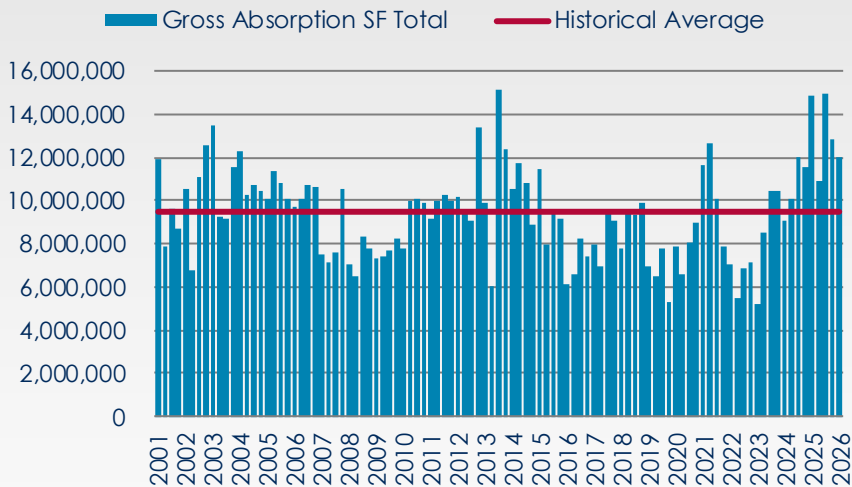
OVERALL VACANCY INCREASED BY 46 BPS FROM Q4 TO 6.73% IN Q1



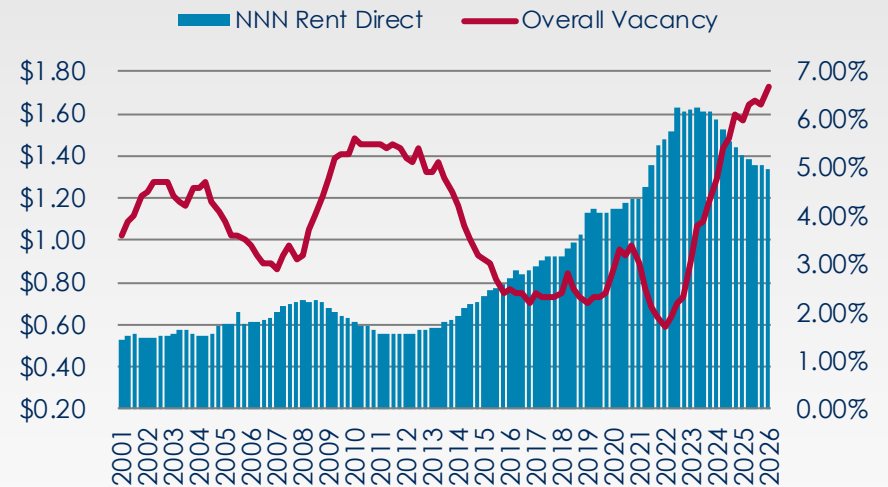
NET ABSORPTION WEAKER DEMAND IN Q1 TOTALING -3.01 MSF



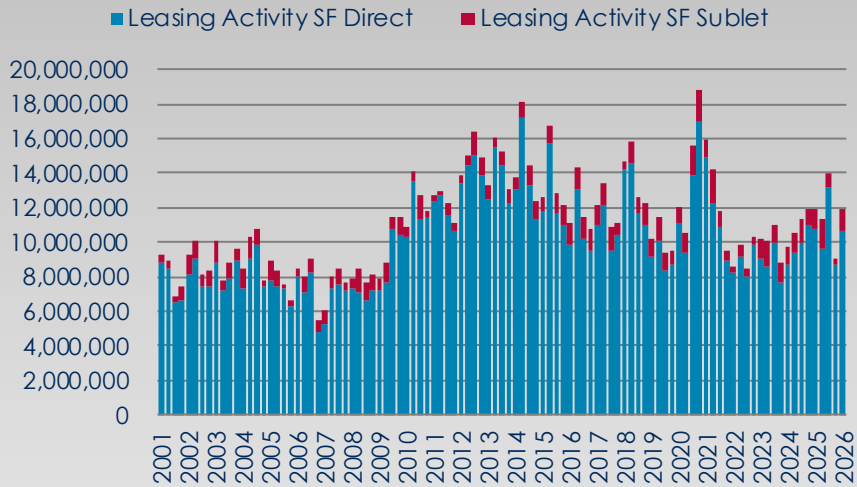
GROSS ABSORPTION DECLINED BY 6.0% FROM Q4 TO 12.1 MSF IN Q1



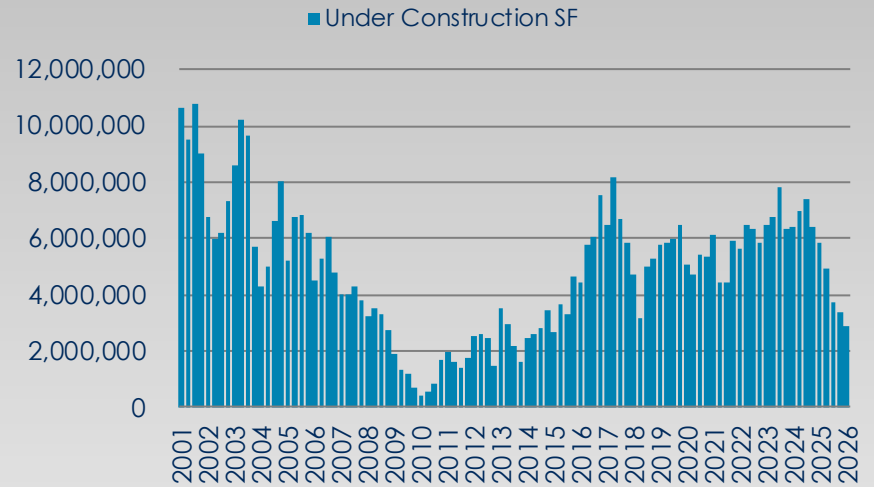
ASKING RENTS DECLINED BY \$0.02 OR 1.5% TO \$1.34 PSF NNN IN Q1



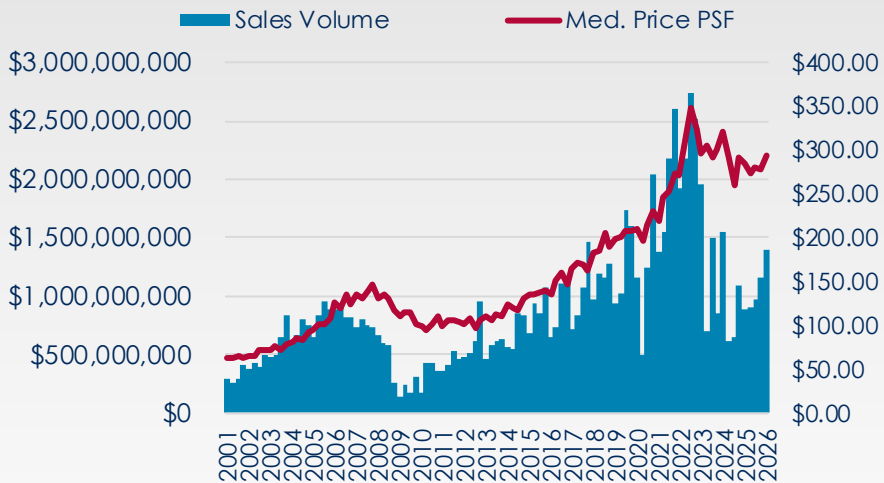
LEASING ACTIVITY
INCREASED BY 31.1% FROM REVISED Q4 TO 11.9 MSF IN Q1



CONSTRUCTION ACTIVITY
1.28 MSF WAS DELIVERED IN Q1. UC REVISED TO 2.90 MSF

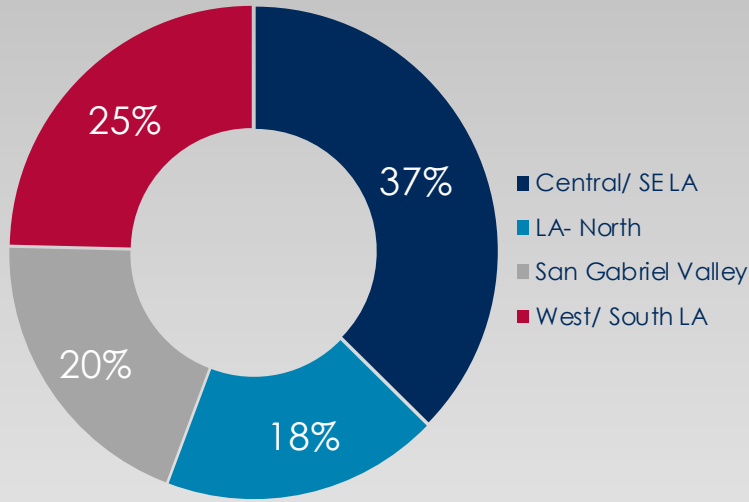


SALES
THE MEDIAN PRICE PSF IN Q1 WAS \$292.82. VOLUME UP 20.2% TO \$1.39B

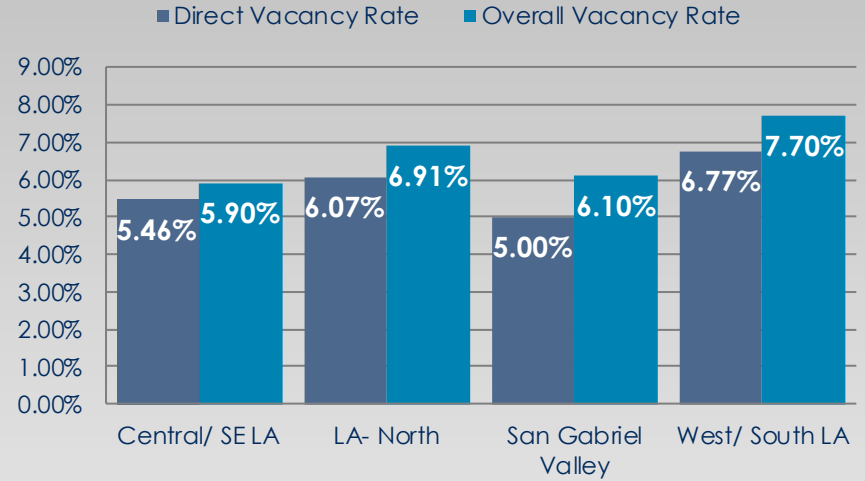


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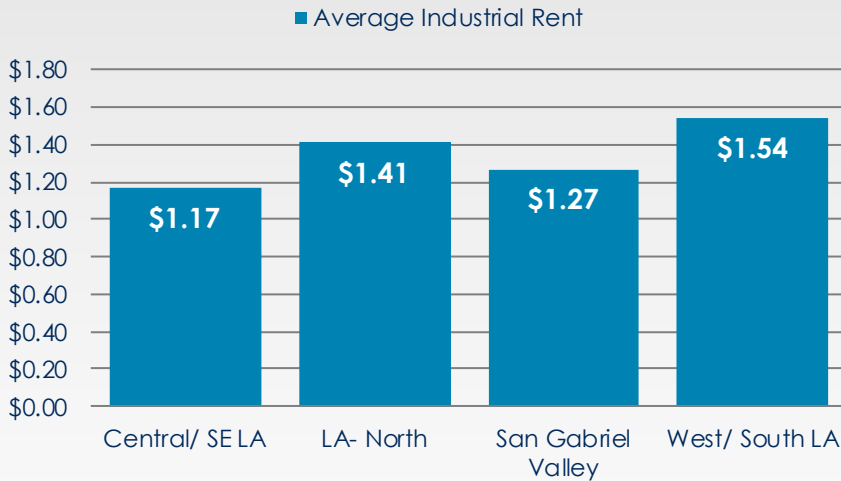
SQUARE FOOT BREAKDOWN- 947,804,012 SF MARKET SIZE



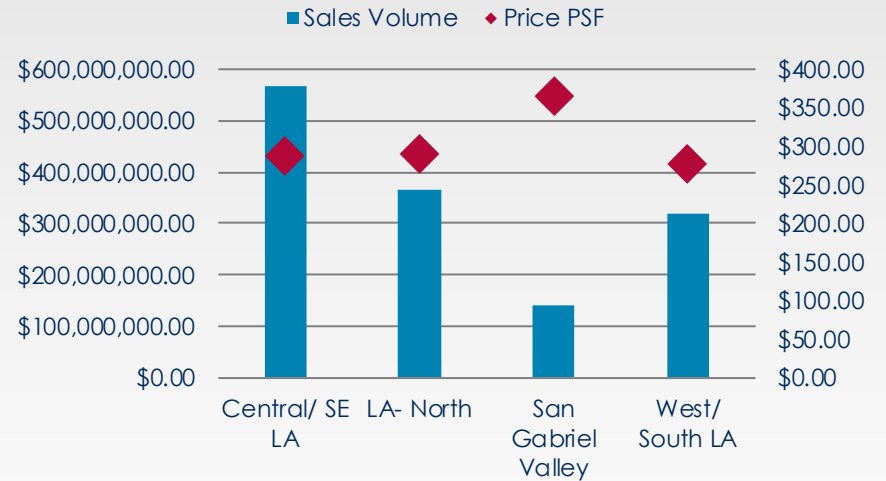
VACANCY BREAKDOWN



AVERAGE ASKING RENT PSF NNN AT CLOSE OF QUARTER



VOLUME BREAKDOWN



METHODOLOGY & TERMINOLOGY

Methodology

Industrial and flex (R & D) buildings that are 5,000 square feet and greater.

Direct Vacant SF

Space that is vacant and ready for occupancy by a user. The space is being offered for lease or sale directly from the landlord.

Total Vacant W/ Sublet SF

Space that is vacant and ready for occupancy by a user. The space is being offered for lease or sale by the landlord or for sublease by the current tenant.

Direct Vacancy Rate

Total vacant direct space (vacant space for lease or sale from the landlord or owner) divided by the total rentable square footage for existing buildings only.

Vacancy W/ Sublet Rate

Total vacant direct space and sublease space divided by the total rentable square footage for existing buildings only.

Gross Absorption

The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing activity, which is the sum of all space leased over a certain period of time.

Net Absorption

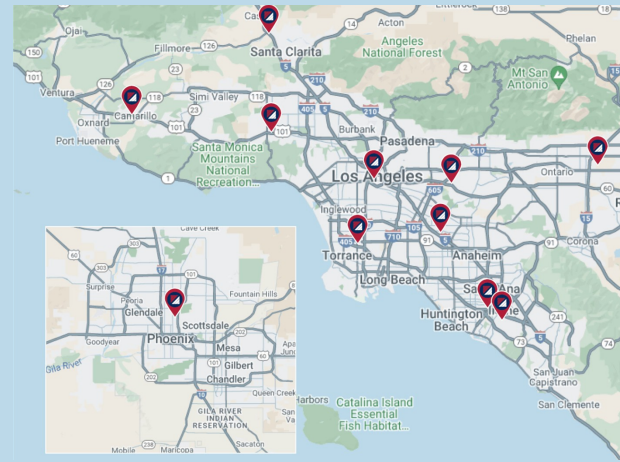
The net change in occupied space over a given period of time, calculated by summing all the positive changes in occupancy (move ins) and subtracting all the negative changes in occupancy (move outs).

Under Construction

Planned buildings for which construction has started but have not yet been granted a Certificate of Occupancy. Planned buildings are not included.

Completed in 2026

New buildings with original construction completed in the year 2026 and granted a Certificate of Occupancy. Renovated buildings are not included.



MARKET	OFFICE ADDRESS	PHONE NUMBER
LOS ANGELES	801 S FIGUEROA ST. SUITE 600 LOS ANGELES, CA 90017	213-626-9101
LOS ANGELES NORTH	21820 BURBANK BLVD. SUITE 130 WOODLAND HILLS, CA 91367	818-887-3600
SANTA CLARITA VALLEY	27200 TOURNEY RD. SUITE 425 VALENCIA, CA 91355	661-705-2299
SAN GABRIEL VALLEY	13181 CROSSROADS PKWY N. SUITE 100 CITY OF INDUSTRY, CA 91746	562-695-7244
SOUTH BAY	19191 S VERMONT AVE. SUITE 850 TORRANCE, CA 90502	310-538-6700
MID-COUNTIES	13810 CERRITOS CORPORATE DR. SUITE C CERRITOS, CA 90703	562-207-3300
ORANGE COUNTY	4400 MACARTHUR BLVD. SUITE 950 NEWPORT BEACH, CA 92660	949-724-1900
VENTURA COUNTY	751 DAILY DR. SUITE 105 CAMARILLO, CA 93010	805-987-8866
INLAND EMPIRE	3595 E INLAND EMPIRE BLVD. BLDG 5 ONTARIO, CA 91764	909-980-1234
PHOENIX	1702 E HIGHLAND AVE. SUITE 120 PHOENIX, AZ 85016	602-957-7300
INDIAN WELLS	74900 HIGHWAY 111, SUITE 221 INDIAN WELLS, CA 92210	760-253-8539

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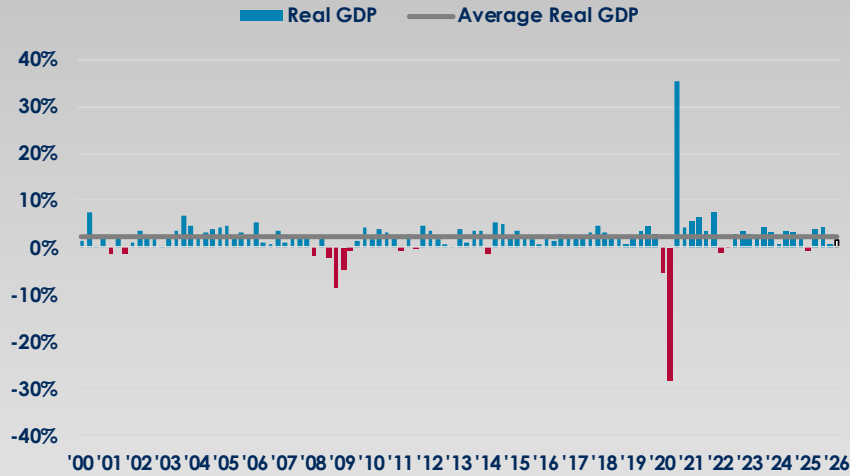
Economic Overview



Q1 2026

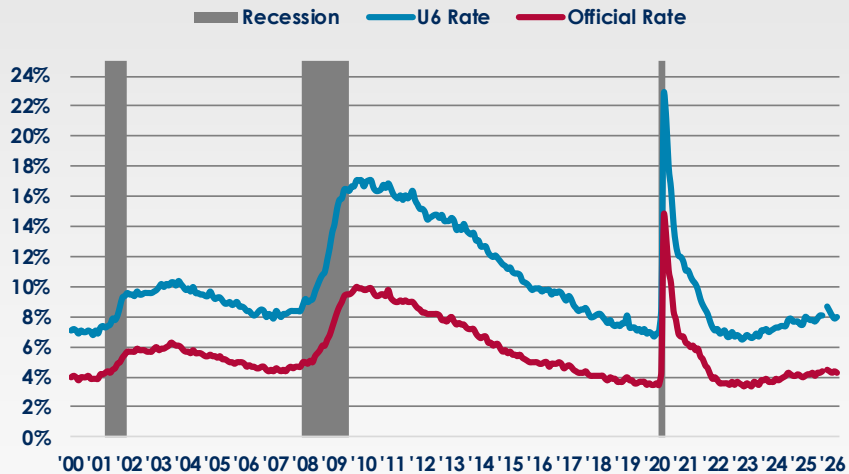
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GDP IN Q4 FINISHED AT 0.7%. Q1 ESTIMATE AT 1.6% PER GDPNOW

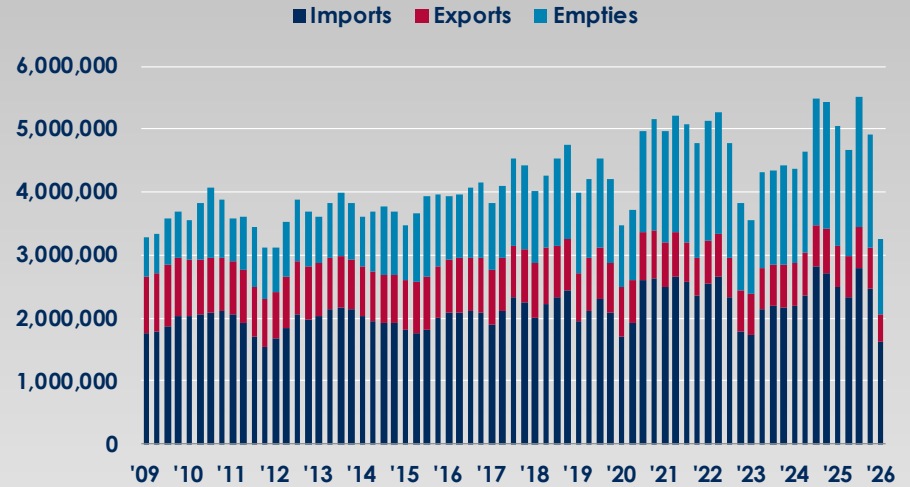


*1.6% Estimate for Q1-26 from the Federal Reserve Bank of Atlanta GDPNow

LABOR MARKET RESILIENCE LIKELY TO PAUSE RATE CUTS

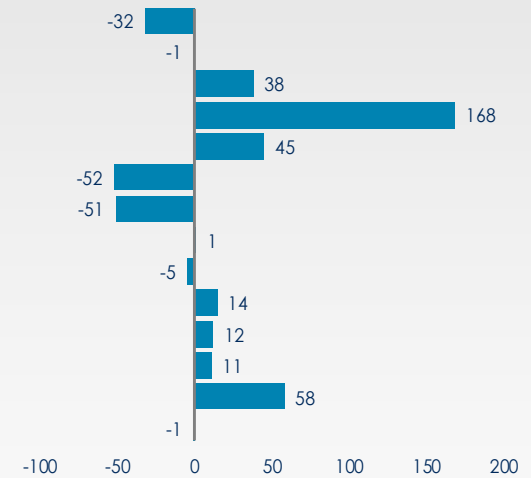


PORT ACTIVITY IN Q4 WAS DOWN 9.7% Y/Y. YTD 2026 DOWN 5.6% Y/Y

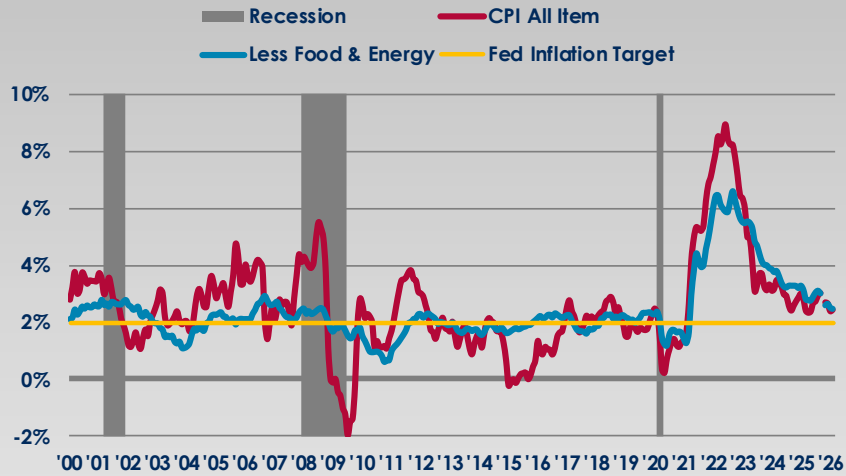


EDUCATION & HEALTH SERVICES LED JOB GAINS AGAIN IN Q1

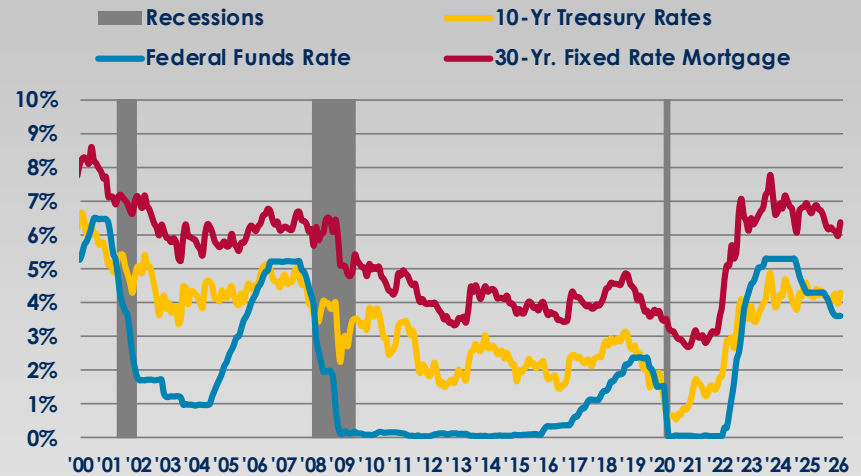
- Government
- Other Services
- Leisure and Hospitality
- Education and Health Services
- Professional and Business Services
- Financial Activities
- Information
- Utilities
- Transportation and Warehousing
- Retail Trade
- Wholesale Trade
- Manufacturing
- Construction
- Mining and Logging



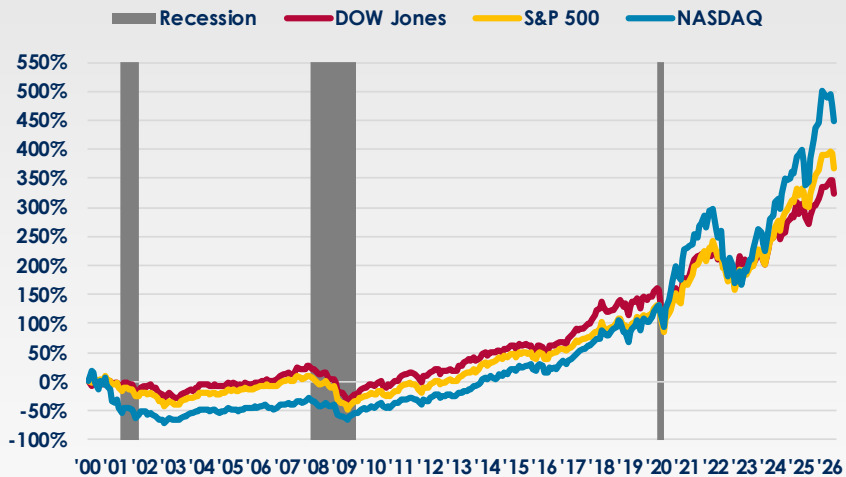
INFLATION COOLING TOWARDS THE FED TARGET OF 2%



THE FED HELD RATES AT 3.50%-3.75% DURING TWO MEETING IN Q1



MAJOR INDEXES DECLINED IN Q1 AMID GEOPOLITICAL RISKS



10-2 YEAR YIELD CURVE FLATTENED IN Q1

