

Activity persists despite micro and macro economic challenges

▲ 1.3%

Vacancy Rate

▼ -2.6MSF

Net Absorption

▲ 8.1MSF

Under Construction

▲ \$1.69

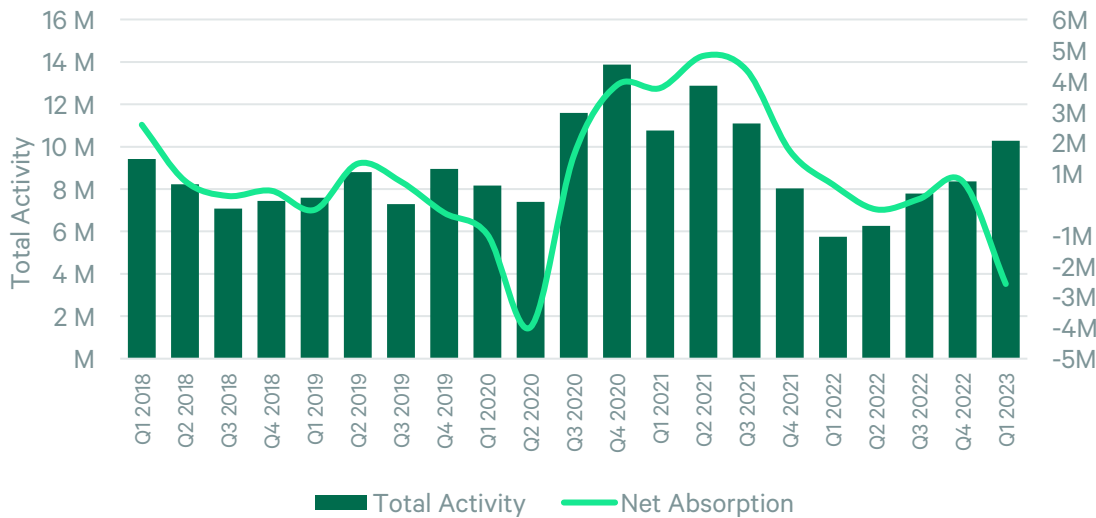
PSF / MO / Lease Rate

Note: Arrows indicate change from previous quarter.

Overview

- Greater Los Angeles (GLA) posted -2.58M sq. ft. of absorption making it the most negative quarter on record since Q2'20.
- Increased supply chain costs and record asking rents have impacted some tenants unable to afford their existing operations, while well capitalized companies have expanded their footprint.
- Rents are forecasted to increase by 4.6% on average each year through 2028 as occupancy remains near 99%.
- Following Q4'22, sales volumes decelerated due to heightened inflation and the Federal Reserve's hawkish response of consistent interest rate hikes.
- Strong fundamentals are holding industrial values; however, sale markets have experienced a measured cap rate expansion in the current economic environment.
- The San Pedro Port Complex is facing decreased volumes due to distributors diversifying their supply chains, increasing activity at East Coast ports, and evolving labor negotiations between the International Longshore and Warehouse Union and employers.

FIGURE 1: Total Activity vs Net Absorption



Source: CBRE Research, Q1 2023

Market Outlook

Downstream consequences of the Fed’s tightening program are surfacing and signaling slower growth ahead. Specifically, trouble in the banking sector will likely weigh on even the strongest feature of the economy—the consumer—as banks limit lending to increase their own liquidity. This will erode demand for big-ticket items, such as housing and autos, but could also impede spending on services, which has been a key driver of job growth in recent months.

Meanwhile, other corners of the labor market, especially technology and corporate functions, are under pressure as hiring far exceeded revenue growth in recent years. Other operating challenges, such as inflation and cost of capital, are causing firms to shelve expansion plans and business investment is stalling. As with corporations, it is only a matter of time before tight monetary conditions begin to affect consumers as well.

This risk-off environment points to a moderate recession this year. The impact on commercial real estate will be two-pronged—a weaker economy will slow NOI growth and tighter bank lending will limit investment activity. These conditions will likely accelerate and crystalize value loss in the office sector, but losses in the industrial sector will be less severe due to stronger fundamentals. The silver lining is that a faster slowdown in the economy will reduce inflation pressure later this year and allow the Fed to ease monetary policy, providing greater clarity to the real estate sector.

Unemployment

Los Angeles County’s seasonally unadjusted unemployment rate was 5.3% in Q1’23, up from 4.5% in the previous quarter. Although the county’s unemployment rate was higher than California’s overall rate of 4.8% in Q1’23, the state experienced a sharper increase in unemployment of 20% quarter-over-quarter, compared to the county’s increase of 17.8%.

Warehousing and Storage employee headcount in LA County increased 4.6% to 22,400 from Q4’22, but Motion Picture and Sound Recording dropped 12.9% to 135,400. Aerospace Manufacturing headcount rose 8.1% quarter-over-quarter and 12.2% year-over-year to 43,600. Truck Transportation employment numbers are up 17.4% quarter-over-quarter to 37,500.

FIGURE 2: Total Activity (MSF)

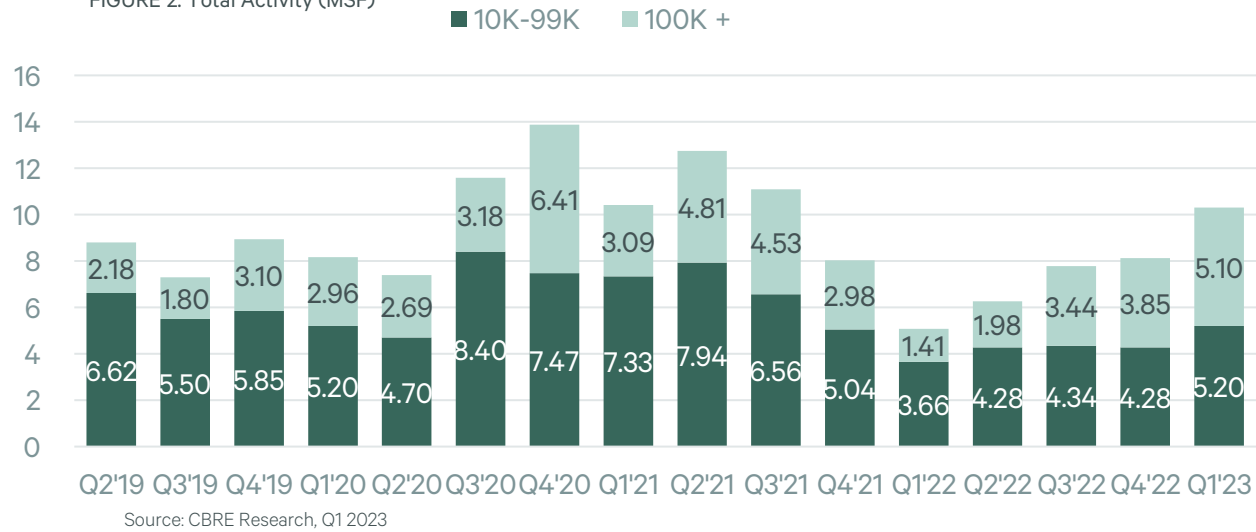
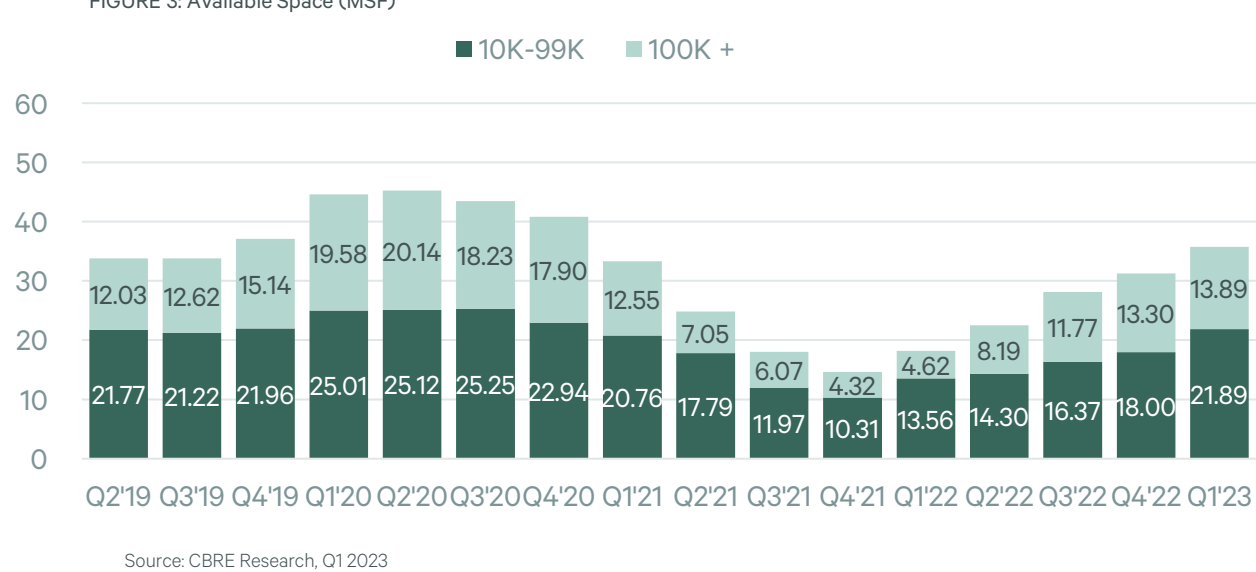


FIGURE 3: Available Space (MSF)



Vacancy & Availability

In Greater Los Angeles industrial market reported an increase in vacancy from 1% to 1.3%, representing nearly 3M sq. ft. of space. Availability increased by 50 bps Q-o-Q to 3.6%.

The Greater San Fernando Valley sustained its low vacancy in Q1'23 recording the lowest vacancy in Greater Los Angeles at 0.6% as well as the lowest availability rate at 1.9%. The Mid Counties recorded the next lowest vacancy at 0.8% and availability at 2.5%. Central Los Angeles and the South Bay boasted the highest availability rates of 5.5% and 4%, respectively, and together made up 61% of the total vacant sq. ft. in Greater Los Angeles.

Over 1,000 leases expire in 2023 in Greater Los Angeles, which may impact incoming available space on the market. Well-capitalized tenants have an opportunity to lock in long-term leases on previously occupied space by taking advantage of macro economic headwinds, while others seek to reposition their footprint due to affordability and technology.

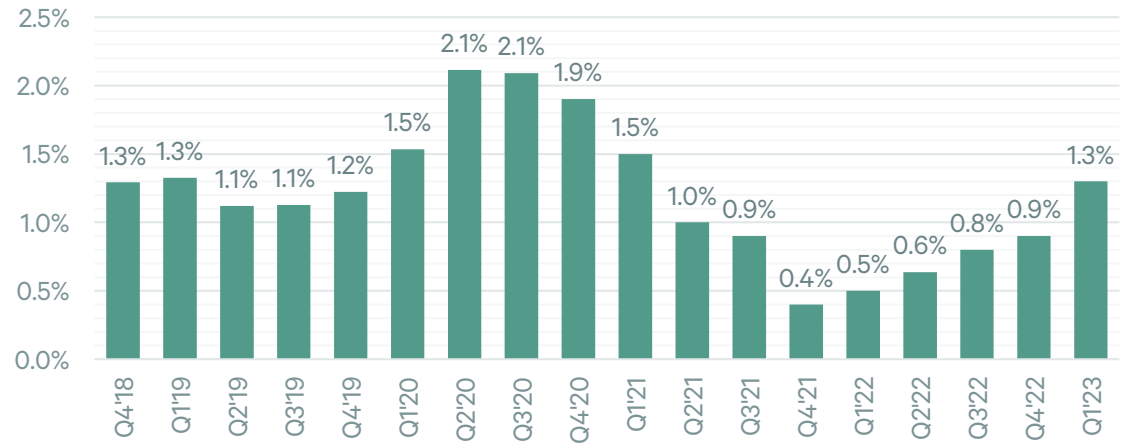
Asking Lease Rates

In the Greater Los Angeles region, industrial asking lease rates have increased for eleven consecutive quarters, reaching a record high of \$1.69 per sq. ft. per month in Q1'23. With occupancy sitting at 98.7%, demand for space remained high, although below peaks in 2022.

The South Bay reported the highest asking rents for the third consecutive quarter in Greater Los Angeles at \$1.98 per sq. ft. followed by the Mid-Counties at \$1.74 per sq. ft. and the San Gabriel Valley at \$1.72 sq. ft. The South Bay market sits adjacent to the Ports of Los Angeles and Long Beach, which continues to facilitate the largest share of North American trade. Posting the largest increase quarter-over-quarter (4.5%) in Los Angeles, the Greater San Fernando Valley reported \$1.61 per sq. ft. and retains the highest concentration of entertainment infrastructure in Southern California.

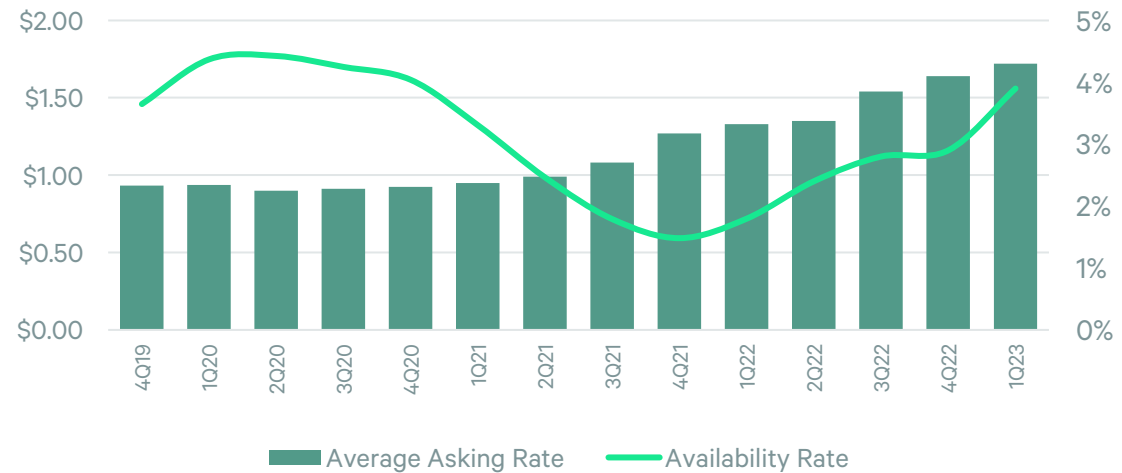
Ventura County reported an increase of 8.3% in asking rents quarter-over-quarter to \$1.30, driven by newly completed construction in Simi Valley and limited availability in West County.

FIGURE 4: Total Vacancy Rate



Source: CBRE Research, Q1 2023.

FIGURE 5: Average Asking Rate vs. Availability Rate



Source: CBRE Research, Q1 2023.

Sales Activity

Greater Los Angeles sales volume dropped from \$4.7B in Q4'22 to \$1.15B in Q1'23 representing a 75.5% decrease in sales activity quarter-over-quarter. Of that \$1.15B, 34% were owner-user, with the largest being 71k sq. ft. at 612-638 Crocker St, Los Angeles, \$21.5M. The remaining 66% were investment sales with the largest being 600k sq. ft. at 1100 Baldwin Park Blvd, Baldwin Park, \$19.75M. The largest industrial transaction of the quarter was DirecTV's fifteen-year sale leaseback of 12800 Culver Blvd, Los Angeles, purchased by GI Partners for \$210M. Other notable sales include Nuveen's purchase of The Related Companies 75k sq. ft. on 7th St near Downtown Los Angeles for \$85M, and TPG's purchase of Walton Street Capital's 180k sq. ft. manufacturing site in the San Fernando Valley for \$78.5M.

Institutional investors continue to purchase properties, acquiring ten in Q4'22 and eight in Q1'23, while the private investor pool decreased significantly while the cost to borrow money continued to rise as the Federal Reserve raised interest rates another 25 bps in March to 5%, 50 bps higher than in Q4'22. Measure ULA, which goes into effect April 1st, has constrained capital markets by instituting an additional 4% transfer tax on properties sold or transferred for more than \$5M and a 5.5% tax on properties sold or transferred for more than \$10M. Despite decreased sales volumes to start the year, the consensus among investors and lenders is that there is still a strong market for well positioned industrial assets.

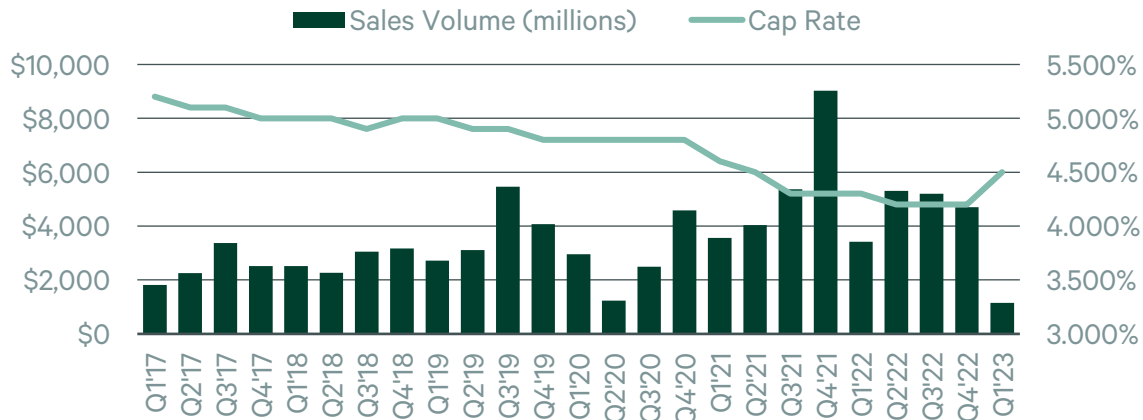
Construction & Development

The first quarter closed out with GLA delivering just over 480k sq. ft. of new industrial space to the market, a fraction of the 8.13M sq. ft. currently under construction. The top three markets with the largest construction pipelines are the San Gabriel Valley topping the charts with 3.7M sq. ft., followed by the San Fernando Valley with 1.6M sq. ft., and South Bay with 1.3M sq. ft. of developments underway.

The Greater Los Angeles industrial construction pipeline figure increased quarter-over-quarter from 7.3M to 8.13M sq. ft.—adding over 800k sq. ft. of new construction, notably the 500k sq. ft Easy Street Industrial Center in Simi Valley. Construction costs continued to rise due the tighter bank lending, increased cost of labor and materials, and labor shortages. The marginal increase in construction starts and number of completions is anticipated to maintain the supply constrained nature of the market for the foreseeable future.

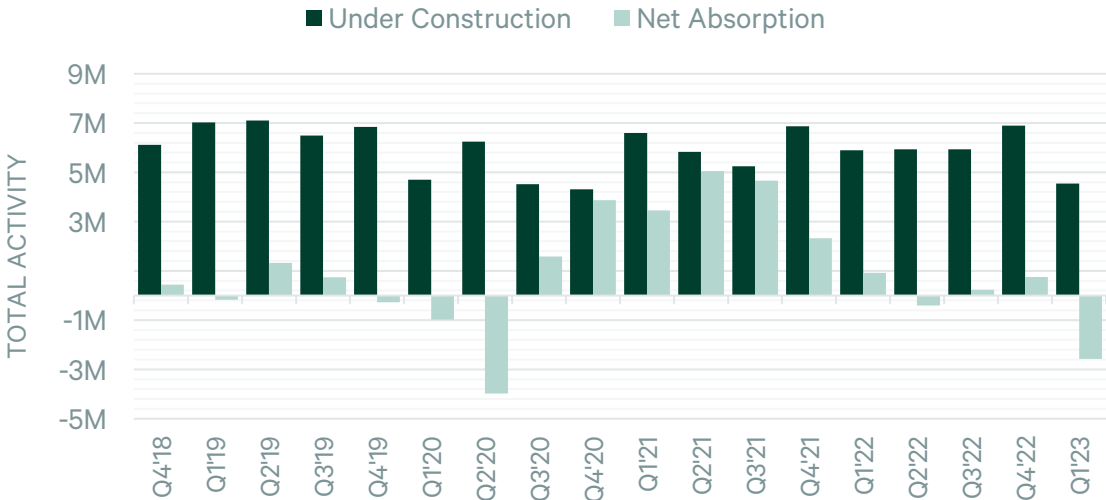
A future development to watch will be the reposition of Hertz Corporation's 18.4-acre industrial zoned site immediately adjacent to LAX that Rexford purchased as a 3-year sale leaseback for \$374M. Rexford plans to develop a Class A industrial campus or industrial outdoor storage.

FIGURE 6: Sales Volume (M), Cap Rate



Source: CBRE Research, Real Capital Analytics, Q1 2023.

FIGURE 7: Construction & Net Absorption



Source: CBRE Research, Q1 2023.

Net Absorption & Leasing Activity

Leasing activity totaled 10.3M sq. ft., increasing 22.6% quarter-over-quarter in Greater Los Angeles, making Q1 2023 the strongest quarter of leasing since Q3 2021. The South Bay reported the most activity with 2.6M sq. ft., followed by the San Gabriel Valley with 2.15M sq. ft., and then Central Los Angeles with 1.7M sq. ft. of leases signed. 3PL, Food & Beverage, Manufacturing, and E-commerce companies represented the top leasing industries for the quarter.

Total net absorption for the Greater Los Angeles region was -2.6M sq. ft., marking Q1 2023 as the most negative since Q2’20. The Central Los Angeles Market incurred the most negative absorption with -1.7M sq. ft., followed by the San Gabriel Valley with -498k sq. ft., and then the South Bay with -390k sq. ft. of absorption. Ventura County was the only Greater Los Angeles submarket to report positive absorption with 154k sq. ft.

Despite having higher leasing activity in Q1’23 than in any quarter in 2022, inflation, increased interest rates, and a tight credit market paired with ongoing labor negotiations at the San Pedro Bay Complex impacted decisions to lease space. Some tenants have been priced out of the market, while others await a resolution to port dealings as they attempt to negotiate contracts.

Debt & Capital Markets

Q1’23 saw interest rates climb to 5% after the Federal Reserve’s March decision, further constraining activity in the Capital Markets sector. Tighter bank lending practices decelerated private sector and owner user acquisitions. With Measure ULA going into effect April 1st, further disruptions to Capital Markets are anticipated.

Across commercial asset sectors, industrial properties demonstrate resilience with delinquencies holding at 0.44%. The concern is that dislocation in broader markets is diminishing capital for industrial investments, which extends to future developments to meet ongoing demand for space.

FIGURE 8: Key Market Statistics

Submarket	Bldg. Sq. Ft.	Overall Vacancy	Availability Rate	Current Net Absorption Sq. Ft.	Total Activity Sq. Ft.	Under Construction Sq. Ft.	Construction Deliveries Sq. Ft.	Avg. Asking Lease Rate (\$PSF/Mo)
Commerce/Vernon	163,612,629	1.6%	5.0%	(1,189,556)	1,614,457	209,985	0	\$1.56
Downtown Los Angeles	106,777,382	2.2%	5.5%	(556,573)	81,431	0	0	\$1.56
Mid-Counties	105,274,055	0.8%	2.5%	(21,906)	1,445,750	369,378	28,332	\$1.74
Greater San Fernando Valley	179,016,367	0.6%	1.9%	(49,102)	1,521,632	1,623,146	0	\$1.61
San Gabriel Valley	161,052,682	1.6%	3.2%	(498,814)	2,156,999	3,735,398	34,089	\$1.72
South Bay	206,235,805	1.1%	4.0%	(390,544)	2,610,343	1,296,447	379,927	\$1.98
Los Angeles County	921,968,920	1.3%	3.7%	(2,706,495)	9,510,251	7,234,354	442,393	\$1.71
Ventura County	68,023,055	1.0%	2.6%	154,894	769,920	903,800	40,000	\$1.30
Greater Los Angeles	989,991,975	1.3%	3.6%	(2,551,601)	10,280,171	8,138,154	482,393	\$1.69

Source: CBRE Research, Q1 2023.

FIGURE 9: Key Transactions

Tenant	Transaction Type	Industry Type	Location	Total Sq. Ft.
Glenair, Inc.	New Lease	Aerospace	Irwindale	552,562
Furniture of America California, Inc.	New Lease (Sublease)	Retail	City of Industry	472,876
Confidential	New Lease	Entertainment	Santa Clarita	418,810
National Road Logistics, LLC	Sublease	Logistics	Torrance	312,212
Eminent, Inc.	Renewal	Apparel	Cerritos	281,776

Source: CBRE Research, Q1 2023.

San Pedro Bay Port Complex & Global Supply Chain

As U.S. importers, shippers and distributors diversified their supply chains last year to avoid disruptions, major East and Gulf Coast seaports saw increased cargo volume at the expense of the two dominant West Coast seaports. The ports of Los Angeles and Long Beach, CA, which handle almost one-third of total U.S. overseas cargo annually, had a combined 5.1% decrease in cargo volume last year, compared with gains of 1.5% to 14% for major East and Gulf Coast seaports.

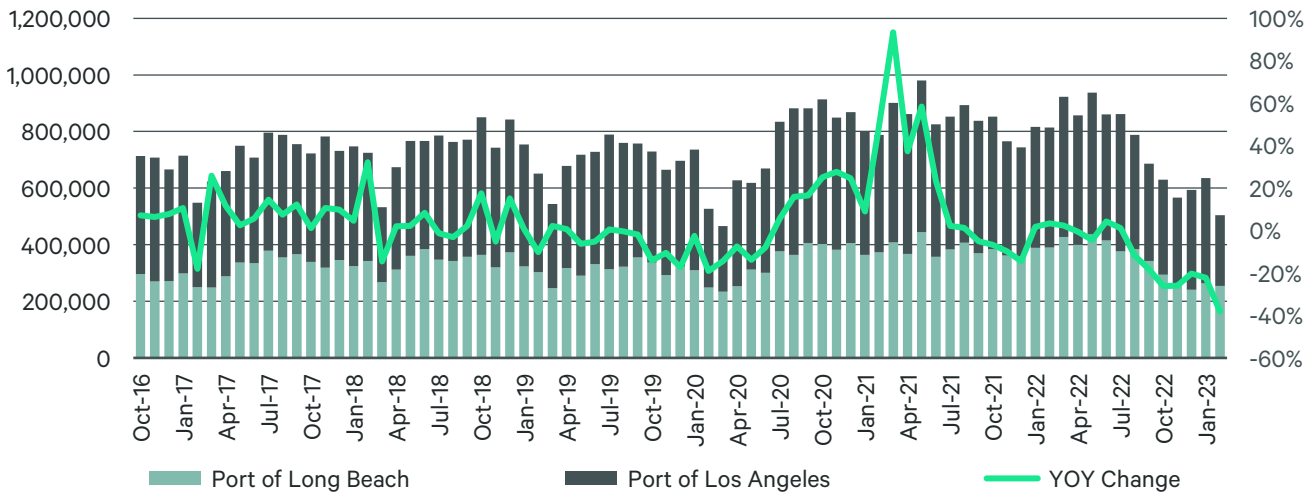
Over the past five years, the two California ports have averaged an 8.5% increase in cargo volume, while the major East and Gulf Coast ports have recorded increases of 20% to 47%. Nevertheless, the ports of Los Angeles and Long Beach together moved more than 19 million TEUs (twenty-foot equivalent cargo units) in 2022, far outpacing TEUs moved at all other ports.

February kicked off the transoceanic shipping contract season with the opening of an annual container shipping industry conference. Importers & retailers are negotiating service contracts with ocean carriers for the coming year, deciding how much cargo they will need and which ports to route through. While long term contracts are usually decided end of March-early April, this year deals are moving slower due to the decreasing rates for shipping containers. Shippers don't want to get locked into long term rates that are above the spot rate.

Companies likely will continue to diversify their ports of entry amid upcoming labor negotiations between port authorities and their workers. How these new agreements might cause shifts in supply chains remains to be seen, although the cost of shipping a container from Asia to the East Coast will remain nearly twice the cost of shipping it to the West Coast.

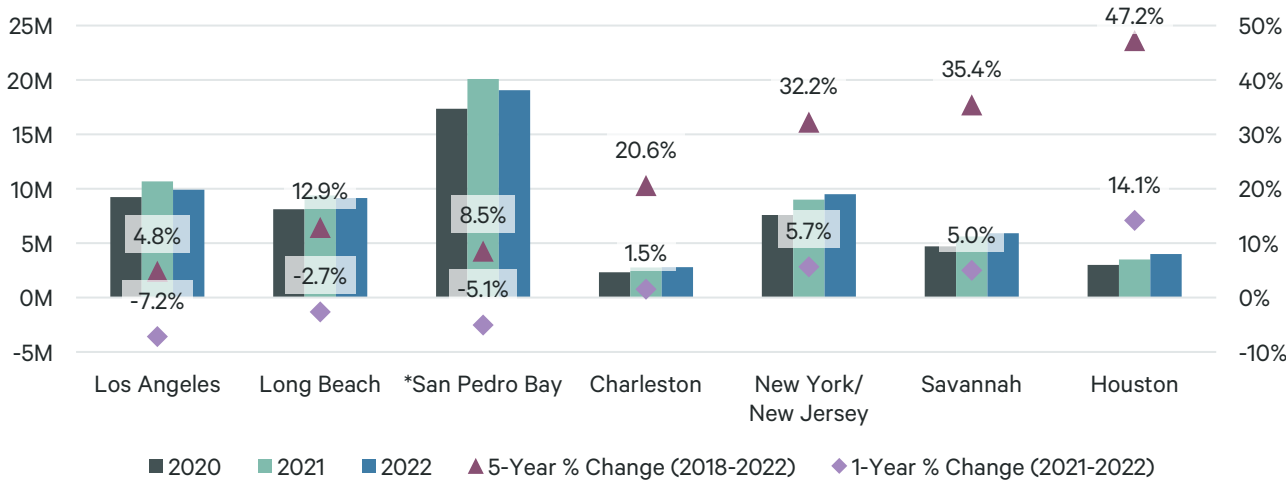
National Port Brief: [East & Gulf Coast Seaports Gaining Cargo Share from Still-Dominant West Coast Seaports](#) | CBRE

FIGURE 10: San Pedro Bay Complex TEU Count



Source: Port Authorities, CBRE Research, Q1 2023.

FIGURE 11: Annual TEUs Moved in Major Ports



Note: San Pedro Bay is the combination of Port of Los Angeles and Port of Long Beach.
Source: Various Port Authorities, CBRE Research, December 2022.

Appendix 1: Greater Los Angeles Industrial Figures

MARKET AREA	BLDG COUNT	BLDG AREA SF	SF AVAIL 10K-100K	SF AVAIL 100K +	TOTAL SF AVAIL	AVAIL RATE	ACTIVITY 10K-100K	ACTIVITY 100K +	TOTAL ACTIVITY	TOTAL VACANCY RATE	LEASE RATE \$/SF/MO	NET ABSORPTION	U/C
Bell	79	5,349,440	119,067	0	142,165	2.7%	37,375	0	37,375	0.0%	\$1.87	0	0
Bell Gardens	77	2,691,527	101,259	0	101,259	3.8%	0	0	0	0.0%	\$1.85	0	0
City of Commerce	844	53,549,257	1,845,401	696,979	2,693,620	5.0%	207,521	573,557	781,078	1.4%	\$1.54	(284,708)	0
Montebello	201	11,742,627	353,058	320,245	661,753	5.6%	7,332	0	7,332	1.2%	\$1.59	(123,236)	0
Monterey Park	95	2,254,604	56,619	0	80,093	3.6%	0	0	0	2.1%	\$1.38	(15,750)	0
Pico Rivera	187	10,501,255	217,824	0	202,497	1.9%	0	0	0	0.8%	\$2.40	(31,236)	0
COMMERCE	1,483	86,088,710	2,693,228	1,017,224	3,881,387	4.5%	252,228	573,557	825,785	1.2%	\$1.61	(454,930)	0
Cudahy	39	1,445,689	57,577	0	57,577	4.0%	0	0	0	0.0%	\$0.85	0	0
City of Vernon	933	57,366,447	2,129,963	1,211,311	3,314,666	5.8%	461,376	406,935	868,311	2.2%	\$1.53	(633,729)	209,985
Maywood	28	850,381	0	0	0	0.0%	0	0	0	0.0%	\$0.00	0	0
South Gate	247	11,778,746	292,314	242,137	534,451	4.5%	0	0	0	1.7%	\$1.54	(90,097)	0
Huntington Park	163	6,082,656	161,871	205,576	393,264	6.5%	0	0	0	2.6%	\$1.48	(10,800)	0
VERNON	1,410	77,523,919	2,641,725	1,659,024	4,299,958	5.5%	461,376	406,935	868,311	2.1%	\$1.52	(734,626)	209,985
COMMERCE/VERNON	2,893	163,612,629	5,334,953	2,676,248	8,181,345	5.0%	713,604	980,492	1,694,096	1.6%	\$1.56	(1,189,556)	209,985
Los Angeles	2,672	106,777,382	4,416,563	2,284,364	6,747,551	6.3%	81,431	0	81,431	2.2%	\$1.56	(556,573)	0
DOWNTOWN LOS ANGELES	2,672	106,777,382	4,416,563	2,284,364	6,747,551	6.3%	81,431	0	81,431	2.2%	\$1.56	(556,573)	0
CENTRAL LOS ANGELES	5,565	270,390,011	9,751,516	4,960,612	14,928,896	5.5%	795,035	980,492	1,775,527	1.9%	\$1.56	(1,746,129)	209,985
Artesia	16	301,507	0	0	0	0.0%	0	0	0	0.0%	\$0.00	10,360	0
Bellflower	27	511,296	34,167	0	34,167	6.7%	0	0	0	3.3%	\$1.74	0	0
Cerritos	267	14,136,522	402,021	122,514	524,535	3.7%	272,808	445,066	717,874	0.3%	\$1.67	181,102	23,136
Downey	112	5,331,664	112,447	0	112,447	2.1%	0	0	0	0.8%	\$1.63	(44,162)	0
La Mirada	185	13,573,357	100,577	194,481	295,058	2.2%	107,777	125,000	232,777	0.5%	\$1.84	44,940	0
Lakewood	17	672,318	2,874	0	0	0.0%	0	0	0	0.4%	\$1.50	(2,874)	0
Norwalk	63	2,906,681	0	0	0	0.0%	16,340	0	16,340	0.0%	\$2.00	0	0
Paramount	261	8,538,952	135,578	0	135,578	1.6%	56,500	0	56,500	0.2%	\$1.54	(15,040)	0
Santa Fe Springs	1,138	54,437,286	825,069	656,093	1,481,162	2.7%	422,259	0	422,259	1.2%	\$1.86	(196,232)	346,242
Whittier	81	4,864,472	11,834	0	11,834	0.2%	0	0	0	0.2%	\$1.35	0	0
MID-COUNTIES	2,167	105,274,055	1,624,567	973,088	2,594,781	2.5%	875,684	570,066	1,445,750	0.8%	\$1.74	(21,906)	369,378

Appendix 2: Greater Los Angeles Industrial Figures

MARKET AREA	BLDG COUNT	BLDG AREA SF	SF AVAIL 10K-100K	SF AVAIL 100K +	TOTAL SF AVAIL	AVAIL RATE	ACTIVITY 10K-100K	ACTIVITY 100K +	TOTAL ACTIVITY	TOTAL VACANCY RATE	LEASE RATE \$/SF/MO	NET ABSORPTION	U/C
Arleta/Tujunga	392	12,271,111	444,729	0	444,729	3.6%	0	0	0	0.4%	\$1.85	10,324	0
Burbank	395	15,306,902	168,695	0	168,695	1.1%	88,312	0	88,312	0.6%	\$1.94	24,611	0
Glendale	586	19,496,111	196,386	0	196,386	1.0%	135,880	0	135,880	0.5%	\$1.69	(23,607)	0
North Hollywood	493	14,083,512	262,233	0	262,233	1.9%	33,609	0	33,609	0.7%	\$1.35	19,009	20,000
Pacoima	131	5,669,326	56,759	0	56,759	1.0%	35,780	0	35,780	1.0%	\$1.84	(46,759)	0
Pasadena	116	4,466,201	99,846	0	99,846	2.2%	3,073	0	3,073	1.1%	\$1.68	0	0
San Fernando	150	5,214,549	79,820	0	79,820	1.5%	0	0	0	0.0%	\$1.71	0	168,676
Sun Valley/Sunland	6	228,467	0	0	0	0.0%	0	0	0	0.0%	\$0.00	0	0
Sylmar	165	8,350,068	133,894	0	133,894	1.6%	48,440	0	48,440	0.5%	\$1.54	(36,827)	0
EAST SAN FERNANDO VALLEY	2,434	85,086,247	1,341,304	0	1,442,362	1.7%	345,094	0	345,094	0.6%	\$1.70	(53,249)	188,676
Agoura Hills	26	751,349	2,500	0	2,500	0.3%	0	0	0	0.3%	\$2.05	0	0
Calabasas	32	1,376,997	0	0	0	0.0%	0	0	0	0.0%	\$0.00	0	0
Canoga Park	217	7,252,871	123,786	0	123,786	1.7%	0	0	0	0.9%	\$1.63	(18,588)	0
Chatsworth	609	22,392,839	718,593	0	718,593	3.2%	60,580	0	60,580	1.3%	\$1.61	(62,258)	0
Granada Hills	2	43,598	0	0	0	0.0%	0	0	0	0.0%	\$0.00	0	0
Mission Hills	4	126,781	0	0	0	0.0%	0	0	0	0.0%	\$0.00	0	0
Northridge	139	4,123,486	45,098	0	45,098	1.1%	3,388	0	3,388	1.0%	\$1.34	(10,728)	0
Panorama City	73	2,642,118	42,739	0	42,739	1.6%	0	0	0	1.0%	\$1.50	0	0
Reseda	20	439,927	22,973	0	22,973	5.2%	0	0	0	0.0%	\$0.00	0	0
Sepulveda	26	1,127,032	0	0	0	0.0%	0	0	0	0.0%	\$0.00	0	0
Sherman Oaks	2	38,817	0	0	0	0.0%	0	0	0	0.0%	\$0.00	0	0
Tarzana	22	564,981	5,594	0	5,594	1.0%	0	0	0	0.0%	\$1.50	0	0
Van Nuys	547	19,724,140	493,162	0	493,162	2.5%	173,198	0	173,198	0.5%	\$1.67	57,659	20,049
Woodland Hills	69	3,432,795	5,067	0	5,067	0.1%	0	0	0	0.1%	\$1.39	0	0
WEST SAN FERNANDO VALLEY	1,788	64,037,731	1,459,512	0	1,459,512	2.3%	237,166	0	237,166	0.8%	\$1.62	(33,915)	20,049
Canyon Country	19	513,424	13,408	0	13,408	2.6%	0	0	0	0.0%	\$0.00	0	0
Castaic	2	96,253	0	0	0	0.0%	0	0	0	0.0%	\$0.00	0	0

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Santa Clarita	48	3,413,977	0	0	0	0.0%	102,245	418,000	520,245	0.0%	\$0.00	0	674,421
Valencia	454	19,819,064	287,920	0	287,920	1.5%	270,684	148,443	419,127	0.3%	\$1.49	38,062	0
SANTA CLARITA VALLEY	523	23,842,718	301,328	0	301,328	1.3%	372,929	566,443	939,372	0.2%	\$1.49	38,062	674,421
Lancaster	80	3,317,994	65,089	0	65,089	2.0%	0	0	0	0.4%	\$0.79	0	720,000
Palmdale	52	2,731,677	108,263	0	108,263	4.0%	0	0	0	0.7%	\$1.00	0	20,000
ANTELOPE VALLEY	132	6,049,671	173,352	0	173,352	2.9%	0	0	0	0.5%	\$0.92	0	740,000
GREATER SAN FERNANDO VALLEY	4,877	179,016,367	3,275,496	101,058	3,376,554	1.9%	955,189	566,443	1,521,632	0.6%	\$1.61	(49,102)	1,623,146
Azusa	175	7,937,482	121,248	0	121,248	1.5%	120,491	0	120,491	1.3%	\$1.10	108,292	0
City of Industry	1,076	79,964,956	804,419	2,052,018	2,856,437	3.6%	420,734	747,350	1,168,084	1.3%	\$1.84	(494,106)	3,226,916
El Monte	226	12,837,195	133,185	0	133,185	1.0%	2,101	131,752	133,853	0.8%	\$1.55	51,563	360,992
Irwindale	224	14,162,757	125,391	496,879	622,270	4.4%	89,329	324,520	413,849	6.6%	\$1.40	41,121	0
Monrovia/Duarte	177	5,515,836	156,361	0	156,361	2.8%	0	0	0	0.8%	\$1.67	(45,495)	0
Pomona	393	19,403,361	251,277	96,502	347,779	1.8%	24,650	0	24,650	0.7%	\$1.55	(85,370)	0
South El Monte	328	7,125,629	83,777	0	83,777	1.2%	0	0	0	1.0%	\$1.51	(31,062)	0
Baldwin Park	154	4,172,711	138,886	0	138,886	3.3%	44,947	552,562	597,509	2.0%	\$1.35	5,298	0
Walnut	105	3,537,922	13,459	460,435	473,894	13.4%	0	0	0	0.4%	\$1.95	(13,459)	147,490
Glendora/San Dimas/La Verne	226	6,394,833	190,630	0	190,630	3.0%	23,083	0	23,083	1.4%	\$1.54	(35,596)	0
SAN GABRIEL VALLEY	3,083	161,052,682	2,018,633	3,105,834	5,124,467	3.2%	725,335	1,431,664	2,156,999	1.6%	\$1.72	(498,814)	3,735,398
Carson	664	44,540,519	865,726	739,152	1,604,878	3.6%	157,982	639,411	797,393	1.4%	\$2.15	(164,242)	283,893
Compton	353	21,933,367	155,830	997,535	1,153,365	5.3%	74,004	136,685	210,689	0.7%	\$1.70	(61,752)	0
El Segundo	148	8,207,059	87,073	0	87,073	1.1%	22,684	0	22,684	0.7%	\$2.16	0	0
Gardena	488	14,989,688	149,867	111,266	261,133	1.7%	126,649	0	126,649	0.2%	\$1.68	10,000	0
Harbor City	109	3,546,589	308,047	0	308,047	8.7%	0	0	0	4.7%	\$1.67	(136,353)	0
Hawthorne	181	7,289,601	117,701	0	117,701	1.6%	78,083	0	78,083	0.6%	\$1.85	6,453	0
Inglewood	140	3,992,448	113,315	0	113,315	2.8%	0	0	0	0.0%	\$1.59	0	0
LA Unincorporated	390	15,219,733	669,911	100,528	770,439	5.1%	63,665	0	63,665	1.9%	\$1.75	99,493	107,733
Lawndale	11	167,202	0	-	0	0.0%	0	0	0	0.0%	\$0.00	0	0
Long Beach	471	19,163,913	166,013	463,521	629,534	3.3%	102,458	331,401	433,859	2.8%	\$1.76	(38,233)	94,338

Appendix 4: Greater Los Angeles Industrial Figures

MARKET AREA	BLDG COUNT	BLDG AREA SF	SF AVAIL 10K-100K	SF AVAIL 100K +	TOTAL SF AVAIL	AVAIL RATE	ACTIVITY 10K-100K	ACTIVITY 100K +	TOTAL ACTIVITY	TOTAL VACANCY RATE	LEASE RATE \$/SF/MO	NET ABSORPTION	U/C
Los Angeles	132	5,270,461	120,723	0	120,723	2.3%	46,978	0	46,978	0.0%	\$2.38	0	0
Rancho Dominguez	309	20,591,067	312,033	791,316	1,103,349	5.4%	185,474	0	185,474	0.9%	\$1.94	(151,692)	205,435
Redondo Beach	32	2,453,948	0	0	0	0.0%	0	0	0	0.0%	\$0.00	0	0
San Pedro	24	3,199,091	13,460	112,500	125,960	3.9%	0	0	0	0.0%	\$2.00	0	0
Signal Hill	114	2,419,953	57,001	0	57,001	2.4%	0	0	0	3.3%	\$2.68	0	0
Torrance	544	29,453,454	417,431	957,733	1,375,164	4.7%	332657	312,212	644,869	0.5%	\$2.36	21,904	605,048
Wilmington	81	3,797,712	170,548	223,865	394,413	10.4%	0	0	0	0.4%	\$2.10	23,878	0
SOUTH BAY	4,191	206,235,805	3,724,679	4,497,416	8,222,095	4.0%	1,190,634	1,419,709	2,610,343	1.1%	\$1.98	(390,544)	1,296,447
LOS ANGELES COUNTY TOTALS	19,883	921,968,920	20,394,891	13,638,008	34,246,793	3.7%	4,541,877	4,968,374	9,510,251	1.3%	\$1.71	(2,706,495)	7,234,354
Camarillo	287	11,118,124	197,355	0	197,355	1.8%	281,539	108,878	390,417	0.2%	\$1.10	32,800	0
Moorpark	92	4,134,368	97,986	250,538	348,524	8.4%	0	0	0	0.1%	\$1.24	8,232	0
Oxnard/Port Hueneme	493	21,700,582	303,947	0	303,947	1.4%	188,698	0	188,698	0.1%	\$0.87	79,117	0
Simi Valley	221	8,926,455	253,891	0	253,891	2.8%	37,608	0	37,608	1.4%	\$1.52	27,102	903,800
Thousand Oaks	214	8,597,974	483,277	0	483,277	5.6%	75,976	0	75,976	5.1%	\$1.51	(19,905)	0
Ventura	375	9,714,883	91,107	0	91,107	0.9%	77,221	0	77,221	0.2%	\$1.17	21,248	0
Westlake Village	118	3,830,669	71,030	0	71,030	1.9%	0	0	0	0.5%	\$1.96	6,300	0
VENTURA COUNTY	1,800	68,023,055	1,498,593	250,538	1,749,131	2.6%	661,042	108,878	769,920	1.0%	\$1.30	154,894	903,800
GREATER LOS ANGELES TOTALS	21,683	989,991,975	21,893,484	13,888,546	35,995,924	3.6%	5,202,919	5,077,252	10,280,171	1.3%	\$1.69	(2,551,601)	8,138,154
EAST VENTURA	645	25,489,466	906,184	250,538	1,156,722	4.5%	113,584	0	113,584	2.3%	\$1.56	21,729	903,800
WEST VENTURA	1,155	42,533,589	592,409	0	592,409	1.4%	547,458	108,878	656,336	0.1%	\$1.05	133,165	0

Source: CBRE Research, Q1 2023.

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total Building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rates, weighted by their corresponding available square footage. **Building Area:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Gross Activity:** All user-sales and lease transactions completed within a specified time period. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. Positive absorption is reflected when a lease is signed, which may not coincide with the date of occupancy. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that is not occupied.

Survey Criteria

Includes all industrial buildings 10,000 sq. ft. and greater in size in Los Angeles and Ventura counties. Buildings which have begun construction as evidenced by site excavation or foundation work.

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