

The background of the slide is a photograph of a large warehouse interior, filled with tall metal shelving units stacked with boxes. A yellow forklift is visible on the right side. A semi-transparent red overlay covers the entire image, with a large white 'X' shape in the center where the text is placed.

32nd Annual LA/OC Market Trends Seminar

Prepared By:
Justin Smith, SIOR
Senior Vice President
Lee & Associates - Irvine

In The Beginning...

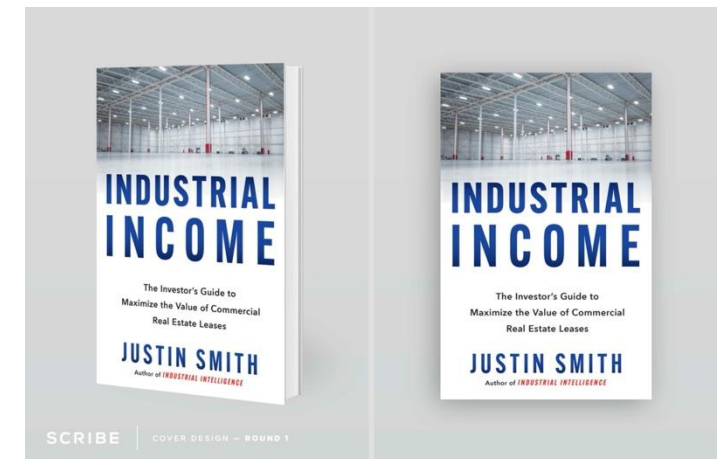
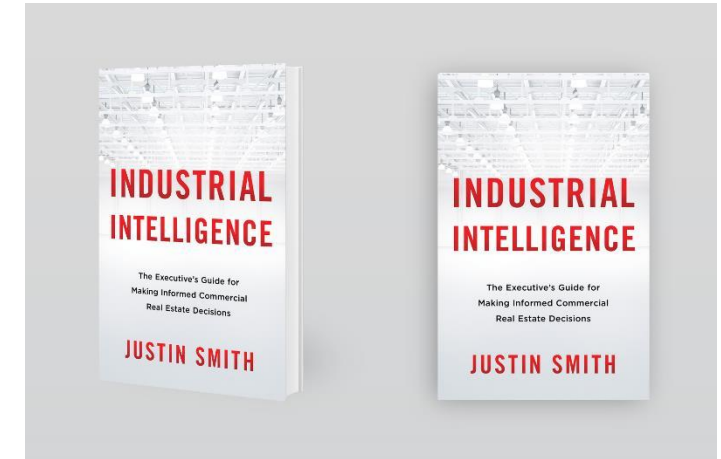
- You would go to leases only on one building and work it in good faith until the brokers, attorneys and decision makers needed a conference call to hammer out the last issue. Then one last revision and you inked it...

Know Your Audience

- Are we at the bottom yet?
- What needs to happen to officially call the bottom?
- Who is using ChatGPT. What is the best and worst?
- What are challenges you are facing?
- How many of you have worked on an arbitration?

Justin Smith - SVP

- 20 years with Lee & Associates, Irvine Office, #1 producer multiple years, 700 transactions, \$700 million of property
- Primary focus is industrial:
 - 80% within LA/OC/IE, 20% National
 - 80% Tenant, 20% Landlord
 - 80% Leases, 20% Sales
- Education - UCI Econ, USC MBA, USC MRED, University of Arkansas Master of Supply Chain
- Author – Industrial Intelligence & Industrial Income
- Investor – Own 30 units between SFR and industrial multi tenant, invested as LP in 7 industrial deals

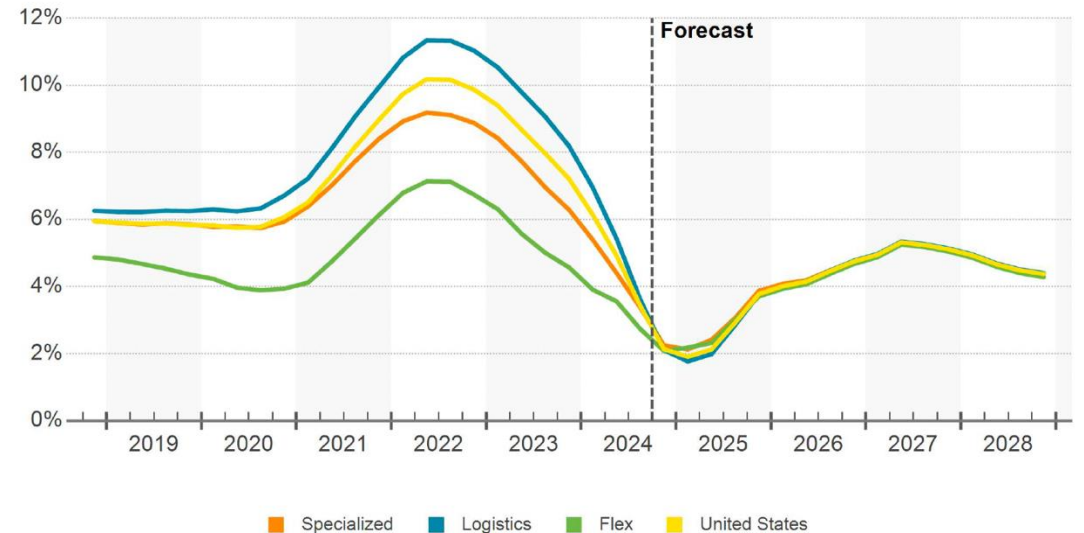


Prologis Research

Conclusion:

Logistics market conditions are rebalancing, yielding new growth opportunities for customers in select locations and size categories, after a period of unprecedented scarcity and competition for space. This opportunity could be short-lived, however, given the rapid fall in new supply and leading indicators that suggest an accumulation of pent-up demand. Prologis Research expects the U.S. vacancy rate to peak in the mid-6% range during 2024 and gradually fall to the mid-5% range in 2025. Customers that led the market in securing space during similar past periods are already actively leasing. We continue to recommend advance planning and early action to take advantage of this stage of the logistics real estate mini-cycle.

MARKET ASKING RENT GROWTH (YOY)



Prologis Research

Logistics Customers Continue to Grow Into Excess Capacity



Prologis Oakland Global Logistics Center 2, Oakland, California

01

U.S. logistics facilities still have excess capacity, limiting growth across the market.

Despite rising this year, the IBI Utilization Rate remained below normal levels (85% to 86%) in Q3 (averaging 84.4%), reflecting spare capacity. With existing space to grow into, new logistics real estate demand was subdued in spite of healthy GDP and consumption growth.

02

Average market rents declined by approximately 3% in Q3, led by declines in Southern California.¹

Prolonged decision-making timelines and sluggish demand are prompting some owners to increase concessions and lower headline rents on new leases, although trends vary widely by market.

03

Vacancy is likely to remain near its cyclical peak through the first half of 2025 as occupier decision-making gradually picks up pace through 2025.

Vacancies were at or near peak in Q3 at 6.8%. Improvement in demand will happen against a backdrop of falling new supply: Completions decreased 33% quarter-over-quarter in Q3 and will remain low through 2025.

Prologis Research

Operating Portfolio – Square Feet, Occupied and Leased

square feet in thousands and ordered by Prologis Share of NOI (%)	# of Buildings	Square Feet			Occupied %		Leased %	
	Owned and Managed	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Southern California	551	125,449	105,029	13.7	96.9	97.2	96.9	97.2
New Jersey/New York City	206	54,052	42,480	5.6	95.3	95.2	95.7	95.7
Chicago	328	70,095	55,183	7.2	97.4	98.0	97.4	98.0
San Francisco Bay Area	285	28,309	23,459	3.1	93.8	93.5	94.4	94.2
Dallas/Ft. Worth	276	60,311	51,176	6.7	94.9	94.8	95.5	95.3
Atlanta	236	52,125	46,084	6.0	98.8	98.9	99.0	99.0
South Florida	224	29,411	23,321	3.0	94.6	93.8	95.1	94.4
Lehigh Valley	82	37,120	32,882	4.3	92.9	92.6	92.9	92.6
Houston	235	38,046	32,154	4.2	96.5	96.3	96.6	96.4
Seattle	164	24,838	17,694	2.3	96.5	96.3	96.5	96.3
Central Valley	45	22,945	21,772	2.8	97.3	97.1	97.3	97.1
Baltimore/Washington	134	18,145	14,396	1.9	95.0	94.9	95.0	94.9
Nashville	66	17,335	14,297	1.9	98.3	97.9	98.3	97.9
Orlando	109	14,115	12,657	1.7	98.2	98.1	98.5	98.4
Phoenix	82	16,737	14,311	1.9	90.1	88.9	91.5	90.5
Las Vegas	79	14,298	9,141	1.2	92.9	95.1	92.9	95.1
Central PA	37	18,723	13,946	1.8	97.6	98.2	98.2	98.7
Cincinnati	69	19,023	16,665	2.2	94.0	94.5	94.1	94.6
Indianapolis	57	20,580	16,368	2.1	96.9	96.6	96.9	96.6
Remaining U.S. markets (11 markets)	382	71,832	61,650	8.1	95.1	95.8	95.2	95.8
Total U.S.	3,647	753,489	624,665	81.7	95.9	96.0	96.1	96.2

Chinese 3PL's

LOGISTICS REPORT

Chinese Logistics Operators Are Getting Into U.S. Warehousing

The growing leasing activity comes as e-commerce operators are trying to reach more American consumers

By [Liz Young](#) [Follow](#)

Updated Nov. 4, 2024 6:09 am ET



Gift unlocked article



Listen (5 min)



China-founded fast-fashion site Shein has a warehouse in Whitestown, Ind. PHOTO: GETTY IMAGES

Logistics operators with roots in China are taking on more warehouse space across the U.S. amid broad changes in sourcing, manufacturing and global trade flows.

[Prologis](#), the world's largest industrial real-estate operator, said it estimates China-based third-party logistics providers and e-commerce companies accounted for 20% of net new warehouse leasing across the U.S. this year through the third quarter, which company officials say is up sharply over recent years.

Chris Caton, the company's managing director for global strategy and analytics, said Prologis has long leased space to Chinese retailers and logistics operators and the demand "has clearly accelerated this year."

Industrial real-estate experts said some of the companies are based in China, while others have their headquarters in the U.S. or elsewhere and primarily handle logistics from China to the U.S. Many of the logistics operators have focused on leasing space in major U.S. logistics markets near ports in Southern California, New Jersey and Savannah, Ga.

In New Jersey, logistics companies based in China leased 5.6 million square feet of warehouse space through the third quarter, nearly three times the amount of space those companies leased in that region in all of 2023, according to real-estate services firm [JLL](#).

Chinese 3PL's



Anthony Ying • 1st

Commercial Real Estate Regional Sales Director at SVN Vanguard...

6d • Edited •

Costar Top Industrial Lease for Q3 2024 in 2 regions. In both cases we were able to negotiate the lowest rates in the region for this property class along with valuable concessions and great terms for our ...more

TOP LEASE: 1979 W. Renaissance Parkway, Rialto, CA



1979 W. Renaissance Parkway, Rialto, CA (Costar)

Space Leased: 927,696 SF

Deal Type: New Lease

Size: 927,696 SF

Tenant: Western Post

Brokers Involved: Michael Chavez of Lee & Associates Commercial Real Estate Services represented the landlord. Anthony Ying of SVN | Vanguard represented the tenant.

Deal Commentary: Western Post, an international freight service company founded in 2015, has signed a 128-month lease at the DCT Rialto Logistics Center. The Class A industrial warehouse was constructed in 2015 and sits on about 40 acres. Industrial real estate investment trust Prologis owned the property, which it acquired in 2018 as part of a \$8.5 billion, 434-property portfolio deal.

TOP LEASE: 3363 Gun Club Rd, Nazareth, PA



3363 Gun Club Rd, Nazareth, PA (Costar)

Space Leased: 1,006,050 SF

Deal Type: New Lease

Size: 1,006,050 SF

Tenant: Western Post

Brokers Involved: Vincent Ranalli, Jake Terkanian and Tony Gruenling of CBRE represented the landlord. Anthony Ying of SVN | Vanguard represented the tenant.

Deal Commentary: Western Post, an international freight service provider, signed the top industrial lease of the third quarter, taking the entire warehouse facility measuring more than one million square feet in Nazareth. Established in 2015, Western Post has a network of over 25 warehouses worldwide and partners with major carriers such as FedEx, UPS, USPS and DHL to handle the shipment of large and bulky items. Completed earlier this year, the East Valley Logistics Park was developed by NorthPoint Development as the largest speculative industrial project in the Philadelphia region. Construction began on the mega-warehouse in the summer of 2023.

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Industrial Real Estate Broker | Leasing & Sales | Investments | S...

6d •

Why/How are Chinese 3PLs taking so much space with big hikes in import Tariffs coming?

Like • 2 | Reply • 4 Replies



Anthony Ying **Author**

Commercial Real Estate Regional Sales Director at SVN V...

6d •

Ryan Endres The CCP has a long history of currency manipulation. They have a "relief" initiative planned to assist Chinese manufacturers / exporters. Their government understands that they can't raise prices in the US or they'll lose a considerable amount of their largest market. You also have to take into consideration that energy prices will most likely decline, which will offset the tariffs. Prices of Chinese products will not be affected much in the US.

Like • 2 | Reply



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Very interesting. I appreciate your response. Congrats on the transactions!



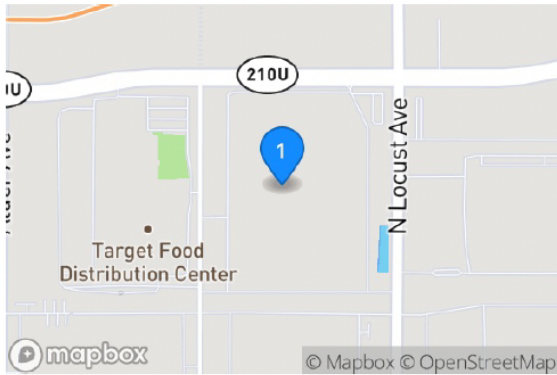
COMMERCIAL REAL ESTATE SERVICES

Chinese 3PL's

Western Post
Prologis Rialto I-210 Distribution Center 8
1979 Renaissance Parkway | Rialto, CA 92376
[Property #1](#)

2024 - Q3 • Industrial • Class A • 900-950K SF @ \$12.00 (Annual) PSF

Building



Building Class	A
Building Name	Prologis Rialto I-210 Distribution Center 8
Property Type	Industrial
Property Subtype	Warehouse/Distribution
Submarket	Rialto/Colton
Building Size (SF)	927,696
Number of Floors	1
Year Built	2014
Country	United States of America
Lot Size (Acres)	6.02

Lease

Tenant Name	Western Post
Transaction Quarter	2024 - Q3
Transaction SQFT	927,696 SF
Transaction Type	New Lease
Starting Rent (PSF)	\$1.00 (Monthly)
Lease Type	NNN
Free Rent	8m
Free Rent Type	Net
Rent Schedule	4.00% per year
Net Effective Rent (PSF)	\$1.14 (Monthly)
Work Type	TI
TI Value / Work Value (PSF)	\$2.00
Sublease	No
Current Rent (PSF)	\$0

Dates

Commencement Date	Sep 1, 2024
Lease Term	10y 8m
Execution Date	Aug 15, 2024
Expiration Date	Apr 30, 2035
Space	
Space Type	Industrial
Space Subtype	—
Floor(s) Occupied	Ground
Suite	—
Landlord	
Current Landlord	Prologis
Landlord Brokerage Firms	Lee & Associates
Landlord Brokers	—

Tenant

HQ Address	300 Crescent Ct Suite 600 Dallas, TX 75201, United States
Phone Number	+1 214 922 8700
Status	Operating
Ownership	Private
Industry	Transportation, Warehousing & Storage
Tenant Brokerage	
Tenant Brokerage Firms	SVN
Tenant Brokers	—

WAIRE



Rule 2305 - Warehouse Actions and Investments to Reduce Emissions Program

What is WAIRE?

The Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program aims to reduce nitrogen oxide and diesel emissions associated with warehouses, help meet federal standards and improve public health, especially in communities located near warehouses in the South Coast AQMD.

Who Must Comply?

Owners and operators of warehouses that have 100,000 square feet or more of indoor floor space in a single building.

How Does it Work?

Warehouse Operators

WAIRE is a menu-based point system. Warehouse operators are required to earn a specific number of points every year. This is based on the number of trucks trips made to and from the warehouse each year, with larger trucks such as tractors or tractor-trailers multiplied by 2.5.

Points can be earned through:

- completing any combination of actions in the WAIRE menu; or
- completing actions in an approved, site-specific custom WAIRE Plan; or
- paying a mitigation fee.

If a warehouse operator earns more points than needed during the compliance period, they can bank extra points for a future year, or transfer points to another warehouse they operate. Operators are required to submit a one-time, Initial Site Information Report about their operations as well as Annual WAIRE Reports that document how they complied during the previous year.

Warehouse Owners

Warehouse owners are required to submit basic information (Warehouse Operations Notification) about the building and their tenants. Only warehouse operators must earn WAIRE Points, but owners can opt-in if they choose and transfer points to their tenants.



More information is available at www.aqmd.gov/WAIRE.
Questions? Please contact: waire-program@aqmd.gov or (909) 396-3140.



Warehouse Actions and Investments to Reduce Emissions Program

WAIRE Schedule

WAIRE will be phased in over time based on size (see below). Once a phase is initiated, the rule requirements increase over a three-year period.

Phase	Warehouse Size (sq ft)	Warehouse Operations Notification* Due Date	Initial Site Information Report Due Date	First Annual WAIRE Report (AWR)	
				Compliance Period	Due Date***
1	≥ 250,000	9/1/2021**	7/1/2022	1/1/2022 to 12/31/2022	1/31/2023
2	≥ 150,000 - <250,000		7/1/2023	1/1/2023 to 12/31/2023	1/31/2024
3	≥ 100,000 - <150,000		7/1/2024	1/1/2024 to 12/31/2024	1/31/2025

*Warehouse Operations Notification is the only required reporting obligation for warehouse owners under Rule 2305

**Or within 14 days of operator change or 30 days after renovation that changes the square footage

***If the warehouse operator vacates the warehouse during the compliance period the AWR is due the date the operator leaves

Exemptions

Warehouse operators may be exempt from parts of the rule if they operate <50,000 square feet for warehousing activities, if the number of points required is <10; or if the WAIRE menu action chosen underperforms due to circumstances beyond the operator's control, such as a manufacturer defect.

Mitigation Fee

If an operator chooses to pay a mitigation fee, the funds will be used to provide incentivizes for near-zero and zero-emission trucks and zero-emission charging and fueling infrastructure in communities near the warehouse(s) that paid the fee.



More information is available at www.aqmd.gov/WAIRE.
Questions? Please contact: waire-program@aqmd.gov or (909) 396-3140.

WAIRE

WAIRE Menu Action	Units	User Input	Resulting Points
Mitigation Fee	\$		0.0
NZE Class 8 Truck Visits	# of Annual Visits		0.0
NZE Class 8 Truck Acquisitions	# of Trucks		0.0
ZE Class 8 Truck Visits	# of Annual Visits		0.0
ZE Class 8 Truck Acquisitions	# of Trucks		0.0
NZE Class 4-7 Truck Visits	# of Annual Visits		0.0
NZE Class 4-7 Truck Acquisitions	# of Trucks		0.0
ZE Class 4-7 Truck Visits	# of Annual Visits		0.0
ZE Class 4-7 Truck Acquisitions	# of Trucks		0.0
ZE Class 2b-3 Truck Visits	# of Annual Visits		0.0
ZE Class 2b-3 Truck Acquisitions	# of Trucks		0.0
H2 Station Installations	kg/day design capacity		0.0
H2 Station Usage	Annual kg dispensed		0.0
Up to 19.2 kW EVSE Acquisition	#of Chargers Installed		0.0
19.2-50 kW EVSE Acquisition	#of Chargers Installed		0.0
51-149 kW EVSE Acquisition	#of Chargers Installed		0.0
150-350 kW EVSE Acquisition	#of Chargers Installed		0.0
TRU Plug Installations	#of Plugs Installed		0.0
Charger Usage	Annual kWh dispensed		0.0
TRU Plug Usage	Annual kWh dispensed		0.0
ZE Yard Truck Acquisitions	# of Trucks		0.0
ZE Yard Truck Usage	Annual Hours of Use		0.0
Rooftop Solar Panel Installations	Average System Design Purchased		0.0
Carport Solar Panel Installations	Average System Design Purchased		0.0
Solar Panel Usage	Annual kWh Produced		0.0
Filter System Installations	# of Installations		0.0
Filter Purchases	# of Filters		0.0
Total			0.0

User Inputs		
Stringency (Point/WATT) ¹	0.0025	
Warehouse Size (square feet)	100,000	
Class 8 Truck <i>Trips</i> ²		Annual Trips
Class 2b-7 Truck <i>Trips</i> ²		Daily Trips
¹ The proposed final stringency of rule 2305 is 0.0025 WAIRE Points per WATT.		
² Select Visits type from the drop down menu . (Cells D4 & D5)		

WATT (Weighted Annual Truck Trip)	0
Average Daily Class 8 Visits	0
Average Daily Class 2b-7 Visits	0
Average Daily Class 8 Trips	0
Average Daily Class 2b-7 Trips	0

*A truck entering a site is one trip, and a truck leaving the site is a second trip.

1 Visit equals 2 Trips.

**WATT is based on trips and points are based on visits.

WPCO	0.0
In Compliance	✓
Additional Number of Points Required	0.0
Number of Points Banked	0.0

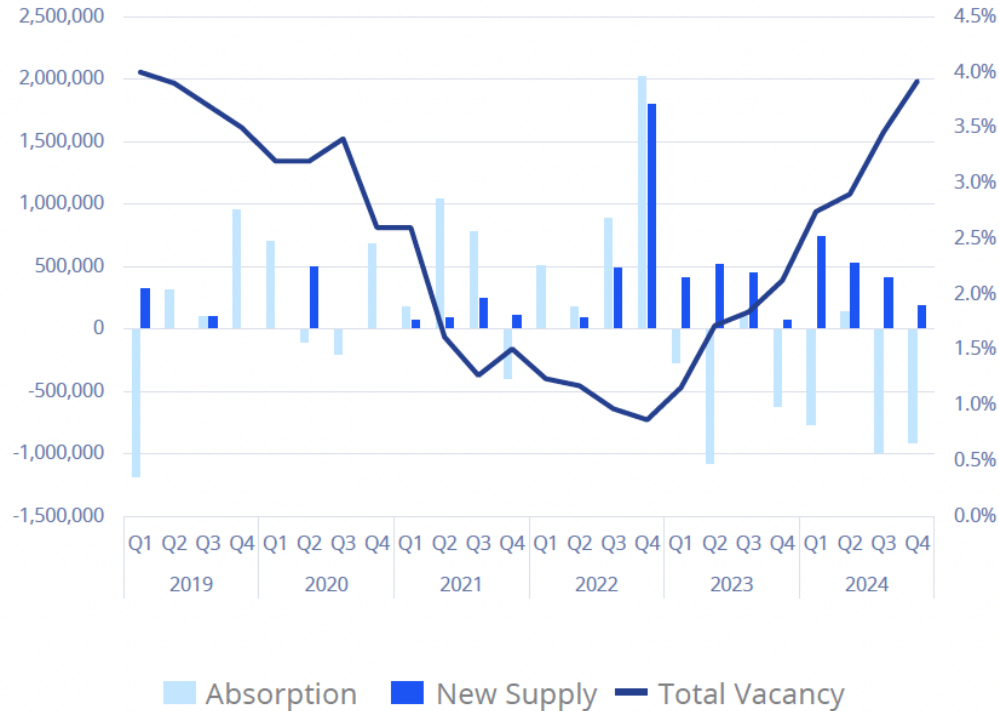
WAIRE

Version 5/7/2021

WAIRE Menu Item	WAIRE Menu Sub-Item			Reporting Metric	Annualized Metric	WAIRE Points	Discounted WAIRE Points for Transfer Rule 2305 Subparagraph (d)(6)(A)
Acquire NZE/ZE Trucks in Warehouse Operator Truck Fleet	Purchase Truck	Class 8 Truck	NZE	Number of trucks	1 truck purchased	55	55
		Class 4 - 7 Truck				26	26
		Class 8 Truck	ZE			126	126
		Class 4 - 7 Truck				68	68
		Class 2b-3				14	14
NZE/ZE Truck Visits	Truck Visits	Class 8 Truck	NZE	Number of Visits	365 truck visits	42	24
		Class 4 - 7 Truck				12	9
		Class 8 Truck	ZE			51	33
		Class 4 - 7 Truck				12	9
		Class 2b-3				9	6
Acquire ZE Yard Truck	Purchase Yard Truck		ZE	Number of yard trucks	1 truck purchased	177	177
Use ZE Yard Truck	Onsite Yard Truck Use		ZE	Hours of use	1000	291	51
Install Onsite ZE Charging or Fueling Infrastructure	Electric Charger	150-350 kW EVSE	EVSE Purchase	Number of EVSE purchased	1 EVSE Purchased	118	118
		51-149 kW EVSE				51	51
		19.2-50 kW EVSE				26	26
		Up to 19.2 kW EVSE				5	5
		TRU Plug				3	3
		19.2-350 kW EVSE	Construction Mobilization	First day of construction	1 construction project	9	9
		Up to 19.2 kW EVSE				5	5
		TRU Plug				5	5
		19.2-350 kW EVSE	Final Permit Sign Off & Charger Energization	The latter of the final permit sign off or charger energization	1 construction project	59	59
		Up to 19.2 kW EVSE				5	5
		TRU Plug				7	7
	Hydrogen Station	Liquid or Gaseous H ₂		Total kg of dispensed H ₂ capacity per day	700 kg/day project	1680	1680
Use Onsite ZE Charging or Fueling Infrastructure	Electric Charger	Car or truck charging		kWh of dispensed electricity	165,000 kWh	42	24
		TRU Plug		kWh of dispensed electricity beyond CARB requirements	10,658 kWh	10	3
	Hydrogen Station	Car or truck fueling		Total kg of dispensed H ₂	6,152	43	25
Install and Energize Onsite Solar Panels	Solar Panels	Rooftop Solar		Average System Design Purchased	100 kW	15	15
		Carport Solar		Average System Design Purchased	100 kW	19	19
Use Onsite Solar Panels		kWh Production		Estimated annual production (kWh)	165,000 kWh	1	1
Install MERV 16 or greater Filters or Filter Systems in Residences, Schools, Daycares, Hospitals, or Community Centers	Air Filters for Sensitive Receptors	Stand-alone systems		Number of systems	25 systems	55	55
		Filters		Number of filters	200 filters	51	51

Orange County

Market Graph



Key Takeaways

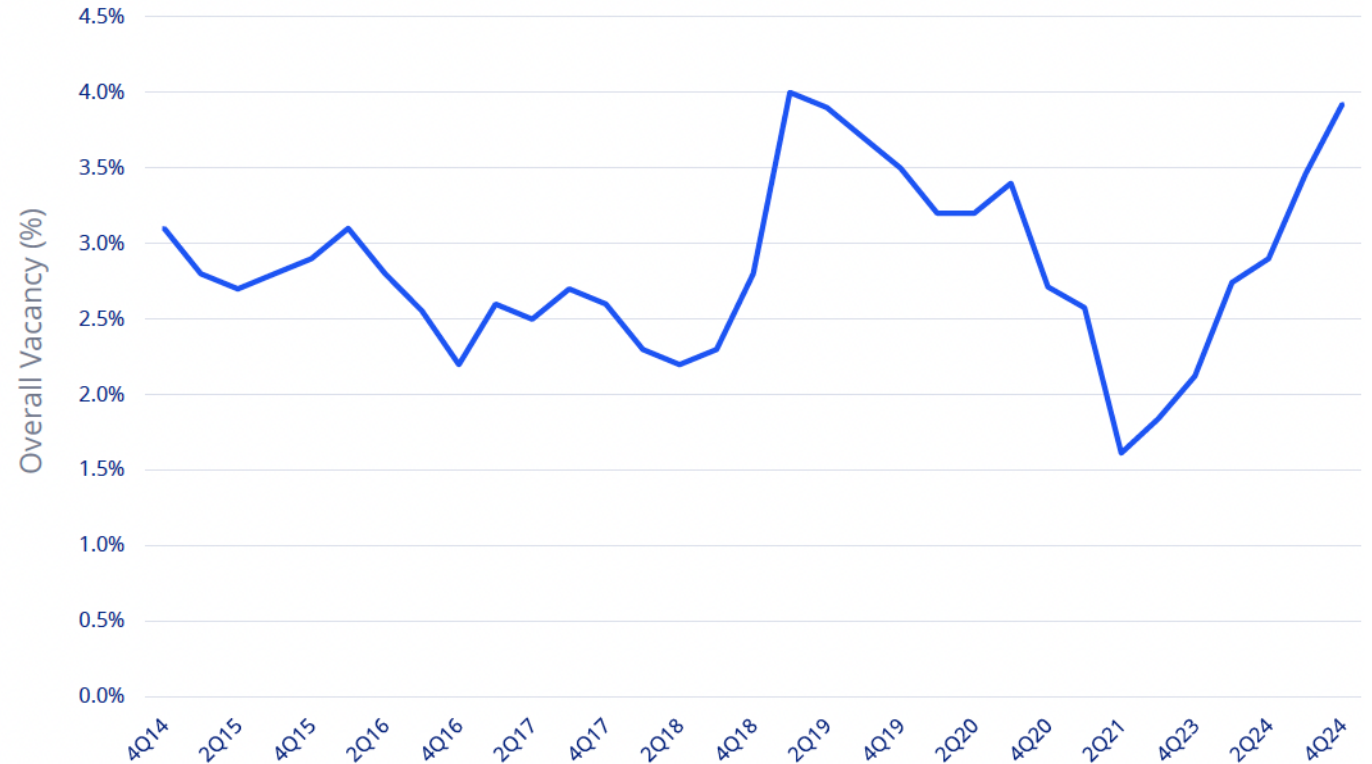
- Average asking rents decreased \$0.03 to \$1.59 NNN.
- Vacancy ticked up 40 basis points to 3.9%.
- Net absorption declined posting a 907K SF loss.
- Availability ticked up 30 basis points to 6.9%.

Vacancy has increased for the eighth consecutive quarter, rising by 300 basis points from the historical low of 0.9% set in Q4 2022. With a current vacancy rate of 3.9%, Orange County remains one of the healthiest markets in Southern California.

Orange County

Vacancy

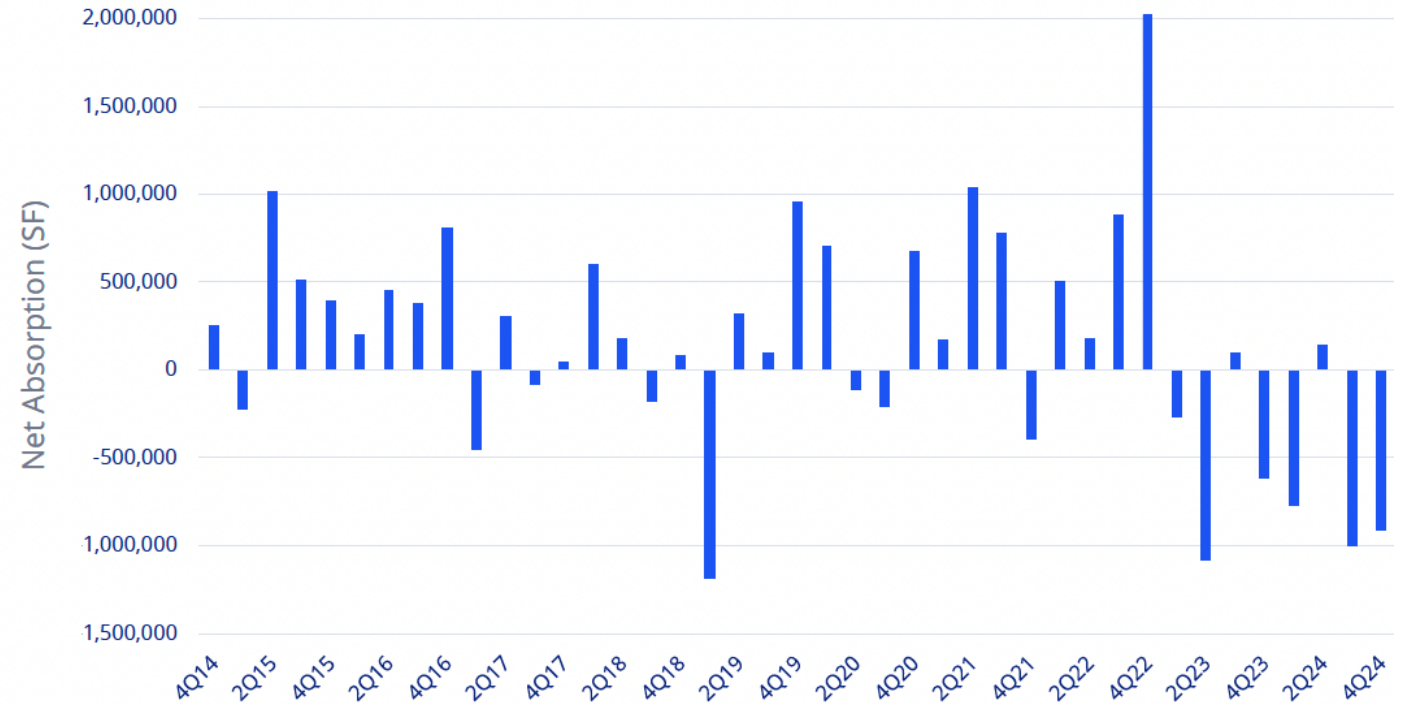
The Orange County vacancy rate increased for the eighth consecutive quarter, rising by 300 basis points from the historical low of 0.9% set in Q4 2022. Vacancy rose from 3.5% to 3.9% quarter-over-quarter and is now 180 basis points higher than it was at the same time last year. The largest submarket, North County, saw the most significant increase, from 3.6% to 4.4%. The Airport submarket recorded the smallest increase, up 10 basis points from 4.1% to 4.2%. Availability in the county reached its highest level in more than a decade, climbing to 16.6M SF (6.9%).



Orange County

Absorption & Leasing Activity

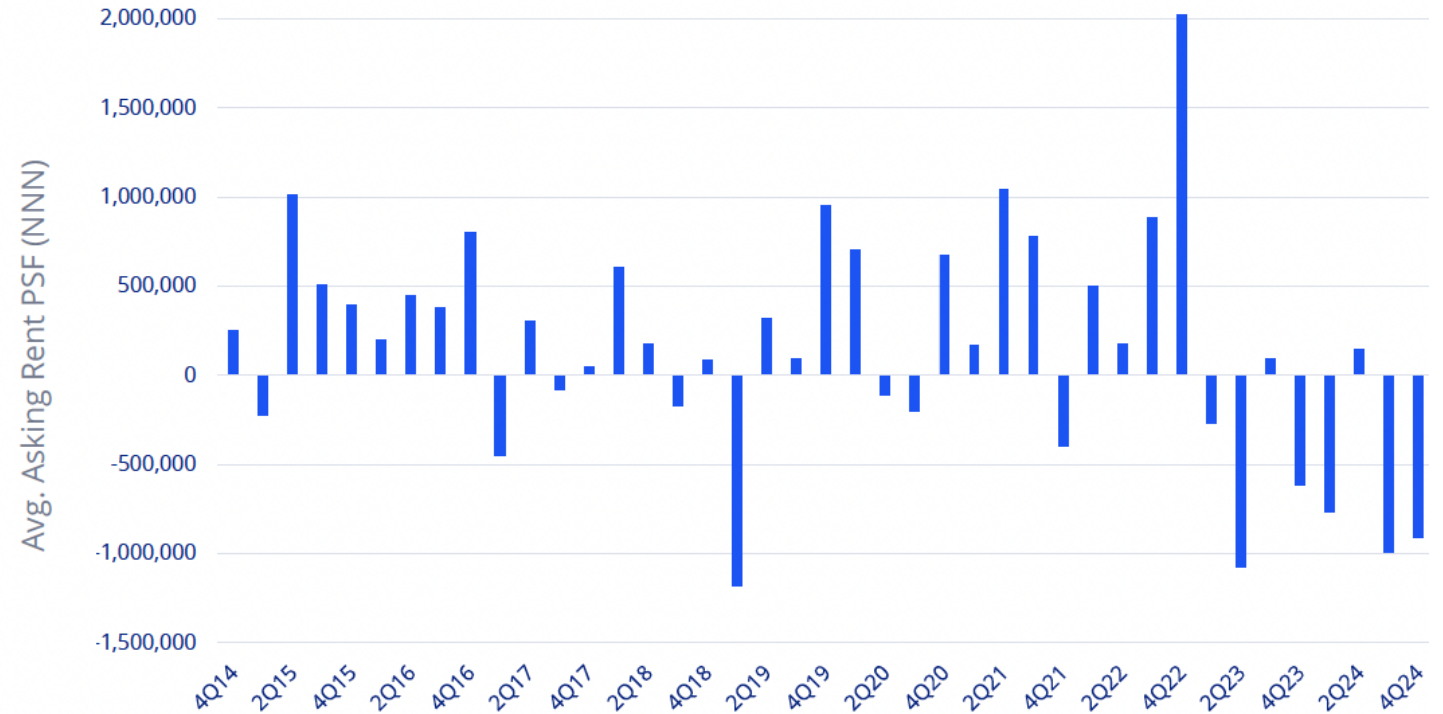
Net absorption remained in the red in Q4, recording 907,073 SF of negative demand. Over the past eight quarters, net absorption has resulted in a total loss of 4,400,007 SF. However, leasing activity had another strong quarter, with 2.2M SF of new deals signed, slightly down from the previous quarter. Over the last two years, Orange County has averaged 2.1M SF of quarterly leasing activity. With elevated leasing activity and the development pipeline tapering off, net absorption is expected to stabilize within the next six months.



Orange County

Rental Rates

Much like the rest of Southern California, Orange County experienced unprecedented growth in rental rates from 2021 through early 2023. However, average asking rents declined for the sixth consecutive quarter, dropping by \$0.03 to \$1.59 NNN in Q4. Over the past five years, asking rents have increased by \$0.63 per square foot (PSF), representing a 66% rise. Looking ahead, asking rates are unlikely to stabilize until vacancy and availability levels begin to normalize.



Orange County



Orange County



Orange County



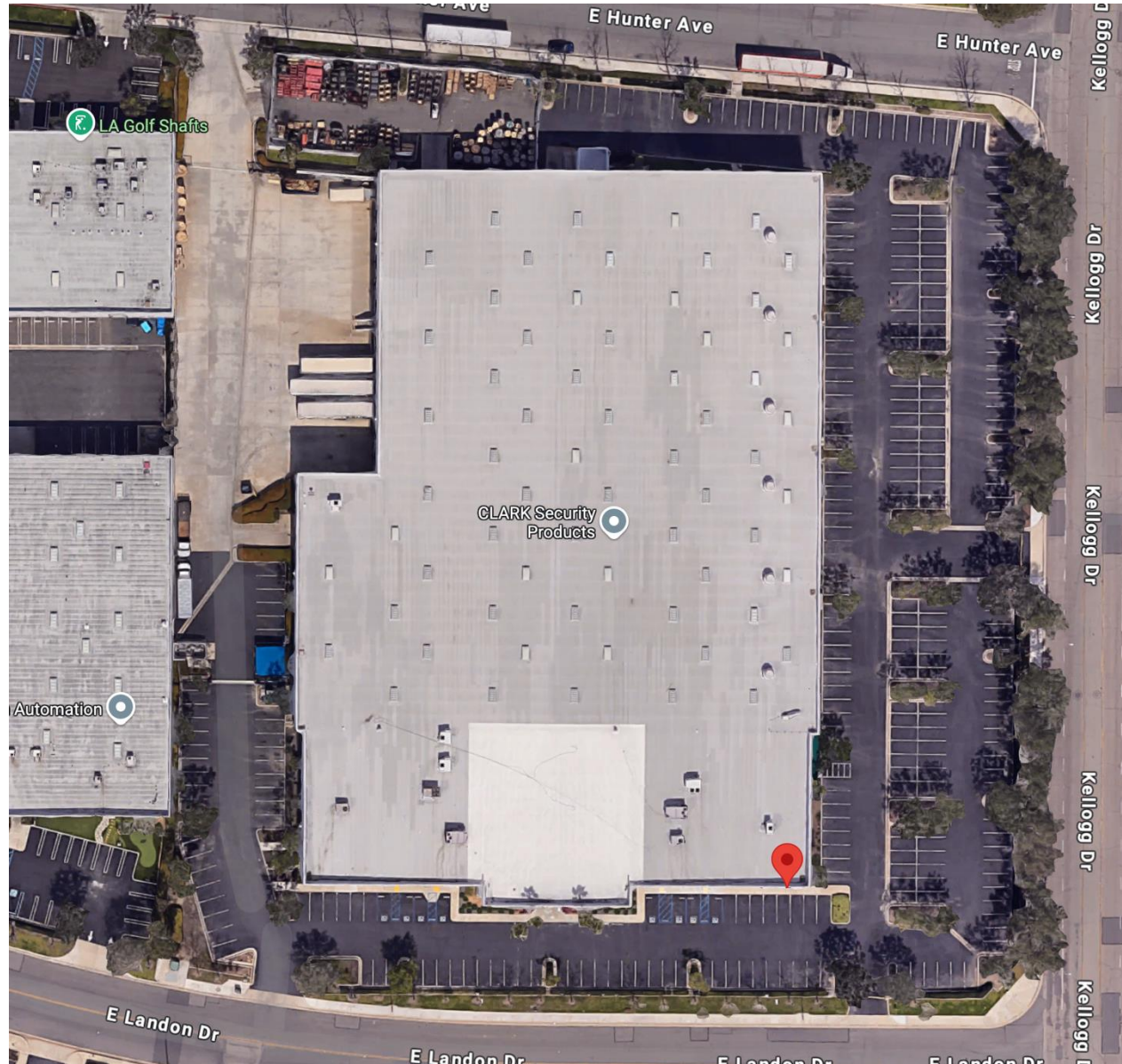
Orange County



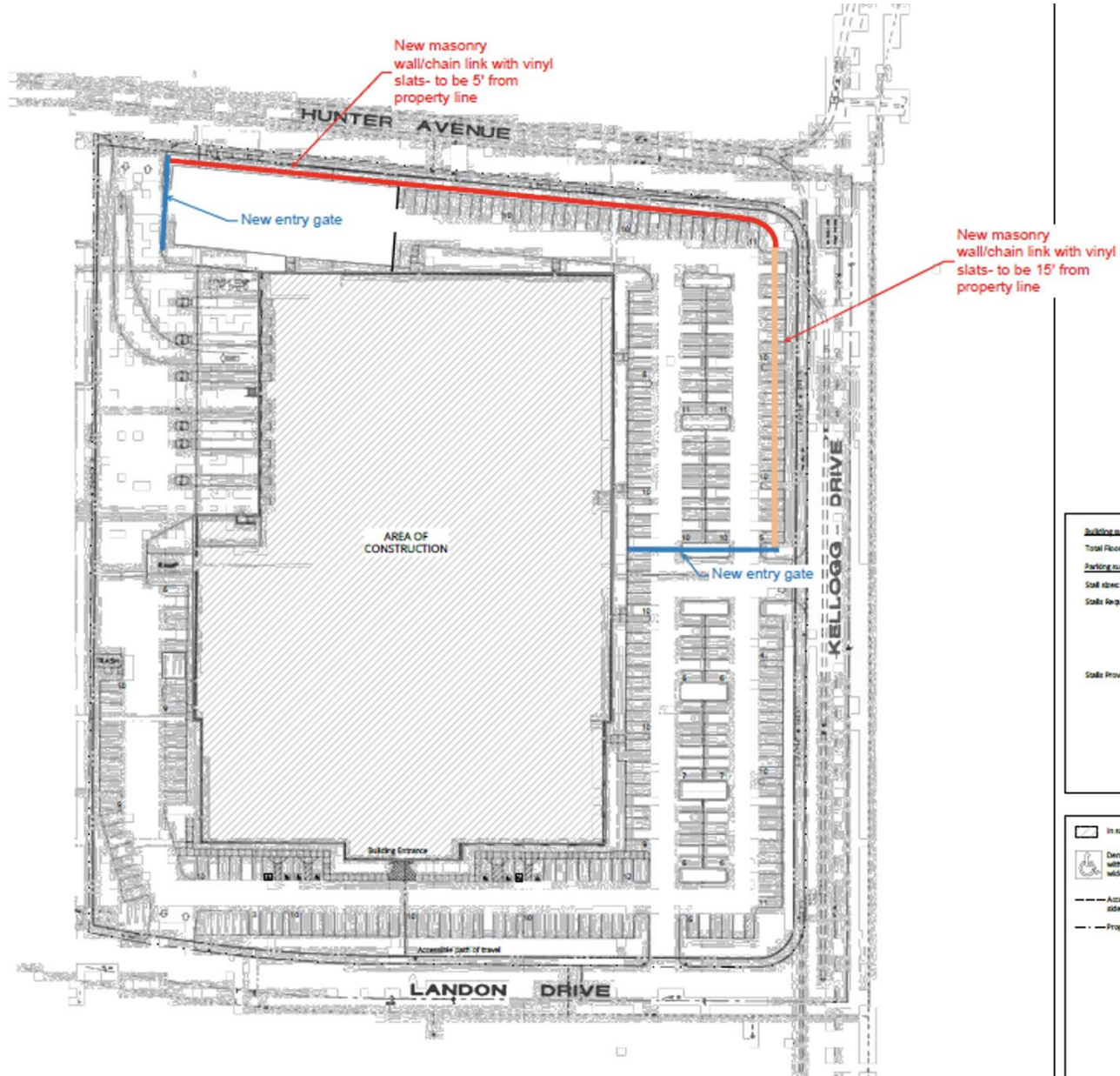
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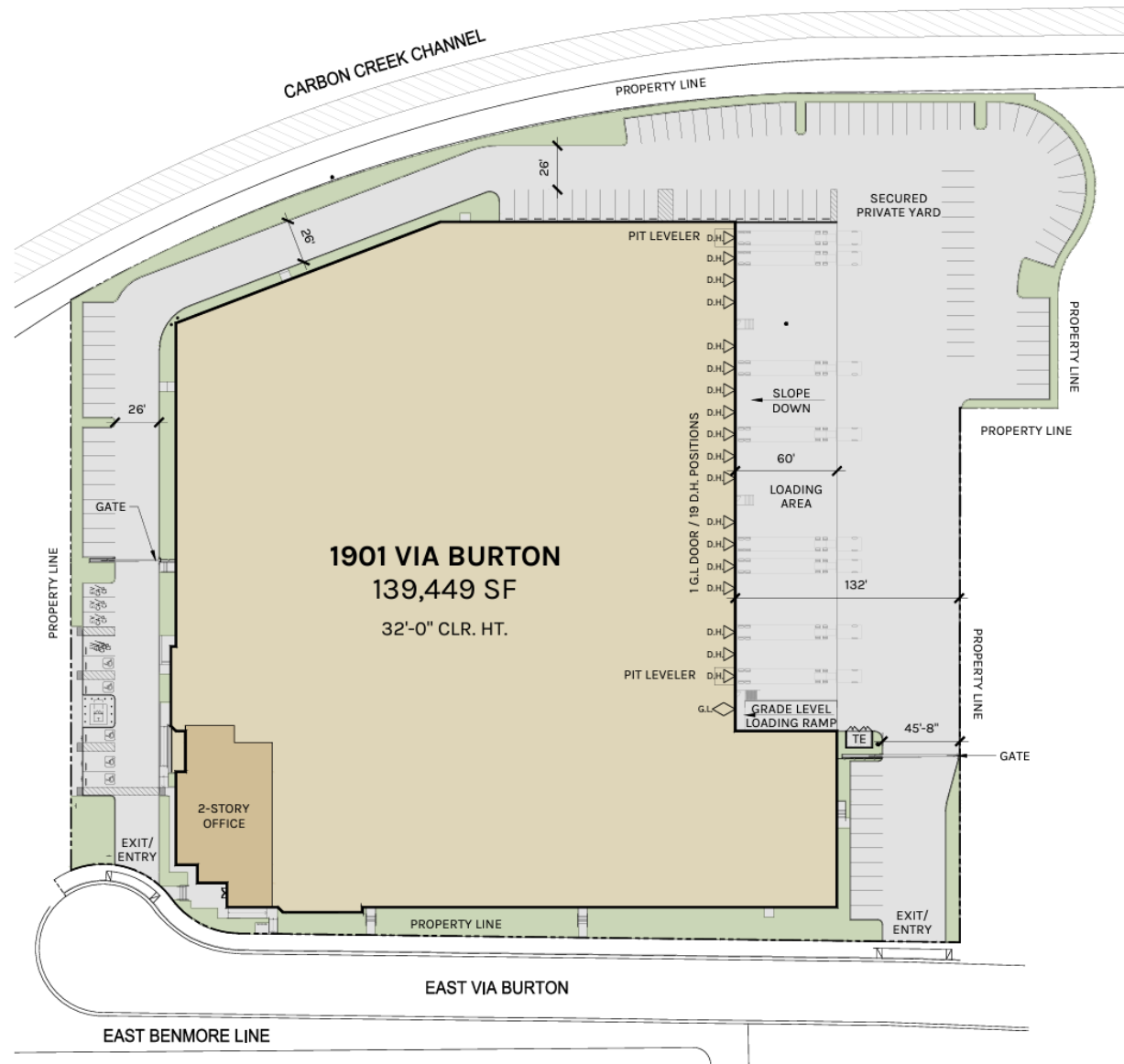
Orange County



Orange County



Orange County



Orange County

TOP OWNERS

Company Name	Owned SF	Owned Props	Avg SF	12 Mo Bought	12 Mo Sold	12 Mo Net Trans
Prologis, Inc.	8,554,521	78	109,673	-	\$6,681,500	-\$6,681,500
The Irvine Company	7,330,649	141	51,990	-	-	-
Rexford Industrial Realty, Inc.	5,351,468	77	69,500	\$357,363,999	\$11,275,000	\$346,088,999
Blackstone Inc.	4,556,815	115	39,624	\$23,200,000	\$263,113,999	-\$239,913,999
Deutsche Bank AG	4,470,442	98	45,617	-	-	-
Alere Property Group LLC	4,208,778	49	85,893	-	-	-
GIC Private Limited	3,923,351	114	34,415	-	-	-
Olen Properties	3,160,612	165	19,155	-	-	-
Goodman Group	3,063,138	6	510,523	-	-	-
CenterPoint Properties	2,959,406	9	328,823	-	-	-

Orange County

TOP BROKERS PAST 12 MONTHS

Company Name	Sales Volume	Transactions	Transacted SF	Avg SF	Cap Rate	Sale Price/SF
Lee & Associates	\$362,146,531	93	966,272	10,390	5.1%	\$375
CBRE	\$327,837,303	29	1,009,023	34,794	5.6%	\$325
Estdil Secured, LLC	\$263,113,999	11	816,879	74,262	-	\$322
Cushman & Wakefield	\$262,806,501	18	708,112	39,340	4.2%	\$371
Voit Real Estate Services	\$145,237,319	37	424,824	11,482	4.9%	\$342
JLL	\$107,255,460	11	319,138	29,013	5.2%	\$336
Colliers	\$84,590,393	10	240,636	24,064	5.7%	\$352
DAUM Commercial Real Estate	\$40,858,500	15	170,606	11,374	5.7%	\$239
Ashwill Associates Commercial Real Estate	\$26,545,000	11	82,569	7,506	-	\$321
NAI Global	\$26,475,580	10	88,242	8,824	5.4%	\$300

Does It Feel Like the Bottom?

- ...Not the bottom
- Hard to image a recovery in two quarters
- Remember what Prologis said, vacancy to stay near peak through summer 2025, as decision makers gradually pick up the pace throughout the year.
- A lot could change in two quarters of a new administration

Los Angeles

TOP OWNERS

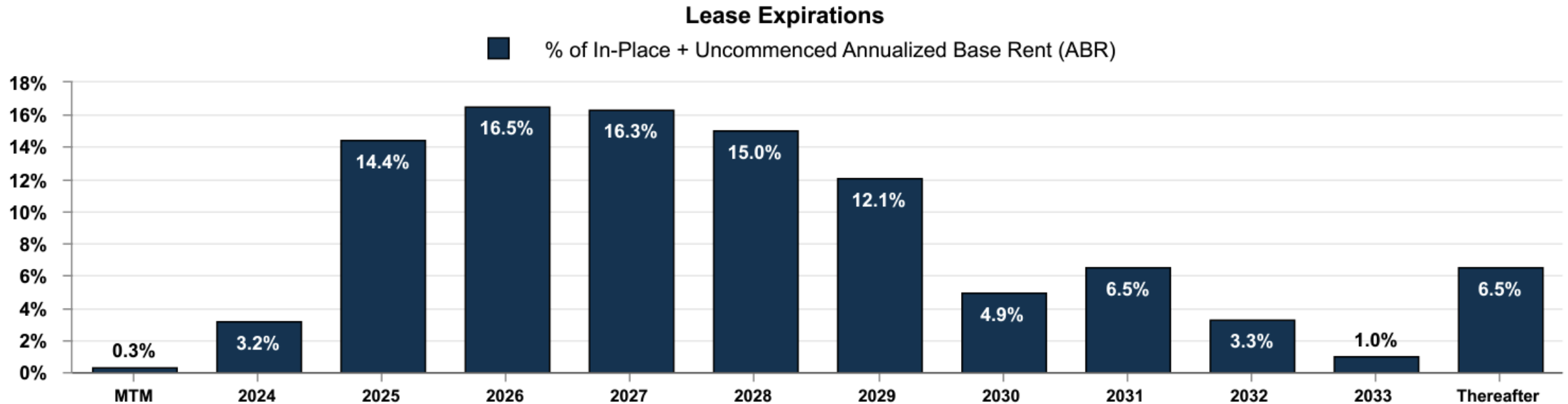
Company Name	Owned SF	Owned Props	Avg SF	12 Mo Bought	12 Mo Sold	12 Mo Net Trans
Prologis, Inc.	35,557,464	281	126,539	\$50,000,000	-	\$50,000,000
Rexford Industrial Realty, Inc.	28,516,025	395	72,192	\$876,288,997	\$34,300,000	\$841,988,997
Majestic Realty Co.	14,245,930	65	219,168	-	-	-
Blackstone Inc.	13,563,611	159	85,306	-	\$840,688,997	-\$840,688,997
Watson Land Company	11,142,469	89	125,196	-	-	-
Franklin Templeton	7,199,703	43	167,435	-	-	-
Prudential	7,101,447	71	100,020	-	-	-
The Orden Company	6,234,057	36	173,168	-	-	-
Goodman Group	6,164,046	19	324,423	-	-	-
Deutsche Bank AG	5,895,882	98	60,162	-	-	-
Morgan Stanley & Co. LLC	5,838,337	97	60,189	-	-	-
Norges Bank	5,646,577	35	161,331	-	-	-
CenterPoint Properties	4,636,229	50	92,725	\$196,500,500	-	\$196,500,500

Los Angeles

Rexford Industrial Announces Dates for Fourth Quarter 2024 Earnings Release and Conference Call. Rexford Industrial Realty (NYSE: REXR), a REIT specializing in Southern California industrial properties, has scheduled its fourth quarter 2024 earnings release for **Wednesday, February 5, 2025**, after market close. Jan 6, 2025

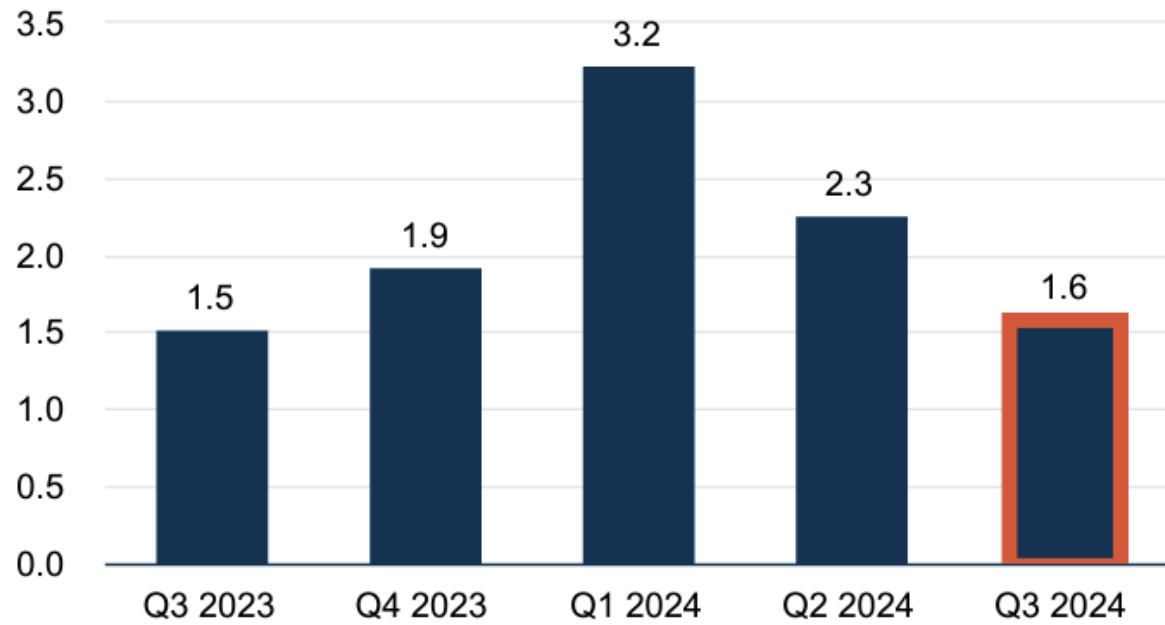
Los Angeles

Lease Expiration Schedule as of September 30, 2024:

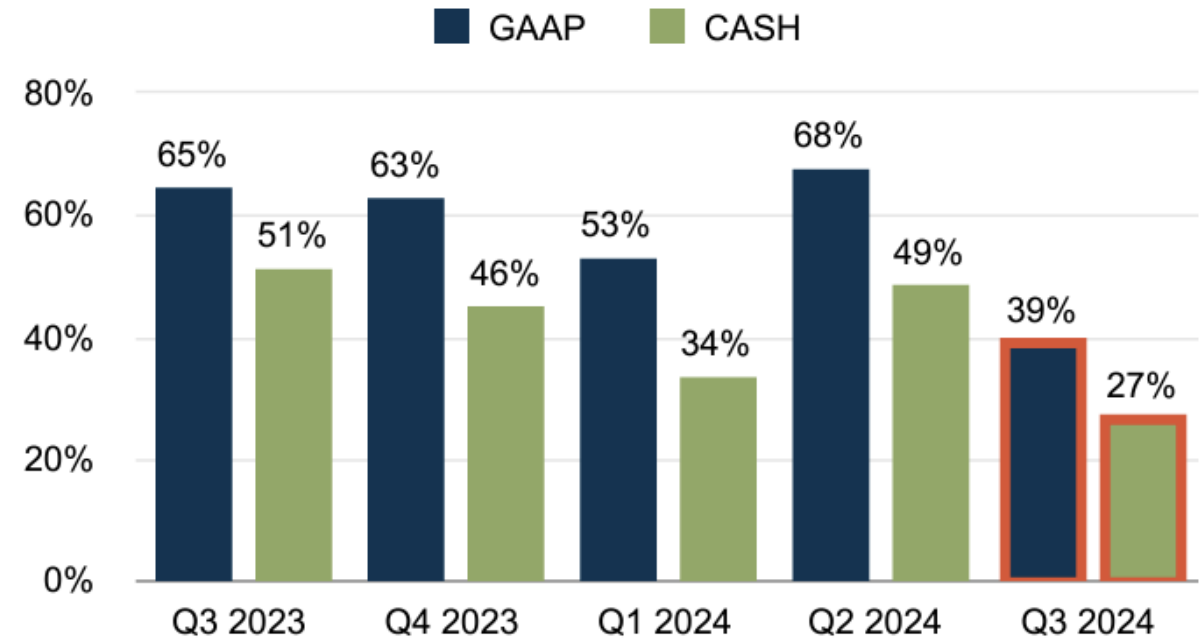


Los Angeles

Leasing Volume, Square Feet (in millions)



Leasing Activity - Rent Change*

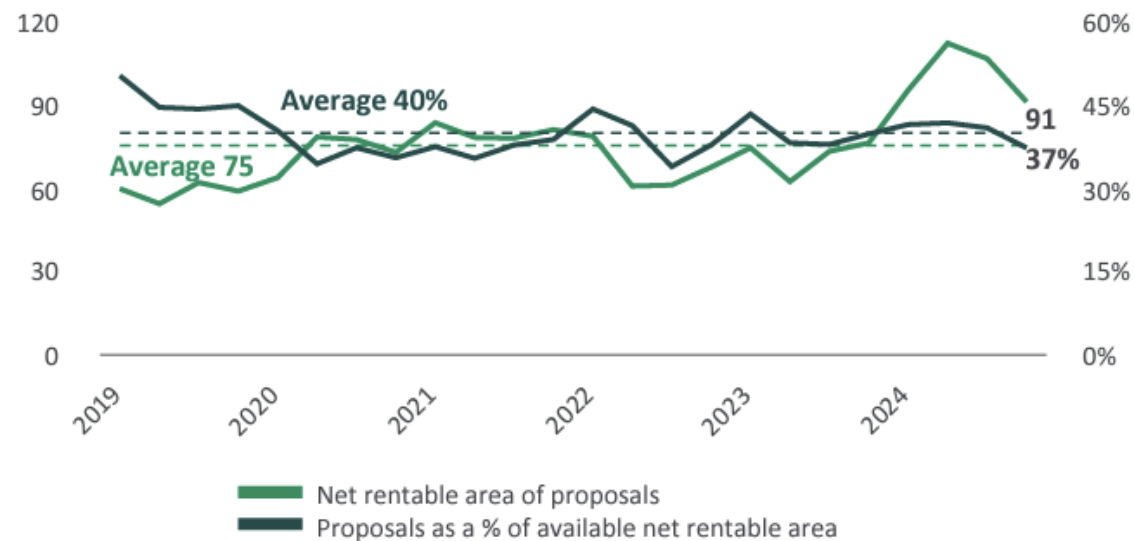


Los Angeles

Prologis Leading Indicators and Proprietary Metrics*

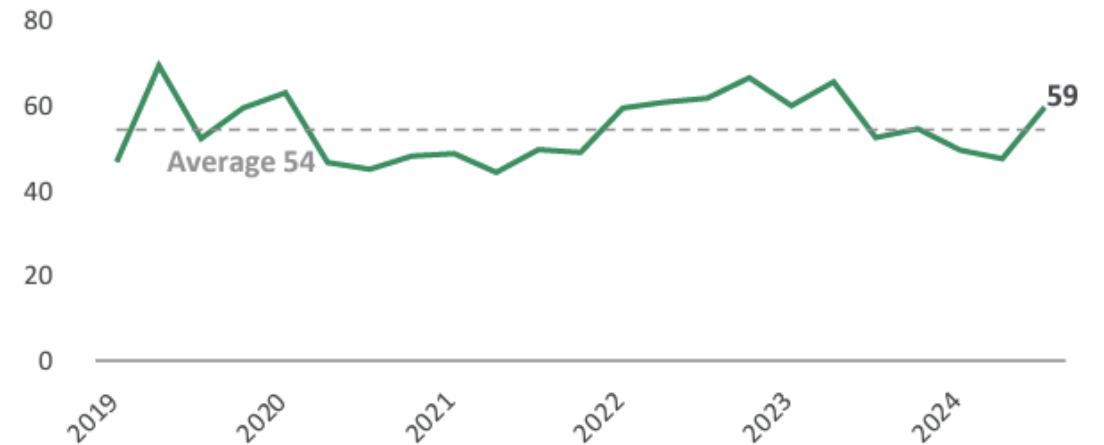
LEASE PROPOSALS

in millions of square feet



NEW LEASE NEGOTIATION GESTATION

in days

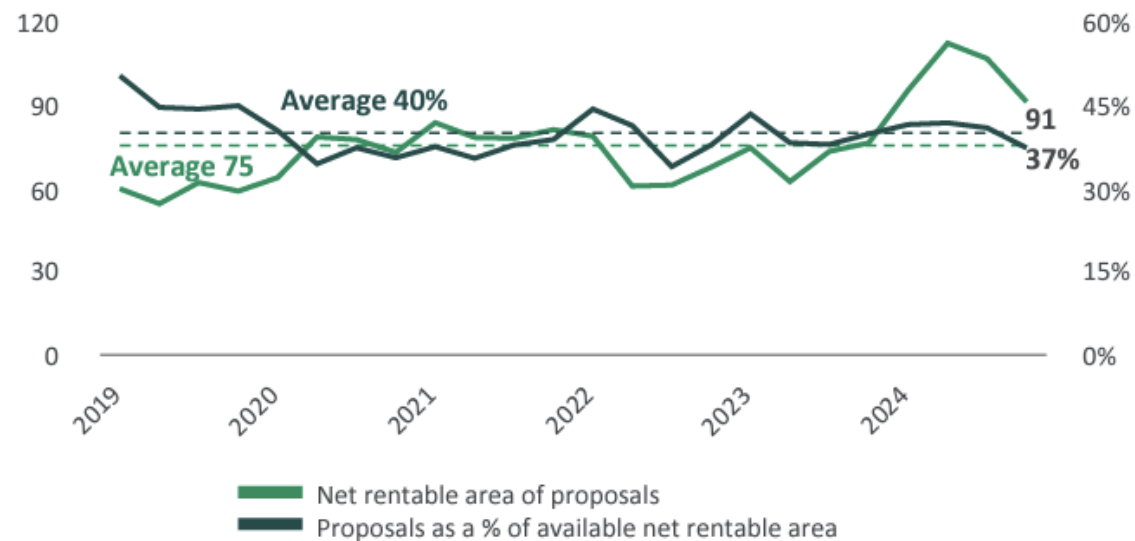


Los Angeles

Prologis Leading Indicators and Proprietary Metrics*

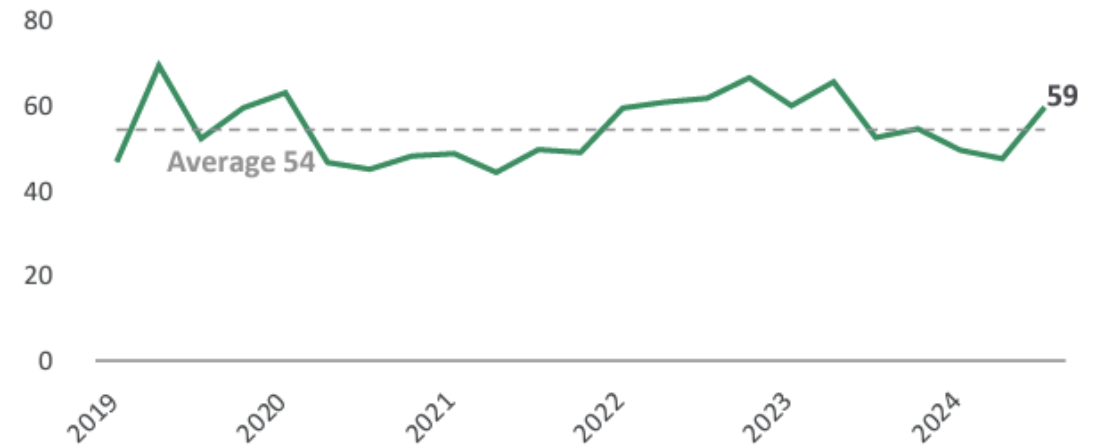
LEASE PROPOSALS

in millions of square feet



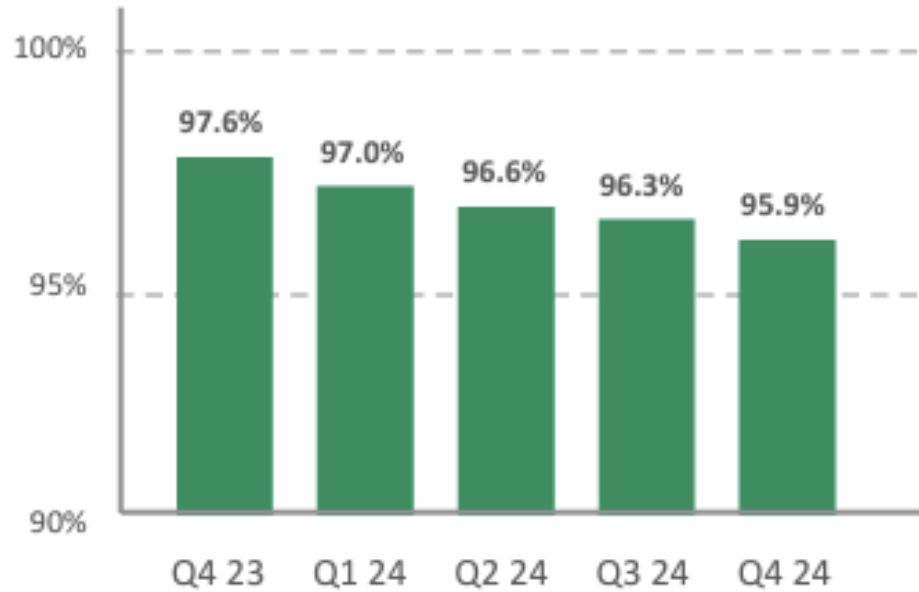
NEW LEASE NEGOTIATION GESTATION

in days



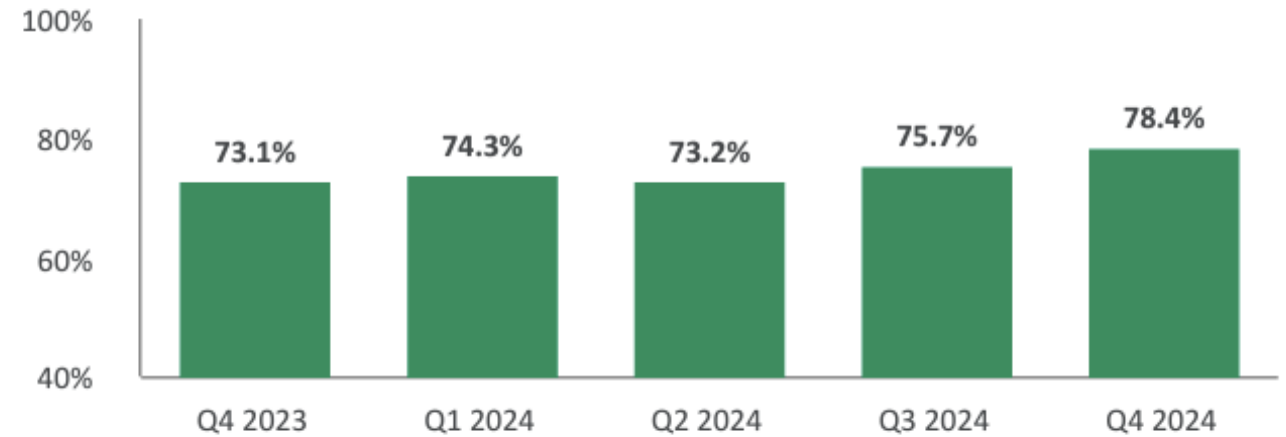
Los Angeles

PERIOD ENDING OCCUPANCY



U.S.

CUSTOMER RETENTION



Los Angeles

Market Graph



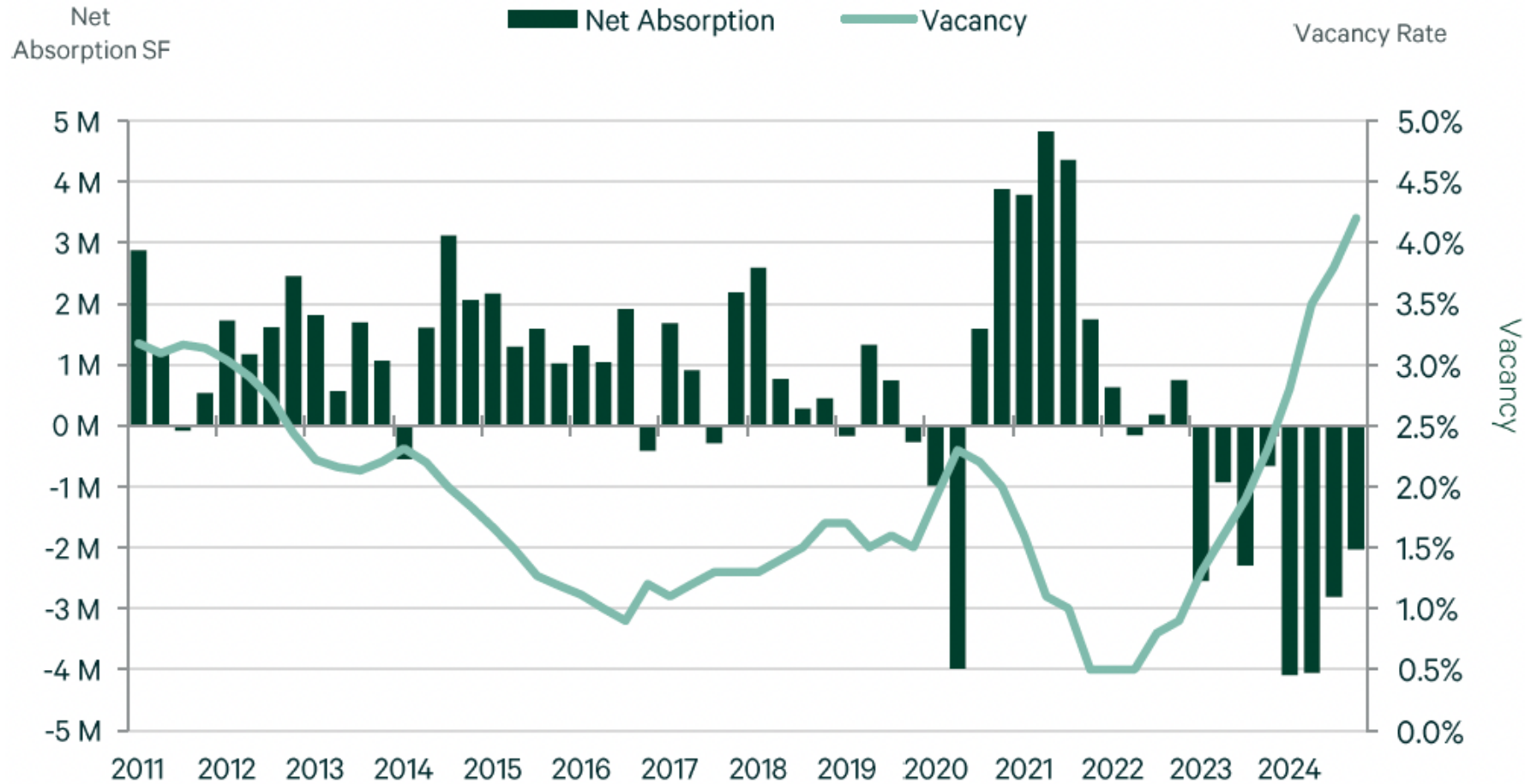
Key Takeaways

- Average asking rents decreased \$0.06 to \$1.32 NNN.
- Vacancy increased 30 basis points to 5.1%.
- Net absorption remains in negative territory with -337K SF of demand.
- Availability reached a 12-year high of 7.9%.

Southern California's vacancy rate extended its growth for the eleventh consecutive quarter, reaching 5.1% by the conclusion of Q4 2024. Starting from a historic low of 0.5% in Q1 2022, the vacancy has surged by 460 basis points. During this period, the region saw the addition of 91.5M SF in new supply, while only absorbing 11.4M SF.

Los Angeles

FIGURE 1: Overall Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2024.

Los Angeles

Existing Properties		Construction		Vacancy		Availability	Activity			Absorption		Rents	
Submarket	Total Inventory SF	Completions Current Qtr SF	Under Construction SF	Vacancy Rate	Vacancy Prior Qtr	Availability Rate	Sales Activity SF	Lease Activity SF	Total Gross Activity Current	Total Gross Activity YTD	Net Absorption Current	Net Absorption YTD	Avg Direct Asking Rate (NNN)
Central Los Angeles													
Central Los Angeles	59,854,299	0	0	2.5%	2.4%	3.4%	122,100	225,435	347,535	1,467,817	-84,784	-454,625	\$1.50
Commerce	75,758,878	57,411	265,680	5.1%	5.4%	8.1%	43,703	945,725	989,428	3,610,075	285,463	-1,736,269	\$1.46
Vernon	81,400,905	351,095	92,410	5.4%	4.6%	7.9%	47,000	662,972	709,972	3,561,167	-194,963	-974,399	\$1.39
Subtotal	217,014,082	408,506	358,090	4.5%	4.3%	6.7%	212,803	1,834,132	2,046,935	8,639,059	5,716	-3,165,293	\$1.44
South Bay													
Carson/Compton/Rancho Dominguez	80,915,359	0	695,045	4.8%	5.2%	9.2%	143,714	853,558	997,272	5,212,398	293,965	123,597	\$1.52
Gardena/Harbor Freeway	30,826,733	422,524	134,693	3.8%	2.3%	5.9%	132,049	113,206	245,255	507,543	-59,455	-259,797	\$1.73
LAX/El Segundo/Hawthorne	27,714,938	0	0	1.8%	1.8%	3.5%	0	135,601	135,601	686,405	12,151	155,738	\$2.23
Long Beach/Harbor Cities	33,172,927	263,060	570,636	4.9%	4.4%	6.6%	0	106,217	106,217	985,688	73,259	-418,302	\$1.49
Torrance	28,802,591	0	83,740	4.9%	4.4%	8.5%	25,231	135,522	160,753	859,973	-142,794	-72,825	\$1.92
Subtotal	201,432,548	685,584	1,484,114	4.3%	4.0%	7.4%	300,994	1,344,104	1,645,098	8,252,007	177,126	-471,589	\$1.67
San Fernando Valley													
East San Fernando Valley	54,049,785	106,750	143,529	2.4%	1.9%	4.1%	117,495	382,510	500,005	1,538,345	-145,348	-689,042	\$1.66
West San Fernando Valley	25,347,312	0	79,539	2.5%	2.1%	4.9%	0	194,338	194,338	959,249	-106,675	-233,343	\$1.41
Central San Fernando Valley	12,934,269	0	91,950	0.7%	0.9%	1.5%	0	26,865	26,865	540,944	22,929	44,177	\$1.76
Santa Clarita Valley	21,645,046	0	729,857	3.6%	2.3%	5.6%	0	168,143	168,143	551,371	-271,421	-277,667	\$1.32
Subtotal	113,976,412	106,750	1,044,875	2.5%	1.9%	4.3%	117,495	771,856	889,351	3,589,909	-500,515	-1,155,875	\$1.54
San Gabriel Valley													
Industry	118,134,098	423,780	702,044	4.8%	4.7%	6.7%	369,032	2,063,859	2,432,891	7,554,351	312,366	611,403	\$1.53
San Gabriel	20,407,118	0	37,186	1.0%	1.1%	1.7%	0	120,928	120,928	445,444	35,483	326,069	\$1.37
Foothill Freeway	20,662,300	0	0	2.9%	2.4%	4.8%	33,733	208,888	242,621	959,035	-104,027	-122,276	\$1.42
Subtotal	159,203,516	423,780	739,230	4.1%	3.9%	5.8%	402,765	2,393,675	2,796,440	8,958,830	243,822	815,196	\$1.51
Mid-Counties													
Subtotal	99,670,578	27,765	688,050	5.8%	5.4%	8.9%	87,244	927,423	1,014,667	4,347,711	-441,330	-3,312,500	\$1.51
Los Angeles County													
Total	791,297,136	1,652,385	4,314,359	4.2%	3.9%	6.6%	1,121,301	7,271,190	8,392,491	33,787,516	-515,181	-7,290,061	\$1.55

Los Angeles

	INVENTORY				VACANCY & LEASE RATES					ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q4 2024	Square Feet Available	Availability Rate Q4 2024	Average Asking Lease Rate	Net Absorption Q4 2024	Net Absorption 2024	Gross Absorption Q4 2024	Gross Absorption 2024
Mid Counties													
Artesia / Cerritos	277	13,127,920	0	0	867,108	6.61%	1,314,111	4.88%	\$1.43	(18,514)	(443,347)	169,330	887,443
Bellflower / Downey	211	5,743,791	0	0	169,989	2.96%	214,543	2.41%	\$1.41	35,271	42,376	38,537	372,349
Buena Park / La Palma	234	14,932,019	0	0	1,704,139	11.41%	1,908,373	5.32%	\$0.00	(55,983)	(703,581)	35,047	334,901
La Mirada	178	13,218,178	0	0	1,051,500	7.95%	1,391,019	9.47%	\$1.58	(94,672)	(29,048)	56,693	787,002
Norwalk	91	2,924,525	0	0	75,764	2.59%	142,764	6.18%	\$1.67	16,660	12,495	31,560	58,788
Paramount	417	9,311,394	0	0	220,564	2.37%	419,418	3.08%	\$1.35	(34,685)	(192,748)	95,050	302,793
Santa Fe Springs	1,351	54,204,888	488,203	78,417	2,822,868	5.21%	4,750,857	5.63%	\$1.74	(24,679)	(1,213,488)	657,958	2,580,443
Whittier	163	4,205,451	292,303	0	261,403	6.22%	327,584	2.97%	\$1.50	(45,811)	(324,830)	16,336	114,407
Mid Counties Total	2,922	117,668,166	780,506	78,417	7,173,335	6.10%	10,468,669	8.90%	\$1.50	(222,413)	(2,852,171)	1,100,511	5,438,126
5,000-24,999	1,829	23,993,848	0	0	736,474	3.07%	992,893	4.14%	\$1.37	(33,929)	(68,257)	284,780	1,455,537
25,000-49,999	516	18,363,697	0	0	891,311	4.85%	1,347,536	7.34%	\$1.43	52,339	(188,198)	239,639	1,069,200
50,000-99,999	302	21,010,799	58,463	78,417	1,285,949	6.12%	2,189,381	10.42%	\$1.54	(175,943)	(324,264)	309,784	821,590
100,000-249,999	214	31,781,149	429,740	0	2,726,218	8.58%	4,146,206	13.05%	\$1.58	(20,810)	(1,447,637)	266,308	1,558,274
250,000-499,999	53	17,535,796	292,303	0	1,169,102	6.67%	1,244,102	7.09%	\$0.00	(44,070)	(1,004,784)	0	352,556
500,000 plus	8	4,982,877	0	0	364,281	7.31%	548,551	11.01%	\$0.00	0	180,969	0	180,969
Mid Counties Total	2,922	117,668,166	780,506	78,417	7,173,335	6.10%	10,468,669	8.90%	\$1.50	(222,413)	(2,852,171)	1,100,511	5,438,126

This survey consists of buildings greater than 5,000 square feet. Lease rates are on triple-net basis.

Los Angeles

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)**	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MFG)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT (ALL)*
LA North	148,078,558	4,529,624	3.1%	-680,572	-1,131,696	3,658,558	2,373,817	451,772	\$1.36	\$1.34	\$1.34
San Gabriel Valley	160,482,329	7,692,206	4.8%	234,366	-201,302	7,232,340	342,119	3,417,885	\$0.93	\$1.28	\$1.27
Mid-Counties	89,368,080	5,046,775	5.7%	-584,015	-2,714,277	3,249,114	701,003	307,869	\$1.23	\$1.49	\$1.46
LA Central	203,929,415	12,124,290	6.0%	-1,321,539	-4,043,962	7,447,369	47,052	1,031,606	\$1.05	\$1.32	\$1.28
LA West	8,525,747	286,360	3.4%	22,734	5,883	82,014	0	0	\$2.50	\$2.64	\$2.68
LA South	193,230,230	9,943,953	5.2%	193,314	-1,013,525	7,340,530	1,956,739	1,267,584	\$1.29	\$1.57	\$1.53
LOS ANGELES TOTALS	803,614,359	39,623,208	4.9%	-2,135,712	-9,098,879	29,009,925	5,420,730	6,476,716	\$1.19	\$1.42	\$1.39

*Rental rates reflect weighted triple-net asking \$psf/month. **Renewals not included in leasing statistics.

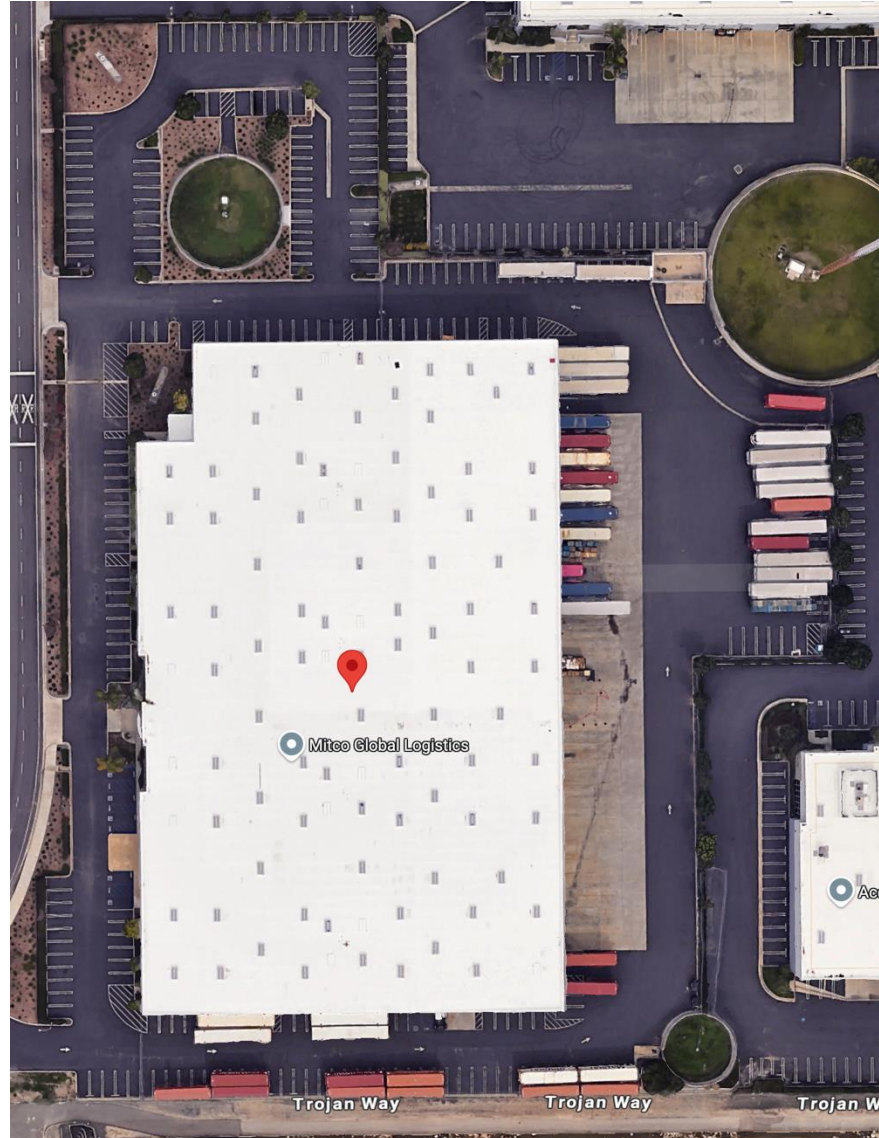
Los Angeles

±130,459 Class A Free-Standing Building



16800 EAST TROJAN WAY | LA MIRADA, CA

Los Angeles



Los Angeles

TOP BROKERS PAST 12 MONTHS

Company Name	Sales Volume	Transactions	Transacted SF	Avg SF	Cap Rate	Sale Price/SF
Eastdil Secured, LLC	\$724,188,997	36	2,158,123	59,948	-	\$336
CBRE	\$678,681,615	68	2,491,545	36,640	5.4%	\$272
Lee & Associates	\$390,510,806	114	1,842,255	16,160	6.2%	\$212
JLL	\$339,524,000	16	1,429,590	89,349	-	\$237
Colliers	\$279,829,970	36	903,700	25,103	-	\$310
DAUM Commercial Real Estate	\$160,571,448	42	597,481	14,226	5.1%	\$269
Kidder Mathews	\$139,386,998	30	591,134	19,704	5.3%	\$236
Keller Williams Realty	\$116,952,250	54	442,758	8,199	5.4%	\$264
Newmark	\$104,983,665	11	322,953	29,359	5.1%	\$325
Marcus & Millichap	\$88,028,000	33	338,529	10,258	-	\$260

Does It Feel Like the Bottom?

- ...Not the bottom
- Hard to image a recovery in two quarters
- Remember what Prologis said, vacancy to stay near peak through summer 2025, as decision makers gradually pick up the pace throughout the year.
- A lot could change in two quarters of a new administration

Final Thoughts

- We're searching for the bottom and expecting to confirm it this summer. Early signals are in the Inland Empire where we have 1-2 quarters of increased in new leases signed.
- Deals are not done until they are inked. There are a lot of stalled deals out there after multiple RFP's.
- Looking for signs of how the fires will affect the markets from decision makers moving to different places.

Thank you!



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