

Q3 Industrial Market Insight

Lee & Associates® Research

Los Angeles Central

City of Industry

2024

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Q3 2024 Market Insight Central Los Angeles

Highlights

- Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts declined. Leasing remains muted across all submarkets save the Inland Empire. Capital market activity was subdued as most investors remained cautious and on the sidelines.
- Vacancy Rate:** Continues to rise, increasing 20 bps quarter-over-quarter and 150 bps year-over-year to reach the current rate of 6.5%.
- Asking Rents:** At \$1.30 NNN per square foot, asking lease rents declined by \$0.32 or -19.75% from the Q3 2023 rate of \$1.62 NNN.
- Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.4%, year-over-year, while PCE and Core PCE inflation checked in at 2.1% and 2.7%, respectively. At the September meeting, the FOMC decided to cut interest rates by 50 basis points. Another quarter-point rate cut is expected at the next FOMC meeting in November
- GDP:** In the third quarter of 2024, real gross domestic product (GDP) grew at an annualized rate of 2.8%, following an upward revision for Q2, which now stands at 3.0%. This growth is largely driven by robust consumer spending, which has exceeded even the most optimistic expectations. Despite inflationary pressures, Americans continue to spend across various sectors, including automotive, dining, and travel. Additionally, increases in exports and federal government spending fueled third-quarter GDP growth. Imports, which are a subtraction in the calculation of GDP, increased.
- E-commerce activity:** E-commerce sales reached \$291.6 billion, marking a 1.3% increase from the previous quarter and a 6.7% rise year-over-year. Despite this growth, e-commerce's share of total retail sales dipped slightly, from its high of 16.4% in Q3 2020 to 16.0% in Q2 2024. Overall, consumer spending remains robust, continuing to support both regional and national economic growth.
- Supply Chain:** Transpacific spot prices to the West Coast are 35% lower than their July peak and 38% lower to the East Coast. Week-over-week, the cost from China/East Asia to North America's West Coast fell to \$5,294/FEU, while China to US East Coast prices fell to \$5,935/FEU, according to Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Asking Sale Price (\$/SF)
BELL/BELL GARDENS	192	7,645,988	4.9	7.6	(198,947)	32,033	\$1.49	\$257
COMMERCE	739	46,258,913	6.4	11.5	(397,231)	489,505	\$1.14	\$244
CUDAHY	37	1,155,597	2.4	10.7	2,508	13,420	\$1.15	\$235
HUNTINGTON PARK	160	3,675,096	4.2	8.5	124,638	204,477	\$0.82	\$237
DTLA	4652	144,190,680	7.1	9.2	-104,462	2,154,417	\$1.13	\$295
MAYWOOD	46	821,214	2.5	4.2	19,350	19,350	\$1.42	\$317
MONTEBELLO	216	10,026,765	6.7	9.5	(55,877)	71,059	\$1.67	\$251
PICO RIVERA	197	10,291,216	5.7	8	3,801	463,715	\$1.38	\$269
SOUTH GATE	232	9,799,620	3.5	7.7	(31,137)	18,412	\$1.44	\$247
VERNON	794	44,987,519	7.4	7.3	54,759	1,163,703	\$1.29	\$261

4.1%

US Unemployment Rate

2.8%

GDP - Quarter 3 % - Change YOY

4.2%

U.S. 10-Year Treasury Note

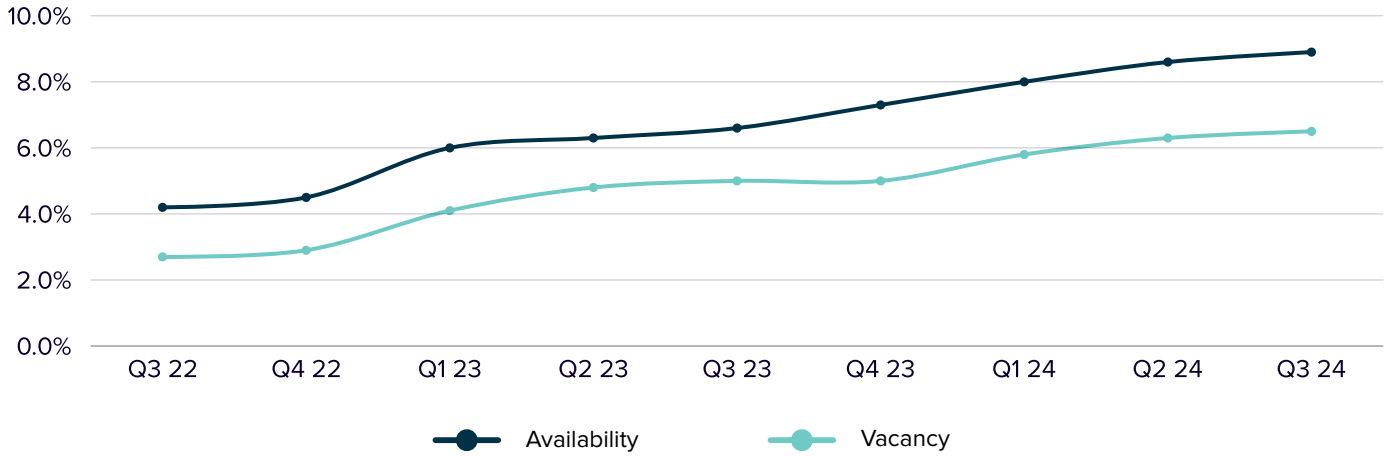
Market Summary

	Q3 2023	Q2 2024	Q3 2024	QoQ Change	YoY Change
Total Inventory (SF)	245,988,232	246,495,941	246,495,941	0.00%	0.21%
Overall Vacancy	5.0%	6.3%	6.5%	20 bps	150 bps
Overall Availability	6.6%	8.6%	8.9%	30 bps	230 bps
Under Construction (SF)	1,102,979	906,636	648,147	-28.51%	-41.24%
Net Absorption (SF)	(469,015)	(835,145)	(278,736)	N/A	N/A
Overall Asking Lease Rates (NNN)	\$ 1.62	\$ 1.35	\$ 1.30	-3.70%	-19.75%

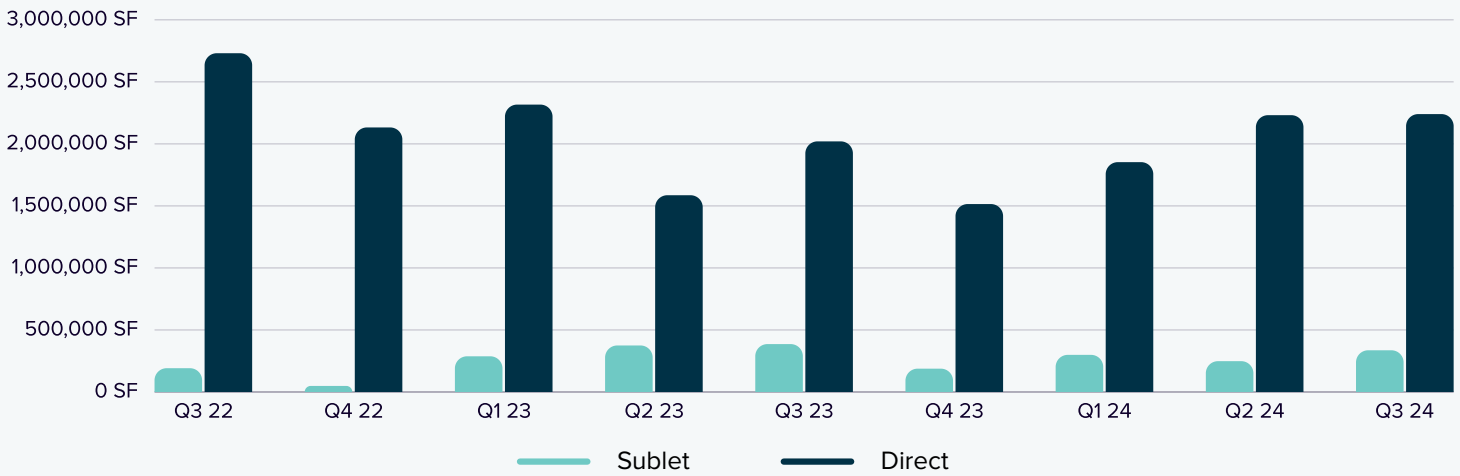
Port Stats

PORTS	Quarter	Month	Loaded Inbound	Loaded Outbound	Total Loaded	Total Empties	Toal Containers	YOY Change
LOS ANGELES	Q3	July	501,281	114,889	616,170	323,431	939,600	37.31%
		August	509,363	121,744	631,106	329,491	960,597	16.01%
		September	497,803	114,702	612,505	342,201	954,706	27.56%
LONG BEACH	Q3	July	435,081	104,834	539,915	342,462	882,377	52.59%
		August	456,868	104,646	561,513	352,360	913,873	33.94%
		September	416,999	88,289	505,288	324,211	829,499	0.01%

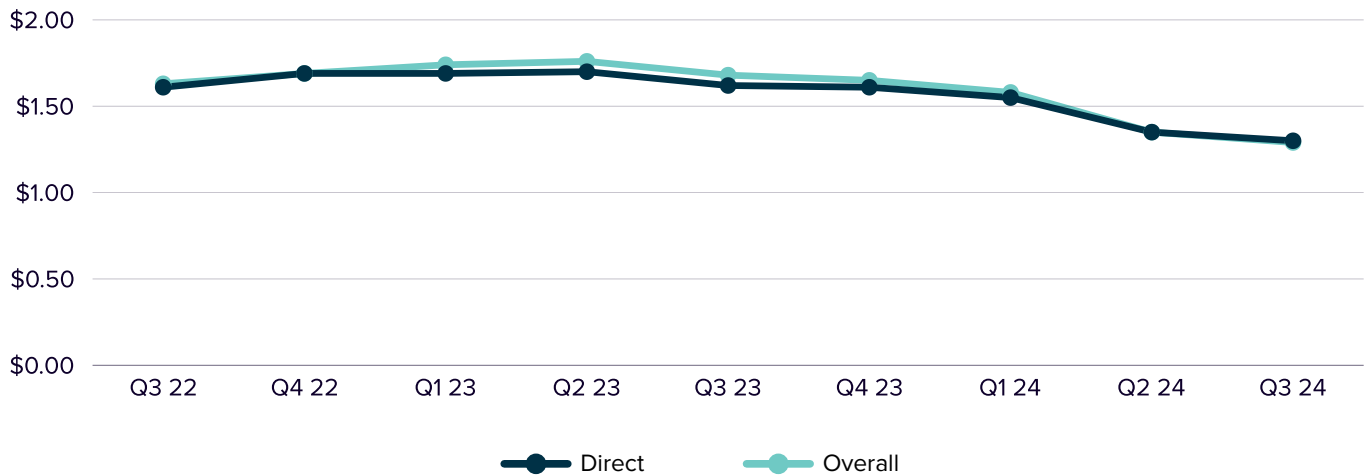
> Vacancy vs Availability



Leasing Activity



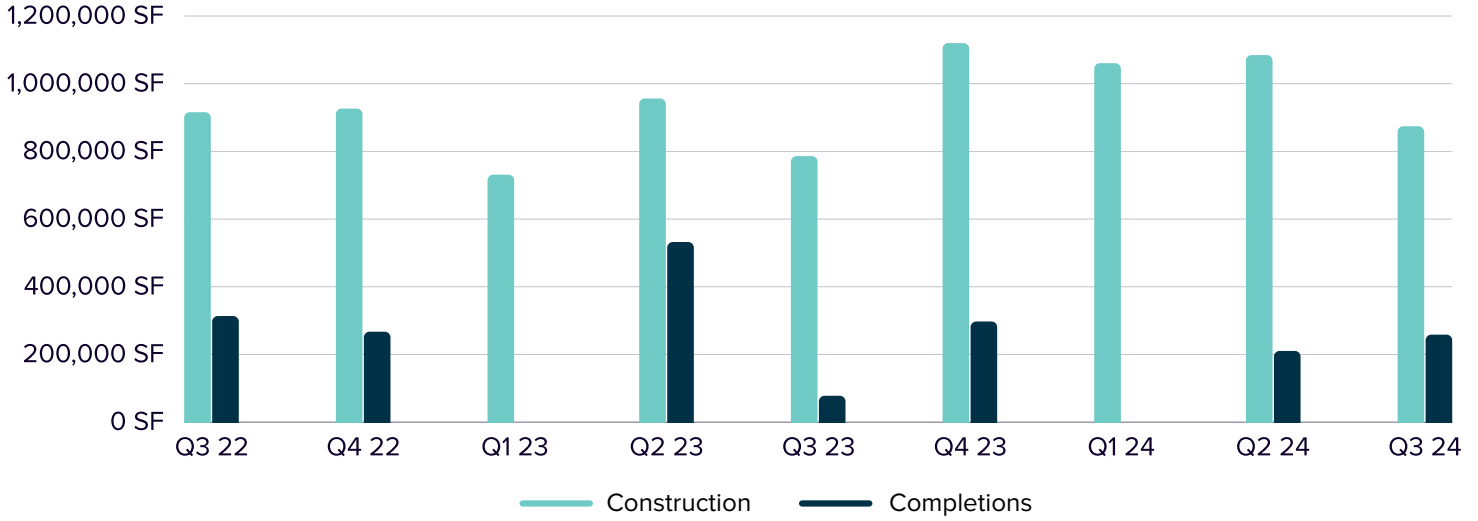
> Rental Rates



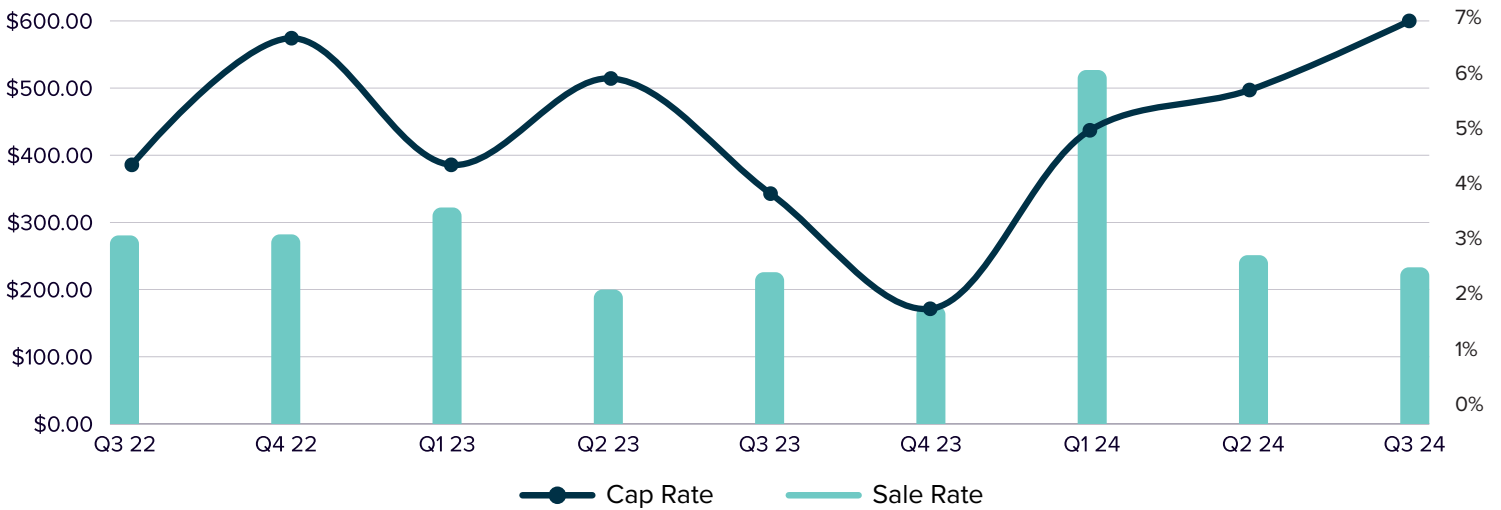


Q3 24 | Central Los Angeles

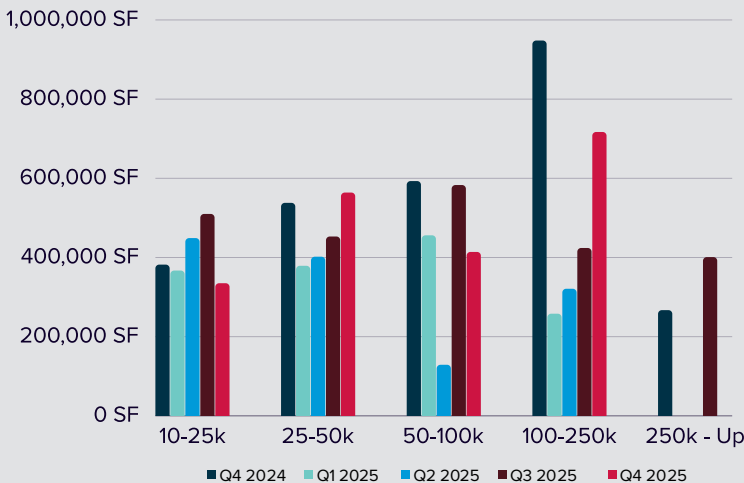
> Construction



> Sales Trends



> Lease Expiration



**Central Los Angeles
Largest Lease Transaction
By Square Foot**
Lessee: Lasan Liviability
450-500 S Central Ave, Los Angeles

202,107sf

> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
200 W 140TH ST	Los Angeles	60,457	LRF2 LA W	Cisco Management	\$14.1M
10700 SESSLER ST	South Gate	38,392	C & H Trust Deed Service	Commercial Funding	\$1.6 M
2553 GARFIELD AVE	Commerce	25,615	DM Holdings Group LLC	Rexford	\$7.2 M
1243-1261 S BOYLE AVE	Los Angeles	21,904	Shahin Monafred	SNSN Capital Venture	\$4.9M
601-611 N ALVARADO ST	Los Angeles	21,020	ARC Bellevue	601 Alvarado LLC	\$4.9M

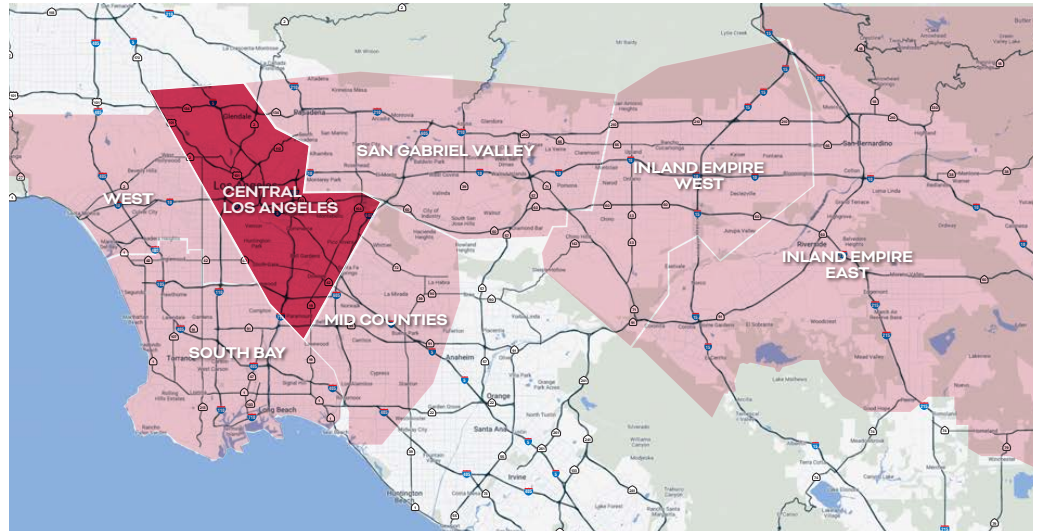
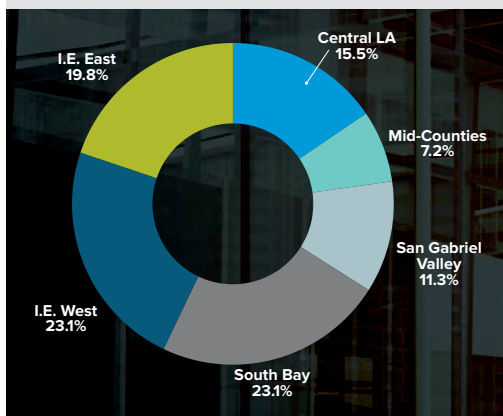
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee
450-500 S CENTRAL AVE	Los Angeles	202,107	Young's Market	Lasan Livability
3430 E 26TH ST	Vernon	140,464	Pacific Industrial	MGM Transformer
3260-3278 E 26TH ST	Los Angeles	133,280	PR Vernon Distribution Center	Adart Company
4901 ALEXANDER ST	Commerce	126,502	Prologis	Plastic Express Inc
7222 E GAGE RD, A/B	Commerce	105,214	Hubert Yen	Super Secure Warehouse

> Major Construction / Development Projects

Address	City	Owner	Size (SF)	Est. Completion
7400 BANDINI BLVD	Commerce	Bridge Industrial	94,154	Q4 2024
3270 E WASHINGTON BLVD	Los Angeles	Brenntag North America	73,777	Q4 2024
3165 E SLAUSON AVE	Los Angeles	City of Vernon	69,522	Q4 2024
7421 E SLAUSON AVE	Commerce	Bridge Industrial	57,411	Q4 2024
5637 E 61ST ST	Commerce	Rexford Industrial Realty, Inc.	47,088	Q4 2024

Inventory Comparison





Q3 2024 Market Insight Mid-Counties

Highlights

- **Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts declined. Leasing remains muted across all submarkets save the Inland Empire. Capital market activity was subdued as most investors remained cautious and on the sidelines.
- **Vacancy Rate:** Continues to rise, increasing 70 bps quarter-over-quarter and 270 bps year-over-year to reach the current rate of 6.1%.
- **Asking Rents:** At \$1.56 NNN per square foot, asking lease rents declined by \$0.12 or -7.14% from the Q3 2023 rate of \$1.68 NNN.
- **Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.4%, year-over-year, while PCE and Core PCE inflation checked in at 2.1% and 2.7%, respectively. At the September meeting, the FOMC decided to cut interest rates by 50 basis points. Another quarter-point rate cut is expected at the next FOMC meeting in November
- **GDP:** In the third quarter of 2024, real gross domestic product (GDP) grew at an annualized rate of 2.8%, following an upward revision for Q2, which now stands at 3.0%. This growth is largely driven by robust consumer spending, which has exceeded even the most optimistic expectations. Despite inflationary pressures, Americans continue to spend across various sectors, including automotive, dining, and travel. Additionally, increases in exports and federal government spending fueled third-quarter GDP growth. Imports, which are a subtraction in the calculation of GDP, increased.
- **E-commerce activity:** E-commerce sales reached \$291.6 billion, marking a 1.3% increase from the previous quarter and a 6.7% rise year-over-year. Despite this growth, e-commerce's share of total retail sales dipped slightly, from its high of 16.4% in Q3 2020 to 16.0% in Q2 2024. Overall, consumer spending remains robust, continuing to support both regional and national economic growth.
- **Supply Chain:** Transpacific spot prices to the West Coast are 35% lower than their July peak and 38% lower to the East Coast. Week-over-week, the cost from China/East Asia to North America's West Coast fell to \$5,294/FEU, while China to US East Coast prices fell to \$5,935/FEU, according to Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Asking Sale Price (\$/SF)
ARTESIA	27	310,416	11.8	11.8	(21,466)	0	\$1.45	\$339
BELLFLOWER	66	1,003,395	0	0	0	0	\$1.51	\$328
BUENA PARK	217	13,126,523	11.9	13.9	(793,533)	36,687	\$1.66	\$260
CERRITOS	250	12,817,504	6.3	9.7	(66,197)	317,568	\$1.21	\$272
CYPRESS	85	4,263,203	2.6	10.9	154,099	215,000	\$1.70	\$306
LA MIRADA	178	13,213,636	8	9.9	(156,887)	57,855	\$1.58	\$270
LA PALMA	16	1,778,216	4.1	4.7	0	0	\$1.66	\$233
LOS ALAMITOS	93	2,272,463	7	8.7	(91,832)	8,043	\$1.38	\$307
NORWALK	91	2,924,525	3.2	3.4	766	4,100	\$1.66	\$262
SANTA FE SPRINGS	1344	54,010,585	5.1	8.6	159,353	730,153	\$1.70	\$291
WHITTIER	163	4,199,543	5.1	5.4	(121,406)	42,062	\$1.31	\$264
DOWNEY	144	4,735,196	4.3	4.4	42,057	121,498	\$1.09	\$279

↑ 4.1%

US Unemployment Rate

↑ 2.8%

GDP - Quarter 3 % - Change YOY

↑ 4.2%

U.S. 10-Year Treasury Note

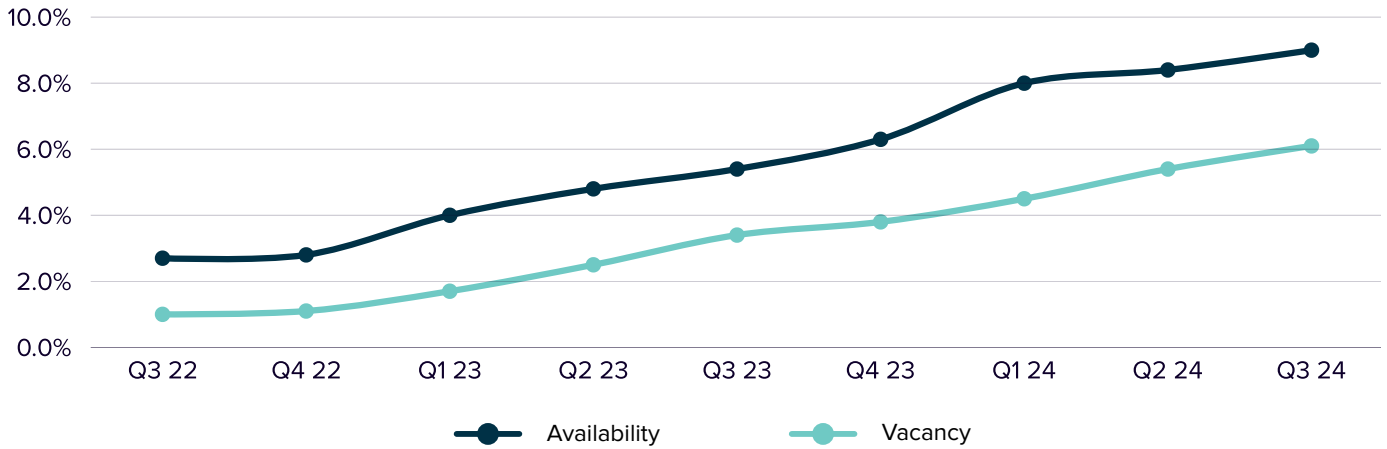
> Market Summary

	Q3 2023	Q2 2024	Q3 2024	QoQ Change	YoY Change
Total Inventory (SF)	114,667,332	114,811,766	114,811,766	0.00%	0.13%
Overall Vacancy	3.4%	5.4%	6.1%	70 bps	270 bps
Overall Availability	5.4%	8.4%	9.0%	60 bps	460 bps
Under Construction (SF)	335,634	1,211,055	1,211,055	0.00%	260.83%
Net Absorption (SF)	(990,667)	(968,468)	(893,916)	N/A	N/A
Overall Asking Lease Rates (NNN)	\$1.68	\$1.59	\$1.56	-1.89%	-7.14%

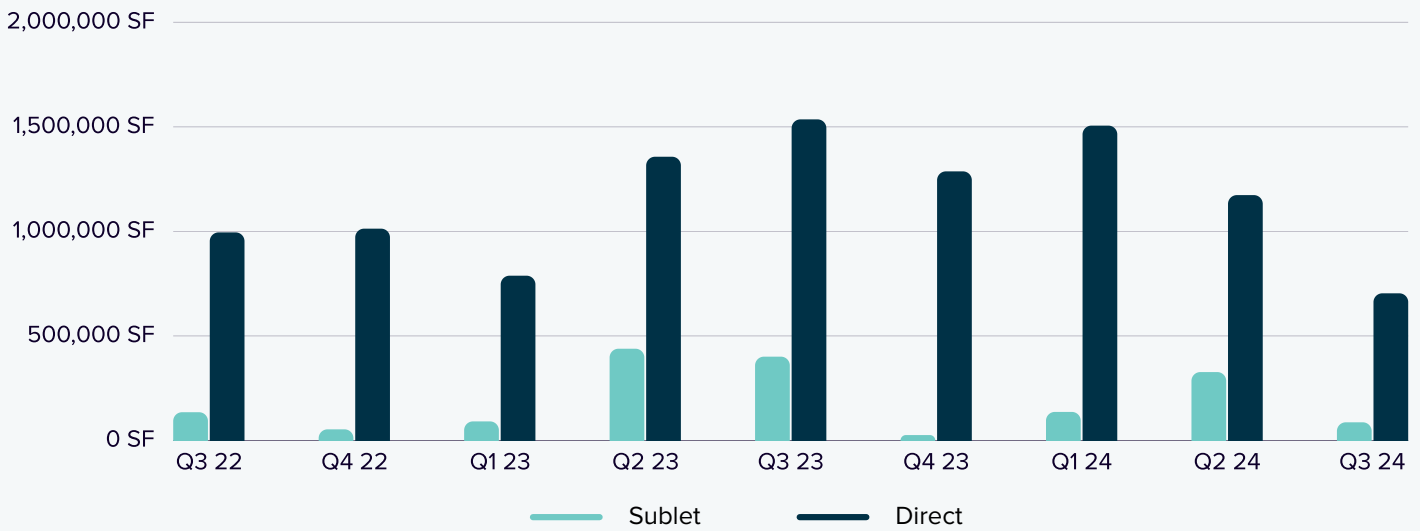
> Port Stats

PORTS	Quarter	Month	Loaded Inbound	Loaded Outbound	Total Loaded	Total Empties	Toal Containers	YOY Change
LOS ANGELES	Q3	July	501,281	114,889	616,170	323,431	939,600	37.31%
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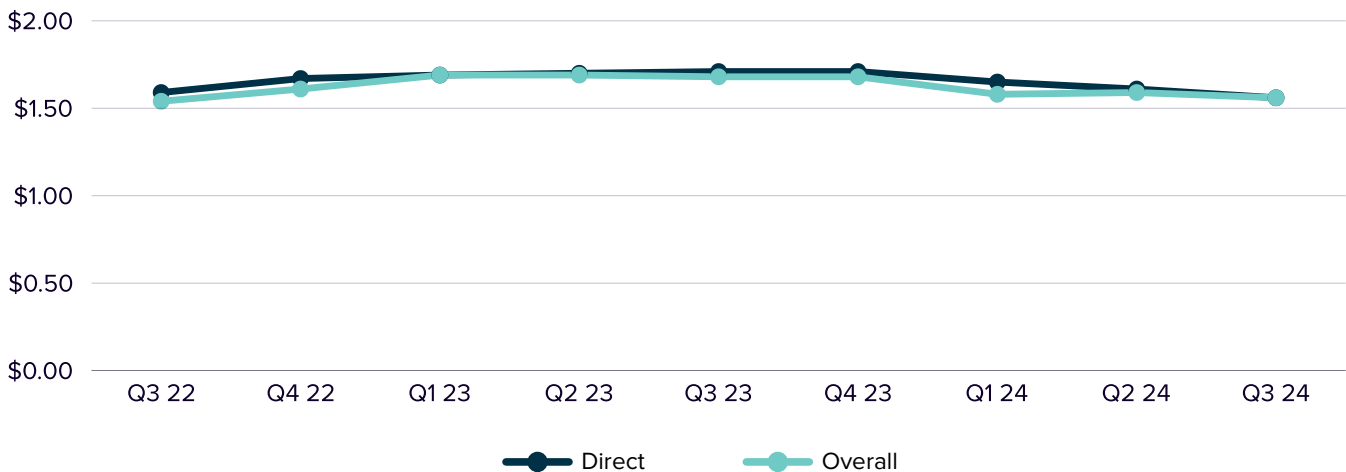
> Vacancy vs Availability



Leasing Activity



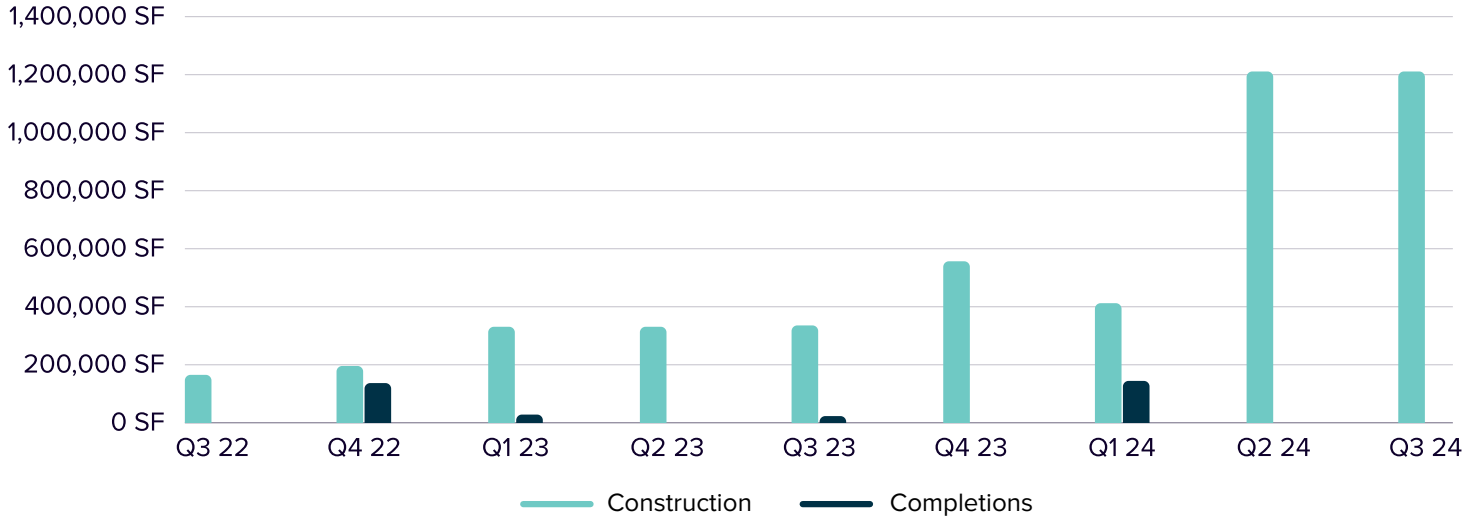
> Rental Rates



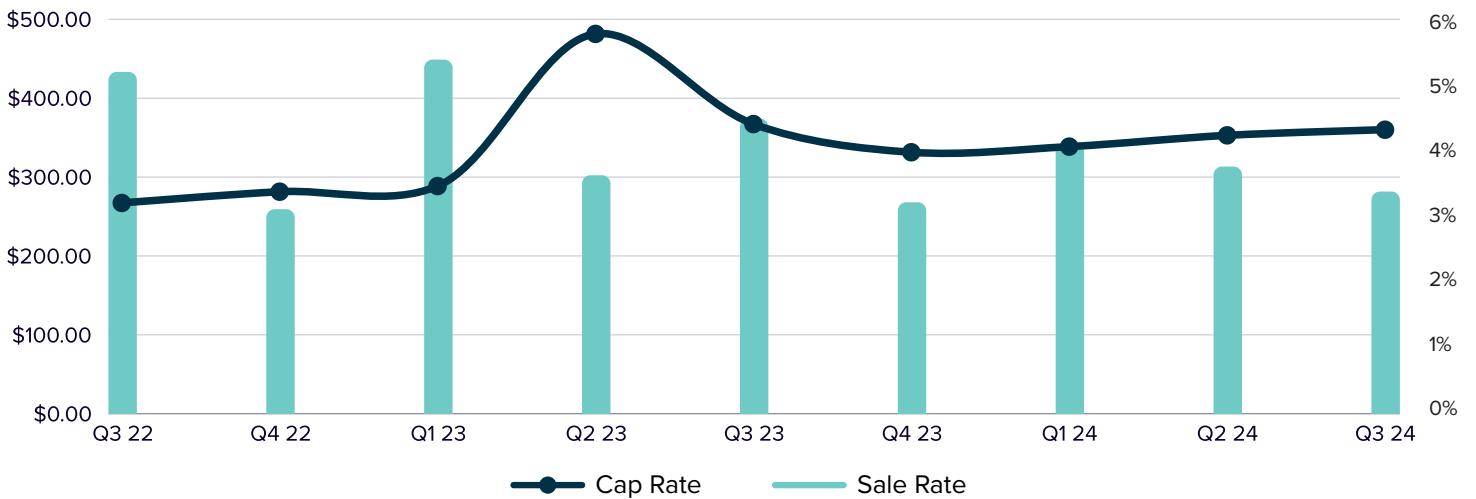


Q3 24 | Mid-Counties

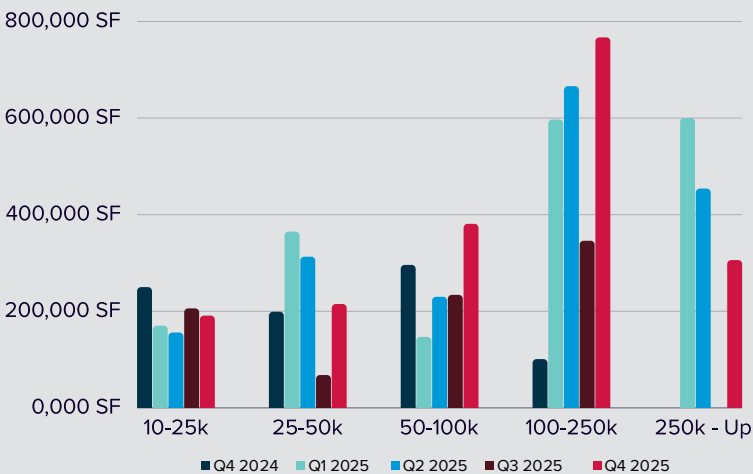
> Construction



> Sales Trends



> Lease Expiration



Mid-Counties
Largest Lease Transaction
 By Square Foot
 Lessee: Gelson's Markets
 13833 Freeway Dr, Santa Fe Springs

248,304sf

> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
16000-16032 CARMENITA RD	Cerritos	168,912	Mid Counties Holdings	Icon Owner Pool	\$52.6M
5609 RIVER WAY	Buena Park	149,000	5609 Riverway LLC	SCIND Beach Point	\$43.5M
9830 NORWALK BLVD	Santa Fe Springs	134,373	McMaster-Car Supply	Brookfield Hotel Properties	\$35.7M
16933 VALLEY VIEW AVE	La Mirada	125,000	LD Valley View Holding	UBS Realty Investors	\$32.4M
5701 FRESCA DR	La Palma	84,321	5701 Fresca Dr	Longpoint Realty Partners	\$28.5M

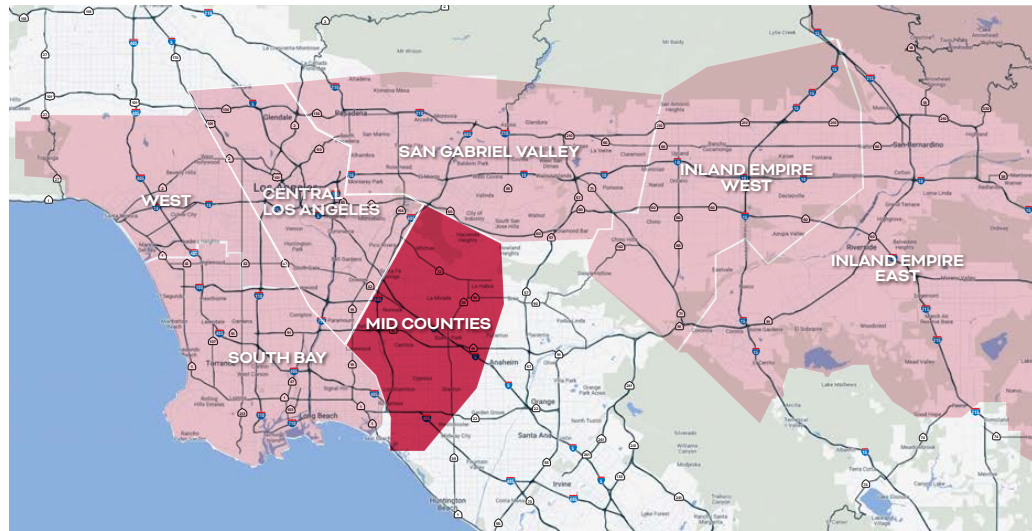
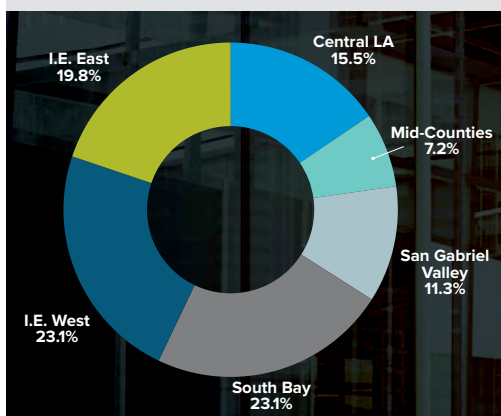
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
13833 FREEWAY DR	Santa Fe Springs	248,304	Thirty Oil Co	Gelson's Markets
15905 COMMERCE WY	Cerritos	104,556	Prologis	Grimco
13930 GANNET ST	Santa Fe Springs	75,004	Hsi Family Trust	Travelers Club Luggages
5450 DODDS AVE	Buena Park	62,812	Jaaks Properties	Shinwoo-Global
16901 VALLEY VIEW AVE	Cerritos	54,400	William V Ritchie	Souther Glazer's Wine & Spirits

> Major Construction / Development Projects

Address	City	Owner	Size (SF)	Est. Completion
5885 PLAZA DR	Cypress	Goodman Group	204,909	Q1 2025
9615 NORWALK BLVD	Santa Fe Springs	Rexford Industrial Realty, Inc.	201,571	Q1 2025
5755 PLAZA DR	Cypress	Goodman Group	185,359	Q1 2025
10251 SANTA FE SPRINGS RD	Santa Fe Springs	Centris Industrial	121,124	Q1 2025
12118 BLOOMFIELD AVE	Santa Fe Springs	Rexford Industrial Realty, Inc.	107,045	Q4 2024

Inventory Comparison





Q3 2024 Market Insight San Gabriel Valley

Highlights

- Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts declined. Leasing remains muted across all submarkets save the Inland Empire. Capital market activity was subdued as most investors remained cautious and on the sidelines.
- Vacancy Rate:** Continues to rise, increasing 50 bps quarter-over-quarter and 330 bps year-over-year to reach the current rate of 6.4%.
- Asking Rents:** At \$1.48 NNN per square foot, asking lease rents declined by \$0.09 or -5.73% from the Q3 2023 rate of \$1.57 NNN.
- Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.4%, year-over-year, while PCE and Core PCE inflation checked in at 2.1% and 2.7%, respectively. At the September meeting, the FOMC decided to cut interest rates by 50 basis points. Another quarter-point rate cut is expected at the next FOMC meeting in November
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ALHAMBRA	112	2,153,914	4	4.5	(16,390)	4,916	\$1.40	\$325
ARCADIA	104	2,536,463	2.4	5	-4,383	19,180	\$1.52	\$368
AZUSA	253	6,976,569	8	10.9	(298,068)	163,617	\$1.41	\$297
BALDWIN PARK	251	5,295,235	4.1	5.6	50,350	89,658	\$1.48	\$307
CLAREMONT	20	600,639	0	0.2	0	0	\$1.43	\$246
COVINA	168	2,722,877	2.6	4.8	6,557	18,057	\$1.87	\$301
DIAMOND BAR	20	453,896	0	0	1,599	1,599	\$1.65	\$285
DUARTE	70	1,798,317	7.6	4.5	(2,958)	3,754	\$0.00	\$309
EL MONTE	317	9,028,148	3.1	3.6	(133,979)	60,978	\$1.60	\$301
GLENDORA	45	657,643	6.6	10.7	0	0	\$1.65	\$324
INDUSTRY	1,045	76,309,483	8.8	8.8	(245,886)	1,063,733	\$1.65	\$269
IRWINDALE	263	13,371,772	7.4	8	(175,073)	22,090	\$1.53	\$275
LA PUENTE	93	1,762,009	0.8	2.3	14,035	19,905	\$1.60	\$363
LA VERNE	136	2,934,151	4.5	5.3	(42,193)	68,489	\$1.54	\$336
MONROVIA	208	3,411,228	2.7	8.3	717	19,235	\$1.75	\$312
MONTEREY PARK	99	1,798,755	10.4	12.4	50	27,720	\$1.19	\$345
PASADENA	97	1,467,295	5.9	14.2	(19,468)	16,949	\$2.18	\$378
POMONA	654	20,027,288	3.9	5	(29,461)	258,430	\$1.06	\$265
ROSEMEAD	53	1,197,733	1.9	4.1	14,970	15,000	\$1.24	\$294
SAN DIMAS	126	3,151,589	4.1	9.5	(31,415)	21,978	\$1.65	\$273
SAN GABRIEL	68	1,028,296	3.4	2.9	(9,344)	1,188	\$1.24	\$283
SOUTH EL MONTE	840	11,183,675	3.8	2.9	(27,174)	90,016	\$1.45	\$318
TEMPLE CITY	39	632,111	3.7	5.1	(1,975)	9,134	\$3.00	\$327
WALNUT	206	6,921,857	6	11.4	(47,575)	29,952	\$1.30	\$279
WEST COVINA	17	823,570	0.5	22.3	5,906	5,906	\$1.87	\$253

↑ 4.1%

US Unemployment Rate

↑ 2.8%

GDP - Quarter 3 % - Change YOY

↑ 4.2%

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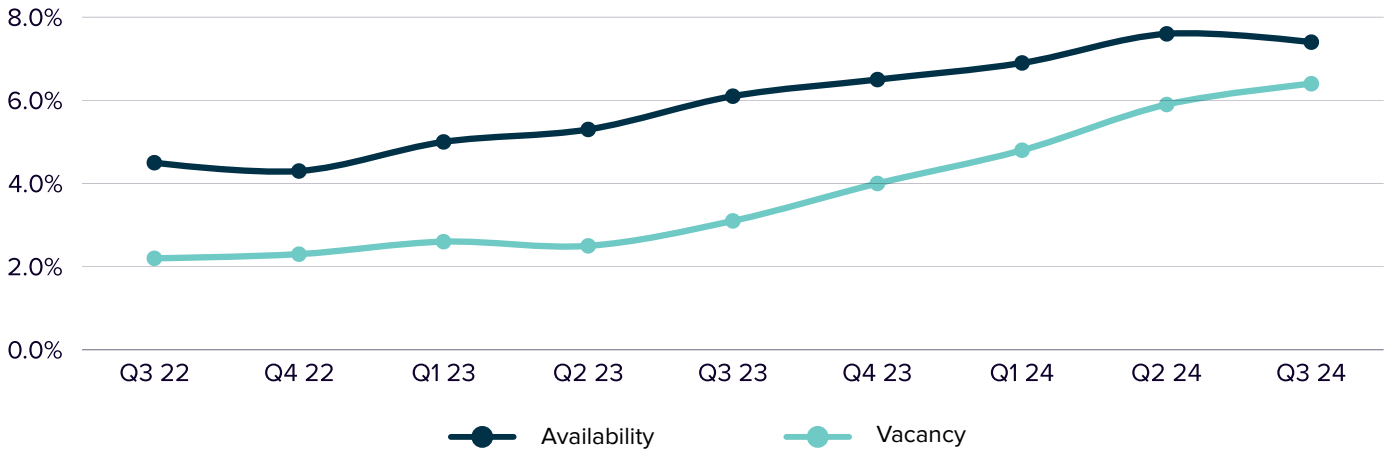
> Market Summary

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Total Inventory (SF)	174,576,125	178,758,780	178,758,780	0.00%	2.40%
Overall Vacancy	3.1%	5.9%	6.4%	50 bps	330 bps
Overall Availability	6.1%	7.6%	7.4%	-20 bps	130 bps
Under Construction (SF)	4,395,010	487,202	545,702	12.01%	-87.58%
Net Absorption (SF)	(861,022)	(5,823)	(965,256)	N/A	N/A
Overall Asking Lease Rates (NNN)	\$1.57	\$1.56	\$1.48	-5.13%	-5.73%

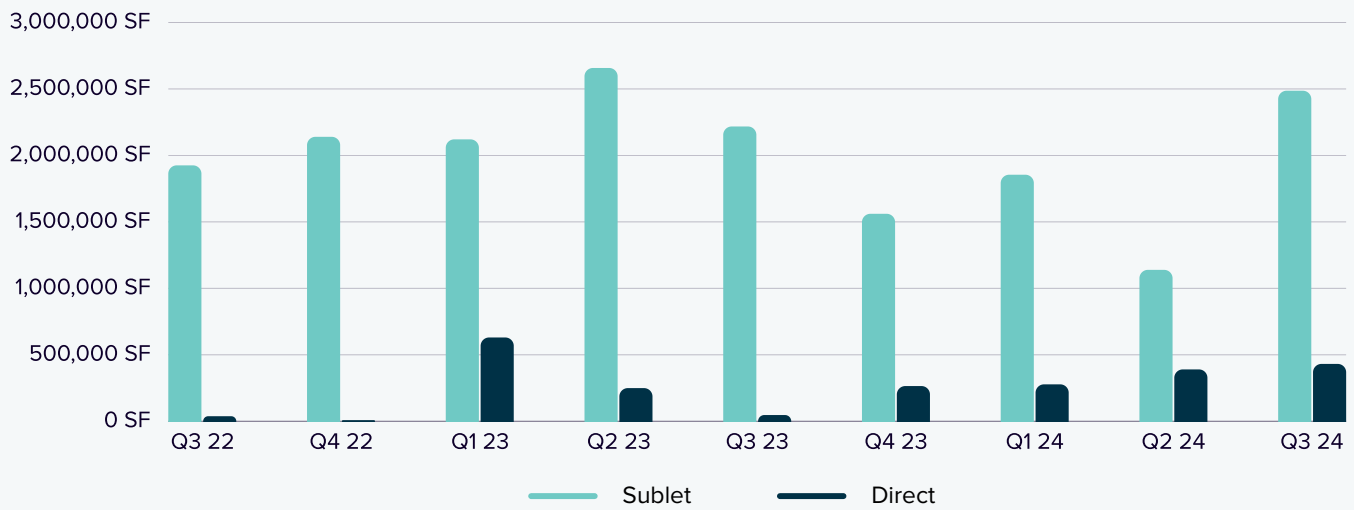
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LONG BEACH	Q3	July	435,081	104,834	539,915	342,462	882,377	52.59%
		August	456,868	104,646	561,513	352,360	913,873	33.94%
		September	416,999	88,289	505,288	324,211	829,499	0.01%

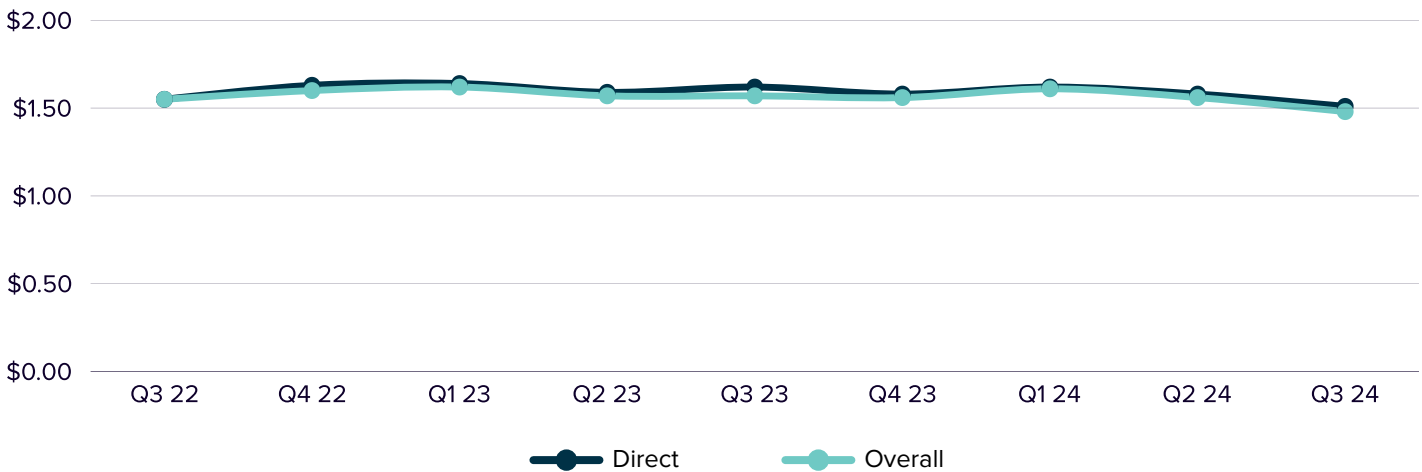
> Vacancy vs Availability



Leasing Activity



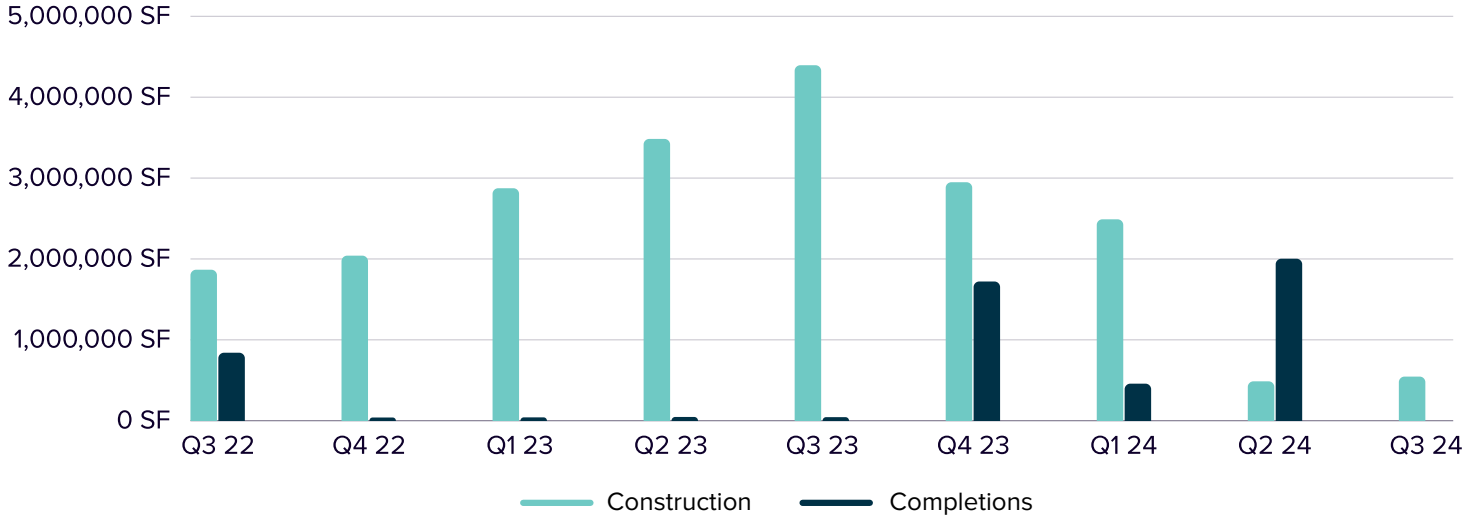
> Rental Rates



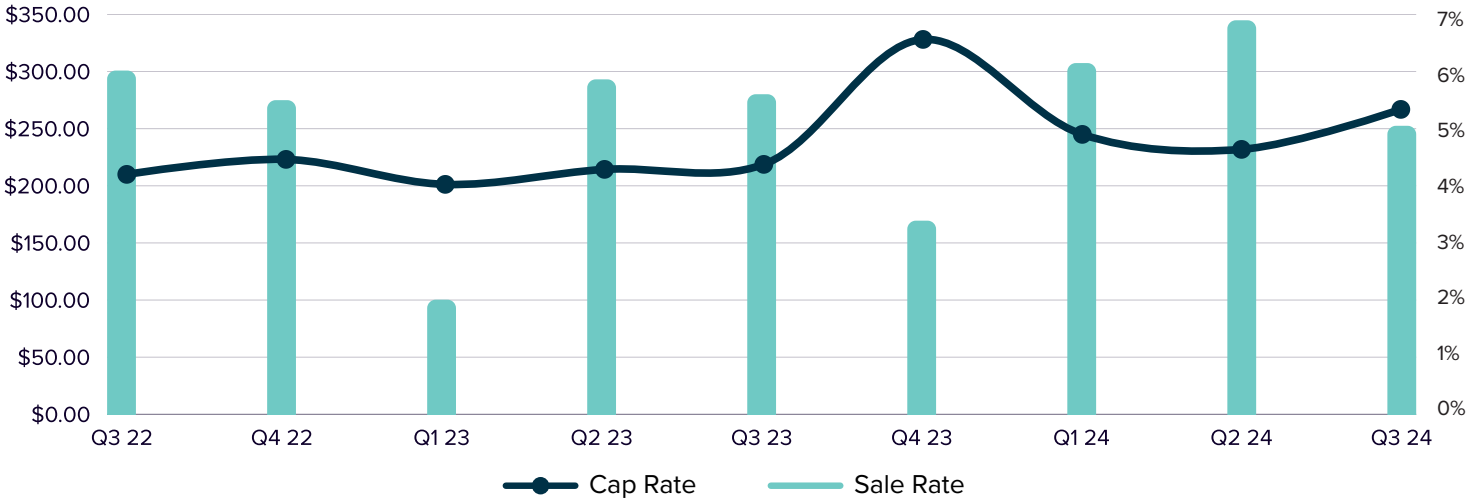


Q3 24 | San Gabriel Valley

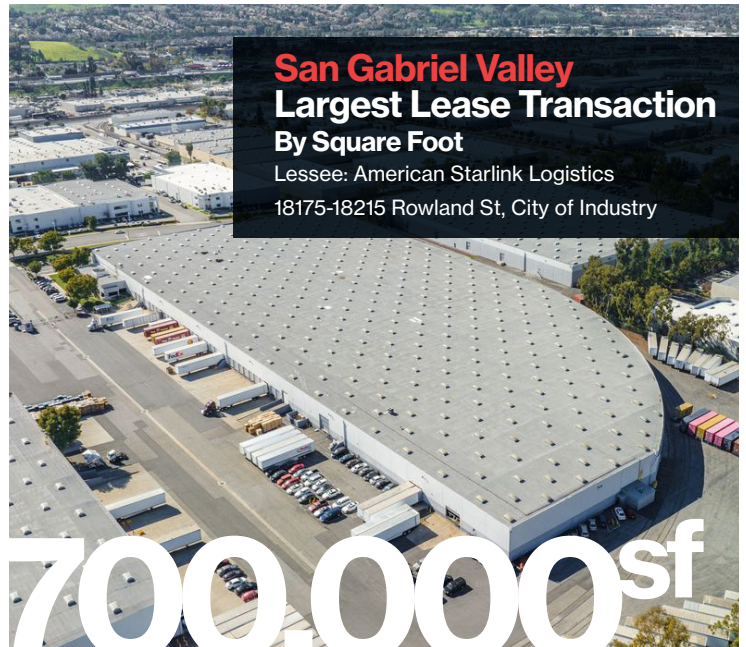
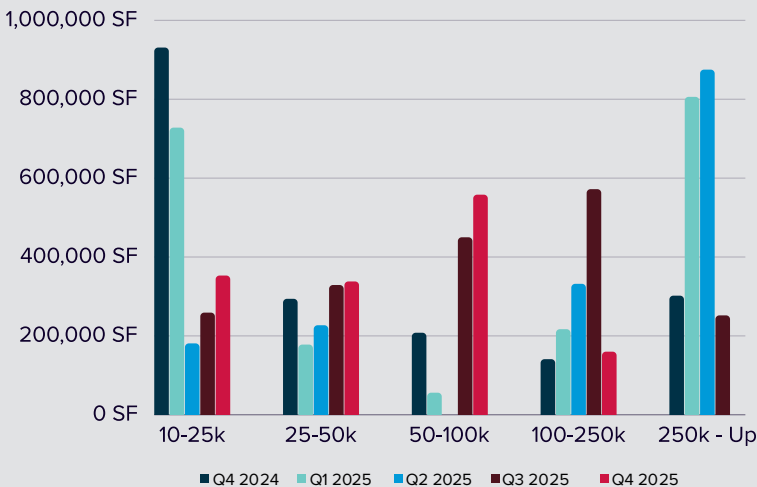
> Construction



> Sales Trends



> Lease Expiration



> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
1000 W FOOTHILL BLVD	Azusa	61,360	ECB Investments	Xebec	\$17M
188810 SAN JOSE AVE	Industry	33,560	Quality Naturally Food	Industrial Park D Sub	\$13.9M
717 N CONEY AVE	Azusa	33,202	717 North Coney	Apex Commercial Prop.	N/A
1084 E 1ST ST	Pomona	23,294	SP-Ontario LLC	Seon Jeon Kim	N/A
1633 W 2ND ST	Pomona	22,756	Mark Shirin	Bethel Business Park	N/A

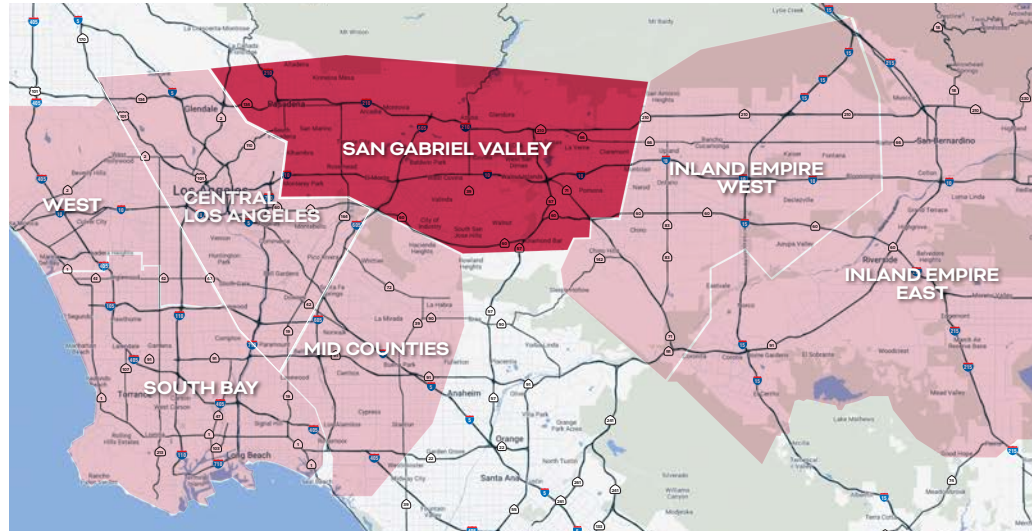
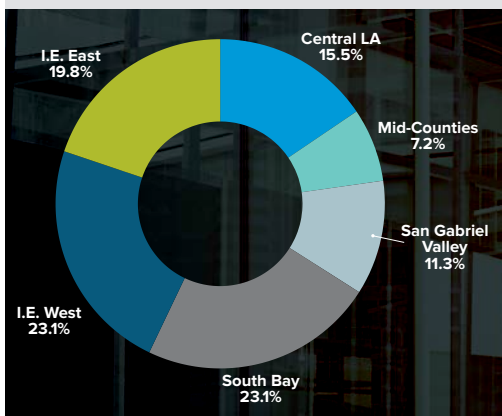
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
18175-18215 ROWLAND ST	Industry	700,000	Link Logistics	American Starlink Logistics
611 REYES DR	Walnut	164,500	GLP	Phantom E Moto
18591 SAN JOSE AVE	Industry	100,000	Link Logistics	Sea Hawks Express
18961 E ARENTH AVE	Industry	69,631	717 Nogales	Loginet Inc.
825 SENTOUS AVE	Industry	64,900	Invesco	Johnson Premium Hardwood

> Major Construction / Development Projects

Address	City	Owner	Size (SF)	Est. Completion
4200 W VALLEY BLVD	Walnut	CapRock Partners	269,780	Q4 2024
4416 AZUSA CANYON RD	Irwindale	Rexford Industrial	129,619	Q4 2024
886 AZUSA AVE	City of Industry	Sherri Zhou	87,803	Q4 2024
530 N BALDWIN PARK BLVD	City of Industry	Xebec	58,500	Q4 2024
12118 BLOOMFIELD AVE	Santa Fe Springs	Rexford Industrial Realty, Inc.	107,045	Q1 2025

Inventory Comparison





Q3 2024 Market Insight

South Bay

Highlights

- Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts declined. Leasing remains muted across all submarkets save the Inland Empire. Capital market activity was subdued as most investors remained cautious and on the sidelines.
- Vacancy Rate:** Continues to rise, increasing 130 bps year-over-year to reach the current rate of 4.8%, although it dipped 10 basis points quarter-over-quarter.
- Asking Rents:** At \$1.61 NNN per square foot, asking lease rents declined by \$0.27 or -14.36% from the Q3 2023 rate of \$1.88 NNN.
- Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.4%, year-over-year, while PCE and Core PCE inflation checked in at 2.1% and 2.7%, respectively. At the September meeting, the FOMC decided to cut interest rates by 50 basis points. Another quarter-point rate cut is expected at the next FOMC meeting in November
- GDP:** In the third quarter of 2024, real gross domestic product (GDP) grew at an annualized rate of 2.8%, following an upward revision for Q2, which now stands at 3.0%. This growth is largely driven by robust consumer spending, which has exceeded even the most optimistic expectations. Despite inflationary pressures, Americans continue to spend across various sectors, including automotive, dining, and travel. Additionally, increases in exports and federal government spending fueled third-quarter GDP growth. Imports, which are a subtraction in the calculation of GDP, increased.
- E-commerce activity:** E-commerce sales reached \$291.6 billion, marking a 1.3% increase from the previous quarter and a 6.7% rise year-over-year. Despite this growth, e-commerce's share of total retail sales dipped slightly, from its high of 16.4% in Q3 2020 to 16.0% in Q2 2024. Overall, consumer spending remains robust, continuing to support both regional and national economic growth.
- Supply Chain:** Transpacific spot prices to the West Coast are 35% lower than their July peak and 38% lower to the East Coast. Week-over-week, the cost from China/East Asia to North America's West Coast fell to \$5,294/FEU, while China to US East Coast prices fell to \$5,935/FEU, according to Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Asking Sale Price (\$/SF)
CARSON	495	35,951,921	4.9	7.2	588,236	772,048	\$1.68	\$290
COMPTON	474	24,710,706	5.2	9.8	133,458	319,793	\$1.53	\$272
EL SEGUNDO	154	7,545,771	0.8	1.8	30,960	49,430	\$2.40	\$343
GARDENA	1174	29,037,661	5.4	8.3	(495,268)	214,803	\$1.57	\$287
HARBOR CITY	96	1,801,758	4.8	4.8	(21,390)	0	\$0.75	\$318
HAWTHORNE	222	8,198,868	3.3	4.4	(158,137)	29,808	\$1.77	\$290
INGLEWOOD	234	4,794,218	5.8	6	8,232	76,288	\$1.40	\$352
LAKEWOOD/HG	24	508,131	0	1	0	0	\$1.49	\$339
LAWNDALE	30	268,126	8	8	-98	9,000	0	\$338
LONG BEACH/TI	753	23,535,388	5.5	10.2	(158,629)	274,480	\$1.74	\$321
LYNWOOD	98	4,372,764	2.9	12.5	8,079	17,883	\$1.41	\$247
RANCHO DOMINGUEZ	227	13,815,219	3	7.3	(115,584)	94,260	\$1.48	\$282
REDONDO/HERMOSA	34	1,741,633	0	0	0	0	0	\$368
SAN PEDRO	45	2,770,703	13.6	14.3	5,471	5,471	0	\$283
SIGNAL HILL	207	3,039,622	3.3	3.5	2,487	32,885	\$1.38	\$349
TORRANCE	635	29,404,902	5.9	7.2	(106,090)	319,647	\$1.96	\$330
WILMINGTON	151	4,109,311	0.7	1.2	7,447	21,736	\$1.49	\$288

4.1%

US Unemployment Rate

2.8%

GDP - Quarter 3 % - Change YOY

4.2%

U.S. 10-Year Treasury Note

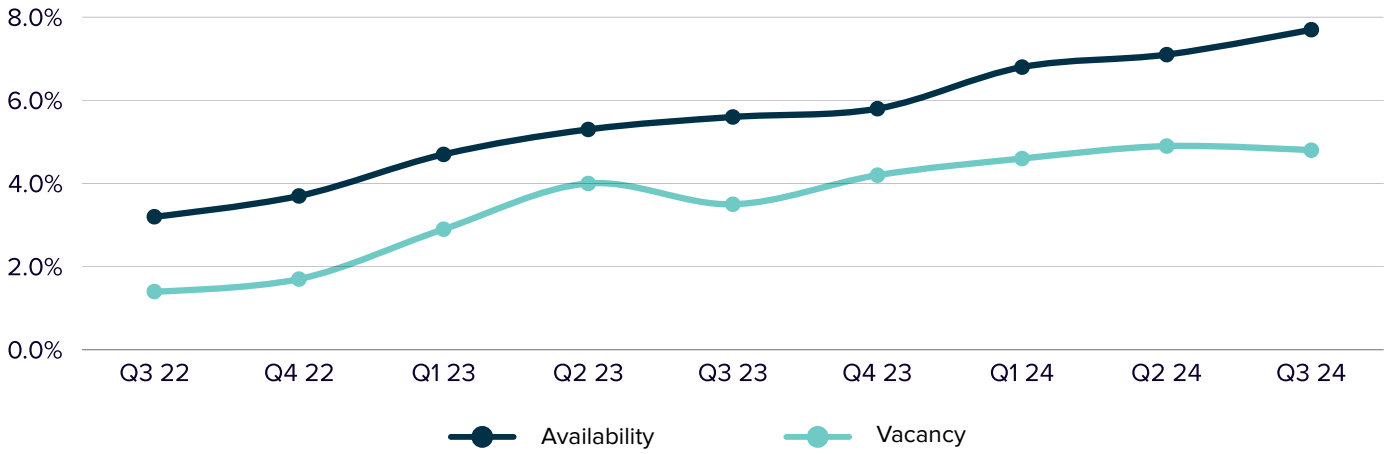
> Market Summary

	Q3 2023	Q2 2024	Q3 2024	QoQ Change	YoY Change
Total Inventory (SF)	343,949,799	362,778,009	366,473,980	1.02%	6.55%
Overall Vacancy	3.5%	4.9%	4.8%	-10 bps	130 bps
Overall Availability	5.6%	7.1%	7.7%	60 bps	210 bps
Under Construction (SF)	1,073,346	1,858,941	1,731,166	-6.87%	61.29%
Net Absorption (SF)	1,418,422	(498,738)	250,740	N/A	N/A
Overall Asking Lease Rates (NNN)	\$1.88	\$1.64	\$1.61	-1.83%	-14.36%

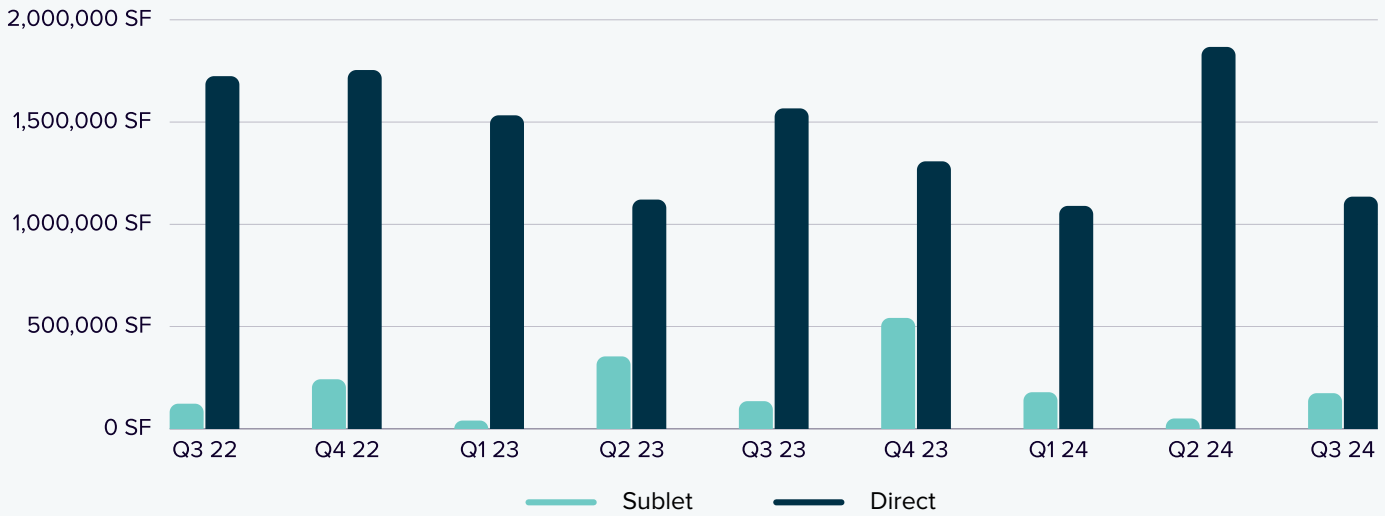
> Port Stats

PORTS	Quarter	Month	Loaded Inbound	Loaded Outbound	Total Loaded	Total Empties	Total Containers	YOY Change
LOS ANGELES	Q3	July	501,281	114,889	616,170	323,431	939,600	37.31%
		August	509,363	121,744	631,106	329,491	960,597	16.01%
		September	497,803	114,702	612,505	342,201	954,706	27.56%
LONG BEACH	Q3	July	435,081	104,834	539,915	342,462	882,377	52.59%
		August	456,868	104,646	561,513	352,360	913,873	33.94%
		September	416,999	88,289	505,288	324,211	829,499	0.01%

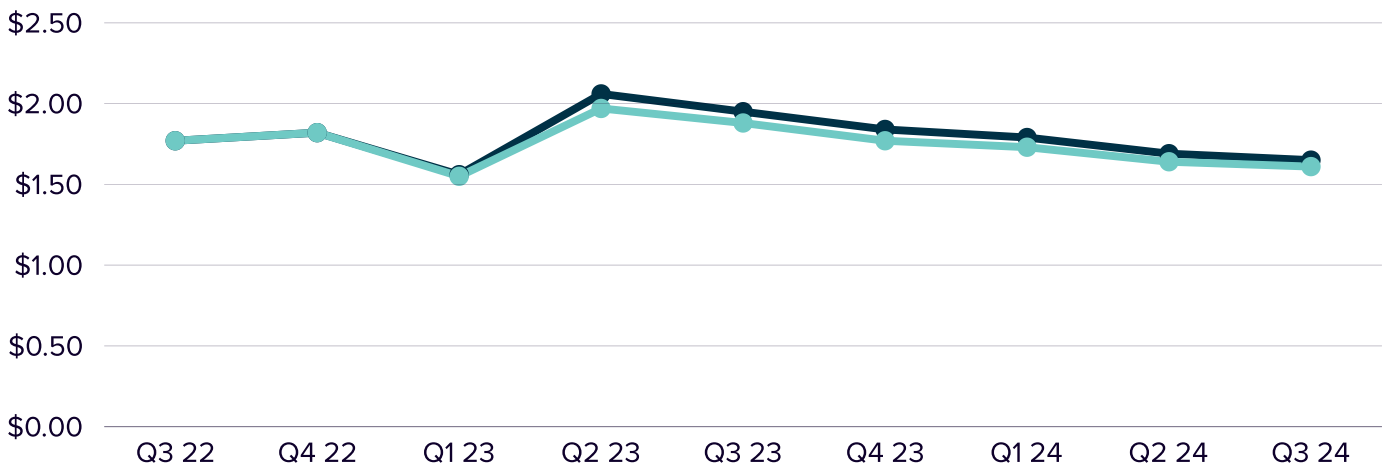
> Vacancy vs Availability



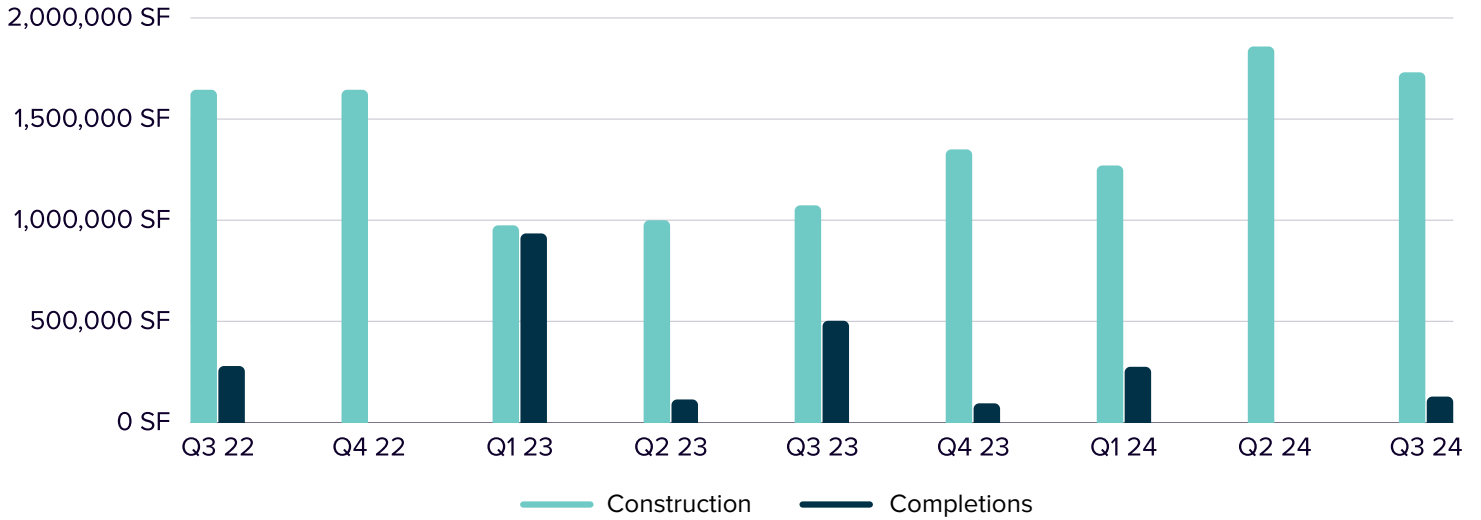
Leasing Activity



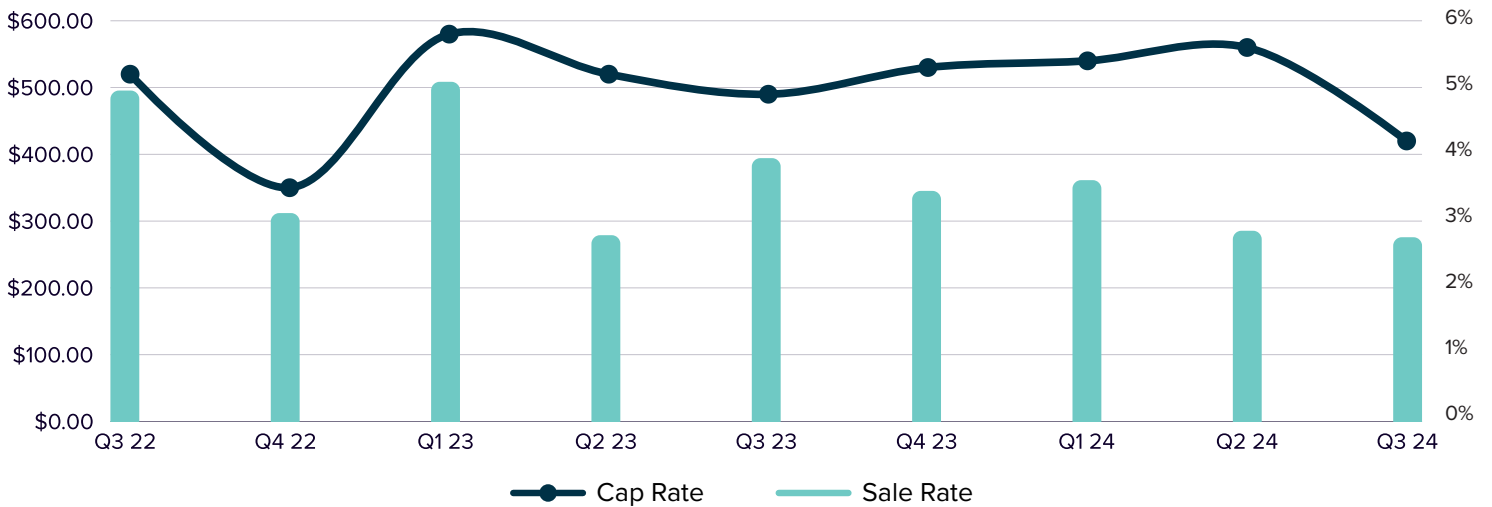
> Rental Rates



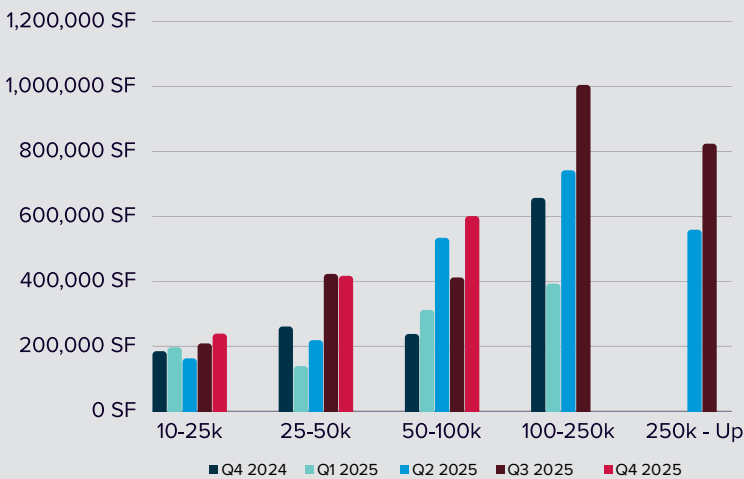
> Construction



> Sales Trends



> Lease Expiration



South Bay
Largest Lease Transaction
 By Square Foot
 Lessee: Virco Manufacturing
 2027 Harpers Way, Torrance

559,000sf

> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
19020 ANELO AVE	Carson	23,730	19021 South Figueroa	Carroll Hall Shelby	\$19.7M
23760 HAWTHORNE BLVD	Torrance	39,222	Crosby Abulafia	LCG Atrium	\$18.5M
1830 W 205TH ST	Torrance	31,505	1830 W 205th St LLC	Del Rey Estates	\$12.85M
17010-17014 S VERMONT BLVD	Gardena	27,707	Shimon Ben Shushan	17010-17014 Vermont Ave	\$7.5M
2601 E DEL AMO	Compton	25,768	201 E Del Amo Blvd	Blue Nola LLC	\$6.4M

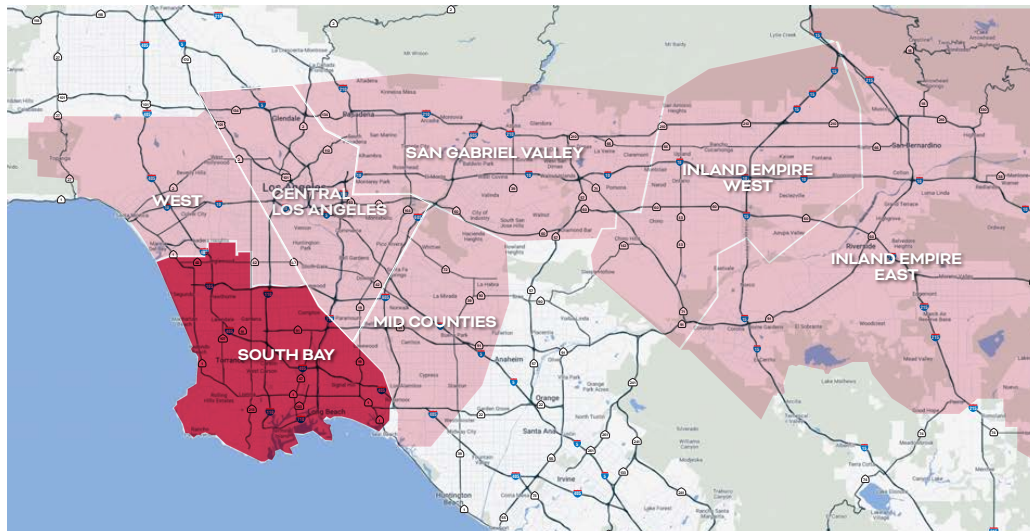
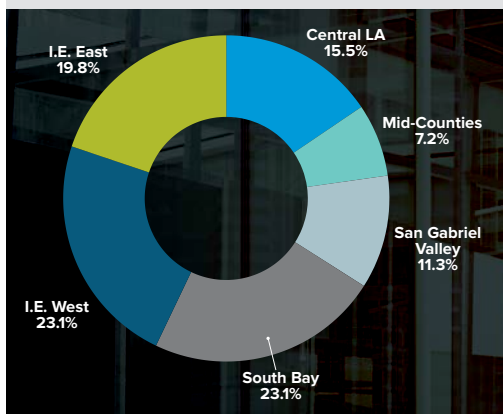
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
2027 HARPERS WY	Torrance	559,000	Prologis	Virco Manufacturing
2700 E IMPERIAL HWY	Lynwood	323,374	Prologis	IDC Logistics
2000 E CARSON ST	Carson	293,800	Watson Land Company	RI Concept
18120 BISHOP AVE	Carson	290,034	Watson Partners	Prime Freight
301 W WALNUT ST	Compton	215,316	Invesco	Geodis

> Major Construction / Development Projects

Address	City	Owner	Size (SF)	Est. Completion
2401 E WARDLOW RD	Long Beach	Goodman North America Management LLC	504,810	Q4 2024
1600 W 135TH ST	Gardena	Invesco	190,860	Q1 2025
112 W ALONDRA BLVD	Gardena	Link Logistics Real Estate	181,830	Q4 2024
3590 COVER ST	Long Beach	Sares-Regis Group	150,096	Q4 2024
2001 E CASHDAN ST	Compton	Prudential Private Capital	128,822	Q4 2024

Inventory Comparison





Q3 2024 Market Insight Inland Empire West

Highlights

- Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts declined. Leasing remains muted across all submarkets save the Inland Empire. Capital market activity was subdued as most investors remained cautious and on the sidelines.
- Vacancy Rate:** Continues to rise, increasing 130 bps quarter-over-quarter and 260 bps year-over-year to reach the current rate of 7.7%.
- Asking Rents:** At \$1.29 NNN per square foot, asking lease rents declined by \$0.22 or -14.57% from the Q3 2023 rate of \$1.51 NNN.
- Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.4%, year-over-year, while PCE and Core PCE inflation checked in at 2.1% and 2.7%, respectively. At the September meeting, the FOMC decided to cut interest rates by 50 basis points. Another quarter-point rate cut is expected at the next FOMC meeting in November
- GDP:** In the third quarter of 2024, real gross domestic product (GDP) grew at an annualized rate of 2.8%, following an upward revision for Q2, which now stands at 3.0%. This growth is largely driven by robust consumer spending, which has exceeded even the most optimistic expectations. Despite inflationary pressures, Americans continue to spend across various sectors, including automotive, dining, and travel. Additionally, increases in exports and federal government spending fueled third-quarter GDP growth. Imports, which are a subtraction in the calculation of GDP, increased.
- E-commerce activity:** E-commerce sales reached \$291.6 billion, marking a 1.3% increase from the previous quarter and a 6.7% rise year-over-year. Despite this growth, e-commerce's share of total retail sales dipped slightly, from its high of 16.4% in Q3 2020 to 16.0% in Q2 2024. Overall, consumer spending remains robust, continuing to support both regional and national economic growth.
- Supply Chain:** Transpacific spot prices to the West Coast are 35% lower than their July peak and 38% lower to the East Coast. Week-over-week, the cost from China/East Asia to North America's West Coast fell to \$5,294/FEU, while China to US East Coast prices fell to \$5,935/FEU, according to Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Asking Sale Price (\$/SF)
CHINO	945	56,248,708	6.8	7.3	168,700	1,171,324	\$1.55	\$298
EASTVALE	71	14,444,881	13.8	13.4	(642,516)	0	\$1.32	\$306
FONTANA	799	74,717,565	7	11.9	646,306	1,575,504	\$1.49	\$298
JURUPA VALLEY	324	38,542,039	9.8	11	(111,638)	479,182	\$1.27	\$273
MIRA LOMA	20	711,296	6.8	6.8	0	0	\$1.36	\$350
MONTCLAIR	208	4,164,242	7.7	20.1	(69,528)	58,824	\$0.88	\$348
ONTARIO	1536	129,119,998	7.5	12.9	(860,125)	2,793,352	\$1.22	\$287
RANCHO CUCAMONGA	748	43,644,278	7.1	10.2	(562,741)	756,304	\$1.50	\$286
UPLAND	261	4,094,893	6.2	6.1	(27,041)	53,870	\$1.05	\$284

↑ 4.1%

US Unemployment Rate

↑ 2.8%

GDP - Quarter 3 % - Change YOY

↑ 4.2%

U.S. 10-Year Treasury Note

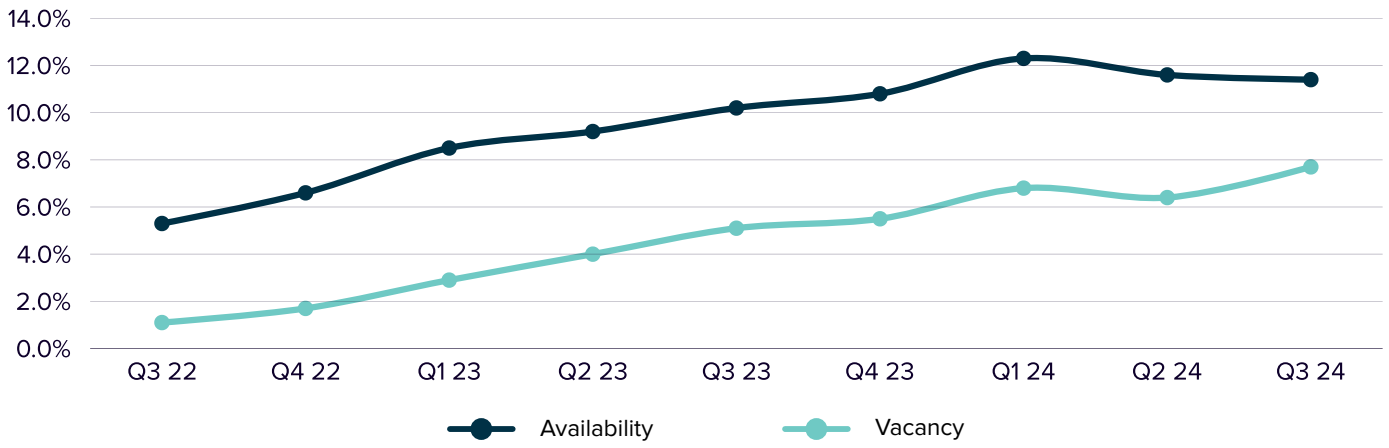
> Market Summary

	Q3 2023	Q2 2024	Q3 2024	QoQ Change	YoY Change
Total Inventory (SF)	343,949,799	362,778,009	366,473,980	1.02%	6.55%
Overall Vacancy	5.1%	6.4%	7.7%	130 bps	260 bps
Overall Availability	10.2%	11.6%	11.4%	-20 bps	120 bps
Under Construction (SF)	25,442,120	10,626,473	9,018,634	-15.13%	-64.55%
Net Absorption (SF)	(2,160,214)	6,665,503	(1,453,825)	N/A	N/A
Overall Asking Lease Rates (NNN)	\$1.51	\$1.39	\$1.29	-7.19%	-14.57%

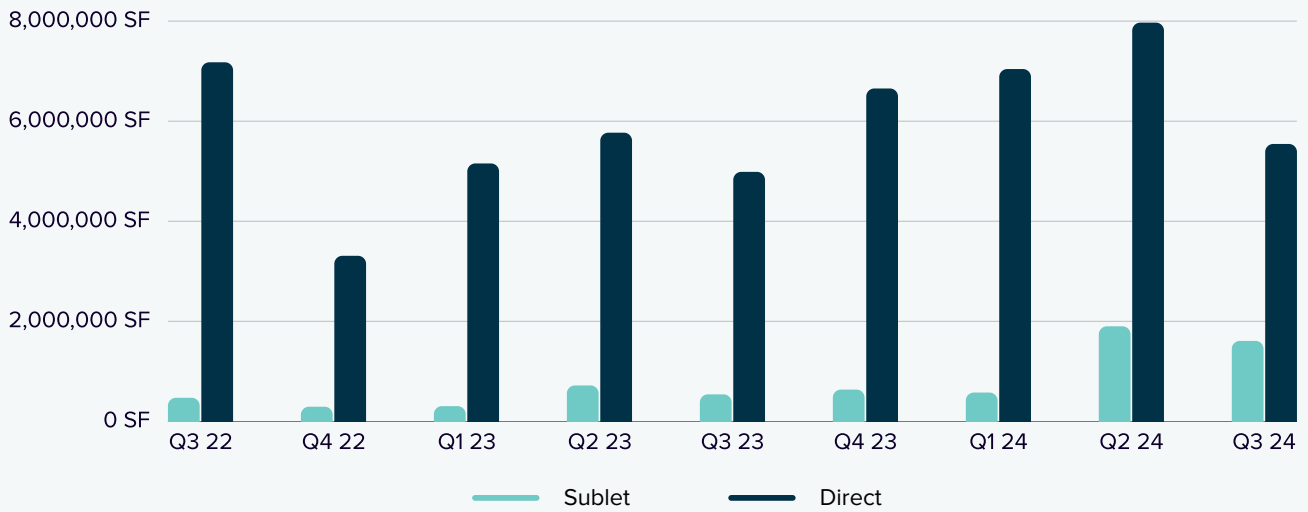
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LOS ANGELES	Q3	July	501,281	114,889	616,170	323,431	939,600	37.31%
		August	509,363	121,744	631,106	329,491	960,597	16.01%
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		September	416,999	88,289	505,288	324,211	829,499	0.01%

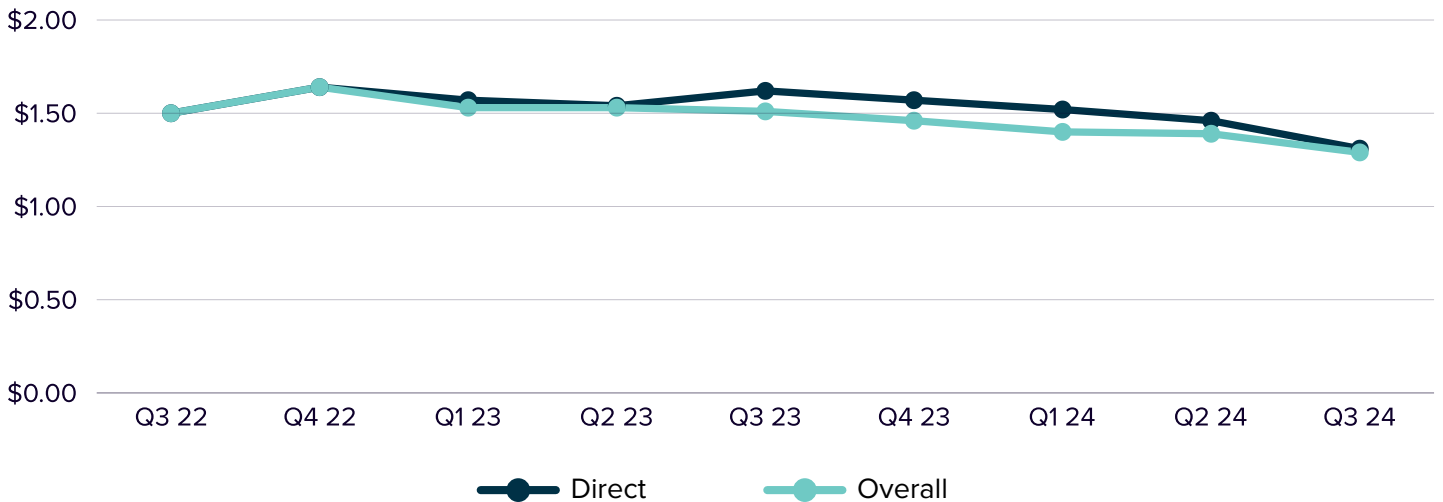
> Vacancy vs Availability



Leasing Activity



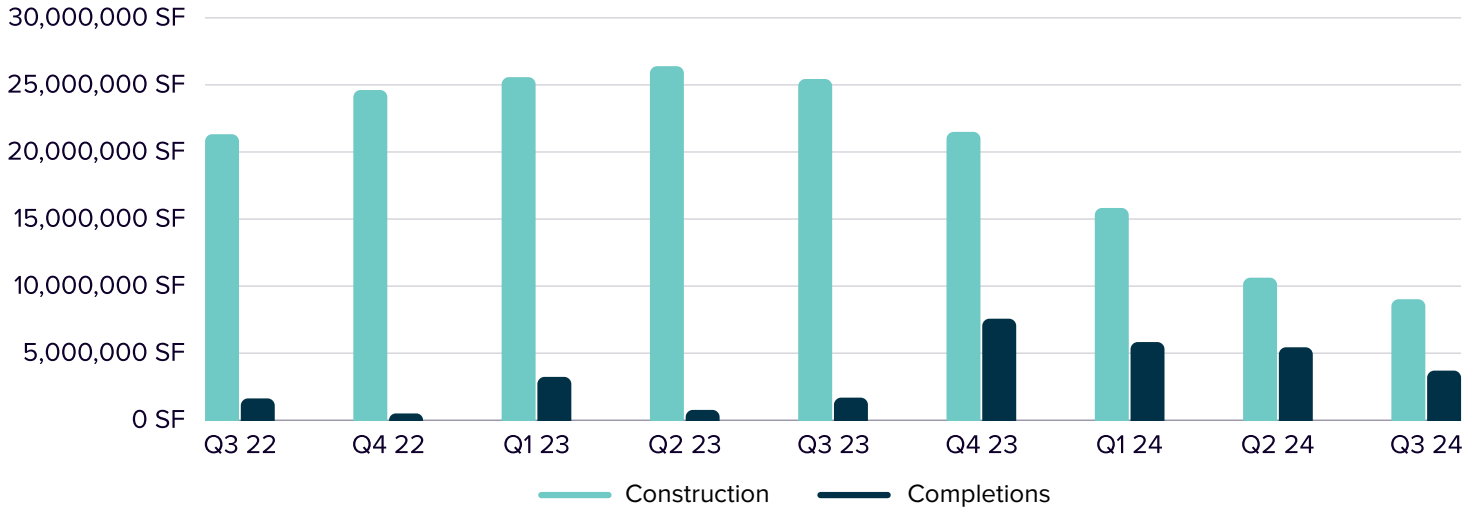
> Rental Rates



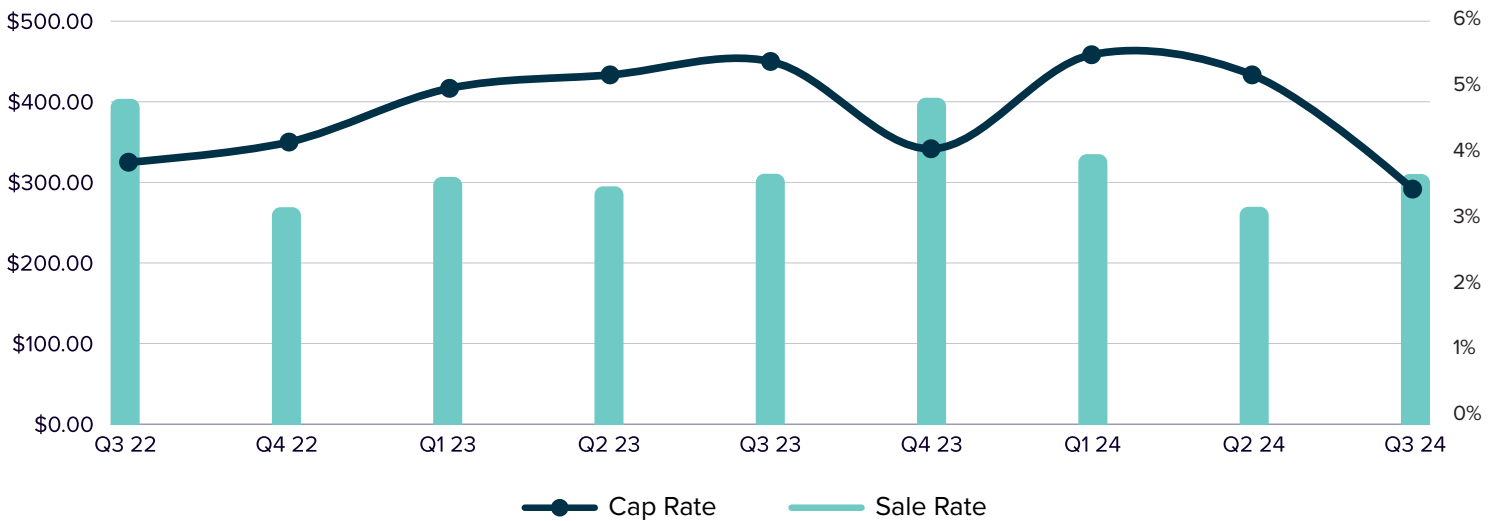


Q3 24 | Inland Empire West

> Construction



> Sales Trends



> Lease Expiration



Inland Empire - West
Largest Lease Transaction
By Square Foot
 Lessee: State Logistics Services
 5500-5590 E Francis St, Ontario

636,780^{sf}

> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
8300 ALMERIA AVE	Fontana	236,129	CIVF VII	8432 Almeria Avenue LLC	\$76.8M
14339 WHITTRAM AVE	Fontana	209,700	VHC-CA LLC	3520 Piedmont Rd NE	\$58.7M
14430 MONTE VISTA AVE	Chino	108,321	Westcore	BentallGreekOak	\$34.2M
717 W STATE ST	Ontario	106,212	TA Realty Value Add Fund	BC State Street Owner LLC	\$35.5M
14430 MONTE VISTA AVE	Chino	108,321	Westcore	BentallGreenOak	\$34.2M

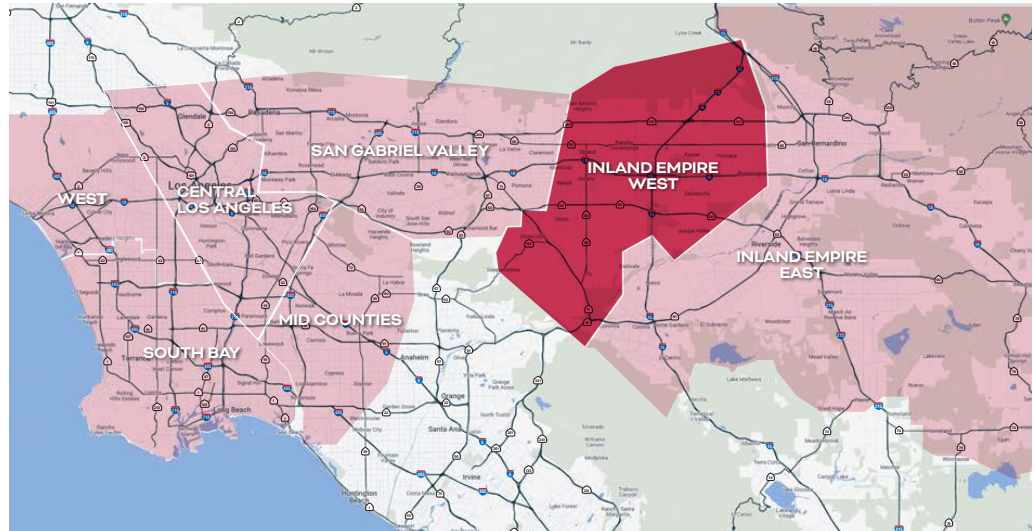
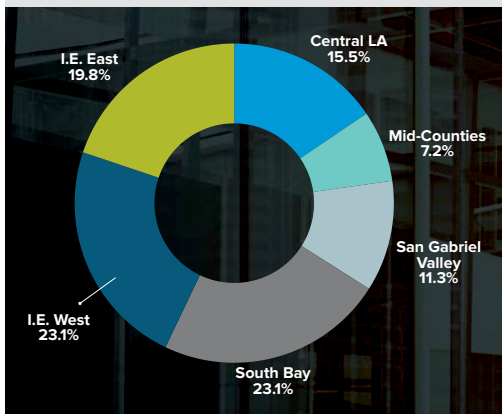
> Top 5 New Leases

Address	City	Size (SF)	Lessor	Lessee(s)
5500-5590 E FRANCIS ST	Ontario	636,780	Heitman Capital Management	States Logistics Services
8375 SULTANA AVE	Fontana	475,026	Alere Property Group	US Elogistics Service Corp
1500 DUPONT AVE	Ontario	450,000	Majestic-CCC IV Partners	Staples Inc
6725 KIMBALL AVE	Chino	433,487	John Hancock Life Insurance	Manna Beverage & Ventures
950 BARRINGTON AVE	Ontario	359,996	PAC Operating Partnership	SPARC Group

> Major Construction / Development Projects

Address	City	Owner	Size (SF)	Est. Completion
9253 DREAMLAND DR	Fontana	CBRE Investment Management	1,286,569	Q1 2025
4000 S HAMNER AVE	Ontario	Dermody Properties, Inc.	1,003,918	Q4 2024
610 S CARNEGIE AVE	Ontario	Ontario International Airport Authority	926,100	Q1 2025
1002 S CARNEGIE AVE	Ontario	Ontario International Airport Authority	547,395	Q1 2025
9151 DREAMLAND DR	Fontana	CBRE Investment Management	528,253	Q1 2025

Inventory Comparison





Q3 2024 Market Insight Inland Empire East

Highlights

- **Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts declined. Leasing remains muted across all submarkets save the Inland Empire. Capital market activity was subdued as most investors remained cautious and on the sidelines.
- **Vacancy Rate:** Continues to rise, increasing 410 bps year-over-year to reach the current rate of 8.7%, although it remained flat quarter-over-quarter.
- **Asking Rents:** At \$1.09 NNN per square foot, asking lease rents declined by \$0.05 or -4.39% from the Q3 2023 rate of \$1.14 NNN.
- **Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.4%, year-over-year, while PCE and Core PCE inflation checked in at 2.1% and 2.7%, respectively. At the September meeting, the FOMC decided to cut interest rates by 50 basis points. Another quarter-point rate cut is expected at the next FOMC meeting in November
- **GDP:** In the third quarter of 2024, real gross domestic product (GDP) grew at an annualized rate of 2.8%, following an upward revision for Q2, which now stands at 3.0%. This growth is largely driven by robust consumer spending, which has exceeded even the most optimistic expectations. Despite inflationary pressures, Americans continue to spend across various sectors, including automotive, dining, and travel. Additionally, increases in exports and federal government spending fueled third-quarter GDP growth. Imports, which are a subtraction in the calculation of GDP, increased.
- **E-commerce activity:** E-commerce sales reached \$291.6 billion, marking a 1.3% increase from the previous quarter and a 6.7% rise year-over-year. Despite this growth, e-commerce's share of total retail sales dipped slightly, from its high of 16.4% in Q3 2020 to 16.0% in Q2 2024. Overall, consumer spending remains robust, continuing to support both regional and national economic growth.
- **Supply Chain:** Transpacific spot prices to the West Coast are 35% lower than their July peak and 38% lower to the East Coast. Week-over-week, the cost from China/East Asia to North America's West Coast fell to \$5,294/FEU, while China to US East Coast prices fell to \$5,935/FEU, according to Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Asking Sale Price (\$/SF)
BANNING	48	1,944,149	3.1	56.6	(44,500)	0	\$0.79	\$224
BEUMONT	48	6,550,430	7	71	2,250	2,250	\$0.69	\$237
BLOOMINGTON	126	11,163,053	8.1	14.413.2	285,088	285,088	\$0.99	\$285
CORONA/NORCO	1012	36,776,119	6.2	8.1	449,938	915,856	\$1.23	\$289
COLTON/GRAND TERRACE	191	11,402,190	9.2	12.8	(38,479)	17,154	\$1.20	\$235
MORENO VALLEY	119	33,297,507	6	9.3	(472,800)	25,580	\$1.20	\$209
PERRIS	265	45,212,981	14.5	17.5	(1,273,956)	611,739	\$1.08	\$230
REDLANDS/LOMA LINDA	248	31,358,680	12.5	15.7	(67,182)	339,524	\$0.93	\$231
RIALTO	212	31,706,842	6.7	9.9	1,662,935	1,712,224	\$1.29	\$257
RIVERSIDE	1,135	57,038,234	7.6	12.2	496,210	1,479,095	\$1.15	\$231
SAN BERNARDINO/HIGHLAND	620	46,881,081	87.9	14.3	179,843	355,264	\$0.87	\$242

↑ 4.1%

US Unemployment Rate

↑ 2.8%

GDP - Quarter 3 % - Change YOY

↑ 4.2%

U.S. 10-Year Treasury Note

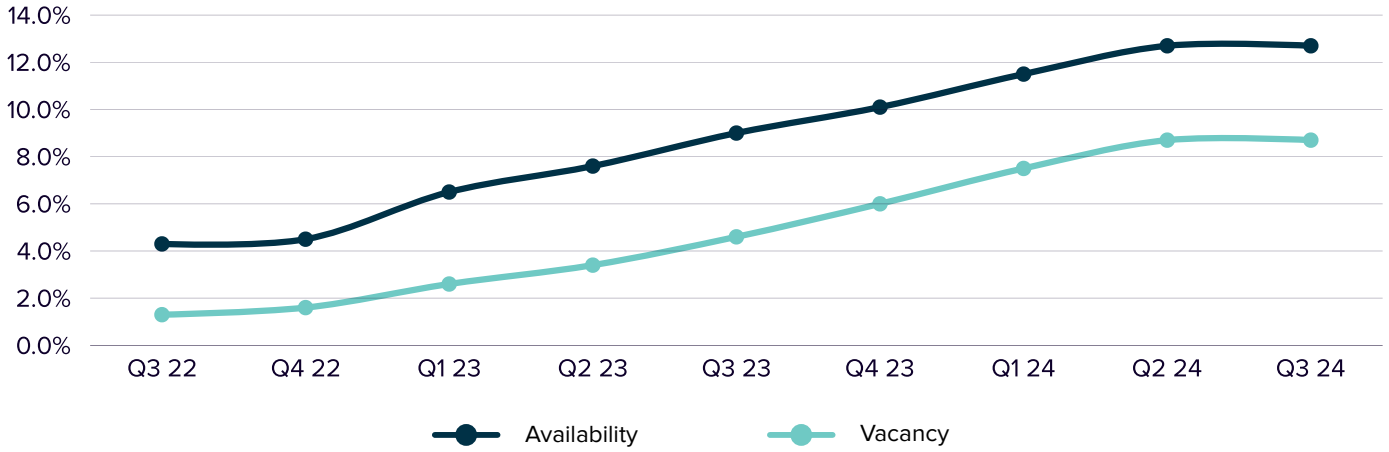
> Market Summary

	Q3 2023	Q2 2024	Q3 2024	QoQ Change	YoY Change
Total Inventory (SF)	308,476,730	313,551,903	314,854,198	0.42%	2.07%
Overall Vacancy	4.6%	8.7%	8.7%	0 bps	410 bps
Overall Availability	2.3%	3.4%	3.6%	20 bps	130 bps
Under Construction (SF)	11,669,115	7,250,263	5,947,968	-17.96%	-49%
Net Absorption (SF)	(3,455,423)	(881,282)	1,160,741	N/A	N/A
Overall Asking Lease Rates (NNN)	\$1.14	\$1.05	\$1.09	3.81%	-4.39%

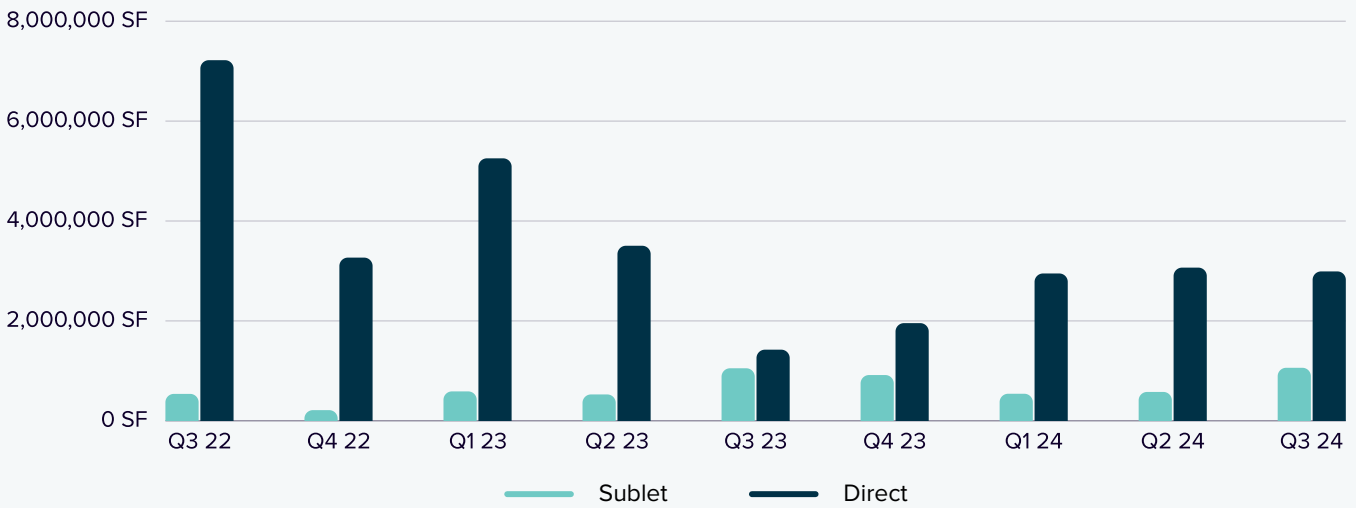
> Port Stats

PORTS	Quarter	Month	Loaded Inbound	Loaded Outbound	Total Loaded	Total Empties	Toal Containers	YOY Change
LOS ANGELES	Q3	July	501,281	114,889	616,170	323,431	939,600	37.31%
		August	509,363	121,744	631,106	329,491	960,597	16.01%
		September	497,803	114,702	612,505	342,201	954,706	27.56%
LONG BEACH	Q3	July	435,081	104,834	539,915	342,462	882,377	52.59%
		August	456,868	104,646	561,513	352,360	913,873	33.94%
		September	416,999	88,289	505,288	324,211	829,499	0.01%

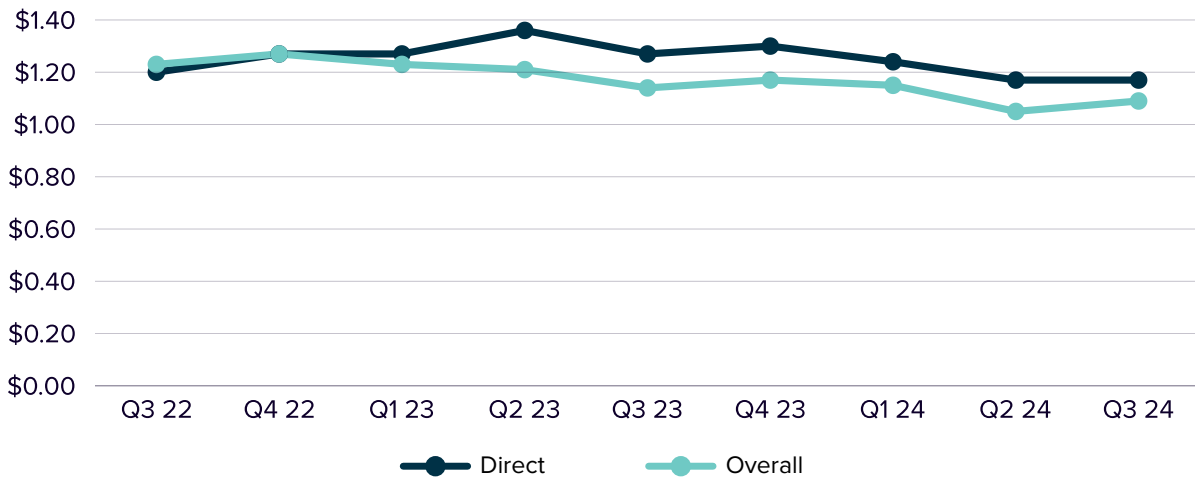
> Vacancy vs Availability



Leasing Activity



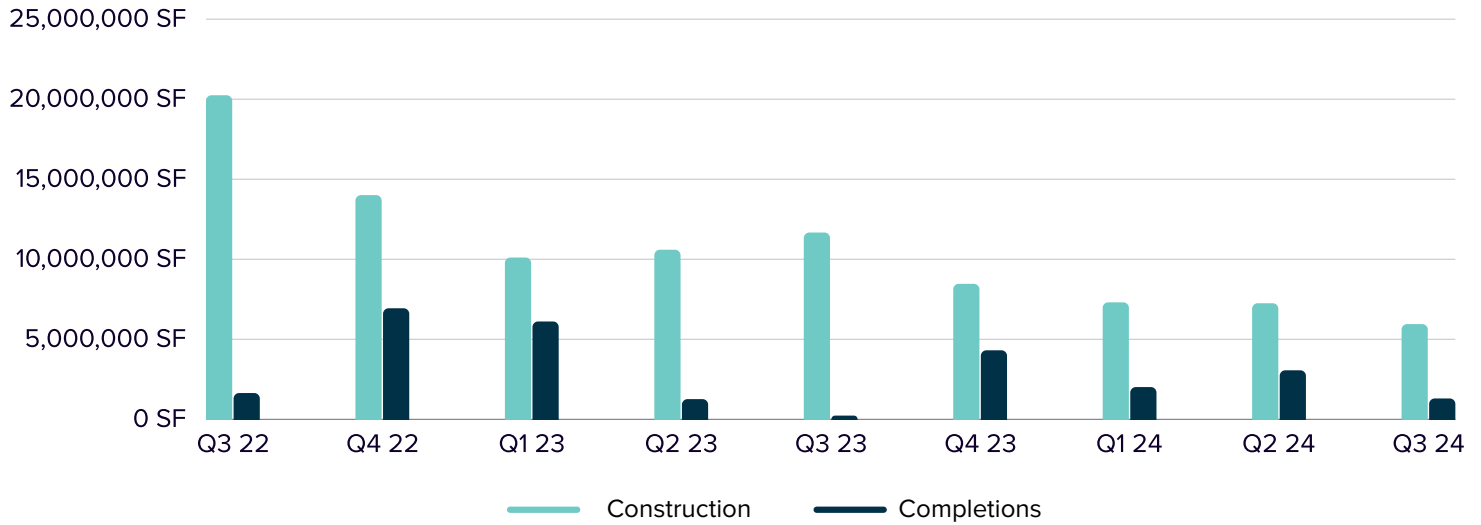
> Rental Rates



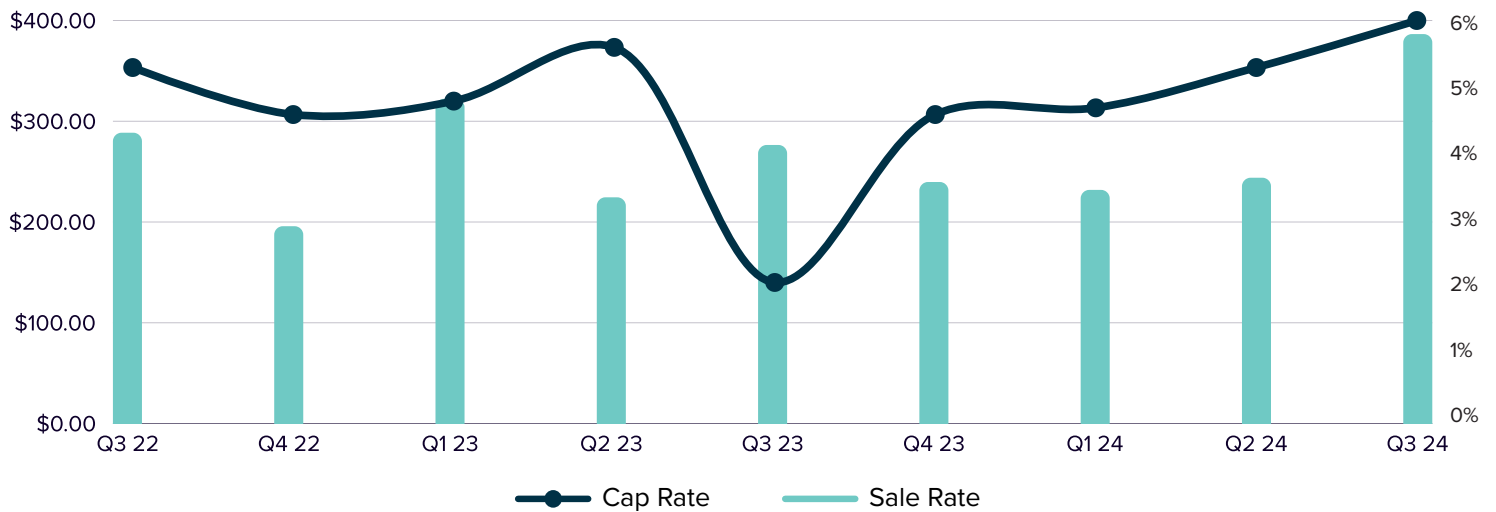


Q3 24 | Inland Empire East

> Construction



> Sales Trends



> Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
3120 WILSON AVE	Perris	248,483	TA Realty LLC	Core 5	\$53M
1730 EASTRIDGE AVE	Riverside	120,065	Force 1730 Eastridge	Mid-Eastern West	\$30M
1660 IOWA AVE	Riverside	111,071	West Coast C & C Investments	DRC Citrus Industrial	\$21.2M
19949 KENDALL DR	San Bernardino	104,500	19700 South Vermont Avenue	BLC Industrial Venture	\$24M
1880 IOWA AVE	Riverside	95,168	Iowa Avenue Industrial	DRC Citrus Industrial	\$11M

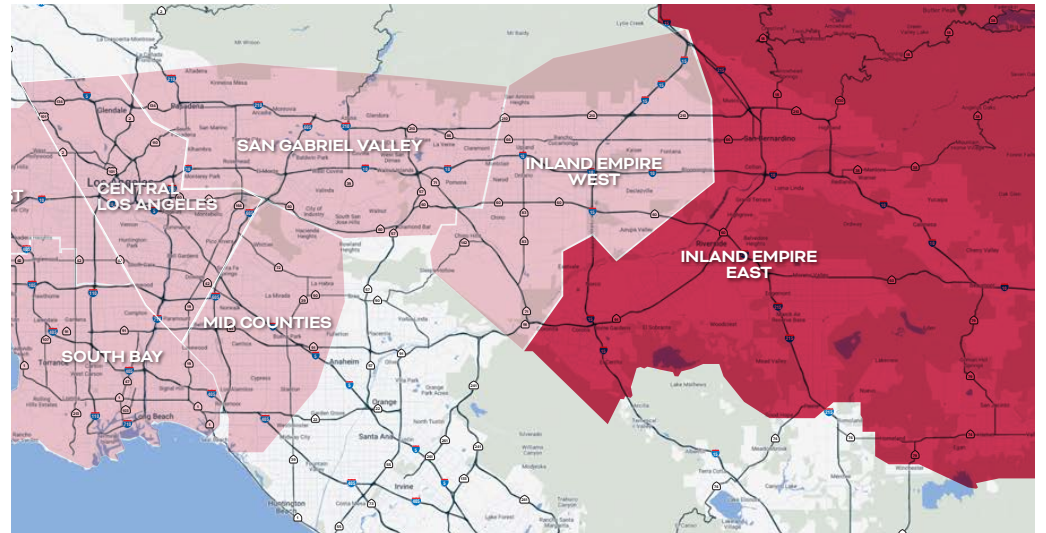
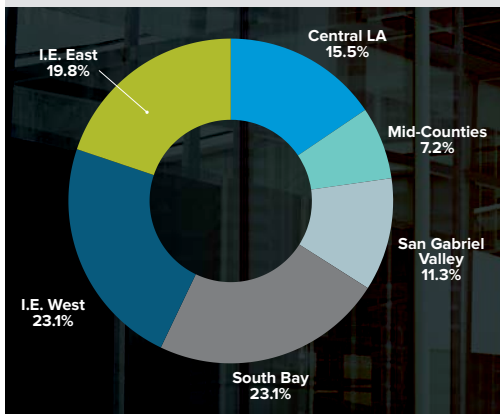
> Top 5 New Leases

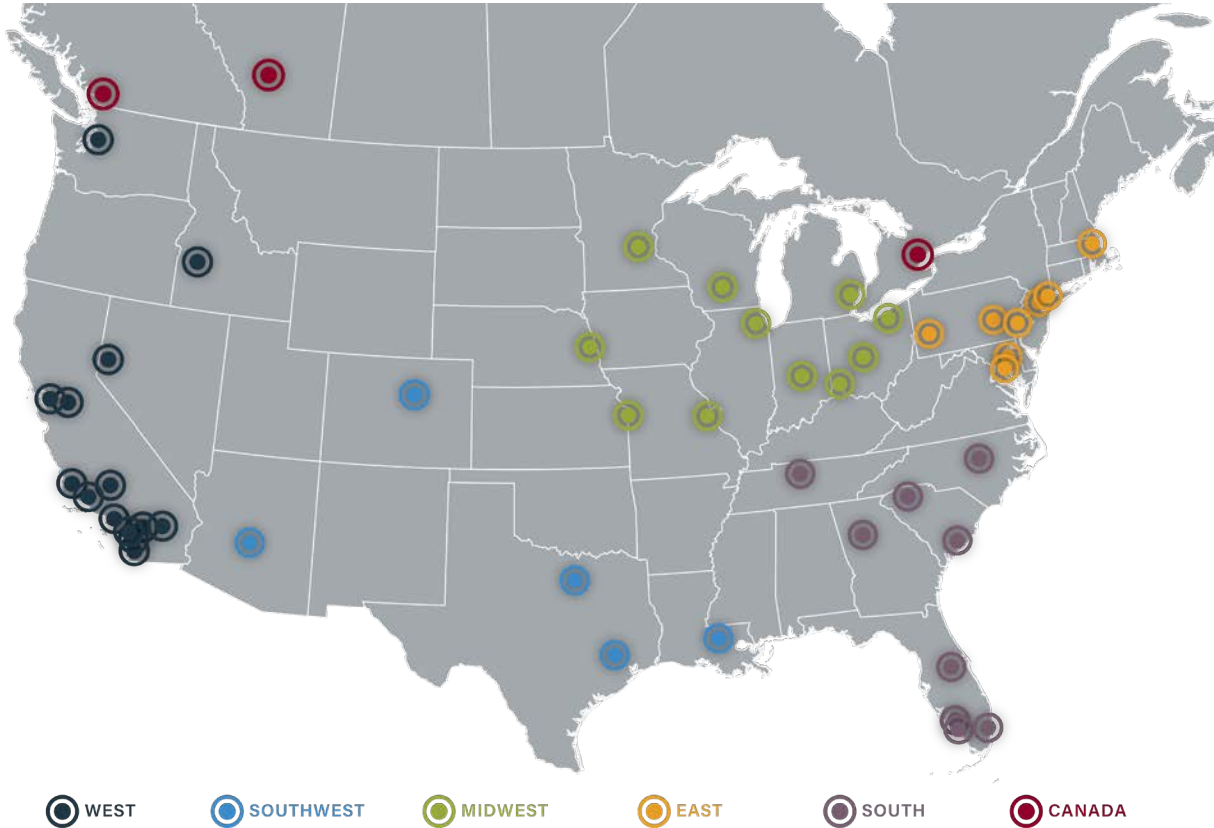
Address	City	Size (SF)	Lessor	Lessee(s)
1979 W RENAISSANCE PKWY	Rialto	927,696	DCT Renaissance Rialto	Western Post (US), Inc
22000 OPPORTUNITY WY	Riverside	503,592	22000 Opportunity Way	Lecangs LLC
27358 PIONEER AVE	Redlands	460,805	First Industrial LP	Lean Supply Solutions
22780 HARLEY KNOX BLVD	Perris	392,617	Trammell Crow	iHerb Vitamin
6237 N CAJON BLVD	San Bernardino	211,703	Westcore	Dollar Tree Distribution

> Major Construction / Development Projects

Address	City	Owner	Size (SF)	Est. Completion
801 S REDLANDS AVE	Perris	IDI Logistics	1,020,657	Q1 2025
350 W VALLEY BLVD	Rialto	Birtcher Development	492,410	Q4 2024
23784 ORANGE AVE	Perris	Ares Industrial Management	429,823	Q1 2025
21661 BARTON RD	Colton	Clarion Partners	417,809	Q1 2025
1304 E ALESSANDRO BLVD	Riverside	Rockefeller Group	400,000	Q1 2025

Inventory Comparison





- WEST
- SOUTHWEST
- MIDWEST
- EAST
- SOUTH
- CANADA

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