



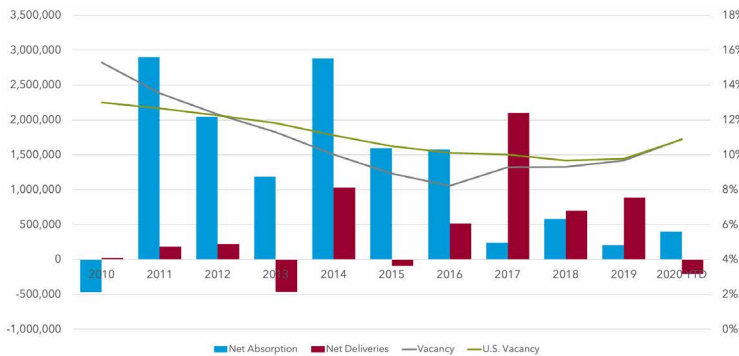
### INDUSTRIAL MARKET OVERVIEW

JACK HALEY, CCIM, *Principal*

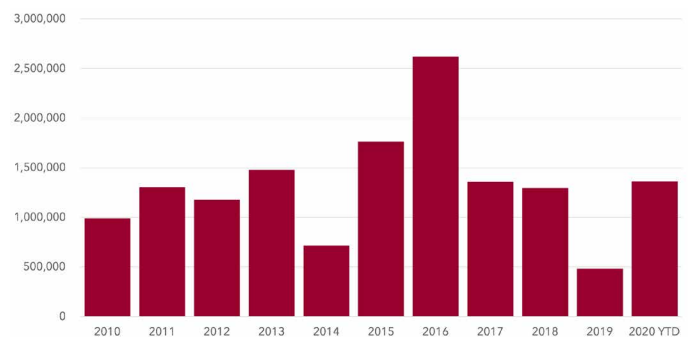
The pandemic eased its grip on the industrial market as Q3 leasing activity bounced back along with slight improvement in overall absorption. Rent growth so far this year has been the slowest of the recovery. Even though much of California has been on an imposed virus lockdown, there were 564 Orange County lease transactions in Q3, the most in 10 quarters. Due to 50 year low interest rates and continued optimism, fairly priced buildings for sale continue to draw multiple offers. The ports of Los Angeles and Long Beach posted record-breaking container traffic in July and August. Although still below levels of the last several years, the Q4 outlook among business leaders surveyed by Cal State Fullerton improved dramatically from Q2 and the initial shock of the coronavirus.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▲ Net Absorption	(150,642) SF	(362,947) SF	916,549 SF	742,860 SF	77,000 SF
▲ Vacancy Rate	3.6%	3.5%	3.2%	3.45%	3.3%
▲ Avg NNN Asking Rate	\$13.00 PSF	\$12.72 PSF	\$13.25 PSF	\$13.44 PSF	\$13.00 PSF
▲ Under Construction	393,821 SF	291,000 SF	835,838 SF	1,173,000 SF	1,180,373 SF
◀▶ Inventory	301,000,000 SF	301,000,000 SF	301,000,000 SF	301,000,000 SF	301,000,000 SF

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6550 Katella Ave & 11130 Holder St Cypress, CA	543,431 SF	\$96,600,000.00 \$177.76 PSF	LBA Realty Cypress Distribution Center	Class B
5630 Cerritos Ave Cypress, CA	76,032 SF	\$15,550,000.00 \$205.00 PSF	Penwood Real Estate The Torrance Trust	Class C
3400 W. Segerstrom Ave Santa Ana, CA	56,920 SF	\$16,400,000.00 \$288.00 PSF	Knabe Properties Bridge Point	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
14020-14030 183rd La Palma, CA	170,692 SF	Oltmans	Americhine LLC	Apparel Dist
6300 Katella Ave Cypress, CA	75,000 SF	Cypress Land	Baker Electric	Construction
6830-6850 Artesia Blvd Buena Park, CA	71,695 SF	Prologis	Tuscany Cheese, LLC	Food

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