



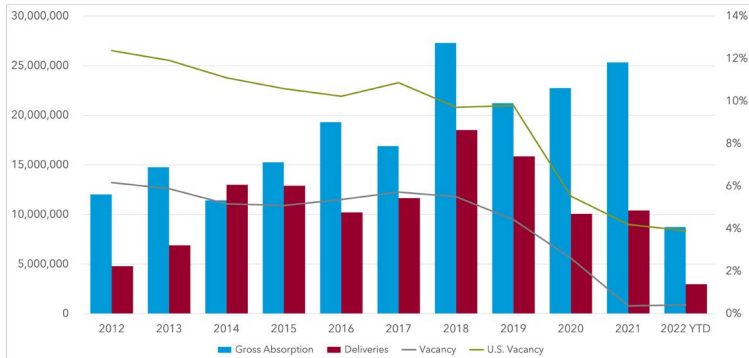
INDUSTRIAL MARKET OVERVIEW

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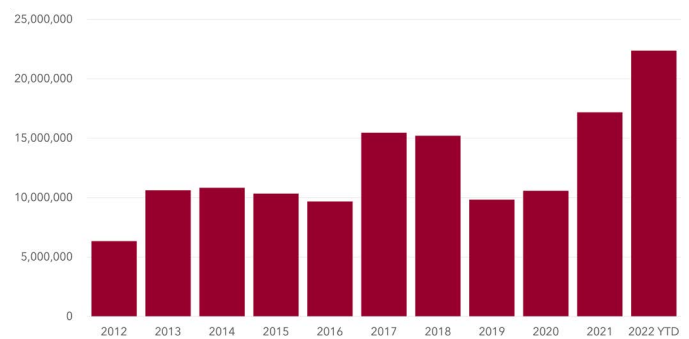
Demand continues to outpace supply with extremely low vacancy despite record high prices and lease rates in nearly all size ranges and submarkets. The Fed's sharp increase in interest rates in June, and further expected rate hikes in July, have caused some investors to take a wait-and-see approach on land acquisitions and development. Despite high inflation on consumer goods and gasoline, the activity in the industrial sector continues to be strong. Experts predict growth may slow, but industrial sale and leasing activity is expected to continue to be robust throughout 2022. Many anticipate that interest rates will continue to rise and inflationary pressure will persist, causing cap rates to rise. Steady industrial absorption will continue in the near term.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▼ Gross Absorption SF	3,975,366	4,765,076	7,704,277	8,622,243	3,978,980
▼ Vacancy Rate	0.41%	0.56%	0.37%	0.56%	1.24%
▲ Avg GRS Asking Rate PSF	\$15.05	\$14.47	\$11.87	\$12.48	\$10.27
▲ SF Under Construction	22,365,124	17,179,286	17,182,301	16,071,753	14,260,772
▲ Inventory SF	275,150,149	269,073,857	266,855,100	261,863,709	258,737,927

GROSS ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
630 Nicholas Road Beaumont, CA	600,000 SF	\$131,000,000 \$218.00 PSF	Exeter Ambest Real Estate	Class A
20820-20900 Krameria Avenue Riverside, CA	390,480 SF	\$134,000,000 \$343.00 PSF	TA Realty Operon Development	Class A
18025 Slover Avenue Bloomington, CA	344,360 SF	\$102,000,000 \$296.00 PSF	Terra Enterprises Crow Holdings	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
36855 W. 4th Street Beaumont, CA	1,777,708 SF	USAA Real Estate	United Legwear	Apparel
2255 W. Lugonia Avenue Redlands, CA	606,133 SF	TIAA-CREF	Auto Zone	Automotive
1901 California Street Redlands, CA	467,853 SF	ProLogis Trust	Performance Team Freight	Logistics

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