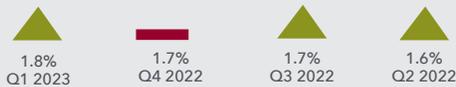


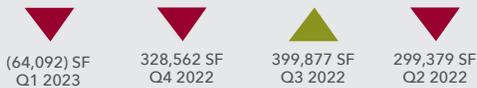


MARKET INDICATORS

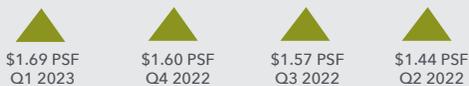
VACANCY



ABSORPTION



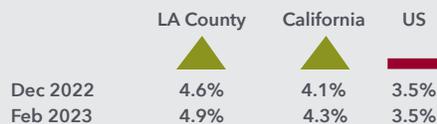
DIRECT LEASE RATE



Q1 TRENDS AT A GLANCE

- Leasing Activity**
775,681 SF
- Under Construction**
808,270 SF
- Completed Construction**
16,576 SF
- Industrial Buildings Sold**
23
- Median Sale Price**
\$275 PSF

UNEMPLOYMENT RATE



Los Angeles North Industrial Real Estate Market Continues Momentum with Impressive Lease Rate Growth

Despite a slight dip in momentum in the previous quarter, lease rates in the Los Angeles North industrial real estate market continue to rise and have set a new record in the first quarter of this year. In fact, they have set a new record, jumping 9 cents per square foot and reaching an all-time high of \$1.69. The recent growth in lease rates has been the most significant since Q3 2022 when rates jumped by 13 cents from the previous quarter.

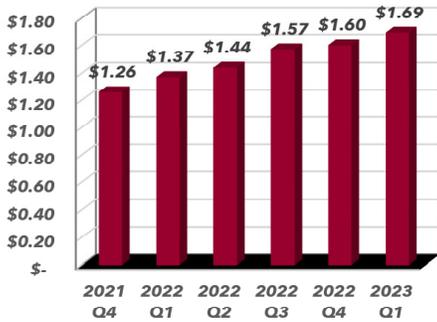
Industrial lease rates continue to ascend to all-time highs, beginning the year 32 cents higher than a year ago. Vacancy rates in the market remain stable at a rate of 1.8 percent, up only ten basis points from the previous quarter. The Los Angeles North industrial real estate market is expected to receive over 800,000 square feet of new inventory in 2023, with 16,576 square feet already completed in the first quarter.

Despite a slight uptick in leasing activity in the first quarter with 775,681 square feet leased—up 18 percent from the previous quarter—ongoing high demand wasn't enough to prevent the market from experiencing significant negative net absorption. In fact, the market saw 64,092 square feet of negative net absorption, a notable drop from the 201,204 square feet of net absorption reported in the previous quarter. Despite this setback, the overall trend in the market remains positive but cautious as its anticipated that lease rates may flatten and possibly become a bit softer as demand slows due to the Federal actions to slow the economy which will slow the demand for space as companies choose a 'wait and see' posture.

The quarter ended with 23 industrial sales – four of which were distressed assets – for a median price of \$275 per square foot, while the 19 non-distressed assets alone sold for a similar median price of \$273 per square foot. Although lower than the previous quarter's median price of \$307 per square foot, this price remains amongst the highest reported in the past decade. total transactions closed for a median price of \$290 per square foot and 25 non-distressed sales reached a median price of \$306 per square foot.

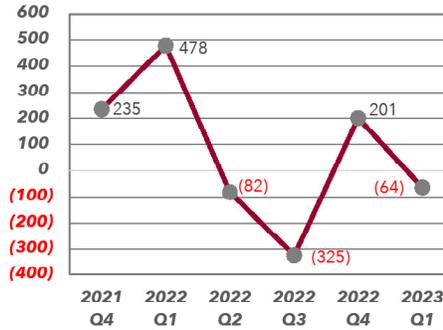
RENTAL RATES

average per SF, per month



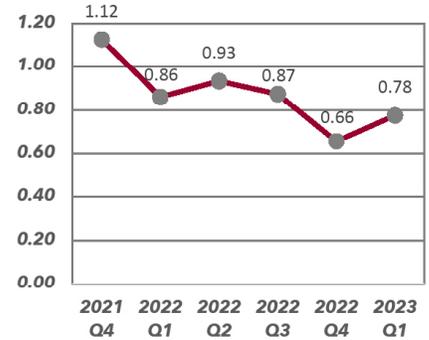
ABSORPTION

in thousands of SF

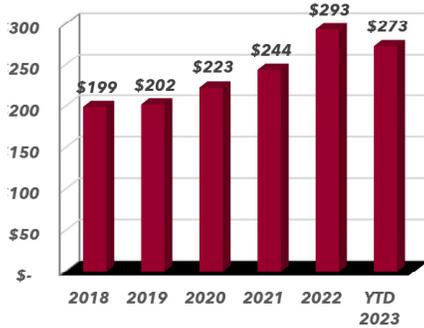


LEASING ACTIVITY

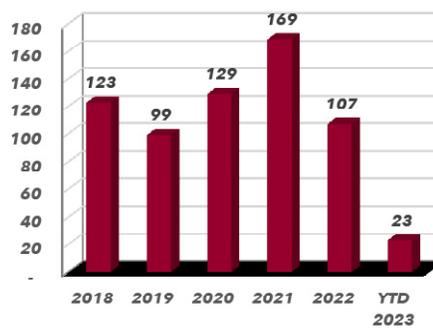
millions of SF leased



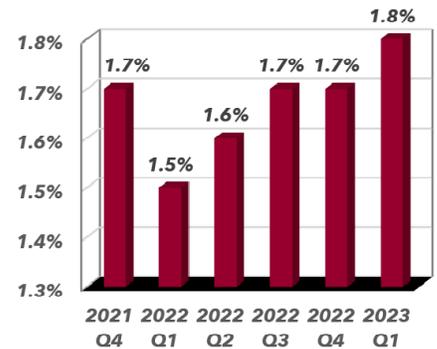
MEDIAN SALE PRICE



SALE TRANSACTIONS



VACANCY



Median sale price excludes distressed sales and those where no price information was recorded.

TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER/SELLER	BUILDING CLASS
9530 DeSoto Avenue Chatsworth, CA	50,236 SF	\$13,710,250 \$272.92 PSF	Gilberto Amparo and Isam LLC 9526 MYOB LLC	Class B
9255 Deering Avenue Chatsworth, CA	32,094 SF	\$8,470,000 \$263.91 PSF	Gerald Leonard T & Darin Leonard Northwest Industrial Center LLC	Class B
9533 Irondale Avenue Chatsworth, CA	27,926 SF	\$6,425,875 \$230.10 PSF	Gilberto Amparo and BRI & ISA LLC NPP 9533 LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3305 N San Fernando Boulevard Burbank, CA	33,304 SF	Selective Burbank Creative, LLC	Stumbaugh & Associates, Inc	Bathroom Supply Store
20720 Superior Street Chatsworth, CA	30,000 SF	A & L Investments	Primitive Company	Clothing Supplier
960-1000 Chestnut Street Burbank, CA	26,000 SF	SirReel Production Vehicles, Inc.	MTB Event Rentals & Levon Bakalian	Event Rentals

Source: CoStar and Lee & Associates

SUBMARKETS	TOTAL INVENTORY	TOTAL VACANCY		NET ABSORPTION		CONSTRUCTION			ASKING NNN RATE
		Total SF	%	Q1 2023	YTD 2023	Underway	COMPLETED	YTD 2023	
Antelope Valley	10,589,124	252,925	2.4%	(2,537)	(4,577)	60,000	0	0	\$1.62
Burbank	8,776,132	240,176	2.7%	4,494	(2,123)	0	0	0	\$2.18
Canoga Park	4,141,260	60,639	1.5%	15,544	15,544	0	0	0	\$1.19
Chatsworth	19,290,963	330,899	1.7%	(59,333)	(56,033)	0	0	0	\$1.48
Glendale	5,290,187	84,854	1.6%	(26,030)	(49,030)	0	0	0	\$2.03
No. Hollywood / Universal City	11,956,484	236,060	2.0%	(263)	(31,899)	20,000	0	0	\$2.01
Northridge	3,933,653	142,444	3.6%	(21,193)	(21,193)	0	0	0	\$1.30
Reseda /Tarzana	709,269	24,860	3.5%	6,788	788	0	0	0	\$1.93
San Fernando /Sylmar /Pacoima /Arleta	17,906,903	272,623	1.5%	126,254	115,564	185,252	16,576	16,576	\$1.71
Santa Clarita Valley	24,845,392	346,408	1.4%	(11,259)	(22,740)	512,969	0	0	\$1.40
Sun Valley	10,214,572	150,487	1.5%	(29,559)	(31,249)	0	0	0	\$1.86
Van Nuys	18,082,857	323,634	1.8%	(76,742)	(59,332)	30,049	0	0	\$1.69
Woodland Hills	1,551,145	7,742	0.5%	9,744	9,744	0	0	0	\$2.23
Totals	137,287,941	2,473,751	1.8%	(64,092)	(136,536)	808,270	16,576	16,576	\$1.69

Source: CoStar and Lee & Associates

MARKET DEFINITIONS

RENTABLE AREA

Includes all Class A, B and C multi-tenant and single-tenant industrial buildings of 10,000 square feet and greater. Excludes buildings under construction, planned or under renovation.

DIRECT VACANCY

Space in existing buildings that is not occupied and is available for direct lease.

TOTAL VACANCY

Space in existing buildings that is not occupied and is available for direct lease and/or sub-lease.

TOTAL NET ABSORPTION

The square feet leased after deducting space vacated.

DIRECT ASKING LEASE RATE

Calculated for direct available space using NNN rents. Rents are weighted by total square feet available for direct lease.

UNDER CONSTRUCTION

Buildings in the process of construction. A building is considered complete when issued a certificate of occupancy.

MEDIAN SALE PRICE

Based on actual prices of sold buildings as reported in public records and by CoStar. Includes all industrial buildings 10,000 SF and more sold at \$500,000 or more.

ABOUT LEE & ASSOCIATES®

Lee & Associates offers an array of real estate services tailored to meet the needs of the company's clients, including commercial real estate brokerage, integrated services, and construction services. Established in 1979, Lee & Associates is now an international firm with 70+ offices throughout the United States and Canada. Our 1,300 professionals regularly collaborate to make sure they are providing their clients with the most advanced, up-to-date market technology and information. For the latest news from Lee & Associates, visit lee-associates.com or follow us on Facebook, LinkedIn, Twitter, and Link, our company blog.

Lee & Associates-LA North/Ventura, Inc. is a full service commercial brokerage company serving the San Fernando Valley, Conejo Valley, Simi Valley/Moorpark and Ventura County markets. Founded in 1994, Lee LA North/Ventura has grown to become one of the largest commercial brokerage companies in the Los Angeles North and Ventura regions with four offices and 48 agents.

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LA NORTH INDUSTRIAL SUBMARKETS

Antelope Valley

Lancaster
Palmdale

Burbank

Canoga Park

Glendale

Chatsworth

North Hollywood/ Universal City

La Crescenta
Montrose
Studio City
Sunland
Tujunga

Northridge

Reseda/Tarzana

San Fernando/Sylmar/ Pacoima/Arleta

Santa Clarita Valley

Canyon Country
Newhall
Santa Clarita
Valencia

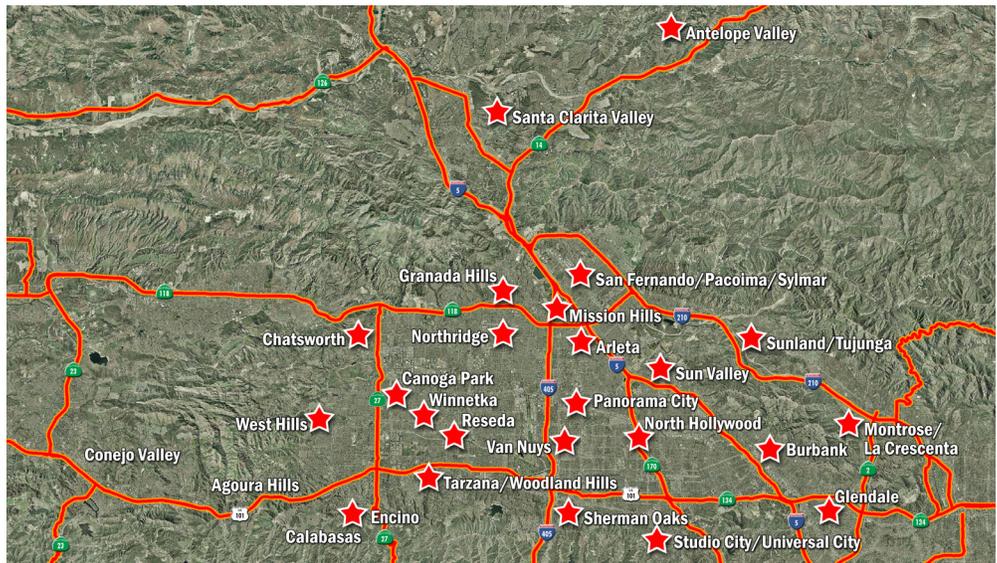
Sun Valley

Van Nuys

Mission Hills
Panorama City
Sherman Oaks

Woodland Hills

Encino
Granada Hills
West Hills
Winnetka



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