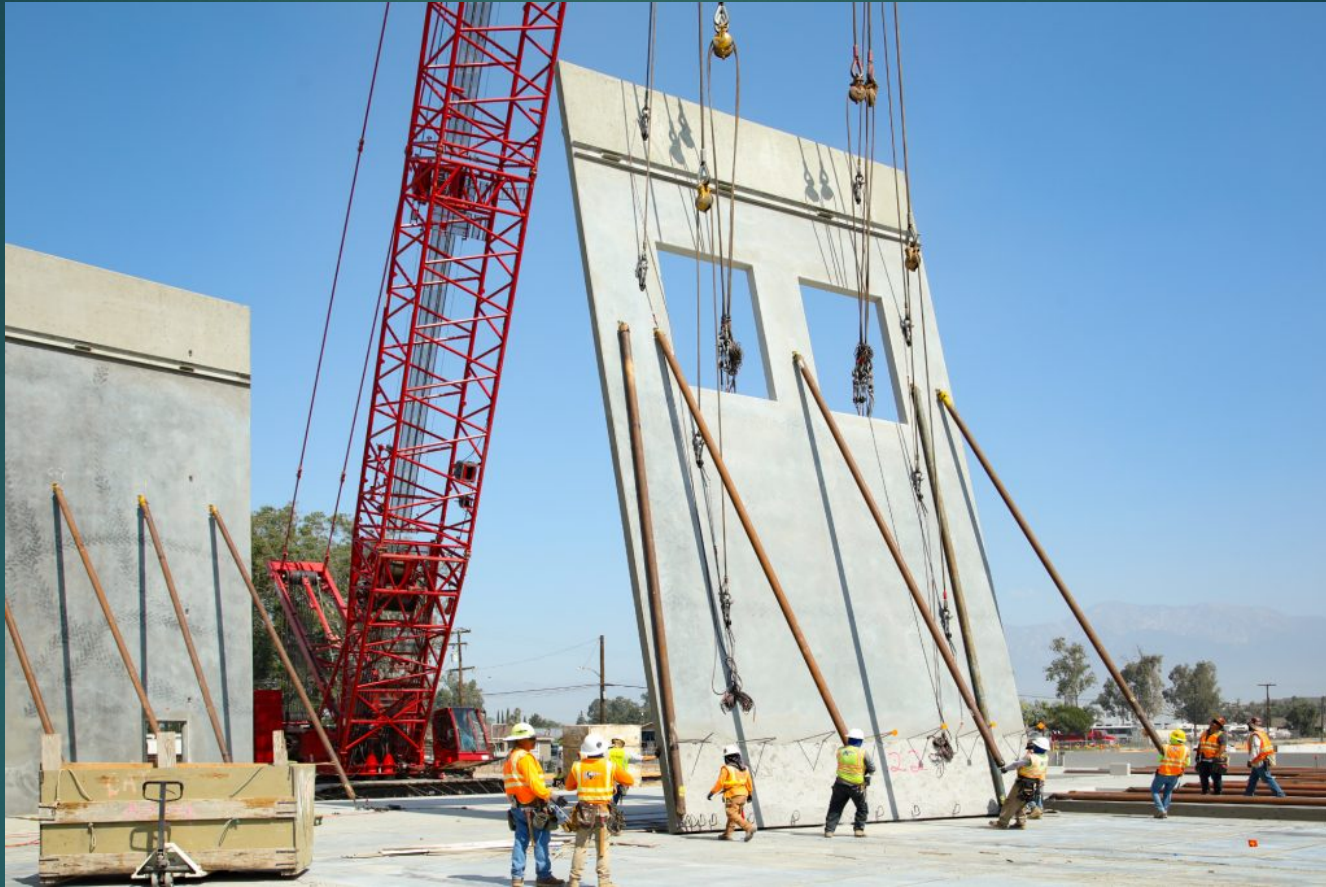
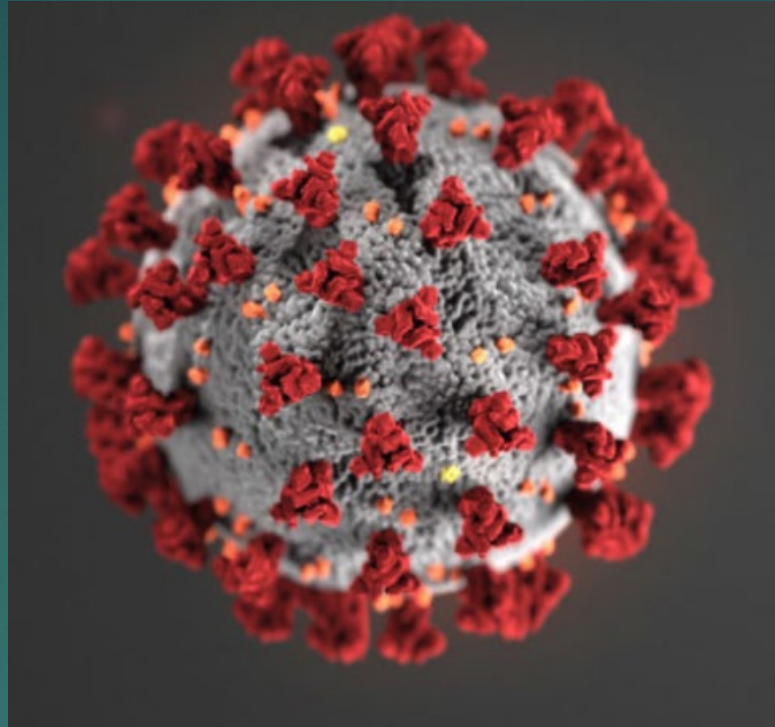


# The SAGA of Covid & The Supply Chain



**JOHN HUSING, PH.D.**

**ECONOMICS & POLITICS, INC.**



**Covid-19 Hits the 2020 Economy**

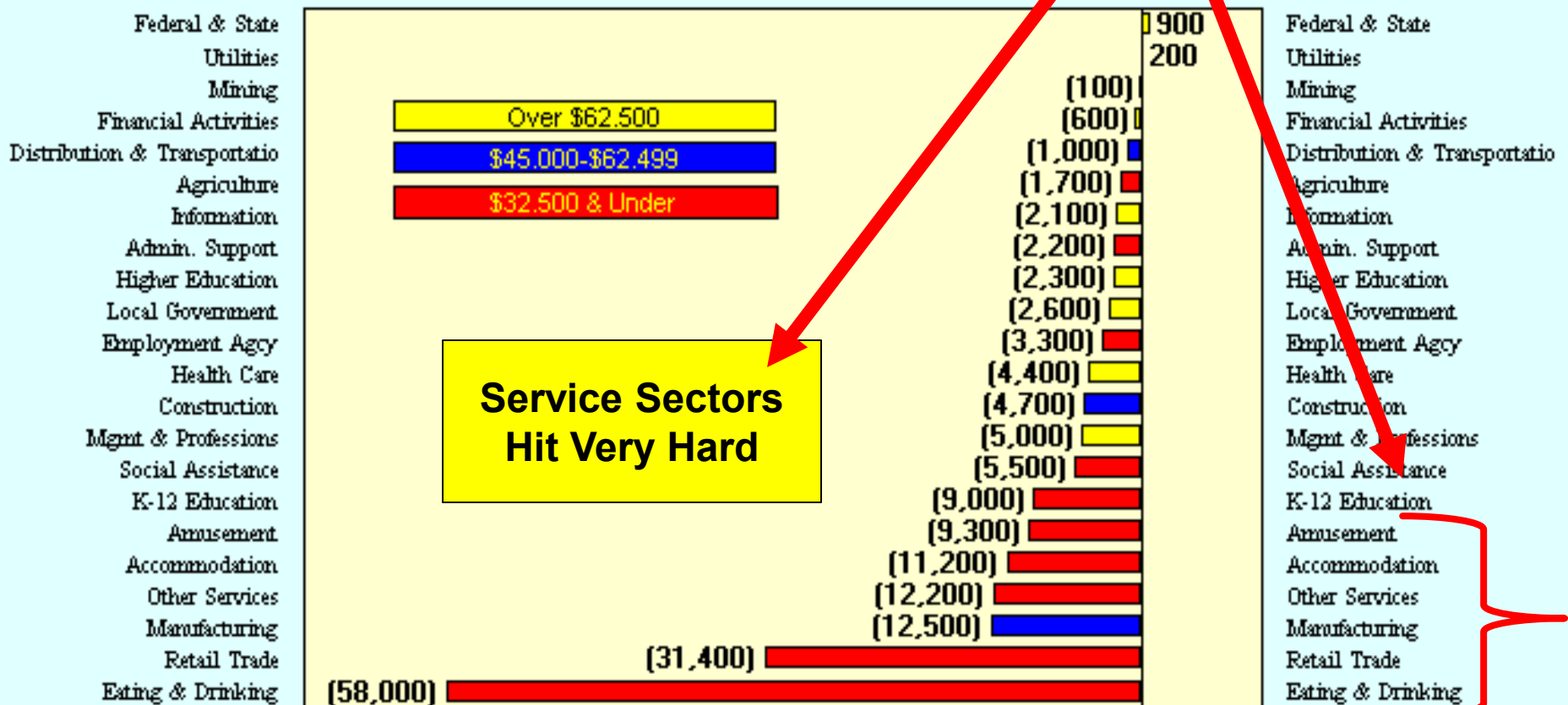


# Cares Act



# May 2019-2020 Job Changes Inland Empire

## Inland Empire Job Changes by Sectors, May 2019-2020



Source: CA Employment Development Department

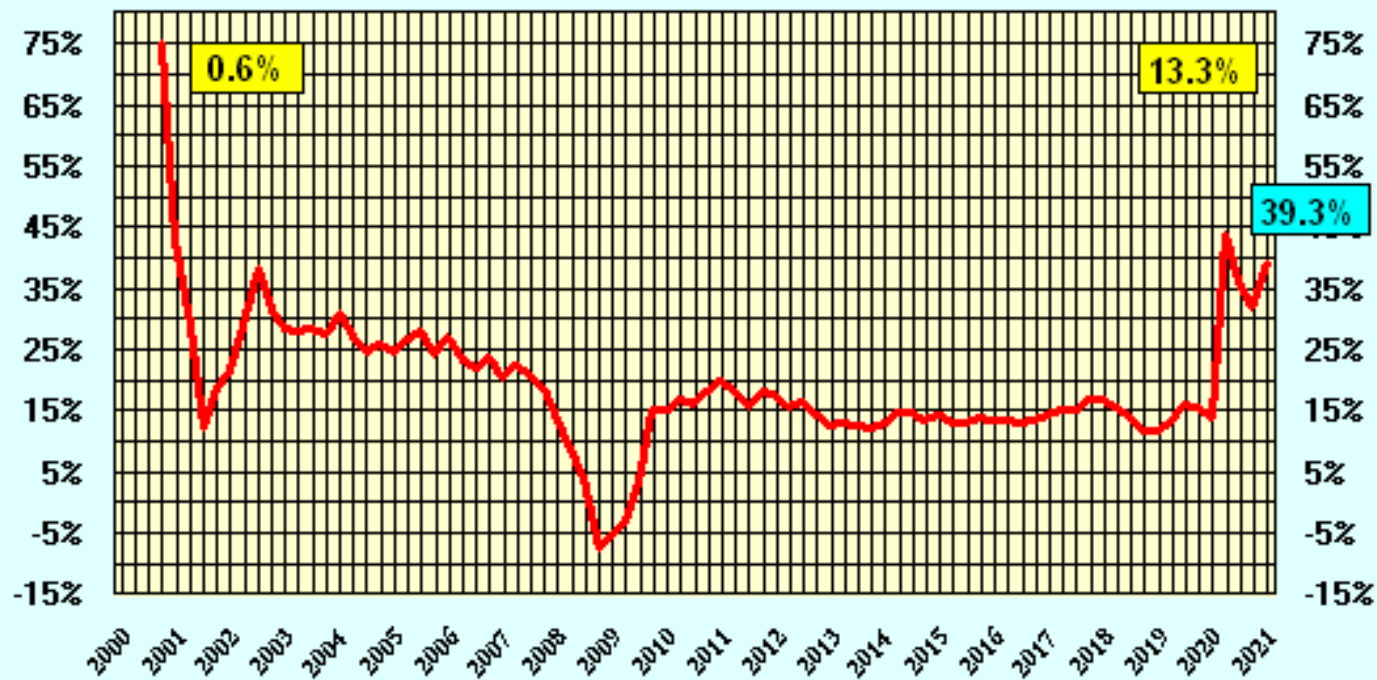


# People Buying Goods Not Services



# Most People Learn to Buy On Line

**Exhibit 8.-U.S. E-Commerce Growth Rates  
Quarter over Same Quarter Prior Year, 2000-2021**



Source: Bureau of the Census, Quarterly Retail Sales



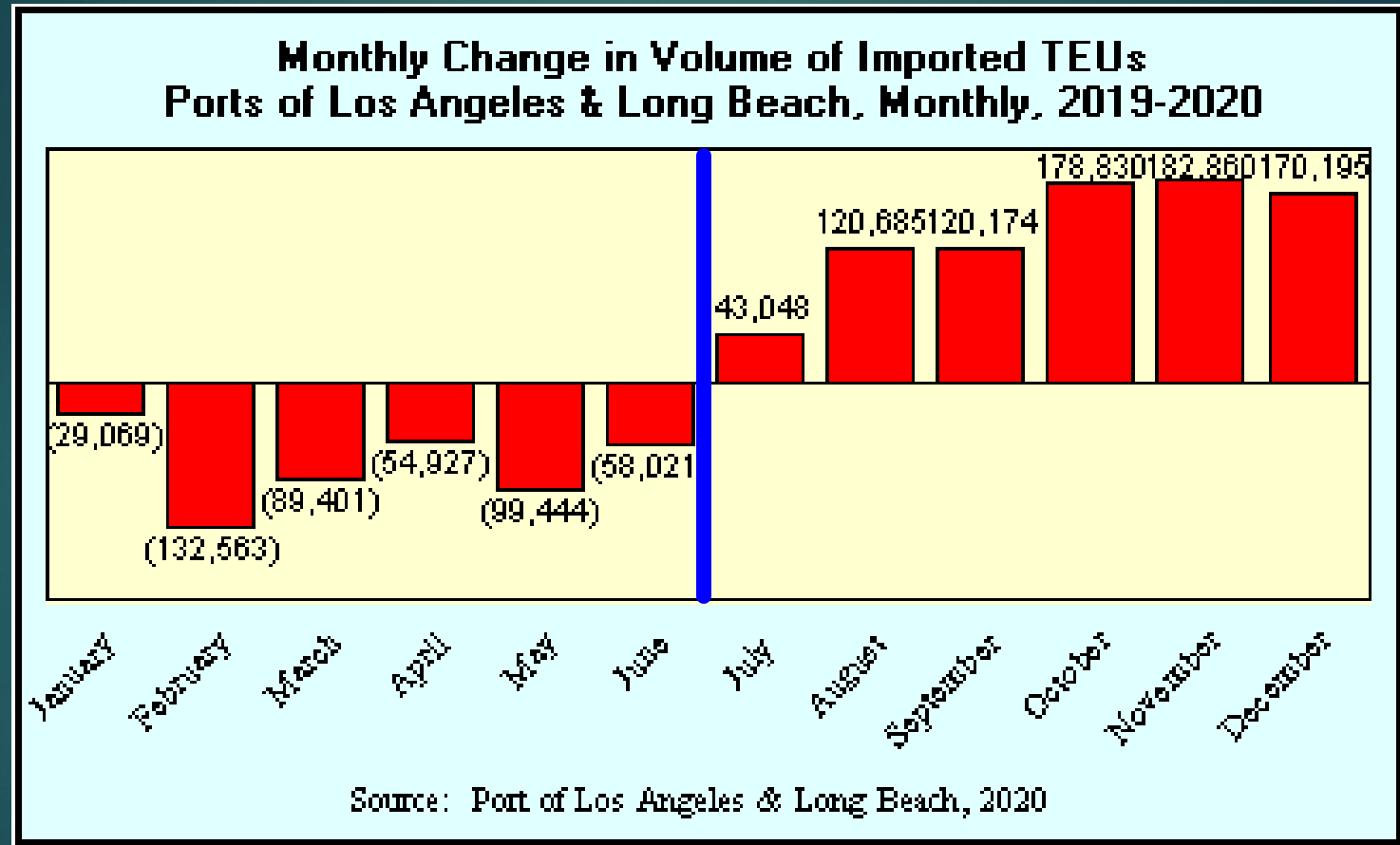
# Amazon Eyeing Mall Anchor Stores as Fulfillment Centers

By John P. Mello Jr.

Aug 19, 2020 4:15 AM PT



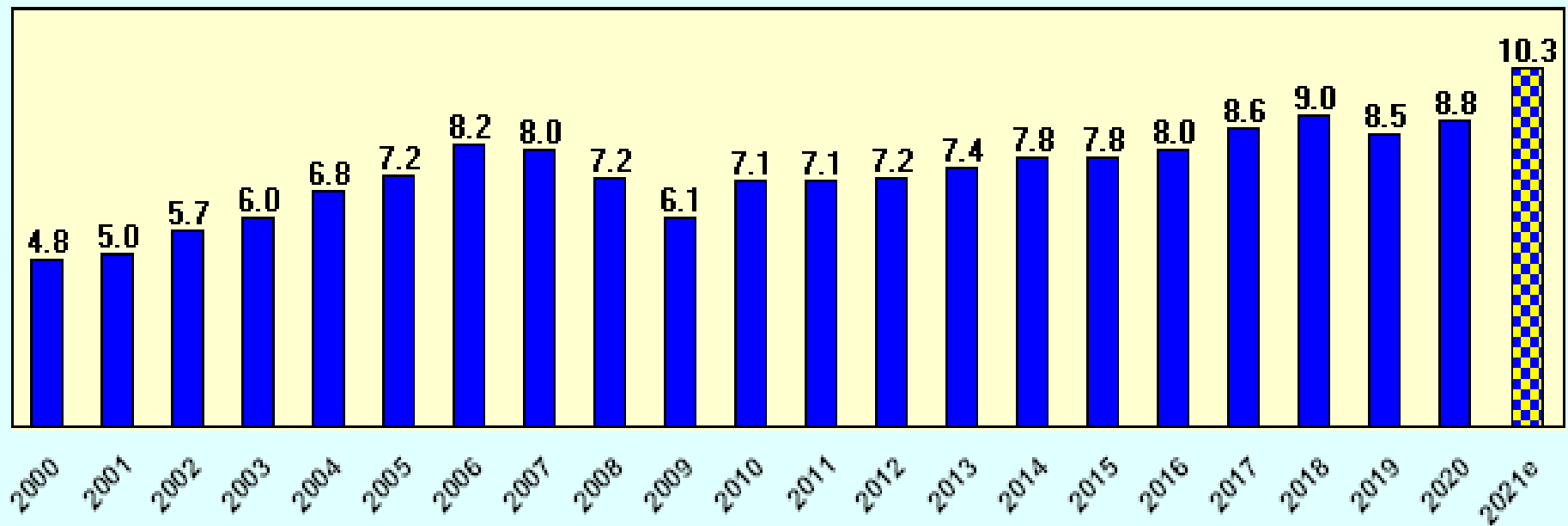
# LA/LB Ports Import Change by Month, 2020





# LA/LB Harbors Annual & Forecast 2000 to 2021e

**Import Volume, 2000-2021e**  
**Ports of Los Angeles & Long Beach (mil. teus)**



2021e = Based upon growth experienced Year to Date, July & 5% growth over 2020 for balance of the year

Source: Port Import Export Reporting Service (PIERS), collected from Vessel, LA-LB for 2011-2021e

# LA/LB Can't Handle the Volume ... Over 50 Ships Anchored Off of Ports





# Covid Hits Longshore Workers





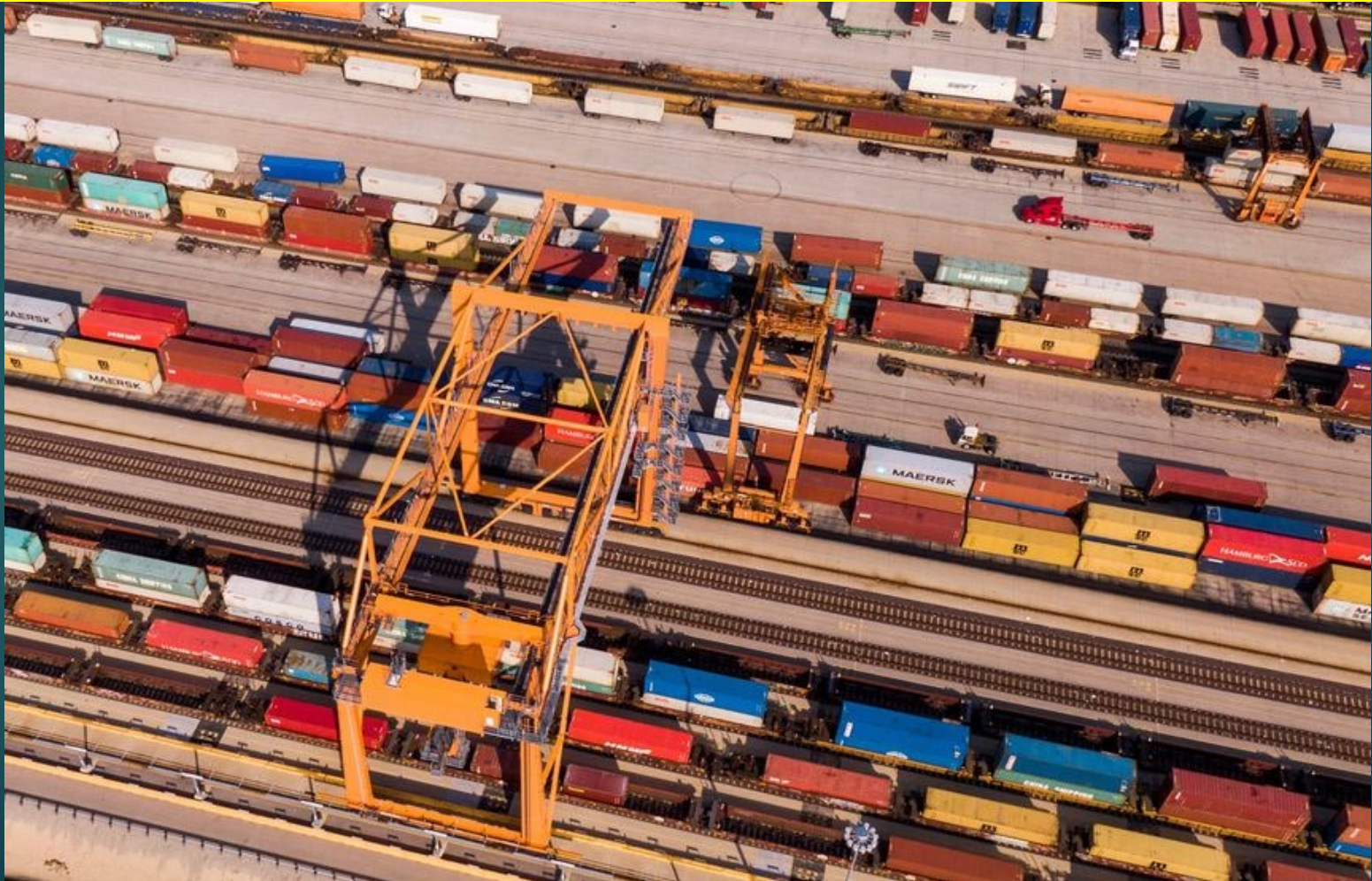
# Congestion Increases Dwell Time In So. CA

**Terminals +75% 2021 vs +50% 2020**      **Warehouses 8.3 days**  
**On Dock Rail A Record 13+ Days**



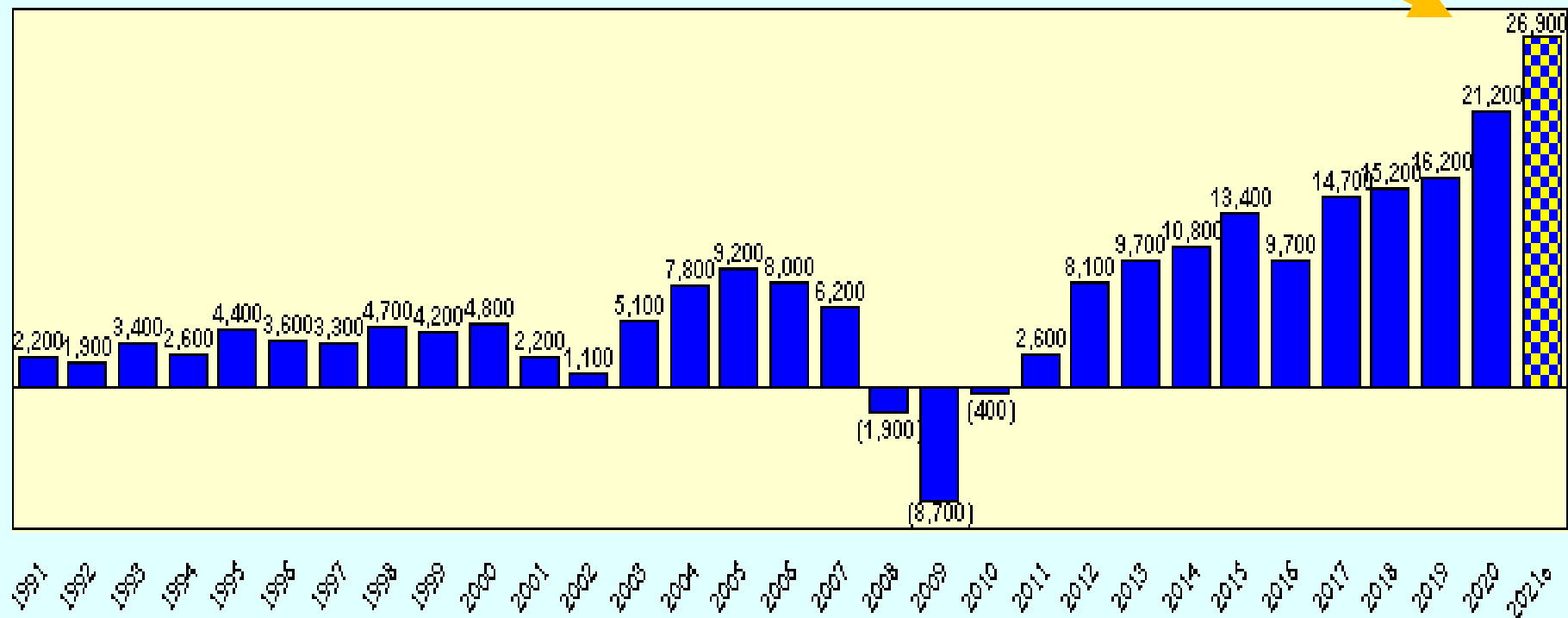


# **Railroads restrict container shipments into key Chicago freight hub as bottlenecks from a flood of container imports stretches inland from the West Coast**



# Inland Empire Logistics Employment Soars in 2020-2021

## Logistics Sector Employment Changes Inland Empire, 1991-2021e

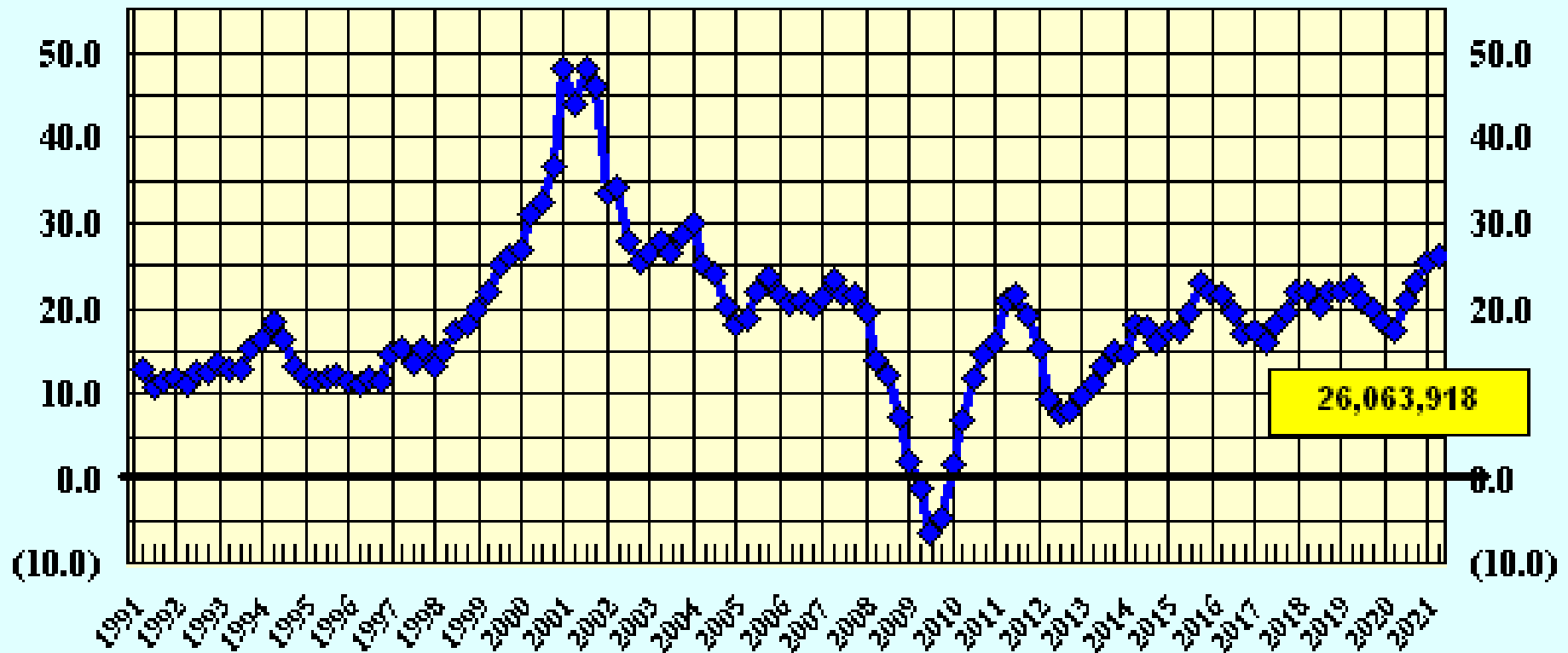


Source: CA Employment Development Department & Economics & Politics, Inc.



# Industrial Space Net Absorption

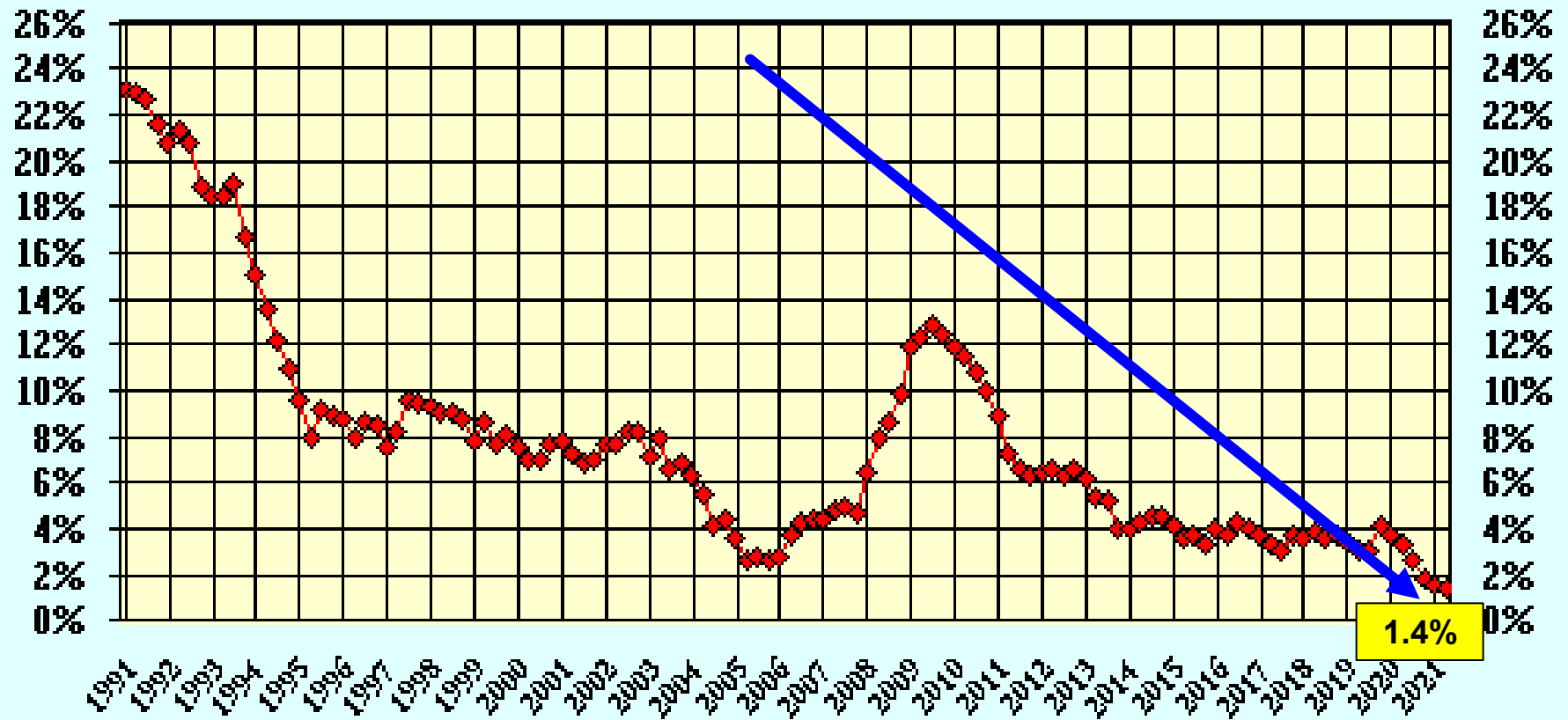
**Industrial Space Net Absorption  
Inland Empire Area, 1991-2021 (moving 4-quarter total)**



Source: Grubb & Ellis to 2011, CB Richard Ellis 2012-2021

# Industrial Vacancy Rate

## Industrial Space Vacancy Rate Inland Empire, 1991-2021

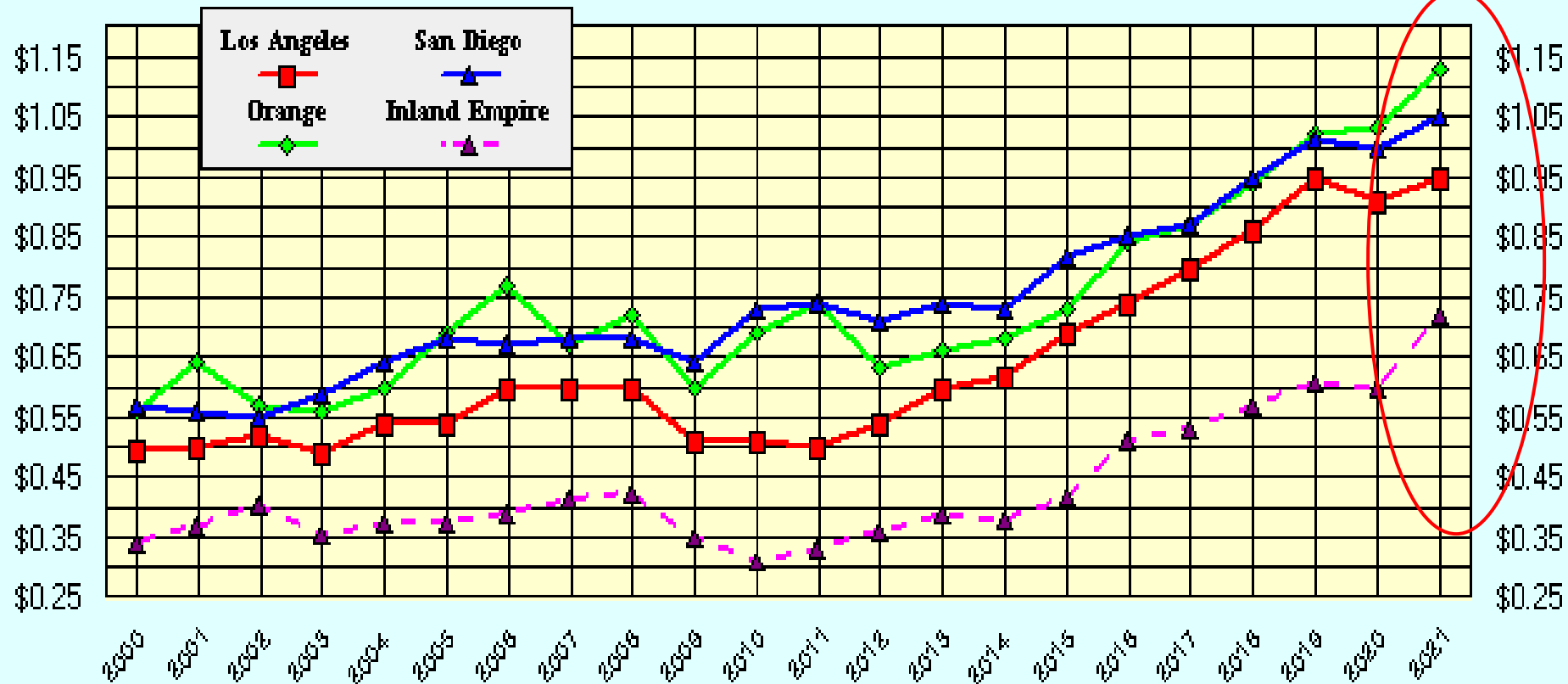


Source: Grubb & Ellis to 2011, CB Richard Ellis 2012-2020



# So. Ca. Industrial Lease Rates At Record Highs

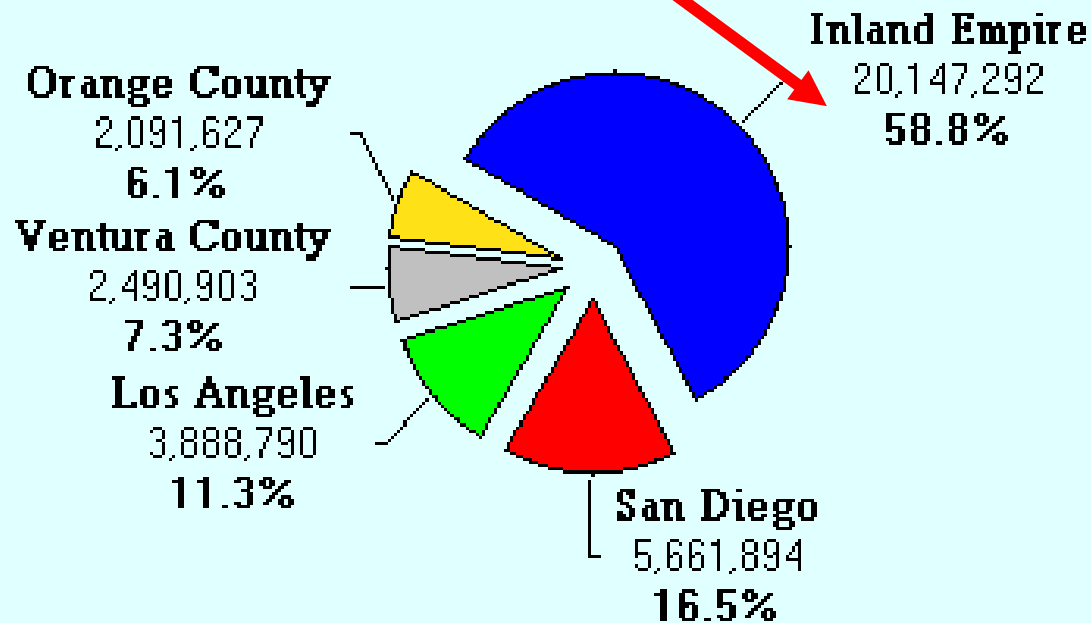
**Industrial Lease Asking Rate (Sq. Ft./Month)  
Southern California Markets, 2000-2021**



Source: Grubb & Ellis, CB Richard Ellis 2013-2021

# Industrial Construction at 34 million Square Feet in Mid-2021

## Industrial Space Under Construction Southern California Market, June 2021



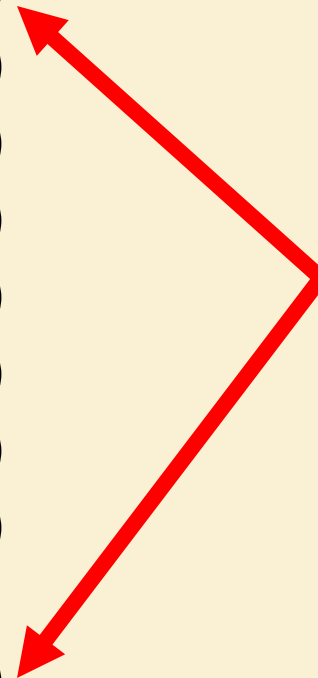
Sources: CB Richard Ellis and Voith



# Issues

## LA/LB Share of U.S. Imported Cargo Falling

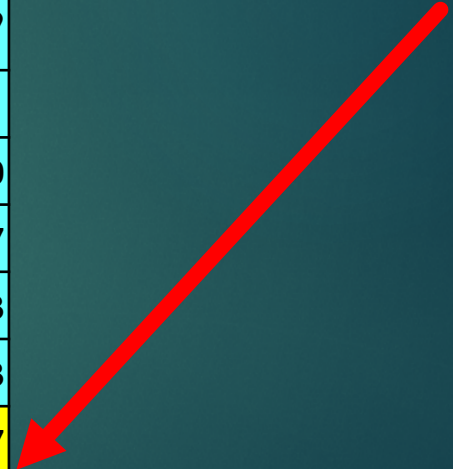
- 34.1% (2019)
- 36.1% (2018)
- 38.1% (2017)
- 38.0% (2016)
- 38.5% (2015)
- 40.3% (2014)
- 40.8% (2013)
- 40.7% (2012)
- 41.5% (2011)
- 42.3% (2010)
- 41.5% (2009)



**Panama Canal Expansion ... East Coast Trip Thru Suez**

# Already Running Out of Developable Industrial Land In 2019

Market	500,000+	1,000,000+
High Desert	206	42
Coachella Valley	92	21
Moreno Valley/Perris	117	59
West SB Valley	45	12
Central SB Valley	49	9
East SB Valley	16	1
Southwest	15	0
Pass Area	23	7
Western RivCo Edge	13	3
Riverside	5	3
Total Remaining	581	157
Without Deserts, Moreno Valley/Parris	166	35





# Warehouses Must Pay For Trucks Coming To Them



South Coast  
**AQMD**

## SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT **ANNOUNCEMENTS**

[www.aqmd.gov](http://www.aqmd.gov)

@SouthCoastAQMD



**FOR IMMEDIATE RELEASE:** May 7, 2021

**MEDIA CONTACT:**

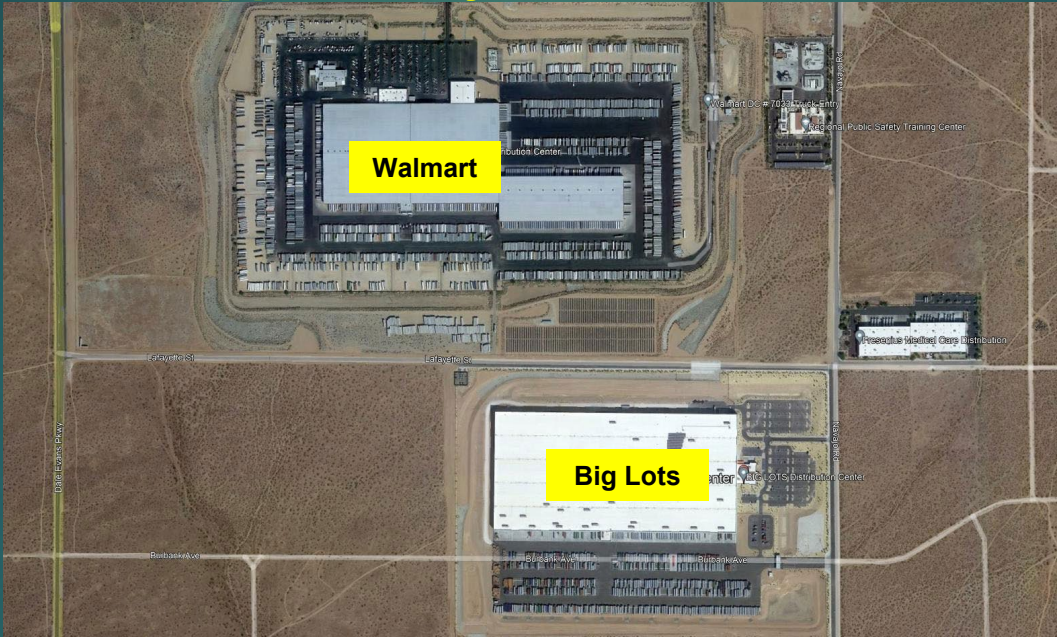
Bradley Whitaker, (909) 396-3456, Cell: (909) 323-9516

Nahal Mogharabi, (909) 396-3773, Cell: (909) 837-2431

[press@aqmd.gov](mailto:press@aqmd.gov)

**South Coast AQMD Governing Board Adopts Warehouse Indirect Source Rule**

# Apple Valley Industrial Park



## ProLogis & Sterling At SCLA



# California Trucking Association Takes AB 5 Case to Supreme Court





# Teamsters Take Aim at Amazon





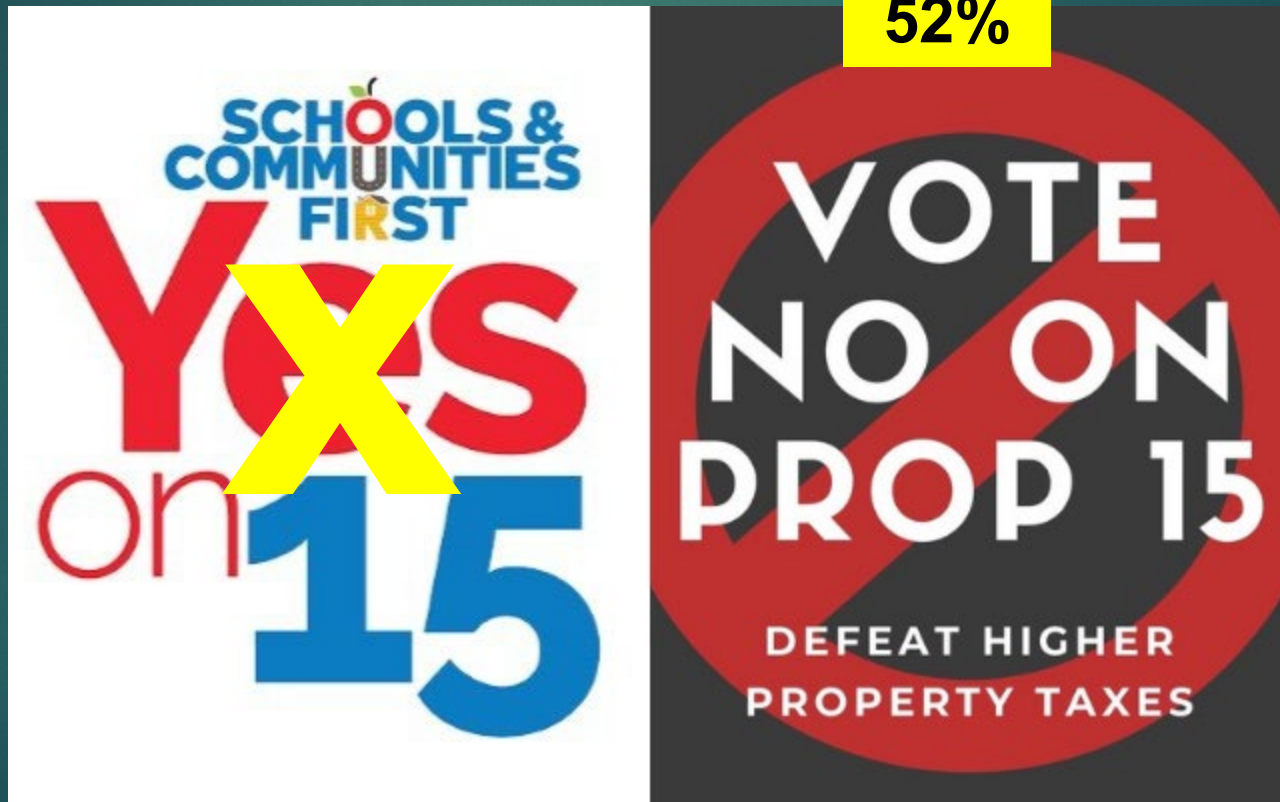
# CA Legislature Takes Aim At Amazon



**AB 701 Would Disallow Amazon's Worker Metrics**



# Voters Asked To End Split Role for Commercial Property- They Said NO





# League of Cities To Look At Formula For Sharing Tax Revenue from E-commerce

**As Amazon booms in California, cities want state to fix 'tremendous inequity' in sharing of tax revenue**

# Summary

- **Market For Industrial Space Has Exploded**
- **Inland Empire is the Hottest Market**
- **Issues Have Arisen as Environmental, Gov't & Union Forces Want To Stop or Control The Growth**
- **The Expansion Continues**



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