UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2022
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to _______
Commission File Number: 001-36008

Rexford Industrial Realty, Inc.
(Exact name of registrant as specified in its charter)

Maryland			**46-2024407**
(State or other jurisdiction of incorporation or organization)			(I.R.S. Employer Identification No.)
11620 Wilshire Boulevard, Suite 1000	**Los Angeles**	**California**	**90025**
(Address of principal executive offices)			(Zip Code)

(310) 966-1680
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbols	Name of each exchange on which registered
Common Stock, $0.01 par value	REXR	New York Stock Exchange
5.875% Series B Cumulative Redeemable Preferred Stock	REXR-PB	New York Stock Exchange
5.625% Series C Cumulative Redeemable Preferred Stock	REXR-PC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of shares of common stock outstanding at July 22, 2022 was 171,067,048.

REXFORD INDUSTRIAL REALTY, INC.
QUARTERLY REPORT FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022
TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited and in thousands – except share and per share data)

	June 30, 2022	December 31, 2021
ASSETS		
Land	$ 4,896,343	$ 4,143,021
Buildings and improvements	2,923,571	2,588,836
Tenant improvements	136,905	127,708
Furniture, fixtures and equipment	132	132
Construction in progress	90,192	71,375
Total real estate held for investment	8,047,143	6,931,072
Accumulated depreciation	(538,711)	(473,382)
Investments in real estate, net	7,508,432	6,457,690
Cash and cash equivalents	34,317	43,987
Restricted cash	—	11
Rents and other receivables, net	10,382	11,027
Deferred rent receivable, net	75,024	61,511
Deferred leasing costs, net	37,343	32,940
Deferred loan costs, net	5,532	1,961
Acquired lease intangible assets, net	164,764	132,158
Acquired indefinite-lived intangible	5,156	5,156
Other assets	19,513	19,066
Acquisition related deposits	18,475	8,445
Assets associated with real estate held for sale	—	7,213
Total Assets	$ 7,878,938	$ 6,781,165
LIABILITIES & EQUITY		
Liabilities		
Notes payable	$ 1,660,521	$ 1,399,565
Interest rate swap liability	—	7,482
Accounts payable, accrued expenses and other liabilities	81,742	65,833
Dividends and distributions payable	56,300	40,143
Acquired lease intangible liabilities, net	149,580	127,017
Tenant security deposits	64,436	57,370
Prepaid rents	14,661	15,829
Liabilities associated with real estate held for sale	—	231
Total Liabilities	2,027,240	1,713,470
Equity		
Rexford Industrial Realty, Inc. stockholders' equity		
Preferred stock, $0.01 par value per share, 10,050,000 shares authorized:		
5.875% series B cumulative redeemable preferred stock, 3,000,000 shares outstanding at June 30, 2022 and December 31, 2021 ($75,000 liquidation preference)	72,443	72,443
5.625% series C cumulative redeemable preferred stock, 3,450,000 shares outstanding at June 30, 2022 and December 31, 2021 ($86,250 liquidation preference)	83,233	83,233
Common Stock, $0.01 par value per share, 489,950,000 authorized and 171,064,419 and 160,511,482 shares outstanding at June 30, 2022 and December 31, 2021, respectively	1,711	1,605
Additional paid in capital	5,556,819	4,828,292
Cumulative distributions in excess of earnings	(216,588)	(191,120)
Accumulated other comprehensive loss	(2,974)	(9,874)
Total stockholders' equity	5,494,644	4,784,579
Noncontrolling interests	357,054	283,116
Total Equity	5,851,698	5,067,695
Total Liabilities and Equity	$ 7,878,938	$ 6,781,165

The accompanying notes are an integral part of these consolidated financial statements.

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and in thousands – except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
REVENUES				
Rental income	$ 148,987	$ 104,236	$ 289,575	$ 203,880
Management and leasing services	130	109	293	214
Interest income	1	15	2	29
TOTAL REVENUES	149,118	104,360	289,870	204,123
OPERATING EXPENSES				
Property expenses	35,405	24,555	68,834	48,130
General and administrative	14,863	10,695	29,580	22,175
Depreciation and amortization	46,609	36,228	89,080	71,372
TOTAL OPERATING EXPENSES	96,877	71,478	187,494	141,677
OTHER EXPENSES				
Other expenses	295	2	333	31
Interest expense	10,168	9,593	19,851	19,345
TOTAL EXPENSES	107,340	81,073	207,678	161,053
Loss on extinguishment of debt	(877)	—	(877)	—
Gains on sale of real estate	—	2,750	8,486	13,610
NET INCOME	40,901	26,037	89,801	56,680
Less: net income attributable to noncontrolling interests	(2,290)	(1,710)	(4,774)	(3,679)
NET INCOME ATTRIBUTABLE TO REXFORD INDUSTRIAL REALTY, INC.	38,611	24,327	85,027	53,001
Less: preferred stock dividends	(2,315)	(3,637)	(4,629)	(7,273)
Less: earnings allocated to participating securities	(203)	(139)	(404)	(280)
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 36,093	$ 20,551	$ 79,994	$ 45,448
Net income attributable to common stockholders per share - basic	$ 0.22	$ 0.15	$ 0.49	$ 0.34
Net income attributable to common stockholders per share - diluted	$ 0.22	$ 0.15	$ 0.49	$ 0.34
Weighted average shares of common stock outstanding - basic	164,895,701	134,312,672	162,774,059	132,970,234
Weighted average shares of common stock outstanding - diluted	165,200,577	134,819,742	163,136,372	133,296,701

The accompanying notes are an integral part of these consolidated financial statements.

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited and in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	$ 40,901	$ 26,037	$ 89,801	$ 56,680
Other comprehensive income: cash flow hedge adjustments	716	1,797	7,167	5,706
Comprehensive income	41,617	27,834	96,968	62,386
Comprehensive income attributable to noncontrolling interests	(2,306)	(1,830)	(5,041)	(3,995)
Comprehensive income attributable to Rexford Industrial Realty, Inc.	$ 39,311	$ 26,004	$ 91,927	$ 58,391

The accompanying notes are an integral part of these consolidated financial statements.

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited and in thousands – except share data)

	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Cumulative Distributions in Excess of Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2022	$ 155,676	165,017,587	$ 1,650	$ 5,133,875	$ (198,999)	$ (3,674)	$ 5,088,528	$ 299,232	$ 5,387,760
Issuance of common stock	—	5,967,783	60	425,350	—	—	425,410	—	425,410
Offering costs	—	—	—	(6,339)	—	—	(6,339)	—	(6,339)
Issuance of OP Units	—	—	—	—	—	—	—	56,167	56,167
Share-based compensation	—	13,827	—	1,457	—	—	1,457	5,049	6,506
Shares acquired to satisfy employee tax withholding requirements on vesting restricted stock	—	(136)	—	(10)	—	—	(10)	—	(10)
Conversion of OP Units to common stock	—	65,358	1	2,486	—	—	2,487	(2,487)	—
Net income	2,315	—	—	—	36,296	—	38,611	2,290	40,901
Other comprehensive income	—	—	—	—	—	700	700	16	716
Preferred stock dividends ($0.367188 per series B preferred share and $0.351563 per series C preferred share)	(2,315)	—	—	—	—	—	(2,315)	—	(2,315)
Preferred unit distributions	—	—	—	—	—	—	—	(798)	(798)
Common stock dividends ($0.315 per common share)	—	—	—	—	(53,885)	—	(53,885)	—	(53,885)
Common unit distributions	—	—	—	—	—	—	—	(2,415)	(2,415)
Balance at June 30, 2022	$ 155,676	171,064,419	$ 1,711	$ 5,556,819	$ (216,588)	$ (2,974)	$ 5,494,644	$ 357,054	$ 5,851,698

The accompanying notes are an integral part of these consolidated financial statements.

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)
(Unaudited and in thousands – except share data)

	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Cumulative Distributions in Excess of Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2021	$ 242,327	133,897,360	$ 1,338	$ 3,300,333	$ (170,487)	$ (13,996)	$ 3,359,515	$ 288,703	$ 3,648,218
Issuance of common stock	—	3,607,313	37	193,304	—	—	193,341	—	193,341
Offering costs	—	—		(2,144)	—	—	(2,144)	—	(2,144)
Share-based compensation	—	9,896	—	963	—	—	963	3,596	4,559
Shares acquired to satisfy employee tax withholding requirements on vesting restricted stock	—	(188)	—	(10)	—	—	(10)	—	(10)
Conversion of OP Units to common stock	—	213,617	2	7,177	—	—	7,179	(7,179)	—
Net income	3,637	—	—	—	20,690		24,327	1,710	26,037
Other comprehensive income	—	—	—	—	—	1,677	1,677	120	1,797
Preferred stock dividends ($0.367188 per series A and series B preferred share and $0.351563 per series C preferred share)	(3,637)	—	—	—	—	—	(3,637)	—	(3,637)
Preferred unit distributions	—	—	—	—	—	—	—	(708)	(708)
Common stock dividends ($0.24 per common share)	—	—	—	—	(33,054)	—	(33,054)	—	(33,054)
Common unit distributions	—	—	—	—	—	—	—	(1,627)	(1,627)
Balance at June 30, 2021	$ 242,327	137,727,998	$ 1,377	$ 3,499,623	$ (182,851)	$ (12,319)	$ 3,548,157	$ 284,615	$ 3,832,772

The accompanying notes are an integral part of these consolidated financial statements.

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)
(Unaudited and in thousands – except share data)

	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Cumulative Distributions in Excess of Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2021	$ 155,676	160,511,482	$ 1,605	$ 4,828,292	$ (191,120)	$ (9,874)	$ 4,784,579	$ 283,116	$ 5,067,695
Issuance of common stock	—	10,369,893	104	735,919	—	—	736,023	—	736,023
Offering costs	—	—	—	(11,246)	—	—	(11,246)	—	(11,246)
Issuance of OP Units	—	—	—	—	—	—	—	56,167	56,167
Issuance of 3.00% cumulative redeemable convertible preferred units	—	—	—	—	—	—	—	12,000	12,000
Share-based compensation	—	125,114	1	2,654	—	—	2,655	10,026	12,681
Shares acquired to satisfy employee tax withholding requirements on vesting restricted stock	—	(29,238)	—	(2,025)	—	—	(2,025)	—	(2,025)
Conversion of OP units to common stock	—	87,168	1	3,225	—	—	3,226	(3,226)	—
Net income	4,629	—	—	—	80,398	—	85,027	4,774	89,801
Other comprehensive income	—	—	—	—	—	6,900	6,900	267	7,167
Preferred stock dividends ($0.734376 per series B preferred share and $0.703126 per series C preferred share)	(4,629)	—	—	—	—	—	(4,629)	—	(4,629)
Preferred unit distributions	—	—	—	—	—	—	—	(1,521)	(1,521)
Common stock dividends ($0.63 per common share)	—	—	—	—	(105,866)	—	(105,866)	—	(105,866)
Distributions	—	—	—	—	—	—	—	(4,549)	(4,549)
Balance at June 30, 2022	$ 155,676	171,064,419	$ 1,711	$ 5,556,819	$ (216,588)	$ (2,974)	$ 5,494,644	$ 357,054	$ 5,851,698

The accompanying notes are an integral part of these consolidated financial statements.

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)
(Unaudited and in thousands – except share data)

	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Cumulative Distributions in Excess of Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2020	$ 242,327	131,426,038	$ 1,313	$ 3,182,599	$ (163,389)	$ (17,709)	$ 3,245,141	$ 285,451	$ 3,530,592
Issuance of common stock	—	6,022,699	61	313,115	—	—	313,176	—	313,176
Offering costs	—	—	—	(3,732)	—	—	(3,732)	—	(3,732)
Share-based compensation	—	92,791	1	1,790	—	—	1,791	7,107	8,898
Shares acquired to satisfy employee tax withholding requirements on vesting restricted stock	—	(28,334)	—	(1,365)	—	—	(1,365)	—	(1,365)
Conversion of units to common stock	—	214,804	2	7,216	—	—	7,218	(7,218)	—
Net income	7,273	—	—	—	45,728	—	53,001	3,679	56,680
Other comprehensive income	—	—	—	—	—	5,390	5,390	316	5,706
Preferred stock dividends ($0.734376 per series A and series B preferred share and $0.703126 per series C preferred share)	(7,273)	—	—	—	—	—	(7,273)	—	(7,273)
Preferred unit distributions	—	—	—	—	—	—	—	(1,416)	(1,416)
Common stock dividends ($0.48 per share)	—	—	—	—	(65,190)	—	(65,190)	—	(65,190)
Distributions	—	—	—	—	—	—	—	(3,304)	(3,304)
Balance at June 30, 2021	$ 242,327	137,727,998	$ 1,377	$ 3,499,623	$ (182,851)	$ (12,319)	$ 3,548,157	$ 284,615	$ 3,832,772

The accompanying notes are an integral part of these consolidated financial statements.

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in thousands)

	Six Months Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 89,801	$ 56,680
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	89,080	71,372
Amortization of (below) above market lease intangibles, net	(11,217)	(6,098)
Amortization of debt issuance costs	1,083	894
Amortization of discount (premium) on notes payable, net	123	(57)
Loss on extinguishment of debt	877	—
Gain on sale of real estate	(8,486)	(13,610)
Equity based compensation expense	12,394	8,724
Straight-line rent	(15,342)	(9,039)
Payments for termination/settlement of interest rate derivatives	(589)	—
Amortization related to termination/settlement of interest rate derivatives	274	820
Change in working capital components:		
Rents and other receivables	1,987	2,059
Deferred leasing costs	(3,140)	(6,701)
Other assets	5,636	(4,506)
Accounts payable, accrued expenses and other liabilities	(607)	(3,270)
Tenant security deposits	3,641	5,117
Prepaid rents	(2,608)	(708)
Net cash provided by operating activities	162,907	101,677
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of investments in real estate	(992,482)	(412,819)
Capital expenditures	(55,217)	(49,514)
Payments for deposits on real estate acquisitions, net	(17,850)	(14,540)
Proceeds from sale of real estate	15,315	27,715
Net cash used in investing activities	(1,050,234)	(449,158)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock, net	724,777	309,444
Proceeds from borrowings	1,252,000	15,000
Repayment of borrowings	(991,185)	(15,652)
Debt issuance costs	(5,513)	(975)
Dividends paid to preferred stockholders	(4,629)	(7,273)
Dividends paid to common stockholders	(90,504)	(60,392)
Distributions paid to common unitholders	(3,754)	(3,168)
Distributions paid to preferred unitholders	(1,521)	(1,416)
Repurchase of common shares to satisfy employee tax withholding requirements	(2,025)	(1,365)
Net cash provided by financing activities	877,646	234,203
Increase (decrease) in cash, cash equivalents and restricted cash	(9,681)	(113,278)
Cash, cash equivalents and restricted cash, beginning of period	43,998	177,523
Cash, cash equivalents and restricted cash, end of period	$ 34,317	$ 64,245
Supplemental disclosure of cash flow information:		
Cash paid for interest (net of capitalized interest of $4,402 and $1,625 for the six months ended June 30, 2022 and 2021, respectively)	$ 18,482	$ 18,118
Supplemental disclosure of noncash transactions:		
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ 6,363	$ —
Issuance of OP Units in connection with acquisition of real estate	$ 56,167	$ —
Issuance of 3.00% cumulative redeemable convertible preferred units in connection with acquisition of real estate	$ 12,000	$ —
Assumption of debt in connection with acquisition of real estate including loan premium	$ —	$ 3,346
Accrual for capital expenditures	$ 16,420	$ 11,915
Accrual of dividends and distributions	$ 56,300	$ 34,681

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

Rexford Industrial Realty, Inc. is a self-administered and self-managed full-service real estate investment trust ("REIT") focused on owning and operating industrial properties in Southern California infill markets. We were formed as a Maryland corporation on January 18, 2013, and Rexford Industrial Realty, L.P. (the "Operating Partnership"), of which we are the sole general partner, was formed as a Maryland limited partnership on January 18, 2013. Through our controlling interest in our Operating Partnership and its subsidiaries, we own, manage, lease, acquire and redevelop industrial real estate principally located in Southern California infill markets, and, from time to time, acquire or provide mortgage debt secured by industrial property. As of June 30, 2022, our consolidated portfolio consisted of 330 properties with approximately 39.4 million rentable square feet.

The terms "us," "we," "our," and the "Company" as used in these financial statements refer to Rexford Industrial Realty, Inc. and, unless the context requires otherwise, its subsidiaries (including our Operating Partnership).

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

As of June 30, 2022 and December 31, 2021, and for the three and six months ended June 30, 2022 and 2021, the financial statements presented are the consolidated financial statements of Rexford Industrial Realty, Inc. and its subsidiaries, including our Operating Partnership. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Under consolidation guidance, we have determined that our Operating Partnership is a variable interest entity because the holders of limited partnership interests do not have substantive kick-out rights or participating rights. Furthermore, we are the primary beneficiary of the Operating Partnership because we have the obligation to absorb losses and the right to receive benefits from the Operating Partnership and the exclusive power to direct the activities of the Operating Partnership. As of June 30, 2022 and December 31, 2021, the assets and liabilities of the Company and the Operating Partnership are substantially the same, as the Company does not have any significant assets other than its investment in the Operating Partnership.

The accompanying unaudited interim financial statements have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") may have been condensed or omitted pursuant to SEC rules and regulations, although we believe that the disclosures are adequate to make their presentation not misleading. The accompanying unaudited financial statements include, in our opinion, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth therein. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2022. The interim financial statements should be read in conjunction with the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2021 and the notes thereto.

Any references to the number of properties and square footage are unaudited and outside the scope of our independent registered public accounting firm's review of our financial statements in accordance with the standards of the United States Public Company Accounting Oversight Board.

Reclassifications

Certain prior year amounts in the consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications relate to acquisition expenses for the prior period presented that have been reclassified to "Other expenses" to conform to the current period's presentation and they have no effect on net income or stockholders' equity as previously reported.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash and liquid investments with an initial maturity of three months or less. The carrying amount approximates fair value due to the short-term maturity of these investments.

Restricted Cash

Restricted cash is comprised of escrow reserves that we are required to set aside for future costs as required by certain agreements with our lenders, and from time to time, includes cash proceeds from property sales that are being held by qualified intermediaries for purposes of facilitating tax-deferred like-kind exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code").

Restricted cash balances are included with cash and cash equivalents balances as of the beginning and ending of each period presented in the consolidated statements of cash flows. The following table provides a reconciliation of our cash and cash equivalents and restricted cash at the beginning and end of the six months ended June 30, 2022 and 2021 (in thousands):

	Six Months Ended June 30,	
	2022	2021
Cash and cash equivalents	$ 43,987	$ 176,293
Restricted cash	11	1,230
Cash, cash equivalents and restricted cash, beginning of period	$ 43,998	$ 177,523
Cash and cash equivalents	$ 34,317	$ 64,219
Restricted cash	—	26
Cash, cash equivalents and restricted cash, end of period	$ 34,317	$ 64,245

Investments in Real Estate

Acquisitions

We account for acquisitions of properties under Accounting Standards Update ("ASU") 2017-01, *Business Combinations - Clarifying the Definition of a Business*, which provides a framework for determining whether transactions should be accounted for as acquisitions of assets or businesses and further revises the definition of a business. Our acquisitions of properties generally no longer meet the revised definition of a business and accordingly are accounted for as asset acquisitions.

For asset acquisitions, we allocate the cost of the acquisition, which includes cash and non-cash consideration paid to the seller and associated acquisition transaction costs, to the individual assets acquired and liabilities assumed on a relative fair value basis. These individual assets and liabilities typically include land, building and improvements, tenant improvements, intangible assets and liabilities related to above- and below-market leases, intangible assets related to in-place leases, and from time to time, assumed mortgage debt. As there is no measurement period concept for an asset acquisition, the allocated cost of the acquired assets is finalized in the period in which the acquisition occurs.

We determine the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. This "as-if vacant" value is estimated using an income, or discounted cash flow, approach that relies upon Level 3 inputs, which are unobservable inputs based on the Company's assumptions with respect to the assumptions a market participant would use. These Level 3 inputs include discount rates, capitalization rates, market rents and comparable sales data for similar properties. Estimates of future cash flows are based on a number of factors including historical operating results, known and anticipated trends, and market and economic conditions. In determining the "as-if-vacant" value for the properties we acquired during the six months ended June 30, 2022, we used discount rates ranging from 4.75% to 7.50% and exit capitalization rates ranging from 3.75% to 6.25%.

In determining the fair value of intangible lease assets or liabilities, we also consider Level 3 inputs. Acquired above- and below-market leases are valued based on the present value of the difference between prevailing market rental rates and the in-place rental rates measured over a period equal to the remaining term of the lease for above-market leases and the initial term plus the term of any below-market fixed rate renewal options for below-market leases, if applicable. The estimated fair value of acquired in-place at-market tenant leases are the estimated costs that would have been incurred to lease the property to the occupancy level of the property at the date of acquisition. We consider estimated costs such as the value associated with leasing commissions, legal and other costs, as well as the estimated period of time necessary to lease such a property to its occupancy level at the time of its acquisition. In determining the fair value of acquisitions completed during the six months ended June 30, 2022, we used an estimated average lease-up period ranging from six months to twelve months.

The difference between the fair value and the face value of debt assumed, if any, in connection with an acquisition is recorded as a premium or discount and amortized to "interest expense" over the life of the debt assumed. The valuation of assumed liabilities is based on our estimate of the current market rates for similar liabilities in effect at the acquisition date.

Capitalization of Costs

We capitalize direct costs incurred in developing, renovating, rehabilitating and improving real estate assets as part of the investment basis. This includes certain general and administrative costs, including payroll, bonus and non-cash equity compensation of the personnel performing redevelopment, renovations and rehabilitation if such costs are identifiable to a specific activity to get the real estate asset ready for its intended use. During the redevelopment and construction periods of a project, we also capitalize interest, real estate taxes and insurance costs. We cease capitalization of costs upon substantial completion of the project, but no later than one year from cessation of major construction activity. If some portions of a project are substantially complete and ready for use and other portions have not yet reached that stage, we cease capitalizing costs on the completed portion of the project but continue to capitalize for the incomplete portion of the project. Costs incurred in making repairs and maintaining real estate assets are expensed as incurred.

We capitalized interest costs of $2.4 million and $0.9 million during the three months ended June 30, 2022 and 2021, respectively, and $4.4 million and $1.6 million during the six months ended June 30, 2022 and 2021 respectively. We capitalized real estate taxes and insurance costs aggregating $1.3 million and $0.4 million during the three months ended June 30, 2022 and 2021, respectively, and $2.3 million and $0.8 million during the six months ended June 30, 2022 and 2021, respectively. We capitalized compensation costs for employees who provide construction services of $2.1 million and $1.4 million during the three months ended June 30, 2022 and 2021, respectively, and $4.1 million and $2.7 million during the six months ended June 30, 2022 and 2021, respectively.

Depreciation and Amortization

Real estate, including land, building and land improvements, tenant improvements, furniture, fixtures and equipment and intangible lease assets and liabilities are stated at historical cost less accumulated depreciation and amortization, unless circumstances indicate that the cost cannot be recovered, in which case, the carrying value of the property is reduced to estimated fair value as discussed below in our policy with regard to impairment of long-lived assets. We estimate the depreciable portion of our real estate assets and related useful lives in order to record depreciation expense.

The values allocated to buildings, site improvements, in-place lease intangibles and tenant improvements are depreciated on a straight-line basis using an estimated useful life that typically ranges from 10-30 years for buildings, 5-25 years for site improvements, and the shorter of the estimated useful life or respective lease term for in-place lease intangibles and tenant improvements.

As discussed above in—*Investments in Real Estate—Acquisitions*, in connection with property acquisitions, we may acquire leases with rental rates above or below the market rental rates. Such differences are recorded as an acquired lease intangible asset or liability and amortized to "rental income" over the remaining term of the related leases.

Our estimate of the useful life of our assets is evaluated upon acquisition and when circumstances indicate that a change in the useful life has occurred, which requires significant judgment regarding the economic obsolescence of tangible and intangible assets.

Assets Held for Sale

We classify a property as held for sale when all of the criteria set forth in the Accounting Standards Codification ("ASC") Topic 360: *Property, Plant and Equipment* ("ASC 360") have been met. The criteria are as follows: (i) management, having the authority to approve the action, commits to a plan to sell the property; (ii) the property is available for immediate sale in its present condition, subject only to terms that are usual and customary; (iii) an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; (iv) the sale of the property is probable and is expected to be completed within one year; (v) the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. At the time we classify a property as held for sale, we cease recording depreciation and amortization. A property classified as held for sale is measured and reported at the lower of its carrying amount or its estimated fair value less cost to sell. As of June 30, 2022, we did not have any properties classified as held for sale. As of December 31, 2021, our property located at 28159 Avenue Stanford was classified as held for sale. See "Note 3 – Investments in Real Estate" for details.

Impairment of Long-Lived Assets

In accordance with the provisions of the Impairment or Disposal of Long-Lived Assets Subsections of ASC 360, we assess the carrying values of our respective long-lived assets, including operating lease right-of-use assets (“ROU assets”), whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be fully recoverable. Recoverability of real estate assets and other long-lived assets is measured by comparison of the carrying amount of the asset to the estimated future undiscounted cash flows.

To review real estate assets for recoverability, we consider current market conditions as well as our intent with respect to holding or disposing of the asset. The intent with regards to the underlying assets might change as market conditions and other factors change. For office space ROU assets, the execution of a sublease where the remaining lease payments of the original office space lease exceed the sublease receipts reflects an indication of impairment which suggests the carrying value of the ROU asset may not be recoverable. Fair value is determined through various valuation techniques, including discounted cash flow models, applying a capitalization rate to estimated net operating income of a property, quoted market values and third-party appraisals, where considered necessary. The use of projected future cash flows is based on assumptions that are consistent with estimates of future expectations and the strategic plan used to manage our underlying business.

If our analysis indicates that the carrying value of the real estate asset and other long-lived assets is not recoverable on an undiscounted cash flow basis, we will recognize an impairment charge for the amount by which the carrying value exceeds the current estimated fair value of the real estate property.

Assumptions and estimates used in the recoverability analyses for future cash flows, discount rates and capitalization rates are complex and subjective. Changes in economic and operating conditions or our intent with respect to our investment that occur subsequent to our impairment analyses could impact these assumptions and result in future impairment of our real estate properties. During the three and six months ended June 30, 2022 and 2021, there were no impairment charges recorded to the carrying value of our properties.

Income Taxes

We have elected to be taxed as a REIT under the Code commencing with our initial taxable year ended December 31, 2013. To qualify as a REIT, we are required (among other things) to distribute at least 90% of our REIT taxable income to our stockholders and meet the various other requirements imposed by the Code relating to matters such as operating results, asset holdings, distribution levels and diversity of stock ownership. Provided we qualify for taxation as a REIT, we are generally not subject to corporate-level income tax on the earnings distributed currently to our stockholders that we derive from our activities. If we fail to qualify as a REIT in any taxable year and were unable to avail ourselves of certain savings provisions set forth in the Code, all of our taxable income would be subject to regular federal corporate income tax, including any applicable alternative minimum tax.

In addition, we are subject to taxation by various state and local jurisdictions, including those in which we transact business or reside. Our non-taxable REIT subsidiaries, including our Operating Partnership, are either partnerships or disregarded entities for federal income tax purposes. Under applicable federal and state income tax rules, the allocated share of net income or loss from disregarded entities and flow-through entities such as partnerships is reportable in the income tax returns of the respective equity holders. Accordingly, no income tax provision is included in the accompanying consolidated financial statements for the three and six months ended June 30, 2022 and 2021.

We periodically evaluate our tax positions to determine whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. As of June 30, 2022, and December 31, 2021, we have not established a liability for uncertain tax positions.

Derivative Instruments and Hedging Activities

We are exposed to certain risks arising from both our business operations and economic conditions. We principally manage our exposures to a wide variety of business and operational risks through management of our core business activities. We manage economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources and duration of our debt funding and through the use of derivative financial instruments. Specifically, we enter into derivative financial instruments to manage exposures that arise from business activities that result in the payment of future known and uncertain cash amounts, the value of which are determined by interest rates. Our derivative financial instruments are used to manage differences in the amount, timing and duration of our known or expected cash payments principally related to our borrowings.

In accordance with ASC Topic 815: *Derivatives and Hedging*, we record all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, and whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. We may enter into derivative contracts that are intended to economically hedge certain risks, even though hedge accounting does not apply or we elect not to apply hedge accounting.

Our objectives in using interest rate derivatives are to add stability to interest expense and to manage exposure to interest rate movements. To accomplish this objective, we primarily use interest rate swaps as part of our interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for us making fixed-rate payments over the life of the agreements without exchange of the underlying notional value. From time to time, we also utilize cash flow hedges to lock U.S. Treasury rates in anticipation of future fixed-rate debt issuances ("treasury rate lock agreements"). The gains or losses resulting from changes in fair value of derivatives that qualify as cash flow hedges are recognized in accumulated other comprehensive income/(loss) ("AOCI"). Upon the termination of a derivative for which cash flow hedging was being applied, the balance, which was recorded in AOCI, is amortized to interest expense over the remaining contractual term of the derivative as long as the hedged forecasted transactions continue to be probable of occurring. Upon the settlement of treasury rate lock agreements, amounts remaining in AOCI are amortized through earnings over the underlying term of the hedged transaction. Cash payments made to terminate or settle interest rate derivatives are presented in cash flows provided by operating activities in the accompanying consolidated statements of cash flows, given the nature of the underlying cash flows that the derivative was hedging. See "Note 7 – Interest Rate Derivatives" for details.

Revenue Recognition

Our primary sources of income are rental income, management and leasing services and gains on sale of real estate.

Rental Income

We lease industrial space to tenants primarily under non-cancelable operating leases that generally contain provisions for minimum base rents plus reimbursement for certain operating expenses. Total minimum annual lease payments are recognized in rental income on a straight-line basis over the term of the related lease, regardless of when payments are contractually due, when collectability is probable. Rental revenue recognition commences when the tenant takes possession or controls the physical use of the leased space. Lease termination fees, which are included in rental income, are recognized when the related leases are canceled and we have no continuing obligation to provide services to such former tenants.

Our lease agreements with tenants generally contain provisions that require tenants to reimburse us for certain property expenses. Estimated reimbursements from tenants for these property expenses, which include real estate taxes, insurance, common area maintenance and other recoverable operating expenses, are recognized as revenues in the period that the expenses are incurred. Subsequent to year-end, we perform final reconciliations on a lease-by-lease basis and bill or credit each tenant for any cumulative annual adjustments. As the timing and pattern of revenue recognition is the same and as the lease component would be classified as an operating lease if it were accounted for separately, rents and tenant reimbursements are treated as a combined lease component and presented as a single line item "Rental income" in our consolidated statements of operations.

We record revenues and expenses on a gross basis for lessor costs (which include real estate taxes) when these costs are reimbursed to us by our tenants. Conversely, we record revenues and expenses on a net basis for lessor costs when they are paid by our tenants directly to the taxing authorities on our behalf.

Management and leasing services

We provide property management services and leasing services to related party and third-party property owners, the customer, in exchange for fees and commissions. Property management services include performing property inspections, monitoring repairs and maintenance, negotiating vendor contracts, maintaining tenant relations and providing financial and accounting oversight. For these services, we earn monthly management fees, which are based on a fixed percentage of each managed property's monthly tenant cash receipts. We have determined that control over the services is passed to the customer simultaneously as performance occurs. Accordingly, management fee revenue is earned as the services are provided to our customers.

Leasing commissions are earned when we provide leasing services that result in an executed lease with a tenant. We have determined that control over the services is transferred to the customer upon execution of each lease agreement. We earn leasing commissions based on a fixed percentage of rental income generated for each executed lease agreement and there is no variable income component.

Gain or Loss on Sale of Real Estate

We account for dispositions of real estate properties, which are considered nonfinancial assets, in accordance with ASC 610-20: *Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets* and recognize a gain or loss on sale of real estate upon transferring control of the nonfinancial asset to the purchaser, which is generally satisfied at the time of sale. If we were to conduct a partial sale of real estate by transferring a controlling interest in a nonfinancial asset, while retaining a noncontrolling ownership interest, we would measure any noncontrolling interest received or retained at fair value, and recognize a full gain or loss. If we receive consideration before transferring control of a nonfinancial asset, we recognize a contract liability. If we transfer control of the asset before consideration is received, we recognize a contract asset.

When leases contain purchase options, we assess the probability that the tenant will execute the purchase option both at lease commencement and at the time the tenant communicates its intent to exercise the purchase option. If we determine the exercise of the purchase option is reasonably certain, we will account for the lease as a sales-type lease and derecognize the associated real estate assets on our balance sheet and record a gain or loss on sale of real estate.

Valuation of Operating Lease Receivables

We may be subject to tenant defaults and bankruptcies that could affect the collection of outstanding receivables related to our operating leases, including deferred rent receivables arising from straight-line recognition of rental income. In order to mitigate these risks, we perform credit reviews and analyses on prospective tenants before significant leases are executed and on existing tenants before properties are acquired. On a quarterly basis, we perform an assessment of the collectability of operating lease receivables on a tenant-by-tenant basis, which includes reviewing the age and nature of our receivables, the payment history and financial condition of the tenant, our assessment of the tenant's ability to meet its lease obligations and the status of negotiations of any disputes with the tenant. Any changes in the collectability assessment for an operating lease is recognized as an adjustment, which can be a reduction or increase, to rental income in the consolidated statements of operations. As a result of our quarterly collectability assessments, we recognized $0.2 million as a net increase adjustment to rental income and $0.1 million as a net reduction adjustment to rental income for the three months ended June 30, 2022 and 2021, respectively, and $0.2 million as a net increase adjustment and $0.6 million as a net reduction adjustment to rental income for the six months ended June 30, 2022 and 2021, respectively, in the consolidated statements of operations.

Deferred Leasing Costs

We capitalize the incremental direct costs of originating a lease that would not have been incurred had the lease not been executed. As a result, deferred leasing costs will generally only include third-party broker commissions.

Debt Issuance Costs

Debt issuance costs related to a recognized debt liability are presented in the balance sheet as a reduction from the carrying value of the debt liability. This offset against the debt liability is treated similarly to a debt discount, which effectively reduces the proceeds of a borrowing. For line of credit arrangements, we present debt issuance costs as an asset and amortize the cost over the term of the line of credit arrangement. See "Note 5 – Notes Payable" for details.

Equity Based Compensation

We account for equity-based compensation in accordance with ASC Topic 718: *Compensation - Stock Compensation*. Total compensation cost for all share-based awards is based on the estimated fair market value of the equity instrument issued on the grant date. For share-based awards that vest based solely on a service condition, we recognize compensation cost on a straight-line basis over the total requisite service period for the entire award. For share-based awards that vest based on a market condition, we recognize compensation cost on a straight-line basis over the requisite service period of each separately vesting tranche. For share-based awards that vest based on a performance condition, we recognize compensation cost based on the number of awards that are expected to vest based on the probable outcome of the performance condition. Compensation cost for these awards will be adjusted to reflect the number of awards that ultimately vest. Forfeitures are recognized in the period in which they occur. See "Note 12 – Incentive Award Plan" for details.

Equity Offerings

Underwriting commissions and offering costs incurred in connection with common stock offerings and our at-the-market equity offering program have been reflected as a reduction of additional paid-in capital. Underwriting commissions and offering costs related to our preferred stock issuances have been reflected as a direct reduction of the preferred stock balance.

Under relevant accounting guidance, sales of our common stock under forward equity sale agreements (as discussed in "Note 11 – Equity") are not deemed to be liabilities, and furthermore, meet the derivatives and hedging guidance scope exception to be accounted for as equity instruments based on the following assessment: (i) none of the agreements' exercise contingencies were based on observable markets or indices besides those related to the market for our own stock price and operations; and (ii) none of the settlement provisions precluded the agreements from being indexed to our own stock.

Earnings Per Share

We calculate earnings per share ("EPS") in accordance with ASC 260: *Earnings Per Share* ("ASC 260"). Under ASC 260, unvested share-based payment awards that contain non-forfeitable rights to dividends are participating securities and, therefore, are included in the computation of basic EPS pursuant to the two-class method. The two-class method determines EPS for each class of common stock and participating securities according to dividends declared (or accumulated) and their respective participation rights in undistributed earnings.

Basic EPS is calculated by dividing the net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period.

Diluted EPS is calculated by dividing the net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding determined for the basic EPS computation plus the potential effect of any dilutive securities including shares issuable under forward equity sale agreements and unvested share-based awards under the treasury stock method. We include unvested shares of restricted stock and unvested LTIP units in the computation of diluted EPS by using the more dilutive of the two-class method or treasury stock method. We include unvested performance units as contingently issuable shares in the computation of diluted EPS once the market criteria are met, assuming that the end of the reporting period is the end of the contingency period. Any anti-dilutive securities are excluded from the diluted EPS calculation. See "Note 13 – Earnings Per Share" for details.

Segment Reporting

Management views the Company as a single reportable segment based on its method of internal reporting in addition to its allocation of capital and resources.

Leases as a Lessee

We determine if an arrangement is a lease at inception. Operating lease ROU assets are included in “Other assets” and lease liabilities are included in “Accounts payable, accrued expenses and other liabilities” in our consolidated balance sheets. ROU assets represent our right to use, or control the use of, a specified asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Because our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is generally recognized on a straight-line basis over the term of the lease through the amortization of the ROU asset and lease liabilities. Additionally, for our operating leases, we do not separate non-lease components, such as common area maintenance, from associated lease components. See “Note 6 – Leases” for additional lessee disclosures required under lease accounting guidance.

Reference Rate Reform

On March 12, 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* (“ASU 2020-04”). ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. During the first quarter of 2020, we elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future London Interbank Offered Rate (“LIBOR”) indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. As of June 30, 2022, all our derivatives impacted by this guidance have been terminated.

Adoption of New Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40)* (“ASU 2020-06”). ASU 2020-06 eliminates two of the three accounting models that require separate accounting for embedded conversion features in convertible instruments, simplifies the contract assessment for equity classification, requires the use of the if-converted method for all convertible instruments in diluted EPS calculations and expands disclosure requirements. ASU 2020-06 is effective for fiscal periods beginning after December 15, 2021, including interim periods within those fiscal years. On January 1, 2022, we adopted ASU 2020-06. The adoption of ASU 2020-06 did not have any impact on our consolidated financial statements or overall EPS calculation. We continue to account for each of our various convertible instruments as a single equity instrument measured at historical cost as they do not have embedded features requiring bifurcation and separate accounting. See “Note 11 – Equity” for additional information related to convertible instruments.

3. Investments in Real Estate

Acquisitions

The following table summarizes the wholly-owned properties we acquired during the six months ended June 30, 2022:

Property	Submarket	Date of Acquisition	Rentable Square Feet	Number of Buildings	Contractual Purchase Price[1] (in thousands)
444 Quay Avenue[2]	Los Angeles - South Bay	1/14/2022	29,760	1	$ 10,760
18455 Figueroa Street	Los Angeles - South Bay	1/31/2022	146,765	2	64,250
24903 Avenue Kearny	Los Angeles - San Fernando Valley	2/1/2022	214,436	1	58,463
19475 Gramercy Place	Los Angeles - South Bay	2/2/2022	47,712	1	11,300
14005 Live Oak Avenue	Los Angeles - San Gabriel Valley	2/8/2022	56,510	1	25,000
13700-13738 Slover Ave[2]	San Bernardino - Inland Empire West	2/10/2022	17,862	1	13,209
Meggitt Simi Valley	Ventura	2/24/2022	285,750	3	57,000
21415-21605 Plummer Street	Los Angeles - San Fernando Valley	2/25/2022	231,769	2	42,000
1501-1545 Rio Vista Avenue	Los Angeles - Central	3/1/2022	54,777	2	28,000
17011-17027 Central Avenue	Los Angeles - South Bay	3/9/2022	52,561	3	27,363
2843 Benet Road	San Diego - North County	3/9/2022	35,000	1	12,968
14243 Bessemer Street	Los Angeles - San Fernando Valley	3/9/2022	14,299	1	6,594
2970 East 50th Street	Los Angeles - Central	3/9/2022	48,876	1	18,074
19900 Plummer Street	Los Angeles - San Fernando Valley	3/11/2022	43,472	1	15,000
Long Beach Business Park	Los Angeles - South Bay	3/17/2022	123,532	4	24,000 [3]
13711 Freeway Drive[4]	Los Angeles - Mid-Counties	3/18/2022	82,092	1	34,000
6245 Providence Way	San Bernardino - Inland Empire West	3/22/2022	27,636	1	9,672
7815 Van Nuys Blvd	Los Angeles - San Fernando Valley	4/19/2022	43,101	1	25,000
13535 Larwin Circle	Los Angeles - Mid-Counties	4/21/2022	56,011	1	15,500
1154 Holt Blvd	San Bernardino - Inland Empire West	4/29/2022	35,033	1	14,158
900-920 Allen Avenue	Los Angeles - San Fernando Valley	5/3/2022	68,630	2	25,000
1550-1600 Champagne Avenue	San Bernardino - Inland Empire West	5/6/2022	124,243	1	46,850
10131 Banana Avenue[2]	San Bernardino - Inland Empire West	5/6/2022	—	—	26,166
2020 Central Avenue	Los Angeles - South Bay	5/20/2022	30,233	1	10,800
14200-14220 Arminta Street[5]	Los Angeles - San Fernando Valley	5/25/2022	200,003	1	80,653
1172 Holt Blvd	San Bernardino - Inland Empire West	5/25/2022	44,004	1	17,783
1500 Raymond Avenue[4]	Orange County - North	6/1/2022	—	—	45,000
2400 Marine Avenue	Los Angeles - South Bay	6/2/2022	50,000	2	30,000
14434-14527 San Pedro Street	Los Angeles - South Bay	6/3/2022	118,923	1	49,105
20900 Normandie Avenue	Los Angeles - South Bay	6/3/2022	74,038	1	39,980
15771 Red Hill Avenue	Orange County - Airport	6/9/2022	100,653	1	46,000
14350 Arminta Street	Los Angeles - San Fernando Valley	6/10/2022	18,147	1	8,400
29125 Avenue Paine	Los Angeles - San Fernando Valley	6/14/2022	175,897	1	45,000
3935-3949 Heritage Oak Court	Ventura	6/22/2022	186,726	1	56,400
620 Anaheim Street	Los Angeles - South Bay	6/23/2022	34,555	1	17,100
Total 2022 Property Acquisitions			2,873,006	45	$ 1,056,548

(1) Represents the gross contractual purchase price before certain credits, prorations, closing costs and other acquisition related costs. Including $16.5 million of capitalized closing costs and acquisition related costs, the total aggregate initial investment was $1.07 billion. Each acquisition was funded with available cash on hand unless otherwise noted.

(2) Represents acquisition of an industrial outdoor storage site.

(3) The acquisition of the Long Beach Business Park was funded through a combination of cash on hand and the issuance of 164,998 3.00% Cumulative Redeemable Convertible Preferred Units of partnership interest in the Operating Partnership. See “Note 11 – Equity – Noncontrolling Interests – Issuance of Series 3 CPOP Units” for additional details.

(4) Represents acquisition of a current or near-term redevelopment site.

(5) On May 25, 2022, we acquired the property located at 14200-14220 Arminta Street for a purchase price of $80.7 million, exclusive of closing costs. The acquisition was funded through a combination of cash on hand and the issuance of 954,000 common units of limited partnership interests in the Operating Partnership valued at $56.2 million.

The following table summarizes the fair value of amounts allocated to each major class of asset and liability for the acquisitions noted in the table above, as of the date of each acquisition (in thousands):

	2022 Acquisitions
Assets:	
Land	$ 753,321
Buildings and improvements	299,798
Tenant improvements	7,159
Acquired lease intangible assets[1]	51,966
Right of use asset - ground lease[2]	4,787
Other acquired assets[3]	496
Total assets acquired	$ 1,117,527
Liabilities:	
Acquired lease intangible liabilities[4]	$ 34,842
Deferred rent liabilities[5]	4,339
Lease liability - ground lease[2]	4,787
Other assumed liabilities[3]	5,091
Total liabilities assumed	$ 49,059
Net assets acquired	$ 1,068,468

(1) Acquired lease intangible assets is comprised of (i) $34.8 million of in-place lease intangibles with a weighted average amortization period of 6.7 years, (ii) $4.2 million of above-market lease intangibles with a weighted average amortization period of 8.5 years and (iii) $13.0 million of below-market ground lease intangibles with a weighted average amortization period of 78.9 years.

(2) The ROU asset and lease liability relate to a ground lease that we assumed in March 2022 in connection with the acquisition of 2970 East 50th Street.

(3) Includes other working capital assets acquired and liabilities assumed at the time of acquisition.

(4) Represents below-market lease intangibles with a weighted average amortization period of 11.5 years.

(5) In connection with four of our acquisition transactions, we entered into short-term leaseback agreements with each seller/tenant where the seller/tenant does not pay any base rent for the lease term. The amounts allocated to “Deferred rent liabilities” in the table above represent the present value of lease payments using prevailing market rental rates, which will be amortized into rental income over the term of each respective lease.

Dispositions

The following table summarizes information related to the property that was sold during the six months ended June 30, 2022.

Property	Submarket	Date of Disposition	Rentable Square Feet	Contractual Sales Price[(1)] (in thousands)	Gain Recorded (in thousands)
28159 Avenue Stanford	Los Angeles - San Fernando Valley	1/13/2022	79,247	$ 16,500	$ 8,486

(1) Represents the gross contractual sales price before commissions, prorations, credits and other closing costs.

Real Estate Held for Sale

As of June 30, 2022, we did not have any properties classified as held for sale. As of December 31, 2021, the property located at 28159 Avenue Stanford in Valencia, California was classified as held for sale.

The following table summarizes the major classes of assets and liabilities associated with real estate property classified as held for sale as of December 31, 2021 (dollars in thousands).

	December 31, 2021
Land	$ 1,849
Building and improvements	10,753
Tenant improvements	1,059
Real estate held for sale	13,661
Accumulated depreciation	(6,657)
Real estate held for sale, net	7,004
Other assets associated with real estate held for sale	209
Total assets associated with real estate held for sale, net	$ 7,213
Tenant security deposits	$ 177
Other liabilities associated with real estate held for sale	54
Total liabilities associated with real estate held for sale	$ 231

4. Acquired Lease Intangibles

The following table summarizes our acquired lease intangible assets, including the value of in-place tenant leases, above-market tenant leases and a below-market ground lease, and our acquired lease intangible liabilities which includes below-market tenant leases (in thousands):

	June 30, 2022	December 31, 2021
Acquired Lease Intangible Assets:		
In-place lease intangibles	$ 290,055	$ 256,902
Accumulated amortization	(152,030)	(135,415)
In-place lease intangibles, net	$ 138,025	$ 121,487
Above-market tenant leases	$ 25,115	$ 21,065
Accumulated amortization	(11,305)	(10,394)
Above-market tenant leases, net	$ 13,810	$ 10,671
Below-market ground lease[1]	$ 12,977	$ —
Accumulated amortization[1]	(48)	—
Below-market ground lease, net	$ 12,929	$ —
Acquired lease intangible assets, net	$ 164,764	$ 132,158
Acquired Lease Intangible Liabilities:		
Below-market tenant leases	$ (208,831)	$ (174,686)
Accumulated accretion	59,251	47,669
Below-market tenant leases, net	$ (149,580)	$ (127,017)
Acquired lease intangible liabilities, net	$ (149,580)	$ (127,017)

(1) The below-market lease intangible relates to a ground lease that we assumed in March 2022 in connection with the acquisition of 2970 East 50th Street.

The following table summarizes the amortization related to our acquired lease intangible assets and liabilities for the three and six months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
In-place lease intangibles[1]	$ 10,160	$ 7,379	$ 18,298	$ 14,697
Net below-market tenant leases[2]	$ (6,168)	$ (3,386)	$ (11,265)	$ (6,098)
Below-market ground leases[3]	$ 41	$ —	$ 48	$ —

(1) The amortization of in-place lease intangibles is recorded to depreciation and amortization expense in the consolidated statements of operations for the periods presented.

(2) The amortization of net below-market tenant leases is recorded as an increase to rental income in the consolidated statements of operations for the periods presented.

(3) The amortization of net below-market ground lease is recorded as an increase to property expenses in the consolidated statements of operations for the periods presented.

5. Notes Payable

The following table summarizes the components and significant terms of our indebtedness as of June 30, 2022 and December 31, 2021 (dollars in thousands):

	June 30, 2022	December 31, 2021	Margin Above LIBOR/SOFR	Interest Rate[(1)]	Contractual Maturity Date
Unsecured and Secured Debt					
Unsecured Debt:					
Revolving Credit Facility	$ 125,000	$ —	S+0.775 % [(2)]	2.375 % [(3)]	5/26/2026 [(4)]
$150M Term Loan Facility[(5)]	—	150,000	n/a	n/a	5/22/2025
$100M Notes	100,000	100,000	n/a	4.290 %	8/6/2025
$300M Term Loan Facility	300,000	—	S+0.850 % [(2)]	2.636 %	5/26/2027
$125M Notes	125,000	125,000	n/a	3.930 %	7/13/2027
$25M Series 2019A Notes	25,000	25,000	n/a	3.880 %	7/16/2029
$400M Senior Notes due 2030	400,000	400,000	n/a	2.125 %	12/1/2030
$400M Senior Notes due 2031	400,000	400,000	n/a	2.150 %	9/1/2031
$75M Series 2019B Notes	75,000	75,000	n/a	4.030 %	7/16/2034
Total Unsecured Debt	$ 1,550,000	$ 1,275,000			
Secured Debt:					
2601-2641 Manhattan Beach Boulevard[(6)]	$ 3,892	$ 3,951	n/a	4.080 %	4/5/2023
$60M Term Loan[(7)]	57,716	58,108	L+1.700 %	3.487 %	8/1/2023 [(7)]
960-970 Knox Street[(6)]	2,354	2,399	n/a	5.000 %	11/1/2023
7612-7642 Woodwind Drive[(6)]	3,760	3,806	n/a	5.240 %	1/5/2024
11600 Los Nietos Road[(6)]	2,545	2,626	n/a	4.190 %	5/1/2024
5160 Richton Street[(6)]	4,213	4,272	n/a	3.790 %	11/15/2024
22895 Eastpark Drive[(6)]	2,648	2,682	n/a	4.330 %	11/15/2024
701-751 Kingshill Place[(8)]	7,100	7,100	n/a	3.900 %	1/5/2026
13943-13955 Balboa Boulevard[(6)]	15,144	15,320	n/a	3.930 %	7/1/2027
2205 126th Street[(9)]	5,200	5,200	n/a	3.910 %	12/1/2027
2410-2420 Santa Fe Avenue[(9)]	10,300	10,300	n/a	3.700 %	1/1/2028
11832-11954 La Cienega Boulevard[(6)]	3,965	4,002	n/a	4.260 %	7/1/2028
Gilbert/La Palma[(6)]	2,028	2,119	n/a	5.125 %	3/1/2031
7817 Woodley Avenue[(6)]	3,071	3,132	n/a	4.140 %	8/1/2039
2515 Western Avenue[(10)]	—	13,104	n/a	4.500 %	9/1/2042
Total Secured Debt	$ 123,936	$ 138,121			
Total Unsecured and Secured Debt	$ 1,673,936	$ 1,413,121			
Less: Unamortized premium/discount and debt issuance costs[(11)]	(13,415)	(13,556)			
Total	$ 1,660,521	$ 1,399,565			

(1) Excludes the effect of unamortized debt issuance costs and unamortized fair market value premiums and discounts.

(2) The interest rates on these loans are comprised of daily Secured Overnight Financing Rate ("SOFR") for the unsecured revolving credit facility and 1-month term SOFR for the $300.0 million term loan facility (in each case increased by a 0.10% SOFR adjustment) plus an applicable margin ranging from 0.725% to 1.400% per annum for the unsecured revolving credit facility and 0.80% to 1.60% per annum for the $300.0 million term loan facility, depending on our investment grade ratings, leverage ratio and sustainability performance metrics, which may change from time to time. These loans are also subject to a 0% SOFR floor.

(3) The unsecured revolving credit facility is subject to an applicable facility fee which is calculated as a percentage of the total lenders' commitment amount, regardless of usage. The applicable facility fee will range from 0.125% to 0.300% per annum depending upon our investment grade rating, leverage ratio and sustainability performance metrics.

(4) Two additional six-month extensions are available at the borrower's option, subject to certain terms and conditions.

(5) In May 2022, we paid in full the outstanding principal balance on this unsecured debt.

(6) Fixed monthly payments of interest and principal until maturity as follows: 2601-2641 Manhattan Beach Boulevard ($23,138), 960-970 Knox Street ($17,538), 7612-7642 Woodwind Drive ($24,270), 11600 Los Nietos ($22,637), 5160 Richton Street ($23,270), 22895 Eastpark Drive ($15,396), 13943-13955 Balboa Boulevard ($79,198), 11832-11954 La Cienega Boulevard ($20,194), Gilbert/La Palma ($24,008) and 7817 Woodley Avenue ($20,855).

(7) Loan is secured by six properties. One 24-month extension is available at the borrower's option, subject to certain terms and conditions. Monthly payments of interest only through June 2021, followed by equal monthly payments of principal ($65,250), plus accrued interest until maturity.

(8) For 701-751 Kingshill Place, fixed monthly payments of interest only through January 2023, followed by fixed monthly payments of interest and principal ($33,488) until maturity.

(9) Fixed monthly payments of interest only.

(10) In June 2022, we paid in full the outstanding principal balance on this secured debt and incurred no penalty for the prepayment in advance of its maturity date of September 1, 2042.

(11) Excludes unamortized debt issuance costs related to our unsecured revolving credit facility, which are presented in the line item "Deferred loan costs, net" in the consolidated balance sheets.

Contractual Debt Maturities

The following table summarizes the contractual debt maturities and scheduled amortization payments, excluding debt premiums/discounts and debt issuance costs, as of June 30, 2022, and does not consider extension options available to us as noted in the table above (in thousands):

July 1, 2022 - December 31, 2022	$	1,096
2023		64,815
2024		13,403
2025		100,973
2026		132,587
Thereafter		1,361,062
Total	$	1,673,936

Fourth Amended and Restated Credit Agreement

On May 26, 2022, we amended our credit agreement, which was comprised of a $700.0 million unsecured revolving credit facility that was scheduled to mature on February 13, 2024, by entering into a Fourth Amended and Restated Credit Agreement (the “Credit Agreement”). The Credit Agreement provides for (i) a senior unsecured term loan facility (the “Term Loan Facility”) that permits aggregate borrowings of up to $300 million, all of which was borrowed at closing on May 26, 2022, and (ii) a senior unsecured revolving credit facility (the “Revolver”) in the aggregate principal amount of $1.0 billion. The maturity date of the Term Loan Facility is May 26, 2027, and the maturity date of the Revolver is May 26, 2026 (with two extensions options of six months each). The Credit Agreement has an accordion option that permits us to request additional lender commitments up to an additional $1.2 billion, which may be comprised of additional revolving commitments under the Revolver, an increase to the Term Loan Facility, additional term loan tranches or any combination of the foregoing, subject to certain terms and conditions.

Interest on the Credit Agreement is generally to be paid based upon, at our option, either (i) Term SOFR plus the applicable margin; (ii) Daily Simple SOFR plus the applicable margin or (iii) the applicable Base Rate (which is defined as the highest of (a) the federal funds rate plus 0.50%, (b) the administrative agent’s prime rate, (c) Term SOFR plus 1.00%, and (d) one percent (1.00%)) plus the applicable margin. Additionally, Term SOFR and Daily Simple SOFR will be increased by a 0.10% SOFR adjustment. The applicable margin for the Term Loan Facility ranges from 0.80% to 1.60% per annum for SOFR-based loans and 0.00% to 0.60% per annum for Base Rate loans, depending on our investment grade ratings. The applicable margin for the Revolver ranges from 0.725% to 1.400% per annum for SOFR-based loans and 0.00% to 0.40% per annum for Base Rate loans, depending on our investment grade ratings. In addition to the interest payable on amounts outstanding under the Revolver, we are required to pay an applicable credit facility fee, on each lender's commitment amount under the Revolver, regardless of usage. The applicable credit facility fee ranges from 0.125% to 0.300% per annum, depending on our investment grade ratings. The interest rate under the Credit Agreement is also subject to a favorable leverage-based adjustment if our ratio of total indebtedness to total asset value is less than 35%.

In addition, the Credit Agreement also features a sustainability-linked pricing component whereby the applicable margin and applicable credit facility fee can decrease by 0.04% and 0.01%, respectively, or increase by 0.04% and 0.01%, respectively, if we meet, or do not meet, certain sustainability performance targets, as applicable.

The Revolver and the Term Loan Facility may be voluntarily prepaid in whole or in part at any time without premium or penalty. Amounts borrowed under the Term Loan Facility and repaid or prepaid may not be reborrowed.

The Credit Agreement contains usual and customary events of default including defaults in the payment of principal, interest or fees, defaults in compliance with the covenants set forth in the Credit Agreement and other loan documentation, cross-defaults to certain other indebtedness, and bankruptcy and other insolvency defaults. If an event of default occurs and is continuing under the Credit Agreement, the unpaid principal amount of all outstanding loans, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

In connection with the amendment of our credit agreement, we wrote off $0.2 million of unamortized debt issuance costs attributable to one of the creditors departing the unsecured revolving credit facility. This write-off is included in “Loss on extinguishment of debt” in the accompanying consolidated statements of operations.

On June 30, 2022, we had $125.0 million borrowings outstanding under the Revolver, leaving $875.0 million available for future borrowings.

Repayment of $150 Million Term Loan Facility

On May 26, 2022, we used a portion of the borrowing proceeds from the Term Loan Facility to repay our $150 million unsecured term loan facility in full. We did not incur any prepayment penalties for repaying the $150 million unsecured term loan facility in advance of the maturity date of May 22, 2025. In connection with the repayment of the $150 million unsecured term loan facility, we wrote off $0.7 million of unamortized debt issuance costs, which is included in “Loss on extinguishment of debt” in the accompanying consolidated statements of operations.

Debt Covenants

The Credit Agreement, our $100 million unsecured guaranteed senior notes (the “$100 Million Notes”), our $125 million unsecured guaranteed senior notes (the “$125 Million Notes”) and our $25 million unsecured guaranteed senior notes and $75 million unsecured guaranteed senior notes (together the “Series 2019A and 2019B Notes”) all include a series of financial and other covenants that we must comply with, including the following covenants which are tested on a quarterly basis:

- Maintaining a ratio of total indebtedness to total asset value of not more than 60%;
- For the Credit Agreement, maintaining a ratio of secured debt to total asset value of not more than 45%;
- For the $100 Million Notes, $125 Million Notes and Series 2019A and 2019B Notes (together the "Senior Notes"), maintaining a ratio of secured debt to total asset value of not more than 40%;
- For the Senior Notes, maintaining a ratio of total secured recourse debt to total asset value of not more than 15%;
- For the Senior Notes, maintaining a minimum tangible net worth of at least the sum of (i) $760,740,750, and (ii) an amount equal to at least 75% of the net equity proceeds received by the Company after September 30, 2016;
- Maintaining a ratio of adjusted EBITDA (as defined in each of the loan agreements) to fixed charges of at least 1.5 to 1.0;
- Maintaining a ratio of total unsecured debt to total unencumbered asset value of not more than 60%; and
- Maintaining a ratio of unencumbered NOI (as defined in each of the loan agreements) to unsecured interest expense of at least 1.75 to 1.00.

The $400.0 million 2.125% senior notes due 2030 and $400 Million Notes due 2031 contain the following covenants (as defined in the indentures) that we must comply with:

- Maintaining a ratio of total indebtedness to total asset value of not more than 60%;
- Maintaining a ratio of secured debt to total asset value of not more than 40%;
- Maintaining a Debt Service Coverage Ratio of at least 1.5 to 1.0; and
- Maintaining a ratio of unencumbered assets to unsecured debt of at least 1.5 to 1.0.

The Credit Agreement and Senior Notes also provide that our distributions may not exceed the greater of (i) 95.0% of our funds from operations or (ii) the amount required for us to qualify and maintain our status as a REIT and avoid the payment of federal or state income or excise tax in any 12-month period.

Subject to the terms of the Senior Notes, upon certain events of default, including, but not limited to, (i) a default in the payment of any principal, make-whole payment amount, or interest under the Senior Notes, (ii) a default in the payment of certain of our other indebtedness, (iii) a default in compliance with the covenants set forth in the Senior Notes agreement, and (iv) bankruptcy and other insolvency defaults, the principal and accrued and unpaid interest and the make-whole payment amount on the outstanding Senior Notes will become due and payable at the option of the purchasers. In addition, we are required to maintain at all times a credit rating on the Senior Notes from either Standard and Poor's Ratings Services, Moody's Investors Services or Fitch Ratings.

Our $60 million term loan contains a financial covenant that is tested on a quarterly basis, which requires us to maintain a minimum Debt Service Coverage Ratio (as defined in the term loan agreement) of at least 1.10 to 1.0.

We were in compliance with all of our required quarterly debt covenants as of June 30, 2022.

6. Leases

Lessor

We lease industrial space to tenants primarily under non-cancelable operating leases that generally contain provisions for minimum base rents plus reimbursement for certain operating expenses. Total minimum lease payments are recognized in rental income on a straight-line basis over the term of the related lease and estimated reimbursements from tenants for real estate taxes, insurance, common area maintenance and other recoverable operating expenses are recognized in rental income in the period that the expenses are incurred.

For the three and six months ended June 30, 2022, we recognized $142.8 million and $278.3 million of rental income related to operating lease payments, of which $116.9 million and $227.4 million are for fixed lease payments and $25.9 million and $50.9 million are for variable lease payments, respectively. For the comparable three and six month-period ended June 30, 2021, we recognized $100.9 million and $197.8 million of rental income related to operating lease payments, of which $83.5

million and $163.6 million were for fixed lease payments and $17.4 million and $34.2 million were for variable lease payments, respectively.

The following table sets forth the undiscounted cash flows for future minimum base rents to be received under operating leases as of June 30, 2022 (in thousands):

Twelve Months Ended June 30,		
2023	$	450,366
2024		396,238
2025		330,319
2026		269,677
2027		196,923
Thereafter		759,505
Total	$	2,403,028

The future minimum base rents in the table above excludes tenant reimbursements of operating expenses, amortization of adjustments for deferred rent receivables and the amortization of above/below-market lease intangibles.

Lessee

We lease office space as part of conducting our day-to-day business. As of June 30, 2022, our office space leases have current remaining lease terms ranging from approximately three years to six years and some include options to renew for an additional term of five years. As of June 30, 2022, we also have two ground leases, one of which is a lease we assumed in the acquisition of 2970 East 50th Street in March 2022 which has a current remaining lease term of approximately 39 years and four additional ten-year options to renew. The second ground lease is for a parcel of land that is adjacent to one of our properties and is used as a parking lot. This ground lease has a current remaining term of approximately one year and two additional ten-year options to renew.

As of June 30, 2022, total ROU assets and lease liabilities were approximately $9.2 million and $11.9 million, respectively. As of December 31, 2021, total ROU assets and lease liabilities were approximately $3.5 million and $5.0 million, respectively.

The tables below present financial and supplemental information associated with our leases.

	Three Months Ended June 30,		Six Months Ended June 30,	
Lease Cost[(1)] (in thousands)	**2022**	**2021**	**2022**	**2021**
Operating lease cost	$ 483	$ 402	$ 932	$ 804
Variable lease cost	37	15	60	31
Sublease income	(67)	—	(134)	—
Total lease cost	$ 453	$ 417	$ 858	$ 835

(1) Amounts are included in "General and administrative" and "Property expenses" in the accompanying consolidated statements of operations.

	Three Months Ended June 30,		Six Months Ended June 30,	
Other Information (in thousands)	**2022**	**2021**	**2022**	**2021**
Cash paid for amounts included in the measurement of operating lease liabilities	$ 497	$ 375	$ 906	$ 681
Right-of-use assets obtained in exchange for new operating lease liabilities	$ —	$ —	$ 6,363	$ —

Lease Term and Discount Rate	June 30, 2022	December 31, 2021
Weighted-average remaining lease term[1]	34.1 years	3.3 years
Weighted-average discount rate[2]	3.74 %	2.95 %

(1) Includes the impact of extension options that we are reasonably certain to exercise.

(2) Because the rate implicit in each of our leases was not readily determinable, we used our incremental borrowing rate. In determining our incremental borrowing rate for each lease, we considered recent rates on secured borrowings, observable risk-free interest rates and credit spreads correlating to our creditworthiness, the impact of collateralization and the term of each of our lease agreements.

The following table summarizes the maturity of operating of lease liabilities under our corporate office leases and ground leases as of June 30, 2022 (in thousands):

		June 30, 2022
July 1, 2022 - December 31, 2022	$	1,151
2023		2,308
2024		2,298
2025		1,123
2026		682
Thereafter		20,750
Total undiscounted lease payments	$	28,312
Less imputed interest		(16,451)
Total lease liabilities	$	11,861

7. Interest Rate Derivatives

The following table sets forth a summary of the terms and fair value of our interest rate swap at June 30, 2022 and December 31, 2021 (dollars in thousands):

				Notional Value		Fair Value of Interest Rate Derivative Liabilities	
Derivative Instrument	Effective Date	Maturity Date	LIBOR Interest Strike Rate	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Interest Rate Swap[1]	7/22/2019	11/22/2024	2.7625 %	$ —	$ 150,000	$ —	$ (7,482)

(1) As of December 31, 2021, our interest rate swap was in a liability position and as such, the fair value is included in the line item “Interest rate swap liability” in the accompanying consolidated balance sheets. On May 26, 2022, we terminated our interest rate swap. We held no interest rate swap as of June 30, 2022.

On May 26, 2022, in conjunction with the repayment of the $150 Million Term Loan Facility, we paid $0.6 million to terminate the interest rate swap that was used to hedge the monthly cash flows associated with $150 million of LIBOR-based variable-rate debt, and which had an unrealized loss balance of $0.6 million in AOCI at the time of termination. We are amortizing the loss on this transaction from AOCI into interest expense on a straight-line basis over the period beginning from the termination date of the interest rate swap (May 26, 2022) through the original maturity date of the interest rate swap (November 22, 2024).

Prior to termination, our interest rate swap was designated and qualified as a cash flow hedge. We do not use derivatives for trading or speculative purposes. The change in fair value of derivatives designated and qualifying as cash flow hedges is initially recorded in AOCI and is subsequently reclassified from AOCI into earnings in the period that the hedged forecasted transactions affect earnings. The following table sets forth the impact of our interest rate derivatives on our financial statements for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Interest Rate Swaps in Cash Flow Hedging Relationships:				
Amount of gain (loss) recognized in AOCI on derivatives	$ 123	$ (347)	$ 5,417	$ 1,458
Amount of loss reclassified from AOCI into earnings under “Interest expense”[(1)]	$ (593)	$ (2,144)	$ (1,750)	$ (4,248)
Total interest expense presented in the Consolidated Statement of Operations in which the effects of cash flow hedges are recorded (line item “Interest expense”)	$ 10,168	$ 9,593	$ 19,851	$ 19,345

(1) Includes losses that have been reclassified from AOCI into interest expense related to (i) the treasury rate lock agreements that were settled in August 2021 and for which amounts will continue to be reclassified over the ten-year term of the hedged transaction, (ii) the interest rate swaps that were terminated in November 2020 and August 2021 and for which amounts have been fully reclassified into interest expense as of the original maturity date of each interest rate swap, which was in August 2021 and January 2022, respectively, and (iii) the interest rate swap that was terminated in May 2022 as discussed above.

During the next twelve months, we estimate that an additional $0.5 million of unrealized loss balance in AOCI related to the terminated swap and previously settled treasury rate lock agreements will be reclassified from AOCI into earnings as an increase to interest expense.

Credit-risk-related Contingent Features

Certain of our agreements with our derivative counterparties contain a provision where if we default on any of our indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender within a specified time period, then we could also be declared in default on its derivative obligations.

Certain of our agreements with our derivative counterparties contain provisions where if a merger or acquisition occurs that materially changes our creditworthiness in an adverse manner, we may be required to fully collateralize our obligations under the derivative instrument.

8. Fair Value Measurements

ASC Topic 820: *Fair Value Measurements and Disclosure* (“ASC 820”) defines fair value and establishes a framework for measuring fair value. ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity’s own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Recurring Measurements – Interest Rate Swaps

We use interest rate swap agreements to manage our interest rate risk. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves.

To comply with the provisions of ASC 820, we incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by ourselves and our counterparties. However, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, we have determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

As of June 30, 2022, we have no interest rate swaps outstanding. The table below sets forth the estimated fair value of our interest rate swap as of December 31, 2021, which we measured on a recurring basis by level within the fair value hierarchy (in thousands).

	Fair Value Measurement Using			
	Total Fair Value	**Quoted Price in Active Markets for Identical Assets and Liabilities (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
December 31, 2021				
Interest Rate Swap Liability	$ (7,482)	$ —	$ (7,482)	$ —

Financial Instruments Disclosed at Fair Value

The carrying amounts of cash and cash equivalents, rents and other receivables, other assets, accounts payable, accrued expenses and other liabilities, and tenant security deposits approximate fair value because of their short-term nature.

The fair value of our notes payable was estimated by calculating the present value of principal and interest payments, using discount rates that best reflect current market rates for financings with similar characteristics and credit quality, and assuming each loan is outstanding through its respective contractual maturity date.

The table below sets forth the carrying value and the estimated fair value of our notes payable as of June 30, 2022 and December 31, 2021 (in thousands):

	Fair Value Measurement Using				
Liabilities	**Total Fair Value**	**Quoted Price in Active Markets for Identical Assets and Liabilities (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Carrying Value**
Notes Payable at:					
June 30, 2022	$ 1,504,397	$ —	$ —	$ 1,504,397	$ 1,660,521
December 31, 2021	$ 1,404,680	$ —	$ —	$ 1,404,680	$ 1,399,565

9. Related Party Transactions

Howard Schwimmer

We engage in transactions with Howard Schwimmer, our Co-Chief Executive Officer, earning management fees and leasing commissions from 19 properties with approximately 1.0 million rentable square feet owned by entities controlled individually by Mr. Schwimmer. Fees and commissions earned from these entities are included in "Management and leasing services" in the consolidated statements of operations. We recorded $0.1 million and $0.1 million for the three months ended June 30, 2022 and 2021, respectively, and $0.3 million and $0.2 million for the six months ended June 30, 2022 and 2021, respectively, in management and leasing services revenue.

10. Commitments and Contingencies

Legal

From time to time, we are party to various lawsuits, claims and legal proceedings that arise in the ordinary course of business. We are not currently a party to any legal proceedings that we believe would reasonably be expected to have a material adverse effect on our business, financial condition or results of operations.

Environmental

We will generally perform environmental site assessments at properties we are considering acquiring. After the acquisition of such properties, we continue to monitor the properties for the presence of hazardous or toxic substances. From time to time, we acquire properties with known adverse environmental conditions. If at the time of acquisition, losses associated with environmental remediation obligations are probable and can be reasonably estimated, we record a liability.

As of June 30, 2022, we are not aware of any environmental liabilities that would have a material impact on our consolidated financial condition, results of operations or cash flows. However, we cannot be sure that we have identified all environmental liabilities at our properties, that all necessary remediation actions have been or will be undertaken at our properties or that we will be indemnified, in full or at all, in the event that such environmental liabilities arise. Furthermore, we cannot assure you that future changes to environmental laws or regulations and their application will not give rise to loss contingencies for future environmental remediation.

Tenant and Construction Related Commitments

As of June 30, 2022, we had commitments of approximately $77.7 million for tenant improvement and construction work under the terms of leases with certain of our tenants and contractual agreements with our construction vendors.

Concentrations of Credit Risk

We have deposited cash with financial institutions that are insured by the Federal Deposit Insurance Corporation up to $250,000 per institution. Although we have deposits at institutions in excess of federally insured limits as of June 30, 2022, we do not believe we are exposed to significant credit risk due to the financial position of the institutions in which those deposits are held.

Concentration of Properties in Southern California

As of June 30, 2022, all of our properties are located in the Southern California infill markets. The ability of the tenants to honor the terms of their respective leases is dependent upon the economic, regulatory and social factors affecting the markets in which the tenants operate and other conditions.

Tenant Concentration

During the six months ended June 30, 2022, no single tenant accounted for more than 5% of our total consolidated rental income.

11. Equity

Preferred Stock

At June 30, 2022 and December 31, 2021, we had the following series of Cumulative Preferred Shares outstanding (dollars in thousands):

			June 30, 2022		December 31, 2021	
Series	**Earliest Redemption Date**	**Dividend Rate**	**Shares Outstanding**	**Liquidation Preference**	**Shares Outstanding**	**Liquidation Preference**
Series B	November 13, 2022	5.875 %	3,000,000	$ 75,000	3,000,000	$ 75,000
Series C	September 20, 2024	5.625 %	3,450,000	86,250	3,450,000	86,250
Total Preferred Shares			6,450,000	$ 161,250	6,450,000	$ 161,250

On August 16, 2021, we redeemed all 3,600,000 shares of our 5.875% Series A Cumulative Redeemable Preferred Stock at $25.00 per share, plus all accrued and unpaid dividends on such shares up to but not including the redemption date.

Common Stock

ATM Program

On May 27, 2022, we established a new at-the-market equity offering program pursuant to which we are able to sell from time to time shares of our common stock having an aggregate sales price of up to $1.0 billion (the “Current 2022 ATM Program”). The Current 2022 ATM Program replaces our previous $750.0 million at-the-market equity offering program, which was established on January 13, 2022 (the “Prior 2022 ATM Program”), under which we had sold shares of our common stock having an aggregate gross sales price of $697.5 million through May 27, 2022. In addition, we previously established a $750.0 million at-the-market equity offering program on November 9, 2020 (the “2020 ATM Program”), under which we had sold shares of our common stock having an aggregate gross sales price of $743.9 million through January 13, 2022. We may sell shares of our common stock directly through sales agents or we may enter into forward equity sale agreements with certain financial institutions acting as forward purchasers whereby, at our discretion, the forward purchasers may borrow and sell shares of our common stock under ATM programs. The use of a forward equity sale agreement allows us to lock in a share price on the sale of shares of our common stock at the time the agreement is executed but defer settling the forward equity sale agreements and receiving the proceeds from the sale of shares until a later date.

During the three and six months ended June 30, 2022, we entered into forward equity sale agreements with certain financial institutions acting as forward purchasers under the Current 2022 ATM Program and Prior 2022 ATM Program with respect to 12,002,480 and 17,754,748 shares of common stock at a weighted average initial forward sale price of $61.73 and $64.49 per share, respectively. We did not receive any proceeds from the sale of common shares by the forward purchasers at the time we entered into forward equity sale agreements.

During the three months ended June 30, 2022, we physically settled a portion of the forward equity sale agreements under the Current 2022 ATM Program and Prior 2022 ATM Program by issuing 5,967,783 shares of our common stock for net proceeds of $419.4 million. During the six months ended June 30, 2022, we physically settled the forward equity sale agreement that was outstanding as of December 31, 2021 under the 2020 ATM Program and a portion of the forward equity sale agreements under the Current 2022 ATM Program and Prior 2022 ATM Program by issuing 10,369,893 shares of our common stock for net proceeds of $725.4 million. The net proceeds for the three and six months ended June 30, 2022 were calculated based on a weighted average net forward sale price at the time of settlement of $70.28 and $69.95 per share, respectively. As of June 30, 2022, we had 9,291,211 shares of common stock, or approximately $552.1 million of forward net proceeds remaining for settlement to occur before the third quarter of 2023, based on net forward sales price of $59.42 per share.

As of June 30, 2022, approximately $536.5 million of common stock remains available to be sold under the Current 2022 ATM Program. Future sales, if any, will depend on a variety of factors, including among others, market conditions, the trading price of our common stock, determinations by us of the appropriate sources of funding for us and potential uses of funding available to us.

Changes in Accumulated Other Comprehensive Income

The following table summarizes the changes in our AOCI balance for the six months ended June 30, 2022 and 2021, which consists solely of adjustments related to our cash flow hedges (in thousands):

	Six Months Ended June 30,	
	2022	2021
Accumulated other comprehensive loss - beginning balance	$ (9,874)	$ (17,709)
Other comprehensive income before reclassifications	5,417	1,458
Amounts reclassified from accumulated other comprehensive loss to interest expense	1,750	4,248
Net current period other comprehensive income	7,167	5,706
Less: other comprehensive income attributable to noncontrolling interests	(267)	(316)
Other comprehensive income attributable to common stockholders	6,900	5,390
Accumulated other comprehensive loss - ending balance	$ (2,974)	$ (12,319)

Noncontrolling Interests

Noncontrolling interests relate to interests in the Operating Partnership, represented by common units of partnership interests in the Operating Partnership (“OP Units”), fully-vested LTIP units, fully-vested performance units, 4.43937% Cumulative Redeemable Convertible Preferred Units of partnership interest in the Operating Partnership, 4.00% Cumulative Redeemable Convertible Preferred Units of partnership interest in the Operating Partnership and 3.00% Cumulative Redeemable Convertible Preferred Units of partnership interest in the Operating Partnership (the “Series 3 CPOP Units”), as more fully described below, that are not owned by us.

Operating Partnership Units

As of June 30, 2022, noncontrolling interests included 5,901,264 OP Units, 659,586 fully-vested LTIP units and 744,899 fully-vested performance units, and represented approximately 4.1% of our Operating Partnership. OP Units and shares of our common stock have essentially the same economic characteristics, as they share equally in the total net income or loss and distributions of our Operating Partnership. Investors who own OP Units have the right to cause our Operating Partnership to redeem any or all of their units in our Operating Partnership for an amount of cash per unit equal to the then current market value of one share of common stock, or, at our election, shares of our common stock on a one-for-one basis.

During the six months ended June 30, 2022, 87,168 OP Units were converted into an equivalent number of shares of common stock, resulting in the reclassification of $3.2 million of noncontrolling interest to Rexford Industrial Realty, Inc.’s stockholders’ equity.

On May 25, 2022, we acquired the property located at 14200-14220 Arminta Street for a purchase price of $80.7 million. As partial consideration for the property, we issued the seller 954,000 OP Units valued at $56.2 million.

Issuance of Series 3 CPOP Units

On March 17, 2022, we acquired an industrial business park located in Long Beach, California for a contractual purchase price of approximately $24.0 million. In consideration for the property, we (i) paid approximately $12 million in cash and (ii) issued the seller 164,998 newly issued Series 3 CPOP Units, valued at $12.0 million.

Holders of Series 3 CPOP Units, when and as authorized by the Company as general partner of the Operating Partnership, are entitled to cumulative cash distributions at the rate of 3.00% per annum of the $72.73 per unit liquidation preference, payable quarterly in arrears on or about the last day of March, June, September and December of each year, beginning on March 31, 2022. The holders of Series 3 CPOP Units are entitled to receive the liquidation preference, which is $72.73 per unit and approximately $12.0 million in the aggregate for all of the Series 3 CPOP Units, before the holders of OP Units in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of the Operating Partnership.

The Series 3 CPOP Units are convertible (i) at the option of the holder anytime from time to time (the “Holder Conversion Right”), or (ii) at the option of the Operating Partnership, at any time on or after March 17, 2027 (the “Company Conversion Right”), in each case, into OP Units on a one-for one basis, subject to adjustment to eliminate fractional units or to the extent that there are any accrued and unpaid distributions on the Series 3 CPOP Units. As noted above, investors who own

OP Units have the right to cause our Operating Partnership to redeem any or all of their units in our Operating Partnership for an amount of cash per unit equal to the then current market value of one share of our common stock, or, at our election, shares of our common stock on a one for-one basis (the “Subsequent Redemption Right”).

The Series 3 CPOP Units rank senior to the Operating Partnership’s OP Units, on parity with the Operating Partnership’s other currently outstanding preferred and CPOP units.

Pursuant to relevant accounting guidance, we analyzed the Series 3 CPOP Units for any embedded derivatives that should be bifurcated and accounted for separately and also considered the conditions that would require classification of the Series 3 CPOP Units in temporary equity versus permanent equity. In carrying out our analyses, we evaluated the key features of the Series 3 CPOP Units including the right to discretionary distributions, the Holder Conversion Right, the Company Conversion Right and the Subsequent Redemption Right to determine whether we control the actions or events necessary to issue the maximum number of shares that could be required to be delivered under the share settlement if the Series 3 CPOP Units are converted into shares of our common stock (subsequent to conversion into OP Units). Based on the results of our analyses, we concluded that (i) none of the embedded features of the Series 3 CPOP Units require bifurcation and separate accounting, and (ii) the Series 3 CPOP Units met the criteria to be classified within equity, and accordingly are presented as noncontrolling interests within permanent equity in the consolidated balance sheets.

12. Incentive Award Plan

Second Amended and Restated 2013 Incentive Award Plan

We maintain one share-based incentive plan, the Second Amended and Restated Rexford Industrial Realty, Inc. and Rexford Industrial Realty, L.P. 2013 Incentive Award Plan (the "Plan"), pursuant to which, we may make grants of restricted stock, LTIP units of partnership interest in our Operating Partnership ("LTIP Units"), performance units in our Operating Partnership ("Performance Units"), dividend equivalents and other stock based and cash awards to our non-employee directors, employees and consultants.

As of June 30, 2022, a total of 2,477,999 shares of common stock, LTIP Units, Performance Units and other stock based award remain available for issuance under the Plan. Shares and units granted under the Plan may be authorized but unissued shares or units, or, if authorized by the board of directors, shares purchased in the open market. If an award under the Plan is forfeited, expires, or is settled for cash, any shares or units subject to such award will generally be available for future awards.

LTIP Units and Performance Units

LTIP Units and Performance Units are each a class of limited partnership units in the Operating Partnership. Initially, LTIP Units and Performance Units do not have full parity with OP Units with respect to liquidating distributions. However, upon the occurrence of certain events described in the Operating Partnership's partnership agreement, the LTIP Units and Performance Units can over time achieve full parity with the OP Units for all purposes. If such parity is reached, vested LTIP Units and vested Performance Units may be converted into an equal number of OP Units, and upon conversion, enjoy all rights of OP Units. LTIP Units, whether vested or not, receive the same quarterly per-unit distributions as OP Units, which equal the per-share distributions on shares of our common stock. Performance Units that have not vested receive a quarterly per-unit distribution equal to 10% of the distributions paid on OP Units.

Share-Based Award Activity

The following table sets forth our unvested restricted stock activity and unvested LTIP Unit activity for the six months ended June 30, 2022:

	Unvested Awards			
	Restricted Common Stock		LTIP Units	
	Number of Shares	Weighted-Average Grant Date Fair Value per Share	Number of Units	Weighted-Average Grant Date Fair Value per Unit
Balance at January 1, 2022	249,179	$ 45.62	239,709	$ 54.99
Granted	130,847	68.34	47,837	68.79
Forfeited	(5,733)	55.30	—	—
Vested[(1)]	(91,682)	42.83	(37,540)	61.34
Balance at June 30, 2022	282,611	$ 56.85	250,006	$ 56.68

(1) During the six months ended June 30, 2022, 29,238 shares of the Company's common stock were tendered in accordance with the terms of the Plan to satisfy minimum statutory tax withholding requirements associated with the vesting of restricted shares of common stock.

The following table sets forth the vesting schedule of all unvested share-based awards outstanding as of June 30, 2022:

	Unvested Awards		
	Restricted Common Stock	LTIP Units	Performance Units[1]
July 1, 2022 - December 31, 2022	6,749	104,176	253,900
2023	112,390	85,717	476,915
2024	78,737	42,788	366,004
2025	56,077	11,778	—
2026	28,658	5,547	—
Total	282,611	250,006	1,096,819

(1) Represents the maximum number of Performance Units that would become earned and vested in December of 2022, 2023 and 2024, in the event that the specified maximum total shareholder return ("TSR") and FFO per share growth hurdles are achieved at the end of the three-year performance period for awards that were initially granted in December of 2019, 2020, and 2021, respectively.

Compensation Expense

The following table sets forth the amounts expensed and capitalized for all share-based awards for the reported periods presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Expensed share-based compensation[1]	$ 6,342	$ 4,463	$ 12,394	$ 8,724
Capitalized share-based compensation[2]	164	96	287	174
Total share-based compensation	$ 6,506	$ 4,559	$ 12,681	$ 8,898

(1) Amounts expensed are included in "General and administrative" and "Property expenses" in the accompanying consolidated statements of operations.

(2) For the three and six months ended June 30, 2022 and 2021, amounts capitalized relate to employees who provide construction services, and are included in "Building and improvements" in the consolidated balance sheets.

As of June 30, 2022, total unrecognized compensation cost related to all unvested share-based awards was $39.9 million and is expected to be recognized over a weighted average remaining period of 27 months.

13. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator:				
Net income	$ 40,901	$ 26,037	$ 89,801	$ 56,680
Less: Preferred stock dividends	(2,315)	(3,637)	(4,629)	(7,273)
Less: Net income attributable to noncontrolling interests	(2,290)	(1,710)	(4,774)	(3,679)
Less: Net income attributable to participating securities	(203)	(139)	(404)	(280)
Net income attributable to common stockholders –basic and diluted	$ 36,093	$ 20,551	$ 79,994	$ 45,448
Denominator:				
Weighted average shares of common stock outstanding – basic	164,895,701	134,312,672	162,774,059	132,970,234
Effect of dilutive securities	304,876	507,070	362,313	326,467
Weighted average shares of common stock outstanding – diluted	165,200,577	134,819,742	163,136,372	133,296,701
Earnings per share — Basic				
Net income attributable to common stockholders	$ 0.22	$ 0.15	$ 0.49	$ 0.34
Earnings per share — Diluted				
Net income attributable to common stockholders	$ 0.22	$ 0.15	$ 0.49	$ 0.34

Unvested share-based payment awards that contain non-forfeitable rights to dividends, whether paid or unpaid, are accounted for as participating securities. As such, unvested shares of restricted stock, unvested LTIP Units and unvested Performance Units are considered participating securities. Participating securities are included in the computation of basic EPS pursuant to the two-class method. The two-class method determines EPS for each class of common stock and each participating security according to dividends declared (or accumulated) and their respective participation rights in undistributed earnings. Participating securities are also included in the computation of diluted EPS using the more dilutive of the two-class method or treasury stock method for unvested shares of restricted stock and LTIP Units, and by determining if certain market conditions have been met at the reporting date for unvested Performance Units.

The effect of including unvested shares of restricted stock and unvested LTIP Units using the treasury stock method was excluded from our calculation of weighted average shares of common stock outstanding – diluted, as their inclusion would have been anti-dilutive.

Performance Units, which are subject to vesting based on the Company achieving certain TSR levels and FFO per share growth over a three-year performance period, are included as contingently issuable shares in the calculation of diluted EPS when TSR and/or FFO per share growth has been achieved at or above the threshold levels specified in the award agreements, assuming the reporting period is the end of the performance period, and the effect is dilutive.

Shares issuable under forward equity sale agreements during the period prior to settlement are reflected in our calculation of weighted average shares of common stock outstanding – diluted using the treasury stock method as the impact was dilutive for the periods presented above.

We also consider the effect of other potentially dilutive securities, including the CPOP Units and OP Units, which may be redeemed for shares of our common stock under certain circumstances, and include them in our computation of diluted EPS when their inclusion is dilutive. These units were not dilutive for the periods presented above.

14. Subsequent Events

Acquisitions

The following table summarizes the properties we acquired subsequent to June 30, 2022:

Property	Submarket	Date of Acquisition	Rentable Square Feet	Number of Buildings	Contractual Purchase Price (in thousands)
400 Rosecrans Avenue	Los Angeles - South Bay	7/06/2022	28,006	1	$ 8,500
3547-3555 Voyager Street	Los Angeles - South Bay	7/12/2022	60,248	3	20,900
6996-7044 Bandini Blvd	Los Angeles - Central	7/13/2022	111,515	2	40,500
4325 Etiwanda Avenue	San Bernardino - Inland Empire West	7/15/2022	124,258	1	47,500
Merge-West	San Bernardino - Inland Empire West	7/18/2022	1,057,419	6	470,000
6000-6052 & 6027-6029 Bandini Blvd	Los Angeles - Central	7/22/2022	182,782	2	91,500
Total Subsequent Acquisitions			1,564,228	15	$ 678,900

Amended Credit Agreement

On July 19, 2022, we exercised the accordion option under the Credit Agreement to add a $400.0 million unsecured term loan with a maturity date of July 19, 2024 (with two extensions options of one year each).

Interest Rate Swap Agreements

On July 21, 2022, we executed five interest rate swap transactions with an aggregate notional value of $300.0 million to manage our exposure to changes in 1-month term SOFR related to a portion of our variable-rate debt. These swaps, which are effective commencing on July 27, 2022, and mature on May 26, 2027, will effectively fix 1-month term SOFR at a weighted average rate of 2.81725%. We have designated these interest rate swaps as cash flow hedges.

Dividends and Distributions Declared

On July 18, 2022, our board of directors declared the quarterly cash dividends/distributions, record dates and payment dates, and on July 25, 2022, adjusted the common stock dividend and OP Unit distribution payment dates as set forth below.

Security	Amount per Share/Unit	Record Date	Payment Date
Common stock	$ 0.315	September 30, 2022	October 14, 2022
OP Units	$ 0.315	September 30, 2022	October 14, 2022
5.875% Series B Cumulative Redeemable Preferred Stock	$ 0.367188	September 15, 2022	September 30, 2022
5.625% Series C Cumulative Redeemable Preferred Stock	$ 0.351563	September 15, 2022	September 30, 2022
4.43937% Cumulative Redeemable Convertible Preferred Units	$ 0.505085	September 15, 2022	September 30, 2022
4.00% Cumulative Redeemable Convertible Preferred Units	$ 0.45	September 15, 2022	September 30, 2022
3.00% Cumulative Redeemable Convertible Preferred Units	$ 0.545462	September 15, 2022	September 30, 2022

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and the related notes thereto that appear in Part I, Item 1 "Financial Statements" of this Quarterly Report on Form 10-Q. The terms "Company," "we," "us," and "our" refer to Rexford Industrial Realty, Inc. and its consolidated subsidiaries except where the context otherwise requires.

Forward-Looking Statements

We make statements in this quarterly report that are forward-looking statements, which are usually identified by the use of words such as "anticipates," "believes," "expects," "intends," "may," "might," "plans," "estimates," "projects," "seeks," "should," "will," "result" and variations of such words or similar expressions. Our forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by our forward-looking statements are reasonable, we can give no assurance that our plans, intentions, expectations, strategies or prospects will be attained or achieved and you should not place undue reliance on these forward-looking statements. Furthermore, actual results may differ materially from those described in the forward-looking statements and may be affected by a variety of risks and factors including, without limitation:

- the competitive environment in which we operate;
- real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for tenants in such markets;
- decreased rental rates or increasing vacancy rates;
- potential defaults on or non-renewal of leases by tenants;
- potential bankruptcy or insolvency of tenants;
- acquisition risks, including failure of such acquisitions to perform in accordance with expectations;
- the timing of acquisitions and dispositions;
- potential natural disasters such as earthquakes, wildfires or floods;
- the consequence of any future security alerts and/or terrorist attacks;
- national, international, regional and local economic conditions, including impacts and uncertainty from trade disputes and tariffs on goods imported to the United States and goods exported to other countries;
- the general level of interest rates;
- potential impacts of inflation;
- potential changes in the law or governmental regulations that affect us and interpretations of those laws and regulations, including changes in real estate and zoning or real estate investment trust ("REIT") tax laws, and potential increases in real property tax rates;
- financing risks, including the risks that our cash flows from operations may be insufficient to meet required payments of principal and interest and we may be unable to refinance our existing debt upon maturity or obtain new financing on attractive terms or at all;
- lack of or insufficient amounts of insurance;
- our failure to complete acquisitions;
- our failure to successfully integrate acquired properties;
- our ability to qualify and maintain our qualification as a REIT;
- our ability to maintain our current investment grade rating by Fitch Ratings ("Fitch"), Moody's Investors Services ("Moody's) or from Standard and Poor's Ratings Services ("S&P");
- litigation, including costs associated with prosecuting or defending pending or threatened claims and any adverse outcomes;
- possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us;
- an epidemic or pandemic (such as the outbreak and worldwide spread of coronavirus ("COVID-19"), as well as new variants of the virus, and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities may implement to address it, which may (as with COVID-19) precipitate or

exacerbate one or more of the above-mentioned factors and/or other risks, and significantly disrupt or prevent us from operating our business in the ordinary course for an extended period; and

- other events outside of our control.

Accordingly, there is no assurance that our expectations will be realized. Except as otherwise required by the federal securities laws, we disclaim any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should carefully review our financial statements and the notes thereto, as well as the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021.

Company Overview

Rexford Industrial Realty, Inc. is a self-administered and self-managed full-service REIT focused on owning and operating industrial properties in Southern California infill markets. We were formed as a Maryland corporation on January 18, 2013, and Rexford Industrial Realty, L.P. (the “Operating Partnership”), of which we are the sole general partner, was formed as a Maryland limited partnership on January 18, 2013. Through our controlling interest in our Operating Partnership and its subsidiaries, we acquire, own, improve, redevelop, lease and manage industrial real estate principally located in Southern California infill markets, and, from time to time, acquire or provide mortgage debt secured by industrial property. We are organized and conduct our operations to qualify as a REIT under the Internal Revenue Code of 1986 (the “Code”), as amended, and generally are not subject to federal taxes on our income to the extent we distribute our income to our shareholders and maintain our qualification as a REIT.

As of June 30, 2022, our consolidated portfolio consisted of 330 properties with approximately 39.4 million rentable square feet.

Our goal is to generate attractive risk-adjusted returns for our stockholders by providing superior access to industrial property investments and mortgage debt investments secured by industrial property in high-barrier Southern California infill markets. Our target markets provide us with opportunities to acquire both stabilized properties generating favorable cash flow, as well as properties or land parcels where we can enhance returns through value-add repositioning and redevelopments. Scarcity of available space and high barriers limiting new construction of for-lease product all contribute to create superior long-term supply/demand fundamentals within our target infill Southern California industrial property markets. With our vertically integrated operating platform and extensive value-add investment and management capabilities, we believe we are positioned to capitalize upon the opportunities in our markets to achieve our objectives.

2022 Year to Date Highlights

Financial and Operational Highlights

- Net income attributable to common stockholders increased by 76.0% to $80.0 million for the six months ended June 30, 2022, compared to the prior year.
- Core funds from operations (Core FFO)[(1)] attributable to common stockholders increased by 56.5% to $158.3 million for the six months ended June 30, 2022, compared to the prior year.
- Net operating income (NOI)[(1)] increased by 41.7% to $220.7 million for the six months ended June 30, 2022, compared to the prior year.
- Total portfolio occupancy at June 30, 2022 was 95.2%.
- Same Property Portfolio[(2)] average occupancy for the six months ended June 30, 2022 was 99.1% and ending occupancy at June 30, 2022 was 98.9%.
- Executed a total of 195 new and renewal leases with a combined 2.3 million rentable square feet, with leasing spreads of 77.7% on a GAAP basis and 59.5% on a cash basis.

---

(1) See “Non-GAAP Supplemental Measures: Funds From Operations” and “Non-GAAP Supplemental Measures: NOI and Cash NOI” included under Item 2 of this Form 10-Q for a definition and reconciliation of Core FFO and NOI from net income and a discussion of why we believe Core FFO and NOI are useful supplemental measures of operating performance.

(2) For a definition of “Same Property Portfolio,” see “Results of Operations” included under Item 2 of this Form 10-Q.

Acquisitions

- During the first quarter of 2022, we completed 14 acquisitions representing 17 properties with 1.5 million rentable square feet of buildings on 82 acres of land, including 13 acres of land for near term redevelopment, for an aggregate purchase price of $457.7 million.
- During the second quarter of 2022, we completed the acquisition of 18 properties with 1.4 million rentable square feet of buildings on 85.5 acres of land, including 15 acres of land for near term redevelopment, for an aggregate purchase price of $598.9 million.
- Subsequent to June 30, 2022, we completed six acquisitions with 1.6 million square feet of buildings on 75.3 acres of land, for an aggregate purchase price of $678.9 million.

Dispositions

- During the first quarter of 2022, we sold one property with 79,247 rentable square feet for a gross sales price of $16.5 million, and recognized $8.5 million in gains on sale of real estate.

Repositioning & Redevelopment

- During the first quarter of 2022, we stabilized our 111,260 rentable square foot redevelopment property located at 29025-29055 Avenue Paine.
- During the second quarter of 2022, we stabilized our 62,607 rentable square foot repositioning property located at 900 East Ball Road.

Equity

- During the first quarter of 2022, we entered into forward equity sales agreements under our at-the-market equity offering program with respect to 5,752,268 shares of common stock at a weighted average initial forward sale price of $70.32 per share. In March 2022, we partially settled these forward equity sale agreements and the outstanding forward equity sale agreement from 2021 by issuing 4,402,110 shares of common stock in exchange for net proceeds of $305.9 million.
- During the second quarter of 2022, we entered into forward equity sales agreements under our at-the-market equity offering program with respect to 12,002,480 shares of common stock at a weighted average initial forward sale price of $61.73 per share. In June 2022, we partially settled these forward equity sale agreements and part of the outstanding forward equity sale agreement from the first quarter of 2022 by issuing 5,967,783 shares of common stock in exchange for net proceeds of $419.4 million.
- As of June 30, 2022, we had 9,291,211 shares of common stock, or approximately $552.1 million of forward net proceeds remaining for settlement to occur before the third quarter of 2023.

Financing

- In May 2022, we amended our senior unsecured credit agreement to, among other changes, increase the borrowing capacity of our unsecured revolving credit facility to $1.0 billion from $700 million and to add a $300 million unsecured term loan facility. The proceeds from the $300 million term loan facility were used to repay our $150 million unsecured term loan facility due in 2025, terminate the associated swap, partially repay outstanding borrowings under the unsecured revolving credit facility and for general corporate purposes.
- Subsequent to June 30, 2022, we amended our senior unsecured credit agreement to add a $400 million unsecured term loan facility with a maturity date of July 19, 2024 (with two extensions options of one year each). Proceeds were used to fund acquisitions closed subsequent to quarter end, reduce outstanding borrowings under the unsecured revolving credit facility and for general corporate purposes.
- On July 21, 2022, we executed five interest rate swap transactions with an aggregate notional value of $300.0 million to manage our exposure to changes in 1-month term SOFR related to a portion of our variable-rate debt. These swaps, which are effective commencing on July 27, 2022, and mature on May 26, 2027, will effectively fix 1-month term SOFR at a weighted average rate of 2.81725%.

Factors That May Influence Future Results of Operations

Market and Portfolio Fundamentals

Our operating results depend upon the infill Southern California industrial real estate market.

The infill Southern California industrial real estate sector has continued to exhibit strong fundamentals. These high-barrier infill markets are characterized by a relative scarcity of available product, generally operating at or above approximately 98% occupancy, coupled with the limited ability to introduce new supply due to high land and redevelopment costs and a dearth of developable land in markets experiencing a net reduction in supply as over time more industrial property is converted to non-industrial uses than can be delivered. Consequently, available industrial supply has continued to decrease in many of our target infill submarkets and construction deliveries have fallen short of demand. Meanwhile, underlying tenant demand within our infill target markets continues to demonstrate growth, illustrated or driven by strong re-leasing spreads and renewal activity, an expanding regional economy, substantial growth in ecommerce transaction and delivery volumes, as well as further compression of delivery time-frames to consumers and to businesses, increasing the significance of last-mile facilities for timely fulfillment.

Tenant demand remains strong within our portfolio, which is strategically located within prime infill Southern California industrial markets. The quality and intensity of tenant demand through the second quarter of 2022 is demonstrated through the Company's strong leasing spreads and volume, achieving rental rates and related terms from new and renewing tenants that have generally exceeded those from pre-COVID-19 periods (see "—Leasing Activity and Rental Rates" below). This tenant demand has been driven by a wide range of sectors, from consumer products, healthcare and medical products to aerospace, food, construction, and logistics, as well as by an emerging electric vehicle industry, among other sectors. In the last several quarters, we have observed a notable increase in ecommerce-oriented tenants securing space within our portfolio, in part driven by the impacts of the COVID-19 pandemic, which has accelerated the growth in the range and volume of goods and customers transacting through ecommerce. In addition, ecommerce-related delivery demand associated with last-mile distribution is driving discernible shifts in inventory-handling strategies among retailers and distributors, which we believe is driving incremental demand for our infill property locations. Our portfolio, which we believe represents prime locations with superior functionality within the largest last-mile logistics distribution market in the nation, is well-positioned to continue to serve our existing diverse tenant base and attract incremental ecommerce-oriented and traditional distribution demand.

We believe our portfolio's leasing performance during the second quarter of 2022 has generally outpaced that of the infill markets within which we operate, although, as discussed in more detail below, our target infill markets continue to operate at or near historically high levels of occupancy. We believe this performance has been driven by our highly entrepreneurial business model focused on acquiring and improving industrial property in superior locations so that our portfolio reflects a higher level of quality and functionality, on average, as compared to typical available product within the markets within which we operate. We also believe the quality and entrepreneurial approach demonstrated by our team of real estate professionals actively managing our properties and our tenants enables the potential to outcompete within our markets that we believe are generally otherwise owned by more passive, less-focused real estate owners.

*General Market Condition***s**

The following are general market conditions and do not necessarily reflect the results of our portfolio. For our portfolio specific results see "—Rental Revenues" and "—Results of Operations" below.

In Los Angeles County, market fundamentals were very strong during the second quarter of 2022. Average asking lease rates increased slightly quarter-over-quarter reaching an all-time high due to high levels of sustained demand and record low vacancy levels, with nearly all submarkets retaining sub 1% vacancy rates. Current market conditions indicate rents are likely to increase through the remainder of 2022 as demand has been consistently strong , occupancy still remains at near capacity levels and new development is limited by a lack of land availability and an increase in land and development costs.

In Orange County, market fundamentals were very strong during the second quarter of 2022. Average asking lease rates increased quarter-over-quarter reaching a record high, although rising at a decreasing rate compared to prior quarters, and vacancy decreased slightly quarter-over-quarter, remaining at record low levels. Current market conditions indicate rents are likely to increase through the remainder of 2022 due to high demand and the continued low availability of industrial product in this region.

In San Diego, vacancy decreased quarter-over-quarter to a record low and average asking lease rates increased slightly quarter-over-quarter.

In Ventura County, vacancy decreased slightly quarter-over-quarter and average asking lease rates increased slightly quarter-over-quarter.

Lastly, in the Inland Empire, new industrial product continues to be absorbed well in the market. In the Inland Empire West, which contains infill markets in which we operate, vacancy was mostly unchanged and remained at nearly 0%, which is the lowest vacancy rate on record amongst all of our submarkets, and average asking lease rates increased significantly quarter-over-quarter. Current market conditions indicate rents are likely to continue to increase through the remainder of 2022 due to limited availability and persistent high levels of demand. We generally do not focus on properties located within the non-infill Inland Empire East sub-market where available land and the development and construction pipeline for new supply is substantial.

Acquisitions and Value-Add Repositioning and Redevelopment of Properties

The Company's growth strategy comprises acquiring leased, stabilized properties as well as properties with value-add opportunities to improve functionality and to deploy our value-driven asset management programs in order to increase cash flow and value. Additionally, from time to time, we may acquire industrial outdoor storage sites, land parcels or properties with excess land for ground-up redevelopment projects. Acquisitions may comprise single property investments as well as the purchase of portfolios of properties, with transaction values ranging from approximately $10 million single property investments to portfolios potentially valued in the billions of dollars. The Company's geographic focus remains infill Southern California. However, from time-to-time, portfolios could be acquired comprising a critical mass of infill Southern California industrial property that could include some assets located in markets outside of infill Southern California. In general, to the extent non-infill-Southern California assets were to be acquired as part of a larger portfolio, the Company may underwrite such investments with the potential to dispose such assets over a certain period of time in order to maximize its core focus on infill Southern California, while endeavoring to take appropriate steps to satisfy REIT safe harbor requirements to avoid prohibited transactions under REIT tax laws.

A key component of our growth strategy is to acquire properties through off-market and lightly marketed transactions that are often operating at below-market occupancy or below-market rent at the time of acquisition or that have near-term lease roll-over or that provide opportunities to add value through functional or physical repositioning and improvements. Through various repositioning, redevelopment, and professional leasing and marketing strategies, we seek to increase the properties' functionality and attractiveness to prospective tenants and, over time, to stabilize the properties at occupancy rates that meet or exceed market rates.

A repositioning can provide a range of property improvements. This may include a complete structural renovation of a property whereby we convert large underutilized spaces into a series of smaller and more functional spaces, or it may include the creation of additional square footage, the modernization of the property site, the elimination of functional obsolescence, the addition or enhancement of loading areas and truck access, the enhancement of fire-life-safety systems or other accretive improvements, in each case designed to improve the cash flow and value of the property. We have a number of significant repositioning properties, which are presented in the tables below, as well as range of smaller spaces in repositioning, that due to their smaller size, relative scope, projected repositioning costs or relatively nominal amount of down-time, are not presented below, however, in the aggregate, may be substantial.

A repositioning property that is considered significant is typically defined as a property where a significant amount of space is held vacant in order to implement capital improvements, the cost to complete repositioning work and lease-up is estimated to be greater than $1 million and the repositioning and lease-up time frame is estimated to be greater than six months. A repositioning is generally considered complete once the investment is fully or nearly fully deployed and the property is available for occupancy. Because each repositioning effort is unique and determined based on the property, targeted tenants and overall trends in the general market and specific submarket, the timing and effect of the repositioning on our rental revenue and occupancy levels will vary, and, as a result, will affect the comparison of our results of operations from period to period with limited predictability.

A redevelopment property is defined as a property where we plan to fully or partially demolish an existing building(s) due to building obsolescence and/or a property with excess or vacant land where we plan to construct a ground-up building.

As of June 30, 2022, 16 of our properties were under current repositioning or redevelopment and none of our properties were in the lease-up stage. In addition, we have a pipeline of 11 additional properties for which we anticipate beginning repositioning/redevelopment construction work between the third quarter of 2022 and the fourth quarter of 2023. The tables below set forth a summary of these properties, as well the properties that were most recently stabilized in 2021 and 2022, as the timing of these stabilizations have a direct impact on our current and comparative results of operations. We consider a repositioning/redevelopment property to be stabilized upon the earlier of (i) reaching 90% occupancy or (ii) one year from the date construction work is completed.

Property (Submarket)	Market	Total Property Rentable Square Feet[2]	Repositioning/ Lease-up Rentable Square Feet[2]	Estimated Construction Period[1] Start	Completion	Total Property Leased % at 6/30/2022
Current Repositioning:						
12821 Knott Street (West OC)[3]	OC	165,171	165,171	1Q-2019	4Q-2022	—%
12133 Greenstone Avenue (Mid-Counties)[4]	LA	LAND	LAND	1Q-2021	3Q-2022	100%[4]
11600 Los Nietos Road (Mid-Counties)	LA	106,251	106,251	2Q-2021	3Q-2022	—%
15650-15700 Avalon Boulevard (South Bay)	LA	98,259	98,259	3Q-2021	3Q-2022	100%[5]
8210-8240 Haskell Avenue (SF Valley)	LA	53,886	53,886	1Q-2022	3Q-2022	—%
19431 Santa Fe Avenue (South Bay)	LA	LAND	LAND	1Q-2022	4Q-2022	100%[6]
14100 Vine Place (Mid-Counties)	LA	123,148	123,148	2Q-2022	3Q-2022	—%
3441 MacArthur Boulevard (OC Airport)	OC	124,102	124,102	2Q-2022	3Q-2022	100%[7]
Total Current Repositioning		670,817	670,817			
Future Repositioning:						
19475 Gramercy Place (South Bay)	LA	47,712	47,712	3Q-2022	4Q-2022	—%
Total Future Repositioning		47,712	47,712			

– See footnotes starting on the following page –

Property (Submarket)	Market	Estimated Redevelopment Rentable Square Feet[8]	Estimated Construction Period[1] Start	Estimated Construction Period[1] Completion	Total Property Leased % at 6/30/2022
Current Redevelopment:					
415-435 Motor Avenue (San Gabriel Valley)	LA	94,321	2Q-2021	3Q-2022	—%
15601 Avalon Boulevard (South Bay)	LA	86,879	3Q-2021	4Q-2022	—%
1055 Sandhill Avenue (South Bay)	LA	127,853	3Q-2021	3Q-2023	—%
9615 Norwalk Boulevard (Mid-Counties)	LA	201,571	3Q-2021	4Q-2023	—%
9920-10020 Pioneer Boulevard (Mid-Counties)	LA	162,231	4Q-2021	3Q-2023	—%
12752-12822 Monarch Street (West OC)[9]	OC	160,547	1Q-2022	2Q-2023	See footnote (9)
1901 Via Burton (North OC)	OC	139,449	1Q-2022	4Q-2023	—%
3233 Mission Oaks Boulevard (Ventura)[10]	VC	173,124	2Q-2022	3Q-2023	See footnote (10)
Total Current Redevelopment		1,145,975			
Future Redevelopment:					
4416 Azusa Canyon Road (San Gabriel Valley)	LA	130,063	3Q-2022	1Q-2024	—%
8888-8892 Balboa Avenue (Central SD)	SD	124,125	3Q-2022	4Q-2023	—%
2390-2444 American Way (North OC)	OC	97,170	3Q-2022	4Q-2023	—%
12118 Bloomfield Avenue (Mid-Counties)	LA	109,570	3Q-2022	1Q-2024	100%
6027 Eastern Avenue (Central LA)	LA	92,781	4Q-2022	4Q-2023	—%
15010 Don Julian Road (San Gabriel Valley)	LA	219,242	4Q-2022	4Q-2023	—%
3071 Coronado Street (North OC)	OC	107,000	1Q-2023	1Q-2024	100%
13711 Freeway Drive (Mid-Counties)	LA	108,000	1Q-2023	2Q-2024	100%
12772 San Fernando Road (San Fernando Valley)	LA	143,421	3Q-2023	3Q-2024	52%
21515 Western Avenue (South Bay)	LA	84,100	4Q-2023	4Q-2024	—%
Total Future Redevelopment		1,215,472			

Stabilized[11]	Market	Stabilized Rentable Square Feet	Period Stabilized	Total Property Leased % at 6/30/2022
29025-29055 Avenue Paine (San Fernando Valley)	LA	111,260	1Q-2022	100%
900 East Ball Road (North OC)	OC	62,607	2Q-2022	100%
Total 2022 Stabilized		173,867		
The Merge (Inland Empire West)	SB	333,544	2Q-2021	100%
16221 Arthur Street (Mid-Counties)	LA	61,372	2Q-2021	100%
Rancho Pacifica Buildings 1 & 6 (South Bay)[12]	LA	488,114	3Q-2021	100%
8745-8775 Production Avenue (Central SD)	SD	26,200	3Q-2021	100%
19007 Reyes Avenue (South Bay)[13]	LA	LAND	3Q-2021	100%
851 Lawrence Drive (Ventura)	VC	90,773	3Q-2021	100%
Total 2021 Stabilized		1,000,003		

(1) The estimated start period is the period we anticipate starting physical construction on a project. Prior to physical construction, we engage in pre-construction activities, which include design work, securing permits or entitlements, site work, and other necessary activities preceding construction. The estimated completion period is our current estimate of the period in which we will have substantially completed a project and the project is made available for occupancy. We expect to update our timing estimates on a quarterly basis. The estimated construction period is subject to change as a result of a number of factors including but not limited to permit requirements, delays in construction (including delays

related to supply chain backlogs), changes in scope, and other unforeseen circumstances.

(2) "Total Property Rentable Square Feet" is the total rentable square footage of the entire property or particular building(s) (footnoted if applicable) under repositioning/lease-up. "Repositioning/Lease-up Rentable Square Feet" is the actual rentable square footage that is subject to repositioning at the property/building, and may be less than Total Property Rentable Square Feet.

(3) At 12821 Knott Street, we are repositioning the existing 120,800 rentable square foot building and constructing approximately 45,000 rentable square feet of new warehouse space.

(4) At 12133 Greenstone Avenue, a 4.8 acre industrial site, we demolished the existing 12,586 rentable square foot truck terminal building to provide greater functionality as a single tenant container storage facility. As of June 30, 2022, the property has been pre-leased with the lease expected to commence in September 2022, subject to completion of repositioning work.

(5) As of June 30, 2022, 15650-15700 Avalon Boulevard has been pre-leased with the lease expected to commence in September 2022, subject to completion of redevelopment work.

(6) As of June 30, 2022, 19431 Santa Fe Avenue has been leased and the tenant is occupying a portion of the property. The tenant is expected to take full occupancy in December 2022, subject to completion of repositioning work.

(7) As of June 30, 2022, 3441 MacArthur Blvd has been pre-leased with the lease expected to commence in November 2022, subject to completion of repositioning work.

(8) Represents the estimated rentable square footage of the project upon completion of redevelopment.

(9) As of June 30, 2022, 12752-12822 Monarch Street comprises 276,585 rentable square feet and is 41% occupied. The project includes 111,325 rentable square feet with tenants in-place that are not being redeveloped. We are repositioning 65,335 rentable square feet, and plan to demolish 99,925 rentable square feet and construct a new 95,212 rentable square feet building in its place. At completion, the total project will contain 271,872 rentable square feet.

(10) As of June 30, 2022, 3233 Mission Oaks Boulevard comprises 461,717 rentable square feet. The project includes 409,217 rentable square feet that are currently occupied and not being redeveloped. We plan to demolish the remaining 52,500 rentable square feet and construct two new buildings comprising 173,288 rentable square feet. We are also performing site work across the entire project. At completion, the total project will contain 582,505 rentable square feet.

(11) We consider a repositioning property to be stabilized upon the earlier of (i) reaching 90% occupancy or (ii) one year from the date construction work is completed.

(12) Rancho Pacifica Buildings 1 & 6 are located at 2301-2329 Pacifica Place and 2332-2366 Pacifica Place, and represent two buildings totaling 488,114 rentable square feet, out of six buildings at our Rancho Pacifica Park property, which have a total 1,152,883 rentable square feet. Property leased percentage reflects the two buildings.

(13) At 19007 Reyes Avenue, a 4.5 acre industrial site, we removed the dysfunctional improvements and converted the site into a single tenant paved container storage facility.

Capitalized Costs

Properties that are nonoperational as a result of repositioning or redevelopment activity may qualify for varying levels of interest, insurance and real estate tax capitalization during the redevelopment and construction period. An increase in our repositioning and redevelopment activities resulting from value-add acquisitions could cause an increase in the asset balances qualifying for interest, insurance and tax capitalization in future periods. We capitalized $2.4 million and $4.4 million of interest expense and $1.3 million and $2.3 million of insurance and real estate tax expenses during the three and six months ended June 30, 2022, respectively, related to our repositioning and redevelopment projects.

Construction Costs and Timing

Recent inflationary and supply chain pressures have led to increased construction materials and labor costs, which when combined with longer lead times for governmental approvals and entitlements, have led to an overall increase in budgeted and actual construction costs as well as delays in starting and completing certain of our redevelopment projects. While low vacancy in our markets and continued rent growth (see "—Leasing Activity and Rental Rates" below) has helped to mitigate some of the impact of rising construction costs and project delays, additional increases in costs and further delays could result in a lower expected yield on our redevelopment projects, which could negatively impact our future earnings.

Rental Revenues

Our operating results depend primarily upon generating rental revenue from the properties in our portfolio. The amount of rental revenue generated by these properties is affected by our ability to maintain or increase occupancy levels and rental rates at our properties, which will depend upon our ability to lease vacant space and re-lease expiring space at favorable rates.

Occupancy Rates

As of June 30, 2022, our consolidated portfolio, inclusive of space in repositioning as described in the subsequent paragraph, was approximately 95.2% occupied, while our stabilized consolidated portfolio exclusive of such space was approximately 98.2% occupied. We believe the opportunity to increase occupancy at our properties will be an important driver of future revenue growth. An opportunity to drive this growth will derive from the completion and lease-up of repositioning and redevelopment projects that are currently under construction.

As summarized in the tables under "—Acquisitions and Value-Add Repositioning and Redevelopment of Properties" above, as of June 30, 2022, 16 of our properties with a combined 1.8 million of estimated rentable square feet at completion are under current repositioning or redevelopment. Additionally, we have a near-term pipeline of 11 repositioning and redevelopment projects with a combined 1.3 million of estimated rentable square feet at completion. Vacant space at these properties is concentrated in our Los Angeles and Orange County markets and represents 3.0% of our total consolidated portfolio square footage as of June 30, 2022. Including vacant space at these properties, our weighted average occupancy rate as of June 30, 2022 in our Los Angeles and Orange County markets was 94.7% and 88.9%, respectively. Excluding vacant space at these properties, our weighted average occupancy rate as of June 30, 2022, in these markets was 98.2% and 98.2%, respectively. We believe that an important portion of our long-term future growth will come from the completion of these projects currently under or scheduled for repositioning/redevelopment, as well as through the identification or acquisition of new opportunities for repositioning and redevelopment, whether in our existing portfolio or through new investments, which may vary from period to period subject to market conditions.

The occupancy rate of properties not undergoing repositioning is affected by regional and local economic conditions in our Southern California infill markets. In the last several years, the Los Angeles, Orange County and San Bernardino markets have continued to show historically low vacancy and positive absorption, resulting from the combination of sustained high tenant demand and low product availability. Accordingly, our properties in these markets have generally exhibited a similar trend. We believe that general market conditions will remain positive in 2022, and the opportunity to increase occupancy and rental rates at our properties will be an important driver of future revenue growth; however, there can be no assurance that recent positive market trends will continue.

Leasing Activity and Rental Rates

The following tables set forth our leasing activity for new and renewal leases for the three and six months ended June 30, 2022:

	New Leases					
Quarter	Number of Leases	Rentable Square Feet	Weighted Average Lease Term (in years)	Effective Rent Per Square Foot[(1)]	GAAP Leasing Spreads[(2)(4)]	Cash Leasing Spreads[(3)(4)]
Q1-2022	35	314,567	4.4	$ 23.19	66.3 %	49.1 %
Q2-2022	36	649,099	5.8	$ 22.98	107.6 %	76.6 %
Total/Weighted Average	**71**	**963,666**	**5.4**	**$ 23.05**	**90.0 %**	**65.0 %**

	Renewal Leases						Expired Leases		Retention %[(7)]
Quarter	Number of Leases	Rentable Square Feet	Weighted Average Lease Term (in years)	Effective Rent Per Square Foot[(1)]	GAAP Leasing Spreads[(2)(5)]	Cash Leasing Spreads[(3)(5)]	Number of Leases	Rentable Square Feet[(6)]	Rentable Square Feet
Q1-2022	54	552,828	3.4	$ 21.13	72.8 %	59.9 %	94	1,153,547	79.1 %
Q2-2022	70	745,840	3.9	$ 19.48	73.0 %	55.3 %	130	1,625,064	66.0 %
Total/Weighted Average	**124**	**1,298,668**	**3.7**	**$ 20.18**	**72.9 %**	**57.3 %**	**224**	**2,778,611**	**71.0 %**

(1) Effective rent per square foot is the average base rent calculated in accordance with GAAP, over the term of the lease, expressed in dollars per square foot per year. Includes all new and renewal leases that were executed during the quarter.

(2) Calculated as the change between GAAP rents for new or renewal leases and the expiring GAAP rents on the expiring leases for the same space.

(3) Calculated as the change between starting cash rents for new or renewal leases and the expiring cash rents on the expiring leases for the same space.

(4) The GAAP and cash re-leasing spreads for new leases executed during the six months ended June 30, 2022, exclude 10 leases aggregating 378,783 rentable square feet for which there was no comparable lease data. Of these 10 excluded leases, three leases for 224,216 rentable square feet was a recently repositioned/redeveloped space. Comparable leases generally exclude: (i) space that has never been occupied under our ownership, (ii) recently repositioned/redeveloped space, (iii) space that has been vacant for over one year or (iv) space with lease terms shorter than six months.

(5) The GAAP and cash re-leasing rent spreads exclude two renewal leases (antenna/parking lot) executed during the six months ended June 30, 2022.

(6) Includes leases totaling 680,419 rentable square feet that expired during the six months ended June 30, 2022, for which the space has been or will be placed into repositioning or redevelopment.

(7) Retention is calculated as renewal lease square footage plus relocation/expansion square footage, divided by the square footage of leases expiring during the period. Retention excludes square footage related to the following: (i) expiring leases associated with space that is placed into repositioning after the tenant vacates, (ii) early terminations with pre-negotiated replacement leases and (iii) move outs where space is directly leased by subtenants.

Our leasing activity is impacted both by our repositioning and redevelopment efforts, as well as by market conditions. While we reposition a property, its space may become unavailable for leasing until completion of our repositioning efforts. As of June 30, 2022, we have 16 current repositioning/redevelopment projects with estimated construction completion periods ranging from the third quarter of 2022 through the fourth quarter of 2023, and an additional 11 repositioning and redevelopment projects in our pipeline with estimated construction completion dates through the fourth quarter of 2024. We expect these properties to have positive impacts on our leasing activity and revenue generation as we complete our value-add plans and place these properties in service.

Scheduled Lease Expirations

Our ability to re-lease space subject to expiring leases is affected by economic and competitive conditions in our markets and by the relative desirability of our individual properties, which may impact our results of operations. The following table sets forth a summary schedule of lease expirations for leases in place as of June 30, 2022, for each of the 10 full and partial calendar years beginning with 2022 and thereafter, plus space that is available and under current repositioning.

Year of Lease Expiration	Number of Leases Expiring	Total Rentable Square Feet[1]	Percentage of Total Owned Square Feet	Annualized Base Rent[2]	Percentage of Total Annualized Base Rent[3]	Annualized Base Rent per Square Foot[4]
Vacant[5]	—	688,625	1.8 %	$ —	— %	$ —
Current Repositioning[6]	—	1,199,025	3.1 %	—	— %	$ —
MTM Tenants	19	116,825	0.3 %	1,888	0.4 %	$ 16.17
Remainder of 2022	205	2,603,766	6.6 %	29,245	6.3 %	$ 11.23
2023	405	5,766,458	14.6 %	69,710	15.0 %	$ 12.09
2024	383	6,464,677	16.4 %	74,381	16.1 %	$ 11.51
2025	269	5,214,431	13.2 %	60,075	13.0 %	$ 11.52
2026	170	6,159,457	15.6 %	71,029	15.3 %	$ 11.53
2027	89	3,603,888	9.1 %	41,781	9.0 %	$ 11.59
2028	17	1,063,657	2.7 %	13,328	2.9 %	$ 12.53
2029	18	1,161,399	3.0 %	14,999	3.2 %	$ 12.92
2030	14	1,388,961	3.5 %	16,606	3.6 %	$ 11.96
2031	18	1,906,263	4.8 %	30,945	6.7 %	$ 16.23
Thereafter	31	2,103,623	5.3 %	39,221	8.5 %	$ 18.64
Total Consolidated Portfolio	1,638	39,441,055	100.0 %	$ 463,208	100.0 %	$ 12.33

(1) Represents the contracted square footage upon expiration.

(2) Calculated as monthly contracted base rent (before rent abatements) per the terms of such lease, as of June 30, 2022, multiplied by 12. Excludes billboard and antenna revenue and tenant reimbursements. Amounts in thousands.

(3) Calculated as annualized base rent set forth in this table divided by annualized base rent for the total portfolio as of June 30, 2022.

(4) Calculated as annualized base rent for such leases divided by the occupied square feet for such leases as of June 30, 2022.

(5) Represents vacant space (not under repositioning) as of June 30, 2022. Includes leases aggregating 272,467 rentable square feet that had been signed but had not yet commenced as of June 30, 2022.

(6) Represents vacant space at properties that were classified as repositioning or redevelopment properties as of June 30, 2022. Excludes stabilized properties and properties in lease-up. Refer to the table under "—Acquisitions and Value-Add Repositioning and Redevelopment of Properties" for additional details related to these properties

As of June 30, 2022, in addition to 0.7 million rentable square feet of currently available space in our portfolio and approximately 1.2 million rentable square feet of vacant space under current repositioning, leases representing 6.6% and 14.6% of the aggregate rentable square footage of our portfolio are scheduled to expire during the remainder of 2022 and 2023, respectively. During the six months ended June 30, 2022, we renewed 124 leases for 1.3 million rentable square feet, resulting in a 71.0% retention rate. Our retention rate during the period was impacted by the combination of low vacancy and high demand in many of our key markets. During the six months ended June 30, 2022, new and renewal leases had a weighted average term of 5.4 and 3.7 years, and we expect future new and renewal leases to have similar terms.

The leases scheduled to expire during the remainder of 2022 and 2023 represent approximately 6.3% and 15.0% respectively, of the total annualized base rent for our portfolio as of June 30, 2022. We estimate that, on a weighted average basis, in-place rents of leases scheduled to expire during the remainder of 2022 and 2023 are currently below current market asking rates, although individual units or properties within any particular submarket may currently be leased either above, below, or at the current market asking rates within that submarket.

As described under "—Market and Portfolio Fundamentals" above, while market indicators, including changes in vacancy rates and average asking lease rates, varied by market, overall there was continued low market vacancy and pervasive supply and demand imbalance across our submarkets, which continues to support strong market fundamentals including positive rental growth. Therefore, we expect market dynamics to remain strong and that these positive trends will continue to provide a favorable environment for additional increases in lease renewal rates. Accordingly, we expect the remainder of 2022 will show positive renewal rates and leasing spreads.

Conditions in Our Markets

The properties in our portfolio are located primarily in Southern California infill markets. Positive or negative changes in economic or other conditions, including the impact of the ongoing COVID-19 pandemic and related state and local government reactions, high and persistent inflation and adverse weather conditions and natural disasters in this market may affect our overall performance.

Property Expenses

Our property expenses generally consist of utilities, real estate taxes, insurance, site repair and maintenance costs, and the allocation of overhead costs. For the majority of our properties, our property expenses are recovered, in part, by either the triple net provisions or modified gross expense reimbursements in tenant leases. The majority of our leases also comprise contractual three percent or greater annual rental rate increases meant, in part, to help mitigate potential increases in property expenses over time. However, the terms of our leases vary, and, in some instances, we may absorb property expenses. Our overall financial results will be impacted by the extent to which we are able to pass-through property expenses to our tenants.

Taxable REIT Subsidiary

As of June 30, 2022, our Operating Partnership indirectly and wholly owns Rexford Industrial Realty and Management, Inc., which we refer to as our services company. We have elected, together with our services company, to treat our services company as a taxable REIT subsidiary for federal income tax purposes. A taxable REIT subsidiary generally may provide non-customary and other services to our tenants and engage in activities that we or our subsidiaries (other than a taxable REIT subsidiary) may not engage in directly without adversely affecting our qualification as a REIT, provided a taxable REIT subsidiary may not operate or manage a lodging facility or health care facility or provide rights to any brand name under which any lodging facility or health care facility is operated. We may form additional taxable REIT subsidiaries in the future, and our Operating Partnership may contribute some or all of its interests in certain wholly owned subsidiaries or their assets to our services company. Any income earned by our taxable REIT subsidiaries will not be included in our taxable income for purposes of the 75% or 95% gross income tests, except to the extent such income is distributed to us as a dividend, in which case such dividend income will qualify under the 95%, but not the 75%, gross income test. Because a taxable REIT subsidiary is subject to federal income tax, and state and local income tax (where applicable) as a regular corporation, the income earned by our taxable REIT subsidiaries generally will be subject to an additional level of tax as compared to the income earned by our other subsidiaries. Our taxable REIT subsidiary is a C-corporation subject to federal and state income tax. However, it has a cumulative unrecognized net operation loss carryforward and therefore there is no income tax provision for the six months ended June 30, 2022 and 2021.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions in certain circumstances that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses for the reporting periods. Actual amounts may differ from these estimates and assumptions. Management evaluates these estimates on an ongoing basis, based upon information currently available and on various assumptions that it believes are reasonable as of the date hereof. In addition, other companies in similar businesses may use different estimation policies and methodologies, which may affect the comparability of our results of operations and financial condition to those of other companies.

In our Annual Report on Form 10-K for the year ended December 31, 2021 and in “Note 2 - Summary of Significant Accounting Policies” to the consolidated financial statements under Item 1 of this report on Form 10-Q, we identified certain critical accounting policies that affect certain of our more significant estimates and assumptions used in preparing our consolidated financial statements. We have not made any material changes to our critical accounting policies and estimates during the period covered by this report.

Results of Operations

Our consolidated results of operations are often not comparable from period to period due to the effect of (i) property acquisitions, (ii) property dispositions and (iii) properties that are taken out of service for repositioning or redevelopment during the comparative reporting periods. Our "Total Portfolio" represents all of the properties owned during the reported periods. To eliminate the effect of changes in our Total Portfolio due to acquisitions, dispositions, and repositioning/redevelopment and to highlight the operating results of our on-going business, we have separately presented the results of our "Same Property Portfolio."

For the three and six months ended June 30, 2022 and 2021, our Same Property Portfolio includes all properties in our portfolio that were wholly-owned by us for the period from January 1, 2021 through June 30, 2022, and that were stabilized prior to January 1, 2021, which consisted of 224 properties aggregating approximately 28.6 million rentable square feet. Results for our Same Property Portfolio exclude properties that were acquired or sold during the period from January 1, 2021 through June 30, 2022, properties classified as current or future repositioning, redevelopment or lease-up during 2021 or 2022, interest income, interest expense and corporate general and administrative expenses.

In addition to the properties included in our Same Property Portfolio, our Total Portfolio includes the 88 properties aggregating approximately 8.5 million rentable square feet that were purchased between January 1, 2021 and June 30, 2022, and the six properties aggregating approximately 0.3 million rentable square feet that were sold between January 1, 2021 and June 30, 2022.

At June 30, 2022 and 2021, our Same Property Portfolio occupancy was approximately 98.9% and 98.4%, respectively. For the three months ended June 30, 2022 and 2021, our Same Property Portfolio weighted average occupancy was approximately 99.1% and 98.1%, respectively. Comparatively, for the six months ended June 30, 2022 and 2021, our Same Property Portfolio weighted average occupancy was approximately 99.1% and 97.9%.

Comparison of the Three Months Ended June 30, 2022 to the Three Months Ended June 30, 2021

The following table summarizes the historical results of operations for our Same Property Portfolio and Total Portfolio for the three months ended June 30, 2022 and 2021 (dollars in thousands):

	Same Property Portfolio				Total Portfolio			
	Three Months Ended June 30,			%	Three Months Ended June 30,			%
	2022	2021	Increase/(Decrease)	Change	2022	2021	Increase/(Decrease)	Change
REVENUES								
Rental income	$ 102,205	$ 94,677	$ 7,528	8.0 %	$ 148,987	$ 104,236	$ 44,751	42.9 %
Management and leasing services	—	—	—	— %	130	109	21	19.3 %
Interest income	—	—	—	— %	1	15	(14)	(93.3)%
TOTAL REVENUES	102,205	94,677	7,528	8.0 %	149,118	104,360	44,758	42.9 %
OPERATING EXPENSES								
Property expenses	24,135	21,745	2,390	11.0 %	35,405	24,555	10,850	44.2 %
General and administrative	—	—	—	— %	14,863	10,695	4,168	39.0 %
Depreciation and amortization	29,811	31,302	(1,491)	(4.8)%	46,609	36,228	10,381	28.7 %
TOTAL OPERATING EXPENSES	53,946	53,047	899	1.7 %	96,877	71,478	25,399	35.5 %
OTHER EXPENSES								
Other expenses	—	—	—	— %	295	2	293	14,650.0 %
Interest expense	—	—	—	— %	10,168	9,593	575	6.0 %
TOTAL EXPENSES	53,946	53,047	899	1.7 %	107,340	81,073	26,267	32.4 %
Loss on extinguishment of debt	—	—	—	— %	(877)	—	(877)	— %
Gains on sale of real estate	—	—	—	— %	—	2,750	(2,750)	(100.0)%
NET INCOME	$ 48,259	$ 41,630	$ 6,629	15.9 %	$ 40,901	$ 26,037	$ 14,864	57.1 %

Rental Income

In the following table, we present the components of rental income for the three months ended June 30, 2022 and June 30, 2021, which includes rental revenue, tenant reimbursements and other income related to leases. The below presentation of rental income is not, and is not intended to be, a presentation in accordance with GAAP. We are presenting this information because we believe it is frequently used by management, investors, securities analysts and other interested parties to understand and evaluate the Company's performance.

	Same Property Portfolio				Total Portfolio			
	Three Months Ended June 30,			%	Three Months Ended June 30,			%
Category	**2022**	**2021**	**Increase/(Decrease)**	**Change**	**2022**	**2021**	**Increase/(Decrease)**	**Change**
Rental revenue[(1)]	$ 84,074	$ 78,629	$ 5,445	6.9 %	$ 123,095	$ 86,814	$ 36,281	41.8 %
Tenant reimbursements [(2)]	17,822	15,806	2,016	12.8 %	25,413	17,119	8,294	48.4 %
Other income[(3)]	309	242	67	27.7 %	479	303	176	58.1 %
Rental income	$ 102,205	$ 94,677	$ 7,528	8.0 %	$ 148,987	$ 104,236	$ 44,751	42.9 %

Our Same Property Portfolio and Total Portfolio rental income increased by $7.5 million, or 8.0%, and $44.8 million, or 42.9%, respectively, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, for the reasons described below:

(1) Rental Revenue

Our Same Property Portfolio and Total Portfolio rental revenue increased by $5.4 million, or 6.9%, and $36.3 million, or 41.8%, respectively, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021. The increase in our Same Property Portfolio rental revenue is primarily due to an increase in average rental rates on new and renewal leases, and an increase in the weighted average occupancy of the portfolio, partially offset by a decrease of $0.9 million in amortization of net below-market lease intangibles. Our Total Portfolio rental revenue was also positively impacted by the incremental revenues from the 88 properties we acquired between January 1, 2021, and June 30, 2022.

(2) Tenant Reimbursements

Our Same Property Portfolio tenant reimbursements revenue increased by $2.0 million, or 12.8%, and our Total Portfolio tenant reimbursements revenue increased by $8.3 million, or 48.4%, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021. The increase in our Same Property Portfolio tenant reimbursements revenue is primarily due to an increase in the weighted average occupancy of the portfolio, higher reimbursable insurance expenses as a result of higher overall premiums and additional earthquake insurance coverage, and an increase in reimbursable property tax expenses, partially offset by a decrease in tenant reimbursements due to timing differences in completing prior year recoverable expense reconciliations for comparable periods. Our Total Portfolio tenant reimbursements revenue was also impacted by the incremental tenant reimbursements from the 88 properties we acquired between January 1, 2021, and June 30, 2022.

(3) Other Income

Our Same Property Portfolio and Total Portfolio other income increased by $0.1 million, or 27.7%, and $0.2 million, or 58.1%, respectively, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to the recommencement of charging fees for late rental payments, which until recently was prohibited due COVID-19 related governmental measures.

Management and Leasing Services

Our Total Portfolio management and leasing services revenue increased by $21 thousand, or 19.3%, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021.

Interest Income

Interest income decreased by $14 thousand, or 93.3%, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021.

Property Expenses

Our Same Property Portfolio and Total Portfolio property expenses increased by $2.4 million, or 11.0%, and $10.9 million, or 44.2%, respectively, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021. The increase in our Same Property Portfolio property expenses is primarily due to an increase in insurance expense as a result of higher overall premiums and additional earthquake insurance coverage, an increase in real estate tax expense and an increase in allocated overhead costs. Our Total Portfolio property expenses were also impacted by incremental expenses from the 88 properties we acquired between January 1, 2021, and June 30, 2022.

General and Administrative

Our Total Portfolio general and administrative expenses increased by $4.2 million, or 39.0%, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to increases in non-cash equity compensation expense primarily related to performance unit equity grants made in 2020 and 2021, payroll related costs due to a higher employee headcount and rising labor costs and higher accrued bonus expense.

Depreciation and Amortization

Our Same Property Portfolio depreciation and amortization expense decreased by $1.5 million, or 4.8%, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to acquisition-related in-place lease intangibles becoming fully depreciated at certain of our properties subsequent to January 1, 2021, partially offset by an increase in depreciation expense related to capital improvements placed into service subsequent to January 1, 2021, and an increase in amortization of deferred leasing costs. Our Total Portfolio depreciation and amortization expense increased by $10.4 million, or 28.7%, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to the incremental expense from the 88 properties we acquired between January 1, 2021, and June 30, 2022.

Other Expenses

Our Total Portfolio other expenses increased from $2 thousand for the three months ended June 30, 2021 to $0.3 million for three months ended June 30, 2022, mainly due to the write-off of construction costs related to cancelled projects.

Interest Expense

Our Total Portfolio interest expense increased by $0.6 million, or 6.0%, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021. The increase in interest expense is primarily comprised of the following: (i) a $2.4 million increase due to the issuance of $400.0 million of 2.15% senior notes in August 2021, (ii) a $1.5 million increase due to higher average outstanding borrowings under our unsecured revolving credit facility, (iii) a $0.6 million increase related to the $300 million term loan facility borrowing we completed in May 2022, and (iv) a $0.2 million increase in interest expense on our $60 million term loan due to an increase in LIBOR. These increases were partially offset by the following decreases: (i) a $1.5 million increase in capitalized interest related to repositioning and redevelopment activity, (ii) a $1.5 million net decrease related to the repayment of the $225 million term loan facility and termination of the related interest rate swaps in August 2021, (iii) a $0.8 million net decrease related to the repayment of the $150 million term loan facility and termination of the related interest rate swap in May 2022, and (iv) a $0.4 million net decrease related to the interest rate swap that was terminated in November 2020 which had a loss balance in accumulated other comprehensive income/(loss) that was amortized into interest expense through August 2021.

Loss on Extinguishment of Debt

The loss on extinguishment of debt of $0.9 million for the three months ended June 30, 2022, is comprised of the write-off of $0.7 million of unamortized debt issuance costs related to the $150 million unsecured term loan facility we repaid in May 2022 in advance of the May 2025 maturity date and the write-off of $0.2 million of unamortized debt issuance costs attributable to one of the creditors departing the unsecured revolving credit facility when we amended our senior unsecured credit agreement in May 2022.

Gains on Sale of Real Estate

During the three months ended June 30, 2022, we did not complete any property dispositions. During the three months ended June 30, 2021, we recognized gains on sale of real estate of $2.8 million from the disposition of one property that was sold for a gross sales price of $8.2 million.

Comparison of the Six Months Ended June 30, 2022 to the Six Months Ended June 30, 2021

The following table summarizes the historical results of operations for our Same Property Portfolio and Total Portfolio for the six months ended June 30, 2022 and 2021 (dollars in thousands):

	Same Property Portfolio				Total Portfolio			
	Six Months Ended June 30,			%	Six Months Ended June 30,			%
	2022	2021	Increase/(Decrease)	Change	2022	2021	Increase/(Decrease)	Change
REVENUES								
Rental income	$ 202,420	$ 186,635	$ 15,785	8.5 %	$ 289,575	$ 203,880	$ 85,695	42.0 %
Management and leasing services	—	—	—	— %	293	214	79	36.9 %
Interest income	—	—	—	— %	2	29	(27)	(93.1)%
TOTAL REVENUES	202,420	186,635	15,785	8.5 %	289,870	204,123	85,747	42.0 %
OPERATING EXPENSES								
Property expenses	47,992	43,001	4,991	11.6 %	68,834	48,130	20,704	43.0 %
General and administrative	—	—	—	— %	29,580	22,175	7,405	33.4 %
Depreciation and amortization	59,541	63,136	(3,595)	(5.7)%	89,080	71,372	17,708	24.8 %
TOTAL OPERATING EXPENSES	107,533	106,137	1,396	1.3 %	187,494	141,677	45,817	32.3 %
OTHER EXPENSES								
Other expenses	—	—	—	— %	333	31	302	974.2 %
Interest expense	—	—	—	— %	19,851	19,345	506	2.6 %
TOTAL EXPENSES	107,533	106,137	1,396	1.3 %	207,678	161,053	46,625	29.0 %
Loss on extinguishment of debt	—	—	—	— %	(877)	—	(877)	100.0 %
Gains on sale of real estate	—	—	—	— %	8,486	13,610	(5,124)	(37.6)%
NET INCOME	$ 94,887	$ 80,498	$ 14,389	17.9 %	$ 89,801	$ 56,680	$ 33,121	58.4 %

Rental Income

In the following table, we present the components of rental income for the six months ended June 30, 2022 and June 30, 2021, which includes rental revenue, tenant reimbursements and other income related to leases. The below presentation of rental income is not, and is not intended to be, a presentation in accordance with GAAP. We are presenting this information because we believe it is frequently used by management, investors, securities analysts and other interested parties to understand and evaluate the Company's performance.

	Same Property Portfolio				Total Portfolio			
	Six Months Ended June 30,			%	Six Months Ended June 30,			%
Category	2022	2021	Increase/(Decrease)	Change	2022	2021	Increase/(Decrease)	Change
Rental revenue[1]	$ 166,333	$ 155,009	$ 11,324	7.3 %	$ 238,667	$ 169,667	$ 69,000	40.7 %
Tenant reimbursements [2]	35,536	31,283	4,253	13.6 %	49,966	33,763	16,203	48.0 %
Other income[3]	551	343	208	60.6 %	942	450	492	109.3 %
Rental income	$ 202,420	$ 186,635	$ 15,785	8.5 %	$ 289,575	$ 203,880	$ 85,695	42.0 %

Our Same Property Portfolio and Total Portfolio rental income increased by $15.8 million, or 8.5%, and $85.7 million, or 42.0%, respectively, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, for the reasons described below:

(1) Rental Revenue

Our Same Property Portfolio and Total Portfolio rental revenue increased by $11.3 million, or 7.3%, and $69.0 million, or 40.7%, respectively, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021. The increase in our Same Property Portfolio rental revenue is primarily due to the increase in average rental rates on new and renewal leases and an increase in the weighted average occupancy of the portfolio, partially offset by a decrease in amortization of net below-market lease intangibles. Our Total Portfolio rental revenue was also positively impacted by the incremental revenues from the 88 properties we acquired between January 1, 2021, and June 30, 2022.

(2) Tenant Reimbursements

Our Same Property Portfolio tenant reimbursements revenue increased by $4.3 million, or 13.6%, and our Total Portfolio tenant reimbursements revenue increased by $16.2 million, or 48.0% during the six months ended June 30, 2022, compared to the six months ended June 30, 2021. The increase in our Same Property Portfolio tenant reimbursements revenue is primarily due to an increase in the weighted average occupancy of the portfolio, higher reimbursable insurance expenses as a result of higher overall premiums and additional earthquake insurance coverage, and an increase in reimbursable property tax expenses, partially offset by a decrease in tenant reimbursements due to timing differences in completing prior year recoverable expense reconciliations for comparable periods. Our Total Portfolio tenant reimbursements revenue was also impacted by the incremental tenant reimbursements from the 88 properties we acquired between January 1, 2021 and June 30, 2022.

(3) Other Income

Our Same Property Portfolio and Total Portfolio other income increased by $0.2 million, or 60.6%, and $0.5 million, or 109.3%, respectively, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to the recommencement of charging fees for late rental payments, which until recently was prohibited due COVID-19 related governmental measures.

Management and Leasing Services

Our Total Portfolio management and leasing services revenue increased by $0.1 million, or 36.9%, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021.

Interest Income

Interest income decreased by $27 thousand, or 93.1%, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021.

Property Expenses

Our Same Property Portfolio and Total Portfolio property expenses increased by $5.0 million, or 11.6%, and $20.7 million, or 43.0%, respectively, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021. The increase in our Same Property Portfolio property expenses is primarily due to increases in insurance expense as a result of higher overall premiums and additional earthquake insurance coverage, an increase in allocated overhead costs and an increase in real estate tax expense. Our Total Portfolio property expenses were also impacted by incremental expenses from the 88 properties we acquired between January 1, 2020, and June 30, 2022.

General and Administrative

Our Total Portfolio general and administrative expenses increased by $7.4 million, or 33.4%, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to increases in non-cash equity compensation expense primarily related to performance unit equity grants made in 2020 and 2021, accrued bonus expense and payroll related costs due to a higher employee headcount and rising labor costs.

Depreciation and Amortization

Our Same Property Portfolio depreciation and amortization expense decreased by $3.6 million, or 5.7%, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to acquisition-related in-place lease intangibles becoming fully depreciated at certain of our properties subsequent to January 1, 2021, partially offset by an increase in depreciation expense related to capital improvements placed into service subsequent to January 1, 2021, and an increase in amortization of deferred leasing costs. Our Total Portfolio depreciation and amortization expense increased by $17.7 million, or 24.8%, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to the incremental expense from the 88 properties we acquired between January 1, 2021, and June 30, 2022.

Other Expenses

Our Total Portfolio other expenses increased from $31 thousand for the six months ended June 30, 2021, to $0.3 million for the six months ended June 30, 2022, mainly due to the write-off of construction costs related to cancelled projects.

Interest Expense

Our Total Portfolio interest expense increased by $0.5 million, or 2.6%, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021. The increase in interest expense is primarily comprised of the following: (i) a $4.8 million increase due to the issuance of $400.0 million of 2.15% senior notes in August 2021, (ii) a $2.1 million increase due to higher average outstanding borrowings under our unsecured revolving credit facility and higher facility fees due to an increase in our borrowing capacity, (iii) a $0.6 million increase related to the $300 million term loan facility borrowing we completed in May 2022, (iv) a $0.2 million increase due to the assumption of $13.2 million of debt as part of the consideration for the acquisition of one property in October 2021 and (v) a $0.2 million increase in interest expense on our $60 million term loan due to an increase in LIBOR. These increases were partially offset by the following decreases: (i) a $2.9 million net decrease related to the repayment of the $225 million term loan facility and termination of the related interest rate swaps in August 2021, (ii) a $2.8 million increase in capitalized interest related to repositioning and redevelopment activity, (iii) a $1.0 million net decrease related to the repayment of the $150 million term loan facility and termination of the related interest rate swap in May 2022, and (iv) a $0.8 million net decrease related to the interest rate swap that was terminated in November 2020 which had a loss balance in accumulated other comprehensive income/(loss) that was amortized into interest expense through August 2021.

Loss on Extinguishment of Debt

The loss on extinguishment of debt of $0.9 million for the six months ended June 30, 2022, is comprised of the write-off of $0.7 million of unamortized debt issuance costs related to the $150 million unsecured term loan facility we repaid in May 2022 in advance of the May 2025 maturity date and the write-off of $0.2 million of unamortized debt issuance costs attributable to one of the creditors departing the unsecured revolving credit facility when we amended our senior unsecured credit agreement in May 2022.

Gains on Sale of Real Estate

During the six months ended June 30, 2022, we recognized gains on sale of real estate of $8.5 million from the disposition of one property that was sold for a gross sales price of $16.5 million. During the six months ended June 30, 2021, we recognized gains on sale of real estate of $13.6 million from the disposition of three properties that were sold for an aggregate gross sales price of $29.0 million.

Non-GAAP Supplemental Measure: Funds From Operations and Core Funds From Operations

We calculate funds from operations ("FFO") attributable to common stockholder in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents net income (loss) (computed in accordance with accounting principles generally accepted in the United States ("GAAP")), excluding gains (or losses) from sales of depreciable operating property or assets incidental to our business, impairment losses of depreciable operating property or assets incidental to our business, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated joint ventures.

Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization, gains and losses from property dispositions, and asset impairments, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of performance used by other REITs, FFO may be used by investors as a basis to compare our operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. Other equity REITs may not calculate or interpret FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. FFO should not be used as a measure of our liquidity, and is not indicative of funds available for our cash needs, including our ability to pay dividends.

We calculate "Core FFO" by adjusting FFO to exclude the impact of certain items that we do not consider reflective of our on-going operating performance. Core FFO adjustments consist of (i) acquisition expenses, (ii) loss on extinguishment of debt, (iii) the amortization of the loss on termination of interest rate swaps, (iv) impairments of right-of-use assets and (v) other amounts as they may occur. We believe that Core FFO is a useful supplemental measure as it provides a more meaningful and consistent comparison of operating performance and allows investors to more easily compare the Company's operating results. Because these adjustments have a real economic impact on our financial condition and results from operations, the utility of Core FFO as a measure of our performance is limited. Other REITs may not calculate Core FFO in a consistent manner. Accordingly, our Core FFO may not be comparable to other REITs' core FFO. Core FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

The following table sets forth a reconciliation of net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, to FFO and Core FFO (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	$ 40,901	$ 26,037	$ 89,801	$ 56,680
Add:				
Depreciation and amortization	46,609	36,228	89,080	71,372
Deduct:				
Gains on sale of real estate	—	2,750	8,486	13,610
Funds From Operations (FFO)	$ 87,510	$ 59,515	$ 170,395	$ 114,442
Add:				
Acquisition expenses	56	2	92	31
Loss on extinguishment of debt	877	—	877	—
Amortization of loss on termination of interest rate swaps	23	410	135	820
Core FFO	88,466	59,927	171,499	115,293
Less: preferred stock dividends	(2,315)	(3,637)	(4,629)	(7,273)
Less: Core FFO attributable to noncontrolling interest[(1)]	(4,169)	(3,275)	(7,962)	(6,430)
Less: Core FFO attributable to participating securities[(2)]	(311)	(226)	(607)	(437)
Core FFO attributable to common stockholders	$ 81,671	$ 52,789	$ 158,301	$ 101,153

(1) Noncontrolling interests represent (i) holders of outstanding common units of the Company's Operating Partnership that are owned by unit holders other than the Company and (ii) holders of Series 1 CPOP Units, Series 2 CPOP Units and Series 3 CPOP Units.

(2) Participating securities include unvested shares of restricted stock, unvested LTIP units and unvested performance units.

Non-GAAP Supplemental Measures: NOI and Cash NOI

Net operating income (“NOI”) is a non-GAAP measure which includes the revenue and expense directly attributable to our real estate properties. NOI is calculated as rental income less property expenses (before interest expense, depreciation and amortization).

We use NOI as a supplemental performance measure because, in excluding real estate depreciation and amortization expense, general and administrative expenses, interest expense, gains (or losses) on sale of real estate and other non-operating items, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that NOI will be useful to investors as a basis to compare our operating performance with that of other REITs. However, because NOI excludes depreciation and amortization expense and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties (all of which have real economic effect and could materially impact our results from operations), the utility of NOI as a measure of our performance is limited. Other equity REITs may not calculate NOI in a similar manner and, accordingly, our NOI may not be comparable to such other REITs’ NOI. Accordingly, NOI should be considered only as a supplement to net income as a measure of our performance. NOI should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs. NOI should not be used as a substitute for cash flow from operating activities in accordance with GAAP.

NOI on a cash-basis (“Cash NOI”) is a non-GAAP measure, which we calculate by adding or subtracting the following items from NOI: (i) fair value lease revenue and (ii) straight-line rental revenue adjustments. We use Cash NOI, together with NOI, as a supplemental performance measure. Cash NOI should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs. Cash NOI should not be used as a substitute for cash flow from operating activities computed in accordance with GAAP.

The following table sets forth the revenue and expense items comprising NOI and the adjustments to calculate Cash NOI (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Rental income	$ 148,987	$ 104,236	$ 289,575	$ 203,880
Less: Property expenses	35,405	24,555	68,834	48,130
Net Operating Income	$ 113,582	$ 79,681	$ 220,741	$ 155,750
Amortization of (below) above market lease intangibles, net	(6,126)	(3,386)	(11,217)	(6,098)
Straight line rental revenue adjustment	(8,441)	(4,840)	(15,342)	(9,039)
Cash Net Operating Income	$ 99,015	$ 71,455	$ 194,182	$ 140,613

The following table sets forth a reconciliation of net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, to NOI and Cash NOI (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	$ 40,901	$ 26,037	$ 89,801	$ 56,680
Add:				
General and administrative	14,863	10,695	29,580	22,175
Depreciation and amortization	46,609	36,228	89,080	71,372
Other expenses	295	2	333	31
Interest expense	10,168	9,593	19,851	19,345
Loss on extinguishment of debt	877	—	877	—
Deduct:				
Management and leasing services	130	109	293	214
Interest income	1	15	2	29
Gains on sale of real estate	—	2,750	8,486	13,610
Net Operating Income	$ 113,582	$ 79,681	$ 220,741	$ 155,750
Amortization of (below) above market lease intangibles, net	(6,126)	(3,386)	(11,217)	(6,098)
Straight line rental revenue adjustment	(8,441)	(4,840)	(15,342)	(9,039)
Cash Net Operating Income	$ 99,015	$ 71,455	$ 194,182	$ 140,613

Non-GAAP Supplemental Measure: EBITDA*re*

We calculate earnings before interest expense, income taxes, depreciation and amortization for real estate ("EBITDA*re*") in accordance with the standards established by NAREIT. EBITDA*re* is calculated as net income (loss) (computed in accordance with GAAP), before interest expense, income tax expense, depreciation and amortization, gains (or losses) from sales of depreciable operating property or assets incidental to our business, impairment losses of depreciable operating property or assets incidental to our business and adjustments for unconsolidated joint ventures.

We believe that EBITDA*re* is helpful to investors as a supplemental measure of our operating performance as a real estate company because it is a direct measure of the actual operating results of our properties. We also use this measure in ratios to compare our performance to that of our industry peers. In addition, we believe EBITDA*re* is frequently used by securities analysts, investors and other interested parties in the evaluation of equity REITs. However, our industry peers may not calculate EBITDA*re* in accordance with the NAREIT definition as we do and, accordingly, our EBITDA*re* may not be comparable to our peers' EBITDA*re*. Accordingly, EBITDA*re* should be considered only as a supplement to net income (loss) as a measure of our performance.

The following table sets forth a reconciliation of net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, to EBITDA*re* (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	$ 40,901	$ 26,037	$ 89,801	$ 56,680
Interest expense	10,168	9,593	19,851	19,345
Depreciation and amortization	46,609	36,228	89,080	71,372
Gains on sale of real estate	—	(2,750)	(8,486)	(13,610)
EBITDA*re*	$ 97,678	$ 69,108	$ 190,246	$ 133,787

Supplemental Guarantor Information

In March 2020, the Securities and Exchange Commission ("SEC") adopted amendments to Rule 3-10 of Regulation S-X and created Rule 13-01 to simplify disclosure requirements related to certain registered securities. The rule became effective

January 4, 2021. The Company and the Operating Partnership have filed a registration statement on Form S-3 with the SEC registering, among other securities, debt securities of the Operating Partnership, which will be fully and unconditionally guaranteed by the Company. At June 30, 2022, the Operating Partnership had issued and outstanding $400.0 million of 2.125% Senior Notes due 2030 (the "$400 Million Notes due 2030") and $400 million of 2.15% Senior Notes due 2031 (the "$400 Million Notes due 2031"). The obligations of the Operating Partnership to pay principal, premiums, if any, and interest on the $400 Million Notes due 2030 and $400 Million Notes due 2031 are guaranteed on a senior basis by the Company. The guarantee is full and unconditional, and the Operating Partnership is a consolidated subsidiary of the Company.

As a result of the amendments to Rule 3-10 of Regulation S-X, subsidiary issuers of obligations guaranteed by the parent are not required to provide separate financial statements, provided that the subsidiary obligor is consolidated into the parent company's consolidated financial statements, the parent guarantee is "full and unconditional" and, subject to certain exceptions as set forth below, the alternative disclosure required by Rule 13-01 is provided, which includes narrative disclosure and summarized financial information. Accordingly, separate consolidated financial statements of the Operating Partnership have not been presented. Furthermore, as permitted under Rule 13-01(a)(4)(vi), the Company has excluded the summarized financial information for the Operating Partnership as the assets, liabilities and results of operations of the Company and the Operating Partnership are not materially different than the corresponding amounts presented in the consolidated financial statements of the Company, and management believes such summarized financial information would be repetitive and not provide incremental value to investors.

Liquidity and Capital Resources

Overview

Our short-term liquidity requirements consist primarily of funds to pay for operating expenses, interest expense, general and administrative expenses, capital expenditures, tenant improvements and leasing commissions, and distributions to our common and preferred stockholders and holders of common units of partnership interests in our Operating Partnership ("OP Units"). We expect to meet our short-term liquidity requirements through available cash on hand, cash flow from operations, by drawing on our unsecured revolving credit facility and by issuing shares of common stock pursuant to our at-the-market equity offering program or issuing other securities as described below.

Our long-term liquidity needs consist primarily of funds necessary to pay for acquisitions, recurring and non-recurring capital expenditures and scheduled debt maturities. We intend to satisfy our long-term liquidity needs through net cash flow from operations, proceeds from long-term unsecured and secured financings, borrowings available under our unsecured revolving credit facility, the issuance of debt and/or equity securities, including preferred stock, and proceeds from selective real estate dispositions as we identify capital recycling opportunities.

As of June 30, 2022, we had:

- Outstanding fixed-rate and variable-rate debt with varying maturities with an aggregate principal amount of $1.7 billion, of which $6.0 million is due within 12 months;
- Total scheduled interest payments on our fixed rate debt and projected interest payments on our variable rate debt of $303.7 million, of which $45.8 million is due within 12 months;
- Commitments of $77.7 million for tenant improvements under certain tenant leases and construction work related to obligations under contractual agreements with our construction vendors; and
- Operating lease commitments with aggregate lease payments of $28.3 million, of which $2.3 million is due within 12 months.

See "Note 5 – Notes Payable" to the consolidated financial statements included in Item 1 of this Report on Form 10-Q for further details regarding the scheduled principal payments. Also see "Note 6 – Leases" to the consolidated financial statements for further details regarding the scheduled operating lease payments.

As of June 30, 2022, our cash and cash equivalents were $34.3 million, and we had borrowings of $125.0 million outstanding under our unsecured revolving credit facility, leaving $875.0 million available for future borrowings.

Sources of Liquidity

Cash Flow from Operations

Cash flow from operations is one of our key sources of liquidity and is primarily dependent upon: (i) the occupancy levels and lease rates at our properties, (ii) our ability to collect rent, (iii) the level of operating costs we incur and (iv) our ability to pass through operating expenses to our tenants. We are subject to a number of risks related to general economic and other unpredictable conditions, which have the potential to affect our overall performance and resulting cash flows from operations. However, based on our current portfolio mix and business strategy, we anticipate that we will be able to generate positive cash flows from operations.

ATM Program

On May 27, 2022, we established a new at-the-market equity offering program pursuant to which we are able to sell from time to time shares of our common stock having an aggregate sales price of up to $1.0 billion (the “Current 2022 ATM Program”). The Current 2022 ATM Program replaces our previous $750.0 million at-the-market equity offering program, which was established on January 13, 2022 (the “Prior 2022 ATM Program”), under which we had sold shares of our common stock having an aggregate gross sales price of $697.5 million through May 27, 2022. In addition, we previously established a $750.0 million at-the-market equity offering program on November 9, 2020 (the “2020 ATM Program”), under which we had sold shares of our common stock having an aggregate gross sales price of $743.9 million through January 13, 2022. We may sell shares of our common stock directly through sales agents or we may enter into forward equity sale agreements with certain financial institutions acting as forward purchasers whereby, at our discretion, the forward purchasers may borrow and sell shares of our common stock under ATM programs. The use of a forward equity sale agreement allows us to lock in a share price on the sale of shares of our common stock at the time the agreement is executed but defer settling the forward equity sale agreements and receiving the proceeds from the sale of shares until a later date.

During the six months ended June 30, 2022, we entered into forward equity sale agreements with certain financial institutions acting as forward purchasers under the Current 2022 ATM Program and Prior 2022 ATM Program with respect to 17,754,748 shares of common stock at a weighted average initial forward sale price of $64.49 per share. We did not receive any proceeds from the sale of common shares by the forward purchasers at the time we entered into forward equity sale agreements.

During the six months ended June 30, 2022, we physically settled the forward equity sale agreement that was outstanding as of December 31, 2021 under the 2020 ATM Program and a portion of the forward equity sale agreements under the Current 2022 ATM Program and Prior 2022 ATM Program by issuing 10,369,893 shares of our common stock for net proceeds of $725.4 million. The net proceeds for the six months ended June 30, 2022 were calculated based on a weighted average net forward sale price at the time of settlement of $69.95 per share. As of June 30, 2022, we had 9,291,211 shares of common stock, or approximately $552.1 million of forward net proceeds remaining for settlement to occur before the third quarter of 2023, based on net forward sales price of $59.42 per share.

As of June 30, 2022, approximately $536.5 million of common stock remains available to be sold under the Current 2022 ATM Program. Future sales, if any, will depend on a variety of factors, including among others, market conditions, the trading price of our common stock, determinations by us of the appropriate sources of funding for us and potential uses of funding available to us. We intend to use the net proceeds from the offering of shares under the Current 2022 ATM Program, if any, to fund potential acquisition opportunities, repay amounts outstanding from time to time under our unsecured revolving credit facility or other debt financing obligations, to fund our repositioning or redevelopment activities and/or for general corporate purposes.

Securities Offerings

We evaluate the capital markets on an ongoing basis for opportunities to raise capital, and as circumstances warrant, we may issue additional securities, from time to time, to fund acquisitions, for the repayment of long-term debt upon maturity and for other general corporate purposes. Such securities may include common equity, preferred equity and/or debt of us or our subsidiaries. Any future issuance, however, is dependent upon market conditions, available pricing and capital needs and there can be no assurance that we will be able to complete any such offerings of securities.

Capital Recycling

We continuously evaluate opportunities for the potential disposition of properties in our portfolio when we believe such disposition is appropriate in view of our business objectives. In evaluating these opportunities, we consider a variety of criteria including, but not limited to, local market conditions and lease rates, asset type and location, as well as potential uses of proceeds and tax considerations. Tax considerations include entering into tax-deferred like-kind exchanges under Section 1031 of the Code (“1031 Exchange”), when possible, to defer some or all of the taxable gains, if any, on dispositions.

During the six months ended June 30, 2022, we completed the disposition of one property for a sales price of $16.5 million and total net cash proceeds of $15.3 million. The net cash proceeds were used to partially fund the acquisition of one property during the six months ended June 30, 2022, through a 1031 Exchange transaction.

We anticipate continuing to selectively and opportunistically dispose of properties, however, the timing of any potential future dispositions will depend on market conditions, asset-specific circumstances or opportunities, and our capital needs. Our ability to dispose of selective properties on advantageous terms, or at all, is dependent upon a number of factors including the availability of credit to potential buyers to purchase properties at prices that we consider acceptable, which may be impacted by the ongoing COVID-19 pandemic.

Investment Grade Rating

Our credit ratings at June 30, 2022, were Baa3 (Stable outlook) from Moody's, BBB (Positive outlook) from S&P and BBB (Positive outlook) from Fitch with respect to our Credit Agreement (described below), $100 million unsecured guaranteed senior notes (the "$100 Million Notes"), $25 million unsecured guaranteed senior notes and $75 million unsecured guaranteed senior notes (together the "Series 2019A and 2019B Notes"), $400 Million Notes due 2030 and $400 Million Notes due 2031. Our credit rating at June 30, 2022, was BB+ from both Fitch and S&P with respect to our 5.875% Series B Cumulative Redeemable Preferred Stock and our 5.625% Series C Cumulative Redeemable Preferred Stock. Our credit ratings are based on our operating performance, liquidity and leverage ratios, overall financial position and other factors employed by the credit rating agencies in their rating analysis of us, and, although it is our intent to maintain our investment grade credit rating, there can be no assurance that we will be able to maintain our current credit ratings. In the event our current credit ratings are downgraded, it may become difficult or more expensive to obtain additional financing or refinance existing indebtedness as maturities become due.

Credit Agreement

On May 26, 2022, we amended our credit agreement, which was comprised of a $700.0 million unsecured revolving credit facility that was scheduled to mature on February 13, 2024, by entering into a Fourth Amended and Restated Credit Agreement (the "Credit Agreement"). The Credit Agreement provides for (i) a senior unsecured term loan facility (the "Term Loan Facility") that permits aggregate borrowings of up to $300 million, all of which was borrowed at closing on May 26, 2022, and (ii) a senior unsecured revolving credit facility (the "Revolver") in the aggregate principal amount of $1.0 billion. The maturity date of the Term Loan Facility is May 26, 2027, and the maturity date of the Revolver is May 26, 2026 (with two extensions options of six months each). The Credit Agreement has an accordion option that permits us to request additional lender commitments up to an additional $1.2 billion, which may be comprised of additional revolving commitments under the Revolver, an increase to the Term Loan Facility, additional term loan tranches or any combination of the foregoing, subject to certain terms and conditions.

On July 19, 2022, we exercised the accordion option under the Credit Agreement to add a $400 million unsecured term loan with a maturity date of July 19, 2024 (with two extensions options of one year each).

Interest on the Credit Agreement is generally to be paid based upon, at our option, either (i) Term SOFR plus the applicable margin; (ii) Daily Simple SOFR plus the applicable margin or (iii) the applicable Base Rate (which is defined as the highest of (a) the federal funds rate plus 0.50%, (b) the administrative agent's prime rate, (c) Term SOFR plus 1.00%, and (d) one percent (1.00%)) plus the applicable margin. Additionally, Term SOFR and Daily Simple SOFR will be increased by a 0.10% SOFR adjustment. The applicable margin for the Term Loan Facility ranges from 0.80% to 1.60% per annum for SOFR-based loans and 0.00% to 0.60% per annum for Base Rate loans, depending on our investment grade ratings. The applicable margin for the Revolver ranges from 0.725% to 1.400% per annum for SOFR-based loans and 0.00% to 0.40% per annum for Base Rate loans, depending on our investment grade ratings. In addition to the interest payable on amounts outstanding under the Revolver, we are required to pay an applicable facility fee, on each lender's commitment amount under the Revolver, regardless of usage. The applicable facility fee ranges from 0.125% to 0.300% per annum, depending on our investment grade ratings. The interest rate under the Credit Agreement is also subject to a favorable leverage-based adjustment if our ratio of total indebtedness to total asset value is less than 35%.

In addition, the Credit Agreement also features a sustainability-linked pricing component whereby the applicable margin and applicable credit facility fee can decrease by 0.04% and 0.01%, respectively, or increase by 0.04% and 0.01%, respectively, if we meet, or do not meet, certain sustainability performance targets, as applicable.

The Revolver and the Term Loan Facility may be voluntarily prepaid in whole or in part at any time without premium or penalty. Amounts borrowed under the Term Loan Facility and repaid or prepaid may not be reborrowed.

The Credit Agreement contains usual and customary events of default including defaults in the payment of principal, interest or fees, defaults in compliance with the covenants set forth in the Credit Agreement and other loan documentation, cross-defaults to certain other indebtedness, and bankruptcy and other insolvency defaults. If an event of default occurs and is continuing under the Credit Agreement, the unpaid principal amount of all outstanding loans, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

As of the filing date of this Quarterly Report on Form 10-Q, we had $450.0 million outstanding under the Revolver, leaving $550.0 million available for future borrowings.

Uses of Liquidity

Acquisitions

One of our most significant liquidity needs has historically been for the acquisition of real estate properties. Year to date including properties acquired subsequent to quarter end, we have acquired 41 properties with 4.4 million rentable square feet of buildings on 243 acres of land, for an aggregate purchase price of $1.7 billion, and we are actively monitoring a volume of properties in our markets that we believe represent attractive potential investment opportunities to continue to grow our business. As of the filing date of this Quarterly Report on Form 10-Q, we have over $500.0 million of acquisitions under contract or letter of intent. There can be no assurance we will complete any such acquisitions. While the actual number of acquisitions that we complete will be dependent upon a number of factors, in the short term, we expect to fund our acquisitions through available cash on hand and proceeds from forward equity settlements, cash flows from operations, borrowings available under the Revolver, recycling capital through property dispositions and, in the long term, through the issuance of equity securities or proceeds from long-term secured and unsecured financings. See “Note 3 – Investments in Real Estate” to the consolidated financial statements for a summary of the properties we acquired during the six months ended June 30, 2022.

Recurring and Nonrecurring Capital Expenditures

Capital expenditures are considered part of both our short-term and long-term liquidity requirements. As discussed above under — Factors that May Influence Future Results —Acquisitions and Value-Add Repositioning and Redevelopment of Properties, as of June 30, 2022, 16 of our properties were under current repositioning, redevelopment, or lease-up and we have a pipeline of 11 additional properties for which we anticipate beginning construction work over the next four quarters. We currently estimate that approximately $384.7 million of capital will be required over the next three years (3Q-2022 through 2Q-2025) to complete the repositioning/redevelopment of these properties. However, this estimate is based on our current construction plans and budgets, both of which are subject to change as a result of a number of factors, including increased costs of building materials or construction services and construction delays related to supply chain backlogs and increased lead time on building materials. If we are unable to complete construction on schedule or within budget, we could incur increased construction costs and experience potential delays in leasing the properties. We expect to fund these projects through a combination of available cash on hand and proceeds from forward equity settlements, cash flow from operations and borrowings available under the Revolver.

The following table sets forth certain information regarding non-recurring and recurring capital expenditures at the properties in our portfolio as follows:

	Six Months Ended June 30, 2022		
	Total[1]	Square Feet[2]	Per Square Foot[3]
Non-Recurring Capital Expenditures[4]	$ 41,459	19,790,395	$ 2.09
Recurring Capital Expenditures[5]	3,314	37,896,126	$ 0.09
Total Capital Expenditures	$ 44,773		

(1) Cost is reported in thousands. Excludes the following capitalized costs: (i) compensation costs of personnel directly responsible for and who spend their time on redevelopment, renovation and rehabilitation activity and (ii) interest, property taxes and insurance costs incurred during the pre-construction and construction periods of repositioning or redevelopment projects.

(2) For non-recurring capital expenditures, reflects the aggregate square footage of the properties in which we incurred such capital expenditures. For recurring capital expenditures, reflects the weighted average square footage of our consolidated portfolio during the period.

(3) Per square foot amounts are calculated by dividing the aggregate capital expenditure costs by the square footage as defined in (2) above.

(4) Non-recurring capital expenditures are expenditures made with respect to improvements to the appearance of such property or any redevelopment or other major upgrade or renovation of such property, and further includes capital expenditures for seismic upgrades, or capital expenditures for deferred maintenance existing at the time such property was acquired.

(5) Recurring capital expenditures are expenditures made with respect to the maintenance of such property and replacement of items due to ordinary wear and tear including, but not limited to, expenditures made for maintenance of parking lots, roofing materials, mechanical systems, HVAC systems and other structural systems.

Dividends and Distributions

In order to maintain our qualification as a REIT, we are required to distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. To satisfy the requirements to qualify as a REIT and generally not be subject to U.S. federal income tax, we intend to distribute a percentage of our cash flow on a quarterly basis to holders of our common stock. In addition, we intend to make distribution payments to holders of OP Units and preferred units and dividend payments to holders of our preferred stock.

On July 18, 2022, our board of directors declared the quarterly cash dividends/distributions, record dates and payment dates, and on July 25, 2022, adjusted the common stock dividend and OP Unit distribution payment dates as set forth below.

Security	Amount per Share/Unit	Record Date	Payment Date
Common stock	$ 0.315	September 30, 2022	October 14, 2022
OP Units	$ 0.315	September 30, 2022	October 14, 2022
5.875% Series B Cumulative Redeemable Preferred Stock	$ 0.367188	September 15, 2022	September 30, 2022
5.625% Series C Cumulative Redeemable Preferred Stock	$ 0.351563	September 15, 2022	September 30, 2022
4.43937% Cumulative Redeemable Convertible Preferred Units	$ 0.505085	September 15, 2022	September 30, 2022
4.00% Cumulative Redeemable Convertible Preferred Units	$ 0.45	September 15, 2022	September 30, 2022
3.00% Cumulative Redeemable Convertible Preferred Units	$ 0.545462	September 15, 2022	September 30, 2022

Consolidated Indebtedness

The following table sets forth certain information with respect to our consolidated indebtedness outstanding as of June 30, 2022:

	Contractual Maturity Date	Margin Above SOFR/LIBOR	Effective Interest Rate[(1)]	Principal Balance (in thousands)[(2)]
Unsecured and Secured Debt:				
Unsecured Debt:				
Revolving Credit Facility[(3)]	5/26/2026 [(4)]	S+0.775 % [(5)]	2.375 %	$ 125,000
$100M Senior Notes	8/6/2025	n/a	4.290 %	100,000
$300M Term Loan Facility	5/26/2027	S+0.850 % [(5)]	2.636 %	300,000
$125M Senior Notes	7/13/2027	n/a	3.930 %	125,000
$25M Series 2019A Senior Notes	7/16/2029	n/a	3.880 %	25,000
$400M Senior Notes due 2030	12/1/2030	n/a	2.125 %	400,000
$400M Senior Notes due 2031	9/1/2031	n/a	2.150 %	400,000
$75M Series 2019B Senior Notes	7/16/2034	n/a	4.030 %	75,000
Total Unsecured Debt				$ 1,550,000
Secured Debt:				
2601-2641 Manhattan Beach Boulevard	4/5/2023	n/a	4.080 %	$ 3,892
$60M Term Loan	8/1/2023 [(6)]	L+1.700 %	3.487 %	57,716
960-970 Knox Street	11/1/2023	n/a	5.000 %	2,354
7612-7642 Woodwind Drive	1/5/2024	n/a	5.240 %	3,760
11600 Los Nietos Road	5/1/2024	n/a	4.190 %	2,545
5160 Richton Street	11/15/2024	n/a	3.790 %	4,213
22895 Eastpark Drive	11/15/2024	n/a	4.330 %	2,648
701-751 Kingshill Place	1/5/2026	n/a	3.900 %	7,100
13943-13955 Balboa Boulevard	7/1/2027	n/a	3.930 %	15,144
2205 126th Street	12/1/2027	n/a	3.910 %	5,200
2410-2420 Santa Fe Avenue	1/1/2028	n/a	3.700 %	10,300
11832-11954 La Cienega Boulevard	7/1/2028	n/a	4.260 %	3,965
Gilbert/La Palma	3/1/2031	n/a	5.125 %	2,028
7817 Woodley Avenue	8/1/2039	n/a	4.140 %	3,071
Total Secured Debt				$ 123,936
Total Consolidated Debt			2.742 %	$ 1,673,936

(1) Excludes the effect of amortization of debt issuance costs, premiums/discounts and the facility fee on the Revolver.

(2) Excludes unamortized debt issuance costs and premiums/discounts totaling $13.4 million, which are presented as a reduction of the carrying value of our debt in our consolidated balance sheet as of June 30, 2022.

(3) The Revolver is subject to an applicable facility fee which is calculated as a percentage of the total lenders' commitment amount, regardless of usage. The applicable facility fee ranges from 0.125% to 0.300% per annum depending upon our investment grade ratings, leverage ratio and sustainability performance metrics, which may change from time to time.

(4) Two additional six-month extensions are available at the borrower's option, subject to certain terms and conditions.

(5) The interest rates on these loans are comprised of daily SOFR for the Revolver and 1-month SOFR for the Term Loan Facility (in each case increased by a 0.10% SOFR adjustment) plus an applicable margin ranging from 0.725% to 1.400% per annum for the Revolver and 0.80% to 1.60% per annum for the Term Loan Facility, depending on our investment grade ratings, leverage ratio and sustainability performance metrics, which may change from time to time.

(6) The $60 million term loan is secured by six properties. One 24-month extension is available at the borrower's option, subject to certain terms and conditions.

The following table summarizes the composition of our consolidated debt between fixed-rate and variable-rate and secured and unsecured debt as of June 30, 2022:

	Average Term Remaining (in years)	Stated Interest Rate	Effective Interest Rate[(1)]	Principal Balance (in thousands)[(2)]	% of Total
Fixed vs. Variable:					
Fixed	7.9	2.77%	2.77%	$ 1,191,220	71%
Variable	4.2	SOFR/LIBOR + Margin (See Above)	2.67%	$ 482,716	29%
Secured vs. Unsecured:					
Secured	3.0		3.81%	$ 123,936	7%
Unsecured	7.1		2.66%	$ 1,550,000	93%

(1) Excludes the effect of amortization of debt issuance costs, premiums/discounts and the facility fee on the Revolver. Assumes daily SOFR of 1.500%, 1-month SOFR of 1.686% and 1-month LIBOR of 1.787% as of June 30, 2022, as applicable.

(2) Excludes unamortized debt issuance costs and premiums/discounts totaling $13.4 million, which are presented as a reduction of the carrying value of our debt in our consolidated balance sheet as of June 30, 2022.

At June 30, 2022, we had total consolidated indebtedness of $1.7 billion, excluding unamortized debt issuance costs and premiums/discounts, with a weighted average interest rate of 2.74% and an average term-to-maturity of 6.8 years.

At June 30, 2022, we had consolidated indebtedness of $1.7 billion, reflecting a net debt to total combined market capitalization of approximately 13.5%. Our total market capitalization is defined as the sum of the liquidation preference of our outstanding preferred stock and preferred units plus the market value of our common stock excluding shares of nonvested restricted stock, plus the aggregate value of common units not owned by us, plus the value of our net debt. Our net debt is defined as our consolidated indebtedness less cash and cash equivalents.

Debt Covenants

The Credit Agreement, $100 Million Notes, $125 Million Notes and Series 2019A and 2019B Notes all include a series of financial and other covenants that we must comply with, including the following covenants which are tested on a quarterly basis:

- Maintaining a ratio of total indebtedness to total asset value of not more than 60%;
- For the Credit Agreement, maintaining a ratio of secured debt to total asset value of not more than 45%;
- For the $100 Million Notes, $125 Million Notes and Series 2019A and 2019B Notes (together the “Senior Notes”), maintaining a ratio of secured debt to total asset value of not more than 40%;
- For the Senior Notes, maintaining a ratio of total secured recourse debt to total asset value of not more than 15%;
- For the Senior Notes, maintaining a minimum tangible net worth of at least the sum of (i) $760,740,750, and (ii) an amount equal to at least 75% of the net equity proceeds received by the Company after September 30, 2016;
- Maintaining a ratio of adjusted EBITDA (as defined in each of the loan agreements) to fixed charges of at least 1.5 to 1.0;
- Maintaining a ratio of total unsecured debt to total unencumbered asset value of not more than 60%; and
- Maintaining a ratio of unencumbered NOI (as defined in each of the loan agreements) to unsecured interest expense of at least 1.75 to 1.00.

The $400 Million Notes due 2030 and $400 Million Notes due 2031 contain the following covenants (as defined in the indentures) that we must comply with:

- Maintaining a ratio of total indebtedness to total asset value of not more than 60%;
- Maintaining a ratio of secured debt to total asset value of not more than 40%;

- Maintaining a Debt Service Coverage Ratio of at least 1.5 to 1.0; and
- Maintaining a ratio of unencumbered assets to unsecured debt of at least 1.5 to 1.0.

The Credit Agreement and Senior Notes also contain limitations on our ability to pay distributions on our common stock. Specifically, our cash dividends may not exceed the greater of (i) 95% of our FFO (as defined in the credit agreement) and (ii) the amount required for us to qualify and maintain our REIT status. If an event of default exists, we may only make distributions sufficient to qualify and maintain our REIT status.

Additionally, subject to the terms of the Senior Notes, upon certain events of default, including, but not limited to, (i) a default in the payment of any principal, make-whole payment amount, or interest under the Senior Notes, (ii) a default in the payment of certain of our other indebtedness, (iii) a default in compliance with the covenants set forth in the Senior Notes agreement and (iv) bankruptcy and other insolvency defaults, the principal and accrued and unpaid interest and the make-whole payment amount on the outstanding Senior Notes will become due and payable at the option of the purchasers. In addition, we are required to maintain at all times a credit rating on the Senior Notes from either S&P, Moody's or Fitch.

The $60 Million Term Loan contains the following financial covenants:

- Maintaining a Debt Service Coverage Ratio (as defined in the term loan agreement) of at least 1.10 to 1.00, to be tested quarterly;
- Maintaining Unencumbered Liquid Assets (as defined in the term loan agreement) of not less than (i) $5 million, or (ii) $8 million if we elect to have Line of Credit Availability (as defined in the term loan agreement) included in the calculation, of which $2 million must be cash or cash equivalents, to be tested annually as of December 31 of each year;
- Maintaining a minimum Fair Market Net Worth (as defined in the term loan agreement) of at least $75 million, to be tested annually as of December 31 of each year.

We were in compliance with all of our quarterly debt covenants as of June 30, 2022.

Cash Flows

Comparison of the Six Months Ended June 30, 2022 to the Six Months Ended June 30, 2021

The following table summarizes the changes in net cash flows associated with our operating, investing, and financing activities for the six months ended June 30, 2022 and 2021 (in thousands):

	Six Months Ended June 30,		
	2022	2021	Change
Cash provided by operating activities	$ 162,907	$ 101,677	$ 61,230
Cash used in investing activities	$ (1,050,234)	$ (449,158)	$ (601,076)
Cash provided by financing activities	$ 877,646	$ 234,203	$ 643,443

Net cash provided by operating activities. Net cash provided by operating activities increased by $61.2 million to $162.9 million for the six months ended June 30, 2022, compared to $101.7 million for the six months ended June 30, 2021. The increase was primarily attributable to the incremental cash flows from property acquisitions completed subsequent to January 1, 2021, the increase in Cash NOI from our Same Property Portfolio and changes in working capital.

Net cash used in investing activities. Net cash used in investing activities increased by $601.1 million to $1.1 billion for the six months ended June 30, 2022, compared to $449.2 million for the six months ended June 30, 2021. The increase was primarily attributable to a $583.0 million increase in cash paid for property acquisitions and acquisition related deposits, a $12.4 million decrease in proceeds from the sale of real estate for comparable periods and a $5.7 million increase in cash paid for construction costs, including costs related to repositioning/redevelopment projects.

Net cash provided by financing activities. Net cash provided by financing activities increased by $643.4 million to $877.6 million for the six months ended June 30, 2022, compared to $234.2 million for the six months ended June 30, 2021. The increase was primarily attributable to the following: (i) an increase of $937.0 million in cash proceeds from borrowings under the Revolver, (ii) an increase of $415.3 million in net cash proceeds from the issuance of shares of our common stock, and (iii) an increase of $300.0 million in cash proceeds from borrowings under the Term Loan Facility in May 2022. These increases were partially offset by the following: (i) a decrease of $812.0 million from the repayment of the borrowings under the Revolver, (ii) a decrease of $150.0 million from the repayment of the $150.0 Million Term Loan Facility in May 2022, and (iii) an increase of $30.1 million in dividends paid to common stockholders.

Inflation

In the last several years, we do not believe that inflation has had a material impact on the Company. However, recently inflation has significantly increased and a prolonged period of high and persistent inflation could cause an increase in our operating expenses, capital expenditures and cost of our variable-rate borrowings which could have a material impact on our financial position or results of operations. The majority of our leases are either triple net or provide for tenant reimbursement for costs related to real estate taxes and operating expenses. In addition, most of the leases provide for fixed rent increases. We believe that inflationary increases to real estate taxes, utility expenses and other operating expenses may be partially offset by the contractual rent increases and tenant payment of taxes and expenses described above.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk refers to the risk of loss from adverse changes in market prices and interest rates. A key market risk we face is interest rate risk. We are exposed to interest rate changes primarily as a result of using variable-rate debt to satisfy various short-term and long-term liquidity needs, which have interest rates based upon LIBOR or SOFR. From time to time, we use interest rate swaps to manage, or hedge, interest rate risks related to our borrowings. As of June 30, 2022, we did not have any outstanding interest rate swap agreements. We also expose ourselves to credit risk, which we attempt to minimize by contracting with highly-rated banking financial counterparties. For a summary of our outstanding variable-rate debt, see Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources. For a summary of recent interest rate swap transactions, see "Note 7 – Interest Rate Derivatives" to our consolidated financial statements.

At June 30, 2022, we had total consolidated indebtedness, excluding unamortized debt issuance costs and premiums/discounts, of $1.67 billion. Of this total amount, $1.19 billion, or 71%, comprises fixed-rate debt and the remaining $482.7 million, or 29%, comprises variable-rate debt. Based upon the amount of variable-rate debt outstanding as of June 30, 2022, if LIBOR and SOFR were to increase by 50 basis points, the increase in interest expense on our variable-rate debt would decrease our future earnings and cash flows by approximately $2.4 million annually. If LIBOR and SOFR were to decrease by 50 basis points, assuming an interest rate floor of 0%, the decrease in interest expense on our variable-rate debt would increase our future earnings and cash flows by approximately $2.4 million annually.

Interest risk amounts are our management's estimates and were determined by considering the effect of hypothetical interest rates on our financial instruments. We calculate interest sensitivity by multiplying the amount of variable rate debt outstanding by the respective change in rate. The sensitivity analysis does not take into consideration possible changes in the balances or fair value of our floating rate debt or the effect of any change in overall economic activity that could occur in that environment. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, this analysis assumes no changes in our financial structure.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is processed, recorded, summarized, and reported within the time periods specified in the Security and Exchange Commission's rules and forms and that such information is accumulated and communicated to management, including the Co-Chief Executive Officers and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of management, including our Co-Chief Executive Officers and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2022, the end of the period covered by this report.

Based on the foregoing, our Co-Chief Executive Officers and Chief Financial Officer concluded that, as of June 30, 2022, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. No changes to our internal control over financial reporting were identified that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are party to various lawsuits, claims and legal proceedings that arise in the ordinary course of business. We are not currently a party to any legal proceedings that we believe would reasonably be expected to have a material adverse effect on our business, financial condition or results of operations.

Item 1A. Risk Factors

Except as described below, there have been no material changes to the risk factors disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

The potential impacts of future climate change and governmental initiatives remain uncertain at this time but could result in increased operating costs.

Our assets and tenants may be exposed to potential risks from possible future climate change that could result in physical and regulatory impacts, an increase in sea level, flooding, and catastrophic weather events and fires. The occurrence of sea level rise or one or more natural disasters, such as floods, wildfires and earthquakes (whether or not caused by climate change), could increase our operating costs, impair our tenants' ability to lease property and pay rent and negatively affect our financial performance. Additional risks related to our business and operations as a result of climate change include both physical and transition risks such as:

- higher energy costs as a result of extreme weather events, extreme temperatures or increased demand for limited resources;
- higher maintenance and repair costs due to increasing temperatures and more frequent heatwaves;
- higher costs of materials due limited availability of raw materials and requirements that may limit types of material for construction;
- limited availability of water and higher costs due to droughts caused by low snowpack;
- reduced labor pool and lease rates as a result of increasing air pollution and related illnesses; and
- reduced tenant appeal and/or investor interest in the event that certain tenant priorities and/or investor expectations regarding sustainability and efficient building practices are not met.

In addition, laws and regulations targeting climate change could result in stricter energy efficiency standards and increased capital expenditures in order to comply with such regulations, as well as increased operating costs that we may not be able to effectively pass on to our tenants. Any such regulation could impose substantial costs on our tenants, thereby impacting the financial condition of our tenants and their ability to meet their lease obligations and to lease or re-lease our properties.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Unregistered Sales of Equity Securities

None.

(b) Use of Proceeds

None.

(c) Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or approximate dollar value) of Shares that May Yet Be Purchased Under the Plans or Programs
April 1, 2022 to April 30, 2022	57	$ 78.04	N/A	N/A
May 1, 2022 to May 31, 2022	79	$ 76.09	N/A	N/A
June 1, 2022 to June 30, 2022	—	$ —	N/A	N/A
	136	$ 76.91	N/A	N/A

(1) Reflects shares of common stock that were tendered by certain of our employees to satisfy tax withholding obligations related to the vesting of restricted shares of common stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit	
3.1	Articles of Amendment and Restatement of Rexford Industrial Realty, Inc. (incorporated by reference to Exhibit 3.1 of Form S-11/A, filed by the registrant on July 15, 2013 (Registration No. 333-188806))
3.2	Fourth Amended and Restated Bylaws of Rexford Industrial Realty, Inc. (incorporated by reference to Exhibit 3.1 of Form 8-K, filed by the registrant on February 14, 2020)
3.3	Articles Supplementary designating the Series B Preferred Stock of Rexford Industrial Realty, Inc. (incorporated by reference to Exhibit 3.3 of Form 8-A, filed by the registrant on November 9, 2017)
3.4	Articles Supplementary designating the Series C Preferred Stock of Rexford Industrial Realty, Inc. (incorporated by reference to Exhibit 3.3 of Form 8-A, filed by the registrant on September 19, 2019)
3.5	Eighth Amended and Restated Agreement of Limited Partnership of Rexford Industrial Realty, L.P. (incorporated by reference to Exhibit 10.1 of Form 8-K, filed by the registrant on March 21, 2022)
10.1	Fourth Amended and Restated Credit Agreement, dated as of May 26, 2022, among Rexford Industrial Realty, L.P., Rexford Industrial Realty, Inc., Bank of America, N.A., as administrative agent and a letter of credit issuer and the other lenders named therein. (incorporated by reference to Exhibit 10.1 of Form 8-K, filed by the registrant on May 27, 2022)
10.2	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and BofA Securities, Inc. and its affiliate. (incorporated by reference to Exhibit 1.1 of Form 8-K, filed by the registrant on May 27, 2022)
10.3	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and BTIG, LLC. (incorporated by reference to Exhibit 1.2 of Form 8-K, filed by the registrant on May 27, 2022)
10.4	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and Capital One Securities, Inc. (incorporated by reference to Exhibit 1.3 of Form 8-K, filed by the registrant on May 27, 2022)
10.5	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and CIBC World Markets Corp. and its affiliate. (incorporated by reference to Exhibit 1.4 of Form 8-K, filed by the registrant on May 27, 2022)
10.6	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and Goldman Sachs & Co. LLC. (incorporated by reference to Exhibit 1.5 of Form 8-K, filed by the registrant on May 27, 2022)
10.7	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and Jefferies LLC. (incorporated by reference to Exhibit 1.6 of Form 8-K, filed by the registrant on May 27, 2022)
10.8	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and JMP Securities LLC. (incorporated by reference to Exhibit 1.7 of Form 8-K, filed by the registrant on May 27, 2022)
10.9	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and J.P. Morgan Securities LLC and its affiliate. (incorporated by reference to Exhibit 1.8 of Form 8-K, filed by the registrant on May 27, 2022)
10.10	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and Mizuho Securities USA LLC and its affiliate. (incorporated by reference to Exhibit 1.9 of Form 8-K, filed by the registrant on May 27, 2022)
10.11	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and Regions Securities LLC. (incorporated by reference to Exhibit 1.10 of Form 8-K, filed by the registrant on May 27, 2022)
10.12	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and Scotia Capital (USA) Inc. and its affiliate. (incorporated by reference to Exhibit 1.11 of Form 8-K, filed by the registrant on May 27, 2022)
10.13	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and Truist Securities, Inc. and its affiliates (incorporated by reference to Exhibit 1.12 of Form 8-K, filed by the registrant on May 27, 2022)
10.14	Equity Distribution Agreement, dated May 27, 2022, by and among Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P., and Wells Fargo Securities LLC and its affiliates. (incorporated by reference to Exhibit 1.13 of Form 8-K, filed by the registrant on May 27, 2022)
10.15	First Amendment to Fourth Amended and Restated Credit Agreement, dated as of July 19, 2022 (incorporated by reference to Exhibit 10.1 of Form 8-K, filed by the registrant on July 20, 2022)
22.1*	List of Issuers of Guaranteed Securities

Exhibit	
31.1*	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3*	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.3*	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.1*	The registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, formatted in inline XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Changes in Equity (unaudited), (v) Consolidated Statements of Cash Flows (unaudited) and (vi) the Notes to the Consolidated Financial Statements (unaudited) that have been detail tagged.
104.1*	Cover Page Interactive Data File - The cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

* Filed herein

† Compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto authorized.

	Rexford Industrial Realty, Inc.
July 25, 2022	/s/ Michael S. Frankel
	Michael S. Frankel Co-Chief Executive Officer (Principal Executive Officer)
July 25, 2022	/s/ Howard Schwimmer
	Howard Schwimmer Co-Chief Executive Officer (Principal Executive Officer)
July 25, 2022	/s/ Laura E. Clark
	Laura E. Clark Chief Financial Officer (Principal Financial and Accounting Officer)

List of Issuers of Guaranteed Securities

As of June 30, 2022, the following subsidiary was the issuer of the 2.125% Senior Notes due 2030 and the 2.150% Senior Notes due 2031, which are both guaranteed by Rexford Industrial Realty, Inc.

Name of Subsidiary	Jurisdiction of Organization
Rexford Industrial Realty, L.P.	Maryland

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael S. Frankel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rexford Industrial Realty, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

July 25, 2022

By: /s/ Michael S. Frankel

Michael S. Frankel

Co-Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Howard Schwimmer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rexford Industrial Realty, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 25, 2022

By: /s/ Howard Schwimmer
Howard Schwimmer
Co-Chief Executive Officer

Exhibit 31.3

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laura E. Clark, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rexford Industrial Realty, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 25, 2022

By: /s/ Laura E. Clark
Laura E. Clark
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Rexford Industrial Realty, Inc. (the “Company”) for the quarter ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael S. Frankel, Co-Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael S. Frankel
Michael S. Frankel
Co-Chief Executive Officer
July 25, 2022

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Rexford Industrial Realty, Inc. (the “Company”) for the quarter ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Howard Schwimmer, Co-Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Howard Schwimmer
Howard Schwimmer
Co-Chief Executive Officer
July 25, 2022

Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Rexford Industrial Realty, Inc. (the "Company") for the quarter ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Laura E. Clark, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Laura E. Clark
Laura E. Clark
Chief Financial Officer
July 25, 2022