

# L.A. Mid Counties Industrial Update

1<sup>st</sup> Quarter

2013

## L.A. MID COUNTIES INDUSTRIAL SUBMARKETS SNAPSHOT

Southeast Los Angeles Industrial Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Cerritos	13,463,385	\$0.489	5.10%	-48,836	0
Downey	7,337,530	\$0.539	3.00%	7,556	0
La Mirada	13,491,417	\$0.485	8.50%	-231,262	0
Norwalk/Bellflower	7,187,742	\$0.595	4.10%	-36,009	4,718
Santa Fe Springs	48,670,526	\$0.504	4.40%	149,894	776,438
<b>Mid Counties Submarkets Summary</b>	<b>90,150,600</b>	<b>\$0.522</b>	<b>5.02%</b>	<b>-158,657</b>	<b>781,156</b>
<b>Change from Last Quarter</b>		▼	▼	◀	▲
<b>Change from Last Year</b>		▲	▼	▲	◀



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## Market Overview

The L.A. Mid Counties Industrial markets ended the first quarter 2013 with a vacancy rate of 5.02%. The vacancy rate dropped slightly over the previous quarter, but saw net absorption totaling negative (158,657) square feet in the first quarter.

Rental rates ended the fourth quarter at \$0.52 per square foot, showing a consistently positive growth trend over the past two years.

With significant industrial projects under construction in Santa Fe Springs, the Mid Counties market supply may finally meet the ever growing demand in 2013.

\*Statistics compiled with the support of the CoStar Group. While the information herein has been obtained from sources we deem reliable, no representation or warranty of any kind is made with respect to its accuracy, completeness or suitability for use in any transaction.

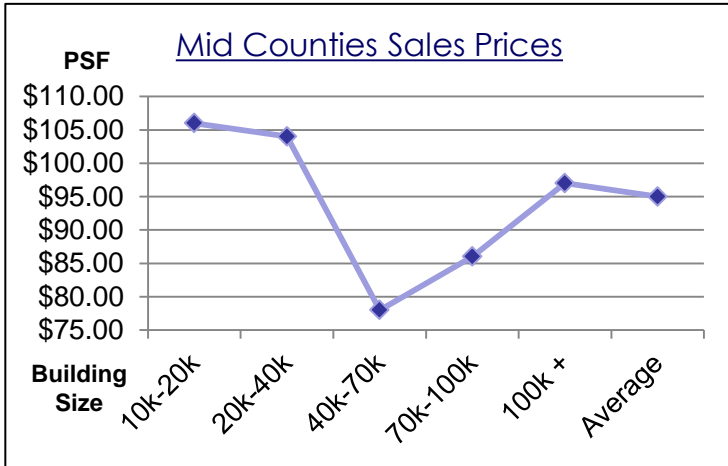
\*Flex Space not included



## Sales Activity – Mid Counties

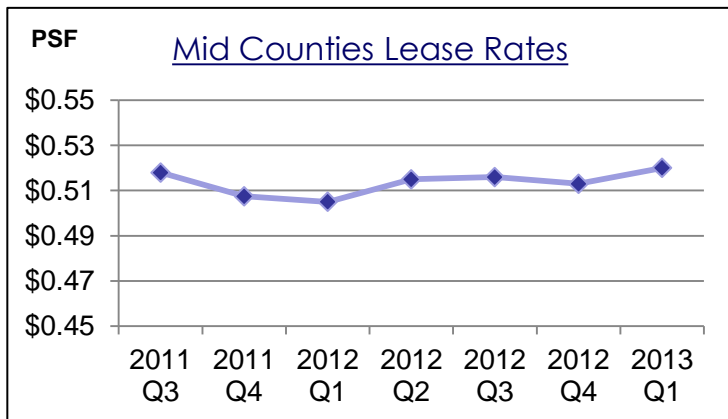
Sales prices remained steady as we see a rather slow 1<sup>st</sup> Quarter with only 5 sales taking place. Still up \$13 since the fourth quarter of 2011 shows there is still serious demand, but the average asking sales price after the first quarter of 2013 remains at \$95 per square foot.

The largest sale this quarter is attributed to Lenard Moen Trust who sold a 38,800 SF building to Vantage & Associated for 3.8 Million dollars (\$98 PSF).



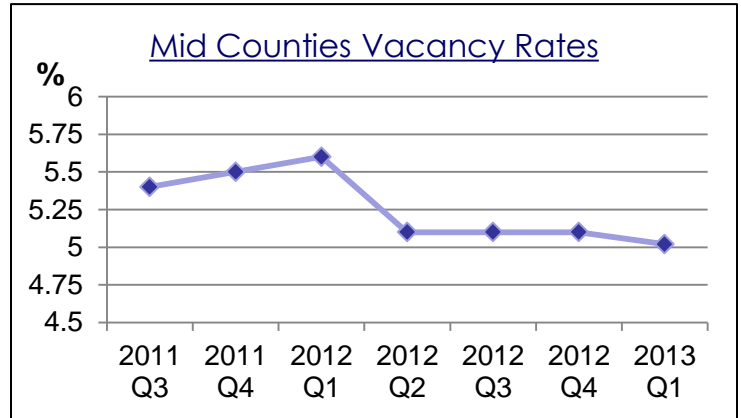
## Lease Rates – Mid Counties

The average quoted asking rental rate for available warehouse industrial space was \$0.522 per square foot at the end of the first quarter 2013 in the L.A. Mid Counties market region. This represented a minor increase in quoted rental rates from the end of the fourth quarter 2012, where average rates were at \$0.513 per square foot.



## Vacancy – Mid Counties

The Industrial vacancy rate in the LA Mid Counties industrial market dropped from 5.1% at the end of the fourth quarter 2012 to 5.02% in the first quarter of 2013. With the vacancy rate even for the past three quarters, coming down from 5.6% in the first quarter of 2012, a downward push in vacancy rates proves demand is alive and well in the L.A. Mid Counties.



## Absorption – Mid Counties

Net absorption for the L.A. Mid Counties industrial market was (158,657) square feet in the first quarter 2013. This is mostly attributed to a (231,262) square feet in La Mirada. Santa Fe Springs continues to be L.A. Mid Counties MVP as it sees another quarter with a positive absorption of 149,894 square feet.



## Deliveries & Construction – Mid Counties

Santa Fe Springs currently has 776,438 square feet of industrial space under construction in the first quarter of 2013. With vacancy rates low and demand strong, the additional space will be seen as a blessing and most likely absorbed by years end.

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