

# Industrial Market Update

Los Angeles County

1<sup>st</sup> Quarter 2014

## LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	74,585,836	\$0.518	4.82%	-490,703	908,598
Vernon	81,592,422	\$0.531	2.65%	272,760	238,625
Central LA	96,257,943	\$0.817	3.10%	-17,208	0
Mid-Counties	95,278,447	\$0.538	5.30%	514,680	24,895
San Gabriel Valley	168,250,562	\$0.568	3.46%	321,224	583,416
San Fernando Valley	130,631,163	\$0.782	3.89%	244,623	0
South Bay	216,539,463	\$0.611	5.12%	1,039,804	47,010
Westside	19,367,133	\$1.724	4.96%	87,197	0
<b>Los Angeles County</b>	<b>882,502,969</b>	<b>\$0.652</b>	<b>4.16%</b>	<b>1,972,377</b>	<b>1,802,544</b>
<b>Change from Last Qtr.</b>		↑	↓	↑	↑
<b>Change from Last Year</b>		↑	↓	↑	↑

## Market Movers – Significant Transactions in LA County in the 1<sup>st</sup> Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
5959 Randolph St, Commerce	Sale	400,000	4.30% Cap	Bentall Kennedy	Western Realco
350 Westmont Dr, San Pedro	Lease	339,000	\$0.61 PSF	Huffy	Blackrock
2652 Long Beach, Los Angeles	Sale	266,000	\$121 PSF	Cornerstone RE	Lowe Enterprises
12252 Whittier Blvd, Whittier*	Lease	162,000	\$0.52 PSF	Ace World Class	<b>Terreno Realty Corp.</b>

\*Realty Advisory Group, Inc. Transaction



REALTY ADVISORY GROUP, INC.

### Greater Los Angeles

545 S. Figueroa Street, Ste. 1209  
Los Angeles, CA 90017  
T: (213) 892-8881 F: (213) 627-6526

### Valencia/Santa Clarita Valley

28338 Constellation Road, Unit 950,  
Valencia, CA 91355  
T: (661) 702-8880 F: (661) 702-8882



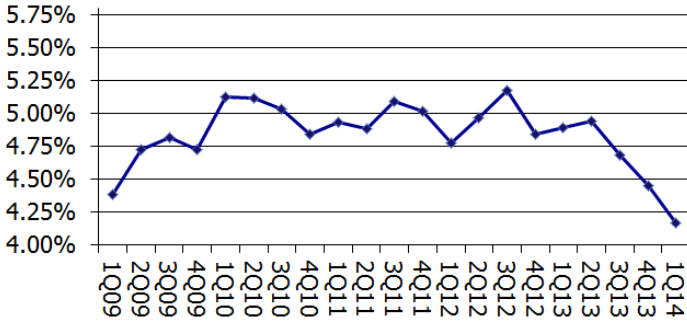
## Market Overview

The Los Angeles Industrial market ended the first quarter 2014 with a vacancy rate of 4.16%, which represents a decrease of 6.5% from the previous quarter and 14.9% in the last year. Meanwhile net absorption totaled positive 1,972,377 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending at 1,649,549 square feet. Rental rates ended the first quarter at \$0.652 PSF, an increase by 0.5% over the previous quarter. A total of eight buildings were delivered to the market in the quarter totaling 296,008 square feet, with 1,802,544 square feet under construction at the end of the quarter.



**Vacancy** The Industrial vacancy rate in the Los Angeles market area has decreased to 4.16%, and has now decreased for four straight quarters.

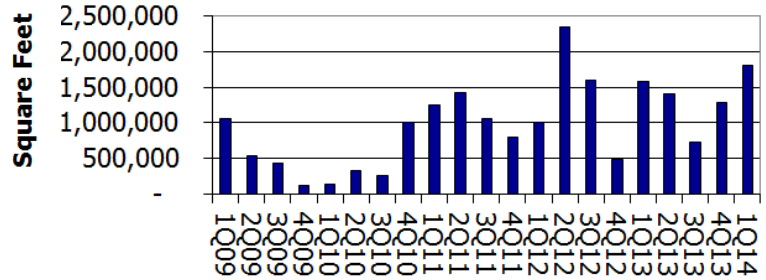
### Vacancy Rates



### Deliveries & Construction

There were 1,802,544 SF under construction at the end of the first quarter.

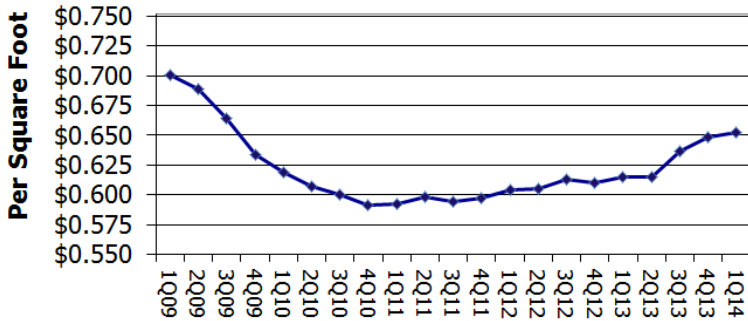
### SF Under Construction



### Lease Rates

The average quoted asking rate for available Industrial space is now at \$0.652 PSF, and has now increased for four straight quarters.

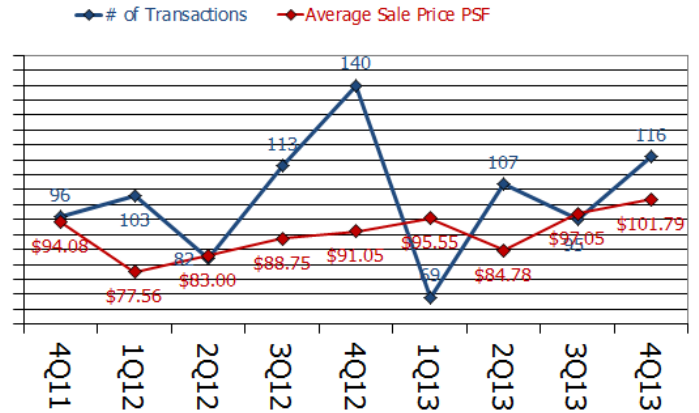
### Asking Lease Rate



### Sales Activity

Sale values have increased by 4.9% in the last quarter, and are currently averaging \$101.79 PSF. Cap rates again dropped to average of 6.94% last quarter.

### Sale Data



### Featured Deals:



**\*AVAILABLE\***

15025 Proctor Ave, City of Industry

We are breaking ground next month on this Class "A", 128,581 SF distribution warehouse that is available for Sale or Lease and that will be completed by year end.



**\*LEASED\***

12252 Whittier Blvd, Whittier

We represented the Landlord in Leasing this 161,610 SF distribution facility that is 21 Miles from the Ports. Features include 21 DH doors, ESFR sprinklers, large concrete truck courts and 30' ceilings.