

# Industrial Market Update

Los Angeles County

1<sup>st</sup> Quarter 2015

## LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	75,682,572	\$0.546	2.30%	1,264,877	0
Vernon	81,409,116	\$0.588	2.94%	-151,822	0
Central LA	95,191,310	\$0.857	3.14%	-212,534	8,256
Mid-Counties	95,149,209	\$0.572	3.46%	-112,657	24,895
San Gabriel Valley	169,122,387	\$0.605	2.91%	392,424	1,246,040
San Fernando Valley	128,916,647	\$0.838	2.91%	96,265	118,164
South Bay	215,223,550	\$0.667	2.78%	1,061,301	3,525
Westside	19,082,953	\$1.886	4.74%	-89,199	0
<b>Los Angeles County</b>	<b>879,777,744</b>	<b>\$0.699</b>	<b>2.93%</b>	<b>2,248,655</b>	<b>1,400,880</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
1650 E Glenn Curtiss St, Carson	Lease	338,274	\$0.64 NNN	ON Corp US	Carson Companies
13833 Freeway Dr, Santa Fe Springs	Lease	240,000	\$0.61 NNN	Gelson's Market	Golden Springs Dev.
901 E 223 <sup>rd</sup> St, Carson	Lease	221,050	\$0.69 NNN	Floor & Décor	Watson Land Co.
13833 Freeway Dr, Santa Fe Springs	Lease	208,060	\$0.61 NNN	US Corrugated	Golden Springs Dev.



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

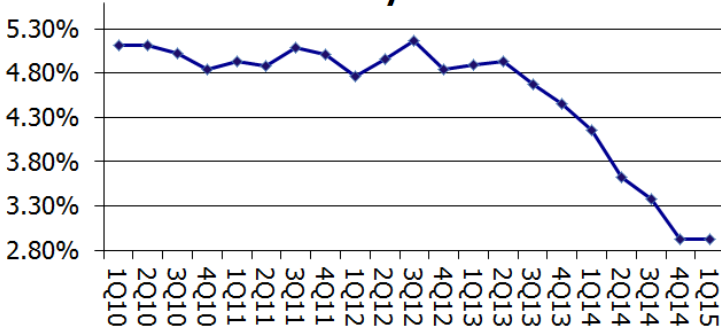
The Los Angeles Industrial market ended the first quarter 2015 with a vacancy rate of 2.93%. Meanwhile net absorption totaled positive 2,248,655 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending at 1,429,930 square feet. Rental rates ended the first quarter at \$0.699 PSF, an increase of 1.9% over the previous quarter. A total of twelve buildings were delivered to the market in the quarter totaling 1.482.198 square feet, with 1,400,880 square feet under construction at the end of the quarter. Sale values have significantly increased averaging \$164 PSF in the most recent quarter, compared with \$104 PSF 3 months prior.

\*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.



**Vacancy** The Industrial vacancy rate in the Los Angeles market area has decreased slightly to 2.93%, marking the **seventh** straight quarter of decline.

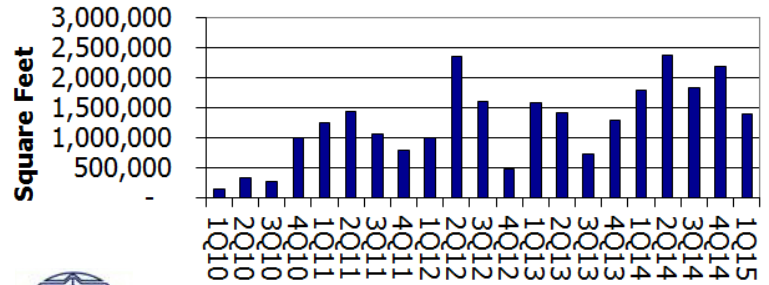
### Vacancy Rates



### Deliveries & Construction

There were 1,400,880 SF under construction at the end of the first quarter.

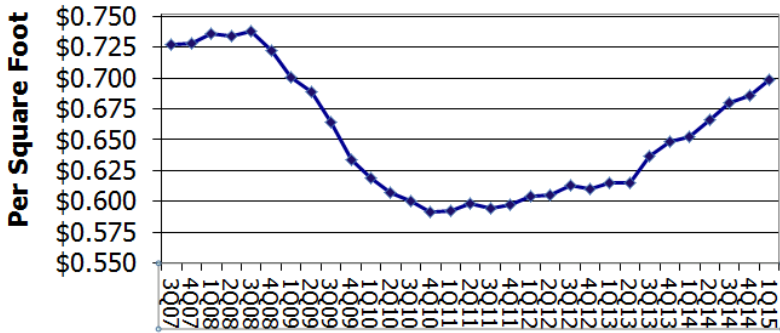
### SF Under Construction



### Lease Rates

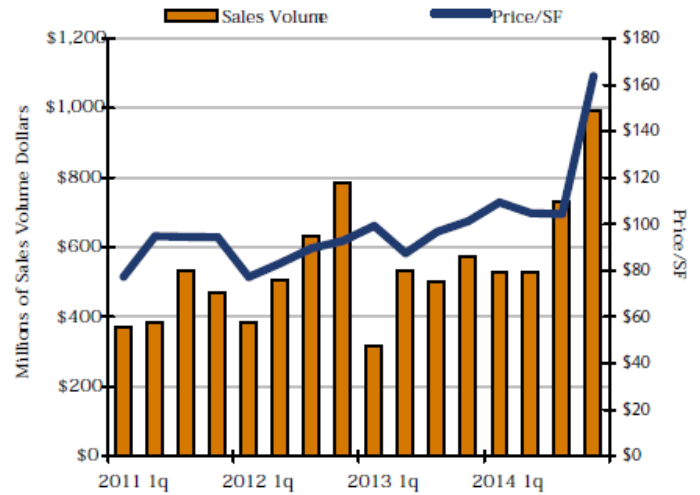
The average quoted asking rate for available Industrial space is now at \$0.699 PSF, and has increased for **nine** straight quarters.

### Asking Lease Rate



### Sales Activity

Sale values and volume both spiked significantly with sale values averaging \$164 PSF for buildings over 15,000 SF.



### Featured Deals:



**\*IN ESCROW\***  
15025 Proctor Ave, City of Industry

This Class "A", 128,581 SF warehouse is currently under construction and features 32' ceilings. Visit [www.proctorindustrialcenter.com](http://www.proctorindustrialcenter.com) for more details.



**\*IN ESCROW\***  
4215 Exchange Ave, Vernon

This 112,933 SF USDA Meat Processing facility we are marketing is also in escrow in Vernon. The facility features 21 DH doors and over 86,000 SF of temperature controlled area.