

# Industrial Market Update

Los Angeles County

1st Quarter 2016

## LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	76,223,605	\$0.602	2.87%	-387,574	0
Vernon	81,605,035	\$0.623	2.18%	60,179	151,988
Central LA	94,064,928	\$1.080	3.38%	121,959	1,010,000
Mid-Counties	94,848,608	\$0.632	1.37%	-31,457	264,483
San Gabriel Valley	169,928,744	\$0.651	2.54%	-911,964	1,559,247
San Fernando Valley	129,498,071	\$0.887	2.47%	-489,261	28,620
South Bay	215,731,932	\$0.733	1.89%	-57,258	862,961
Westside	19,205,178	\$2.078	4.11%	-189,390	0
<b>Los Angeles County</b>	<b>881,106,101</b>	<b>\$0.774</b>	<b>2.36%</b>	<b>-1,884,766</b>	<b>3,877,299</b>
<b>Change from Last Qtr.</b>		<b>↑</b>	<b>↑</b>	<b>↓</b>	<b>↓</b>
<b>Change from Last Year</b>		<b>↑</b>	<b>↓</b>	<b>↓</b>	<b>↑</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
4851 S Alameda St, Los Angeles	Sale	260,000	\$84 PSF	ETO Doors Corp.	Mark Slotkin
5119 District Blvd, Vernon	Lease	121,098	\$0.69 PSF	Amazon.com	Pacific Industrial
2801 E 46 <sup>th</sup> St, Vernon	Sale	120,960	\$116 PSF	Fashion Nova Holdings	Karney Mgmt. Co.
3416-3418 S Garfield Ave, Commerce	Lease	115,954	\$0.50 PSF	Santa Fe Warehouse	Terreno Realty



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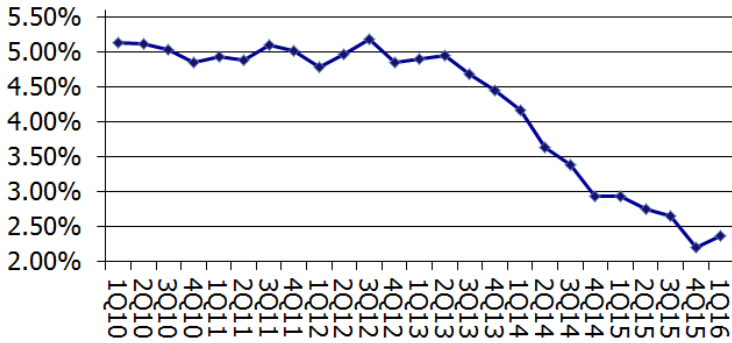
## Market Overview

The Los Angeles Industrial market ended the 1<sup>st</sup> quarter 2016 with a vacancy rate of 2.36%. Meanwhile net absorption totaled negative 1,884,766 square feet in the first quarter. Vacant sublease space increased by 34% in the quarter, ending at 1,693,537 square feet. Rental rates ended the first quarter at \$0.758 PSF, an increase of 2.1% over the previous quarter. A total of nine buildings were delivered to the market in the quarter totaling 691,045 square feet, with 3,877,299 square feet under construction. Sale values have averaged \$129 PSF in the last quarter and are up 23% in the last twelve months.



**Vacancy** The Industrial vacancy rate in the Los Angeles market area has increased to 2.36%, marking the 1<sup>st</sup> increase in 11 quarters.

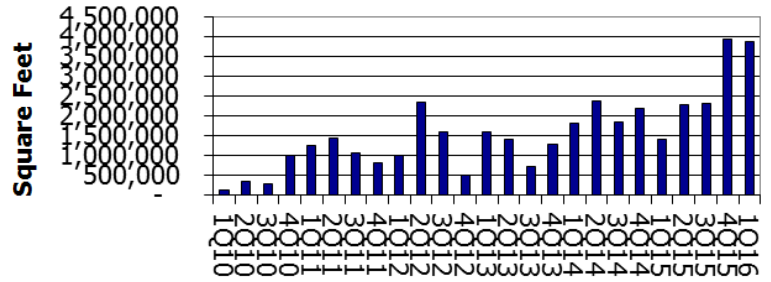
**Vacancy Rates**



**Deliveries & Construction**

There were 3,954,473 SF under construction at the end of the first quarter.

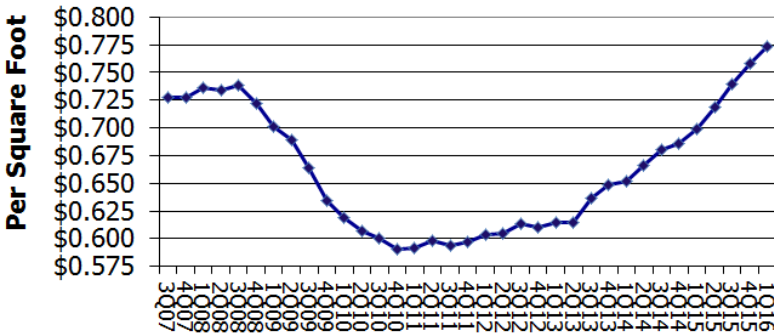
**SF Under Construction**



**Lease Rates**

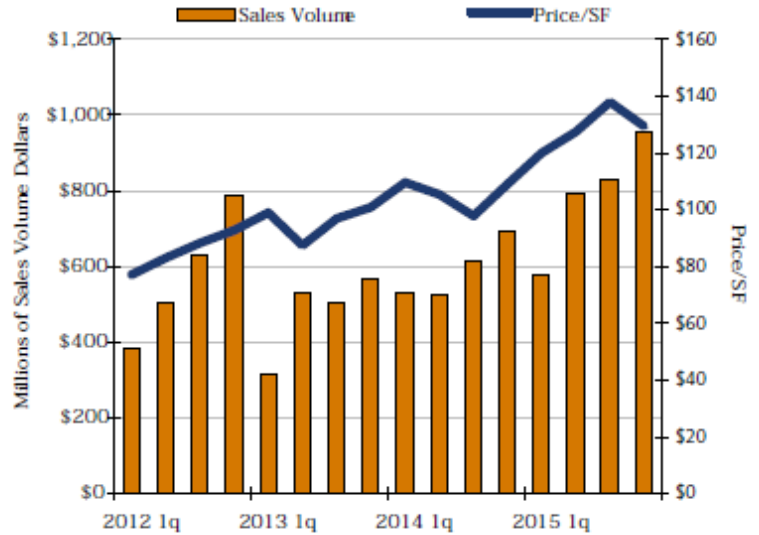
The average quoted asking rate for available Industrial space is now at \$0.774 PSF, and has increased for 13 straight quarters, or the highest level in over 10 years.

**Asking Lease Rate**



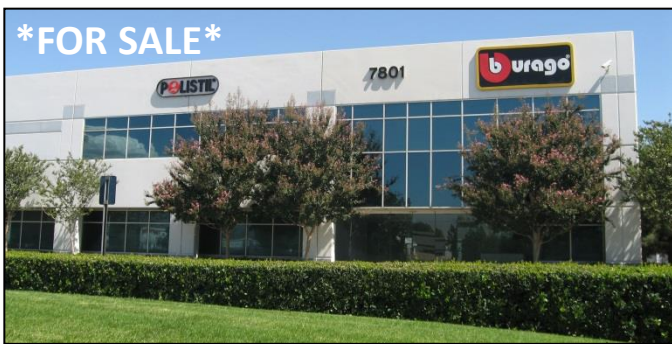
**Sales Activity**

Sale values have risen over 23% in the last 12 months for buildings over 15,000 SF.



**Featured Deals:**

7801 Cherry Ave, Fontana



We are currently marketing this 110,817 SF distribution warehouse for sale in Fontana. The property features 26' ceilings and high image, two-story office space.



1601 W Mission Blvd, Pomona, CA

We are currently marketing this 247,000 SF distribution warehouse space for sublease. Building features include 20' ceilings and 27 DH making it one of the largest available blocks of space in the SGV.