

Industrial Market Update

Los Angeles County

1st Quarter 2018

LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	76,482,619	\$0.742	1.80%	-613,161	0
Vernon	81,469,685	\$0.727	2.66%	133,163	237,500
Central LA	94,971,271	\$1.312	3.30%	328,210	0
Mid-Counties	95,443,101	\$0.815	2.50%	-611,190	1,081,473
San Gabriel Valley	176,096,667	\$0.891	2.78%	-451,424	805,058
San Fernando Valley	129,287,827	\$1.213	1.87%	3,342	0
South Bay	217,049,629	\$0.997	2.03%	-560,960	771,618
Westside	23,156,087	\$2.554	3.41%	-212,088	0
Los Angeles County	893,956,886	\$1.015	2.41%	-4,990,685	2,895,649
Change from Last Qtr.		↑	↑	↓	↓
Change from Last Year		↑	↑	↓	↓

Market Movers – Significant Transactions in LA County in the 1st Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
12339-59 Lower Azusa Rd, Arcadia	Lease	529,179	\$0.65 PSF	Glenair	Yellow Iron
12588 Florence Ave, Santa Fe Springs	Lease	403,635	\$0.81 PSF	Fashion Nova	Goodman
5959 Randolph St, Commerce	Sale	400,169	\$232 PSF	LPT	Bentall Kennedy
825 Ajax Ave, City of Industry	Lease	327,778	\$0.64 PSF	Tempur Sealy	Duke



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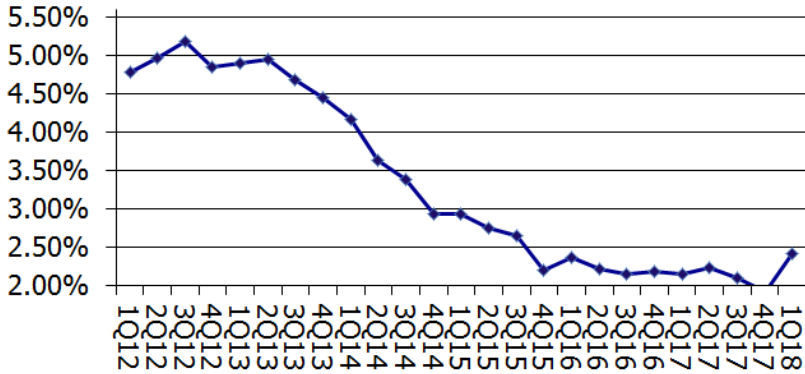
Market Overview

The Los Angeles Industrial market ended the 1st quarter 2018 with a vacancy rate of 2.41%. Meanwhile net absorption totaled -1,373,038 square feet in the first quarter. Vacant sublease space increased by 64.82% in the quarter, ending at 446,974 square feet. Rental rates ended the first quarter at \$1.015 PSF, an increase of 4.53% over the previous quarter. A total of 20 buildings were delivered to the market in the quarter totaling 1,908,056 square feet, with 3,352,196 square feet under construction. Sale values have averaged \$141 PSF in the last quarter and are up .94% in the same period from last year.



Vacancy The Industrial vacancy rate in the Los Angeles market area is at 2.41%.

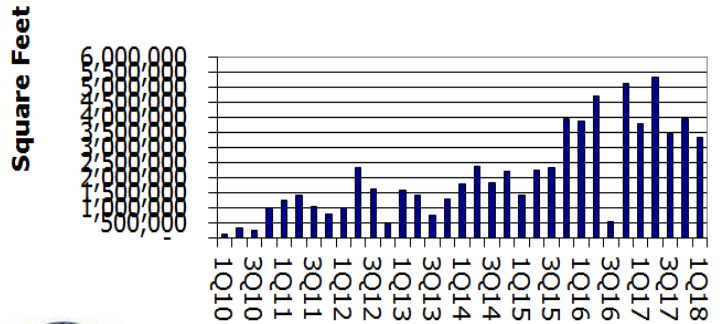
Vacancy Rates



Deliveries & Construction

There were 2,895,649 SF under construction at the end of the first quarter.

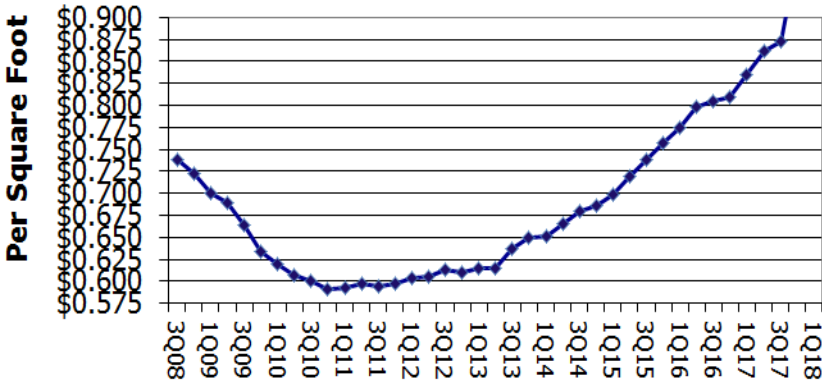
SF Under Construction



Lease Rates

The average quoted asking rate for available Industrial space is now at \$1.015 PSF, and has increased for **21** straight quarters.

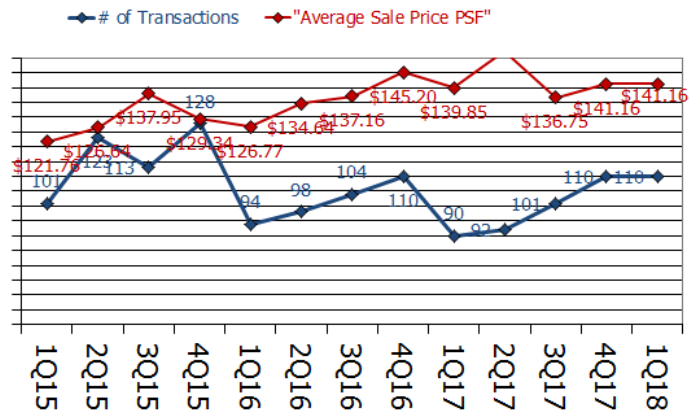
Asking Lease Rate



Sales Activity

Sale values have risen .94% in the last 12 months for buildings over 15,000 SF and are now at \$141 PSF.

Sale Data



Featured Deals:

5500 S Boyle Ave, Vernon



We represented the lessor in the lease of this 102,400 SF Industrial building in Vernon. The property features 24' Ceilings, 12 DH and 15,936 SF of office.

7105 Old 215 Frontage Road, Riverside



We leased this brand new "Class A" 242,580 SF distribution facility located in the Inland Empire. The property features 32' Ceilings, 27 DH and 240-354' secured concrete truck courts.

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