

Industrial Market Update

Los Angeles County

2nd 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	74,424,494	\$0.535	4.43%	-355,185	908,598
Vernon	80,877,267	\$0.547	2.19%	454,688	435,407
Central LA	95,426,444	\$0.849	3.12%	-278,167	0
Mid-Counties	95,245,631	\$0.548	4.24%	1,505,562	24,895
San Gabriel Valley	168,267,280	\$0.578	2.76%	1,511,235	735,675
San Fernando Valley	129,887,114	\$0.797	3.20%	1,046,242	59,000
South Bay	215,301,757	\$0.627	4.73%	2,010,883	224,575
Westside	19,138,201	\$1.687	4.32%	208,786	0
Los Angeles County	878,568,188	\$0.666	3.63%	6,104,044	2,388,150
Change from Last Qtr.		↑	↓	↑	↑
Change from Last Year		↑	↓	↑	↑

Market Movers – Significant Transactions in LA County in the 2nd Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
6100 Garfield Ave, Commerce	Lease	620,000	\$0.60 PSF	99 Cents	KTR Capital
2201 E Carson St, Carson	Lease	521,856	\$0.53 PSF	Sony Corporation	Morgan Stanley
16425 E Gale Ave, City of Industry	Sale	325,800	\$64 PSF	CT Realty	WP Carey
5793 Martin Rd, Irwindale*	Lease	295,000	\$0.46 PSF	Turbo Tires	LBA Realty

*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

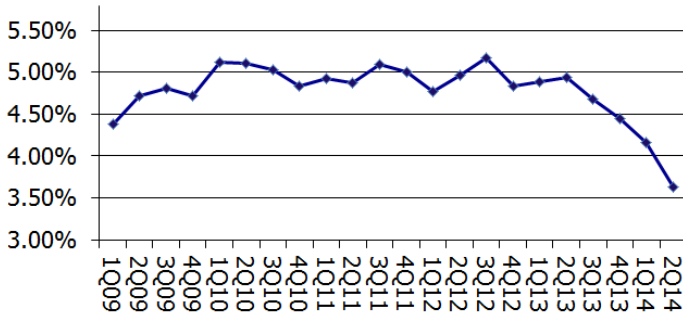
The Los Angeles Industrial market ended the second quarter 2014 with a vacancy rate of 3.63%, which represents a decrease of 12.7% from the previous quarter and 26.5% in the last year. Meanwhile net absorption totaled positive 4,131,667 square feet in the second quarter. Vacant sublease space decreased in the quarter, ending at 1,382,106 square feet. Rental rates ended the second quarter at \$0.666 PSF, an increase by 2.1% over the previous quarter. A total of nine buildings were delivered to the market in the quarter totaling 291,999 square feet, with 2,388,150 square feet under construction at the end of the quarter.

*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 to 3.63%, and is now at its lowest level since 2008.

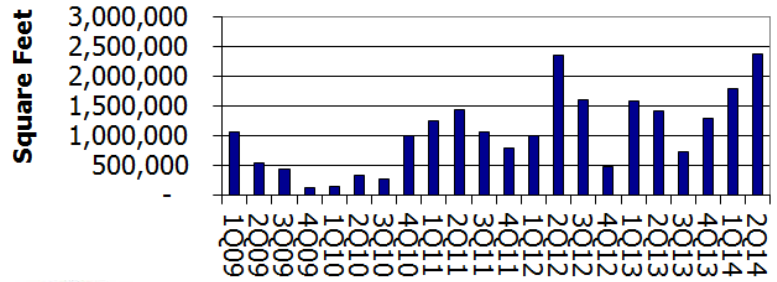
Vacancy Rates



Deliveries & Construction

There were 2,388,150 SF under construction at the end of the second quarter, which is the highest level since 2008.

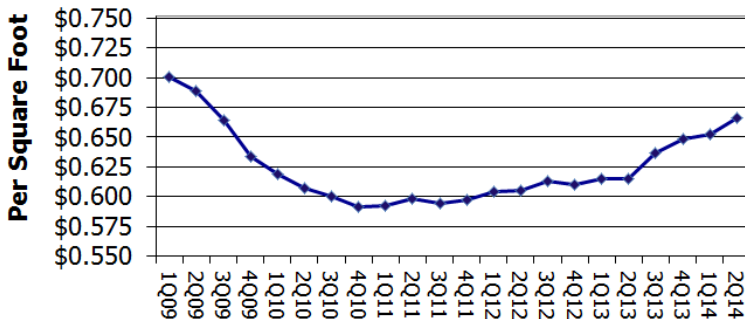
SF Under Construction



Lease Rates

The average quoted asking rate for available Industrial space is now at \$0.666 PSF, and has increased for six straight quarters.

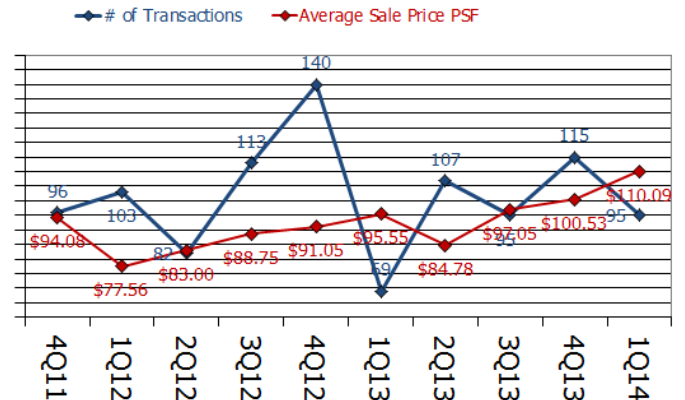
Asking Lease Rate



Sales Activity

Sale values have increased by 30.0% in the last year, and are currently averaging \$110.09 PSF. Cap rates again dropped and are currently averaging 6.4%.

Sale Data



Featured Deals:



15025 Proctor Ave, City of Industry

This Class "A", 128,581 SF warehouse is available for Sale or Lease and features 32' ceilings and build-to-suit office space. Visit www.proctorindustrialcenter.com for more details.

5793 Martin Rd, Irwindale



We represented the Landlord in this 295,000 SF lease in the San Gabriel Valley. The cross-dock distribution facility features 84 DH doors, ESFR sprinklers, large concrete truck courts and corporate offices.