

Industrial Market Update

Los Angeles County

2nd 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	76,246,350	\$0.612	3.23%	-759,781	116,634
Vernon	81,487,193	\$0.639	2.16%	59,403	118,714
Central LA	94,227,440	\$1.096	3.34%	77,571	1,007,000
Mid-Counties	94,425,999	\$0.644	1.32%	-77,022	327,941
San Gabriel Valley	170,269,065	\$0.695	2.05%	-58,438	1,912,056
San Fernando Valley	129,251,313	\$0.906	2.44%	-455,104	3,600
South Bay	216,083,310	\$0.755	1.67%	867,900	1,242,991
Westside	19,110,448	\$2.228	3.28%	-138,691	0
Los Angeles County	881,101,118	\$0.799	2.21%	-484,162	4,728,936
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
4415 Bandini Blvd, Vernon	Lease	264,594	\$0.70 PSF	Millenium Products	Pacific Industrial
*6130 E Sheila St, Commerce	Sale	184,772	\$176 PSF	COSI	Guardian
13110 Loudon Ln, City of Industry	Lease	168,000	\$0.64 PSF	Wayfair	CT Realty
*15025 Proctor Ave, City of Industry	Sale	128,512	\$146 PSF	Soho Apparel	Proctor Ind. Investors

*Realty Advisory Group, Inc. Transactions



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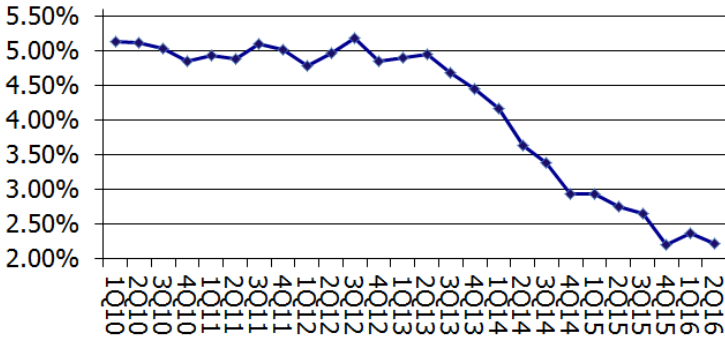
Market Overview

The Los Angeles Industrial market ended the 2nd quarter 2016 with a vacancy rate of 2.21%. Meanwhile net absorption totaled negative 484,162 square feet in the second quarter. Vacant sublease space decreased by 23% in the quarter, ending at 1,310,537 square feet. Rental rates ended the second quarter at \$0.799 PSF, an increase of 5.4% over the previous quarter. A total of nine buildings were delivered to the market in the quarter totaling 378,491 square feet, with 4,728,936 square feet under construction. Sale values have averaged \$127 PSF in the last quarter and are up 6% in the last twelve months.



Vacancy The Industrial vacancy rate in the Los Angeles market area has decreased to 2.21%, the 11th decrease in 12 quarters.

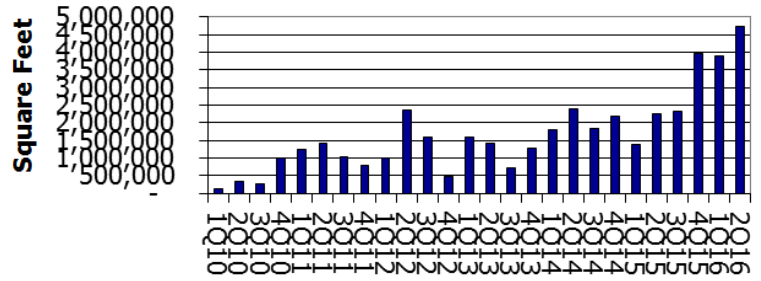
Vacancy Rates



Deliveries & Construction

There were 4,728,936 SF under construction at the end of the second quarter.

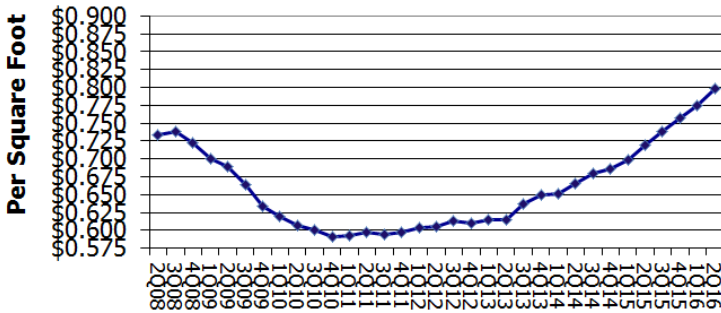
SF Under Construction



Lease Rates

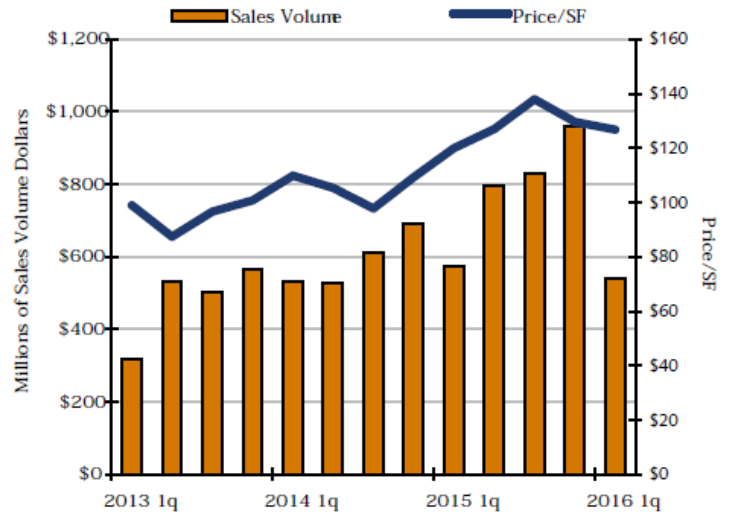
The average quoted asking rate for available Industrial space is now at \$0.799 PSF, and has increased for 14 straight quarters, or the highest level in over 10 years.

Asking Lease Rate



Sales Activity

Sale values have risen 6% in the last 12 months for buildings over 15,000 SF.



Featured Deals:

15025 Proctor Ave, City of Industry



We sold this Class "A", 128,581 SF warehouse to an owner/user. This new construction featured 31' ceilings, 18 DH positions and is located on 5.91 Acres.

6130 Sheila St, Commerce



We sold this Class "A", 184,772 SF distribution facility. Building features include 30' ceilings, 20 DH positions and an 8.34 Ac lot.

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