

# Industrial Market Update

Los Angeles County

2<sup>nd</sup> Quarter 2017

## LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	76,334,957	\$0.642	1.22%	178,392	0
Vernon	82,712,666	\$0.663	3.27%	-893,556	130,702
Central LA	94,420,768	\$1.171	3.51%	533,420	156,707
Mid-Counties	94,598,475	\$0.696	2.28%	147,216	1,178,577
San Gabriel Valley	172,943,686	\$0.730	2.20%	609,289	2,434,999
San Fernando Valley	128,693,509	\$0.999	1.93%	-210,470	361,038
South Bay	216,489,633	\$0.825	1.68%	719,624	1,007,539
Westside	22,910,770	\$2.251	3.02%	192,203	52,690
<b>Los Angeles County</b>	<b>889,104,464</b>	<b>\$0.861</b>	<b>2.22%</b>	<b>831,086</b>	<b>5,322,252</b>
<b>Change from Last Qtr.</b>		↑	↑	↓	↑
<b>Change from Last Year</b>		↑	↑	↓	↑

## Market Movers – Significant Transactions in LA County in the 2<sup>nd</sup> Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
12252 Whittier Blvd, Whittier*	Sale	164,284	\$157 PSF	GS	Terreno
2615 Bonnie Beach Pl, Vernon	Sale	148,092	\$111 PSF	Realterm	Cahn Realty
15913 S Main St, Gardena	Sale	114,061	\$217 PSF	Terreno	Storm Fujimoto
1720 W 135 <sup>th</sup> St, Gardena	Sale	100,580	\$90 PSF	Liberty Property	1720 W 135 <sup>th</sup> St LLC

\*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



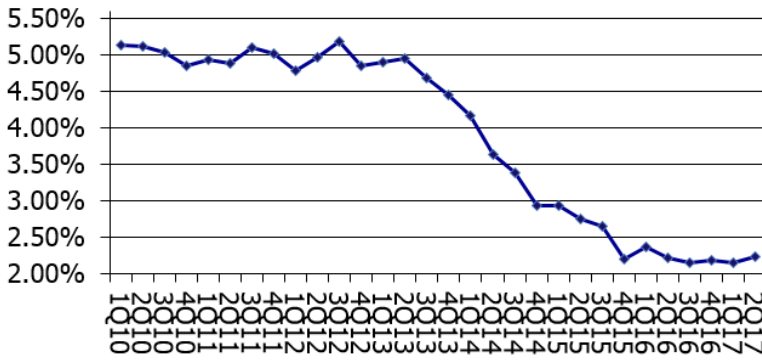
## Market Overview

The Los Angeles Industrial market ended the 2<sup>nd</sup> quarter 2017 with a vacancy rate of 2.22%. Meanwhile net absorption totaled -389,106 square feet in the second quarter. Vacant sublease space increased by 30% in the quarter, ending at 1,550,323 square feet. Rental rates ended the first quarter at \$0.861 PSF, an increase of 3.1% over the previous quarter. A total of seven buildings were delivered to the market in the quarter totaling 509,279 square feet, with 5,322,252 square feet under construction. Sale values have averaged \$140 PSF in the last quarter and are up 11% in the same period from last year.



**Vacancy** The Industrial vacancy rate in the Los Angeles market area is at 2.22%.

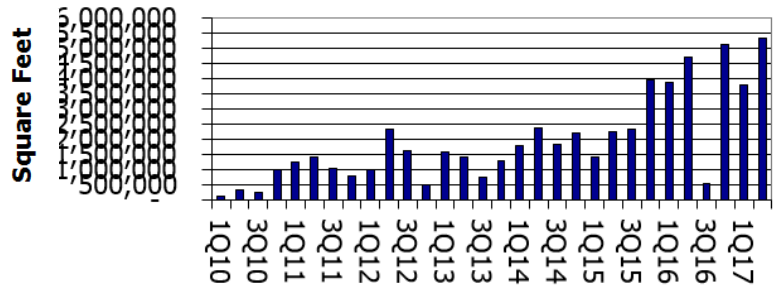
### Vacancy Rates



### Deliveries & Construction

There were 5,322,252 SF under construction at the end of the second quarter.

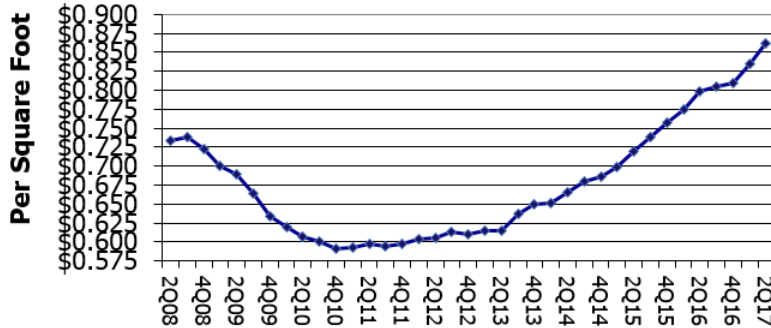
### SF Under Construction



### Lease Rates

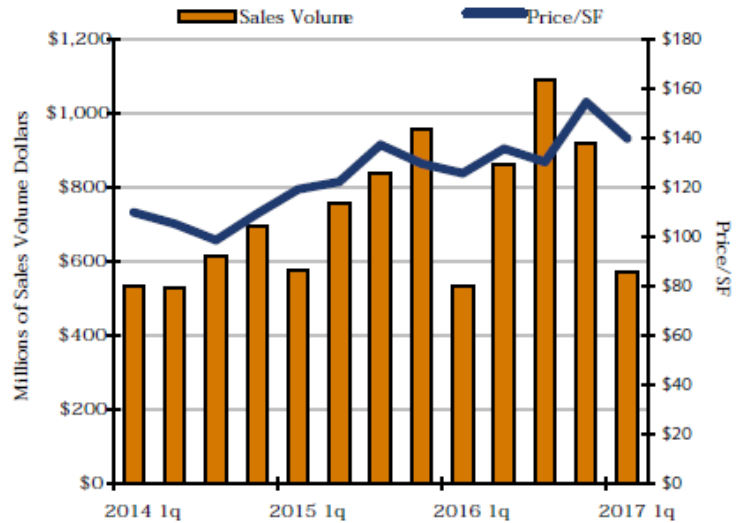
The average quoted asking rate for available Industrial space is now at \$0.861 PSF, and has increased for **18** straight quarters.

### Asking Lease Rate



### Sales Activity

Sale values have risen 11% in the last 12 months for buildings over 15,000 SF and are now at \$140 PSF.



## Featured Deals:

583 Monterey Pass Rd, Monterey Park



We are offering this 23,094 SF Office/Industrial building in Monterey Park for Sale. Ideal for an owner/user the property offers flexibility as it divides into three units.

12252 Whittier Blvd, Whittier



We sold this 161,610 SF Class "A" Industrial building as a leased Investment. The property features 30' Ceilings, 21 DH and 4,000 Amps.

The Los Angeles County  
Industrial Market  
Update is Prepared by:

John Repstad  
ID# 01322897  
(213) 892-8881 x 269  
jrepstad@raginc.com

Mark Repstad  
ID# 01492673  
(213) 892-8881 x 369  
mrepstad@raginc.com