

Industrial Market Update

Los Angeles County

3rd Quarter 2013

LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	74,312,865	\$0.494	4.75%	6,125	0
Vernon	81,395,414	\$0.514	2.82%	320,701	0
Central LA	96,966,777	\$0.855	2.91%	687,471	18,000
Mid-Counties	94,997,802	\$0.528	5.57%	-162,001	472,955
San Gabriel Valley	166,625,579	\$0.546	4.95%	-256,278	28,000
San Fernando Valley	130,605,558	\$0.731	4.21%	457,642	44,000
South Bay	216,053,394	\$0.610	5.76%	996,289	158,226
Westside	19,246,542	\$1.589	5.40%	-46,648	0
Los Angeles County	880,203,931	\$0.637	4.68%	2,003,301	721,181
Change from Last Qtr.		↑	↓	↑	↓
Change from Last Year		↑	↓	↑	↓

Market Movers – Significant Transactions in LA County in the 3rd Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
1601 W Mission Blvd, Pomona*	Lease	504,000	Confidential	Lumber Liquidators	KTR Capital
588 Crenshaw Blvd, Torrance	Sale	265,418	\$127 PSF	IIT, Inc.	Cornerstone RE
315 S 7 th Ave, City of Industry*	Sale	250,000	Confidential	Goya Foods	Majestic Realty
24760 S Main St, Carson*	Lease	231,008	\$0.62 PSF	All Ways Forwarding	KTR Capital

*Realty Advisory Group, Inc. Transaction



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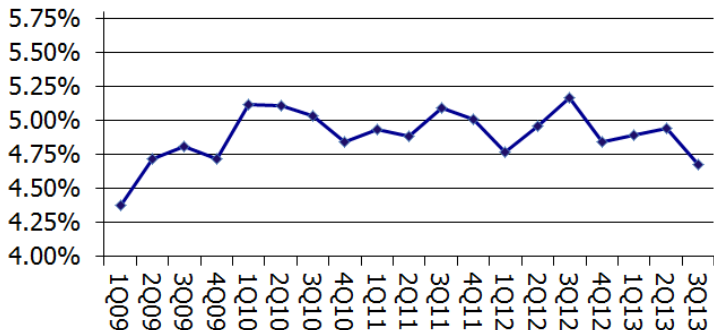
Market Overview

The Los Angeles Industrial market ended the third quarter 2013 with a vacancy rate of 4.68%, which represents a decrease of 5.3% from the previous quarter. Meanwhile net absorption totaled positive 1,831,948 square feet in the second quarter. Vacant sublease space decreased by 15.2% in the quarter, ending at 1,825,835 square feet. Rental rates ended the second quarter at \$0.637 PSF, an increase by 3.6% over the previous quarter. A total of five buildings were delivered to the market in the quarter totaling 767,673 square feet, with 721,181 square feet under construction at the end of the quarter.



Vacancy The Industrial vacancy rate in the Los Angeles market area has decreased to 4.68%, the lowest level since the 2nd Quarter of 2009.

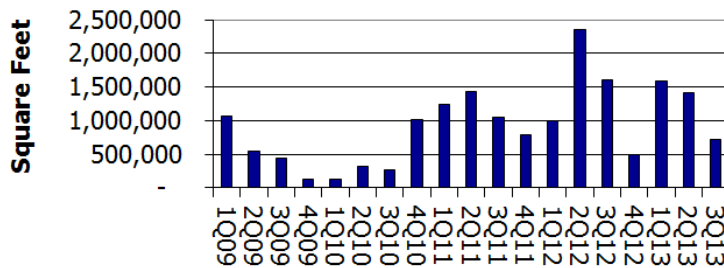
Vacancy Rates



Deliveries & Construction

There were 721,181 SF under construction at the end of the third quarter.

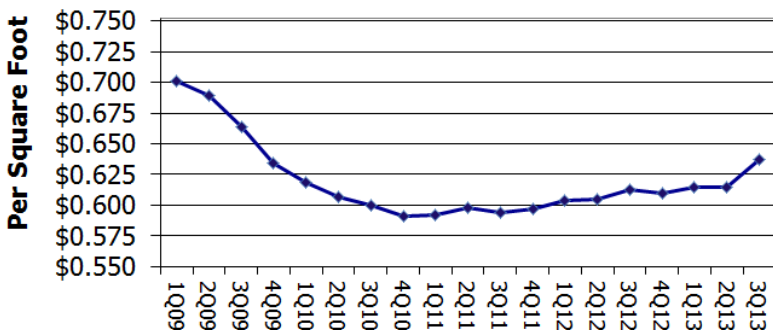
SF Under Construction



Lease Rates

The average quoted asking rate for available Industrial space is now at \$0.637 PSF, the highest level since the 3rd Quarter of 2009.

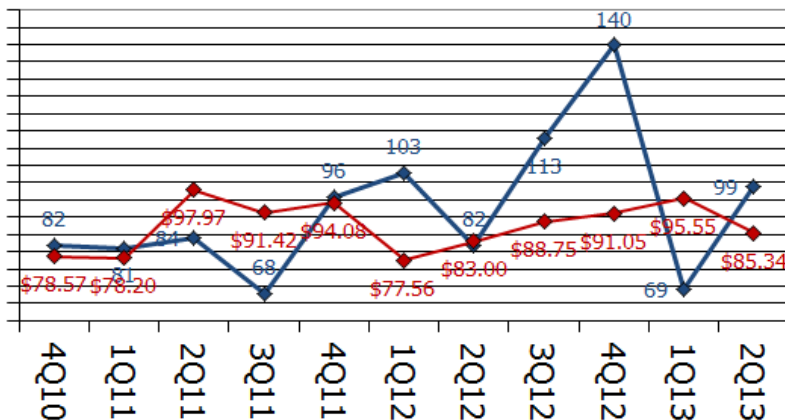
Asking Lease Rate



Sales Activity

Sale values have decreased in the last quarter, but are still averaging \$5 PSF higher than they did in 2012, with sale volumes on pace to be the highest in 4 years.

◆ # of Transactions ◆ Average Sale Price PSF



Featured Deals:



SOLD

315 S 7th Ave, City of Industry

We represented the Buyer of this 250,000 SF distribution center that has 24' ceilings, 25 DH doors and is rail served.



Leased

1601 W Mission Blvd, Pomona, CA

Realty Advisory Group, Inc. represented both the Tenant and the Landlord in this Lease transaction, which at over 500,000 SF, represented the largest transaction in LA County in the third quarter of 2013.