

Industrial Market Update

Los Angeles County

3rd 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	75,080,119	\$0.534	4.32%	307,750	289,719
Vernon	81,141,351	\$0.576	2.36%	399,876	583,036
Central LA	95,609,516	\$0.851	3.00%	-201,148	0
Mid-Counties	95,270,584	\$0.558	3.96%	1,782,595	28,295
San Gabriel Valley	168,575,689	\$0.592	3.07%	1,129,102	582,447
San Fernando Valley	129,782,527	\$0.809	3.04%	1,123,500	134,000
South Bay	214,848,145	\$0.641	3.82%	3,841,507	224,575
Westside	19,075,671	\$1.760	3.13%	437,047	0
Los Angeles County	879,383,602	\$0.680	3.38%	8,820,229	1,842,072
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
9120 Mason Ave, Chatsworth	Sale	319,348	\$96 PSF	Rexford	LBA Realty
15300 Desman Rd, La Mirada	Lease	254,718	\$0.54 PSF	All-Ways Pacific	TA Realty
14555 Alondra Blvd, La Mirada	Sale	237,089	\$92 PSF	Dunkel Bros.	Heitman
9601-9603 John St, Santa Fe Springs	Sale	174,000	\$91 PSF	*9601 John St LLC	Greenlaw/Guggenheim

*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

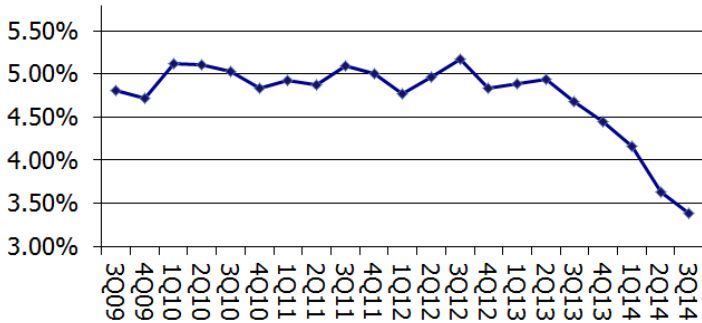
The Los Angeles Industrial market ended the third quarter 2014 with a vacancy rate of 3.38%, which represents a decrease of 6.9% from the previous quarter and 27.8% in the last year. Meanwhile net absorption totaled positive 2,716,185 square feet in the third quarter. Vacant sublease space decreased slightly in the quarter, ending at 1,345,229 square feet. Rental rates ended the third quarter at \$0.680 PSF, an increase of 2.1% over the previous quarter. A total of five buildings were delivered to the market in the quarter totaling 868,091 square feet, with 1,842,072 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 3.38%, marking the fifth straight quarter of decline.

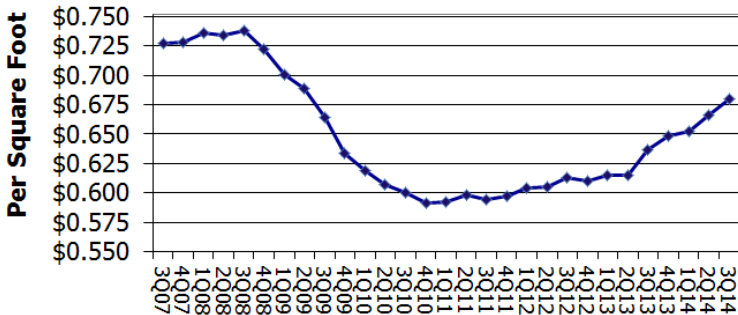
Vacancy Rates



Lease Rates

The average quoted asking rate for available Industrial space is now at \$0.680 PSF, and has increased for seven straight quarters.

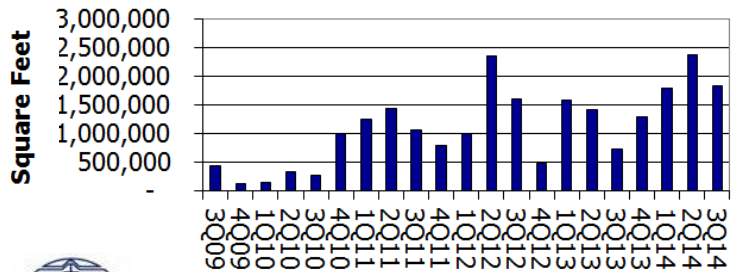
Asking Lease Rate



Deliveries & Construction

There were 1,842,072 SF under construction at the end of the third quarter, a 23% decrease from Q2, 2014 primarily due to KTR's delivery of 620,000 SF in Commerce.

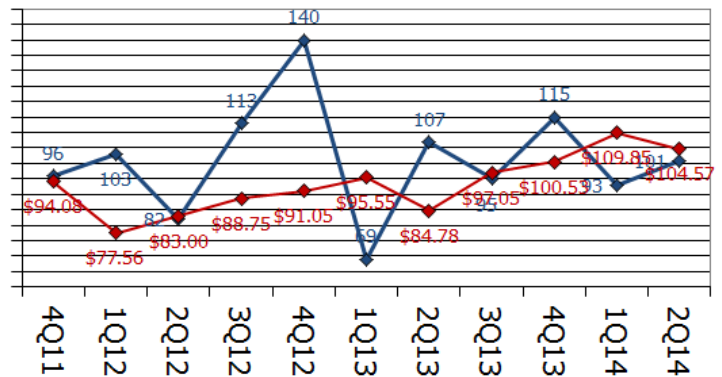
SF Under Construction



Sales Activity

Sale values have remained steady currently averaging \$105 PSF and cap rates have continued to drop, now averaging 6.26%.

◆ # of Transactions ◆ Average Sale Price PSF



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.

9601-9603 John St, Santa Fe Springs



We represented the Buyer of this 174,000 SF corporate headquarters facility in the Mid-Countries. The facility had been completely remodeled and features 16 DH doors, 22'-28' ceilings and 30,000+ SF of office space.