

# Industrial Market Update

Los Angeles County

3<sup>rd</sup> Quarter 2015

## LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	75,989,157	\$0.570	2.35%	1,270,208	188,816
Vernon	81,833,275	\$0.641	2.05%	561,422	0
Central LA	94,995,057	\$0.988	3.34%	-502,559	1,112,170
Mid-Counties	95,199,003	\$0.612	2.09%	1,123,366	24,895
San Gabriel Valley	170,235,625	\$0.626	2.63%	1,982,346	664,455
San Fernando Valley	128,965,129	\$0.872	2.85%	304,794	266,736
South Bay	215,499,202	\$0.694	2.68%	578,068	66,155
Westside	18,796,565	\$1.863	4.03%	-161,232	0
<b>Los Angeles County</b>	<b>881,513,013</b>	<b>\$0.739</b>	<b>2.65%</b>	<b>5,156,413</b>	<b>2,323,227</b>
<b>Change from Last Qtr.</b>		↑	↓	↑	↑
<b>Change from Last Year</b>		↑	↓	↓	↑

## Market Movers – Significant Transactions in LA County in the 3<sup>rd</sup> Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
9400 Santa Fe Springs Rd, Santa Fe Springs	Sale	607,833	\$102 PSF	Deutsche AWM / ARA	Cornerstone
2100 Yates Ave, Commerce	Lease	374,370	\$0.57 NNN	West Rock Packaging	Prologis
11688 Greenstone Ave, Santa Fe Springs	Sale	327,934	\$221 PSF	TIAA-CREF	Panattoni
1889 & 1937 W Mission Blvd, Pomona	Sale	227,000	\$117 PSF	Kerr Corporation	7 <sup>th</sup> St Development



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### Valencia/Santa Clarita Valley

28338 Constellation Road, Unit 950,  
Valencia, CA 91355  
T: (661) 702-8880 F: (661) 702-8882



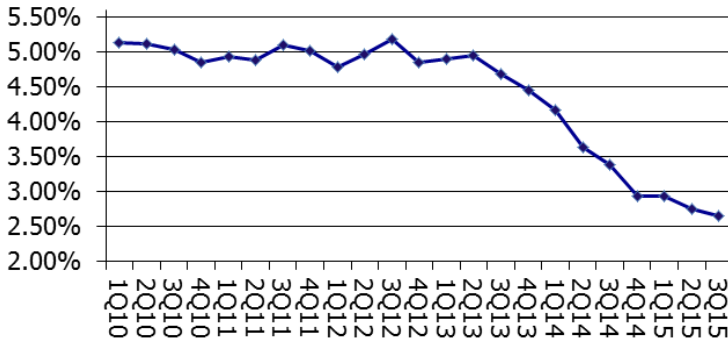
## Market Overview

The Los Angeles Industrial market ended the 3<sup>rd</sup> quarter 2015 with a vacancy rate of 2.65%. Meanwhile net absorption totaled positive 2,692,826 square feet in the third quarter. Vacant sublease space decreased by 9% in the quarter, ending at 1,493,045 square feet. Rental rates ended the third quarter at \$0.739 PSF, an increase of 2.7% over the previous quarter. A total of fourteen buildings were delivered to the market in the quarter totaling 1,081,242 square feet, with 2,323,227 square feet under construction. Sale values have averaged \$125 PSF this year up from \$107 PSF at this time last year.



**Vacancy** The Industrial vacancy rate in the Los Angeles market area has decreased to 2.65%, marking the **9<sup>th</sup>** straight quarter of decline.

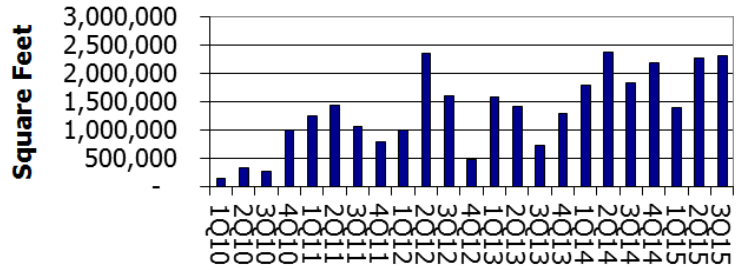
### Vacancy Rates



### Deliveries & Construction

There were 2,323,227 SF under construction at the end of the third quarter.

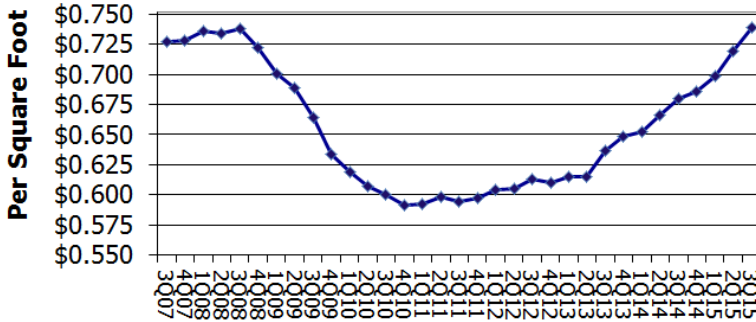
### SF Under Construction



### Lease Rates

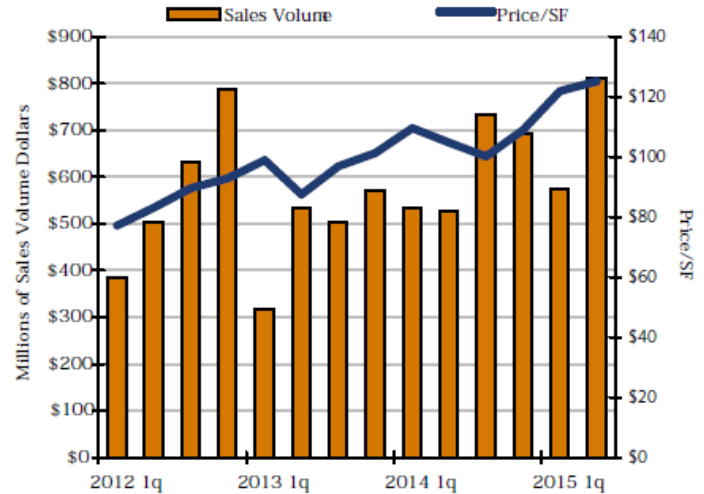
The average quoted asking rate for available Industrial space is now at \$0.739 PSF, has increased for **11** straight quarters and has now equaled the levels experienced in early 2008.

### Asking Lease Rate



### Sales Activity

Sale values have continued their trend upward averaging \$125 PSF this year for buildings over 15,000 SF.



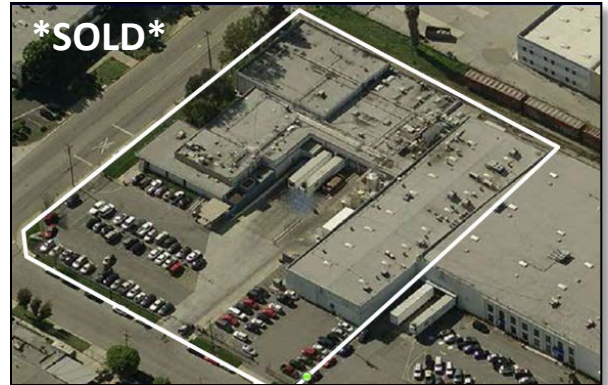
Source: CoStar COMPS®

### Featured Deals:



**\*IN ESCROW\***  
15025 Proctor Ave, City of Industry

This Class "A", 128,581 SF warehouse is currently under construction and features 32' ceilings. Visit [www.proctorindustrialcenter.com](http://www.proctorindustrialcenter.com) for more details.



9420 Sorensen Ave, Santa Fe Springs

**\*SOLD\***  
We represented the Buyer in their acquisition of this 54,035 SF food production facility.