

# Industrial Market Update

Los Angeles County

4<sup>th</sup> Quarter 2013

**\*MARKET CONTINUES TO TIGHTEN WITH VACANCY NOW AT LOWEST LEVELS IN 5 YEARS\***

## LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	74,376,539	\$0.503	4.21%	404,391	620,000
Vernon	81,289,154	\$0.540	2.78%	321,573	166,594
Central LA	96,533,050	\$0.875	3.06%	487,349	113,479
Mid-Counties	95,108,701	\$0.538	5.74%	148,685	24,895
San Gabriel Valley	166,835,934	\$0.560	4.02%	1,506,704	310,961
San Fernando Valley	130,512,986	\$0.746	4.07%	685,581	5,000
South Bay	216,484,411	\$0.610	5.68%	1,284,731	51,010
Westside	19,263,329	\$1.635	5.49%	-60,781	0
<b>Los Angeles County</b>	<b>880,404,104</b>	<b>\$0.649</b>	<b>4.45%</b>	<b>4,778,233</b>	<b>1,291,939</b>
<b>Change from Last Qtr.</b>		↑	↓	↑	↑
<b>Change from Last Year</b>		↑	↓	↑	↑

## Market Movers – Significant Transactions in LA County in the 4<sup>th</sup> Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
2743 Thompson Creek Rd, Pomona	Sale	367,000	5.85% Cap	Rexford Industrial	TA Associates
3931 Workman Mill Rd, Industry	Lease	305,000	\$0.52 PSF	Michael Kors	Carpenters
11811 Florence Ave, Santa Fe Springs	Lease	288,000	\$0.39 PSF	Universal Logistics	Westcore
1585 W Mission Blvd, Pomona	Sale	246,000	\$85 PSF	Kittrich Corp	7 <sup>th</sup> Street Development



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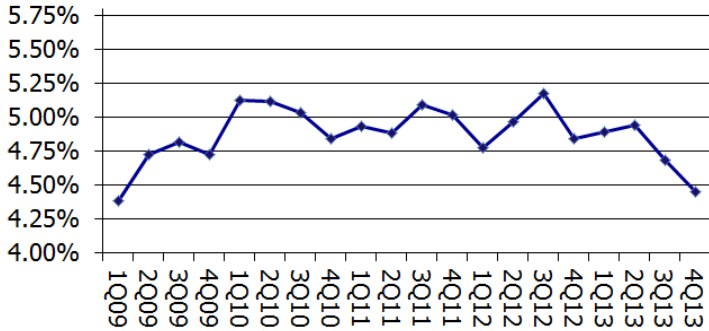
## Market Overview

The Los Angeles Industrial market ended the fourth quarter 2013 with a vacancy rate of 4.45%, which represents a decrease of 4.9% from the previous quarter. Meanwhile net absorption totaled positive 2,753,018 square feet in the fourth quarter. Vacant sublease space decreased by 12.4% in the quarter, ending at 1,599,992 square feet. Rental rates ended the fourth quarter at \$0.649 PSF, an increase by 1.9% over the previous quarter. A total of seven buildings were delivered to the market in the quarter totaling 917,537 square feet, with 1,291,939 square feet under construction at the end of the quarter.



**Vacancy** The Industrial vacancy rate in the Los Angeles market area has decreased to 4.45%, the lowest level since the 1<sup>st</sup> Quarter of 2009.

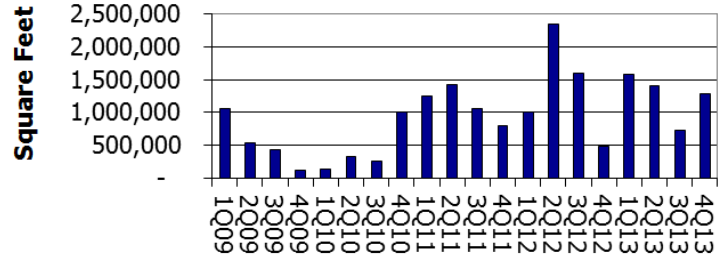
**Vacancy Rates**



**Deliveries & Construction**

There were 1,291,939 SF under construction at the end of the fourth quarter.

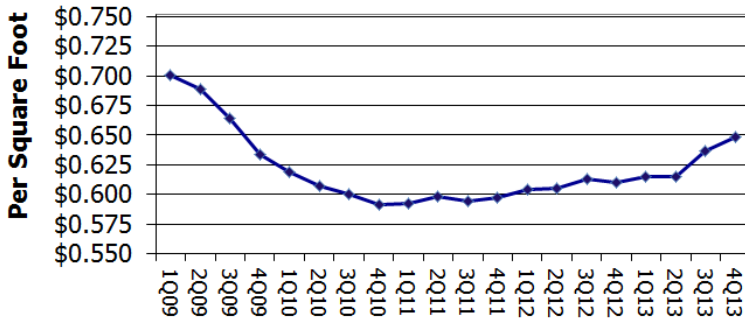
**SF Under Construction**



**Lease Rates**

The average quoted asking rate for available Industrial space is now at \$0.649 PSF, the highest level since the 3<sup>rd</sup> Quarter of 2009.

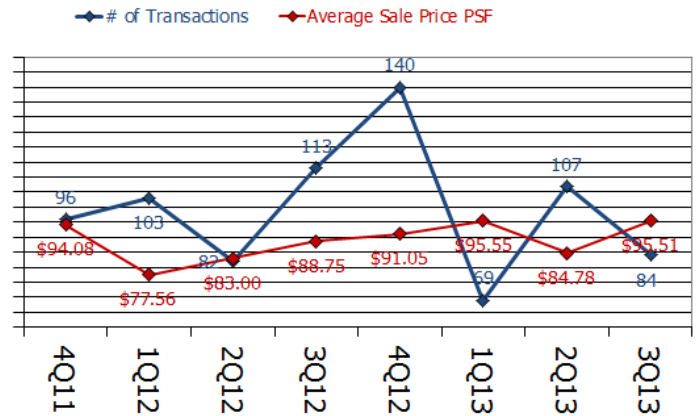
**Asking Lease Rate**



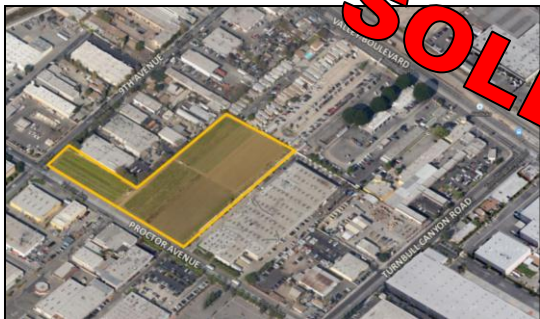
**Sales Activity**

Sale values have increased by 7.6% in the last year, and are currently averaging \$95.51 PSF. Cap rates have also been lower in 2013, averaging sub 7%.

**Sale Data**



**Featured Deals:**



15025 Proctor Ave, City of Industry

We represented the Buyer of this 5.92 Acre site and where we are currently offering a 128,690 SF distribution warehouse for Sale or Lease that will be completed by year end.



320 S 6<sup>th</sup> Ave, City of Industry

We are currently offering this 185,445 SF corporate HQ facility for Sale. The building features 25'+ ceilings, 14 DH positions and over 13,000 SF of office space and is located 29 miles from the LA and Long Beach Ports.