

Industrial Market Update

Los Angeles County

4th 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	75,313,548	\$0.543	2.74%	1,720,271	0
Vernon	81,112,604	\$0.574	2.40%	441,906	482,236
Central LA	95,398,008	\$0.846	2.97%	-199,459	0
Mid-Counties	95,174,929	\$0.563	3.39%	1,988,904	24,895
San Gabriel Valley	168,503,240	\$0.597	2.77%	1,631,523	1,325,896
San Fernando Valley	128,907,842	\$0.822	2.74%	1,532,395	140,368
South Bay	214,710,417	\$0.648	3.20%	5,167,297	224,575
Westside	19,069,391	\$1.843	3.20%	389,702	0
Los Angeles County	878,189,979	\$0.686	2.93%	12,672,539	2,197,970
Change from Last Qtr.		↑	↓	↑	↑
Change from Last Year		↑	↓	↑	↑

Market Movers – Significant Transactions in LA County in the 4th Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
11688 Greenstone Ave, S.F. Springs	Lease	327,934	TBD	Federal Express	Panattoni
7900 Nelson Rd, Panorama City	Sale	203,082	\$120 PSF	Rexford	JADRR, LLC
15050 Shoemaker Ave, S.F. Springs	Sale	174,342	\$124 PSF	American Realty Adv.	Lincoln Property
3200 Pomona Blvd, Pomona	Lease	144,542	\$0.33 NNN	Oconca Shipping	Invesco Real Estate



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28338 Constellation Road, Unit 950,
Valencia, CA 91355
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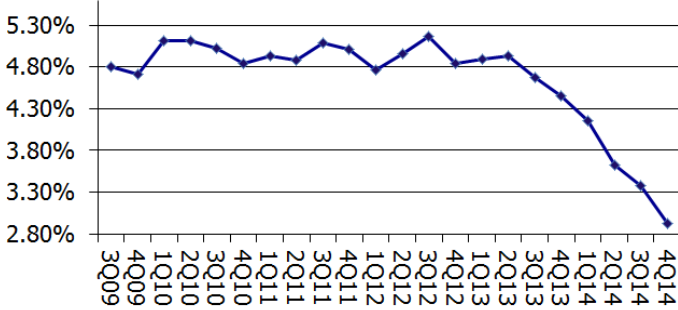
Market Overview

The Los Angeles Industrial market ended the fourth quarter 2014 with a vacancy rate of 3.38%, which represents a decrease of 13.3% from the previous quarter and 34.2% in the last year. Meanwhile net absorption totaled positive 3,584,466 square feet in the fourth quarter. Vacant sublease space increase in the quarter, ending at 1,536,983 square feet. Rental rates ended the fourth quarter at \$0.686 PSF, a small increase of 0.9% over the previous quarter. A total of nine buildings were delivered to the market in the quarter totaling 484,473 square feet, with 2,290,710 square feet under construction at the end of the quarter.



Vacancy The Industrial vacancy rate in the Los Angeles market area has decreased to 2.93%, marking the sixth straight quarter of decline.

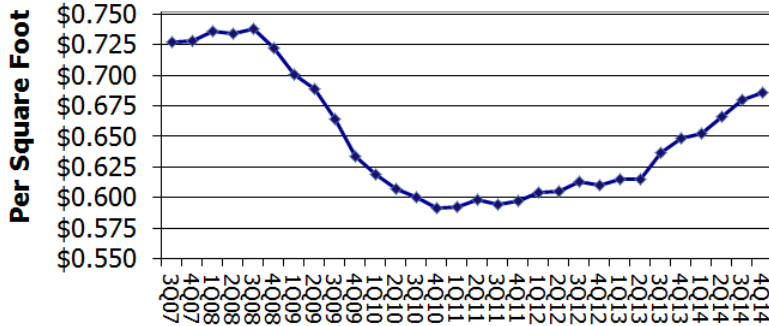
Vacancy Rates



Lease Rates

The average quoted asking rate for available Industrial space is now at \$0.686 PSF, and has increased for eight straight quarters.

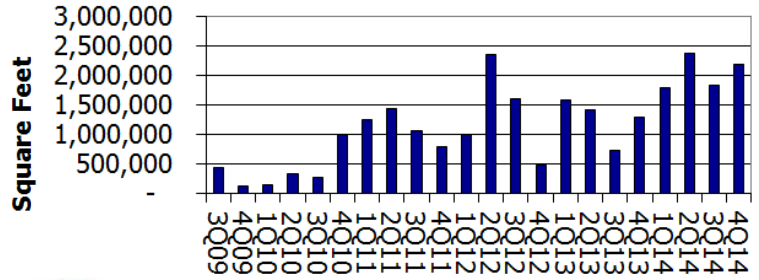
Asking Lease Rate



Deliveries & Construction

There were 2,197,970 SF under construction at the end of the fourth quarter, a 19% increase from Q3, 2014

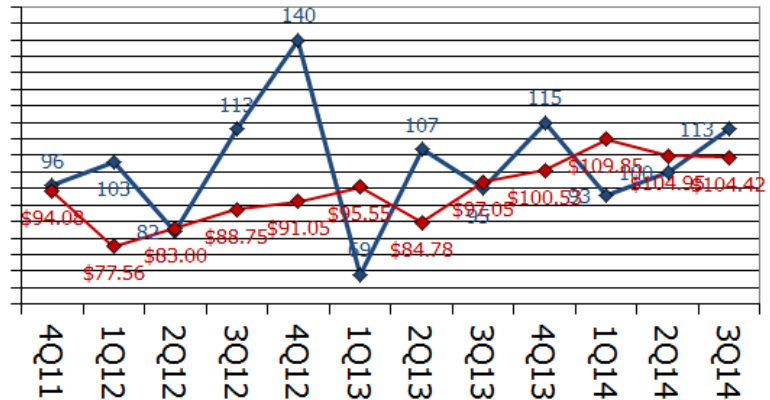
SF Under Construction



Sales Activity

Sale values and cap rates have remained steady currently averaging \$104 PSF and 6.3% respectively.

◆ # of Transactions ◆ Average Sale Price PSF



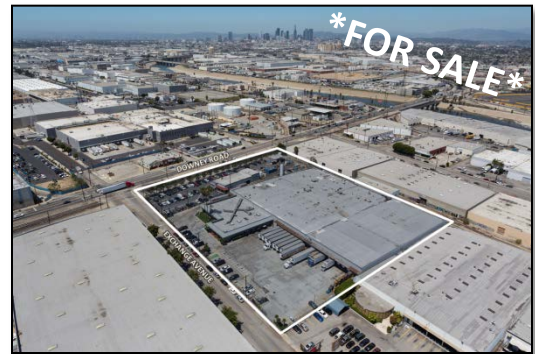
Featured Deals:



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.

4215 Exchange Ave, Vernon



We are offering this 112,933 SF USDA Meat Processing facility for sale in Vernon. The facility features 21 DH doors and over 86,000 SF of temperature controlled area. The property is also rail served.