

Industrial Market Update

Los Angeles County

4th 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	75,971,844	\$0.574	2.35%	1,269,692	188,816
Vernon	81,846,956	\$0.618	2.16%	459,624	152,000
Central LA	93,726,172	\$1.026	3.46%	-624,513	1,109,170
Mid-Counties	95,228,256	\$0.623	1.37%	1,806,013	224,483
San Gabriel Valley	170,043,772	\$0.641	2.07%	2,722,127	1,807,188
San Fernando Valley	128,576,573	\$0.909	2.46%	848,924	28,620
South Bay	215,692,907	\$0.719	1.84%	2,174,106	444,196
Westside	18,809,406	\$1.943	3.38%	-44,779	0
Los Angeles County	879,895,886	\$0.758	2.20%	8,611,194	3,954,473
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
Carson Industrial Center, Carson	Sale	420,151	\$121 PSF	Deutsche AWM	Prologis
20301 E Walnut Dr, City of Industry	Lease	350,000	\$0.54 PSF	Furniture of America	Misco Home & Garden
4000 Redondo Beach Ave, Redondo Beach	Sale	303,744	\$170 PSF	AEW Capital Mgmt.	TPG Capital
3000 E Via Mondo, Compton	Sale	119,919	\$357 PSF	Prologis	Scholle Corp.



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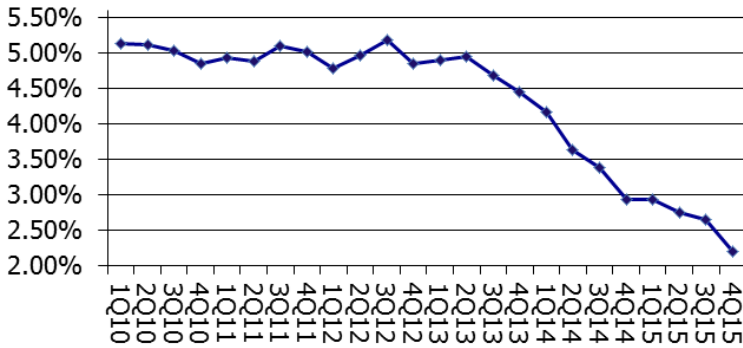
Market Overview

The Los Angeles Industrial market ended the 4th quarter 2015 with a vacancy rate of 2.20%. Meanwhile net absorption totaled positive 4,555,264 square feet in the fourth quarter. Vacant sublease space decreased by 15% in the quarter, ending at 1,263,137 square feet. Rental rates ended the fourth quarter at \$0.758 PSF, an increase of 2.5% over the previous quarter. A total of eight buildings were delivered to the market in the quarter totaling 262,361 square feet, with 3,954,473 square feet under construction. Sale values have averaged \$129 PSF this year or up over 20% from \$103 PSF at this time last year.



Vacancy The Industrial vacancy rate in the Los Angeles market area has decreased to 2.20%, marking the **10th** straight quarter of decline and the lowest level in over 10 years.

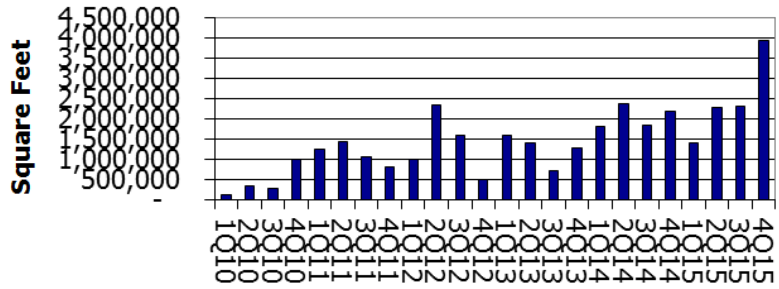
Vacancy Rates



Deliveries & Construction

There were 3,954,473 SF under construction at the end of the third quarter.

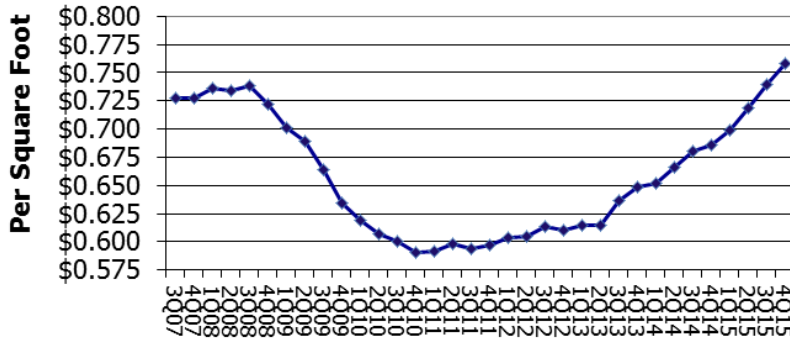
SF Under Construction



Lease Rates

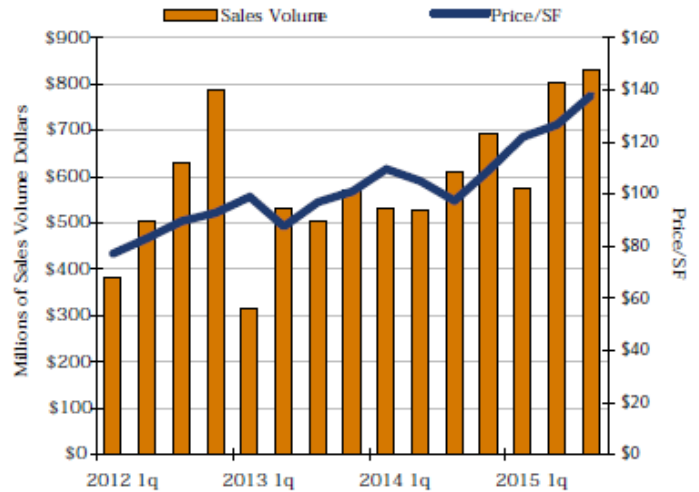
The average quoted asking rate for available Industrial space is now at \$0.758 PSF, and has increased for **12** straight quarters, or the highest level in over 10 years.

Asking Lease Rate



Sales Activity

Sale values have continued their trend upward averaging \$129 PSF this year for buildings over 15,000 SF.



Source: CoStar COMPS®

Featured Deals:

Bellevue Center, Pasadena



We represented the Buyer of this Office/Flex Campus in Pasadena. The property is currently leased to established tenants including a Fortune 500 company.

4271 & 4361 Edison Ave, Chino



We assisted our client in their lease of two facilities totaling 500,000 SF in the master planned Majestic Spectrum. The warehouse space includes 30' ceilings and 82 DH doors.