

# Industrial Market Update

Los Angeles County

4<sup>th</sup> Quarter 2016

## LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	76,209,981	\$0.631	1.89%	443,200	0
Vernon	81,791,272	\$0.651	1.95%	245,071	118,714
Central LA	95,000,092	\$1.082	3.89%	347,994	20,022
Mid-Counties	94,238,266	\$0.673	1.80%	-414,210	715,656
San Gabriel Valley	171,476,270	\$0.707	2.42%	81,715	2,279,008
San Fernando Valley	128,830,767	\$0.897	1.79%	113,631	364,638
South Bay	215,517,334	\$0.777	1.73%	869,631	1,622,464
Westside	19,106,373	\$2.223	3.19%	-134,384	0
<b>Los Angeles County</b>	<b>882,170,355</b>	<b>\$0.810</b>	<b>2.18%</b>	<b>1,552,648</b>	<b>5,120,502</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
12369 Lower Azusa Rd, Arcadia	Lease	1,829,520	TBD	FedEx	Yellow Iron
202-204 Hornet Wy, El Segundo	Sale	540,000	\$151 PSF	Hackman Capital	Northrop Grumman
4000 Redondo Beach Ave, Redondo Beach	Sale	303,744	\$170 PSF	AEW Capital	TPG
1589 9 <sup>th</sup> St, Pomona	Lease	197,685	\$0.48 PSF	Vantec WT	Oakmont



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



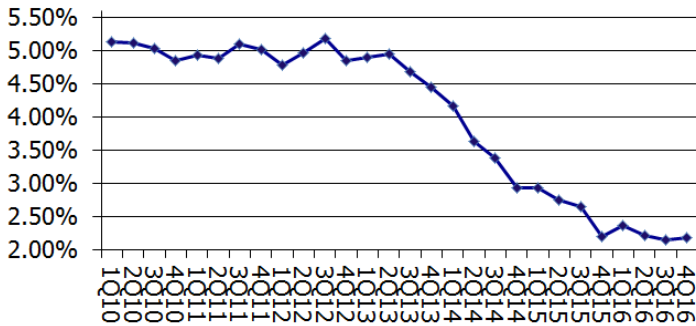
## Market Overview

The Los Angeles Industrial market ended the 4<sup>th</sup> quarter 2016 with a vacancy rate of 2.18%. Meanwhile net absorption totaled negative 935,387 square feet in the fourth quarter. Vacant sublease space increased by 11% in the quarter, ending at 1,428,325 square feet. Rental rates ended the fourth quarter at \$0.810 PSF, an increase of 1% over the previous quarter. A total of twelve buildings were delivered to the market in the quarter totaling 1,639,498 square feet, with 5,120,502 square feet under construction. Sale values have averaged \$137 PSF in the last quarter and were up 8.2% in 2016.



**Vacancy** The Industrial vacancy rate in the Los Angeles market area is at 2.18%.

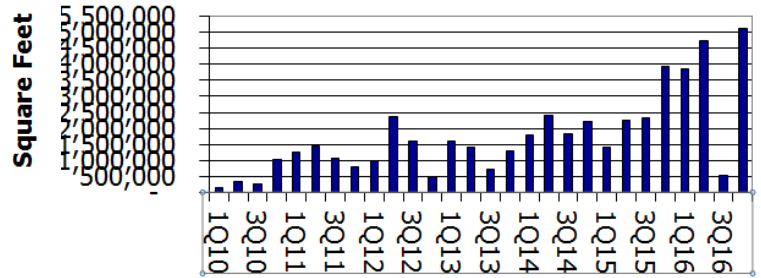
### Vacancy Rates



### Deliveries & Construction

There were 5,120,502 SF under construction at the end of the fourth quarter.

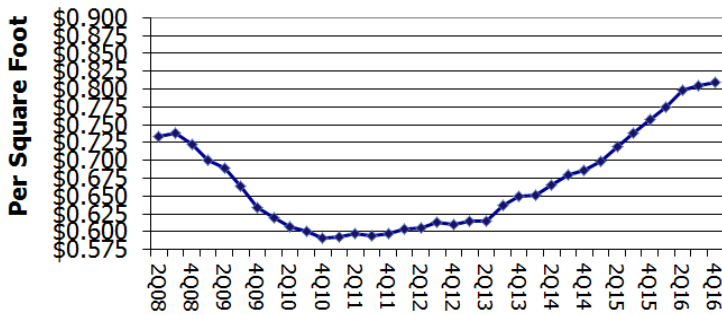
### SF Under Construction



### Lease Rates

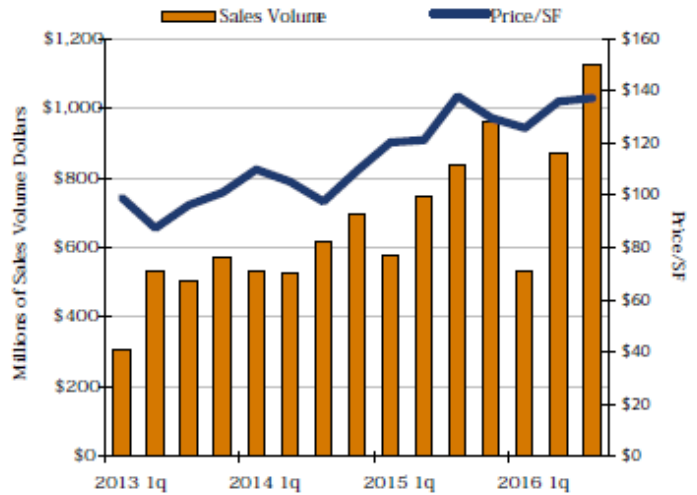
The average quoted asking rate for available Industrial space is now at \$0.804 PSF, and has increased for **16** straight quarters.

### Asking Lease Rate



### Sales Activity

Sale values have risen 8.2% in 2016 for buildings over 15,000 SF.



### Featured Deals:

583 Monterey Pass Rd, Monterey Park



We are offering this 23,094 SF Office/Industrial building in Monterey Park for Sale. Ideal for an owner/user the property offers flexibility as it divides into three units.

17511 S Susana Rd, Rancho Dominguez



We sold this Class "A", 34,407 SF distribution facility. Located in the South Bay, the property was 100% leased at the time of sale and features 25' ceilings, 7 DH and 9,000 SF of Class "A" office space.

The Los Angeles County Industrial Market Update is Prepared by:

John Repstad  
ID# 01322897  
(213) 892-8881 x 269  
jrepstad@raginc.com

Dana Son  
ID# 02011195  
(213) 892-8881 x 216  
danas@raginc.com

Mark Repstad  
ID# 01492673  
(213) 892-8881 x 369  
mrepstad@raginc.com