

# Industrial Market Update

Los Angeles County

2<sup>nd</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	75,493,409	\$0.558	2.52%	1,068,456	188,816
Vernon	81,517,587	\$0.619	2.15%	352,933	328,000
Central LA	95,158,091	\$0.915	3.64%	-808,808	113,426
Mid-Counties	95,176,573	\$0.598	2.39%	831,542	24,895
San Gabriel Valley	169,294,030	\$0.611	2.67%	1,002,443	1,233,692
San Fernando Valley	128,656,080	\$0.866	2.80%	197,749	374,116
South Bay	215,383,996	\$0.680	2.82%	515,096	3,525
Westside	18,827,494	\$1.865	3.36%	-39,183	0
<b>Los Angeles County</b>	<b>879,507,260</b>	<b>\$0.719</b>	<b>2.75%</b>	<b>3,120,228</b>	<b>2,266,470</b>
<b>Change from Last Qtr.</b>		<b>↑</b>	<b>↓</b>	<b>↑</b>	<b>↑</b>
<b>Change from Last Year</b>		<b>↑</b>	<b>↓</b>	<b>↓</b>	<b>↓</b>

## Market Movers – Significant Transactions in LA County in the 2<sup>nd</sup> Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
5510-5650 Grace Pl, Commerce	Sale	531,435	\$96 PSF	CenterPoint	The Magellan Group
13012 Molette St, Norwalk	Lease	306,286	\$0.69 G	Custom Companies	Oltmans
381 Brea Canyon Rd, City of Industry	Lease	298,050	\$0.62 G	Quest Nutrition	Prologis
13827 Carmenita Rd, Santa Fe Springs	Sale	208,432	\$93 PSF	Polycoat	EverWest RE



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### Valencia/Santa Clarita Valley

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Valencia, CA 91355  
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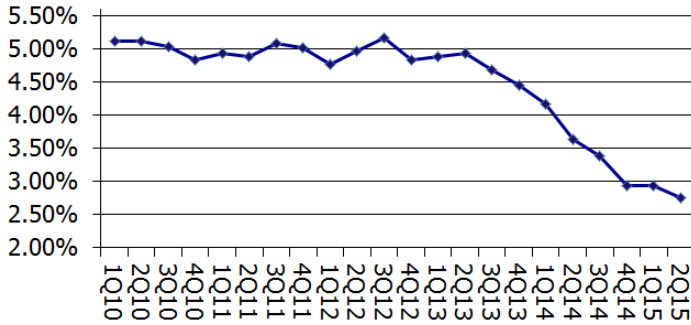
## Market Overview

The Los Angeles Industrial market ended the 2<sup>nd</sup> quarter 2015 with a vacancy rate of 2.75%. Meanwhile net absorption totaled positive 165,514 square feet in the second quarter. Vacant sublease space increase by 15% in the quarter, ending at 1,641,480 square feet. Rental rates ended the second quarter at \$0.719 PSF, an increase of 2.9% over the previous quarter. A total of five buildings were delivered to the market in the quarter totaling 186,971 square feet, with 2,266,470 square feet under construction. Sale values have averaged \$122 PSF this year up from \$110 PSF at this time last year.



**Vacancy** The Industrial vacancy rate in the Los Angeles market area has decreased slightly to 2.75%, marking the **8<sup>th</sup>** straight quarter of decline.

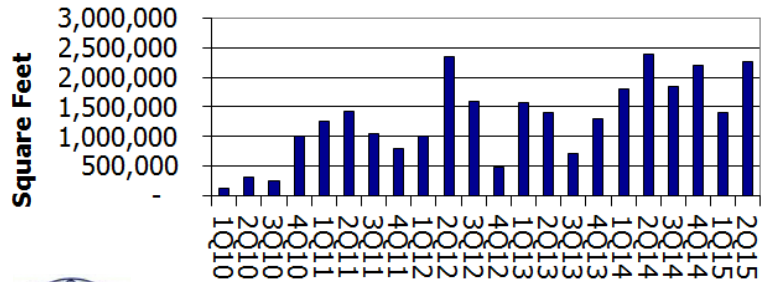
### Vacancy Rates



### Deliveries & Construction

There were 2,266,470 SF under construction at the end of the second quarter.

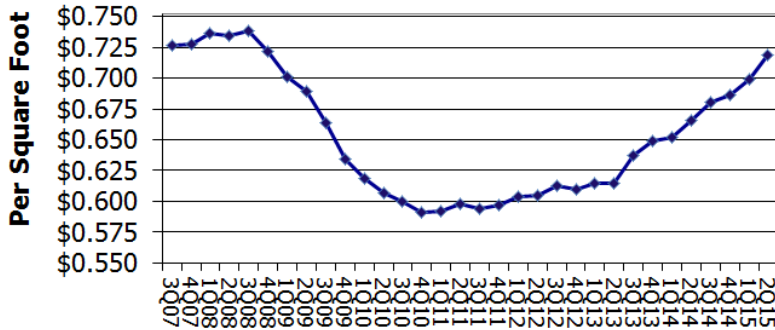
### SF Under Construction



### Lease Rates

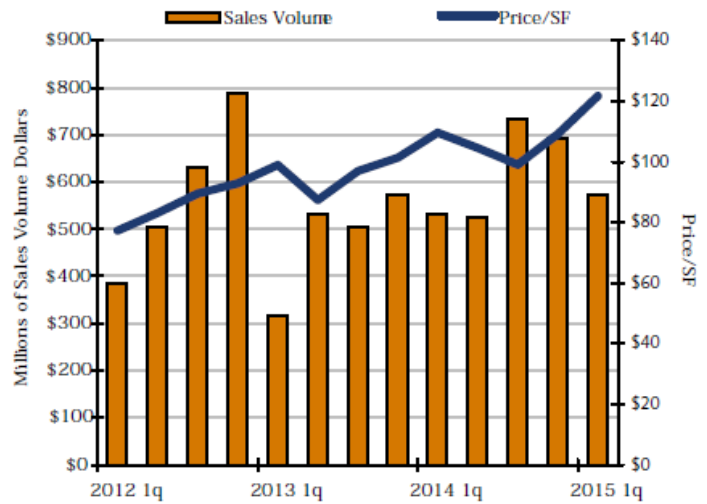
The average quoted asking rate for available Industrial space is now at \$0.719 PSF, and has increased for **10** straight quarters.

### Asking Lease Rate



### Sales Activity

Sale values have continued their trend upward averaging \$122 PSF this year for buildings over 15,000 SF.



### Featured Deals:



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.



4215 Exchange Ave, Vernon

We sold this 112,933 SF USDA Meat Processing facility in Vernon. The facility features 21 DH doors and over 86,000 SF of temperature controlled area.