

Industrial Market Update

Los Angeles County

3rd Quarter 2017

LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	76,409,612	\$0.651	1.07%	294,699	0
Vernon	82,712,666	\$0.677	2.97%	-662,610	212,269
Central LA	94,627,174	\$1.172	2.71%	1,156,701	156,707
Mid-Counties	94,570,286	\$0.712	1.94%	245,431	1,474,067
San Gabriel Valley	174,443,345	\$0.762	2.30%	1,900,550	1,270,133
San Fernando Valley	128,796,500	\$1.013	1.85%	-110,768	361,038
South Bay	217,021,129	\$0.833	1.79%	727,695	1,325,477
Westside	22,887,803	\$2.207	3.35%	117,579	52,690
Los Angeles County	891,468,515	\$0.873	2.10%	2,614,678	4,852,381
Change from Last Qtr.		↑	↓	↑	↓
Change from Last Year		↑	↓	↑	↓

Market Movers – Significant Transactions in LA County in the 3rd Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
Rancho Pacifica Bus. Pk, Rancho Dominguez	Sale	1,170,806	\$180 PSF	Rexford	CBREI
Towers Business Park, City of Industry	Sale	525,000	\$118 PSF	AEW	RREEF
14445 Alondra Blvd, La Mirada	Lease	199,588	\$0.72 PSF NNN	St. George Logistics	OMP
462 S Humane Wy, Pomona	Sale	146,806	\$137 PSF	HF Global	Crow Holdings



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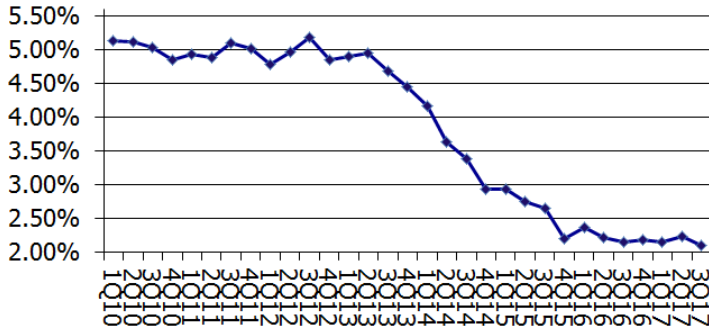
Market Overview

The Los Angeles Industrial market ended the 3rd quarter 2017 with a vacancy rate of 2.10%. Meanwhile net absorption totaled 3,445,764 square feet in the third quarter. Vacant sublease space increased by 1.5 % in the quarter, ending at 1,573,655 square feet. Rental rates ended the third quarter at \$0.873 PSF, an increase of 1.39% over the previous quarter. A total of 33 buildings were delivered to the market in the quarter totaling 2,524,453 square feet, with 4,852,381 square feet under construction. Sale values have averaged \$152 PSF in the last quarter and are up 13% in the same period from last year.



Vacancy The Industrial vacancy rate in the Los Angeles market area is at 2.10%.

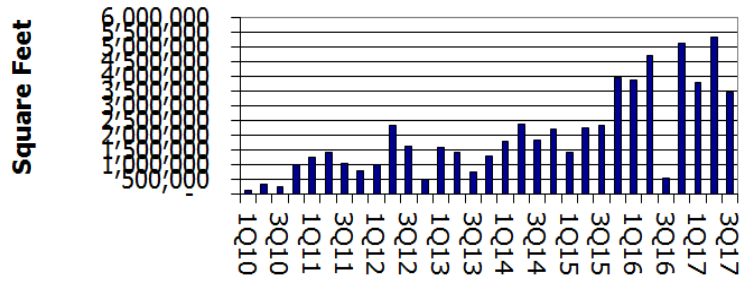
Vacancy Rates



Deliveries & Construction

There were 4,852,381 SF under construction at the end of the third quarter.

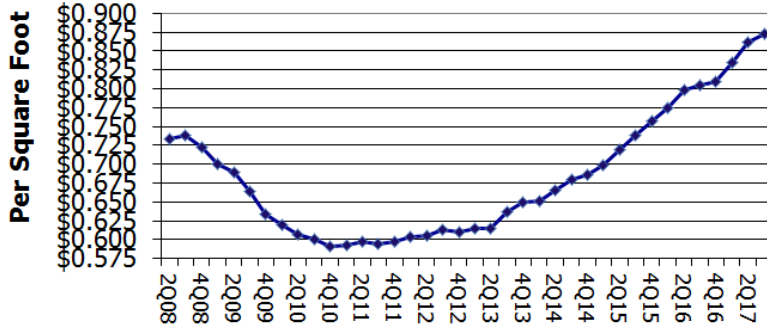
SF Under Construction



Lease Rates

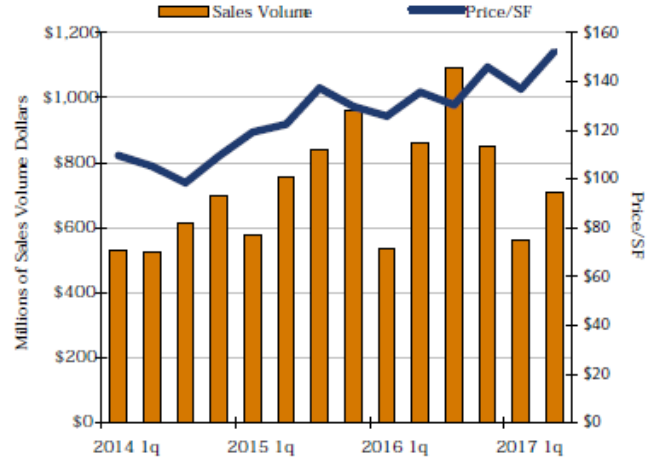
The average quoted asking rate for available Industrial space is now at \$0.873 PSF, and has increased for **19** straight quarters.

Asking Lease Rate



Sales Activity

Sale values have risen 13% in the last 12 months for buildings over 15,000 SF and are now at \$152 PSF.



Featured Deals:

583 Monterey Pass Rd, Monterey Park



We sold this 23,094 SF Office/Industrial building in Monterey Park to an owner/user. The property offers flexibility as it divides into three units.

5500 S Boyle Ave, Vernon



We have this 102,400 SF distribution facility available For Lease in Vernon. The property features 24' Ceilings, 12 DH and 15,936 SF of office space.