

Industrial Market Update

Los Angeles County

1st Quarter 2019

RECENT REPSTAD TRANSACTIONS

11850 Riverside Dr, Jurupa Valley, CA

LEASED Q1, '19 | 656,661 SF | 30' Ceilings | 96 DH



24760 S Main St, Carson, CA

FOR LEASE | 231,008 SF | 30' Ceilings | 48 DH



3420 S Garfield Ave, Commerce, CA

LEASED Q1, '19 | 64,320 SF | 21' Ceilings | 7 DH



Hickson Business Park, El Monte, CA

FOR LEASE | **NEW CONSTRUCTION** | Sizes from 16K – 61K SF



2230 S Tubeway Ave, Commerce, CA

LEASED Q1, '19 | 45,000 SF | 24' Ceilings | 6 DH



7275 Sycamore Canyon Blvd, Riverside, CA

IN ESCROW | **FORTUNE 500 NNN INVESTMENT** | 75,286 SF



SEE PAGES 2 AND 3
FOR MARKET DATA

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LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	12 Mo. Net Absorption SF	SF Under Construction	Sale Price PSF
Commerce	48,900,000	\$0.87	2.2%	-368,000	0	\$165
Vernon	82,000,000	\$0.91	3.4%	-980,000	346,000	\$168
Central LA	77,900,000	\$1.36	4.0%	-978,429	202,580	\$253
Santa Fe Springs	54,200,000	\$0.93	2.2%	820,221	89,081	\$190
City of Industry	83,100,000	\$0.92	2.4%	827,915	0	\$167
East San Fernando Valley	47,700,000	\$1.19	1.0%	56,860	15,500	\$221
Carson	38,500,000	\$0.97	0.9%	61,651	412,000	\$179
Westside	19,700,000	\$2.31	4.0%	-273,424	0	\$392
Los Angeles County	930,000,000	\$1.08	2.53%	-503,000	4,950,000	\$203
Change from Last Year		↑	↑	↓	↑	↑

Market Movers – Significant Transactions in LA County in the 1st Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
18120 Bishop Ave, Carson	Lease	284,885	TBD	Article.com	Watson Land
29125 Avenue Valley View	Sale	187,540	\$197 PSF	Chick-Fil-A, Inc.	IAC Properties
6913 Acco St, Montebello	Sale	165,000	\$164 PSF	Group SEB	Wilbur Curtis
14700 Nelson Ave, City of Industry	Lease	117,000	\$0.71	Soho Apparel	14700 Nelson LLC



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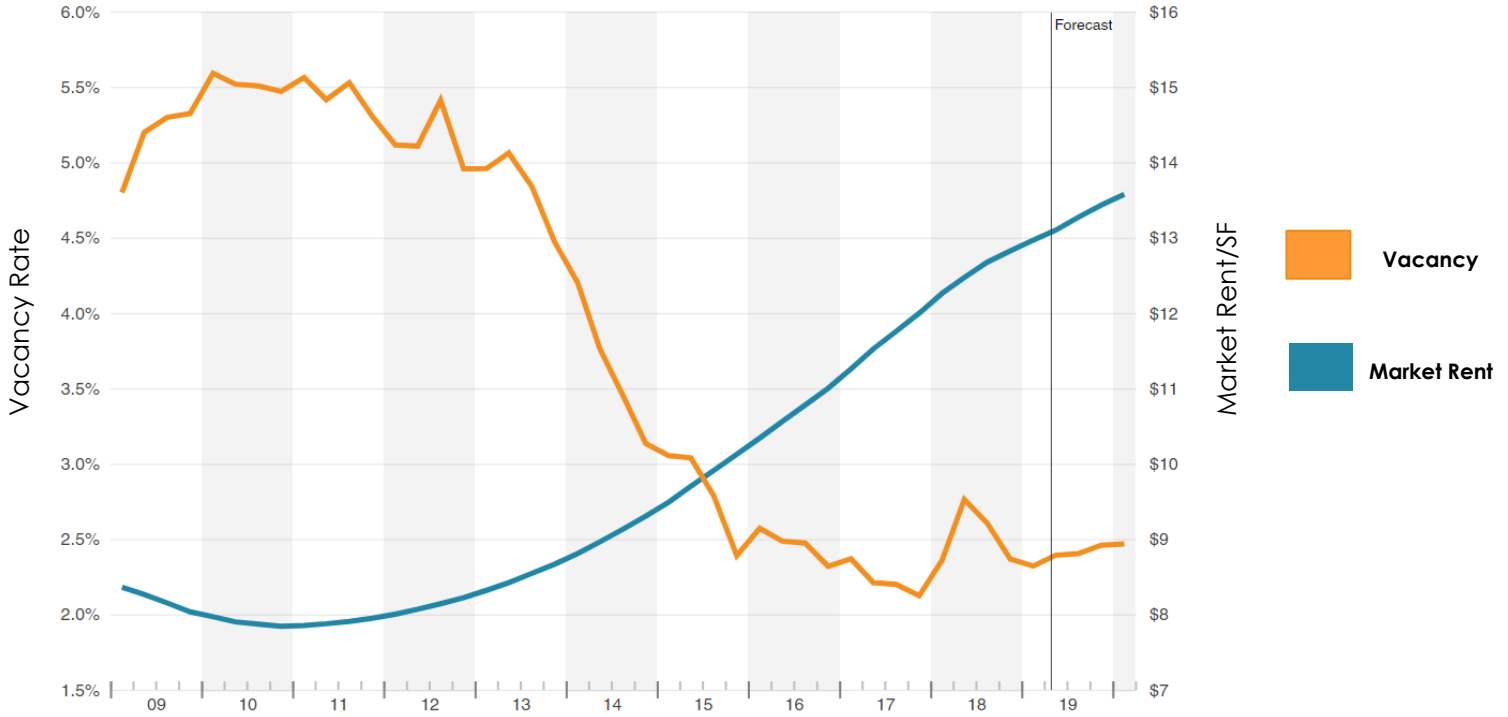
Market Overview

The Los Angeles Industrial market ended the 1st quarter 2019 with a vacancy rate of 2.5%. Rental rates ended the first quarter at \$1.08 PSF, an increase of 5.2% over the previous year. Meanwhile net absorption totaled -503,000 square feet in the last year. A total of 1.9M SF were delivered to the market in the past 12 months, with 3.8M SF currently under construction. Sale values have averaged \$203 PSF in the last year up 10% from one year ago while cap rates ended the quarter at 4.8%.



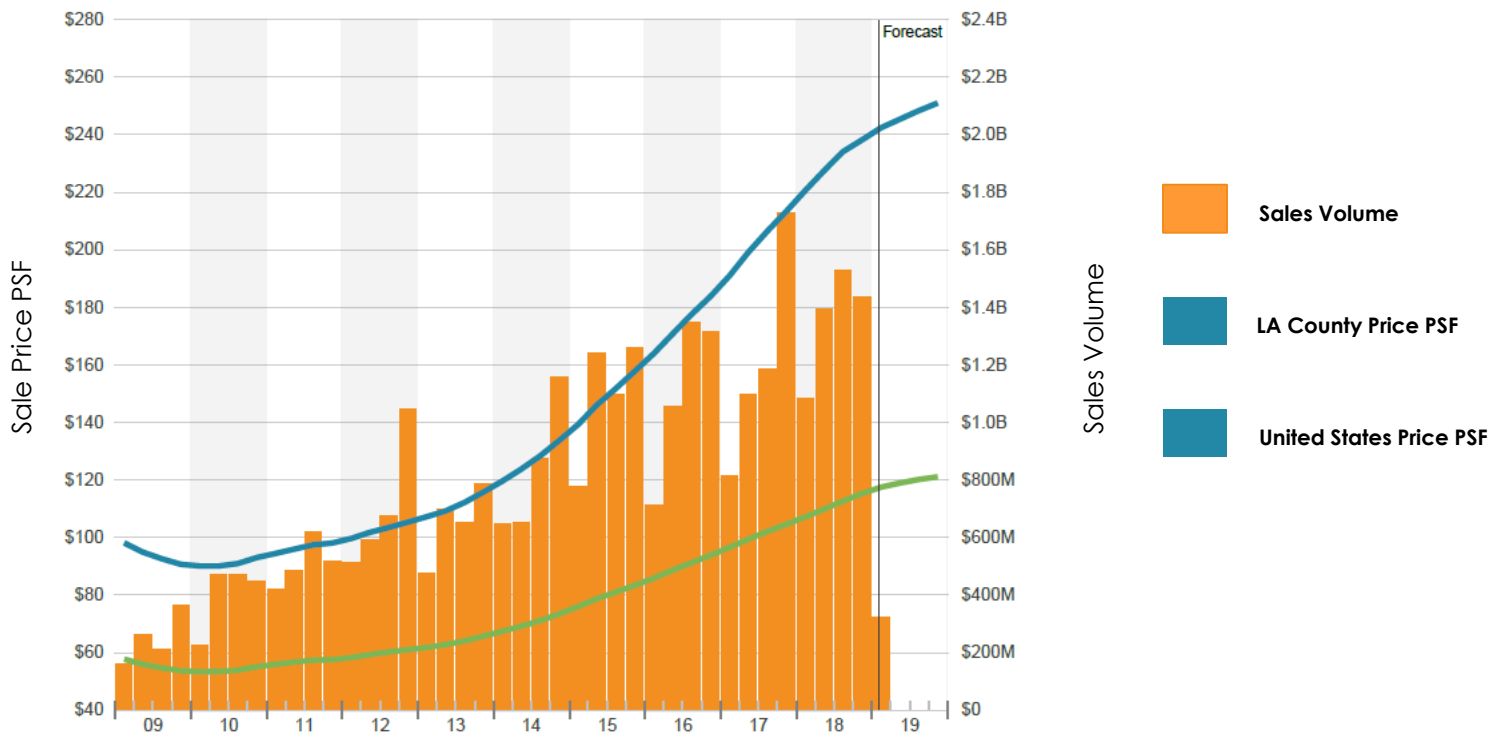
Vacancy & Market Rents

Industrial rents have averaged 7.8% annual growth over the past five years. Annual rent growth is projected to continue but has slowed some to 5.2% in the last twelve months. Big block space which is increasingly rare in Los Angeles County is likely to outperform given the lack of options for tenants.



Sales Volume & Price PSF

Sales volume in the LA Industrial market in 2018 surpassed \$5.4 Billion or 7% of the total volume in the United States. Outsized rent growth in LA's industrial market has led to increased liquidity, driving rapid cap rate compression and price gains.



*Statistics compiled with the support of the CoStar Group. While the information herein has been obtained from sources we deem reliable, no representation or warranty of any kind is made with respect to its accuracy, completeness or suitability for use in any transaction.