

Industrial Market Update

Los Angeles County

3rd Quarter 2019

RECENT REPSTAD TRANSACTIONS

2250 E 69th St, Long Beach, CA 90805

LEASED Q3, '19 | 66 DH Truck Terminal | 4.35 AC



24760 S Main St, Carson, CA

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



2122 Flotilla St, Montebello, CA

LEASED Q3, '19 | 25,000 SF | 24' Ceilings | 2 DH



Hickson Business Park, El Monte, CA

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



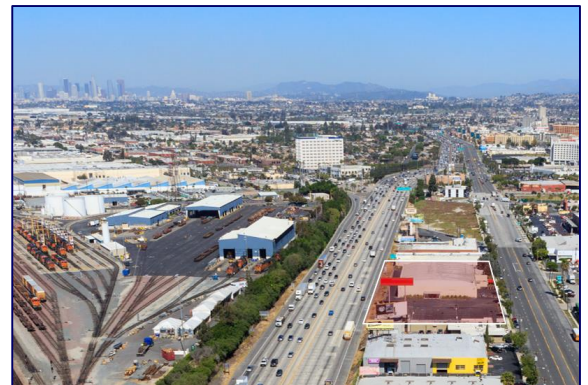
3790 De Forest Cir, Jurupa Valley, CA

LEASED Q3, '19 | 108,000 SF | 32' Ceilings | 12 DH



6446 Telegraph Rd, Commerce, CA

LEASED Q3, 2019 | 30,460 SF | 515' of Freeway 5 Frontage



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	\$0.90	2.7%	-328,000	0	\$173
Vernon	82,000,000	\$0.94	2.4%	173,000	464,000	\$177
Central LA	77,900,000	\$1.31	3.9%	-893,000	203,000	\$250
Santa Fe Springs	54,200,000	\$0.96	2.7%	-291,000	17,300	\$199
City of Industry	83,100,000	\$0.94	2.0%	-988,000	217,000	\$174
East San Fernando Valley	47,700,000	\$1.22	1.6%	-129,000	20,000	\$231
Carson	38,500,000	\$0.99	2.5%	-227,000	0	\$193
Westside	26,100,000	\$2.30	4.3%	-360,000	0	\$419
Los Angeles County	930,000,000	\$1.11	2.58%	-2,300,000	5,600,000	\$213
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
11811 E Florence Ave, Santa Fe Springs	Sale	543,161	\$191 PSF	PS Business Parks	Westcore
5300 S Boyle Ave, Vernon	Sale	305,350	\$249 PSF	Property Reserve	Cohen
1241 Watson Center Rd, Carson	Sale	203,280	\$193 PSF	Liberty Property	Simon Levi Co
9350 Rayo Ave, Lynwood	Lease	213,232	\$1.06	Amazon.com	Goldrich & Kest



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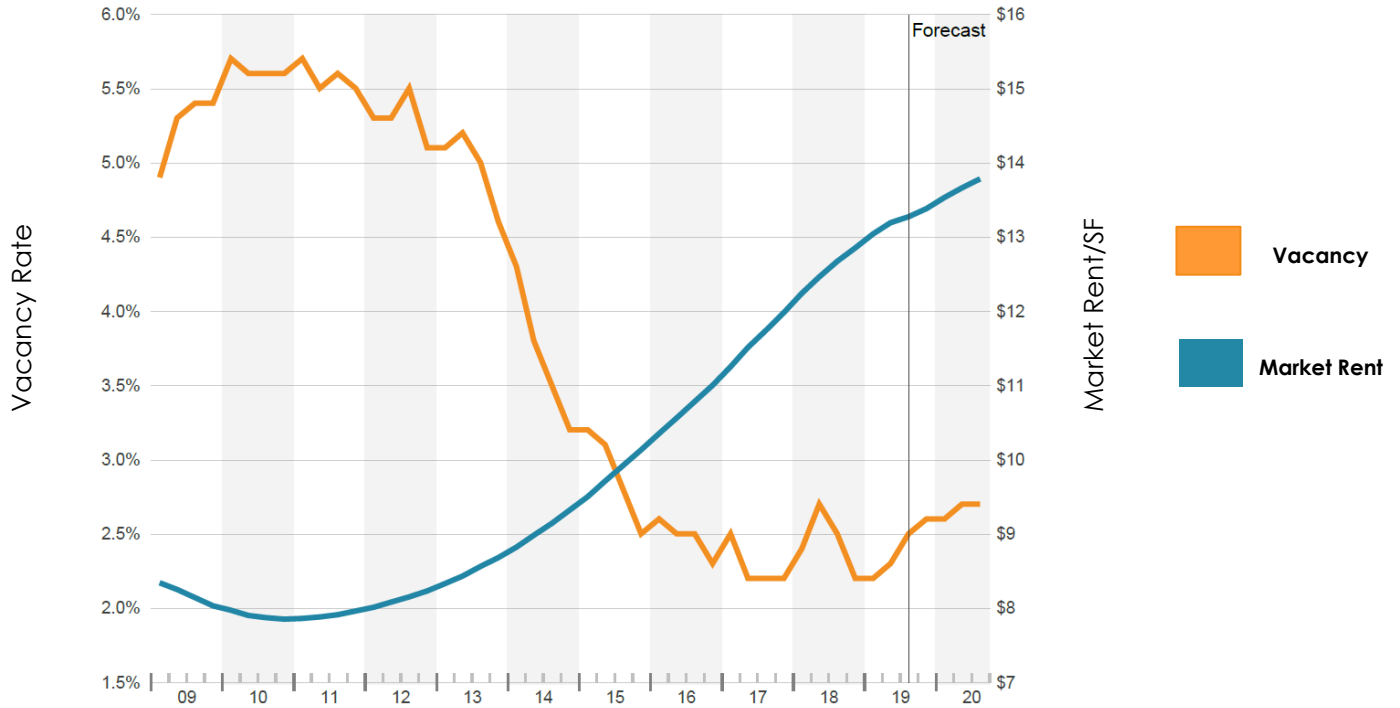
Market Overview

The Los Angeles Industrial market ended the 3rd quarter 2019 with a vacancy rate of 2.58%. Rental rates ended the first quarter at \$1.11 PSF, an increase of 4.1% over the previous year. Meanwhile net absorption totaled -2,300,000 square feet in the last year. A total of 587K SF were delivered to the market in the past 12 months, with 5.6M SF currently under construction. Sale values have averaged \$213 PSF in the last year up 8.3% from one year ago while cap rates ended the quarter at 4.7%.



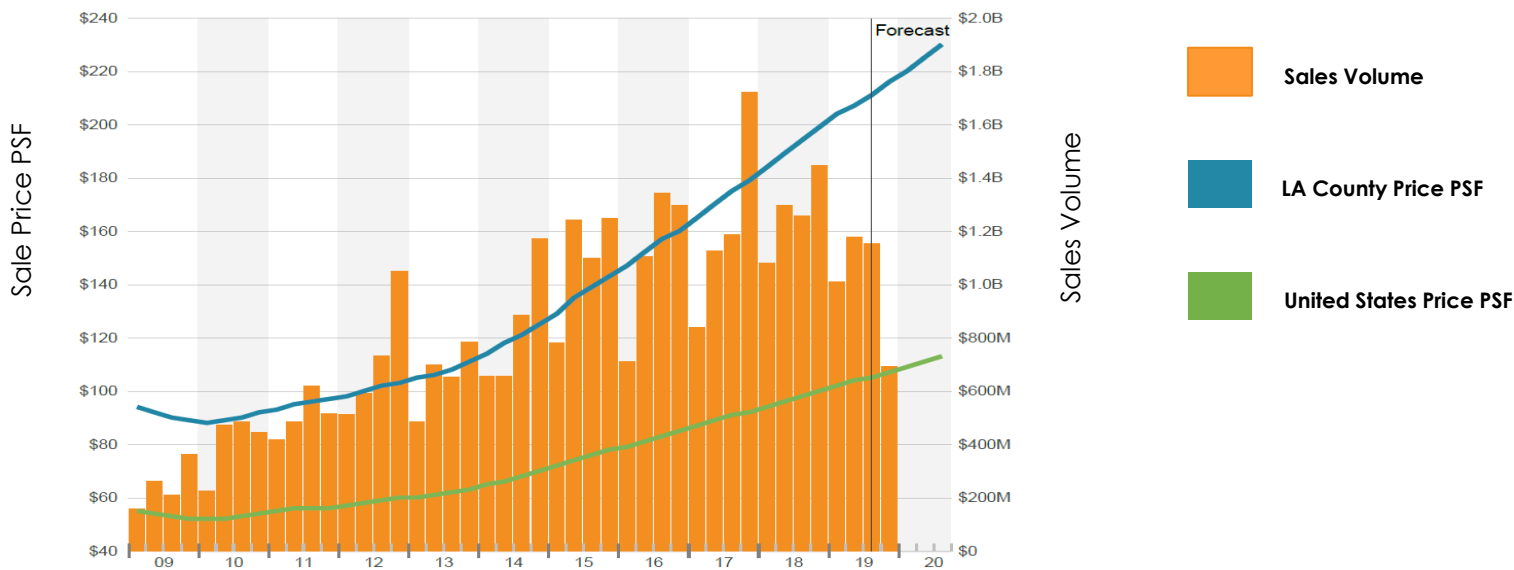
Vacancy & Market Rents

Industrial rents have averaged 8% annual growth over the past five years. Annual rent growth is projected to continue but has slowed some to 4.1% 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. Major institutional investors continue to expand their industrial holding in the area. Rexford Industrial and The Blackstone Group have acquired more than \$1 Billion in LA industrial assets over the past five years with The Goodman Group not far behind at \$600 Million.



*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.