

# Industrial Market Update

Los Angeles County

1<sup>st</sup> Quarter 2020

## 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	49,370,000	\$0.91	3.2%	-350,000	172,000	\$180
Vernon	82,000,000	\$0.96	3.1%	-192,000	117,000	\$183
Central LA	66,800,000	\$1.32	4.4%	-520,000	203,000	\$261
Santa Fe Springs	54,000,000	\$0.98	2.6%	-243,000	252,000	\$207
City of Industry	83,200,000	\$0.96	2.9%	-1,100,000	361,000	\$179
East San Fernando Valley	47,500,000	\$1.24	1.6%	-288,000	20,000	\$243
Carson	39,100,000	\$1.01	1.6%	3,900	0	\$198
Westside	26,000,000	\$2.35	5.4%	-440,000	0	\$433
<b>Los Angeles County</b>	<b>936,000,000</b>	<b>\$1.13</b>	<b>3.3%</b>	<b>-6,900,000</b>	<b>4,300,000</b>	<b>\$221</b>
<b>Change from Last Year</b>		<b>↑</b>	<b>↑</b>	<b>↓</b>	<b>↓</b>	<b>↑</b>

## Market Movers – Significant Transactions in LA County in the 1<sup>st</sup> Quarter

Property Address	Trans. Type	Size SF	Price / Rate PSF	Buyer/Lessee	Seller/Lessor
15930 E Valley Blvd, City of Industry	Lease	620,000	\$0.85 NNN	Amazon	Fisch Properties
21900 S Wilmington Ave, Carson	Lease	411,840	\$1.15 G	CH Robinson	Alpert & Alpert
300 N Baldwin Park Blvd, City of Industry	Sale	230,247	\$260	Bentall Green	Jacmar Foodservice
4224 District Blvd, Vernon	Sale	117,360	\$302	Winix Global	Bridge Development



**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



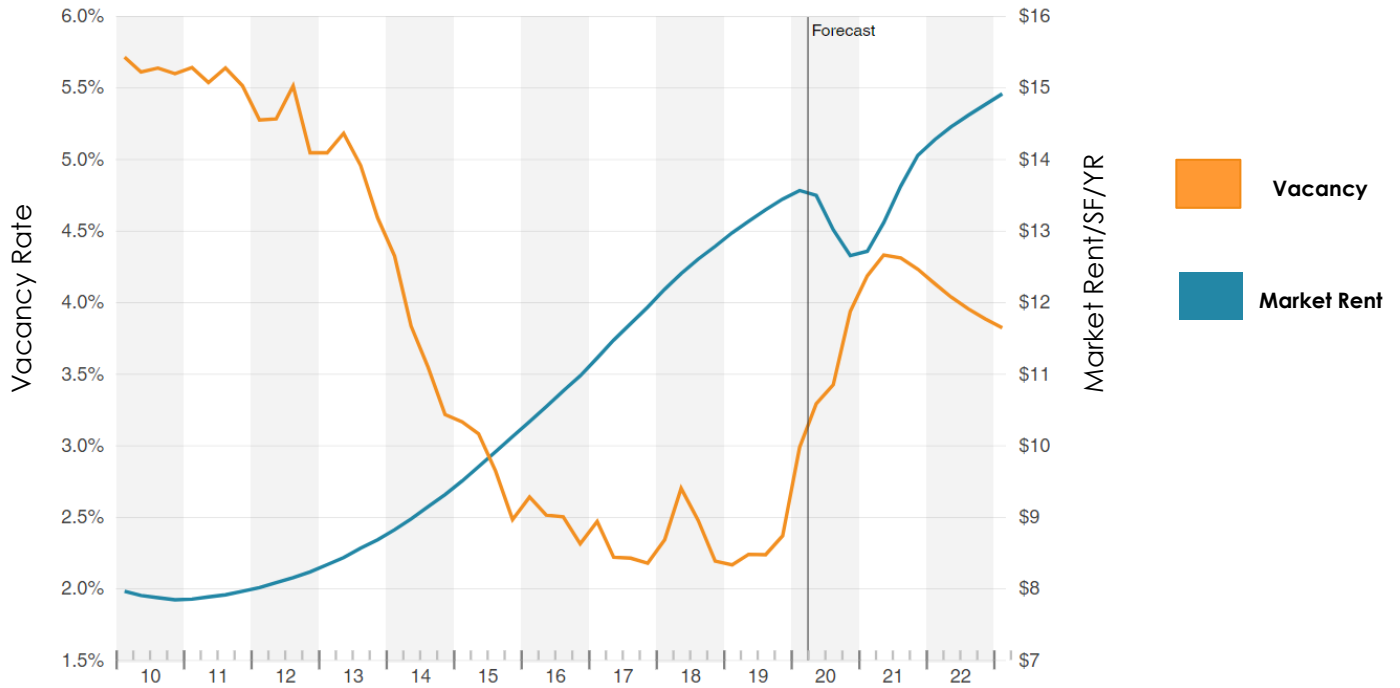
## Market Overview

The Los Angeles Industrial market ended the 1<sup>st</sup> quarter 2020 with a vacancy rate of 3.3%. Rental rates ended the first quarter at \$1.13 PSF, an increase of 6.6% over the previous year. Meanwhile net absorption totaled -6,900,000 square feet in the last year as the effects of COVID 19 have started to effect the market. A total of 1.1M SF were delivered to the market in the past 12 months, with 4.5M SF currently under construction. Sale values have averaged \$219 PSF in the last year while cap rates ended the quarter at 4.8%.



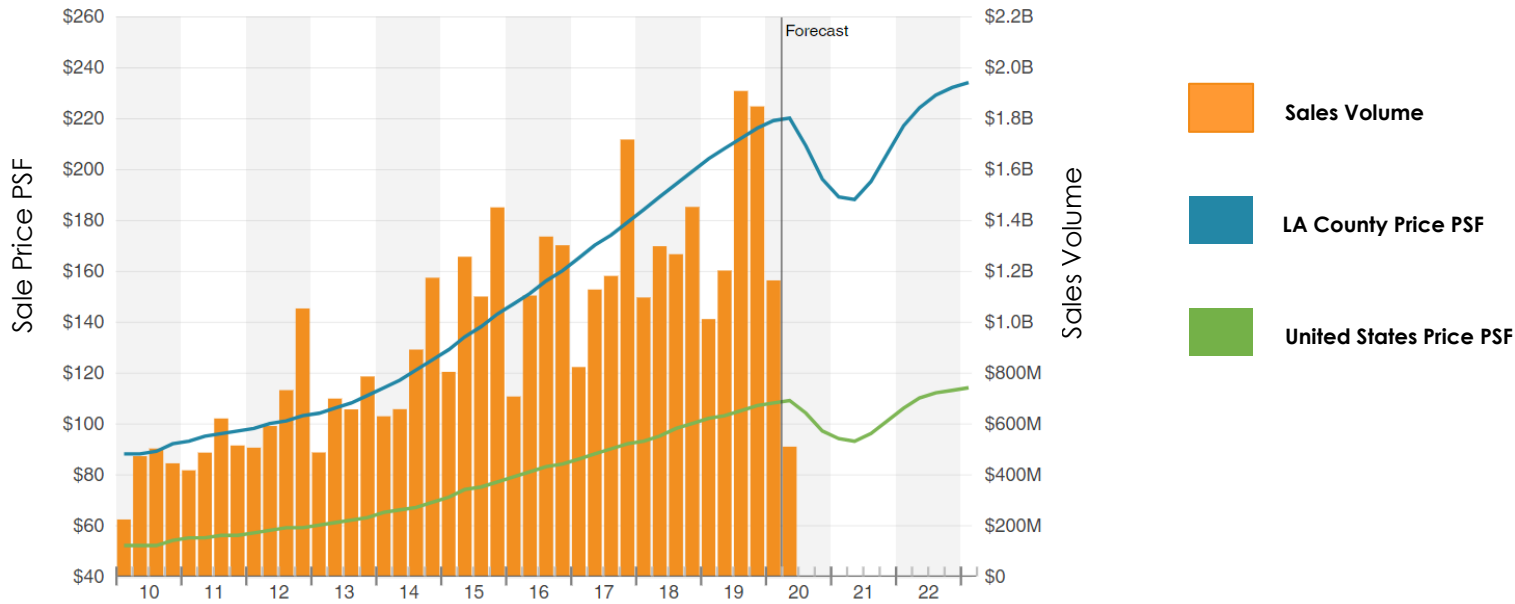
## Vacancy & Market Rents

Industrial rents have averaged 8% annual growth over the past five years but those gains are expected to slow and likely reverse as the economic slowdown due to COVID 19 spreads. Current projections stand at a 7-8% decrease in rents followed by a strong rebound. Large blocks of space over 200,000 SF have fared the best of any size segment a few months into COVID 19.



## Sales Volume & Price PSF

Sales volume in the LA Industrial market in 2019 surpassed \$6 Billion or 7% of the total volume in the United States. Investment activity is down sharply due to COVID 19 but has not dried up entirely with major institutional investors continuing to expand their industrial holdings in the area.



\*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.