

Industrial Market Update

Los Angeles County

3rd Quarter 2020

RECENT REPSTAD TRANSACTIONS

5717 Ferguson Dr, Commerce, CA

FOR LEASE OR SALE | 57,410 SF | 18' - 21' Ceilings



Hickson Business Park – Phase III, El Monte, CA

FOR LEASE | **NEW CONSTRUCTION** | Sizes from 21K – 61K SF



Hickson Business Park – Phase II, El Monte, CA

LEASED Q3, 2020 | 100% Leased | 90,678 SF | 30' Ceilings



3790 De Forest Cir, Unit B, Jurupa Valley, CA

LEASED Q2, 2020 | 108,000 SF | 32' Ceilings | 12 DH



12122-12130 Woodruff Ave, Downey, CA

LEASED Q2, 2020 | 2.47 ACRES | Transportation Yard



4651 E Brickell St, Ontario, CA

LEASED Q2, 2020 | 237,302 SF | 30' Ceilings | 42 DH



SEE PAGES 2 AND 3
FOR MARKET DATA

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LOS ANGELES COUNTY INDUSTRIAL SUBMARKET SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	12 Mo Net Absorption SF	SF Under Construction	Sale Price PSF
Commerce	49,400,000	\$0.92	2.6%	-156,000	171,126	\$215
Vernon	82,100,000	\$0.96	3.6%	-819,000	0	\$211
Central LA	67,000,000	\$1.32	4.6%	-1,036,598	202,580	\$263
Santa Fe Springs	54,200,000	\$0.91	2.5%	-452,994	426,521	\$209
City of Industry	83,300,000	\$0.90	2.7%	-839,503	987,835	\$183
East San Fernando Valley	47,500,000	\$1.32	1.5%	-157,930	15,500	\$272
Carson	39,300,000	\$1.02	1.6%	228,123	0	\$211
Westside	25,200,000	\$2.37	6.7%	-899,897	0	\$442
Los Angeles County	937,000,000	\$1.13	3.5%	-7,973,698	4,527,076	\$223
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
15015 Valley Blvd, Santa Fe Springs	Lease	302,850	\$0.90 PSF	Unified Grocers	Brookfield
2300 Pellissier Pl, City of Industry	Sale	255,878	\$204 PSF	LA Food Bank	Haralambos
8700 Mercury Ln, Pico Rivera	Sale	244,768	\$253 PSF	Blackstone	Iron Mountain
1451 W Knox St, Torrance	Sale	152,790	\$289 PSF	IIT	Boeing



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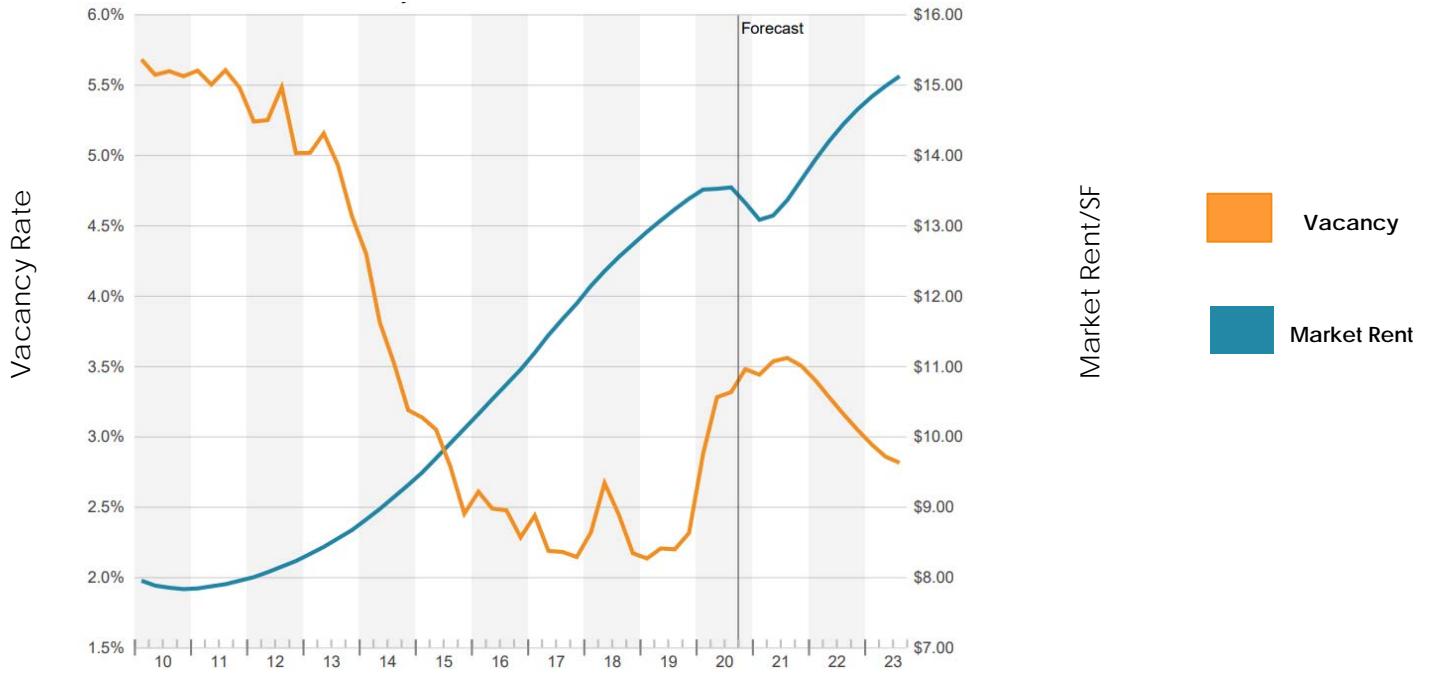
Market Overview

The Los Angeles Industrial market ended the 3rd quarter 2020 with a vacancy rate of 3.5%. Rental rates ended the quarter at \$1.13 PSF, an increase of 2.45% over the previous year. A total of 2.1M SF were delivered to the market in the 3rd quarter, with 4.5M SF currently under construction. Sale values have averaged \$223 PSF in the last quarter up 6.5% from one year ago while cap rates ended the quarter at 4.7%.



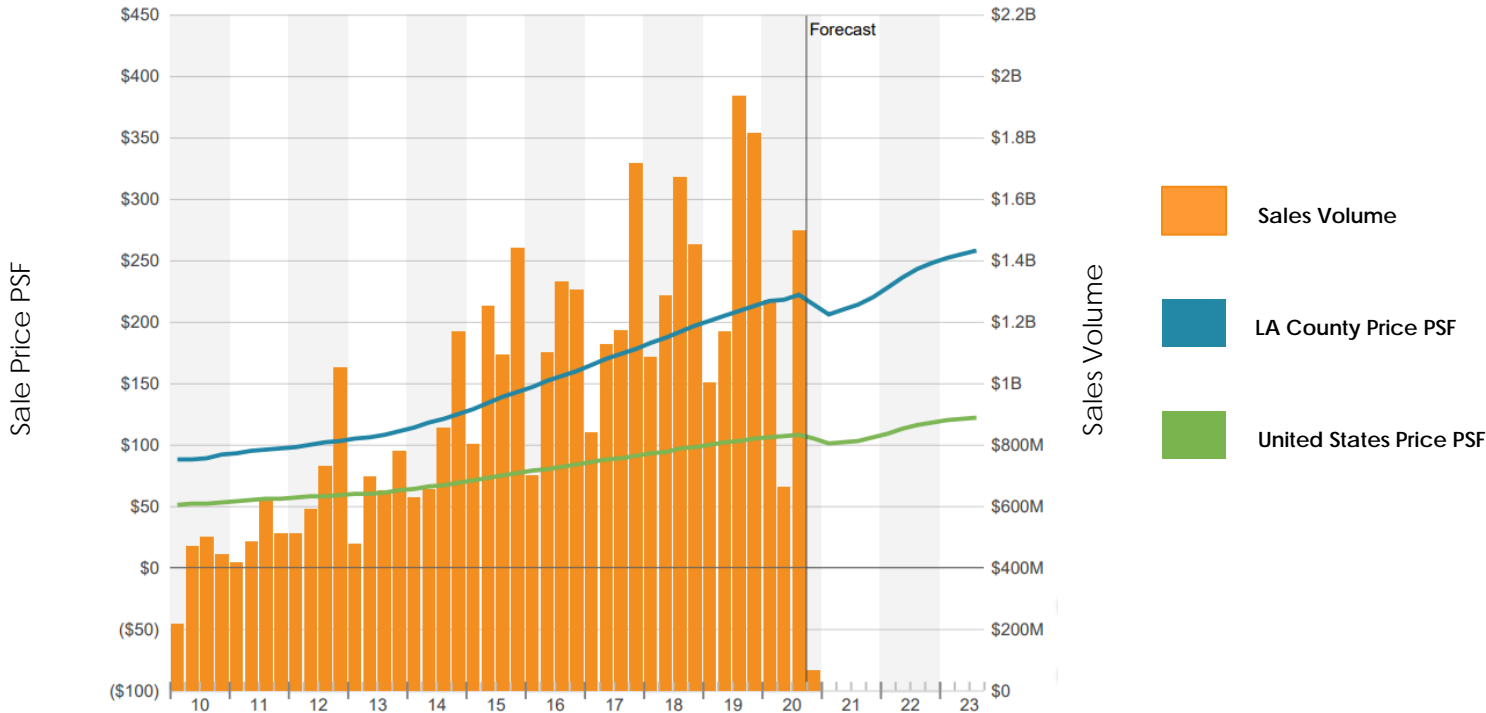
Vacancy & Market Rents

Industrial Rent growth has slowed this year to 2.2% due to the initial impact of COVID, but rents are currently forecasted to increase by over 40% in the next five years or approximately 7% annually due in large part to the increase in e-commerce demand. The vacancy rate after rising earlier in the year has steadied at 3.5%.



Sales Volume & Price PSF

Sales volume in the LA Industrial market continue to be strong with \$4.9 Billion worth of sales in the last 12 months. There was a pull back in volume during the 2nd quarter, but the 3rd quarter had a strong resurgence. The average market cap rate is at 4.6%.



*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.

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