

Industrial Real Estate Sector Leading Activity during COVID

Across the country, industrial real estate is leading activity in development, acquisitions, and transactions. Due to COVID changing the way we live, do business, and purchase goods during the pandemic, e-commerce has increased significantly. It has created a substantial increase in dependence for the delivery of products in a timely manner. This has resulted in higher demand for warehouse and distribution space throughout the country. This increase helped to offset a pullback by manufacturers, retailers, and other firms forced to close during the shutdown. The areas that continue to expect consistent growth include logistics, distribution, fulfillment, cold storage, and data center storage.

The vacancy rate for the greater Los Angeles industrial market increased slightly but still remains historically low at approximately 2.5 percent. However, the market experienced increased rents this quarter from the previous quarter. It has been difficult for tenants to find space under 20,000 square feet. The San Gabriel Valley market is maintaining a low vacancy rate of two percent. There are 1.9 million square feet under construction, mainly in Azusa and El Monte. However, most projects in recent years have been pre-sold or pre-leased prior to completion.

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The Inland Empire was third in leasing volume in the country for the first half of 2020 with 18.2 million square feet leased. The vacancy rate hovers at about four percent and is expected to remain low with demand for mid to big-box deliveries outpacing new construction. Approximately 16 million square feet is under construction.

Source: Connect Commercial Real Estate newsletter and CoStar Newsletter July 14, 2020

**Current SBA 504 25-Year Fixed
Effective Rate for
July 2020 is 2.39-2.41%**

Estate Planning Considerations for Transferring Property to Children

Many property owners begin to consider estate planning strategies to both prepare for retiring as well as tax planning. It is common for parents to deed children properties or add them to title. It is also possible to deed a property to a minor. However, there are limitations as well as considerations that should be taken into account.

Although a property can be deeded to a minor, a minor cannot sell, transferred or mortgaged by the minor until they are of legal age. A guardian through the Clerk of the Court has to be designated in the same county where the property is located. This even holds true if the

Parent is still alive. It will have to go through the court process which will be subject to court costs, attorney fees and time. If the property is sold, the proceeds have to be held by the guardian until the minor turns eighteen and the guardian has to provide annual reports on the funds. If any of the funds are used it has to be for the benefit of the minor and the court has to approve the spending.

Once the minor turns eighteen, they do not have to follow any instructions for the property. They can sell it and use the funds for their own purposes even if you intended for them to keep it and have rental

Income and tax benefits.

Minors may also not be prepared to maintain and manage a property. They may need assistance to complete repairs, pay property taxes, insurance and turn on utilities. Utility companies may not allow minors to have accounts until they are eighteen. A solution can be setting up the proper trust or custodianship that allows parents to retain some control over how all of this is managed. Please contact me if you would like recommendations for a trust lawyer who can help prepare and plan for the right strategy for your family.

Source: Hutchens Law Firm and North American Title Company

Flex Space Available in Monrovia



3K, 5K, 6K and up to 17K space available on a short term 6-month lease.

Located right off Myrtle adjacent to the Goldline station.

Temperature-controlled warehouse space with newly renovated offices.

Parking lot with 55 spaces, grade level loading and direct access to 210 freeway

123 W. Pomona Ave Monrovia, CA

Please contact me for more information and the low lease rate!



Linda Vidov (CA Broker Lic. #1715788)

Linda specializes in commercial and industrial sales and leasing throughout the San Gabriel Valley. She has extensive knowledge in 1031 exchange transactions, investment opportunities, and market analysis. Feel free to contact Linda with any questions or requests for information.

Top Commercial Realty

100 W. Lemon Ave Suite 101 Monrovia, CA 91016
O: 626.358.8287 C: 626.399.3715 F: 626.605.5003

E-Mail: Linda@TopComRealty.com • www.TopComRealty.com