

Third Quarter Industrial and Office Market Updates

The reported office vacancy rate for the San Gabriel Valley for the third quarter of 2014 saw a slight decrease to 16.5% due to decrease in demand. The average lease rates for office space saw a slight increase at \$2.06 PSF for Full Service Gross leases. The average rents for office from the low range to high are between \$1.00-2.85 PSF. Rents are projected to slightly increase in 2015. Creative offices continue to be a preferred trend for tenants who are looking for more open spaces and not the standard drop-ceiling and dry-wall office look.

The industrial vacancy rate for the San Gabriel Valley for the third quarter 2014 reduced again from the previous quarter to Three Percent (3%). This is due to lack of available space. The demand in the area has remained strong causing time on market to substantially reduce. The average asking rate for warehouse/distribution space is \$0.58 PSF and \$0.77 for R&D/Flex space. Rents are projected to continue to increase in 2015. Industrial vacancy rates in other Los Angeles sub-markets have also declined and average 3.8% from 3.5% in the second quarter. It is projected the vacancy rates will remain low due to improving market outlook, lack of availability and strong demand in the Los Angeles industrial markets.

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Los Angeles has the strongest industrial market in the country. This is due to the large concentration of people and workforce as well as having the two largest container ports in the country. Los Angeles also has very little develop-able land remaining which drives demand and continues to make Los Angeles one of the best performing markets in the country. In the third quarter 2014, approximately 5.3 million square feet of industrial sold in the Los Angeles industrial market compared to 4.6 million square feet in the second quarter. The San Gabriel Valley currently has just over 3.6 million square feet under construction.

Source: CoStar

**Current SBA 504 Rate for
December 2014 is 4.88%**

Title 24- Design and Construction for Building Occupancies

Title 24 went into effect on July 1, 2014. It is governed by the California Code of Regulations and includes requirements for the structural, plumbing, electrical and mechanical systems of buildings, and for fire and life safety, energy conservation, green design and accessibility in and about buildings.

These requirements are enforced by local city Building and Safety and Fire Departments when reviewing new constructions, improvements/repairs to existing structures, alterations, additions, etc. Title 24 imposes building standards and guidelines that have to be followed in accordance with current building

codes for that specific city where the property is located. There is an intervening code adoption cycle that occurs every 18 months. Then those building standards become effective 180 days following the publication date.

Source: California Building Standards Commission

Featured Property: For Lease



14,490 SF Office and Fully HVAC Warehouse
907 S. Magnolia Avenue Monrovia, CA 91016

Approx +/-8K SF office space and +/-6K SF of fully air-conditioned warehouse/flex space.

Dock High Loading, Fenced Yard with 32 parking spaces.

Office area includes reception, waiting area, large conference room, interior offices, executive offices, kitchen, break room, supply room, restrooms with shower, bull-pen area and personal gym.

Two blocks north of Huntington Drive, close to Old Town, Restaurant Row & both 210 and 605 freeway access.



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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.

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