

## First Quarter Market Summary for the San Gabriel Valley

### Industrial Market Update

The industrial market has continued to remain extremely tight since the last quarter of 2015. The vacancy rate for 2016 Quarter 1 dropped to 1.6%. There is little available on the market which has caused the leasing activity to decrease and has drawn demand higher. It has limited companies from being able to expand. It has also continued to drive the prices higher. The average lease rates for larger industrial spaces has increased between \$0.66-0.76 per square foot (PSF). The average lease rate for flex/ R&D space has increased to \$0.85-0.95 PSF. Currently one million square feet is under construction. Most new construction since 2015 has been pre-leased or sold.

The overall Los Angeles Industrial market has also seen continued decrease in the overall vacancy rate down to 2.2% which is a historic low. Construction is below the pace of demand with 2.9 million SF under construction overall. The main issue is lack of supply in land which drives the prices higher and provides a barrier to entry for new developments. It is expected that this will continue to put pressure on increasing lease rates and sale prices throughout 2016.

### Office Market Update

The office market in the San Gabriel Valley had a tough quarter after seeing improvements in 2015. Vacancy rates increased to 14.2% with

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Large vacancies in Covina and West Covina. This caused the average lease rates to decrease from an average of \$2.13 PSF in the last quarter of 2015 to \$2.06 PSF in the first quarter of 2016. Currently about 60K SF is under construction.

The overall vacancy rate for the greater Los Angeles area has decreased to about 15% in the first quarter of 2016. Lease rates are expected to increase throughout 2016 by about five percent. There is currently 2 million square feet under construction overall.

Source: CoStar

**Current SBA 504 Effective  
Rate for  
April 2016 is 4.31%**

## Developments in Monrovia

There are many new developments being proposed and underway throughout the city of Monrovia. The Station Square Transit Village has been underway. A large parking structure was built with 360 parking stalls. Adjacent to that is The Parks which is a large apartment project that is breaking ground at 200 W. Pomona Ave. The station for

the Goldline has been completed along with a new park. The historic Santa Fe Train Depot will be restored by a local development company who was awarded the project. At 123-137 W. Pomona Ave a new development is proposed and going through planning which would include a multi-tenant mixed use artisan center with outdoor patio area

Which will include wine tasting. BMW of Monrovia is building a new facility at 1425 S. Mountain. Orchard Supply Hardware is opening at 725 W. Huntington next to Pet's Mart. A new development is going through planning at 5<sup>th</sup> and Huntington which would include over 150 residential units and commercial on the first floor.

Source: City of Monrovia Community Development Dept

## Featured Property: For Lease



**107-109 W. Lemon Ave Monrovia**  
**1,752-1,930 SF Available**



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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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