

Second Quarter Industrial and Office Market Update

Industrial Market

The industrial market for both the San Gabriel Valley and greater Los Angeles markets continue to remain extremely low on supply and heavy on demand in the second quarter. The vacancy rate for the overall greater Los Angeles industrial market is at a historic low estimated at a 1.2 percent vacancy rate. The average rent has also risen to \$0.76 PSF for the overall great Los Angeles area.

The industrial market for the San Gabriel Valley has also remained at historically low levels. The vacancy rate is estimated at only 0.9 percent. The average asking rent is up to \$0.85 PSF. We are seeing a tight market for tenants with little negotiability on rates, tenant improvements and free rent. An estimated 1.2 million square feet is currently under construction in the San Gabriel Valley which should help relieve some pressure once brought to the market.

Lease rates are expected to continue to rise throughout the last quarters of 2016. Supply will continue to be an issue with little developable land. This has caused many landlords and developers to redevelop functionally obsolete industrial buildings to current standards for state of the art warehouse and distribution space.

Office Market

The office market in the San Gabriel Valley

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Has improved over 2016. The vacancy rate has reduced from the 14 percent range to an estimated 13 percent and continuing to show signs of improvement. The average asking rents are at \$2.24 PSF. There is estimated to be just over 50K SF under construction in the San Gabriel Valley. The overall vacancy rate for the greater Los Angeles market averages at 14 percent.

**Current SBA 504 Effective
Rate for
August 2016 is 4.09%**

Source: CoStar Newsletter and XCeligent
2nd Quarter Industrial Market Update

Commercial Developments Underway

The LAFC stadium is set to break ground next week. This project encompasses a 22,000 seat stadium with 10,000 square feet of restaurants, office space, conference center and a soccer museum. The cost is \$250 million. It is being built on the former site of the 57 year old LA Memorial Sports Arena. There are hopes to host the 2024 Summer Olympics there.

Other developments throughout

Los Angeles include a 125,494 SF industrial building on 6.18 acres in City of Industry at 15000 Nelson Avenue by Dedeaux Properties.

Prologis who is one of the largest owners and developers in Los Angeles purchased a 168K SF facility in Sun Valley which houses Sugar Foods Group.

Rexford Industrial, another large owner and developer, purchased

a 63K SF building in San Fernando for \$119 PSF. It is a class A Industrial building on 2.5 acres. Rexford also bought 85% interest in a 457K SF on 31.9 acres of land building in Camarillo. The building was acquired at \$25.7 million. Their plan is to upgrade the facility and convert some of the warehouse area to multi-tenant spaces.

Source: Bisnow Deal Sheet 8/18/16

Featured Property: New Listing for Sale



227 W. Maple Ave Monrovia

An approximate 4,160 SF industrial/flex building situated on 7,948 SF of land. Rear fenced yard with alley access.

Nicely appointed front office space with approx 1,100 SF including 3 private offices, conference room and reception area.

400 AMP 240/277 Volt 3 Phase Power

One block north of Huntington Drive. Walking distance to Old Town.

Call for more information & price.



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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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