

Third Quarter Industrial and Office Market Report

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 third quarter. The vacancy rate for the overall greater Los Angeles industrial market is at a historic low estimated at a 0.9 percent vacancy rate. The average rent has also risen to \$0.78 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 1.3 percent. The average asking rent is estimated at \$0.80 PSF. We are seeing a tight market for tenants with little negotiability on rates, tenant improvements and free rent. An estimated 813K 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 2017. 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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Pasadena Portfolio Sale

Has improved over 2016. The vacancy rate has reduced from the 13 percent range to an estimated 11.6 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 13 percent.

**Current SBA 504 Effective
Rate for
November 2016 is 4.35%**

Source: CoStar Newsletter & XCeligent
3rd Quarter Market Update

Commercial Developments in Arcadia

A mixed-use development broke ground adjacent to the Arcadia Post Office on Wheeler and First. It will have 38 residential units and 16,200 SF of commercial space for lease. The developer is Dorn Platz. At 130 W. Huntington the Seabuscuit Hotel Development has been approved. At 500 N Santa Anita just above Colorado, a development is

Going through approval for 20 condo units. This site was previously a religious facility. A large medical office building has been completed at 125 W Huntington. It has 65K SF available for lease. At 205 N Santa Anita a 15K SF development has been approved. It would have retail on the ground floor and medical offices on the second floor.

At 150 St Joseph a former warehouse building has been converted to Mt. Lowe Microbrewery. Future development is planned for a privately owned self storage site on Huntington Dr just west of Santa Anita adjacent to Rod's. A Specific Plan was approved at 325 N Santa Anita to convert an office building to a private high school and construct a new building at the front of the property along Santa Anita.

Source: City of Arcadia web site

Just Listed: Portfolio Sale



2817-2835 E Foothill Blvd. Pasadena

Total 6,957 SF of buildings situated on 19,314 SF of land.

2835 E Foothill: Approx 3,114 SF fully equipped restaurant building with large kitchen (equipment included). Full Liquor license available for purchase. Vacant for owner/user. Large seating area for 125 people.

2817 E Foothill: 2,353 SF Commercial building. Leased through May of 2017. Great opportunity for owner/user.

2827 E Foothill: 1,490 SF commercial building. Leased to Action Counseling thru 2018 with extension thru 2019.

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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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