

Key Takeaways

- Vacancy in the Mid Counties region was 3.10 at the end of the second quarter of 2019, up 25 basis points compared with the prior quarter.
- A lack of product available for lease or sale in some size ranges is causing an increase in prices and a drop in transaction volume. Sale and leasing activity for the Mid Counties industrial market checked in at just over 1,574,808 square feet this quarter, compared with 4,851,510 in the second quarter of 2018. The slowdown in transaction volume can be attributed to a lack of supply in the market-place.
- Considered an infill market with very little land still available for development, At the end of the second quarter of 2019, there were only two buildings under construction in Mid Counties, totaling 89,081 square feet. Xebec Realty plans to build a 234,330 square foot facility at 8201 Sorensen Avenue

Mid-Counties Industrial Market

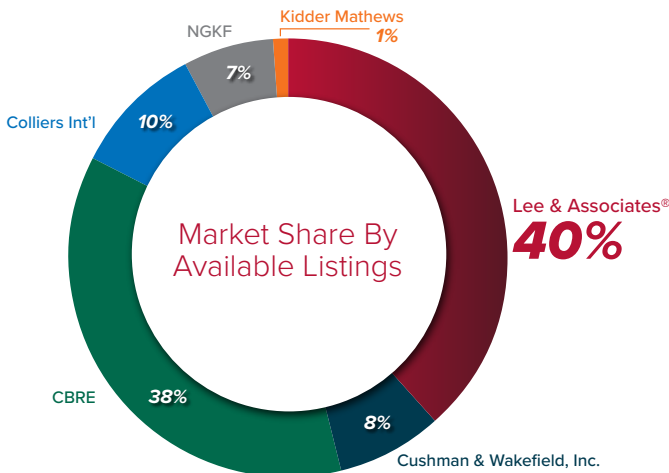
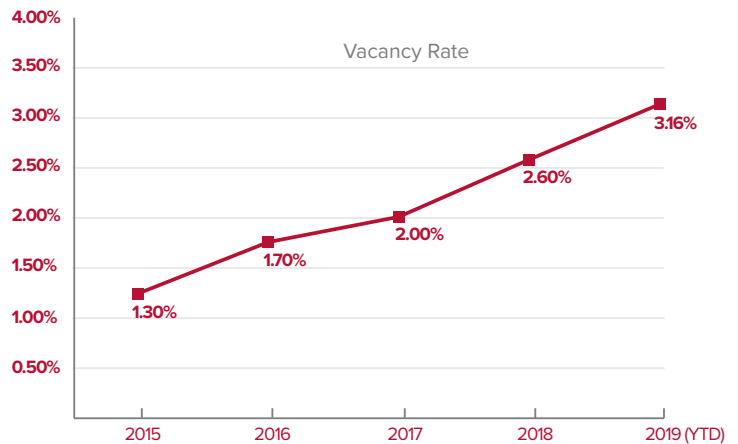
The Mid Counties industrial market has reported strong fundamentals and growth metrics, with key market indicators for both the overall economy and the local real estate market trending in a positive direction. Unemployment in the month of April was 4.5%, down from 4.6% from one year ago. The market rebounded overall during the second quarter of 2019. Vacancy trended downward compared with the previous quarter and the same quarter of 2018. Several driving economic factors suggest that vacancy rates will continue to drop for the foreseeable future, putting upward pressure on lease rates. Simultaneously, supply is constrained due to a scarcity of developable land. Despite a tight market for space and relatively high rents, companies choose to locate their distribution facilities in the Mid Counties area to facilitate last-mile deliveries to the region’s consumer population. If trade wars escalate causing a slowing at the ports, this could have a profound effect on the industrial market. As long as the macro picture remains steady, the Mid Counties industrial market will continue with low vacancy rates and the resulting upward pressure on prices. Industrial sale prices are therefore expected to continue to rise over the next six months.

Economic Indicators

	Q1-19	Q2-19
Los Angeles Unemployment	4.2%	4.6%
U.S. Unemployment	4.0%	3.6%
Crude Oil Prices	\$70.35	\$62.40
Dow Jones Average	24,271	26,158
U.S. 10 year Treasury	1.97%	2.85%

Key Industrial Stats

	Q1-19	Q2-19
Inventory SF	112,513,489	115,614,306
Vacancy Rate	2.62%	3.16%
Availability Rate	4.99%	4.86%
YTD Lease Activity (SF)	3,897,524	4,149,431
Asking Rental Rate	\$0.86	\$0.86
YTD Sale Activity	1,897,574	2,747,681
Asking Sale Price	\$162	\$177



City	Industrial Buildings	Inventory SF	Availability Rate	Vacancy Rate	Market Rental Rate	YTD Leasing Activity	YTD Sale Activity	YTD Net Absorption
Artesia	12	287,943	8.62	8.62	0.82	0	0	0
Bellflower	38	805,394	0	0	1.04	4,600	0	-2,605
Buena Park	158	12,964,750	10.99	1.79	0.86	810,915	290,920	-1,182,150
Cerritos	227	13,353,385	7.41	6.26	0.85	435,400	301,105	68,018
Cypress	64	5,118,044	6.79	6.79	1.06	106,906	0	-212,843
Downey	85	5,080,075	0.93	0.58	0.88	83,908	58,272	8,972
La Mirada	155	13,163,167	5.487	4.28	0.84	205,253	458,568	-222,946
La Palma	19	1,951,427	4.05	4.05	0.82	424,285	57,702	75,000
Norwalk	74	3,183,923	7.22	6.59	0.94	88,608	0	12,404
Santa Fe Springs	1,050	54,324,923	2.9	2.13	0.92	1,836,626	1,548,102	-45,892
Whittier	97	5,120,488	8.15	3.45	0.9	153,030	33,012	-369,958

► Criteria: Industrial, 10K+

Notable Transactions | Q2-2019

9525 Sorensen Ave. Santa Fe Springs, CA

Leased 24,960^{SF}

Mollie Dietsch
(Listing)



10225 Greenleaf Ave. Santa Fe Springs, CA

Leased 15,580^{SF}

Mollie Dietsch
(Listing)



8600 Norwalk Blvd. Whittier, CA

Sold 11,982^{SF}

Craig Phillips
(Listing)



13028 Los Nietos Rd. Santa Fe Springs, CA

Leased 5,888^{SF}

Scott Kroman
(Procuring)



9250 Artesia Blvd. Santa Fe Springs, CA

Leased 4,600^{SF}

Scott Kroman
(Procuring)



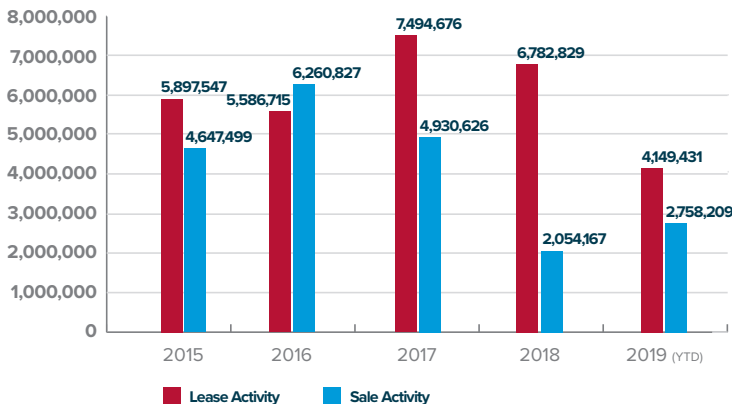
12140 Altamar Pl. Santa Fe Springs, CA

Leased 4,500^{SF}

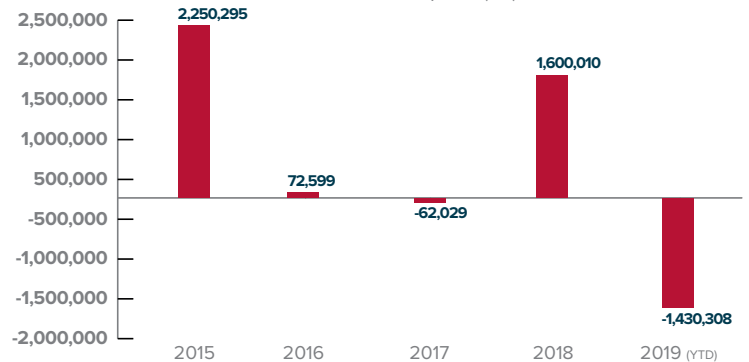
Justin Chiang
(Listing)



Gross Absorption (SF)



Net Absorption (SF)



Featured Available Properties

	Building	SF	Rent Price	Owner/Broker	Comments
	14680-14700 Alondra Blvd La Mirada, CA 90638	46,320 SF	\$0.70 Monthly/SF	Scott Kroman	Excellent Access to 5, 91 & 605 Fwys 5 DH Doors, 1 GL Doors Major Street Frontage Sublease Through TBD
	14765 Firestone Blvd La Mirada, CA 90638	43,612 SF	\$1.15 Monthly/SF	Tim Cronin	Free Standing Building, 7,760 Showroom Potential for a High Image Retail Location Major 5 Fwy / Fwy Frontage with Approx 173,000 Car Count 5,400 SF of 2-Story Offices .45/3,000 Calculated Sprinkler System, 4 DH Positions
	8333-8337 Secura Way Santa Fe Springs, CA 90670	33,596 SF	List Price \$5,644,128.00	Tim Cronin	Great Woodworking / Manufacturing Facility Large Secured Fenced Yard, 14'-18' Warehouse Clearance Outstanding Access to 605 & 5 Freeways 4 Oversize Ground Level Doors Distributed Power, Additional Parking Is Outside Fence
	12060 Clark St Santa Fe Springs, CA 90670	18,020 SF	\$1.00 Monthly/SF	Tim Cronin	Make Your Mark on Clark Large Concrete Yard, 2 Oversized Ground Level Doors T-5 Lighting With Motion Sensors / Clear Span Warehouse, Great Freeway Access Dimensions 68'x264', Natural Gas
	12921 166th St Cerritos, CA 90703	14,000 SF	\$1.02 Monthly/SF	Tim Cronin	High Appointed Office Space Superb Freeway Access Via 5, 91 & 605 Freeways Major Street Frontage / Park Environment Prestigious Cerritos Industrial Park Rare Fenced Yard in Cerritos
	11751 Slauson Ave Santa Fe Springs, CA 90670	13,515 SF	\$0.92 Monthly/SF	Armen Kazaryan	Color Brochure @ www.teamlacommercial.com Major Frontage on Slauson Ave - 32,000 Cars Per Day ±8,192 SF Offices & ±5,323 SF Warehouse Ideal for Light Industrial, Flex / R&D Type of Uses 28 Car Parking / Corner Lot
	12140 Altamar Pl Santa Fe Springs, CA 90670	10,500 SF	Negotiable	Justin Chiang	10,500 SF Drop Storage 300 - 1,000 Pallet Positions Racks Included Logistics Services Available Flexible Term
	12060 Clark St Santa Fe Springs, CA 90670	9,500 SF	\$1.00 Monthly/SF	Tim Cronin	Make Your Mark on Clark Large Concrete Yard, 1 Oversized Ground Level Door T-5 Lighting With Motion Sensors / Clear Span Warehouse, Great Freeway Access Dimensions 68'x264', Natural Gas
	12207 Woodruff Ave Downey, CA 90241	7,328 SF	List Price \$1,575,000.00	David Brandt Jake Poxon	36% Coverage (Low) 4 Blocks South of Firestone Blvd - 2 Electrical Panels Easy Access to 105 and 605 Freeways Clean Span Warehouse - Fenced Yard
	8724 Millergrove Dr Santa Fe Springs, CA 90670	4,000 SF	\$1.13 Monthly/SF	Armen Kazaryan Mike Smith	Color Brochure @ www.teamlacommercial.com Inexpensive Office Space 9 Perimeter Private Offices Large Bull Pen - Ideal For Cubicles or Open Work Stations Break Room, Storage Space

► For a complete list of available properties please visit | lee-associates.com



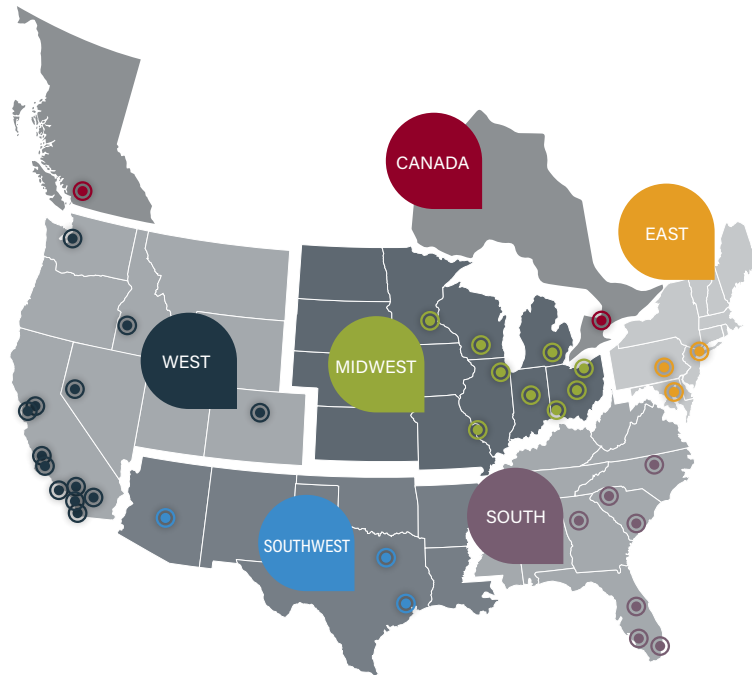
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