

Q2 | 2019 INDUSTRIAL MARKET REPORT

Key Takeaways

- Vacancy in the San Gabriel region was 2.80 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 San Gabriel industrial market checked in at just over 3,278,557 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 marketplace.
- Strong demand will intensify competition for the more desirable and functional spaces that become available and new supply is not expected to apply significant upward pressure on vacancy.

The San Gabriel Valley Industrial Market

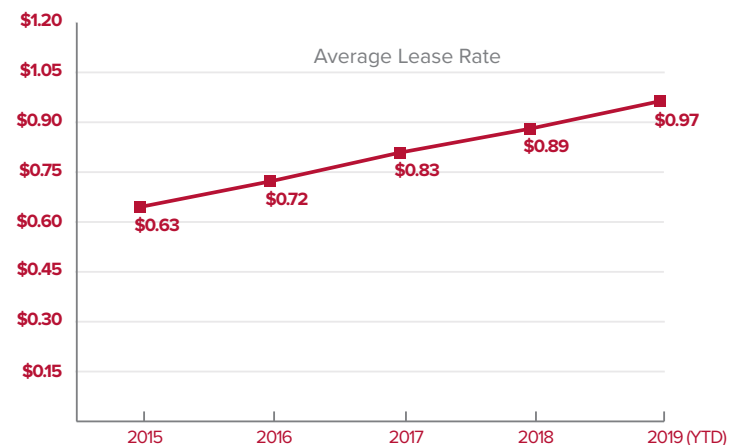
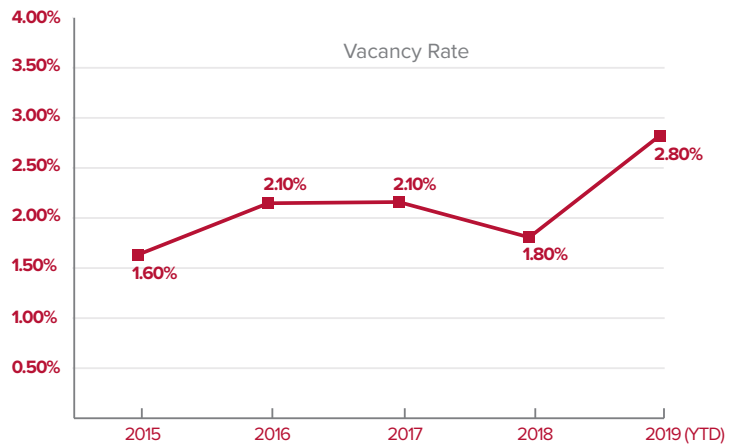
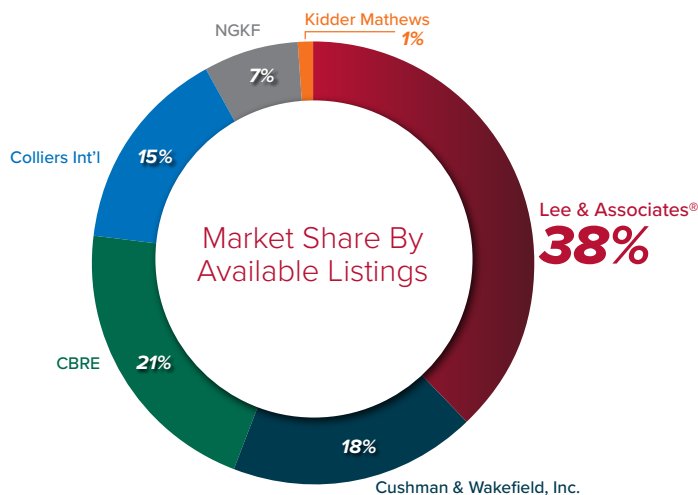
In terms of both demand and development activity, San Gabriel Valley continues to perform at peak levels with strong occupancy gains and record-high rents. With the tightening market, leasing velocity has slowed with a 12% drop in leased space in the first half of the year. The largest deal of the quarter was a 230,992-sf deal signed by The Chefs' Warehouse in the City of Industry. With lack of available inventory for sale, user sales activity has also seen a slowdown, decreasing by 6% from last year and totaled just 479,599 sf. The 1.9 million square feet of development should placate the demand for new facilities. The largest project in development is Goodman's 1.2-msf, two-building logistics campus in El Monte with 935,657 sf of available space. In the second quarter, Alere Property broke ground on a seven building, 463,346-sf campus in Azusa which will offer buildings ranging from 28,795 sf to 159,067 sf.

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	170,575,257	171,800,578
Vacancy Rate	2.55%	2.80%
Availability Rate	3.03%	3.06%
YTD Lease Activity (SF)	3,278,557	3,857,459
Asking Rental Rate	\$0.94	\$0.97
YTD Sale Activity	957,257	1,607,789
Asking Sale Price	\$166	\$178



City	Industrial Buildings	Inventory SF	Availability Rate	Vacancy Rate	Market Rental Rate	YTD Leasing Activity	YTD Sale Activity	YTD Net Absorption
Alhambra	79	1,980,576	2.78	2.78	1.16	125,116	0	15,258
Arcadia	62	2,237,064	2	1.29	0.97	71,776	0	-72,598
Azusa	139	8,168,623	2.93	2.37	0.93	166,455	223,622	125,055
Baldwin Park	162	4,678,560	0.92	0.92	1.02	74,781	43,714	51,023
City of Industry	791	68,690,874	2.25	1.98	0.91	1,615,303	763,872	-184,926
Covina/West Covina	102	3,026,719	0	0	1.01	22,176	108,377	69,378
Diamond Bar	25	622,941	0	0	1.04	1,599	0	0
Duarte	42	1,232,575	1.87	1.87	1.02	43,657	0	30,371
El Monte	208	9,473,291	1.71	1.06	1	564,328	41,384	43,723
Irwindale	204	12,357,971	4.64	3.99	0.92	386,583	15,867	175,119
La Puente	132	4,155,495	1.15	0.27	0.99	28,705	7,200	-13,120
La Verne, San Dimas, Glendora	240	7,021,543	0.37	0.37	1.01	116,819	27,800	-74,711
Monrovia	131	3,348,826	1.65	1.65	1.13	10,382	16,789	-8,971
Pasadena	77	2,658,297	5.49	5.49	1.38	20,961	0	-89,859
Pomona/Claremont	415	19,479,343	2.94	1.87	0.81	310,247	103,865	100,215
Rosemead/San Gabriel	72	2,051,186	0	0	1.03	8,000	10,441	11,180
South El Monte	387	7,730,550	1.01	0.4	1	1,478,563	48,638	25,670
Temple City	19	439,355	0	0	1.02	3,164	0	8,054
Walnut	99	7,928,461	0.3	0.3	1	54,660	0	15,447

► Criteria: Industrial, 10K+

Notable Transactions | Q2-2019

14736 E. Nelson Ave. City of Industry, CA

Leased 168,910 SF

Chris Bonney
(Listing)

SOHO APPAREL

16170-16180 Ornelas St. Irwindale, CA

Leased 115,756 SF

P. Bacci, M. Tsaparian, JP Gormly
(Listing)



2801 W. Mission Rd. Alhambra, CA

Leased 106,266 SF

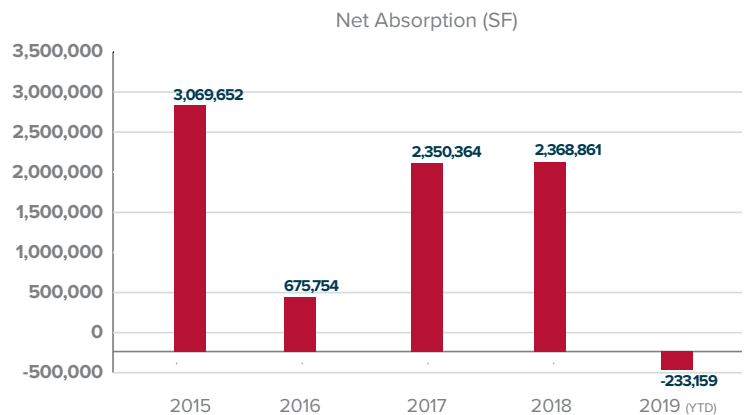
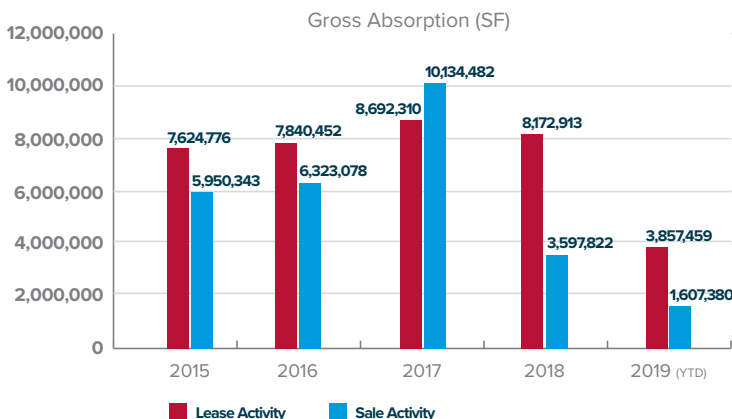
A. Artukovich, M. Dietsch
(Listing)



17970 E. Ajax Cr. City of Industry, CA

Leased 17,482 SF

Chris Bonney, Marc DiGennaro
(Listing)



Featured Available Properties

	Building	SF	Rent Price	Owner/Broker	Comments
	14505 Proctor Ave Industry, CA 91746	217,464 SF	Negotiable	Adam Dzierzynski Tai Ngo	Free Standing Building on Large Land / 2 Large Truck Courts, 70+ Trailer Parking Space with Room for Additional Slots, 206 + Parking Spaces Heavy Power: 2,000 Amps Rail Serviced (Union Pacific Railroad Company)
	333 S Hacienda Blvd Industry, CA 91745	216,716 SF	Negotiable	Michael Lee Michael Brent	State Of The Art New Building Excellent Industry Location 36' Clearance @ 1st Column Fenced And Secured Yard 3rd Quarter 2019 Completion
	13001 Temple Ave Industry, CA 91746	56,496 SF	List Price \$12,937,584.00	Michael Lee	Freeway Visible - Immediate Access to 605 Freeway, High Image Construction 26' Ceilings / ESRF Fully Fenced & Secured Yard
	11750 Goldring Rd Arcadia, CA 91006	28,784	List Price Negotiable	Michael Lee Tai Ngo	24' Ceiling Clearance Newer 2007 Construction Four Dock Loading Positions Two Ground Level Doors
	1308 S Lone Hill Ave Glendora, CA 91740	26,878 SF	List Price \$5,375,600.00	Christopher Bonney	Free Standing R&D Building Owner will Demolish Office to Suit Prime Glendora Location Single Story Building 94 Spaces, HVAC
	16453 Old Valley Blvd La Puente, CA 91744	24,840 SF	\$0.96 Monthly/SF	Justin Chiang Kevin Ching	High Image Two-Story Office Two (2) Dock High Positions 24' Clear Height Well Maintained Business Park 3-5 Year Term
	140 Willow Ave Industry, CA 91746	24,000 SF	List Price \$6,000,000.00	Christopher Bonney	Planned / High Image Industrial Building 28' Clear / ESRF Fully Fenced & Secured Yard Extra Land
	16035 Robin Way Industry, CA 91745	22,424 SF	\$0.72 Monthly/SF	Jason Woods Patrick Bogan Steve Coulter	Close To 60 & 605 Freeways Former Iron Mountain Records Facility Approximately 16,123 Square Feet Of Temperature Controlled Storage Space Cul-De-Sac Location / Secured Loading Area
	2463-2501 Rosemead Blvd South El Monte, CA 91733	18,375 SF	\$1.19 Monthly/SF	Jeffrey Bethel Tai Ngo	Rosemead Blvd Frontage (±52,000 Cars Per Day) Excellent Location For Retail or Wholesale Use Excellent Access to 60, 10 & 605 Freeways
	139-189 N Sunset Ave Industry, CA 91744	16,926 SF	\$1.19 Monthly/SF	Jeffrey Bethel	Sunset Business Park State of the Art Construction By C.E.G 24' Ceilings w/Dock High & Ground Level Loading Secure Business Park with Electronic Gate Access Excellent Access to 10, 60 & 605 Freeways
	1000 Monterey Pass Rd Monterey Park, CA 91754	16,893 SF	List Price Negotiable	Kevin Ching Justin Chiang	Highly Built Out Food Distribution Building Free Standing w/ Private Fenced Yard 4,000 SF Existing Cooler Included Floor Drains In Warehouse
	17930-17940 Ajax Cir Industry, CA 91748	13,952 SF	\$1.25 Monthly/SF	Christopher Bonney Marc Digennaro	Dock High Warehouse Central City of Industry Location
	14237-14305 Don Julian Rd Industry, CA 91746	13,058 SF	\$1.25 Monthly/SF	Christopher Bonney Marc Digennaro	Excellent Access to 60, 605 & 10 Freeways Min. 24' Clearance, One (1) Dock High Truck Door Plus Forklift Ramp, Professionally Managed, Security-Patrolled Park
	745-831 S Lemon Ave Walnut, CA 91789	12,494 SF	\$1.25 Monthly/SF	Ben Fukukura Michael Lee	Professional Business Park Environment Multi-Tenant Industrial Park Frontage on Lemon Ave Immediate Freeway Access on Lemon Ave

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



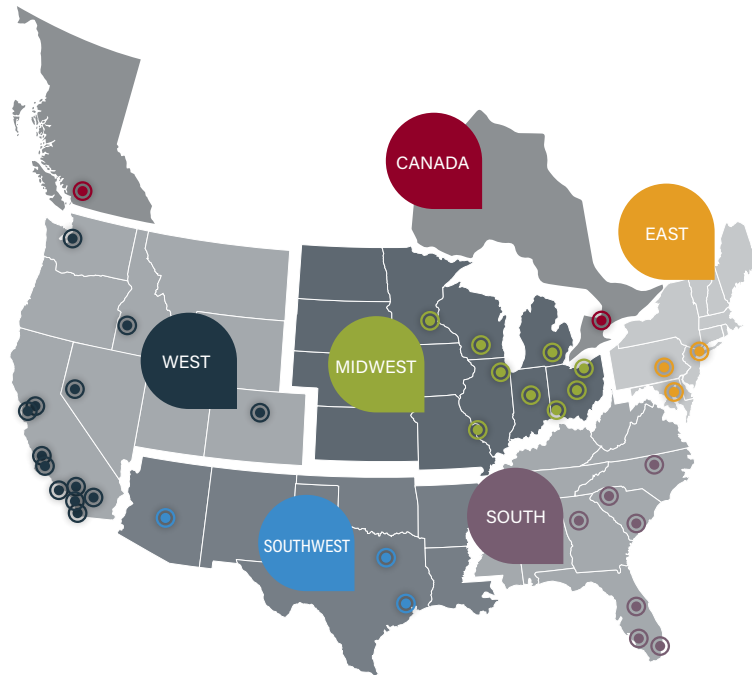
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PETER D. BACCI, SIOR
Executive Vice President, Principal
LIC NO 00946253
pbacci@lee-associates.com
323.767.2022 | 213.447.4137

MIKE TSAPARIAN, CCIM
Executive Vice President, Principal
LIC NO 00901326
mtsaparian@lee-associates.com
323.767.2111 | 213.268.0777

JP GORMLY
Associate
LIC NO 01921853
jpgormly@lee-associates.com
323.767.2036 | 949.533.5016

ADAM VILAN
Senior Associate
LIC NO 01903742
avilan@lee-associates.com
323.767.2047 | 310.292.1499



500 Citadel Dr, Suite 140
Commerce, CA 90040
P 323.720.8484 • F 323.720.8474
Corp. ID # 01125429