



# MARKETING TRENDS

## THE LOS ANGELES INDUSTRIAL MARKET

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DAVID A. PRIOR, SIOR  
*SENIOR MANAGING PRINCIPAL*



## LEASE RATES

78¢ - 82¢ N PER SQUARE FOOT

68¢ - 72¢ N PER SQUARE FOOT

CLASS A

CLASS B



## 1900 W. ARTESIA BLVD COMPTON

LEASE COMPARABLE

<b>TENANT</b>	Younger Optics
<b>LANDLORD</b>	Prologis
<b>SIZE</b>	53,000 SF
<b>TERM</b>	62 months
<b>START RATE</b>	67¢ NNN per SF
<b>RENT ADJUSTMENT</b>	3% annual increase

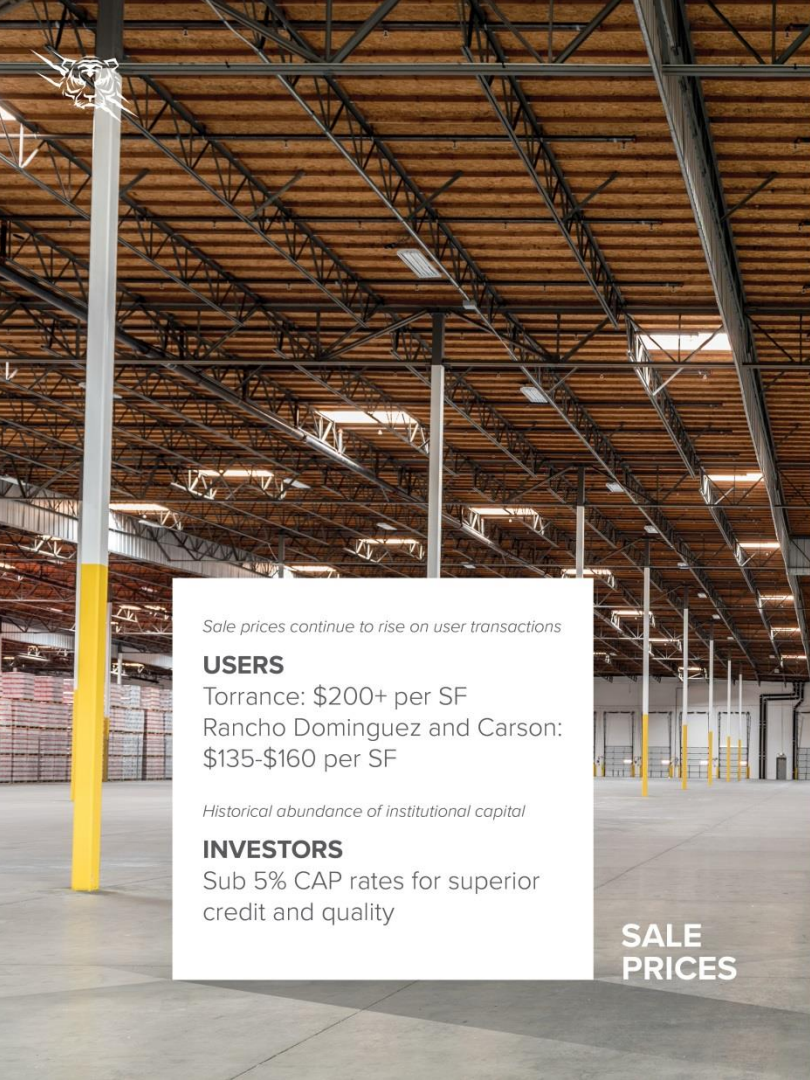


## 18700 LAUREL PARK RANCHO DOMINGUEZ

LEASE COMPARABLE

<b>TENANT</b>	Ring Power Corporation
<b>LANDLORD</b>	TA Reality
<b>SIZE</b>	70,640 SF
<b>TERM</b>	61 months
<b>START RATE</b>	70¢ NNN per SF
<b>RENT ADJUSTMENT</b>	3% annual increase





*Sale prices continue to rise on user transactions*

### **USERS**

Torrance: \$200+ per SF  
Rancho Dominguez and Carson:  
\$135-\$160 per SF

*Historical abundance of institutional capital*

### **INVESTORS**

Sub 5% CAP rates for superior  
credit and quality

**SALE  
PRICES**



## 1930 E VIA ARADO RANCHO DOMINGUEZ

### **SALE COMPARABLE**

<b>BUYER</b>	U-Haul
<b>SELLER</b>	Private Seller
<b>SIZE</b>	80,552 SF
<b>SALES PRICE</b>	\$118 PSF

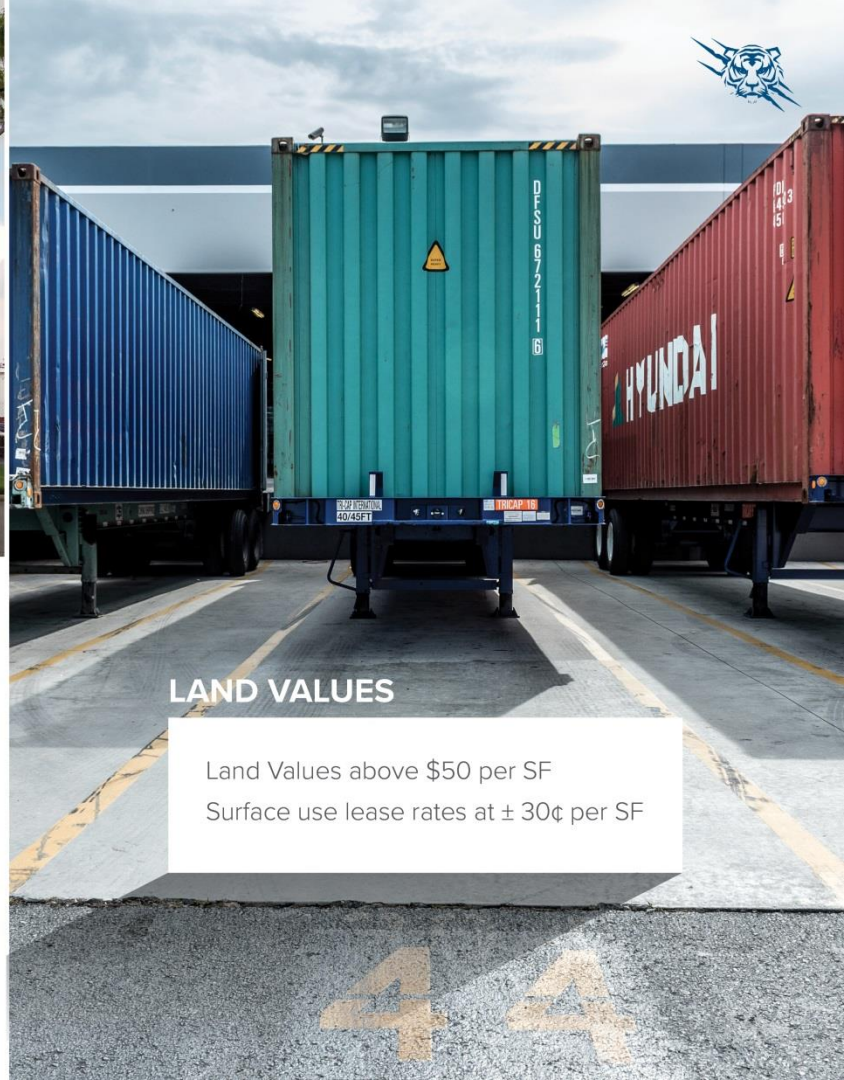




## 24724 WILMINGTON AVE CARSON

### LAND SALE COMPARABLE

<b>BUYER</b>	Prologis
<b>SELLER</b>	Watson Land Company
<b>SIZE</b>	10.13 Acres
<b>SALES PRICE</b>	\$54.96 PSF



### LAND VALUES

Land Values above \$50 per SF  
Surface use lease rates at  $\pm$  30¢ per SF



# 2016 *TRENDS*

**1**

Historically low vacancy driving rapid rate growth

**2**

Warehousing uses being priced out of market

**3**

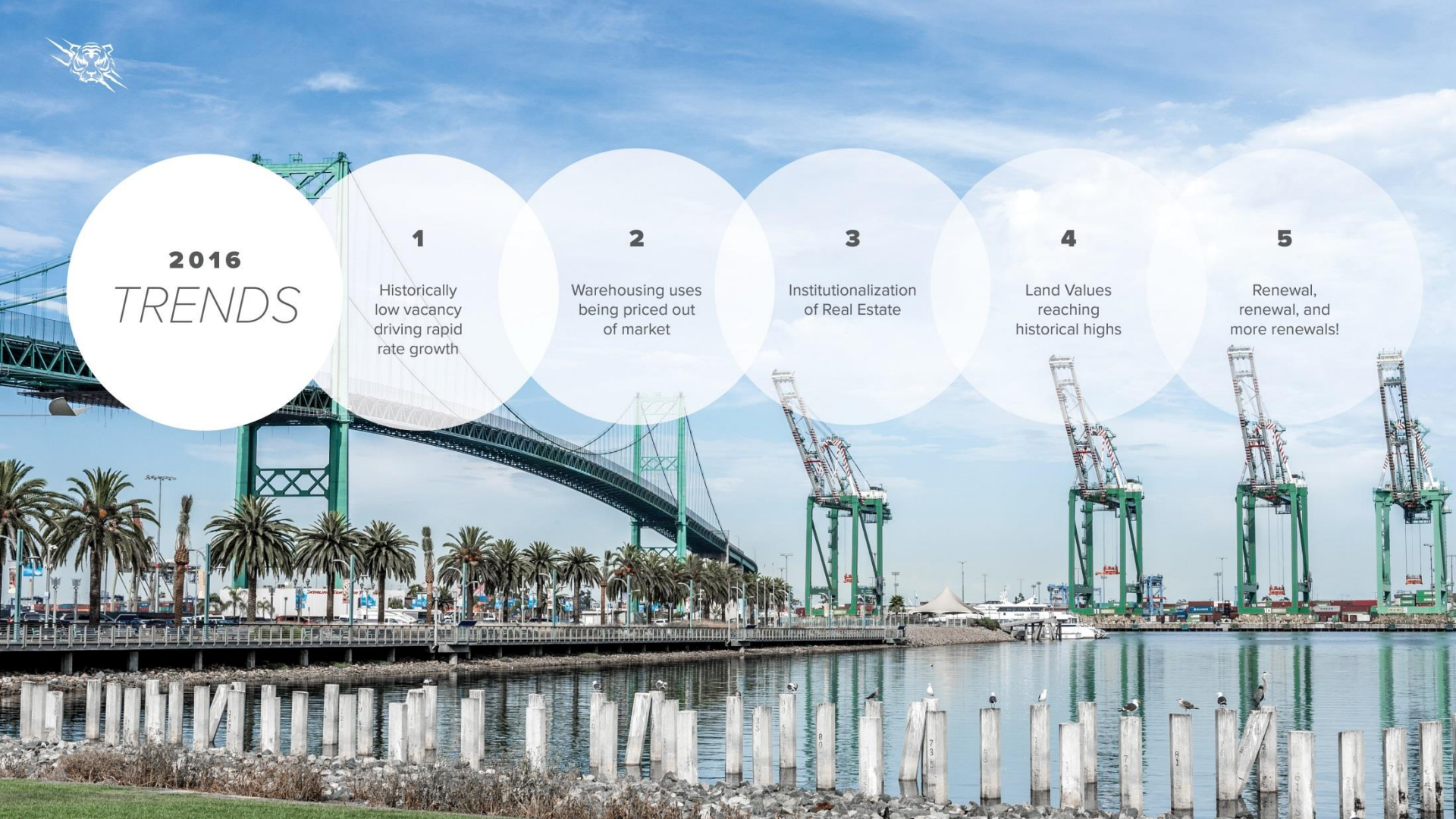
Institutionalization of Real Estate

**4**

Land Values reaching historical highs

**5**

Renewal, renewal, and more renewals!





**HAVE YOU**  
*CONSIDERED:*

Hidden opportunities or unanticipated costs

Environmental Changes

Sale / Lease Back

Joint Ventures

Tax Liability

Economic Policy





**THE KLABIN COMPANY**  
*THEN AND NOW*  
**SOUTH BAY 100**

2015

2016

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<b>24</b>	BUILDINGS FOR SALE/LEASE	<b>27</b>
<b>3</b>	EXISTING VACANT BUILDINGS*	<b>6</b>
<b>3</b>	BUILDINGS FOR SALE	<b>4</b>
<b>9</b>	PLANNED BUILDINGS	<b>4</b>
<b>3</b>	BUILDINGS UNDER CONSTRUCTION	<b>7</b>
<b>58¢</b>	AVERAGE ASKING RATE	<b>71¢</b>

\* Properties are 100,000 SF or above and data from December 2015 to 2016 is being compared.





## EXISTING BUILDINGS

	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	3030-3088 Walnut Ave., Long Beach (12/16) Occupied	98,515	14,180	24' - 26'	Yes	100' -130'	10	TBD	TBD	Distribution bldg. Freeway Frontage. Class B
2	24600-24620 S Main St., Carson Fremont (8/16) Occupied	102,240	2,250	30'	.60/ 3000	120' -130'	15	\$ 85 G	\$ .05	Common yard. Available March 1, 2017. Class A
3	15100 S Figueroa St., Los Angeles Mark Dessy (10/15) Occupied	103,250	Varies	14' - 18'	Yes	Varies	6+	TBD	TBD	Leased investment. In Escrow. Class C
4	18554 S Susana Rd., Rancho Dominguez Oroumi Ahmadian (2/16) Occupied	104,339	TBD	18'	Yes	110'	6	\$119	TBD	Older style manufacturing bldg. In Escrow. Class B
5	2511 S Edison Wy., Compton Prudential (07/15) Vacant	109,084	3,717	21'	Yes	147'	21	TBD	\$ .23	Newly Repositioned. Class B
6	19688 Van Ness Ave., Torrance Heitman (10/16) Occupied	109,544	11,215	30'	ESFR	135'	16	\$ 88 N	\$ .20	P.O.L. Distribution bldg. Class A
7	550 Artesia Blvd., Compton Republic Service - Sublessor (10/16) Vacant	109,690	17,500	24'	.60/ 2000	120' -253'	15	TBD	\$ .19	Corporate HQ. 23% Coverage. Class B
8	220 W Victoria St., Compton Prudential (12/16) Occupied	111,000	14,652	24'	Yes	80' -110'	16	TBD	\$ .21	
9	1431 W Via Plata St., Long Beach 1431 W Via Plata LLC (5/16) Occupied	112,121	20,000	30'	ESFR	120'	16	\$ .79 N	\$ .10	Corporate HQ distribution bldg. Class A
10	2501 W Rosecrans Ave., Compton American Logistics - Sublessor (8/16) Vacant	115,000	5,000	28' - 29'	.60/ 3000	100' -265'	41	\$ 85 N	\$ .13	Sublease term TBD. Class B
11	3025 Victoria St., Rancho Dominguez T.A. Associates (8/16) Occupied	120,000	10,000	16'	Yes	180'	7	TBD	TBD	Leased investment. In Escrow. Class B
12	2500 Edison Wy., Compton Prudential (5/16) Occupied	123,109	7,700	21'	Yes	120'	18	TBD	\$ .21	Older style distribution warehouse. Class B
13	1640 W 190th St., Torrance Deutsche Bank (10/16) Occupied	123,345	21,000	30'	ESFR	135'	22	\$ 89 N	\$ .14	Superior corporate location. Class A
14	14702 S Maple Ave., Gardena Nygaard (7/15) Vacant	131,880	1,500	35'	Yes	100'-140'	46	\$ 856 G \$212	N/A	Distribution bldg. Offered for sale and lease. Class A
15	525 Maple Ave., Torrance Beim Family (11/16) Vacant	139,934	10,488	20'	Yes	110'	11	TBD	\$ .10	Corporate headquarters/manufacturing bldg. Class B
16	19201 S Reyes Ave., Rancho Dominguez 19201 S Reyes, LLC (9/16) Occupied	147,950	4,672	20'	Yes	105'	29	\$ .63 N	\$ .10	Distribution bldg. Class B
17	19600 Alameda St., Compton Stan Black (6/16) Occupied	150,350	16,180	17'	Yes	150'+	33	\$ .68 N	\$ .11	Transload bldg. Class B
18	4240 W 190th St., Torrance ZKS (11/16) Occupied	156,827	2,492	14'	Yes	120'	19	\$ .53 G	N/A	Bulk distribution space. Class B
19	20943 S Maciel Ave., Carson Cal Cartage (10/16) Occupied	176,031	4,000	22'-28'	Yes	115'	34	\$ .68 N	N/A	Distribution bldg. Class B
20	23610 S Banning Blvd., Carson Watson (8/16) Occupied	177,573	17,763	30'10"	Yes	140'	20	TBD	\$ .125	Functional distribution bldg. Class A
21	13633 S Central Ave., # B, Compton Clarion (5/15) Vacant	479,310	TBD	36'	ESFR	185'	111	TBD	\$ .22	New construction. Class A

## UNDER CONSTRUCTION

	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	1720 W 135th St., Gardena OMP (1/16)	100,580	5,000	32'	ESFR	TBD	16	TBD	TBD	Sale and lease. Completion Q2 2017. Class A
2	4600 Conant St., #10, Long Beach JP Morgan (5/15)	110,924	12,966	32'	ESFR	165'	27	TBD	\$ .19	Completion Q2 2017. Class A
3	1420 N McKinley Ave., Compton Prism Realty (3/16)	136,675	8,770	32'	ESFR	149'	12	TBD	TBD	Completion Q3 2017. Class A
4	4350 Conant St., #9, Long Beach JP Morgan (5/15)	140,430	20,923	32'	ESFR	160'	14	TBD	TBD	Completion Q2 2017. Class A
5	200 E Alondra Blvd., Gardena Alere (9/15)	146,936	10,000	32'	ESFR	135'	18	TBD	\$ .19	Completion Q4 2017. Class A
6	2600 E Imperial Hwy., Lynwood Duke (11/15)	201,027	TBD	32'	ESFR	180'	34	TBD	TBD	Completion Q1 2017. Class A
7	4600 Conant St., #11, Long Beach JP Morgan (5/15)	219,280	11,150	32'	ESFR	42'	26-28	TBD	TBD	Completion Q2 2017. Class A

## PLANNED

	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	SWC Carson St. & Lakewood Blvd., Long Beach JP Morgan	94,400	8,000	30'	Yes	130'	9	TBD	TBD	Planned.
2	15100 S San Pedro St., Gardena Panattoni (07/15)	112,750	2,500	TBD	TBD	180'	24	TBD	TBD	Possible development for sale and lease.
3	2258 E 223rd St., Carson Panattoni (2/15)	125,000	20,000	32'	ESFR	TBD	TBD	TBD	TBD	Possible bldg.
4	TBD Wilmington Ave., Carson Alpert & Alpert (2/16)	400,000	TBD	32'	ESFR	190'	70	TBD	TBD	Planned.

\* As of January 1, 2017



## **OUR STRENGTH / OUR PEOPLE**

At the Klabin Company, the strength of our company stems from the strength of our people. We employ a highly respected team of real estate professionals who share our core values along with personal values of trust and hard work.







**THANK YOU**