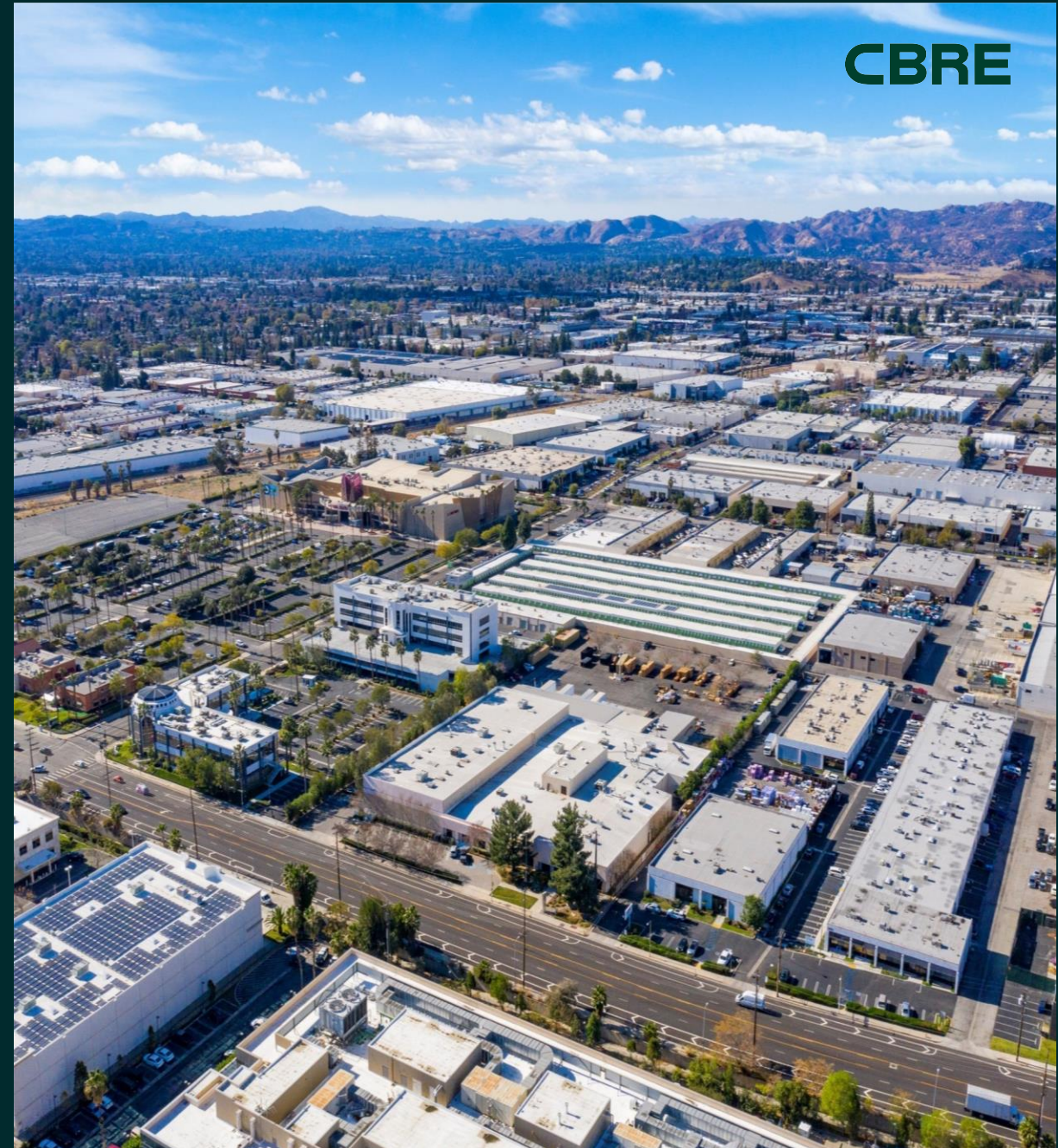


Submarket Report | Q1 2024

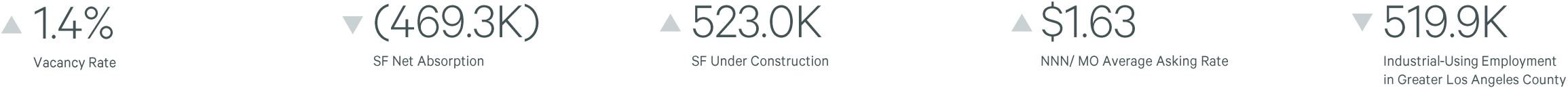
The Greater San Fernando Valley Industrial Submarket

REPORT



FIGURES | GREATER SAN FERNANDO VALLEY | Q1 2024

Market fundamentals soften amidst deceleration in Entertainment sector

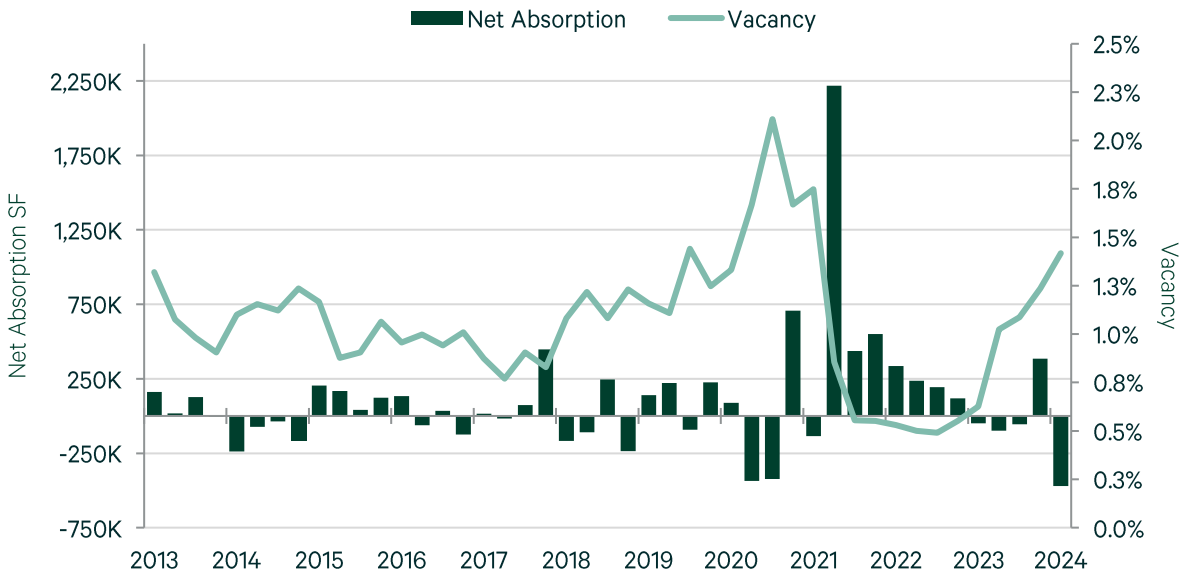


Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The Greater San Fernando Valley reported the highest industrial occupancy rate in Greater Los Angeles for the fifth consecutive quarter, attributed to limited development, prime location, and its composition of occupiers. However, vacancy increased to 1.4% during the quarter driven by negative 469,300 sq. ft. of net absorption.
- Notable leases of the quarter included Ricon renewing 65,000 sq. ft. in San Fernando, Machina Labs taking over 60,000 sq. ft. in Chatsworth, and Blue Origin taking nearly 60,000 sq. ft. in North Hollywood.
- Sublease availabilities have increased in count, exerting pressure on taking rates.
- Rexford acquired Blackstone's Los Angeles portfolio which included 16 properties totaling 504,992 sq. ft. in the San Fernando Valley alone.
- There is currently 523,000 sq. ft. of development underway. Limited development is expected to contribute to compressed vacancy in the mid-term as the market remains supply constrained.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 2024.

FIGURE 2: Submarket Statistics

	Bldg. Count	NRA	Direct Vacancy Rate	Overall Vacancy Rate	Overall Availability Rate	Gross Activity	Gross Absorption	Net Absorption Q1	Avg. Asking Rate (NNN)	Under Const.	Deliveries
Arleta/Tujunga	392	12,318,571	1.8%	2.4%	3.3%	83,080	47,456	(144,365)	\$1.82	0	0
Burbank	393	15,106,632	1.8%	1.9%	2.1%	0	0	(67,452)	\$1.83	0	0
Glendale	585	19,102,069	0.3%	0.3%	0.8%	94,800	94,800	42,503	\$1.39	0	0
North Hollywood	494	14,214,756	1.5%	1.5%	3.1%	144,290	70,464	(37,439)	\$1.43	106,750	20,000
Pacoima	130	5,628,326	0.0%	0.0%	1.0%	32,000	32,000	20,000	\$1.68	68,145	0
Pasadena	115	4,234,484	2.0%	2.0%	2.0%	0	0	0	\$1.51	0	0
San Fernando	150	5,214,549	0.7%	0.8%	3.7%	87,273	21,926	(23,000)	\$1.26	168,676	0
Sun Valley/Sunland	6	228,467	0.0%	0.0%	0.0%	0	0	0	\$1.82	0	0
Sylmar	163	7,882,016	1.7%	1.7%	2.5%	10,500	10,500	(111,363)	\$1.79	0	0
East SFV	2,428	83,929,870	1.2%	1.3%	2.2%	451,943	277,146	(321,116)	\$1.65	343,571	20,000
Agoura Hills	26	751,349	0.5%	0.5%	3.3%	0	0	(1,349)	\$0.00	0	0
Calabasas	33	1,505,697	0.0%	6.2%	11.8%	0	0	0	\$1.65	0	0
Canoga Park	216	5,769,778	1.6%	2.2%	2.2%	81,635	81,635	24,901	\$1.63	0	0
Chatsworth	608	22,301,975	1.1%	1.2%	2.9%	94,724	76,362	58,740	\$1.41	79,539	0
Granada Hills	2	43,598	0.0%	0.0%	0.0%	0	0	0	\$0.00	0	0
Mission Hills	4	126,781	0.0%	0.0%	0.0%	0	0	0	\$0.00	0	0
Northridge	137	3,513,486	1.1%	1.1%	2.0%	0	0	0	\$1.35	0	0
Panorama City	73	2,642,118	1.5%	1.5%	1.9%	0	0	(12,800)	\$1.27	0	0
Reseda	20	439,927	0.0%	0.0%	5.2%	0	0	0	\$0.00	0	0
Sepulveda	27	1,225,032	8.0%	10.6%	10.6%	0	0	(98,000)	\$1.89	0	0
Sherman Oaks	2	38,817	0.0%	0.0%	0.0%	0	0	0	\$0.00	0	0
Tarzana	22	564,981	1.0%	1.0%	1.0%	0	0	0	\$0.00	0	0
Van Nuys	544	19,996,074	1.0%	1.1%	2.9%	168,131	168,131	(12,219)	\$1.76	0	20,000
Woodland Hills	64	2,663,238	1.1%	1.1%	1.8%	0	0	0	\$1.94	0	0
West SFV	1,778	61,582,851	1.2%	1.6%	3.0%	344,490	326,128	(40,727)	\$1.61	79,539	20,000
Canyon Country	19	513,424	0.0%	0.0%	0.0%	0	0	0	\$0.00	0	0
Castaic	2	96,253	0.0%	0.0%	0.0%	0	0	0	\$0.00	0	0
Santa Clarita	52	4,095,398	1.3%	1.3%	4.1%	0	0	0	\$0.92	0	0
Valencia	456	19,892,091	1.0%	1.4%	2.9%	222,645	110,740	(107,407)	\$1.48	0	0
Santa Clarita Valley	529	24,597,166	1.0%	1.4%	3.0%	222,645	110,740	(107,407)	\$1.34	0	0
Lancaster	80	3,317,994	0.3%	0.8%	2.0%	0	0	0	\$1.10	0	0
Palmdale	52	2,787,475	1.4%	2.2%	2.5%	0	0	0	\$1.04	99,853	20,000
Antelope Valley	132	6,105,469	0.8%	1.4%	2.2%	0	0	0	\$1.06	99,853	20,000
Greater SFV	4,867	176,215,356	1.2%	1.4%	2.6%	1,019,078	714,014	(469,250)	\$1.63	522,963	60,000

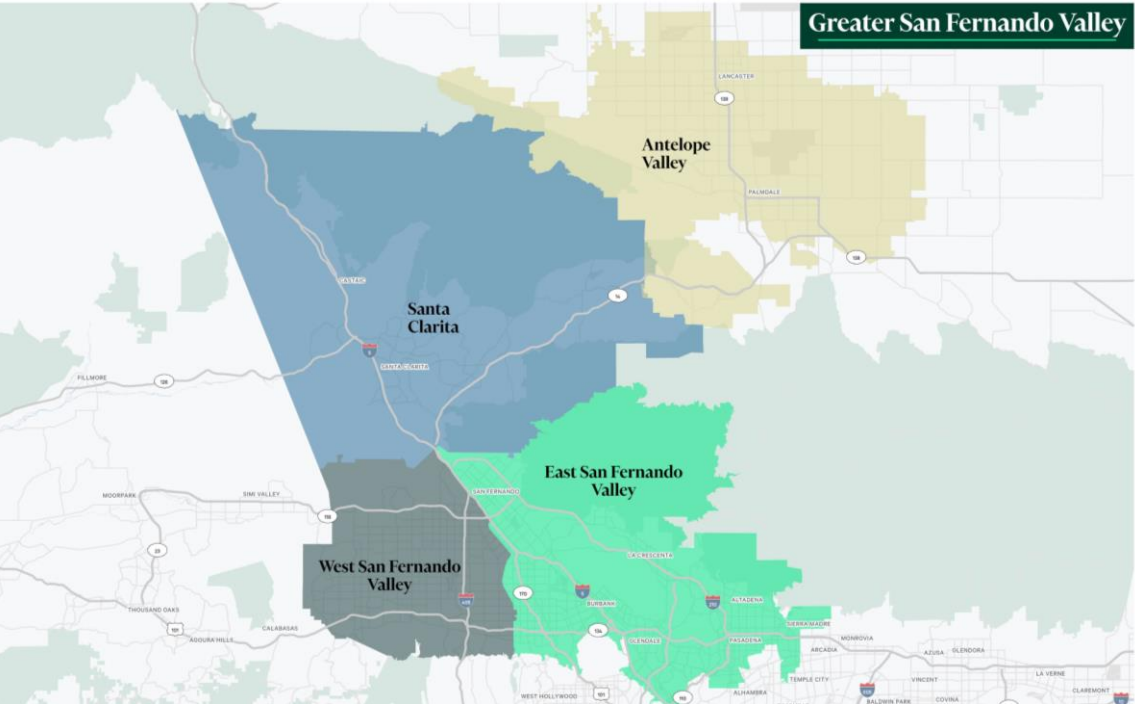
FIGURE 3: Notable Lease Transactions Q1 2024

Tenant	Address	District	SF Leased	Type
Confidential	24811 Rockefeller	Valencia	82,835	Renewal
Confidential	16620 Stagg St	Van Nuys	79,744	New Lease
Confidential	7100 Tujunga Ave	North Hollywood	73,826	Renewal
Ricon	1135 Aviation Pl	San Fernando	65,347	Renewal
Machina Labs	24700–30 Ave Rockefeller	Valencia	60,350	New Lease
Confidential	24700–24730 Ave Rockefeller	Valencia	60,045	Expansion
Blue Origin	5350 Biloxi Ave	North Hollywood	59,664	New Lease

FIGURE 4: Notable Sale Transactions Q1 2024

Buyer	Address	Region	SF Sold	Sale Price
Rexford Industrial	(Portfolio)	San Fernando Valley	504,992	\$220.2MM

Submarket Map



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total Building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rates, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Absorption: All user-sales and lease transactions completed within a specified period, lease activity defined as new leases and expansions, omitting renewals unless publicly marketed, and sale activity omitting only investment sales. Gross Activity: All user-sales and lease transactions completed within a specified period. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Positive absorption is reflected when a lease is signed, which may not coincide with the date of occupancy. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that is not occupied.

Survey Criteria

Includes all industrial buildings 10,000 sq. ft. and greater in size. Buildings which have begun construction as evidenced by site excavation or foundation work.

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Source: CBRE Research, Q1 2024, Location Intelligence.

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