

FIGURES | SAN GABRIEL VALLEY INDUSTRIAL | Q1 2024

Market fundamentals remain impacted by elevated interest rates and sluggish demand

▲ 3.0%
Vacancy Rate

▼ (517.4K)
SF Net Absorption

▼ 2.3M
SF Under Construction

▼ \$1.46
NNN / MO Lease Rate

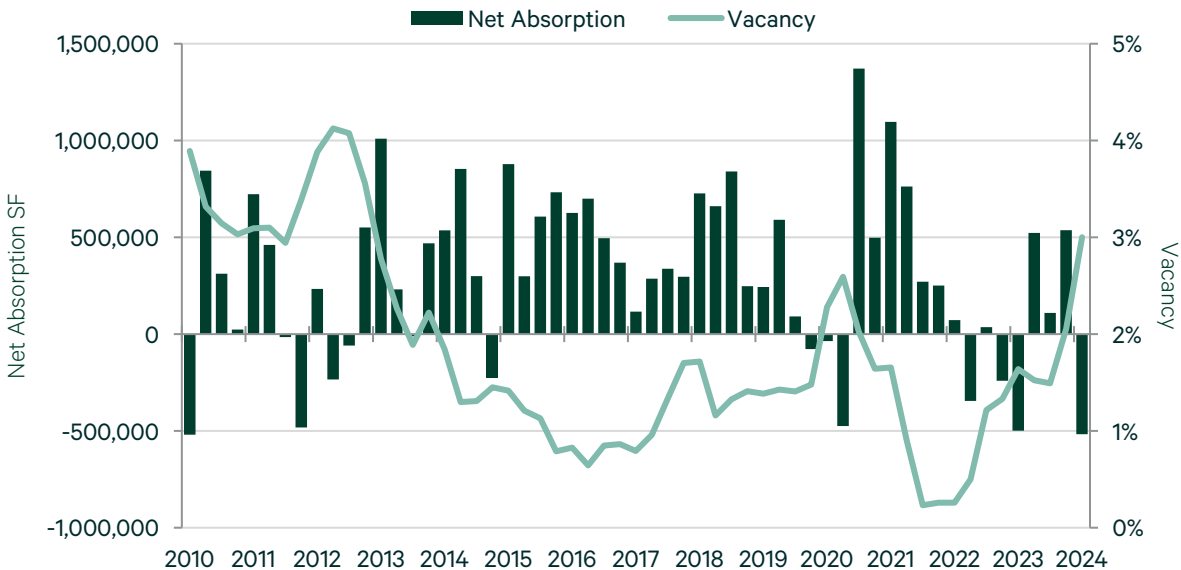
▼ 519,930
Industrial-Using Employment
LA & Ventura County

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The overall vacancy rate ended Q1 2024 at 3.0%, driven by 517,374 sq. ft. of negative net absorption. The availability rate ended the quarter at 4.4%.
- The average asking lease rate decreased by roughly 4% in Q1 2024 to \$1.46 per sq. ft. on a monthly, NNN basis. Since its peak in Q4 2022, the average asking lease rate has declined by 5.2%.
- Total leasing activity, was 1.3 million sq. ft. in Q1 2024. This was 16% higher than the previous quarter, but 46.6% lower than Q1 2023.
- Industrial-using employment in combined Los Angeles and Ventura Counties totaled 519,930 in Q1 2024, declining marginally from Q4 2023.
- During Q1 2024, there were 36 sales transactions totaling 1.1 million sq. ft. Rexford was the most active buyer, acquiring 633,733 sq. ft. in San Gabriel Valley as part of its acquisition of Blackstone’s Los Angeles portfolio, totaling 3 million sq. ft.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 2024

FIGURE 2: Submarket Statistics

Submarket	Bldg. Count	NRA	Direct Vacancy Rate	Overall Vacancy Rate	Overall Availability Rate	Gross Absorption Q1	Net Absorption Q1	Net Absorption YTD	Avg. Ask FSG	Under Const.	Deliveries
Azusa	169	7,985,903	1.7%	1.7%	2.7%	45,320	31,120	31,120	\$1.22	0	0
City of Industry	1,086	82,518,303	3.8%	4.0%	5.7%	995,392	-712,059	-712,059	\$1.57	1,607,072	147,490
El Monte	206	11,177,200	0.7%	0.7%	0.8%	0	0	0	\$1.29	360,992	0
Irwindale	250	14,889,497	2.3%	2.7%	4.5%	69,045	338,098	338,098	\$1.48	130,063	260,889
Monrovia/Duarte	189	6,360,799	2.9%	2.9%	5.2%	18,200	-17,576	-17,576	\$1.25	0	0
Pomona	431	20,028,577	1.5%	1.6%	3.2%	36,603	-182,134	-182,134	\$1.23	230,000	0
South El Monte	320	6,950,997	0.5%	0.5%	1.0%	19,050	19,050	19,050	\$1.10	0	0
Baldwin Park	142	4,328,591	3.4%	3.4%	1.7%	30,665	17,696	17,696	\$1.52	0	132,254
Walnut	34	642,094	1.7%	1.7%	1.7%	0	0	0	\$1.31	0	0
Glendora/San Dimas/La Verne	229	6,421,419	2.6%	2.6%	3.2%	10,362	-11,569	-11,569	\$1.23	0	0
SAN GABRIEL VALLEY	3056	161,303,380	2.8%	3.0%	4.4%	1,224,637	-517,374	-517,374	\$1.46	2,328,127	540,633

Source: CBRE Research, Q1 2024.

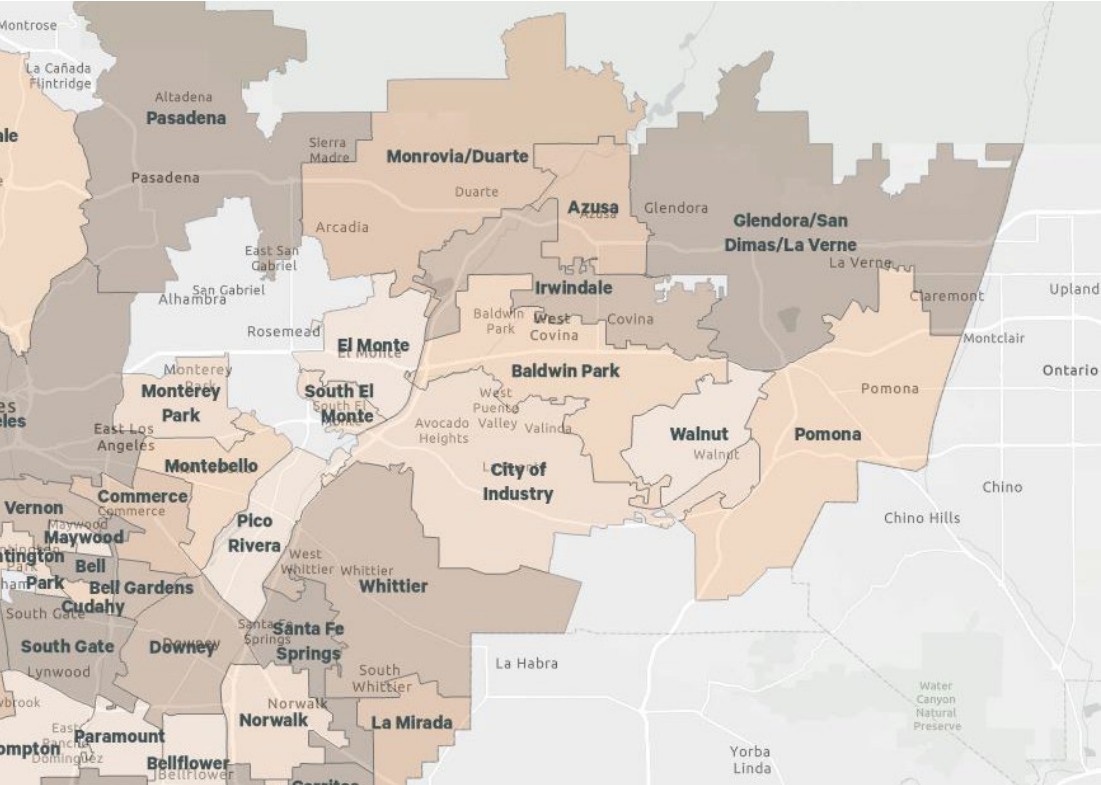
FIGURE 3: Notable Lease Transactions Q1 2024

Tenant	Address	SF Leased	Type
ACL America	14455 14525 E Clark Ave	232,643	New Lease
Confidential	649 S 6 th Ave	163,249	New Lease
Dynasty Shipping	245 N Vineland Ave	96,000	New Lease
Welleast International	950 S Turnbull Canyon Rd	57,949	New Lease
Chumart USA	1189 S Jellick Ave	39,816	New Lease
Quality Precision Cleaning	5795 Martin Rd	32,895	Renewal

FIGURE 4: Notable Sale Transactions Q1 2024

Buyer	Address	SF Sold	Sale Price
Rexford Industrial	Blackstone Portfolio	400,000	\$121MM
Freedom International Group	18689-18701 Arenth Ave	91,151	\$38.4MM
Phenix Truck Bodies	110 Erie St	76,180	\$18.0MM
Cavo Evergreen	2435 N Loma Ave	48,850	\$14.3MM

Submarket Map



Source: CBRE Research, Q1 2024, Location Intelligence,

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 in Los Angeles and Ventura counties. Buildings which have begun construction as evidenced by site excavation or foundation work.

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