

MARKET UPDATE

Q1 2023

SOUTH BAY / LOS ANGELES



KLABIN

A member of the CORFAC International network



Celebrating Over Six Decades of Success

The Klabin Company opened its doors in 1961, earning the reputation as one of the most respected commercial real estate firms in Southern California. The business landscape has evolved over time, but one thing has remained constant – our team commitment to delivering unique value to each client.

Contact us today to discuss how we can make a difference in your business. [KLABIN.COM](https://www.klabin.com)

WE BELIEVE CORE VALUES ARE THE KEY TO OUR LONGEVITY AND OUR FUTURE.

Commitment to Transparency and Collaboration between all team members so clients benefit from the knowledge and expertise of the entire organization.

Six Decades of Market Intelligence gathered from successfully closing over 7250 transactions in Southern California since 1961.

A Team of Experienced Pros who have deep knowledge of the market and find motivation in our agile, customer-first culture.

Ethics Over Earnings is our mantra. We earn the trust of each client by performing at the highest ethical level in every transaction.

Business is Never Work because we have a genuine enthusiasm for the industry and creating solutions that help clients achieve their business objectives.

We Lean into the Unconventional by consistently seeking fresh, creative ideas that may buck traditional norms.

Q1
2023

**SOUTH BAY /
LOS ANGELES**



TABLE OF CONTENTS

HOT TOPICS	PAGE 3
LEASE INTELLIGENCE	PAGE 4
SALE INTELLIGENCE	PAGE 6
LAND VALUES	PAGE 7
SOUTH BAY 100	PAGE 9

HOT TOPICS

01 **PORT TRAFFIC**

Uncertainty surrounding the ILWU labor agreement combined with a return to "normal" import volumes has port traffic down. Transportation rates have fallen below pre-pandemic levels.

02 **OPERATING EXPENSES**

The recent rise in values, coupled with growing institutional ownership has operating expenses regularly exceeding \$0.40 PSF/Mo.

03 **VACANCY**

Vacancy has risen above 1% for the first time in over 3-years, bringing balance to an otherwise hot market. Tenants have options.

04 **SUBLEASE SPACE**

Sublease availability has begun to trickle onto the market, undercutting pricing for long term deals.

05 **LENDING**

While the bank run has slowed, banks have quickly tightened their lending standards.

06 **VALUES**

Declining asset and land values have not yet been realized.

07 **FEAR & OUTLOOK**

While acknowledging the market is no longer increasing at the rates of previous quarters. Current activity is slow and we believe it will not improve until economic stability returns.

ACTIVE INDUSTRIES

➤ E-COMMERCE

▼ RETAIL GOODS

➤ FOOD & BEVERAGE

➤ CONSTRUCTION SERVICES

▼ THIRD PARTY LOGISTICS

➤ TECHNOLOGY

➤ MANUFACTURING

▼ TRUCKING

LEASE INTELLIGENCE



20333 S NORMANDIE AVE TORRANCE, CA

Sublease Comparable

TENANT	National Road Logistics
LANDLORD	Nordstrom
SIZE	312,212 SF
TERM	29 Months
START RATE	\$1.95 GROSS
RENT ADJUSTMENT	3% Annual Increases



500 W VICTORIA ST COMPTON, CA

Lease Renewal

TENANT	National Retail Transportation
LANDLORD	Prudential
SIZE	208,102 SF
TERM	85 Months
START RATE	\$1.99 NET
RENT ADJUSTMENT	4% Annual Increases



1431 VIA PLATA ST LONG BEACH, CA

Lease Comparable

TENANT	Proactive Supply Chain Solutions
LANDLORD	1431 Via Plata, LLC
SIZE	105,000 SF
TERM	62 Months
START RATE	\$2.05 NET
RENT ADJUSTMENT	4% Annual Increases



20639 S FORDYCE AVE CARSON, CA

Lease Comparable

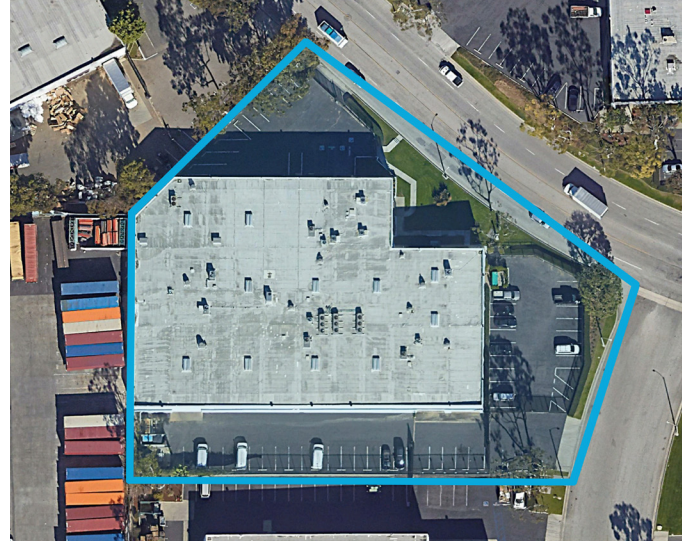
TENANT	Cosway Company
LANDLORD	Brentwood Originals
SIZE	101,910 SF
TERM	61 Months
START RATE	\$1.88 NET
RENT ADJUSTMENT	4% Annual Increases



**1550 CHARLES WILLARD ST
CARSON, CA**

Lease Comparable

TENANT	Industrial Parts Depot
LANDLORD	The Carson Companies
SIZE	83,390 SF
TERM	61 Months
START RATE	\$2.30 NET
RENT ADJUSTMENT	4% Annual Increases



**340 W VICTORIA ST
COMPTON, CA**

Lease Renewal

TENANT	Iron Mountain
LANDLORD	Alere Property Group
SIZE	36,009 SF
TERM	60 Months
START RATE	\$1.85 NET
RENT ADJUSTMENT	4% Annual Increases

RENTAL RATES

STABLE



**10,000-50,000
SQUARE FEET**

Class A

\$2.10+ N PSF

Class B

\$2.00+ N PSF

Class C

\$1.75 N PSF

**50,000+
SQUARE FEET**

Class A

\$2.25+ N PSF

Class B

\$1.95+ N PSF

Class C

\$1.75+ N PSF

SALE INTELLIGENCE



3520 CHALLENGER ST, TORRANCE, CA

Sale Comparable

BUYER	Rexford Industrial
SELLER	Marcus Adams Capital
SIZE	49,336 SF
SALE PRICE	\$287.82 PSF

NOTES: Leased until 2028. 6.5% CAP. Heavily improved.

USER PRICING

Users may be able to capitalize on rising CAP Rates.

\$450+ PSF

INSTITUTIONAL PRICING

Class A

\$400+ PSF

CAPITALIZATION RATES

Increased borrowing rates have Institutional Capital players reevaluating pricing.

Superior Credit & Quality:

5.5%

Good Credit & Quality:

6%

Stabilized Development:

6.5%

LAND VALUES



833 W TORRANCE BLVD
UNINCORP. LA COUNTY, CA
Land Sale Comparable

BUYER WPT Industrial REIT
SELLER Alpine Village
SIZE 14.28 Acres
SALE PRICE \$69.11 PLSF
NOTES: Net usable land is 11.6 acres because Alpine Village improvements to remain as designated historical site.

CURRENT LAND VALUES

Land values are undergoing a repricing due to interest rates and risk profiles.

Land Values
\$130 PSF - \$180 PSF

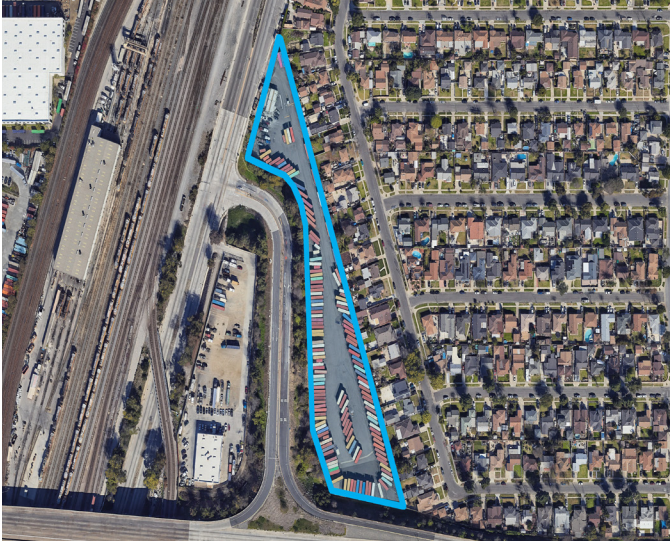
Surface Use Lease Rates Above
\$1.00 PSF

HISTORIC LAND VALUES

2020 *Land Values: \$75 PSF*
Surface Lease Rates: 45¢ PSF

2015 *Land Values: \$35 PSF*
Surface Lease Rates: 25¢ PSF NET

2010 *Land Values: \$20 PSF*
Surface Lease Rates: 15¢ PSF NET

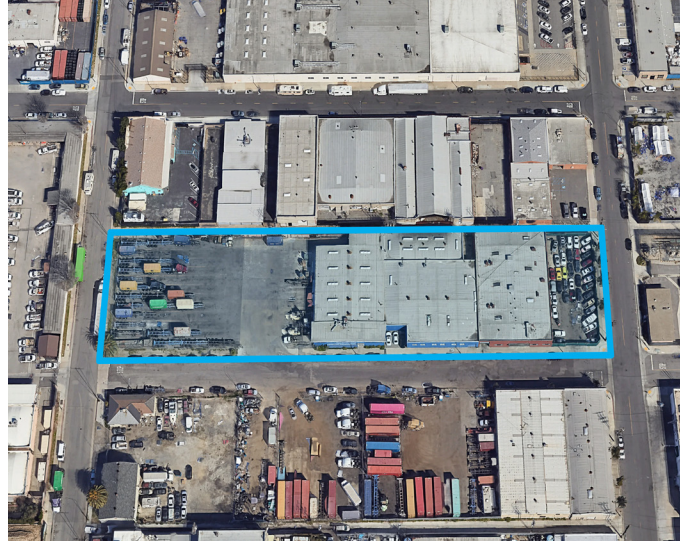


**21900 S ALAMEDA ST
LOS ANGELES, CA**

Lease Comparable

TENANT Junction Collaborative Transports
LANDLORD Alere Property Group
SIZE 181,645 SF (4.17 Acres)
START RATE \$1.07 NET (\$0.06 OpEx)

NOTES: Truck yard. No operating restrictions despite being adjacent to residential.



**745 W 17TH ST
LONG BEACH, CA**

Lease Comparable

TENANT MST Trucking
LANDLORD Crissman Group
SIZE 63,573 SF (1.46 Acres)
START RATE \$0.95 NET (\$0.10 OpEx)

NOTES: 28,500 SF building on-site.

"LAND VALUES HAVE RETREATED FROM HISTORICAL HIGHS BUT REMAIN WELL ABOVE PRE-PANDEMIC LEVELS. "

-Frank Schulz, SIOR

SOUTH BAY 100

The South Bay 100 is updated monthly by personally verifying the availability, timing, and expenses for each property. It's our goal to provide real time information for marketed, off market, and future availabilities. We hope you find value in our detailed report.



SOUTH BAY 100 REPORT

APRIL 2023

Existing Buildings



Existing Buildings

	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	2226 E 223rd St., Carson Panattoni (7/21) Vacant	97,121	6,981	32'	ESFR	185' Shared	15	\$2.20 N	\$35	New construction. Class A.
2	255 W Carob St., Compton Prologis (2/23) Vacant	100,000	5,580	22'	.33/3000	125'	10	\$1.95 N	\$26	Available 5/1/23. Class B.
3	14220 S Main St., Los Angeles Bridge Development (6/20) Vacant	100,528	10,610	32'	ESFR	137'	12	\$2.25 N	\$33	New construction. Class A.
4	18521-18601 S Santa Fe Ave., Compton Gregg Buchbinder (11/22) Occupied	102,262	TBD	12'-18'	Yes	Varies	4	TBD	N/A	Investment Sale. Low clear buildings. Class C.
5	2883 E Victoria St., Rancho Dominguez CenterPoint (12/22) Occupied	105,411	3,000	19'	Yes	125'	22	\$1.80 N	\$21	Available 5/1/23. Class B.
6	10240 Alameda St., South Gate Goldrich Kest (2/23) Occupied	105,327	11,588	30'	ESFR	Varies	19	\$1.89 N	\$11	Available 10/1/23. Class A.
7	19301 Prairie Ave., Torrance Kearny (8/19) Vacant	106,833	7,500	32'	ESFR	140'	17	\$2.45 N	\$49	New construction. Class A.
8	159 E Rosecrans Ave., Los Angeles Bridge Development (6/20) Vacant	107,733	10,000	32'	ESFR	138'	14	\$2.25 N	\$31	New construction. Class A.
9	2511 S Edison Wy., Compton Prudential (9/22) Vacant	109,134	4,037	21'-26'	.45/3000	91'-147'	21	\$2.00 N	\$35	Loading on 2 sides. Class B.
10	15001 S Figueroa St., Gardena Fallas Stores (2/23) Occupied	111,266	15,000	18'-30'	ESFR	Varies	9	\$1.59 N	\$17	Available 8/1/23. Class C.
11	3040 E Ana St., Rancho Dominguez JCG Properties (9/22) Vacant	115,814	21,354	19'-21'	Yes	110'	8	\$1.80 G	N/A	Loading off of street. Class B.
12	775 W Manville St., Compton Prologis (2/23) Occupied	116,263	6,870	22'	Yes	Varies	20	\$2.00 N	\$36	Available 6/1/23. Class B.

SOUTH BAY 100 REPORT

Existing Buildings Continued...

Existing Buildings

	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/PRICE	N TO G (EST.)	COMMENTS
13	20051-20101 S Vermont Ave., Torrance Prudential (1/23) Occupied	118,279	TBD	22'	Yes	120'	16	\$2.15 N	\$29	Currently food/cooler space. Divisible. Class B.
14	1041 E 230th St., Carson Watson Land Company (3/23) Occupied	119,668	4,375	32'	ESFR	147'	28	\$2.25 N	\$19	Available 6/1/23. Overweight corridor. Class A.
15	801 W Artesia Blvd., Compton Prologis (2/23) Occupied	120,000	10,000	22'	Yes	129'	6	\$2.00 N	\$29	Available 8/1/23. Class B.
16	14400 S Figueroa St., Bldg 1, Gardena Rexford (1/23) Occupied	120,700	TBD	22'	Yes	Varies	0	TBD	TBD	Two ground level buildings. Site may be redeveloped. Class C.
17	15500 S Main St., Gardena Beverly Hills Transfer & Storage (1/23) Vacant	120,881	16,054	18'-32'	Yes	Varies	18	\$1.85 G	N/A	Two building complex. Class B.
18	24700 Main St., Carson Bridge Development (1/23) Occupied	127,496	9,539	18'	No	Varies	30	\$3.57 N	\$32	Available 8/1/23. 28% coverage. Hours of operation restrictions. Class C.
19	2136 E 223rd St., Carson Panattoni (7/21) Vacant	134,114	7,468	32'	ESFR	134'	23	\$2.20 N	\$33	New construction. Class A.
20	16325 S Main St., Gardena Link (3/23) Vacant	138,610	4,816	20'-26'	ESFR	Varies	23	\$2.15 N	\$36	Class B.
21	19200 S Reyes Ave., Rancho Dominguez Private (1/23) Vacant	141,149	19,342	16'	Yes	Varies	5	\$1.75 G	N/A	Low clear manufacturing building. Class C.
22	1580 Francisco St., Los Angeles Link (9/21) Vacant	199,927	31,818	30'	ESFR	145'	33	\$2.39 N	\$34	Available 5/1/23. High image office. Class A.
23	2661-2665 E Del Amo Blvd., Rancho Dominguez Prologis (11/22) Occupied	201,450	10,000	17'-26'	Yes	130'+	50	\$2.10 N	\$24	Large yard. Class B.
24	909 E Colon St., Wilmington Morgan Stanley (9/22) Vacant	223,865	8,124	24'	.33/4000	110'	33	\$2.15 N	\$21	Available now. Large side yard. Class B.
25	400 W Artesia Blvd., Compton Transamerican Auto-Sublessor (2/23) Vacant	253,584	30,000	24'	.60/3000	110'	34	\$1.75	\$20	Available now. Sublease through 7/31/26. Class B.
26	771 Watsoncenter Rd., Carson Watson Land Company (3/23) Occupied	258,678	5,500	25'	Yes	Varies	56	\$2.05 N	\$26	Eight acres extra land at \$1.35/SF Gross. Class B.
27	2501 Rosecrans Ave., Compton JP Morgan (1/23) Occupied	298,474	TBD	26'-29'	TBD	200'+	48	\$2.20 N	\$31	Available 8/1/23. Extra yard. Class B.
28	19200 S Western Ave., Torrance DWS (1/23) Vacant	315,256	9,485	30'	ESFR	150'	38	\$2.35 N	\$15	Available now. Class A.
29	19501 Prairie Ave., Torrance Kearny (8/19) Vacant	320,771	10,000	36'	ESFR	343'	30	\$2.45 N	\$49	New construction. Class A.
30	1650 Glenn Curtiss St., Carson Carson Companies (5/22) Occupied	338,932	41,517	30'	ESFR	130'-180'	74	\$2.30 N	\$21	Available 6/1/23. Crossdock. Class A.
31	1452 W Knox St., Torrance Prologis (11/21) Vacant	442,550	11,946	32'	ESFR	178'	63	\$2.35 N	\$52	High image distribution warehouse. Class A.

SOUTH BAY 100 REPORT

Under Construction



Under Construction

	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	219 W Gardena Blvd., Carson Link (3/23)	102,083	4,975	36'	ESFR	Varies	25	TBD	TBD	Estimated completion TBD.
2	3555 Conant St., Bldg 23, Long Beach Sares Regis (3/23)	112,964	13,363	32'	ESFR	135'	18	TBD	TBD	Estimated completion Q2 2024.
3	16627 S Avalon Blvd., Carson CenterPoint (3/23)	113,470	TBD	32'	Yes	143'	23	TBD	TBD	Estimated completion of Q1 2024.
4	1055 Sandhill Ave., Carson Rexford Industrial (6/20)	126,013	6,512	32'	ESFR	135'	20	TBD	TBD	Estimated completion Q2 2024.
5	3590 Conant St., Bldg 22, Long Beach Sares Regis (3/23)	150,051	13,157	32'	ESFR	135'	18	TBD	TBD	Estimated completion Q1 2024.
6	3550 Conant St., Bldg 25, Long Beach Sares Regis (3/23)	152,444	12,948	32'	ESFR	135'	23	TBD	TBD	Estimated completion Q1 2024.
7	3470 Conant St., Bldg 24, Long Beach Sares Regis (3/23)	163,553	12,973	32'	ESFR	135'	25	TBD	TBD	Estimated completion Q1 2024.
8	1355 W Sepulveda Blvd., Torrance Bridge Development (9/21)	174,211	9,644	36'	ESFR	135'	21	\$2.40 N	\$.37	Estimated completion Q2 2023.
9	112 W Alondra Blvd., Bldg 1, Carson Link (3/23)	181,810	6,270	36'	ESFR	185'	27	TBD	TBD	Estimated completion TBD.
10	20846 S Normandie Ave., Torrance Bridge Development (3/18)	203,877	10,000	36'	ESFR	178'	21	\$2.30 N	\$.34	Estimated completion Q2 2023.
11	20100 Alameda St., Rancho Dominguez Crown Associates (11/22)	205,435	10,255	36'	ESFR	137'	30	TBD	TBD	Estimated completion Q4 2023. Extra land.

SOUTH BAY 100 REPORT

Planned



Planned

	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	2550 Orange Ave., Signal Hill CenterPoint (12/21)	100,147	BTS	36'	ESFR	TBD	17	TBD	TBD	Planned. Estimated completion Q1 2024.
2	Figueroa Street Business Park, Carson Xebec (3/22)	111,200	10,400	32'	ESFR	140'	11	TBD	TBD	Planned. Estimated completion Q2 2024. Subject to entitlements.
3	1600 W 135th St., Gardena OMP (6/22)	190,860	10,000	36'	ESFR	185'	22	TBD	TBD	Planned. Estimated completion Q2 2024. Subject to entitlements.
4	2401 E Wardlow Rd., Long Beach Goodman (11/22)		BTS	36	ESFR	TBD	TBD	TBD	TBD	Planned. Estimated completion Q3 2024.



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