

MARKET UPDATE

Q3 2022

SOUTHBAY / LOS ANGELES



KLABIN

A member of the CORFAC International network



Celebrating 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 7150 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.



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HOT TOPICS

- 01** **LAND LEASE RATES**
In many cases land lease rates have exceeded standard coverage building rates.
- 02** **INTEREST RATES**
Continued rate increases will further impact user and investor sales for the next two quarters.
- 03** **SUPPLY/DEMAND**
Lack of supply and steady demand has rates holding and increasing.
- 04** **CAPITAL MARKETS**
Institutional buyers have pulled back as interest rates and yield thresholds continue to rise.
- 05** **UNCERTAINTY**
It sure seems like we can all agree on one thing, nothing seems to be certain!

ACTIVE INDUSTRIES

➤ E-COMMERCE

➤ RETAIL GOODS

⤴ FOOD & BEVERAGE

⤴ CONSTRUCTION SERVICES

➤ THIRD PARTY LOGISTICS

➤ TECHNOLOGY

➤ MANUFACTURING

⤵ TRUCKING

THE KLABIN COMPANY EXPANDS SENIOR LEADERSHIP TEAM; NAMES TYLER ROLLEMA PRINCIPAL AND PARTNER



Since joining the firm in 2016, Rollema has played a crucial role in further establishing Klabin's position as one of the top brokerages in the Los Angeles industrial real estate market.

The Klabin Company/CORFAC International announced that it has expanded its senior leadership team by naming Tyler Rollema as principal and partner. Since joining the firm in 2016, Rollema has played a crucial role in further establishing The Klabin Company's position as one of the top brokerages in the Los Angeles industrial real estate market.

Rollema primarily focuses on Tenant and Landlord representation and industrial leasing and sales. He works closely with Principal and Partner Matt Stringfellow, SIOR, on generating business at The Klabin Company. Over the past decade, Rollema has established himself as a key source for land and industrial transactions in cities surrounding the Los Angeles ports.

"Tyler has proven to be a great fit for the culture of The Klabin Company, and has consistently contributed on a high level, both in the transactions he completes and in providing mentorship to new team members," said Stringfellow. "He exhibits great command of all facets of the business while continuing to forge new relationships

with an expanding list of clients. We are thrilled to have him as a partner and look forward to his continued success and the impact he will have on the strategic growth of our company."

Rollema started his career in commercial real estate right out of college in 2012 when he landed a position on Coldwell Banker Commercial's industrial team in Long Beach. After three years at CB focusing on smaller industrial buildings in Long Beach and along the I-605 corridor, he sought to branch out and expand his reach into the larger South Bay industrial market. The desire to have an opportunity to compete for larger transactions led him to The Klabin Company.

"It is truly an honor to join the partnership team at The Klabin Company," said Rollema. "When I came here about six years ago, my goal was to grow my knowledge of the industrial real estate market, work hard and build strong relationships. Not only have I accomplished that, but I get to work closely, each day, with some of the most talented professionals in the business. The open and enduring culture of The Klabin Company is unlike any other in our industry, and I'm so pleased to be in a position to carry it forward for years to come."

Rollema is active in the industrial real estate industry. He is an SIOR Member Associate, has served as the CORFAC Next Generation Committee Chair and was a CORFAC Communications Committee Member in 2018-19. He and his wife reside in Long Beach with their son and dog. He earned a Bachelor of Science in Cellular/Molecular Biology from Westmont College in Santa Barbara, California, and when not working on finalizing transactions, is interested in outdoor activities such as hiking, snowboarding and wakeboarding.

LEASE INTELLIGENCE



1451 W KNOX ST. TORRANCE, CA

Lease Renewal

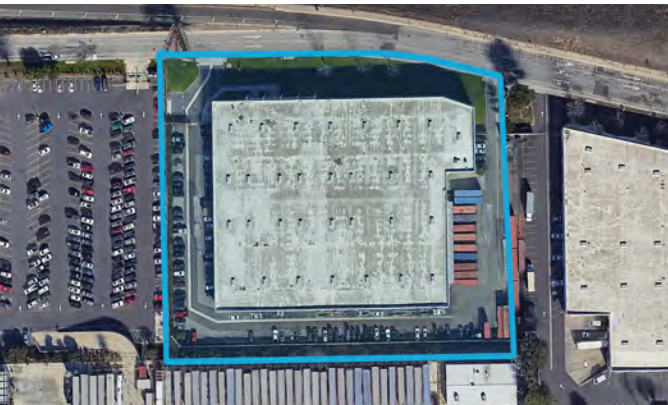
TENANT	Metro Air Service
LANDLORD	Black Creek Group
SIZE	154,790 SF
TERM	60 Months
START RATE	\$2.59 NET
RENT ADJUSTMENT	5% Annual Increases



921 W ARTESIA BLVD. COMPTON, CA

Lease Comparable

TENANT	Great Central Transport
LANDLORD	J.P. Morgan Asset Mangement
SIZE	143,937 SF
TERM	61 Months
START RATE	\$1.85 NET
RENT ADJUSTMENT	4% Annual Increases



850 W ARTESIA BLVD. COMPTON, CA

Lease Comparable

TENANT	Aeronet Worldwide
LANDLORD	Prologis
SIZE	89,630 SF
TERM	61 Months
START RATE	\$1.92 NET
RENT ADJUSTMENT	4% Annual Increases



2861 ORANGE AVE. CARSON, CA

Lease Comparable

TENANT	Nations Benefits
LANDLORD	Prologis
SIZE	49,487 SF
TERM	84 Months
START RATE	\$2.00 NET
RENT ADJUSTMENT	5% Annual Increases



**620 E ANAHEIM ST.
WILMINGTON, CA**

Lease Comparable

TENANT	Best Bay Trucking
LANDLORD	Rexford Industrial
SIZE	34,198 SF
TERM	61 Months
START RATE	\$2.35 NET
RENT ADJUSTMENT	5% Annual Increases



**1701 W WALNUT ST.
COMPTON, CA**

Lease Comparable

TENANT	TDS Logistics
LANDLORD	IDI Logistics
SIZE	32,008 SF
TERM	61 Months
START RATE	\$2.10 NET
RENT ADJUSTMENT	4.5% Annual Increases

RENTAL RATES

TRENDING UP

<p style="font-size: 1.5em; font-weight: bold; margin: 0;">10,000-50,000 SQUARE FEET</p> <p style="font-style: italic; font-weight: bold; margin: 10px 0;">Class A</p> <hr style="border: 2px solid #00a0e3; margin: 5px 0;"/> <p style="font-weight: bold; margin: 0;">\$2.10+ N PSF</p> <p style="font-style: italic; font-weight: bold; margin: 10px 0;">Class B</p> <hr style="border: 2px solid #ccc; margin: 5px 0;"/> <p style="font-weight: bold; margin: 0;">\$1.90+ N PSF</p> <p style="font-style: italic; font-weight: bold; margin: 10px 0;">Class C</p> <hr style="border: 2px solid #ccc; margin: 5px 0;"/> <p style="font-weight: bold; margin: 0;">\$1.75 N PSF</p>	<p style="font-size: 1.5em; font-weight: bold; margin: 0;">50,000+ SQUARE FEET</p> <p style="font-style: italic; font-weight: bold; margin: 10px 0;">Class A</p> <hr style="border: 2px solid #00a0e3; margin: 5px 0;"/> <p style="font-weight: bold; margin: 0;">\$2.25+ N PSF</p> <p style="font-style: italic; font-weight: bold; margin: 10px 0;">Class B</p> <hr style="border: 2px solid #ccc; margin: 5px 0;"/> <p style="font-weight: bold; margin: 0;">\$1.90+ N PSF</p> <p style="font-style: italic; font-weight: bold; margin: 10px 0;">Class C</p> <hr style="border: 2px solid #ccc; margin: 5px 0;"/> <p style="font-weight: bold; margin: 0;">\$1.75+ N PSF</p>
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SALE INTELLIGENCE

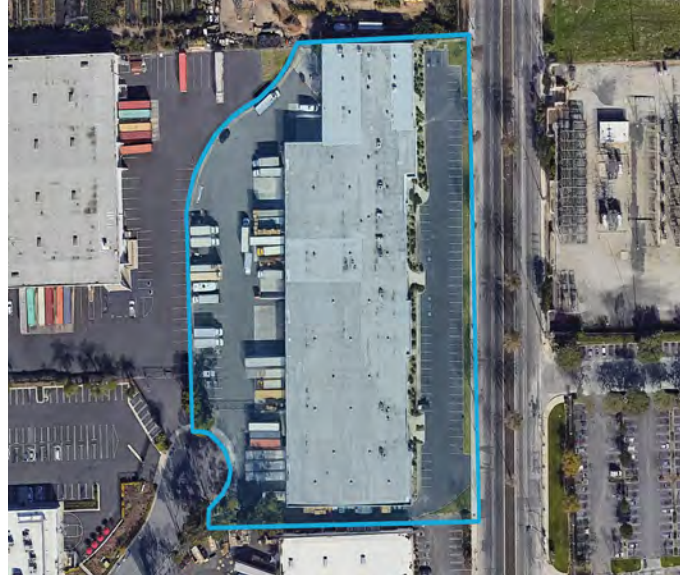


**2850 E EL PRESIDIO ST.
CARSON, CA**

Sale Comparable

BUYER TA Realty
SELLER Tatung Company of America
SIZE 87,725 SF
SALE PRICE \$532.92 PSF

NOTES: Originally under contract at \$559/SF. \$2MM discount in



**16801-16811 CENTRAL AVE.
CARSON, CA**

Sale Comparable

BUYER TA Realty
SELLER CGU Capital Group
SIZE 73,179 SF
SALE PRICE \$415.42 PSF

NOTES: Buyer plans to do a light rehab project upon vacancy.

USER PRICING

Users may be able to capitalize on rising CAP Rates.

\$400+ PSF

INSTITUTIONAL PRICING

Class A

\$450+ PSF

CAPITALIZATION RATES

Increased borrowing rates have Institutional Capital players reevaluating CAP rates.

Superior Credit & Quality:

4.25%

Good Credit & Quality:

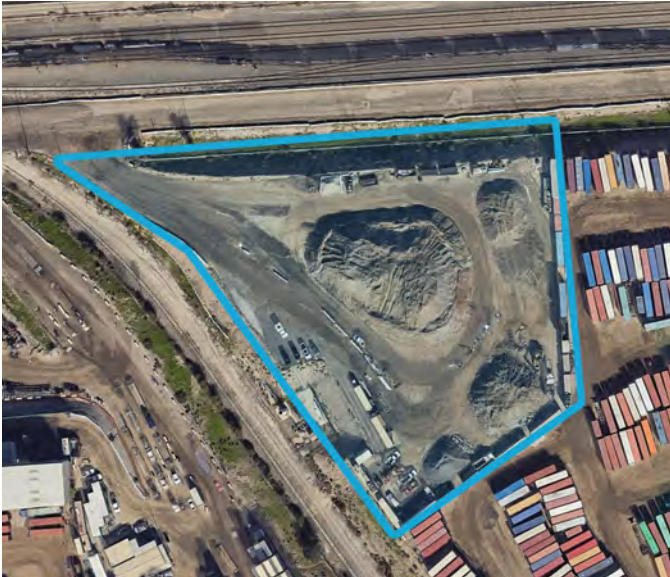
4.75%

Stabilized Development:

5.5%

SALE PRICING

LAND VALUES



1800 LOMITA BLVD. WILMINGTON, CA

Lease Comparable

TENANT	Zurich Transport
LANDLORD	Rexford Industrial
SIZE	3.5 Acres
START RATE	\$1.15 Net

NOTES: TI's include the addition of one (1) light pole, fencing and gravel base.



14521 S AVALON BLVD. UNINCORP. LA COUNTY, CA

Lease Comparable

TENANT	Corridor Recycling
LANDLORD	Sheila Halvorsen
SIZE	1.89 Acres
START RATE	\$1.10 Net

NOTES: Leased to company with the best financials.

CURRENT LAND VALUES

Land Values
Above \$200 PSF

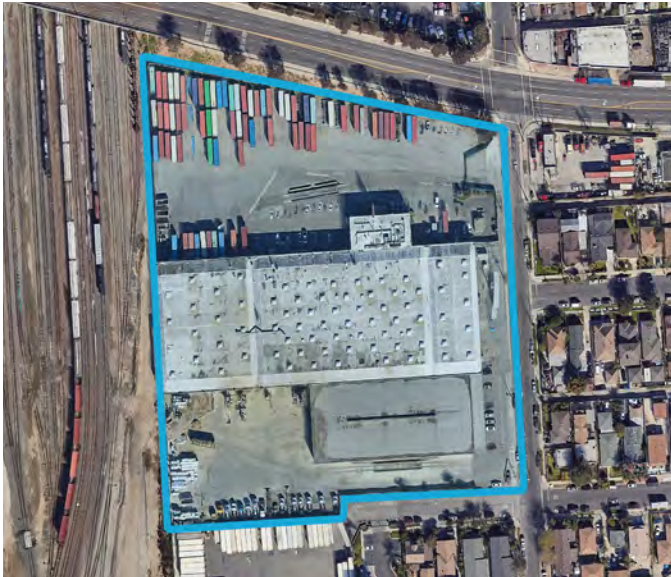
*Surface Use Lease
Rates Above*
\$1.00 PSF

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

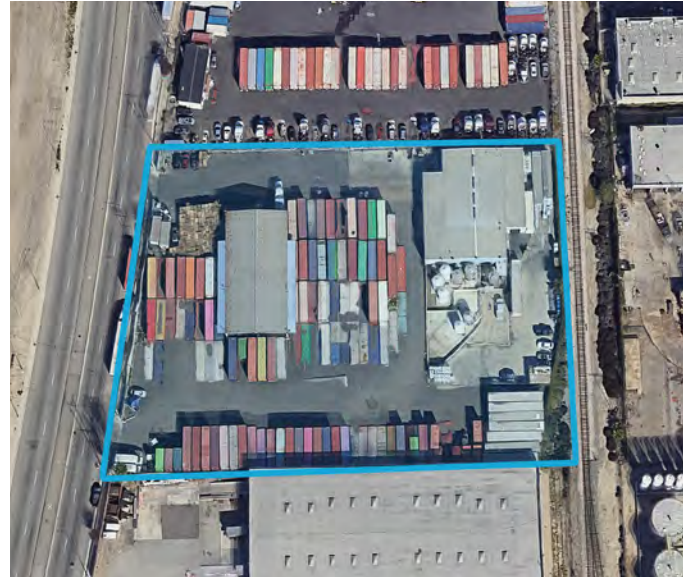


**920 E PACIFIC COAST HWY.
WILMINGTON, CA**

Sale Comparable

BUYER Rexford Industrial
SELLER ACX Intermodal
SIZE 8.46 Acres
SALE PRICE \$271.51 PLSF

NOTES: Sale-leaseback. 4.2% CAP. Sale price equates to \$350.68 SF on the building.



**19500 S ALAMEDA ST.
RANCHO DOMINGUEZ, CA**

Sale Comparable

BUYER Terreno Realty Corp.
SELLER Davies Family
SIZE 3 Acres
SALE PRICE \$245.24 PLSF

NOTES: 5.5% CAP.

"THREE OR FOUR MONTHS AGO, VALUES FOR LAND FOR LEASE AND SALE VALUES FOR LAND WERE IN LOCKSTEP GOING UP. TODAY, THE MARKET FOR LAND SALES IS IN TURMOIL. CLIMBING INTEREST RATES ARE CAUSING THE CAPITAL MARKETS TO PAUSE AND INVESTOR DEVELOPERS ARE RELUCTANT TO CHASE DEALS. THE DEMAND TO LEASE WELL-LOCATED INDUSTRIAL LAND SITES REMAINS STRONG.

-Todd Taugner, Principal

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

BY THE NUMBERS

JAN 2022

12 Existing Buildings

7 Under Construction

Average Asking Rate \$1.70 N

JULY 2022

11 Existing Buildings

7 Under Construction

Average Asking Rate \$1.90 N

OCT 2022

16 Existing Buildings

7 Under Construction

Average Asking Rate \$2.10 N

SOUTH BAY 100 REPORT

OCTOBER 2022

Existing Buildings



	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	20100 S Vermont Ave., Los Angeles JR286 (6/22) Occupied	97,875	4,797	30'	Yes	109'	17	\$2.15 N	\$40	Overflow space. Limited parking. Available 11/1/22. Class A.
2	14220 S Main St., Los Angeles Bridge Development (6/20) Vacant	100,528	10,610	32'	ESFR	137'	12	\$2.25 N	\$31	New construction. Available now. Class A.
3	2511 S Edison Wy., Compton Prudential (9/22) Occupied	109,134	4,037	26'	Yes	91'-147'	21	+\$2.00 N	\$35	Available 2/1/23. Class B.
4	1431 W Via Plata St., Long Beach 1431 Via Plata, LLC (7/22) Occupied	112,121	20,063	32'	ESFR	125'	16	\$2.25 N	\$20	Available 11/1/22. Distribution space. Class A.
5	3040 E Ana St., Rancho Dominguez JCQ Properties-Sublessor (9/22) Occupied	115,814	21,354	20'	Yes	Varies	15	TBD	TBD	Sublease through 3/31/23. Class B.
6	966 Sandhill Ave., Carson Sport Dimension (7/22) Occupied	129,247	16,945	22'-24'	.37/3000	Varies	7	\$1.95 N	\$25	Available 2/1/23. Class B.
7	2141 E Paulhan St., Compton Marathon Distribution Services (4/22) Occupied	133,752	6,000	25'	Yes	Varies	25	\$1.95 N	\$20	Available in 90 days. Racking in place. Class B.
8	2100 W 195th St., Bldg 3, Torrance Sares-Regis (10/21) Occupied	146,919	24,000	32'	ESFR	145'	18	\$2.40 N	\$38	High image office. Available 3/1/23. Class A.
9	2230 E Carson St., Carson Watson Land Company (8/22) Occupied	198,292	4,919	24'	.45/3000	118'-144'	20	TBD	\$15	Available 11/1/22. Two-street access. Class B.
10	1580 Francisco St., Los Angeles Link (9/21) Occupied	199,927	31,818	30'	ESFR	145'	33	\$2.40 N	\$26	High image office. Available 3/1/23. Class A.

SOUTH BAY 100 REPORT

Existing Buildings Continued & Under Construction



	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	909 E Colon St., Wilmington Morgan Stanley (10/21) Occupied	223,865	8,124	24'	.33/4000	110'	33	\$2.15 N	\$.21	Large side yard. Available 1/1/23. Class B.
2	19914 S Via Baron, Compton Morgan Stanley (8/22) Occupied	234,711	8,462	23'	Yes	Varies	34	\$2.15 N	\$.17	Available 4/1/23. Large yard. Class B.
3	2301 W 120th St., Hawthorne Data Center-Sublessor (1/22) Occupied	288,000	10,000	15'	Yes	Varies	15	\$1.60 N	TBD	Sublease through 5/31/26. Available Q3 2022. Roof top parking. Class B.
4	1650 Glenn Curtiss St., Carson Carson Companies (5/22) Occupied	338,932	41,517	30'	ESFR	130'- 180'	74	TBD	\$.21	Crossdock. Available 6/1/23. Class A.
5	1452 W Knox St., Torrance Prologis (11/21) Vacant	442,550	11,946	32'	ESFR	178'	63	\$2.45 N	\$.52	Available Q4 2022. Class A.
6	2400 E Wardlow Rd., Long Beach Goodman (1/22) Occupied	463,521	TBD	40'	ESFR	185'	28	TBD	TBD	Warehouse/manufacturing uses. Extra land. Class A.

Under Construction

	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)	97,121	6,981	32'	ESFR	134'	15	TBD	TBD	Estimated completion Q1 2023.
2	19301 Prairie Ave., Torrance Kearny (8/19)	106,833	15,000	32'	ESFR	140'	17	TBD	TBD	Estimated completion Q4 2022.
3	159 Rosecrans Ave., Los Angeles Bridge Development (6/20)	107,733	10,000	32'	ESFR	138'	14	\$2.25 N	\$.31	Estimated completion Q1 2023.
4	2136 E 223rd St., Carson Panattoni (7/21)	133,897	6,981	32'	ESFR	134'	23	TBD	TBD	Estimated completion Q1 2023.
5	1355 W Sepulveda Blvd., Torrance Bridge Development (9/21)	174,211	9,644	36'	ESFR	135'	21	TBD	TBD	Estimated completion Q1 2023.
6	20850 S Normandie Ave., Torrance Bridge Development (3/18)	203,877	10,000	36'	ESFR	178'	21	TBD	TBD	Estimated completion Q1 2023.
7	19501 Prairie Ave., Torrance Kearny (8/19)	320,771	30,000	36'	ESFR	165'	30	TBD	TBD	Estimated completion Q4 2022.

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 Centerpointe (12/21)	100,147	BTS	36'	ESFR	TBD	17	TBD	TBD	Planned. Estimated completion Q1 2024.
2	100 W Alondra Blvd., Gardena Link Logistics (10/22)	102,900	6,000	TBD	TBD	TBD	25	TBD	TBD	Planned. Estimated completion TBD.
3	Figueroa Street Business Park, Carson Xebec (3/22)	111,200	10,400	32'	ESFR	140'	11	TBD	TBD	Planned. Estimated completion Q4 2023. Subject to entitlements.
4	1055 Sandhill Ave., Carson Rexford Industrial (6/20)	126,013	6,512	32'	ESFR	135'	20	TBD	TBD	Planned. Estimated completion Q2 2023.
5	223rd St., Carson 9th Street Partners (7/21)	133,000	10,000	36'	ESFR	130'- 240'	15	TBD	TBD	Planned. Estimated completion Q4 2022. Large yard.
6	100 W Gardena Blvd., Gardena Link Logistics (10/22)	183,921	10,000	TBD	TBD	TBD	27	TBD	TBD	Planned. Estimated completion TBD.
7	1600 W 135th St., Gardena OMP (6/22) Vacant	190,860	10,000	36'	ESFR	185'	22	TBD	TBD	Planned. Estimated completion Q2 2024. Subject to entitlements.



THE KLABIN COMPANY SECURES MORE THAN 340,000 SF OF SPACE FOR GREAT CENTRAL TRANSPORT A LOGISTICS PROVIDER EXPANDS IN COMPTON

Two separate lease transactions are executed for warehouse buildings located just blocks apart in prime industrial corridor with convenient transportation access.

The Klabin Company/CORFAC International today announced it secured more than 340,000 square feet of space for Great Central Transport, Inc. as the leading logistics provider significantly expands its operations in Compton, Calif.

The Klabin Company executed two separate lease transaction for warehouse buildings located just blocks apart in this prime industrial corridor with convenient access to freeways and the ports of Los Angeles.

In the first transaction, The Klabin Company's Frank Schulz, SIOR, and Nick Buss represented Great Central Transport in the 61-month lease of a 143,937-square-foot industrial building at 921 Artesia Boulevard. Situated on 7.5 acres, the concrete tilt-up building features almost 15,000 square feet of offices, 400 parking spaces, 14 dock-high positions, one ground-level door and 24' clear height. The property previously served as a DHL distribution facility and is owned by J.P. Morgan Asset Management who was represented by John Schumacher of CBRE.

Schulz and Buss also represented Great Central in the lease of 601-615 W. Walnut Street, a 200,000-square-foot industrial building just up the street from 921 Artesia Boulevard. Set on more than nine acres, the property was recently refurbished, with 20 pit-style load levelers and perimeter fencing added to the expansive yard. It includes 32 dock-high positions, two ground-level doors and 22' clear height. The building is owned by Prologis, the global leader in logistics real estate, who was represented by Schulz and his partners David Prior, SIOR, and Todd Taugner, SIOR, of The Klabin Company.

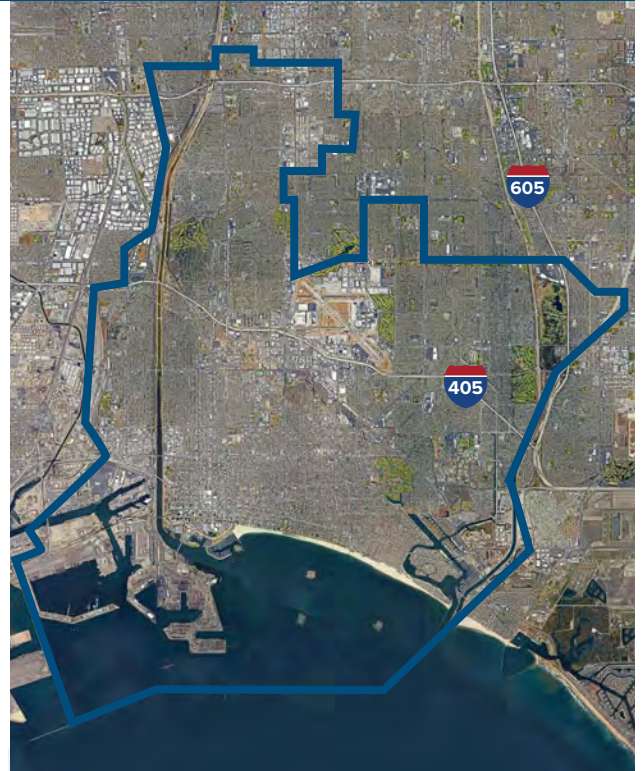
Over the last 40 years, Great Central Transport, Inc. has grown from a small warehousing company to one of the top third-party logistics (3PL) providers in California. It designed its business to provide high quality customized logistic services that allow it to be a preferred partner or core carrier to major shippers. Great Central serves as an integral part of the distribution system of its major customers, many of whom require time-definite pickup and delivery to support just-in-time inventory management.

"These two lease transactions were crucial to Great Central's operations as it rapidly expands its services and client base," said Buss. "The demand and level of interest in these buildings was extremely high and we used our strong relationships and market knowledge to secure them for our client in a timely manner with terms that work for them."

SUB-MARKET HIGHLIGHT LONG BEACH



The City of Long Beach, perhaps best known for its waterfront downtown and suburban neighborhoods, can also be described as having one of the more diverse industrial submarkets in Southern California. At the forefront of its industrial real estate landscape is the Port of Long Beach, the second busiest container port in the nation, second only to the neighboring Port of Los Angeles. The city's remaining industrial real estate ranges from small, WWII-era manufacturing buildings and truck yards in close proximity to the port, to many newly constructed corporate headquarters facilities surrounding the Long Beach Airport. With vacancy rates under 1%, speculative development has increased in the last 5 years and continues to keep pace with demand from both local and international users that have found Long Beach to be an attractive alternative to surrounding submarkets in greater LA and Orange County.



HOT TOPICS IN LONG BEACH

- Douglas Park - "Phase 4" New Development
- Slowing Volume at the Port

STRONG LEADERSHIP IS CRUCIAL TO OUR SUCCESS, AND YOURS.

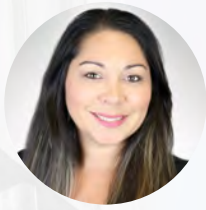
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WE NEVER FORGET
THE HUMAN ELEMENT.

60
1961-2021
YEARS OF SUCCESS

- WE BELIEVE THE FORMULA FOR A WINNING TEAM IS BALANCE.
- OVER SIX DECADES OF EXCELLENCE.
- WE'RE ON YOUR TEAM, FROM GRAND IDEA TO GRAND OPENING.
- COMMITMENT TO TRANSPARENCY AND COLLABORATION.



FIRST CLASS PEOPLE, FIRST CLASS PROPERTIES



KLABIN.COM



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