

MARKET UPDATE

Q1 2024

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 7,321 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
2024

**SOUTH BAY /
LOS ANGELES**

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HOT TOPICS

01 DEMAND

Overall absorption was down as demand disappeared in the 1st Quarter.

02 PORT VOLUMES

Container volume continues to improve and the positive outlook has everyone wondering when this will turn into demand for space.

03 VACANCY

Vacancy is now 4% for the first time in over 10-years, bringing balance to an otherwise hot market. Tenants have options.

04 IOS

With 20+ IOS sites available, location and use restrictions have become more important than ever.

05 LAND VALUES

Land values have fallen over the past 4 quarters but still remain up over 50% when considering the historical trend line.

06 OUTLOOK

Q1 was a quiet quarter with little to no new deals. Landlords have come off pricing expectations and we anticipate activity will pick up in Q2.

ACTIVE INDUSTRIES

➤ E-COMMERCE

➤ RETAIL GOODS

➤ FOOD & BEVERAGE

⋮ CONSTRUCTION SERVICES

⋮ THIRD PARTY LOGISTICS

⋮ TECHNOLOGY

⋮ MANUFACTURING

➤ TRUCKING

PATH FORWARD



MAX FARKAS

Navigating the industrial real estate market in Los Angeles has been quite a journey lately. As a company who is deeply involved in connecting tenants, investors, and developers, we have observed firsthand the various challenges the industrial real estate market is currently facing.

The shift from a just-in-case to a just-in-time delivery model has caused many companies to reevaluate their industrial property needs. The ensuing fall in demand, combined with rising interest rates and historically high prices, has created a slowdown that's hard to ignore. The difficulty and costs navigating local municipal permitting and regulatory processes have further weighed on demand. It's clear why the market feels a bit sluggish.

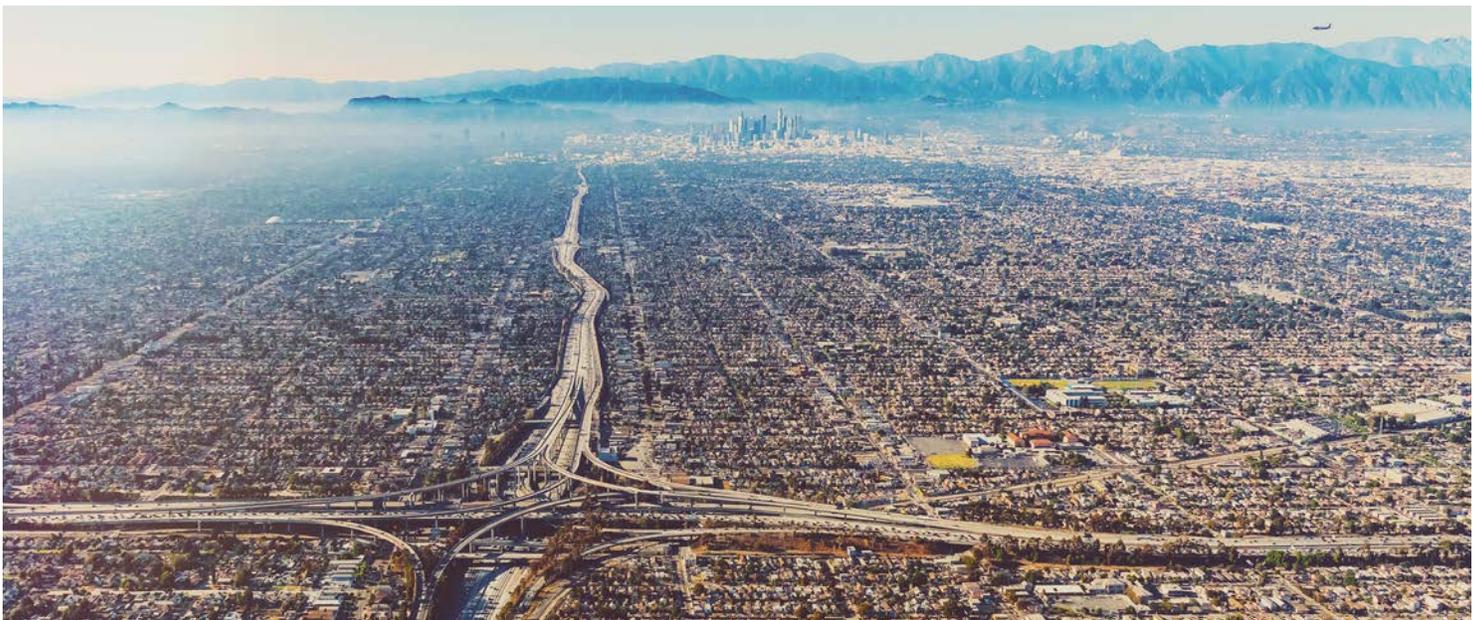
Amidst these challenges, we firmly believe in the Los Angeles Industrial Real Estate. Its strategic location, diverse workforce, and vibrant consumer base continue to make it an attractive destination for businesses. Despite the slowdown, there are still

opportunities to be found.

Tenants considering lease renewals or companies eyeing expansions, now have time to explore the market and negotiate terms that work in their favor. Engaging with landlords and discussing specific needs can lead to tailored solutions that meet their requirements.

Users who may be considering purchasing property, will find the current market offers an opportunity to find the perfect building at the right price. It's all about staying informed, keeping an open mind, and seizing opportunities as they arise.

We are passionate about this market, we are committed to staying connected with all stakeholders and keeping them informed about the changes we're seeing. Even in challenging times, there's always a path forward for those willing to explore it.



LEASE INTELLIGENCE



1650 S CENTRAL AVE COMPTON, CA

Lease Renewal

TENANT	STG Logistics
LANDLORD	Goldrich & Kest Industries
SIZE	418,334 SF
TERM	120 Months
START RATE	\$1.77 IG
RENT ADJUSTMENT	3.5% Annual Increases



2902 E VAL VERDE CT COMPTON, CA

Lease Renewal

TENANT	Estes Forwarding Worldwide
LANDLORD	The Carson Companies
SIZE	184,000 SF
TERM	62 Months
START RATE	\$1.81 IG
RENT ADJUSTMENT	3.5% Annual Increases



2839 EL PRESIDIO ST CARSON, CA

Lease Renewal

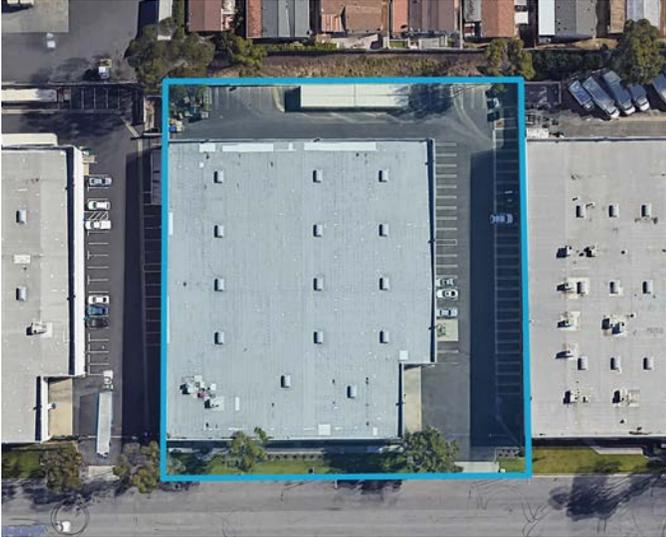
TENANT	Arms Transport/Caravan Canopy
LANDLORD	LBA Realty
SIZE	135,781 SF
TERM	63 Months
START RATE	\$1.83 IG
RENT ADJUSTMENT	3.5% Annual Increases



2200-2250 TECHNOLOGY PL LONG BEACH, CA

Lease Renewal

TENANT	Kair Harbor Express
LANDLORD	Prologis
SIZE	104,737 SF
TERM	63 Months
START RATE	\$2.16 IG
RENT ADJUSTMENT	3.5% Annual Increases



**19020 DOMINGUEZ HILLS DR
RANCHO DOMINGUEZ, CA**

Lease Renewal

TENANT	Giovanni Cosmetics
LANDLORD	Alere Property Group
SIZE	42,000 SF
TERM	64 Months
START RATE	\$1.85 IG
RENT ADJUSTMENT	4% Annual Increases



**2205 E CARSON ST, STE B1-B3
CARSON, CA**

Lease Renewal

TENANT	Cavalier Logistics
LANDLORD	Cypress Southbay
SIZE	26,959 SF
TERM	60 Months
START RATE	\$2.09 IG
RENT ADJUSTMENT	4% Annual Increases

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

Class A

\$2.00-2.30 IG PSF

Class B

\$1.80-\$2.00 IG PSF

Class C

\$1.60 IG PSF

**50,000+
SQUARE FEET**

Class A

\$2.00-\$2.25 IG

Class B

\$1.75-\$1.95 IG PSF

Class C

\$1.50+ IG PSF

SALE INTELLIGENCE



**19060 S DOMINGUEZ HILLS DR
RANCHO DOMINGUEZ, CA**

Sale Comparable

BUYER OSANG Healthcare
SELLER Aqua Investment Group
SIZE 42,324 SF
SALE PRICE \$346.14 PSF

NOTES: Owner/user sale.

USER PRICING

Users may be able to capitalize on rising CAP Rates.

\$350+ PSF

INSTITUTIONAL PRICING

Class A

\$325+ PSF

Class B

\$275± PSF

CAPITALIZATION RATES

Increased borrowing rates have Institutional Capital players reevaluating pricing.

Superior Credit & Quality:

5.50%

Good Credit & Quality:

6.00%

Stabilized Development:

6.50%

SALE PRICING

LAND VALUES

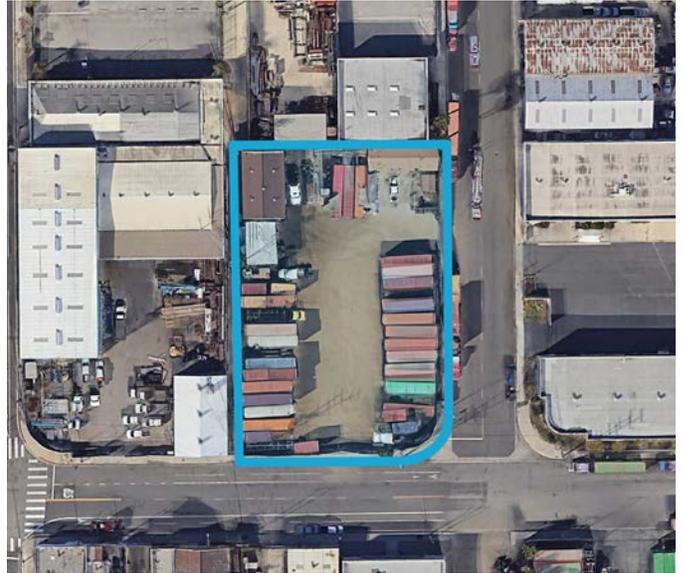


302-314 LAKME AVE WILMINGTON, CA

Land Sale Comparable

BUYER	ICO Holding
SELLER	IOV 302 Lakme Ave
SIZE	4.74 Acres
SALE PRICE	\$234.84 PLSF

NOTES: Owner/user sale.



321 LAKME AVE WILMINGTON, CA

Land Sale Comparable

BUYER	Cortez Transportation
SELLER	Scoffone Separate Property Trust
SIZE	.84 Acres
SALE PRICE	\$218.38 PLSF

NOTES: Owner/User sale.

CURRENT LAND VALUES

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

Land Values

\$100 PSF - \$125 PSF

Surface Use Lease Rates

70¢ PSF - \$1.00 PSF N

HISTORIC LAND VALUES

(UP 75% SINCE 2020)

75%

2020

Land Values: \$75 PSF

Surface Lease Rates: 45¢ PSF NET

60%

2015

Land Values: \$35 PSF

Surface Lease Rates: 25¢ PSF NET

25%

2005

Land Values: \$20 PSF

Surface Lease Rates: 15¢ PSF NET



**2988 E ANA ST
RANCHO DOMINGUEZ, CA**

Land Lease Comparable

TENANT Advantage Transport Solutions
LANDLORD CenterPoint Properties
SIZE 6.50 Acres
START RATE \$.69 IG

NOTES: 85,042 SF building on site.



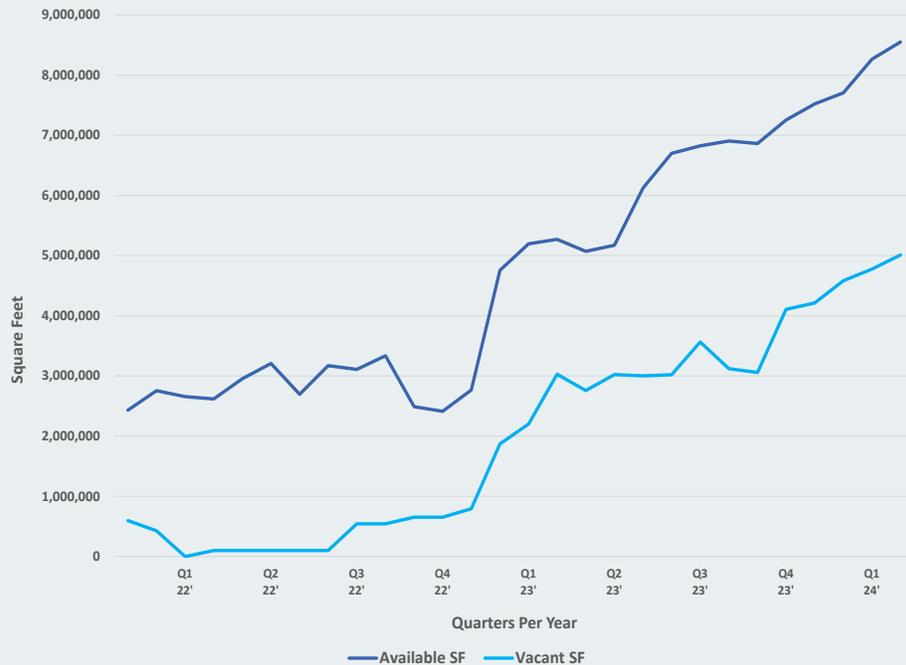
**444 QUAY AVE
WILMINGTON, CA**

Land Lease Comparable

TENANT Pacific Green Trucking
LANDLORD Rexford Industrial
SIZE 5.02 Acres
START RATE \$1.38 IG

NOTES: 29,760 SF building on-site.

**SOUTH BAY 100
EXISTING BLDG SF VS VACANT BLDG SF**



SOUTH BAY 100 REPORT

APRIL 2024

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	97,338	11,007	32'	ESFR	185' Shared	15	\$2.05 N	\$34	New construction. Class A.
2	475 W Manville St., Compton Marathon Distr.-Sublessor (6/23) Occupied	98,103	2,000	24'	.45/3000	Varies	14	\$1.35 N	\$20	Sublease through 2/28/27. Class B.
3	450 W Apra St., Compton Prudential (9/23) Vacant	98,700	5,100	24'	.45/3000	Varies	9	\$1.55 N	\$33	Available now. Class B.
4	2363-2369 E Pacifica Pl., Rancho Dominguez Madden-Sublessor (2/24) Occupied	101,264	7,096	24'	Yes	150' Shared	20	\$1.50 N	\$31	Sublease through 5/31/27. Class B.
5	255 W Carob St., Compton Prologis (2/23) Occupied	100,000	5,580	22'	.33/3000	125'	10	\$1.75 N	\$26	Distribution warehouse. Class B.
6	14220 S Main St., Los Angeles Bridge Industrial (6/20) Vacant	100,528	10,610	32'	ESFR	137'	12	TBD	\$33	New construction. Class A.
7	1825 S Acacia Ave., Compton Laskey-Weil Co. (7/23) Occupied	103,048	7,240	22'	Yes	Varies	14	\$1.95 G	N/A	Class B.
8	16525 S Avalon Blvd., Carson Cutting Edge Consulting (3/24) Occupied	103,594	5,958	20'	Yes	145'	6	\$1.00 G	N/A	Available in 60 days. Class C.
9	159 E Rosecrans Ave., Los Angeles Bridge Industrial (6/20) Vacant	107,733	10,000	32'	ESFR	138'	14	TBD	\$33	New construction. Class A.
10	19301 Prairie Ave., Torrance Kearny (7/22) Vacant	108,320	15,682	32'	ESFR	135'	17	\$2.30 N	\$45	New construction. Class A.
11	2511 S Edison Wy., Compton Prudential (9/22) Vacant	109,134	4,037	21'-26'	.45/3000	91'-147'	21	\$1.70 N	\$35	Loading on 2 sides. Class B.
12	3700 Cover St., Long Beach Prologis (7/23) Occupied	110,000	20,000	30'	ESFR	Varies	10	TBD	\$58	Available in 30 days. Class A.
13	220 W Victoria St., Compton PEW-Sublessor (3/24) Occupied	111,000	14,652	21'	Yes	Varies	16	TBD	TBD	Sublease through 3/31/29. Class B.
14	2333 E Pacific Pl., Rancho Dominguez Rexford Industrial (12/23) Occupied	111,769	2,683	30'	ESFR	Varies	15	\$1.75 N	\$31	Available 6/1/24. Class A.
15	21906 Arnold Center Rd., Carson Watson Land Company (10/23) Vacant	112,198	11,923	30'	ESFR	128'	24	\$1.80 N	\$25	Available now. Class A.

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
16	15700 S Main St., Gardena Fontana Sierra Corp (1/24) Occupied	113,300	4,352	14'	Yes	Varies	17	\$1.20 G	N/A	Available 5/1/24. Class C.
17	775 W Manville St., Compton Prologis (2/23) Vacant	116,263	6,870	22'	Yes	Varies	20	\$1.90 N	\$35	Distribution facility. Class B.
18	801 W Artesia Blvd., Compton Prologis (2/23) Occupied	120,000	10,000	22'	Yes	129'	6	\$1.90 N	\$29	Available 9/1/24. Class B.
19	14400 S Figueroa St., Bldg 1, Gardena Rexford Industrial (1/23) Occupied	120,700	TBD	22'	Yes	Varies	0	TBD	TBD	Two ground level buildings. Site may be redeveloped. Class C.
20	17006 Figueroa St., Carson Cypress Management (9/23) Occupied	123,189	3,273	22'	Yes	Varies	170	\$1.43 N	\$10	Available now. Class B.
21	20444 S Reeves Ave., Carson IDI Logistics (6/23) Vacant	131,289	2,774	24'	.45/3000	Varies	14	\$1.75 N	\$35	Available now. Active rail. Class B.
22	3025 E Dominguez St., Carson Cabot (11/23) Vacant	131,593	7,101	20'	Yes	Varies	0	\$2.05 G	N/A	Available now. Low coverage. Class C.
23	2136 E 223rd St., Carson Panattoni (7/21) Vacant	134,114	7,468	32'	ESFR	134'	23	\$2.05 N	\$34	New construction. Class A.
24	16325 S Main St., Gardena Link (3/23) Vacant	138,610	4,816	20'-26'	ESFR	190' Shared	23	TBD	\$36	Available Q1 2024. Under refurbishment. Class B.
25	2301 E Pacifica Pl., Rancho Dominguez Madden-Sublessor (2/24) Occupied	144,920	6,828	30'	ESFR	160' Shared	16	\$1.50 N	\$31	Sublease through 5/31/27. Class A.
26	1118 E 223rd St., Carson DMF Lighting (10/23) Vacant	144,956	2,000	17'-22'	Yes	154'	16	\$1.75 G	N/A	Part of larger building. Class C.
27	1925 Dominguez St., Carson Brookfield Properties (6/23) Vacant	150,000	12,000	24'	Yes	Varies	17	TBD	\$40	Under refurbishment. Class B.
28	1355 W Sepulveda Blvd., Torrance Bridge Industrial (9/21) Vacant	174,211	9,644	36'	ESFR	135'	21	TBD	\$37	Available now. Class A.
29	18500 Crenshaw Blvd., Torrance George P Johnson Co (4/24) Occupied	180,269	43,043	29'	Yes	Varies	5	\$2.20 N	TBD	Available 1/1/25. Also for sale. Class B.
30	2230 Carson St., Carson Seko Logistics-Sublessor (12/23) Occupied	198,292	4,919	24'	Yes	118'-144'	20	\$2.10 G	N/A	Available in 30 days. Sublease through 10/31/27. Class B.
31	1580 Francisco St., Los Angeles Prologis (9/21) Vacant	199,927	31,818	30'	ESFR	145'	33	TBD	\$67	High image office. Class A.
32	20850 S Normandie Ave., Torrance Bridge Industrial (1/22) Vacant	203,877	10,000	32'	ESFR	189'	21	TBD	\$34	New construction. Class A.
33	2300 Redondo Ave., Long Beach Traffic Tech-Sublessor (3/24) Occupied	204,936	18,970	36'	ESFR	135'	21	\$1.40 N	\$45	Sublease through 1/31/30. Class A.

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
34	20100 Alameda St., Rancho Dominguez Crown Associates (11/22) Vacant	205,435	10,255	36'	ESFR	137'+	30	TBD	N/A	New construction. 1.6 acres extra land. Class A.
35	1540 Francisco St., Torrance Puma-Sublessor (11/23) Occupied	206,055	6,378	30'	ESFR	145'	33	\$2.00 G	N/A	Sublease through 10/31/26. Class A.
36	250 W Manville St, Compton Prologis (11/23) Vacant	206,483	7,500	22'	Yes	98'-154'	31	\$1.70 N	\$33	Available 5/1/24. Under refurbishment. Class B.
37	2315 E Pacifica Pl., Rancho Dominguez Defilli-Sublessor (7/23) Occupied	244,177	10,416	30'	ESFR	Varies	34	\$1.50 N	\$30	Available 6/1/24. Sublease through 8/31/26. Class A.
38	18055 Harmon Ave., Carson Watson Land Company (2/24) Occupied	253,354	5,705	32'	ESFR	185'	56	\$1.85 N	\$27	Available 6/1/24. Class A.
39	771 Watson Center Rd., Carson Watson Land Company (3/23) Vacant	258,678	5,500	25'	Yes	Varies	56	TBD	\$26	8 acres extra land. Class B.
40	2201 E Dominguez St., Carson Prologis (4/23) Occupied	272,910	40,389	24'	Yes	Varies	24	\$1.80 N	\$31	High image office. Class B.
41	18120 Bishop Ave., Carson Watson Land Company (6/23) Vacant	290,034	5,694	32'	ESFR	185'	65	\$1.85 N	\$26	Available now. Class A.
42	2000 E Carson St., Carson Watson Land Company (6/23) Vacant	293,800	6,265	25'-28'	ESFR	162'	54	\$1.49 N	\$16	Distribution building. Class B.
43	2501 Rosecrans Ave., Compton JP Morgan (1/23) Vacant	298,474	TBD	26'-29'	TBD	200'+	48	\$1.95 N	\$30	Available 6/1/24. Extra yard. Class B.
44	2220 E Carson St., Carson STG-Sublessor (1/24) Occupied	302,400	3,478	22'	Yes	Varies	52	\$1.75 G	N/A	Available in 30 days. Sublease through 10/31/27. Class B.
45	19501 Prairie Ave., Torrance Oaktree (7/22) Vacant	322,517	31,726	36'	ESFR	180'	30	\$2.30 N	\$45	New construction. Class A.
46	1650 Glenn Curtiss St., Carson Carson Companies (5/22) Vacant	338,932	41,517	30'	ESFR	130'-180'	74	\$1.90 N	\$19	Crossdock. Office can be reduced. Class A.
47	350 Westmont Dr., San Pedro BlackRock (7/23) Occupied	338,899	6,300	30'	ESFR	175'	51	TBD	\$21	Available 5/1/24. Class A.
48	2400 E Artesia Blvd., Long Beach Bridge Industrial (9/23) Vacant	415,160	5,338	36'	ESFR	185'	53	TBD	\$44	Available now. Class A.

SOUTH BAY 100 REPORT

Under Construction Continued & Planned

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 Q2 2024.
2	3555 Conant St., Bldg 23, Long Beach Sares Regis (3/23)	112,964	13,363	32'	ESFR	135'	18	TBD	TBD	Estimated completion TBD.
3	16627 S Avalon Blvd., Carson CenterPoint (3/23)	113,470	TBD	32'	Yes	143'	23	\$2.15 N	\$.38	Estimated completion Q2 2024.
4	1055 Sandhill Ave., Carson Rexford Industrial (6/20)	127,775	6,998	32'	ESFR	130'	20	TBD	TBD	Estimated completion Q2 2024.
5	1940 190th St., Torrance Sares Regis (8/23)	128,521	12,992	32'	ESFR	136'	14	TBD	TBD	Estimated completion Q3 2024.
6	2001 Cashdan St., Carson Prudential (2/24)	128,822	7,986	36'	ESFR	135'	33	TBD	TBD	Estimated completion Q1 2025.
7	19400 Western Ave., Torrance Sares Regis (8/23)	136,388	12,910	32'	ESFR	136'	24	TBD	TBD	Estimated completion Q4 2024.
8	19404 Gramercy Pl., Torrance Sares Regis (8/23)	145,711	12,970	32'	ESFR	136'	25	TBD	TBD	Estimated completion Q4 2024.
9	3590 Conant St., Bldg 22, Long Beach Sares Regis (3/23)	150,051	13,157	32'	ESFR	135'	18	TBD	TBD	Estimated completion TBD.
10	3550 Conant St., Bldg 25, Long Beach Sares Regis (3/23)	152,444	12,948	32'	ESFR	135'	23	TBD	TBD	Estimated completion TBD.
11	3470 Conant St., Bldg 24, Long Beach Sares Regis (3/23)	163,553	12,973	32'	ESFR	135'	25	TBD	TBD	Estimated completion TBD.
12	935 E Watson Center Rd., Carson Watson Land Company (7/23)	165,440	9,962	36'	ESFR	185'	47	TBD	TBD	Estimated completion Q2 2024.
13	112 W Alondra Blvd., Bldg 1, Carson Link (3/23)	181,810	6,270	36'	ESFR	185'	27	TBD	TBD	Estimated completion Q2 2024.
14	2001 E Dominguez St., Carson Brookfield Properties (8/23)	429,112	13,042	42'	ESFR	Varies	68	TBD	TBD	Estimated completion Q4 2024.
15	2401 E Wardlow Rd., Long Beach Goodman (7/23)	505,043	5,000	40'	ESFR	187'-240'	61	TBD	TBD	Estimated completion Q4 2024.

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 Q3 2024.
2	Figueroa Street Business Park, Carson Xebec (3/22)	111,200	10,400	32'	ESFR	140'	11	TBD	TBD	Planned. Estimated completion Q3 2024. Subject to entitlements.
3	1900 W 190th St., Torrance Sares Regis (9/22)	141,926	13,196	32'	ESFR	136'	14	TBD	TBD	Planned. Estimated completion Q3 2024.
4	1600 W 135th St., Gardena OMP (6/22)	190,860	10,000	36'	ESFR	185'	22	TBD	TBD	Planned. Estimated completion Q3 2024.
5	2401 E Wardlow Rd., Long Beach Goodman (11/22)	500,000	BTS	36'	ESFR	TBD	TBD	TBD	TBD	Planned. Estimated completion Q3 2024.



FIRST CLASS PEOPLE, FIRST CLASS PROPERTIES



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