

# Q1 Industrial Market Insight

Lee & Associates® Research  
Los Angeles Central  
City of Industry

— 2024

San Gabriel Valley

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# Q1 2024 Market Insight San Gabriel Valley

## SGV Highlights

- **Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancies and availability increased, lease rates decreased, sales and leasing activity were at historic lows, and construction starts diminished.
- **Vacancy Rate:** Continues to rise, increasing 90 bps from Q4 2023 to a rate of 4.8% in Q1. Year over year, the vacancy rate increased 190 bps or by 3.8 MSF.
- **Asking Rents:** Declined slightly by \$0.01 from the Q1 2023 peak of \$1.62 to a rate of \$1.61 NNN PSF in Q1.
- **Inflation:** Headline CPI continues to be elevated above the Fed's 2% target at 3.5%. Overall PCE inflation grew by 0.3% from February and 2.7% from the prior year, while core PCE inflation grew by 0.3 month-over-month and 2.8% year-over-year.
- **GDP & Employment:** In Q1, the U.S. economy grew by 1.6% year-over-year, below market growth-expectations of 2.5%. The unemployment rate fell by 10 basis points (bps) to 3.8% and the labor force participation rate ticked up to 62.7%. Average hourly earnings rose by 4.1% year-over-year, in line with market expectations and above inflation.
- **Port Activity:** Port of LA activity (measured by Total TEUs) is up 29.98% year to date as compared with the first three months of 2023.
- **Supply Chain:** The cost from China/East Asia to North America West Coast increased 33.5% over Q1, ending at \$3,623 per container per Freightos.

CITY	# of Bldgs	Inventory	Vacancy	Availability	Net Absorption	Gross Absorption	Direct Asking Rate (NNN)	Asking Sale Rate
ALHAMBRA	112	2,156,150	4.1	4.9	-3,734	5,998	\$1.26	\$324
ARCADIA	104	2,533,083	2.2	2	-991	33,967	\$1.85	\$352
AZUSA	251	6,930,125	2.7	4.9	-41,692	60,850	\$1.46	\$304
BALDWIN PARK	248	5,164,064	3.9	3.5	4,859	51,016	\$1.36	\$302
CLAREMONT	20	600,639	0	0	0	0	0	\$241
COVINA	168	2,709,929	2.2	2.5	11,330	30,814	0	\$277
DIAMOND BAR	20	453,896	0	0	0	0	0	\$283
DUARTE	70	1,798,317	3.6	0.8	-6,989	0	0	\$314
EL MONTE	316	9,002,980	2.4	2.6	47,011	66,973	\$1.62	\$300
GLENDORA	45	658,849	6.4	6.2	315,000	0	0	\$305
INDUSTRY	1,051	75,746,320	6.8	9.6	-380,000	525,877	\$1.73	\$265
IRVINDALE	263	12,926,122	4.5	8.3	512,000	532,286	\$1.59	\$270
LA PUENTE	94	1,947,208	0.3	0.9	3,872	3,872	0	\$351
LA VERNE	136	2,932,458	4.9	4.8	-101	3,857	\$1.59	\$338
MONROVIA	208	3,423,845	3.2	8	-22,712	24,697	\$1.85	\$312
MONTEREY PARK	99	1,788,255	11.1	12.7	-127,107	12,610	\$1.19	\$345
PASADENA	98	1,478,188	3.1	6	7,873	2,300	\$1.95	\$382
POMONA	650	20,009,427	2.5	3.8	-111,718	53,310	\$1.20	\$262
ROSEMEAD	53	1,204,523	1.4	1.4	697	13,347	0	\$294
SAN DIMAS	127	3,178,727	2.4	4.4	-17,108	6,712	\$1.30	\$272
SAN GABRIEL	68	1,028,096	5.5	6	7,294	20,135	\$1.31	\$282
SOUTH EL MONTE	840	11,202,380	2.8	1.5	28,411	105,718	\$1.05	\$318
TEMPLE CITY	38	627,235	3.9	3.7	527	17,858	\$3.00	\$313
WALNUT	206	6,897,968	4.6	8.8	71,000	65,397	\$1.52	\$275
WEST COVINA	18	838,994	1.2	32.9	6,525	16,473	\$1.82	\$260

**↑ 3.8%**

US Unemployment Rate

**↑ 1.6%**

GDP - Quarter 1 % - Change YOY

**↑ 4.6%**

U.S. 10-Year Treasury Note

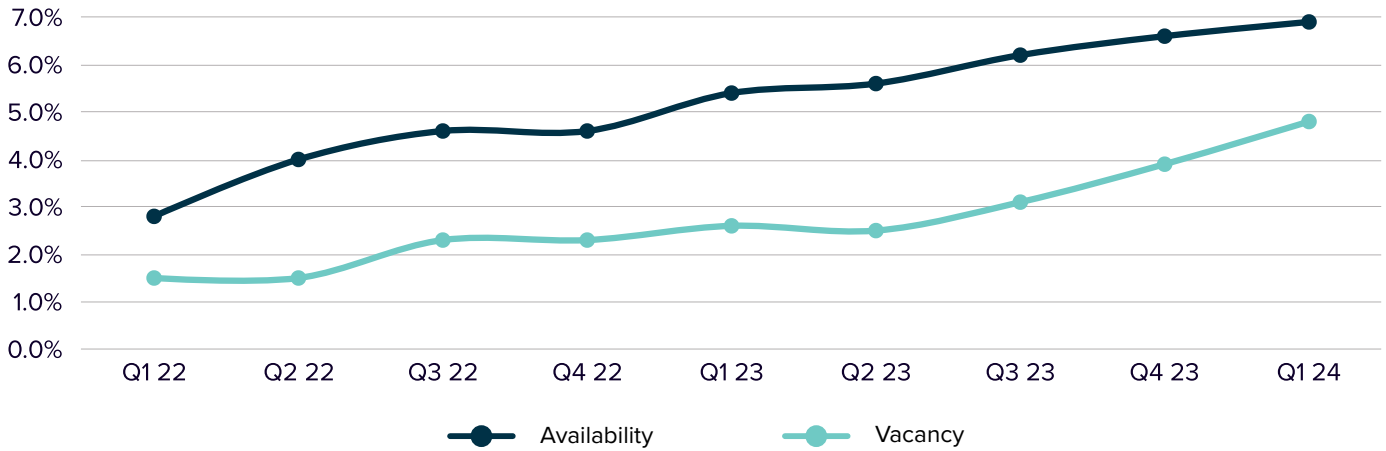
### > Market Summary

	Q1 2023	Q4 2023	Q1 2024
Total Inventory (SF)	175,027,744	176,841,499	177,249,878
Overall Vacancy	2.6%	3.9%	4.8%
Overall Availability	5.4%	6.6%	6.9%
Under Construction (SF)	3,569,883	2,851,630	2,443,251
Net Absorption (SF)	-426,861	112,493	304,247
Overall Asking Lease Rates (NNN)	\$1.62	\$1.56	\$1.61

### > Labor Force

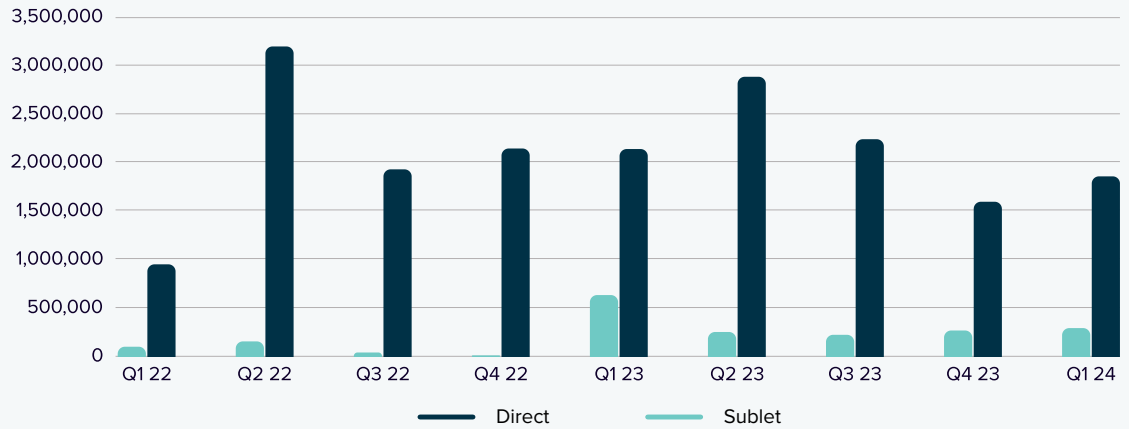
	Construction	Manufacturing	Transportation, Trade & Utilities
12-Mo Employment Growth (%)	0.5%	-1.5%	-0.1%
12-Mo Actual Employment Change	-700	-4,900	-1,200

## > Vacancy vs Availability

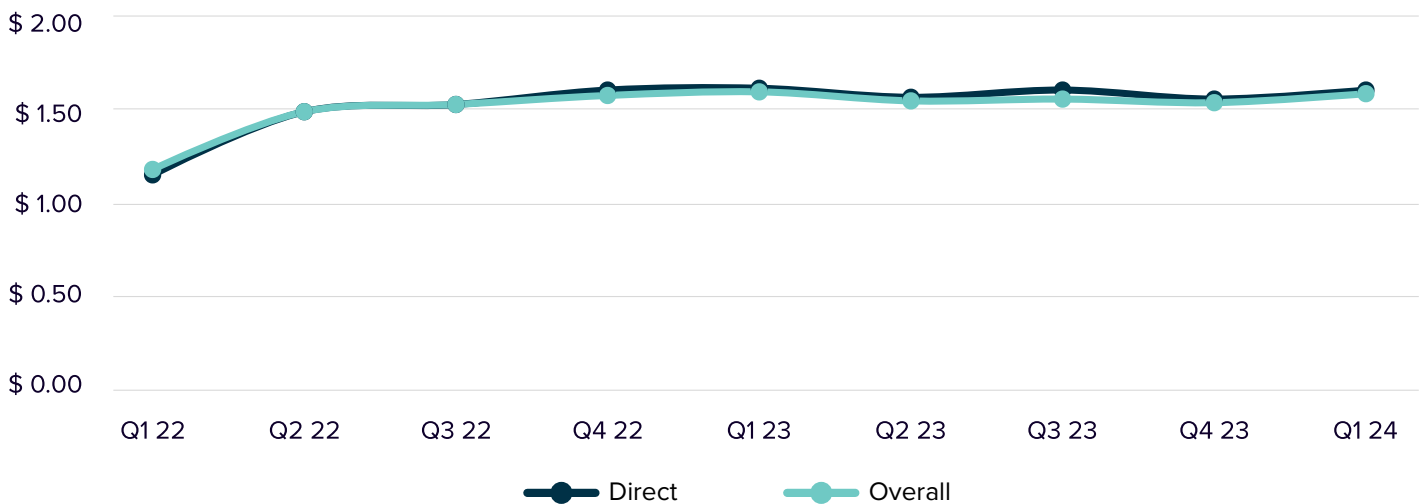


## Leasing Activity & Absorption

Although absorption was positive this quarter, leasing activity totaled a mere **405,676 square feet** in Q1, more the five times below the historical quarterly average of **2.22 MSF**. The biggest transaction this quarter was ACL America's **232K square foot** lease from Link Logistics in the City of Industry.



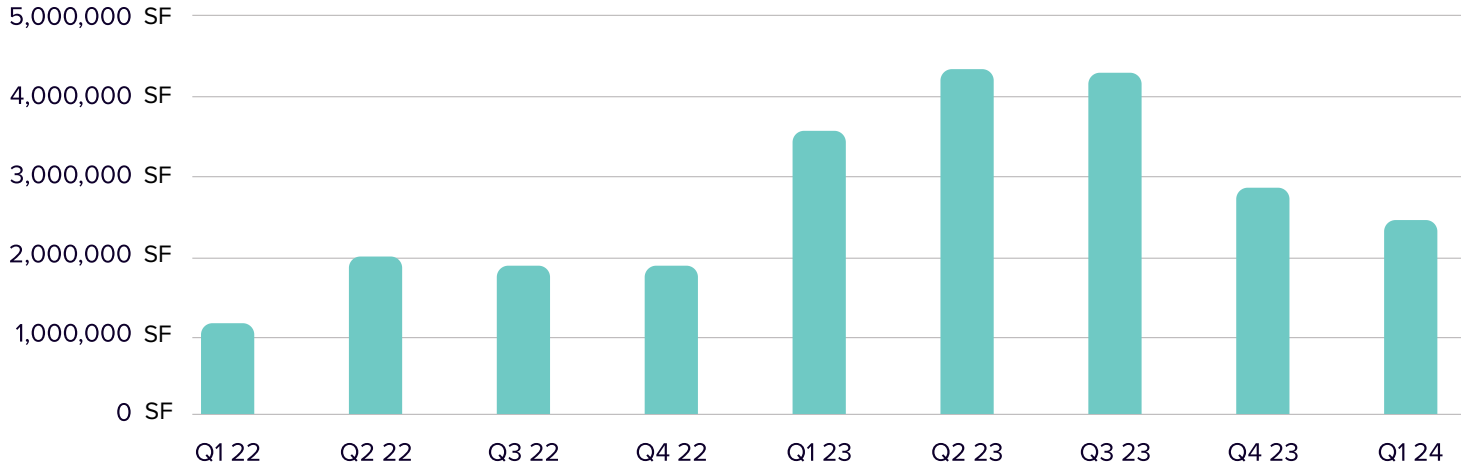
## > Rental Rates



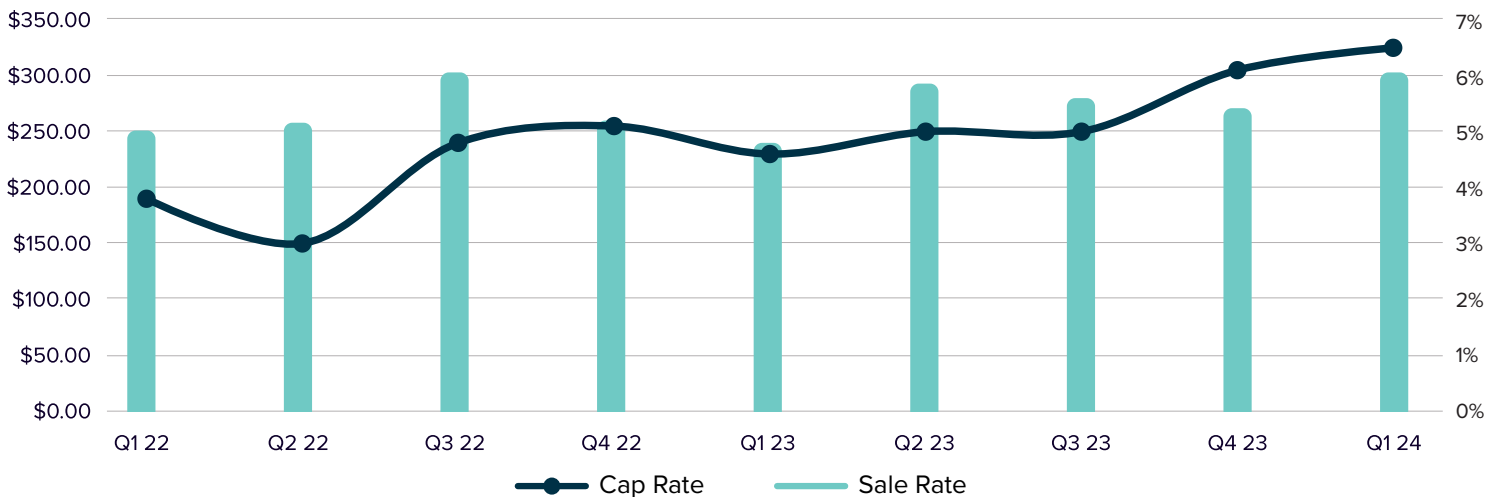


# Q1 24 | San Gabriel Valley

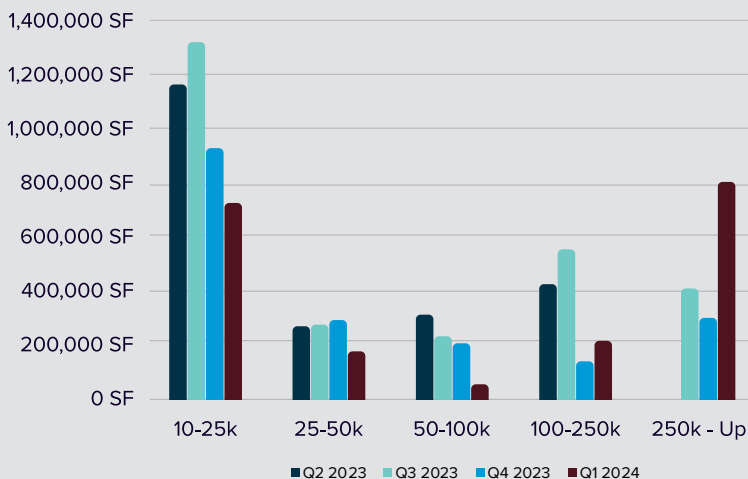
## > Construction



## > Sales Trends



## > Lease Expiration



**San Gabriel Valley**  
**Largest Sale Transaction**  
 By Square Foot  
 Buyer: Rexford  
 5000-5010 Azusa Canyon Rd, Irwindale

**233,984sf**

## > Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)
5000-5010 AZUSA CANYON RD	Irwindale	233,984	Rexford	AEW Capital
421-427 BALDWIN PARK BL	Baldwin Park	215,657	Rexford	BPP Shiraz Park
17745 VALLEY BLVD	Industry	183,442	Rexford	BPP Shiraz Hamp
15000 NELSON	Industry	125,494	Oceanside Investments	Nguyen Vy USA
18689 ARENTH AV	Industry	91,151	Freedom International Grp	Staley Point Capital

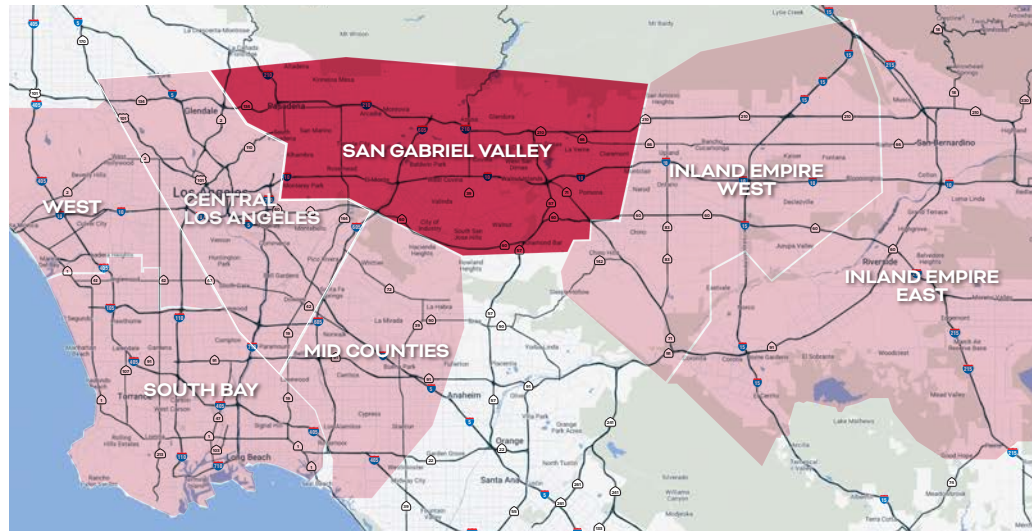
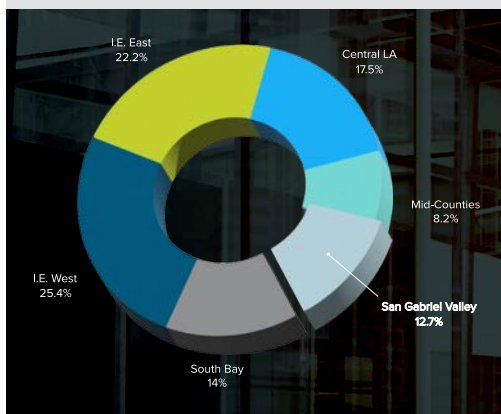
## > Top 5 New Leases

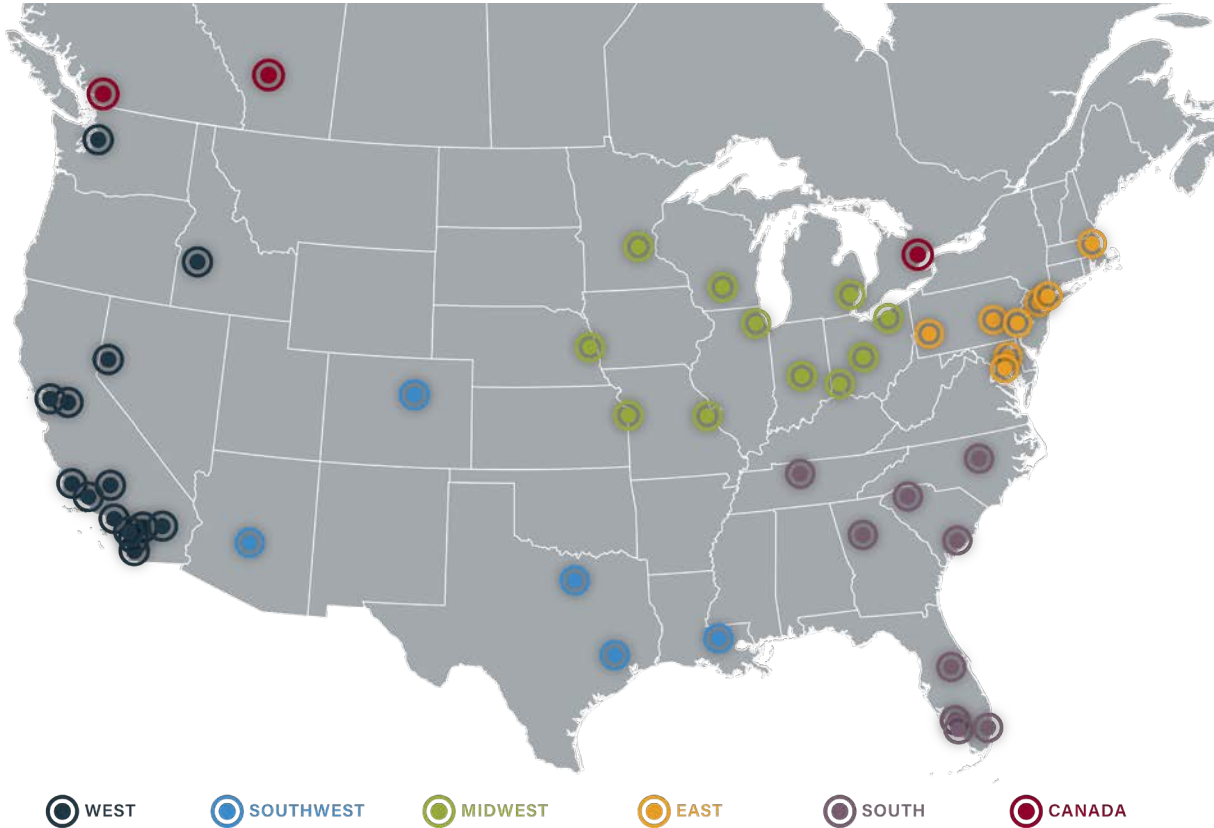
Address	City	Size (SF)	Lessor	Lessee(s)
14425-14455 CLARK AV	Industry	232,643	Link Logistics	ACL America
383-393 CHERYL LN	Industry	122,842	Catellus Development	-
2680-2690 PELLISIER PL	Industry	112,000	Crossroads Properties	Cubework
245 VINELAND AV	Industry	96,000	245 Vineland LLC	Dynasty Shopping
17411 E VALLEY BL	Industry	92,000	Scout Cold Storage	-

## > Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
171 MARCELLIN	City Of Industry	Majestic Realty	694,400	May-24
151 MARCELLIN	City Of Industry	Majestic Realty	606,480	May-24
901 LIVE OAK	Irwindale	Oltmans Construction Co	291,673	May-24
4200 W VALLEY BLVD	Walnut	CapRock Partners	269,780	Oct-24
15010 DON JULIAN RD	City Of Industry	Rexford	219,242	Sep-24

## Inventory Comparison





- WEST
- SOUTHWEST
- MIDWEST
- EAST
- SOUTH
- CANADA

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These reports are based on industrial single and multi-tenant buildings that are greater than 5,000.  
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