

2021 Industrial and Office Market Review

The Inland Empire and Los Angeles are the two strongest markets for industrial real estate in the country as well as lead for the first and second markets with the lowest vacancy rates respectively in the country. The vacancy rate for Los Angeles sits at 1.1 percent while the Inland Empire's vacancy rate fell below 1 percent currently estimated at 0.8 percent making it the strongest industrial market in the nation. The demand for large logistics users has fueled the market and made development costs increase both due to increased land costs as well as construction and materials cost increases. The price for industrial buildings in the Inland Empire has increased by over twenty five percent estimated since April of 2021. Rents in the Inland Empire rose over twenty nine percent in 2021 landing at an average of \$1.00 per square foot (PSF) on a NNN basis. Rents in the Los Angeles industrial market increased over twenty three percent which averaged at \$1.28 PSF on a NNN basis.

The San Gabriel Valley industrial market has performed well keeping in line with the Greater Los Angeles industrial vacancy rate of 1 percent. There is currently 1.5 million square feet under construction. The average rental rate is \$1.35 PSF on a NNN basis.

The Los Angeles office market has been in recovery mode in 2021. The average vacancy rate increased to 19.7 percent due to new construction and sublease space brought to the market. The West Los Angeles market experienced the most significant recovery mainly attributed to entertainment, media and tech companies leasing large space. Continued worries over Covid and the new variant caused delays in many companies bringing their employees back to the office. There is close to 5M square feet

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currently under construction and scheduled to be delivered in 2022 which is expected to continue to increase the vacancy rate. Asking rent rates have not decreased dramatically, as many landlords have opted to provide concessions such as free rent, tenant improvement allowances or build-outs as a concession instead.

The San Gabriel Valley office market saw a slight increase in signed leases from 2020. The vacancy rate is currently just above ten percent. The average asking rent is \$2.38 PSF.

If you have any questions or would like assistance in navigating your property's value, feel free to call me at 626-358-8287 or email Linda@TopComRealty.com

**Current SBA 504
Effective Rate for
January 2022 is 3.07-3.213%**

Source: CoStar Newsletter, Biz Journals Newsletter

321-331 Sierra Madre Blvd Sierra Madre

\$275K Price Reduction!

Approx. 7,838 SF free-standing office building with bonus 1,368 SF basement not included in the square footage. Ample onsite parking- possible for medical, retail, general office or flex uses.

Open floor plan with a small and large conference room, 3 private offices, mezzanine area, restrooms on the first and second floor, kitchen and break room.

Excellent natural light throughout, exposed brick and attractive front façade. Located in the heart of town!



Substantial Price Reduction!



900 S. 1st Avenue Arcadia, CA

\$1M Price Reduction!

10,000 SF medical office building for sale on almost an acre of land located at corner intersection of 1st and Duarte Rd. Minutes to Methodist Hospital and City of Hope.

Completely renovated in 2009-2010. Separated into four medical practices- Excellent for multiple partner ownership. The building has an elevator, sprinklers, common area lobby and restrooms. No expense spared on build-out.

Excellent owner/user opportunity. Occupy 51% with SBA and lease out remainder for income.



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Linda specializes in commercial and industrial sales and leasing throughout the San Gabriel Valley. She has extensive knowledge in 1031 exchange transactions, investment opportunities, and market analysis. Feel free to contact Linda with any questions or requests for information.

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