

Ways to Improve Efficiency in Your Commercial Property

Inflation has been at a forty-year high which has caused businesses to find ways to cut costs to remain profitable and competitive. One area you can find some cost-saving measures is to improve the energy efficiency of your commercial property. Here are some suggestions to consider implementing:

Replace fluorescent lights with LED lighting. They use substantially less energy and provide better lighting throughout your property.

Install a white elastomeric or silicone coating on your commercial roof. This provides both a layer of protection against the weather elements but also allows your roof to absorb less heat and works as a reflective surface. This typically keeps your building cooler through the summer months reducing your energy costs. You can also install foil insulation on the inside ceiling of your warehouse which keeps the temperature in the warehouse cooler.

Have your HVAC serviced at least twice per year but preferably quarterly especially if you have heavy usage. This can make it run more efficiently which can save energy. If your system is very old, it is likely not energy efficient. Many times, you can save a great deal of money by replacing old systems with newer more energy efficient systems.

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Reduce landscaping and watering costs by replacing landscaping with drought-tolerant landscaping. This can reduce both maintenance and watering costs.

Your commercial property is an asset, and these steps can help ensure your property is kept in excellent condition which will help to maintain the value of the property. If you have any questions, please feel free to call me at 626-358-8287 or email Linda@TopComRealty.com

**Effective Rate for SBA 504 in
April 2022 is 3.807-4.676%**

Industrial Demand Pushing Developers to the High Desert

The Inland Empire has had the tightest industrial market in the country with Los Angeles as a close second. The vacancy rate in the first quarter of 2022 was averaging 0.6% and average rents at \$1.03 NNN. This is well above the national average. Developers have had the enjoyment of pre-leasing and pre-selling properties prior to completion for the last few years. The challenge now is finding available land at prices that pencil with construction costs also at a high from the pandemic.

This is causing developers to look to the high desert. There has also been increased interest in Kern County and Bakersfield area. Amazon has a site in Victorville that is over 1M square feet set to open in 2022. The developer Exeter will develop a roughly 1.2M SF facility in Hesperia for furniture distributor Modway. There is currently about 2M square feet under construction in the high desert while the Inland Empire has tens of millions of square feet currently under construction.

Many companies who did not want to pay the high price tags went to Arizona and Nevada where they also found a more business friendly environment to operate within. That coupled with more labor availability, faster development timeframes and less costly business operations have made companies weigh out the cost savings versus the higher cost to get products from the ports to Arizona and Nevada. It may be some time until the high desert sees a substantial increase in activity, but it is well on its way.

Source: Bisnow Newsletter April 21, 2022

New Listing for Sale!



440-444 N. Barranca Ave Covina, CA

4,828 SF free-standing office/retail building on highly trafficked Barranca Ave.

Completely renovated in 2016 with all new plumbing, electrical, HVAC and complete build-out.

Large parking lot in the back of the building with ample parking.

Exposed ceilings, polished concrete floors, 4 restrooms, kitchen/breakroom and 9 offices.

Excellent owner/user opportunity. Take advantage of low SBA rates with only 10-15% down payment.

Linda Vidov (CA Broker Lic. #1715788)

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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