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# TOPCOM MONTHLY

## Outlook for Commercial Market for 2023

The industrial market in the San Gabriel Valley has held strong through the end of 2022 and into 2023. The vacancy rate is hovering just above one percent. In the last twelve months rental rates have increase almost thirteen percent. Over the past five years, rents have cumulatively increased by 56.5% according to CoStar data. There is minimal construction activity underway in the San Gabriel Valley. Vacancy is expected to increase slightly in mid-2023 due to talk of a mild recession.

The Inland Empire industrial market also retains a low vacancy rate although increasing slightly just above two percent. The increase in vacancy is mainly due to construction activity bringing new space to the market. Rents grew over seventeen percent over the last 12 months. There is currently 44 million square feet under construction with approximately forty percent pre-leased.

The office market in the San Gabriel Valley has one of the lowest vacancy rates in the Los Angeles sub-markets. The vacancy rate is just above seven percent. Office asking rents remained flat the last few years due to post Covid effects. However, during the last half of 2022 we have seen a slight increase.

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The office market remains sensitive due to employers finding difficulties bringing employees back in the office. As suggestions of a recession loom, it also makes employers cautious on increasing the size of space. Medical and tech remain strong proponents for the office market. There is currently little office development underway in the San Gabriel Valley.

If you have questions on current market conditions, please feel free to contact me at 626-358-8287 or by email [Linda@TopComRealty.com](mailto:Linda@TopComRealty.com)

**Effective Rate for SBA 504 For  
January 2023 is 6.28%-6.43%**

## California Storm Victims Qualify for Tax Relief

Victims of severe winter storms, flooding, and mudslides in California beginning January 8, 2023, now have until May 15, 2023, to file various individual and business tax returns and make tax payments, the Internal Revenue Service announced. This covers both individual and business tax returns for 2022. In addition to other assistance, eligible taxpayers will have until May 15 to make 2022 contributions to their IRAs and health savings accounts.

The May 15 deadline also applies to the quarterly payroll and excise tax returns normally due on January 31 and April 30, 2023 as well as quarterly estimated payments that were due January 17<sup>th</sup> and instead include it with the 2022 return when filed. • The Notice also covers extensions of the deadlines for other time-sensitive actions, including those specified in Rev. Proc. 2018-58, which cover the deadlines applicable to Section 1031 “like-kind” exchanges.

Areas affected include Los Angeles, San Bernardino and Orange Counties. The IRS automatically identifies taxpayers located in the covered disaster area and applies filing and payment relief. Affected taxpayers who reside or have a business located outside the covered disaster area should call the IRS disaster hotline at 866-562-5227 to request this tax relief if affected.

Source: Internal Revenue Service, [www.IRS.gov](http://www.IRS.gov)

### New Listing for Sale!



1748 Royal Oaks/805 N Highland Duarte

3,720 square foot free-standing commercial building split into two units. Currently leased- contact broker to discuss owner/user possibility.

Front unit has high ceilings, excellent natural light, loading door and bonus basement for storage.

Rear unit has open floor area, plumbing throughout, loading door and two large offices.

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

Call for more information and pricing.

*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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