

# Q3 Industrial Market Insight

## San Gabriel Valley

Lee & Associates® Research

Los Angeles Central

City of Industry

# 2024

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# Q3 2024 Market Insight San Gabriel Valley

## Highlights

- Big Picture:** Across all submarkets in the Los Angeles Basin this quarter, vacancy and availability rates increased, lease rates decreased, net absorption was negative, and construction starts declined. Leasing remains muted across all submarkets save the Inland Empire. Capital market activity was subdued as most investors remained cautious and on the sidelines.
- Vacancy Rate:** Continues to rise, increasing 50 bps quarter-over-quarter and 330 bps year-over-year to reach the current rate of 6.4%.
- Asking Rents:** At \$1.48 NNN per square foot, asking lease rents declined by \$0.09 or -5.73% from the Q3 2023 rate of \$1.57 NNN.
- Inflation & Interest Rates:** CPI continues to be elevated above the Fed's 2% target, but gradually improving. Currently, headline CPI inflation has grown by 2.4%, year-over-year, while PCE and Core PCE inflation checked in at 2.1% and 2.7%, respectively. At the September meeting, the FOMC decided to cut interest rates by 50 basis points. Another quarter-point rate cut is expected at the next FOMC meeting in November
- GDP:** In the third quarter of 2024, real gross domestic product (GDP) grew at an annualized rate of 2.8%, following an upward revision for Q2, which now stands at 3.0%. This growth is largely driven by robust consumer spending, which has exceeded even the most optimistic expectations. Despite inflationary pressures, Americans continue to spend across various sectors, including automotive, dining, and travel. Additionally, increases in exports and federal government spending fueled third-quarter GDP growth. Imports, which are a subtraction in the calculation of GDP, increased.
- E-commerce activity:** E-commerce sales reached \$291.6 billion, marking a 1.3% increase from the previous quarter and a 6.7% rise year-over-year. Despite this growth, e-commerce's share of total retail sales dipped slightly, from its high of 16.4% in Q3 2020 to 16.0% in Q2 2024. Overall, consumer spending remains robust, continuing to support both regional and national economic growth.
- Supply Chain:** Transpacific spot prices to the West Coast are 35% lower than their July peak and 38% lower to the East Coast. Week-over-week, the cost from China/East Asia to North America's West Coast fell to \$5,294/FEU, while China to US East Coast prices fell to \$5,935/FEU, according to Freightos.

CITY	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Asking Sale Price (\$/SF)
ALHAMBRA	112	2,153,914	4	4.5	(16,390)	4,916	\$1.40	\$325
ARCADIA	104	2,536,463	2.4	5	-4,383	19,180	\$1.52	\$368
AZUSA	253	6,976,569	8	10.9	(298,068)	163,617	\$1.41	\$297
BALDWIN PARK	251	5,295,235	4.1	5.6	50,350	89,658	\$1.48	\$307
CLAREMONT	20	600,639	0	0.2	0	0	\$1.43	\$246
COVINA	168	2,722,877	2.6	4.8	6,557	18,057	\$1.87	\$301
DIAMOND BAR	20	453,896	0	0	1,599	1,599	\$1.65	\$285
DUARTE	70	1,798,317	7.6	4.5	(2,958)	3,754	\$0.00	\$309
EL MONTE	317	9,028,148	3.1	3.6	(133,979)	60,978	\$1.60	\$301
GLENDORA	45	657,643	6.6	10.7	0	0	\$1.65	\$324
INDUSTRY	1,045	76,309,483	8.8	8.8	(245,886)	1,063,733	\$1.65	\$269
IRWINDALE	263	13,371,772	7.4	8	(175,073)	22,090	\$1.53	\$275
LA PUENTE	93	1,762,009	0.8	2.3	14,035	19,905	\$1.60	\$363
LA VERNE	136	2,934,151	4.5	5.3	(42,193)	68,489	\$1.54	\$336
MONROVIA	208	3,411,228	2.7	8.3	717	19,235	\$1.75	\$312
MONTEREY PARK	99	1,798,755	10.4	12.4	50	27,720	\$1.19	\$345
PASADENA	97	1,467,295	5.9	14.2	(19,468)	16,949	\$2.18	\$378
POMONA	654	20,027,288	3.9	5	(29,461)	258,430	\$1.06	\$265
ROSEMEAD	53	1,197,733	1.9	4.1	14,970	15,000	\$1.24	\$294
SAN DIMAS	126	3,151,589	4.1	9.5	(31,415)	21,978	\$1.65	\$273
SAN GABRIEL	68	1,028,296	3.4	2.9	(9,344)	1,188	\$1.24	\$283
SOUTH EL MONTE	840	11,183,675	3.8	2.9	(27,174)	90,016	\$1.45	\$318
TEMPLE CITY	39	632,111	3.7	5.1	(1,975)	9,134	\$3.00	\$327
WALNUT	206	6,921,857	6	11.4	(47,575)	29,952	\$1.30	\$279
WEST COVINA	17	823,570	0.5	22.3	5,906	5,906	\$1.87	\$253

**↑ 4.1%**

US Unemployment Rate

**↑ 2.8%**

GDP - Quarter 3 % - Change YOY

**↑ 4.2%**

U.S. 10-Year Treasury Note

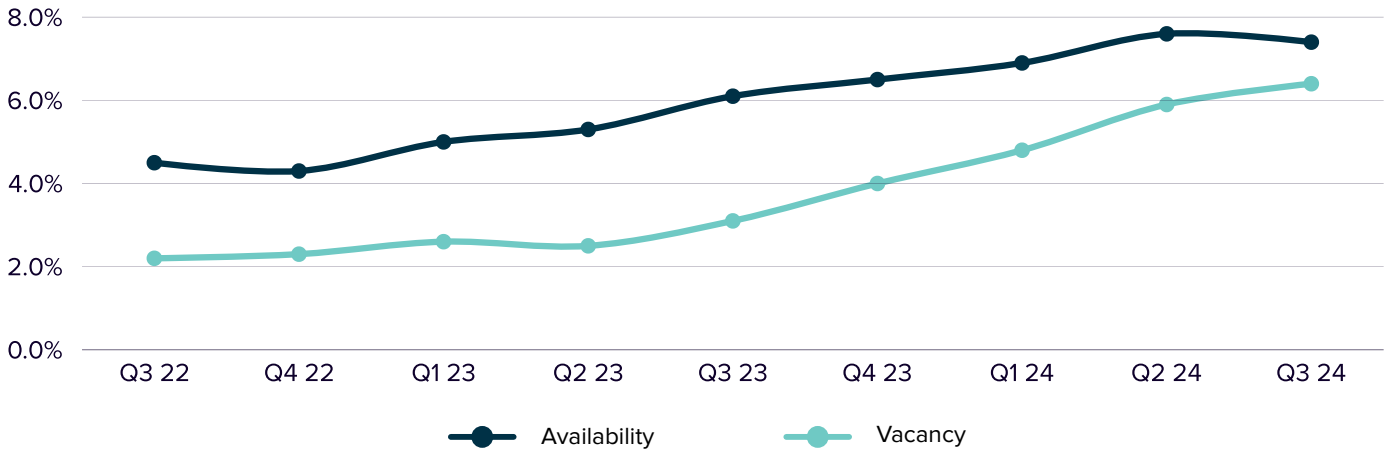
### > Market Summary

	Q3 2023	Q2 2024	Q3 2024	QoQ Change	YoY Change
Total Inventory (SF)	174,576,125	178,758,780	178,758,780	0.00%	2.40%
Overall Vacancy	3.1%	5.9%	6.4%	50 bps	330 bps
Overall Availability	6.1%	7.6%	7.4%	-20 bps	130 bps
Under Construction (SF)	4,395,010	487,202	545,702	12.01%	-87.58%
Net Absorption (SF)	(861,022)	(5,823)	(965,256)	N/A	N/A
Overall Asking Lease Rates (NNN)	\$1.57	\$1.56	\$1.48	-5.13%	-5.73%

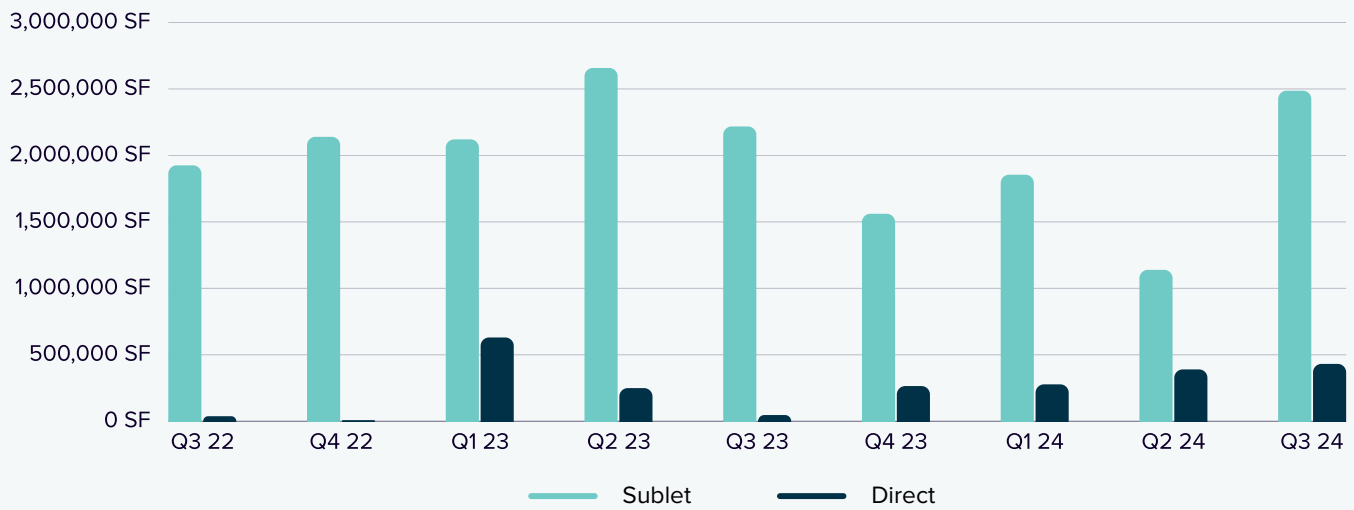
### > Port Stats

PORTS	Quarter	Month	Loaded Inbound	Loaded Outbound	Total Loaded	Total Empties	Total Containers	YOY Change
LOS ANGELES	Q3	July	501,281	114,889	616,170	323,431	939,600	37.31%
		August	509,363	121,744	631,106	329,491	960,597	16.01%
		September	497,803	114,702	612,505	342,201	954,706	27.56%
LONG BEACH	Q3	July	435,081	104,834	539,915	342,462	882,377	52.59%
		August	456,868	104,646	561,513	352,360	913,873	33.94%
		September	416,999	88,289	505,288	324,211	829,499	0.01%

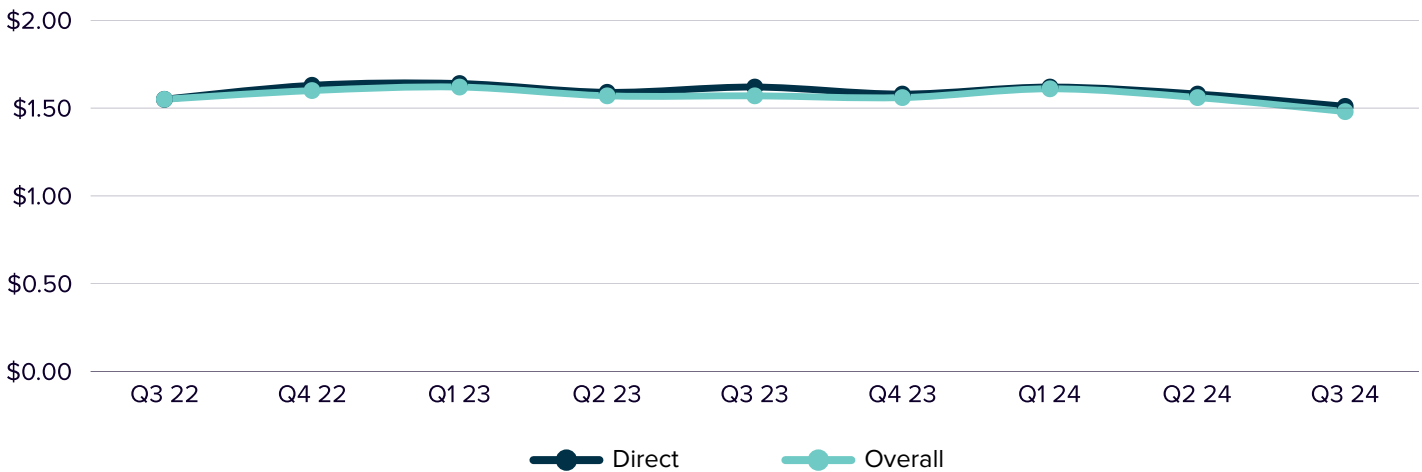
## > Vacancy vs Availability



## Leasing Activity



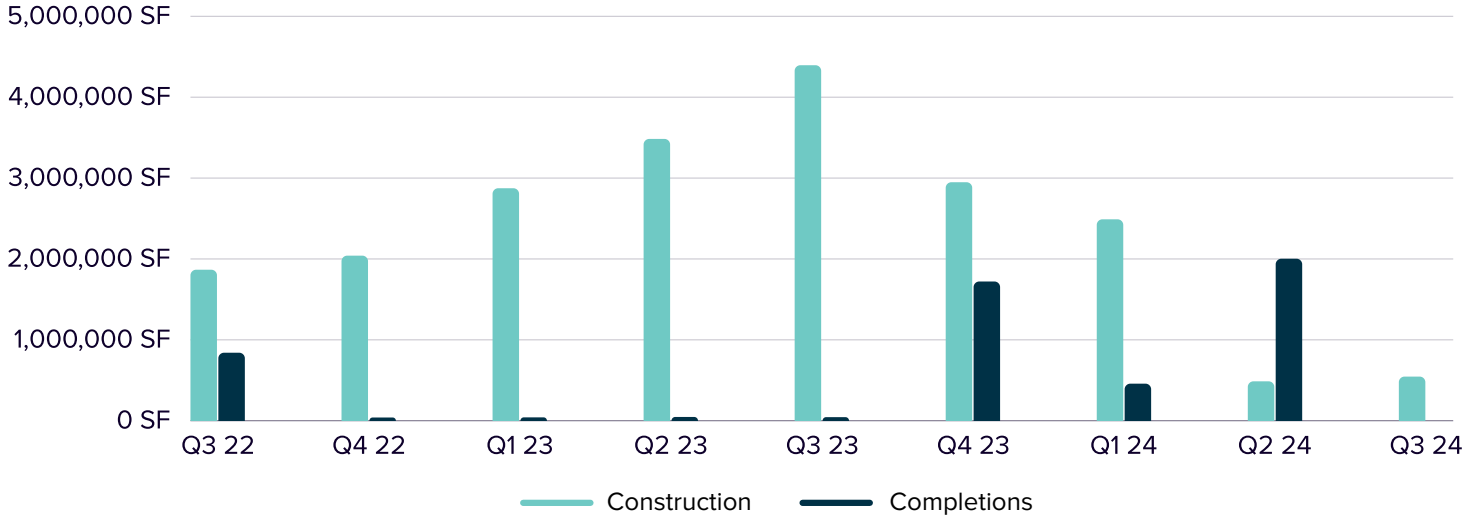
## > Rental Rates



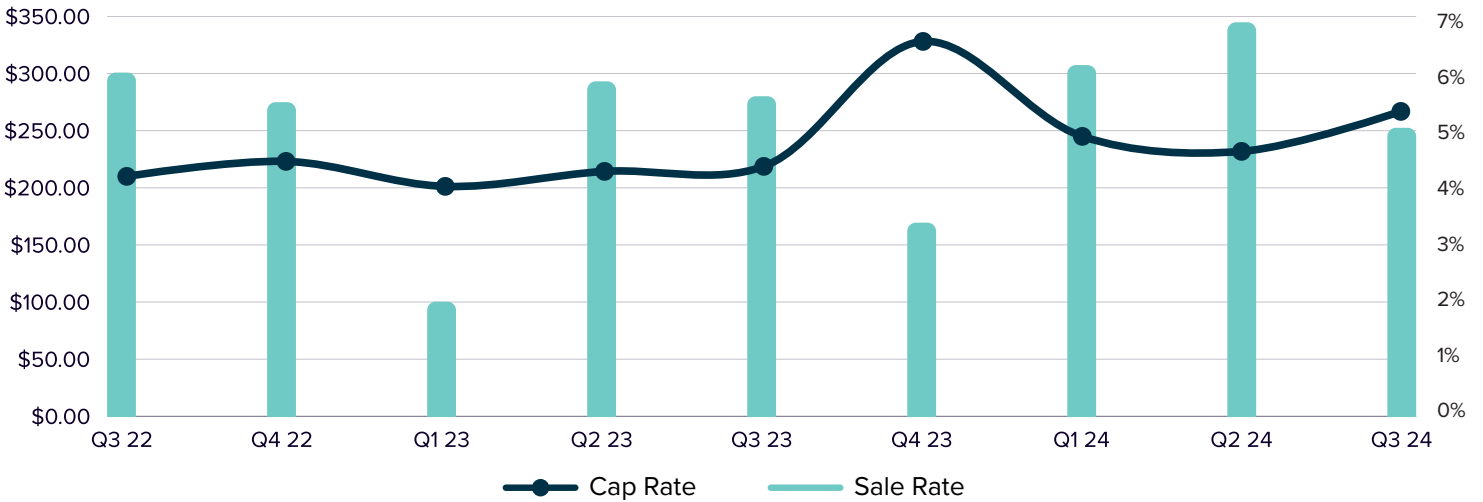


# Q3 24 | San Gabriel Valley

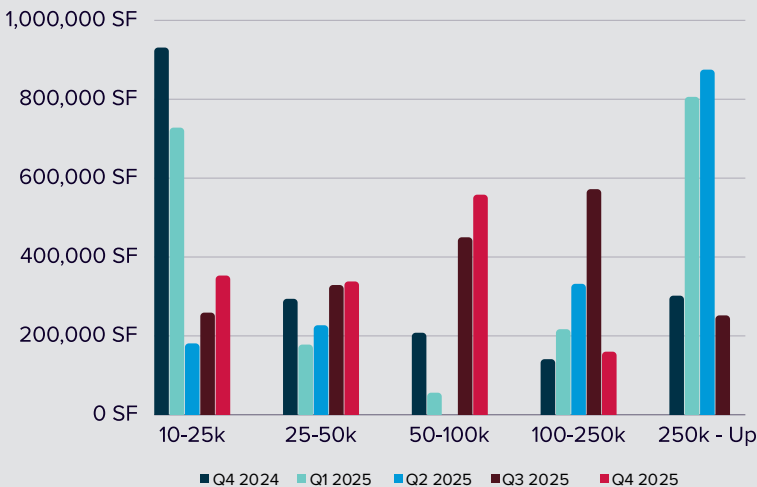
## > Construction



## > Sales Trends



## > Lease Expiration



**San Gabriel Valley**  
**Largest Lease Transaction**  
 By Square Foot  
 Lessee: American Starlink Logistics  
 18175-18215 Rowland St, City of Industry

**700,000sf**

## > Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)	Price
1000 W FOOTHILL BLVD	Azusa	61,360	ECB Investments	Xebec	\$17M
188810 SAN JOSE AVE	Industry	33,560	Quality Naturally Food	Industrial Park D Sub	\$13.9M
717 N CONEY AVE	Azusa	33,202	717 North Coney	Apex Commercial Prop.	N/A
1084 E 1ST ST	Pomona	23,294	SP-Ontario LLC	Seon Jeon Kim	N/A
1633 W 2ND ST	Pomona	22,756	Mark Shirin	Bethel Business Park	N/A

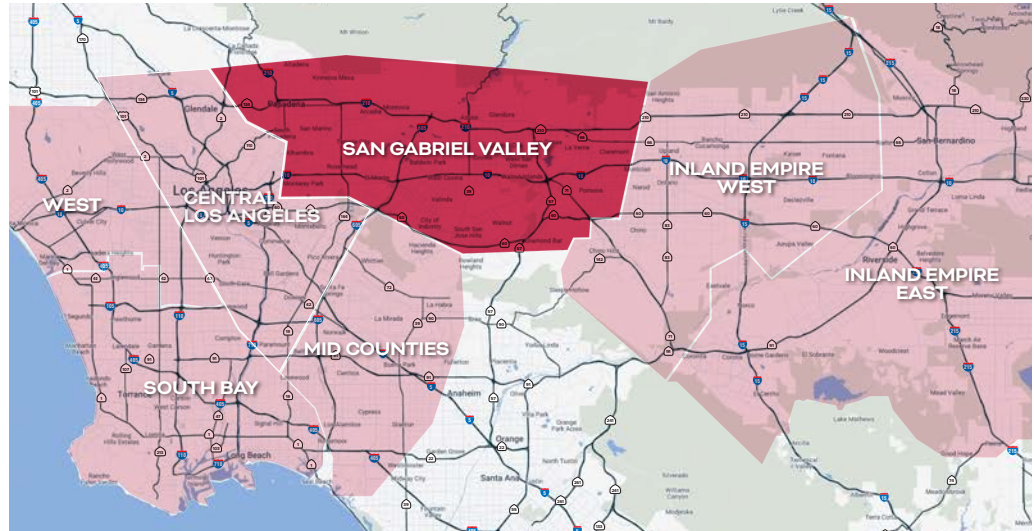
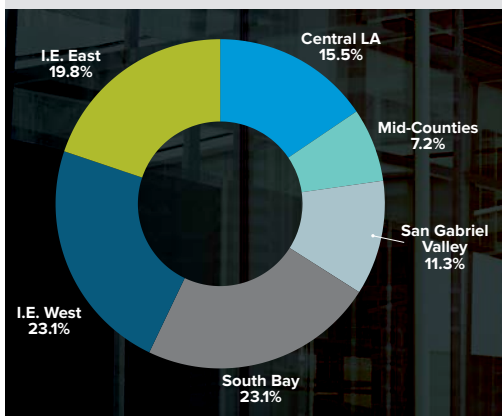
## > Top 5 New Leases

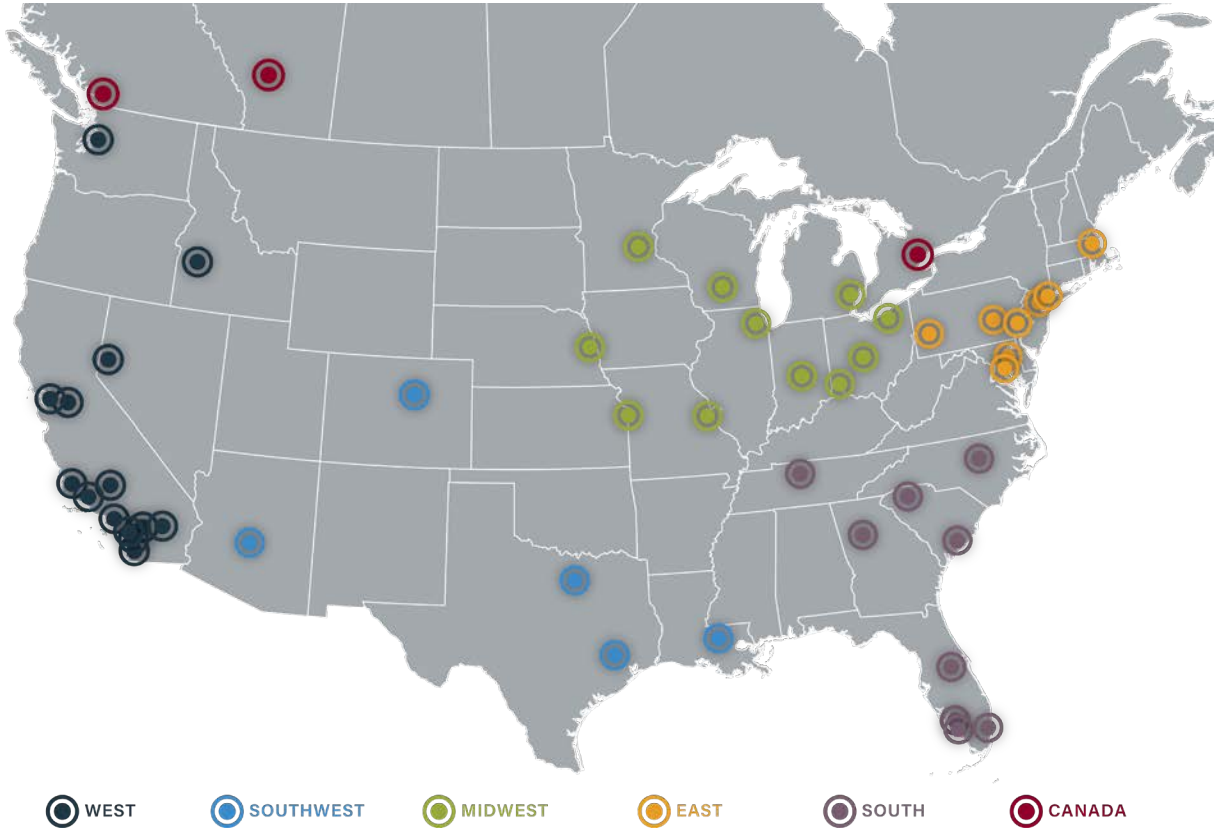
Address	City	Size (SF)	Lessor	Lessee(s)
18175-18215 ROWLAND ST	Industry	700,000	Link Logistics	American Starlink Logistics
611 REYES DR	Walnut	164,500	GLP	Phantom E Moto
18591 SAN JOSE AVE	Industry	100,000	Link Logistics	Sea Hawks Express
18961 E ARENTH AVE	Industry	69,631	717 Nogales	Loginet Inc.
825 SENTOUS AVE	Industry	64,900	Invesco	Johnson Premium Hardwood

## > Major Construction / Development Projects

Address	City	Owner	Size (SF)	Est. Completion
4200 W VALLEY BLVD	Walnut	CapRock Partners	269,780	Q4 2024
4416 AZUSA CANYON RD	Irwindale	Rexford Industrial	129,619	Q4 2024
886 AZUSA AVE	City of Industry	Sherri Zhou	87,803	Q4 2024
530 N BALDWIN PARK BLVD	City of Industry	Xebec	58,500	Q4 2024
12118 BLOOMFIELD AVE	Santa Fe Springs	Rexford Industrial Realty, Inc.	107,045	Q1 2025

## 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.