



THE KLABIN COMPANY
INDUSTRIAL AND OFFICE REAL ESTATE SINCE 1961
CORFAC INTERNATIONAL

Q4

AN ENDURING CULTURE

59

YEARS OF COLLABORATION

Now in our sixth decade, The Klabin Company/CORFAC International is ranked among the top commercial real estate companies based in Los Angeles. With clients around the world, we specialize in industrial, office, investment and development services. We combine cutting-edge research and analysis with years of experience to closely follow ever-changing market dynamics and ensure the best possible value for our clients. Our stable of knowledgeable real estate professionals are committed to helping every client succeed. Several of our agents hold the prestigious Society of Industrial and Office Realtors (SIOR) designation and some are past presidents of the influential organization. The Klabin Company is a founding firm of CORFAC International, which provides a global platform for our clients.



Q4

SOUTH BAY INDUSTRIAL INVENTORY

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HOT TOPICS

1 PORT CONGESTION

As of January 1st, over 25 container ships were anchored at sea awaiting an available berth.

2 LACK OF SUPPLY

Pent up demand, holiday shipping and PPE related occupancies have driven rates near 1%.

3 INSTITUTIONAL INVESTMENT

COVID-19 has only increased the supply of institutional capital chasing industrial “e-commerce” assets.

4 RETURNS

Last mile has dominated the conversation for sometime, but processing returns will be the next challenge for e-Commerce.

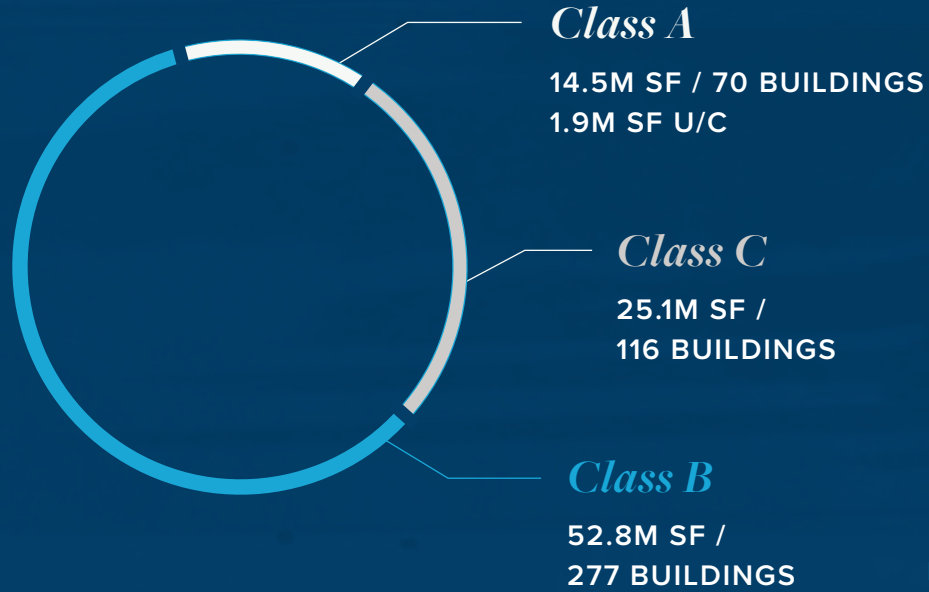
5 RATES POISED TO INCREASE

See above! All current indicators, point to additional pricing increases in early 21'.

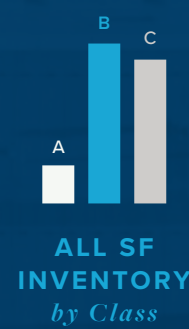
ACTIVE INDUSTRIES

- ↑ E-Commerce
- ↑ Retail Goods
- ↑ Cold Storage
- ↑ Food & Beverage
- ↑ Construction Services
- ↑ Third Party Logistics
- Technology
- Manufacturing
- ↑ Trucking
- PPE

100K+ SF INVENTORY



ALL SF INVENTORY





HOT TOPICS IN CARSON:

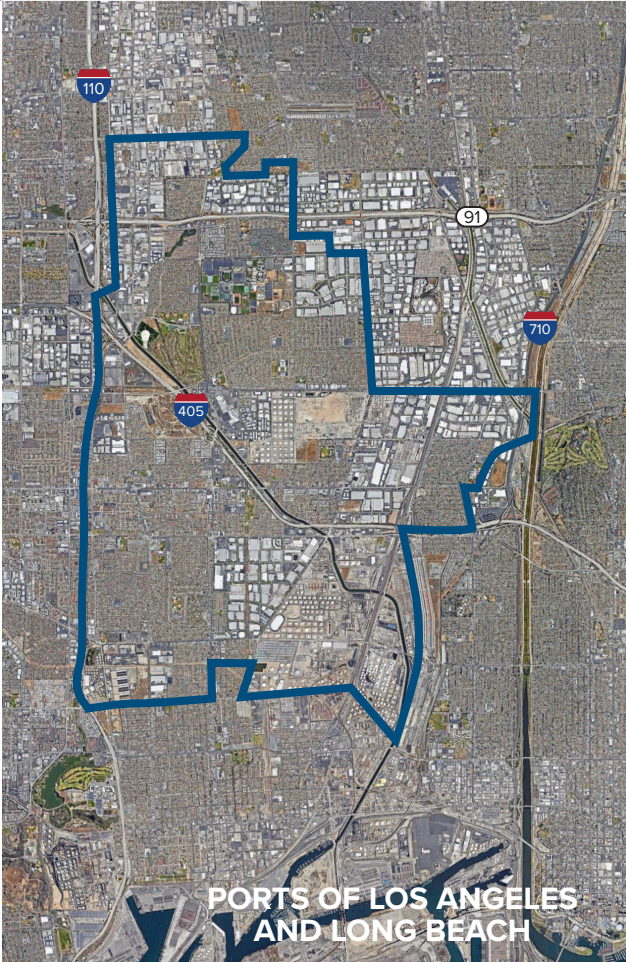
- *Brookfield Purchase of 19-Acres*
- *Carson Outlet Mall Development*

SUB-MARKET SPOTLIGHT:

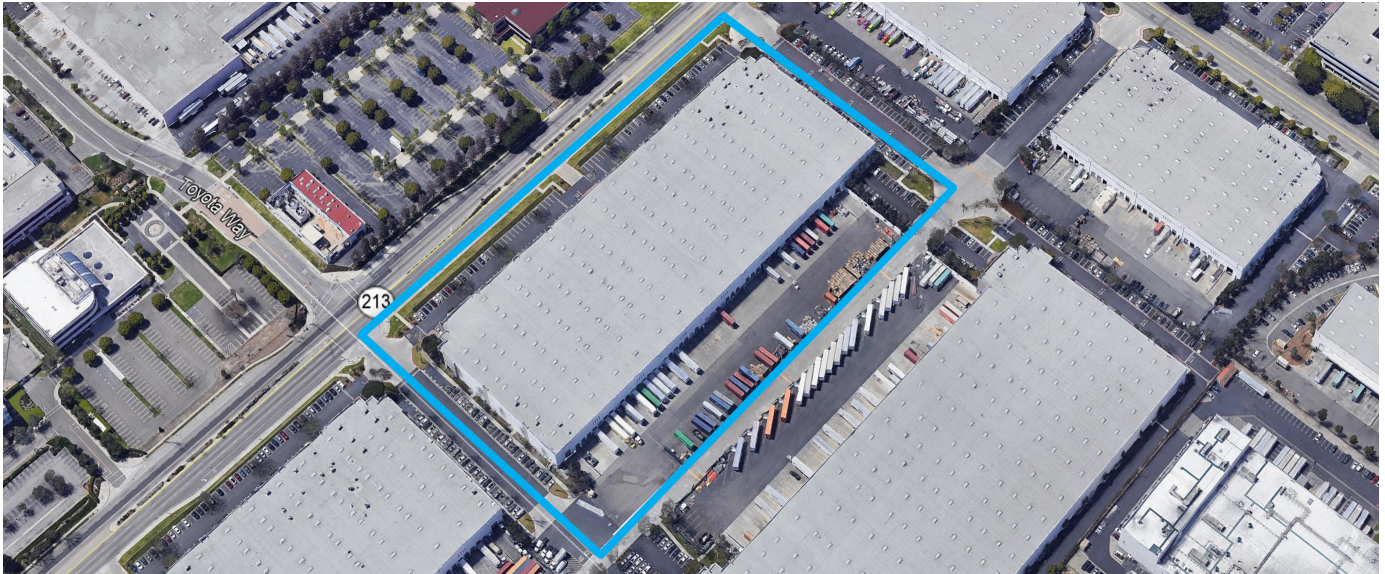
CARSON

The City of Carson was incorporated in 1968 and is home to one of the largest and most diverse industrial real estate markets in California. In Carson, businesses can find everything from small, functional incubator units for their machine shop or on-line fulfillment business, to new port related distribution centers.

Carson's proximity to three major freeways and the Los Angeles/Long Beach Port Complex has long fueled strong demand across all size ranges, driving vacancy rates to historic lows, and industrial property values to historic highs. Carson boasts the largest industrial footprint of any city in the South Bay, with over 35 million square feet of industrial. The city is currently reviewing entitlements for several development projects that will deliver over 750,000 square feet in the next two years.



LEASE INTELLIGENCE



19270 S WESTERN AVE.,
TORRANCE, CA

LEASE COMPARABLE

TENANT	Freight Horse Express
LANDLORD	DWS Group
SIZE	370,641 SF
TERM	62 Months
START RATE	\$.98 NET
RENT ADJUSTMENT	3% Annual Increases



13344 S MAIN ST.,
LOS ANGELES, CA

LEASE COMPARABLE

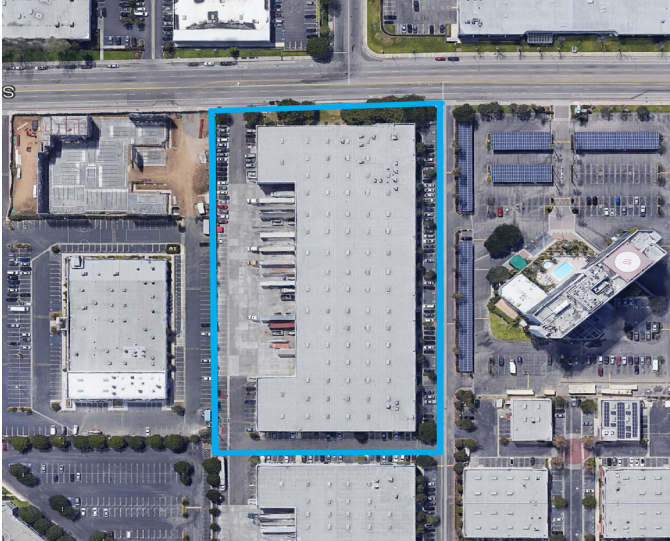
TENANT	Reyes Holdings
LESSOR	Duke Realty
SIZE	290,303 SF
TERM	126 Months
START RATE	\$1.07 NET
RENT ADJUSTMENT	3% Annual Increases



588 CRENSHAW BLVD.,
TORRANCE, CA

LEASE COMPARABLE

TENANT	Next Level Apparel
LANDLORD	Link Industrial Properties
SIZE	265,418 SF
TERM	86 Months
START RATE	\$1.07 NET
RENT ADJUSTMENT	3% Annual Increases



1990 S VERMONT AVE.,
TORRANCE, CA

LEASE COMPARABLE

TENANT	DHL Global Forwarding
LANDLORD	IDS
SIZE	122,655 SF
TERM	62 Months
START RATE	\$1.07 NET
RENT ADJUSTMENT	3% Annual Increases



1253 E ARTESIA BLVD.,
CARSON, CA

LEASE COMPARABLE

TENANT	Voxx Products
LANDLORD	Glasgow Knoll Development
SIZE	56,878 SF
TERM	62 Months
START RATE	\$.96 Gross
RENT ADJUSTMENT	3% Annual Increases

RENTAL RATES

10,000 SF – 50,000 SF

CLASS A
\$1.10 - \$1.30 N PSF

CLASS B
95¢ - \$1.05 N PSF

CLASS C
85¢ - 95¢ N PSF

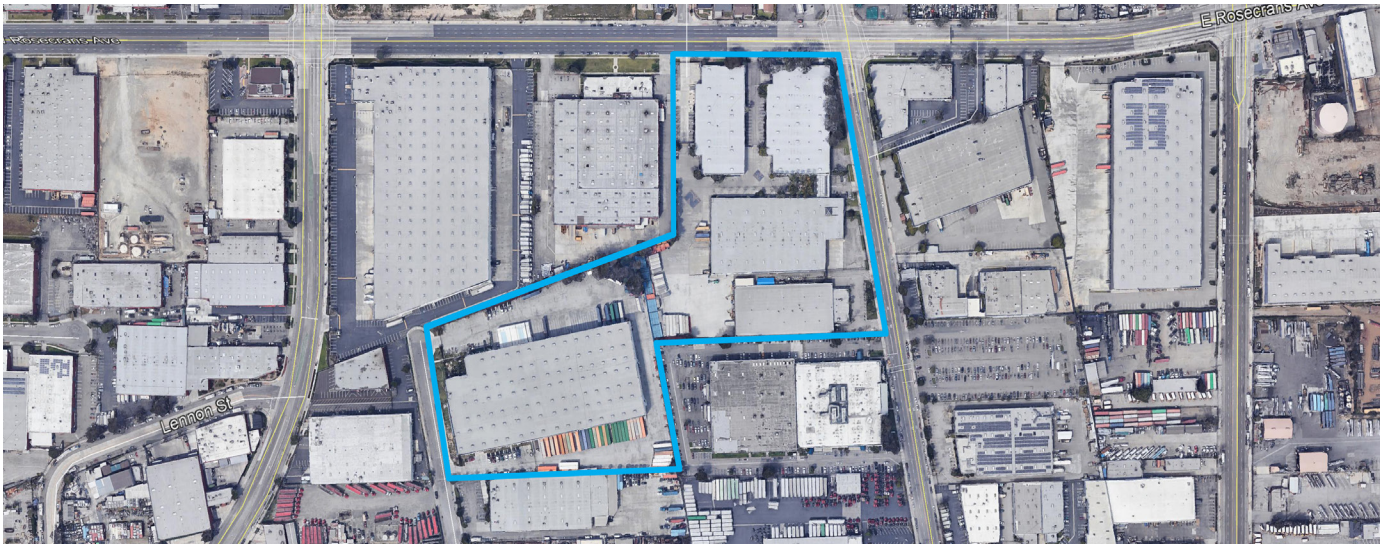
50,000+ SF

CLASS A
\$1.05 - \$1.15 N PSF

CLASS B
90¢ - \$1.00 N PSF

CLASS C
80¢ - 90¢ N PSF

SALE INTELLIGENCE



ROSECRANS AVE./ SAN PEDRO ST./
S MAPLE AVE.,
GARDENA, CA 90248

SALE COMPARABLE

BUYER CenterPoint Properties

SELLER Nygard

SIZE 329,326 SF

SALE PRICE \$206.22 PSF

NOTES: Portfolio of 5 buildings.



15100 S SAN PEDRO ST.,
COMPTON, CA

SALE COMPARABLE

BUYER Cohen Asset Management

SELLER Panattoni Development Company

SIZE 112,075 SF

SALE PRICE \$332.99 PSF

NOTES: 100% leased for 10 years.



14150 S FIGUEROA ST.,
LOS ANGELES, CA

SALE COMPARABLE

BUYER	Dovetail Furniture & Designs
SELLER	AJ Wholesale Distributors
SIZE	41,723 SF
SALE PRICE	\$179.47 PSF

NOTES: Owner user.

SALE PRICING

USER RATES

User sale prices vary based on location and functionality

Torrance:
\$300+ PSF

Rancho Dominguez/Carson/
Compton/Long Beach:
\$250+ PSF

CAPITALIZATION RATES

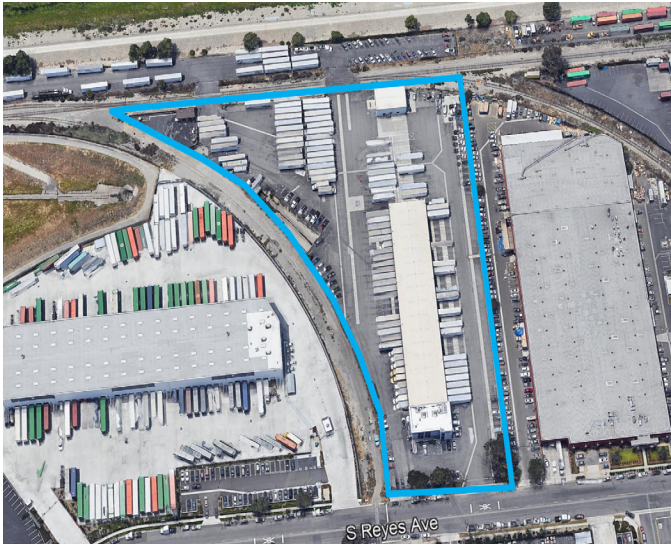
Abundance of institutional capital driving pricing

Superior Credit & Quality:
Sub 4%

Good Credit & Quality:
4.5% - 4.75%

Stabilized Development:
Sub 5%

LAND VALUES



19021 S REYES AVE.,
RANCHO DOMINGUEZ, CA

LAND LEASE COMPARABLE

TENANT	ADP Express
LANDLORD	First Industrial
SIZE	6.39 Acres
START RATE	\$.475 NET

NOTES: 23,000 SF cross dock.



15505 & 15601 S AVALON BLVD.,
UNINCORP. LA, CA

LAND SALE COMPARABLE

BUYER	Rexford Industrial
SELLER	Hawaiian Host Candies
SIZE	4.41 Acres
SALE PRICE	\$15,500,000/ \$80.67 PSF

NOTES: Buyer to build new 65,000 SF building with large yard.

CURRENT LAND VALUES

Land Values near **\$90 PSF**

Surface use lease rates are above **45¢ PSF NNN**

HISTORIC LAND VALUES

2015 Land Values: **\$35 PSF**

2015 Surface Lease Rates: **25¢ PSF**

2010 Land Values: **\$20 PSF**

2010 Surface Lease Rates: **15¢ PSF NET**

2005 Land Values: **\$30 PSF**

2005 Surface Lease Rates: **20¢ PSF NET**

SOUTH BAY 100

Presently there are seventeen (17) existing buildings on the market in the South Bay in the range of roughly 100,000 SF and up. The availability rate in the South Bay is near five percent (5%), but the vacancy rate is effectively zero percent (0%).

The lack of available and vacant product reflects the impact COVID-19 is having on the entire distribution market locally, regionally and nationally. The pandemic has increased home delivery and this demand will not diminish as a result of the eradication of the virus. As a result, we do not expect a material change in the overall availability rate for the foreseeable future.

INVENTORY IS TIGHT



4.5% *Availability rate*

0.2% *Vacancy rate*

240,456 SF *Vacant out of 92M SF*

*Buildings larger than 100,000 SF

JANUARY 2021 SOUTH BAY 100 REPORT

EXISTING BUILDINGS

	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	2330-2368 Pacifica Pl., Rancho Dominguez Rexford Industrial (10/20) Occupied	99,017	7,600	24'	Yes	Varies	19	\$.95 N	\$.29	Available 6/1/21. Additional trailer storage available at \$.50 Net. Class B.
2	19145 Gramercy Pl., Torrance IDI Logistics (2/20) Vacant	102,279	20,000	24'	.35/4000	120'+	6	TBD	TBD	Corporate HQ/distribution/manufacturing building. Undergoing complete refurbishment. Class B.
3	19500 S Vermont Ave., Torrance Prudential (9/20) Occupied	113,262	11,690	22'	ESFR	135'	18	TBD	\$.205	High image distribution building. Available 4/1/21. Class B.
4	20250 S Alameda St., Rancho Dominguez CenterPoint (9/20) Occupied	115,376	TBD	22'	Yes	Varies	46	TBD	\$.23	Transportation building. Extra land. Available 4/1/21. Class B.
5	3040 E Ana St., Rancho Dominguez Onestop Internet-Sublessor (2/20) Occupied	115,814	21,395	24'	Yes	Varies	15	\$.70 G	N/A	Sublease through 10/1/23. Class B.
6	4001 Worsham Ave., Long Beach JP Morgan (6/16) Vacant	138,177	13,535	32'	Yes	140'	14	\$.115 N	\$.27	New development. Large secured yard. Class A.
7	921 W Artesia Blvd., Compton DHL-Sublessor (3/20) Occupied	143,937	14,729	24'	Yes	130'-170'	14	\$.99 N	\$.15	Large yard. Sublease through 06/30/23. Class B.
8	507-531 Euclid and 430 & 546 E Carlin Ave., Compton Brennan Investment (9/20) Occupied	166,953	3,758	16'-30'	Yes	80'+	26	\$.80 G	N/A	Multiple buildings. Class B.
9	538 Crenshaw Blvd., Torrance Black Creek (5/20) Occupied	174,361	10,000	32'	ESFR	127'	37	TBD	\$.28	Corporate HQ/distribution building. Available 2/1/21. Class A.
10	21950 Arnold Center Rd., Carson Watson Land Company (9/20) Occupied	185,629	24,596	30'	ESFR	135'	39	\$1.05 N	\$.175	Corporate headquarters/distribution building. Available 5/1/21. Class A.
11	1540 Francisco St., Torrance BlackRock (12/20) Occupied	206,465	6,378	30'	ESFR	145'	33	\$.115 N	\$.26	Distribution building. Available 10/1/21. Class A.
12	4000 Redondo Beach Ave., Redondo Beach AEW (2/20) Occupied	236,134	51,166	23'	Yes	120'+	50	\$.120 N	\$.27	Distribution building. Available 3/1/21. Class B.
13	18620 Harmon Ave., Carson Watson Land Company (4/20) Occupied	242,900	22,823	32'	ESFR	135'	46	TBD	\$.184	Distribution building. Available 2/1/21. Class A.
14	2711 E Dominguez St., Carson Eastgroup (9/20) Occupied	261,550	23,839	24'	Yes	150+	46	\$.100 N	\$.10	Distribution building. Available 4/1/21. Class B.
15	2301-2323 E Pacifica Pl., Rancho Dominguez Rexford Industrial (11/20) Occupied	286,520	6,828	30'	ESFR	Varies	32	\$.97 N	\$.28	Part of an Industrial Park. Shared loading. Divisible to 140,000 SF. Available 4/1/21. Class B.
16	2401 E Wardlow Rd., Long Beach Goodman (5/20) Occupied	463,521	TBD	40'	Yes	Varies	14	\$.105 N	\$.19	Manufacturing building. Potential redevelopment (subject to city). Class B.
17	2400 E Wardlow Rd., Long Beach Goodman (6/20) Occupied	868,406	TBD	50'-80'	Yes	Varies	TBD	\$.105 N	\$.19	Manufacturing building. Available 1/1/22. Potential redevelopment (subject to city). Class B.

JANUARY 2021 SOUTH BAY 100 REPORT (Continued)

UNDER CONSTRUCTION

	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	14220 S Main St., Los Angeles Bridge Development (6/20)	100,528	10,610	32'	ESFR	137'	12	TBD	TBD	Estimated completion Q3 2021.
2	SW of Western Ave. and 195th St., Bldg 5 Torrance, CA 90501 Torrance Commerce Center (12/20)	104,544	13,000	32'	ESFR	140'	18	TBD	TBD	Estimated completion Q1 2022.
3	SW of Prairie Ave. and 190th St., Torrance Kearny (8/19)	107,110	15,000	32'	ESFR	140'	13	TBD	TBD	Estimated completion Q4 2021.
4	SW of Western Ave. and 195th St., Bldg 6 Torrance, CA 90501 Torrance Commerce Center (12/20)	107,140	13,000	32'	ESFR	145'	18	TBD	TBD	Estimated completion Q1 2022.
5	159 Rosecrans Ave., Los Angeles Bridge Development (6/20)	107,733	10,000	32'	ESFR	138'	14	TBD	TBD	Estimated completion Q3 2021.
6	333 W Gardena Blvd., Gardena Clarion (9/20)	145,840	5,500	36'	ESFR	144'	25	TBD	TBD	Estimated completion Q4 2021.
7	19681 Pacific Gateway Dr., Los Angeles Black Creek (1/20)	227,000	BTS	36'	ESFR	185'	TBD	TBD	TBD	Estimated completion Q3 2021.
8	SW of Western Ave. and 195th St., Bldg 4 Torrance, CA 90501 Torrance Commerce Center (12/20)	278,835	20,447	36'	ESFR	145'	49	TBD	TBD	Estimated completion Q1 2022.
9	SW of Prairie Ave. and 190th St., Torrance Kearny (8/19)	320,910	30,000	36'	ESFR	165'	30	TBD	TBD	Estimated completion Q4 2021.
10	2400 E Artesia Blvd., Long Beach Bridge Development (5/20)	415,160	BTS	36'	ESFR	185'	53	TBD	TBD	Estimated completion Q2 2021.

PLANNED

	ADDRESS OWNER	SIZE	OFFICE	CEILING HEIGHT	SPKLR	YARD DEPTH	TH POS	RENT/ PRICE	N TO G (EST.)	COMMENTS
1	15650 Avalon Blvd., Unincorp. LA Rexford Industrial (10/20) Occupied	98,259	7,317	27'	ESFR	250'+	20	TBD	\$39	Planned. Estimated completion Q1 2022.
2	Glenn Curtiss St., & Wilmington Ave., Carson Prologis (3/17)	120,540	BTS	32'	ESFR	135'	17	TBD	TBD	Planned. Estimated completion Q4 2022.
3	1055 Sandhill Ave., Carson Rexford Industrial (6/20)	126,013	6,512	32'	ESFR	135'	20	TBD	TBD	Planned. Estimated completion Q1 2023.
4	20850 S Normandie Ave., Torrance Bridge Development (3/18)	203,877	TBD	36'	ESFR	178'	21	TBD	TBD	Planned. Estimated completion Q2 2021.
5	Glenn Curtiss St. & Wilmington Ave., Carson Prologis (3/17)	318,126	BTS	32'	ESFR	185'	43	TBD	TBD	Planned. Estimated completion Q4 2022.

TKC IN THE NEWS

THE REGAN GROUP, ONE OF THE NATION'S TOP BRAND ACTIVATION AGENCIES, EXPANDS AT INDUSTRIAL BUILDING IN TORRANCE FOR FULFILLMENT OPERATIONS

The Klabin Company represents TRG in negotiating 48-month lease for 92,656 square feet valued at almost \$3.8 million.

The Klabin Company/CORFAC International today announced it negotiated a lease on behalf of The Regan Group (TRG), one of the nation's leading agencies specializing in brand activation, promotion programs, fulfillment and warehousing, for a 92,656-square-foot industrial building at 4180 190th Street in Torrance, Calif. TRG had previously been subleasing approximately 28,000 square feet of the property, but will now expand into the entire building by executing the new transaction directly with the landlord.

The Klabin Company's Tyler Rollema and Matt Stringfellow, SIOR, represented TRG in the 48-month lease transaction valued at almost \$3.8 million. The landlord, CenterPoint Properties Trust, was represented by Barry Hill, SIOR, of Newmark.

Patti Regan founded TRG more than 25 years ago when she first saw a need in the marketplace for feature film and TV promotions. Since then, TRG has continued to expand under Patti's vision and passion for brand activations. The firm has worked with a variety of highly recognizable brands—such as NBC, Universal Studios, Discovery Networks, Electronic Arts, Bandai, DreamWorks, Macy's, Mattel, IHOP, Ford, Fiji Water & Hyundai—to activate consumer interest and build customer loyalty. It's full-service marketing and sales promotions agency pairs seamlessly with its back-end shipping and fulfillment service.

TRG utilizes state-of-the-art technology to manage its client's shipping and receiving needs so that they can focus more on their brand and less on logistics. Its services include e-commerce, fulfillment, order management, order fulfillment, parcel delivery, pick and pack, kitting, warehousing, storage inventory management and subscription fulfillment.

"The Regan Group is an interesting company in that they are sought out by clients for both its marketing expertise and for its world-class third-party logistics service," said Rollema. "We had moved them to the 28,000 square-foot portion of this space on a sublease basis about a year or so ago, but when we were able to get them into the entirety of the building, they jumped at the opportunity. TRG is headquartered in 37,500 square feet in Gardena and by securing this lease, it has a tremendous image in a prime Torrance industrial location." 🌿



* For more of the most recent news and press releases at The Klabin Company, visit www.klabin.com/news.



BROKER SPOTLIGHT - DAVID GROTE

Now in its sixth decade and soon celebrating its 60th Anniversary, The Klabin Company prides itself on the enduring culture established by Stuart Klabin when he started the firm. Over the years, the company has maintained its independence as a privately-owned business thanks to its team members who place an emphasis on the sharing of information, experiences and relationships as a means to make everyone successful. One such team member is Principal David Grote who joined the company more than 25 years ago. He became a partner in the firm in 2004 and a major shareholder in 2014 when he and a small group of partners bought the company from Stuart. While that was a year that represented a changing of the guard, the leadership remained steadfast in its commitment to Klabin's guiding principles.

David's path to commercial real estate began in the mid-1980s. After receiving his MBA at UCLA's Anderson School of Management, he went to work as an analyst for TRW. After a few years, he decided that he wanted something more entrepreneurial. He sought out his uncle in Bakersfield, who was successful in commercial real estate development. His uncle recommended looking into industrial real estate in Southern California. This led to David landing at Matlow-Kennedy Commercial Real Estate Services in Torrance in 1987. He spent the next eight years establishing himself in the industry, before making the decision to move to The Klabin Company in 1995. *Continue reading about David at klabin.com/news**

TKC IN THE NEWS

THE KLABIN COMPANY REPRESENTS DOVETAIL FURNITURE IN OFF-MARKET PURCHASE OF INDUSTRIAL WAREHOUSE IN LOS ANGELES

Klabin Team Negotiates \$7.2 Million Transaction in Prime Location Just East of the 110 Freeway as Industrial Market Remains Strong

Signifying the continued strength of the industrial market in Southern California, The Klabin Company/CORFAC International today announced it negotiated the purchase of a 41,723-square-foot warehouse at 14150 S. Figueroa Street in Los Angeles.

The Klabin Company's Matthew Stringfellow, SIOR, Courtney Bell and Tyler Rollema represented the buyer, Dovetail Furniture & Designs, in the \$7.2 million transaction. The property was purchased from AJ Wholesale, a distributor of tools, home improvement products, outdoor recreational items and other specialized products. AJ Wholesale represented itself in the sale.

The property is situated in the prime Gardena-110 Corridor submarket location just east of the 110 Freeway at Rosecrans Avenue. According to Stringfellow, Dovetail is expanding and will use the building for warehouse and distribution. Dovetail will continue to maintain its corporate headquarters next door at 14000 S. Figueroa Street along with an additional warehouse in Carson.

Founded in 1992 by Charlie Shaw and Ted Einstein, Dovetail has developed an expertise in sourcing an eclectic range of handmade furniture, accessories and textiles from around the world. The company distributes from its L.A. facilities, and its headquarters includes a showroom for wholesale and design clients.

"Purchase opportunities in this heated market are rare," said Stringfellow. "Low interest rates, user demand and investor activity continue to drive interest and competition for functional buildings. Dovetail wasn't necessarily looking to purchase but seized on the opportunity to buy the neighboring property from AJ Wholesale, who was a great partner in the transaction." 



BROKER SPOTLIGHT – YASUSHI SHIROMI

Yasushi Shiromi, who joined The Klabin Company as a Senior Vice President in September of 2019, is one of the newer team members on the team. However, he also one of the most experienced. Yasushi's journey to commercial real estate started in the mid-1980s, just a few years after he and his wife moved to the South Bay from Japan. They had honeymooned in Redondo Beach, fell in love with the South Bay and made the decision to relocate across the world in 1981. In 1985, he and his wife bought a home in the Hollywood Riviera, and have been there, in the same residence, ever since.

Yasushi got started in the commercial industry by way of the residential real estate business. After securing his real estate license, he became an agent at Coldwell Banker, focusing on the South Bay market. It did not take long, however, for an opportunity to develop in the commercial sector through a partnership with a colleague at CB in its commercial real estate group. Yasushi pursued the opportunity and has not looked back. He held positions at The Seeley Company/Colliers International; Grubb & Ellis and just prior to The Klabin Company, he spent more than seven years at Newmark Knight Frank.

*Early in his career, Yasushi developed a specialty in working with Pacific Rim clients. Over the past three decades, he has represented some of the most prominent Japanese companies in the Greater Southern California region. He is widely recognized as a strategic consultant and a trusted advisor, and has been successful in negotiating lease, sublease, purchase and sale transactions for clients such as Hotta Liesenberg Saito LLP, Mitsui Soko, Panasonic Disc Service Corporation, Pentel of America, Toyota Tsusho America Inc. and...Continue reading about Yasushi at Klabin.com/news.**

** For more of the most recent news and press releases at The Klabin Company, visit www.klabin.com/news.*

OUR STRENGTH / OUR PEOPLE

At the Klabin Company, the strength of our company stems from the strength of our people. We employ a highly respected team of real estate professionals who share our core values along with personal values of trust and hard work. In a world dominated by evolving technology, we never forget the human element.

We understand longstanding personal relationships, forged over decades of service, provide the key element in generating solutions or completing transactions. In a business based on brick and mortar, it's these strong human relationships that provide the most crucial bond to every deal.



AN ENDURING CULTURE





THE KLABIN COMPANY

COMMITTED TO **COLLABORATION**

COMMITTED TO **EXCELLENCE**

COMMITTED TO **SOLUTIONS**

COMMITTED TO **RESULTS**



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