

2640 E. 26TH STREET
VERNON, CA 90058



±40,105 SF INDUSTRIAL BUILDING
FOR SALE

Voit
REAL ESTATE SERVICES



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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY





Voit Real Estate Services is pleased to offer for sale 2640 E 26th Street in Vernon, California, an approximately 40,105 SF industrial building situated on approximately 1.89 acres of land. The subject property is adjacent to the Arts and Fashion Districts, and is centrally located to the 5, 10, 110 and 710 freeways. The ports of Los Angeles and Long Beach are less than 25 miles from the property, making this property a strategic infill location.

The property is well configured with 13 dock high positions, approximately 5,678 SF of high image office, a fenced yard, and minimum 16-18' clear height. 2640 E 26th Street is divisible into two units, providing an owner/user the opportunity to occupy approximately 26,443 SF, while leasing approximately 13,662 SF to another tenant for supplemental rental income.

PROPERTY OVERVIEW



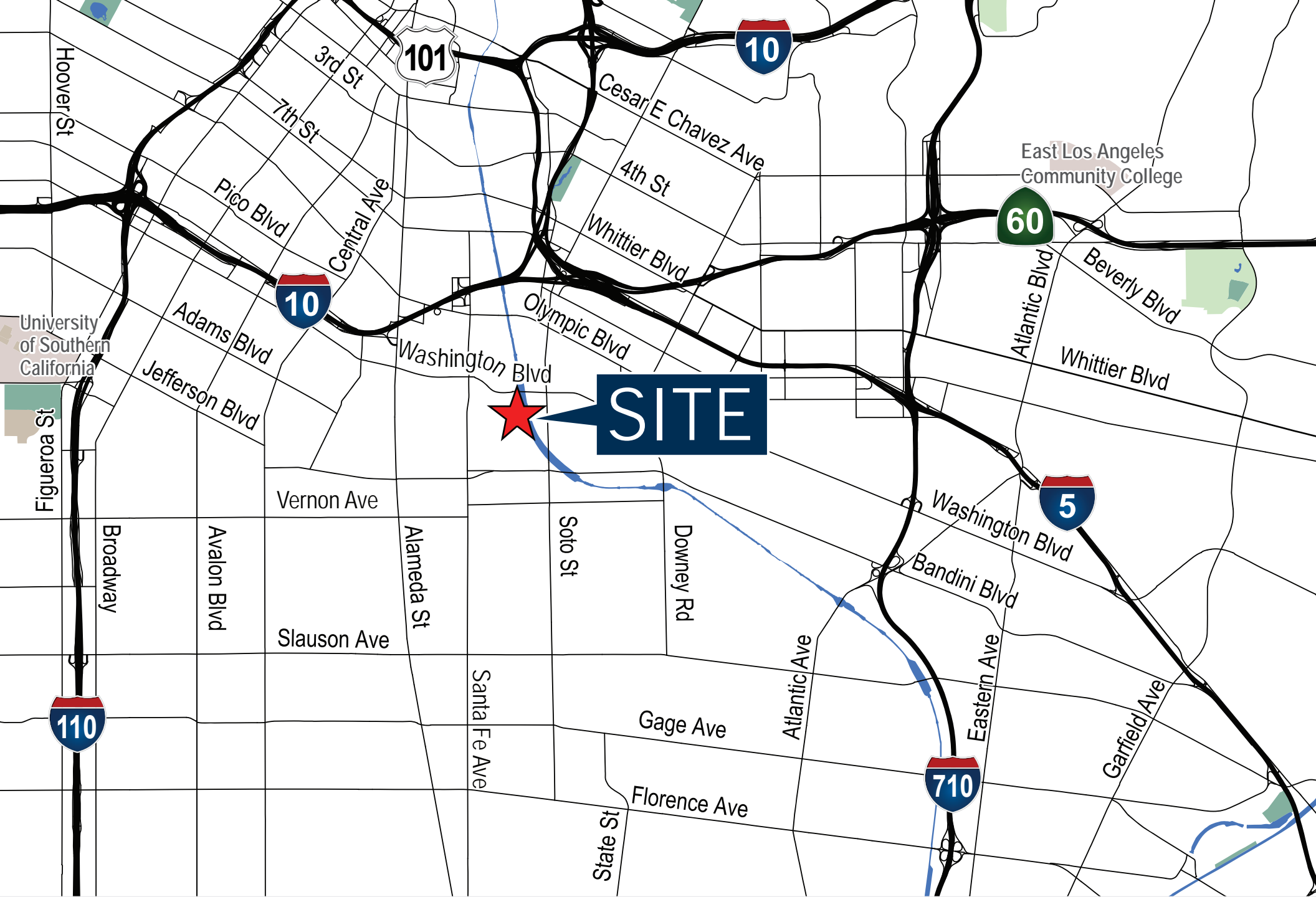
PROPERTY FEATURES

- Fenced Yard
- Ample Parking
- High Image Office
- 13 DH Doors (Unit A: 9 DH; Unit B: 4 DH)
- Divisible to ±26,443 SF and ±13,662 SF
- 16' - 18' Clear Height
- 600 AMPS Power *(Please Verify)*
- 8 Additional DH Positions May be Available
- Fire Sprinkler System
- Centrally Located Near the    and  Freeways

PROPERTY DESCRIPTION

Address:	2640 E. 26th Street, Vernon, CA
Total Building Area:	Approximately ±40,105 SF
Total Lot Size:	Approximately 1.93 Acres
Office Area:	Approximately ±5,678 SF
Year Built:	1964/2015 Refurbished
Zoning:	I (General Industry) <i>Please verify with City of Vernon</i>
Overlay Zoning:	T (Truck and Freight Terminal Overlay Zone) <i>Please verify with City of Vernon</i>
Parking Ratio:	1.6:1,000 (64 parking spaces)
Parcel #:	6302-001-028

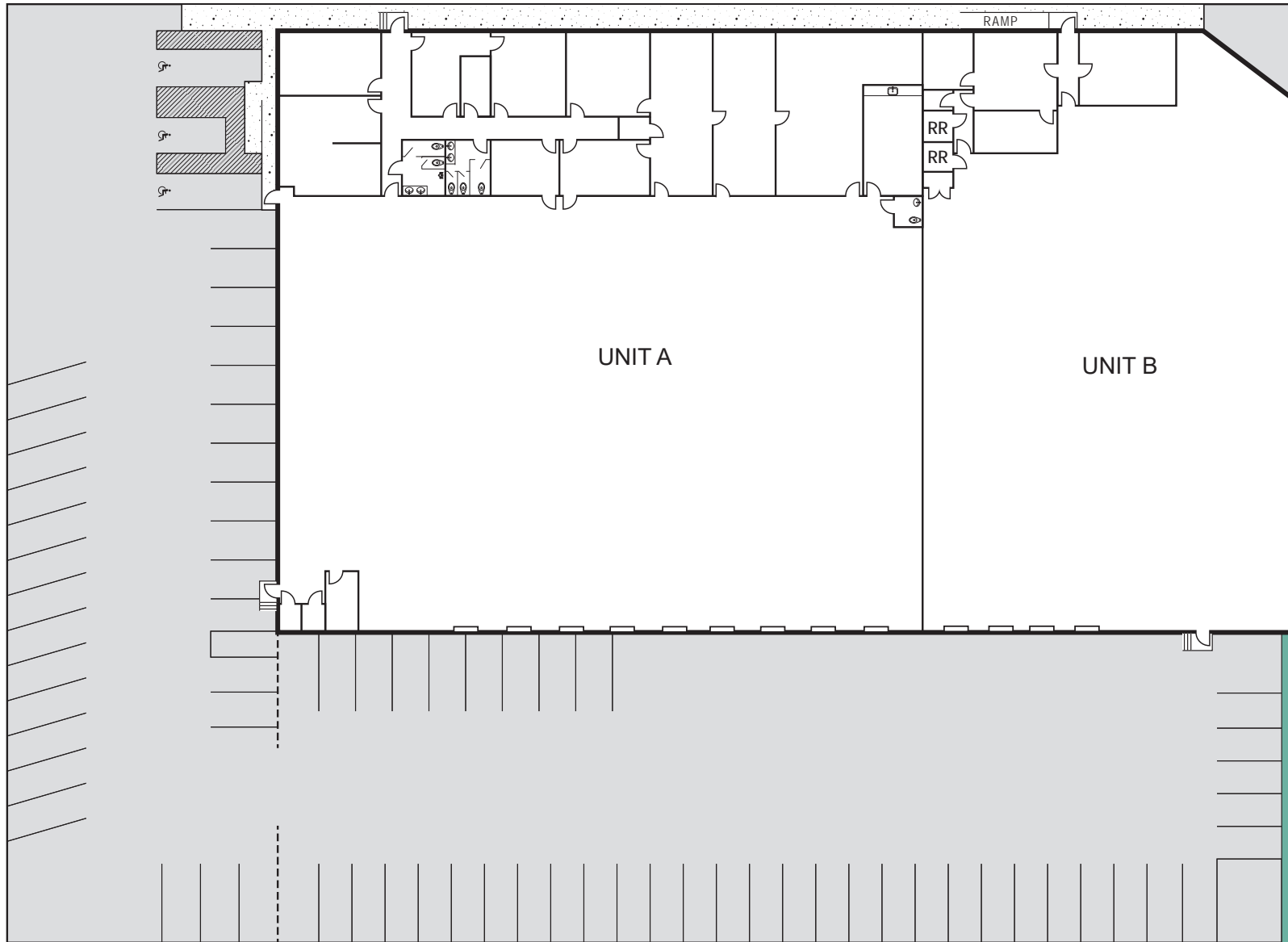




2640 E. 26TH STREET, VERNON

LOCATION MAP

26th STREET





26th St

2640 E. 26TH STREET, VERNON

AERIAL | 10



MARKET OVERVIEW



LOS ANGELES COUNTY MARKET OVERVIEW

With vacancies below 3%, Los Angeles remains the tightest major industrial market in the country. Net absorption has been soft in recent quarters, but that is largely a function of the low vacancy rate; there just isn't much vacant space left to be absorbed. Demand for industrial product in LA rarely wanes, thanks to the presence of both the nation's largest manufacturing sector and busiest ports of entry.

Rock-bottom vacancies drove explosive rent growth for much of this cycle. From 2014 to 2018, industrial rents in LA grew at an average of more than 8% annually, often outpacing gains in the National Industrial Index by 150 to 200 basis points. While the vacancy rate remains steady, growth decelerated sharply in recent quarters. Rents still grew by 4.5%

over the past year—a healthy rate by historical terms—but annual gains here now trail those of the National Index for the first time this cycle.

Investors, drawn by the extremely tight fundamentals, continue to accept low returns in exchange for stability and liquidity. Roughly \$5.4 billion in industrial sales were recorded here last year, an all-time high, and much of that momentum has carried over into 2019. While modern industrial assets are in high demand, one key motivating factor for investors is the potential for adaptive reuse. In some of LA's emerging job hubs, the potential for creative office conversion is adding value to older, less functional industrial product.

VERNON INDUSTRIAL SUBMARKET SNAPSHOT

Demand has historically been strong in Vernon due to its proximity to Downtown LA and the Alameda Corridor. Vacancies remained below 6% during the downturn and currently stand at 2.7%. However, about 200 basis points of that change stems from the conversion of the vacant Sears Towers distribution facility to a mixed-use complex with over 1,000 apartment units. Rent growth has been robust since 2014, but the aging inventory keeps average rents well below the metro average and rent gains have recently decelerated from about 9% in 2017 to 4.8% over the past four quarters. Land availability and traffic congestion limit construction, and few buildings have delivered this cycle. The largest industrial development in the pipeline is a two-building Prologis project with 346,000 SF of warehouse, that will replace a 1960s vintage 418,600 SF warehouse that was vacated near the end of 2018.

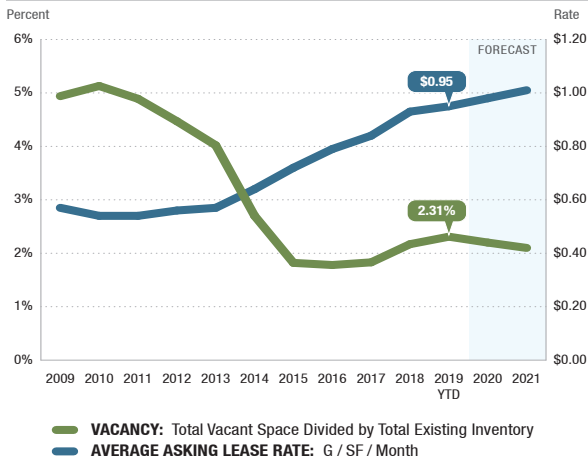
Investors remain interested in the submarket, and sales volume exceeded \$460 million in 2018. Vernon is exclusively industrial, as the city has been described since its foundation. The submarket also comprises densely populated Huntington Park, Maywood, and Southern portions of Boyle Heights, which can be disadvantageous for companies moving goods in and out of buildings. Almost one-tenth of the metro's industrial stock is in the submarket, which contains mostly older, 1 and 2 Star inventory related to manufacturing.



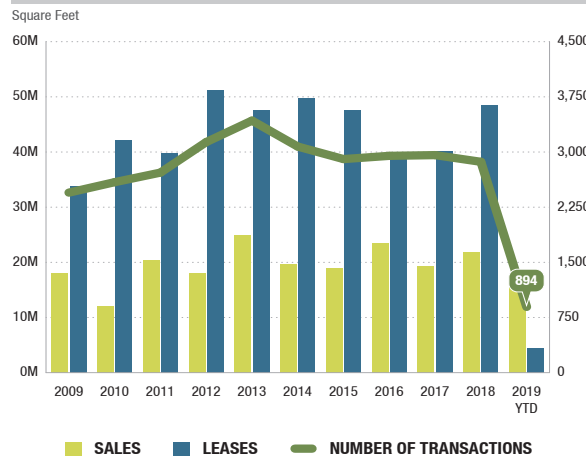
LA INDUSTRIAL MARKET STATISTICS

	Change Over Last Quarter	1Q 2019	4Q 2018	1Q 2018	% Change Over Last Year
Vacancy Rate	▲ UP	2.31%	2.17%	2.09%	10.53%
Availability Rate	▲ UP	4.10%	4.01%	4.25%	(3.53%)
Average Asking Lease Rate	▲ UP	\$0.95	\$0.93	\$0.89	6.74%
Sale & Lease Transactions	▼ DOWN	7,269,324	16,553,845	17,439,771	(58.32%)
Gross Absorption	▼ DOWN	7,563,399	9,686,895	9,950,117	(23.99%)
Net Absorption	▼ NEGATIVE	(1,249,242)	2,577,547	(123,289)	N/A

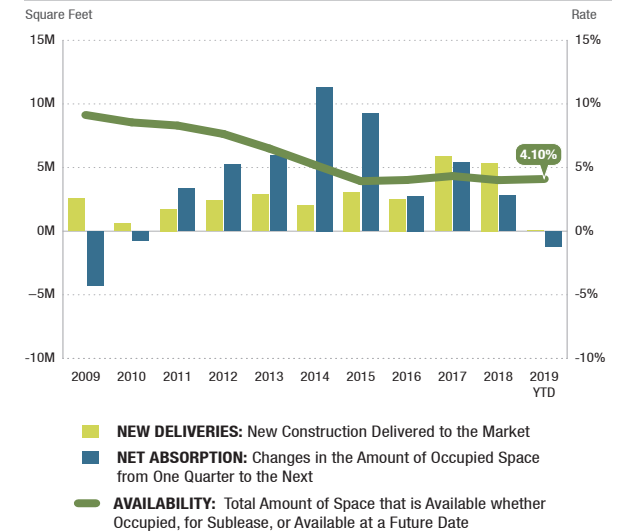
VACANCY vs. AVERAGE ASKING LEASE RATE



TRANSACTION VOLUME & NUMBER OF TRANSACTIONS



NEW DELIVERIES & NET ABSORPTION vs. AVAILABILITY RATE



AREA OVERVIEW





AREA OVERVIEW

LOS ANGELES

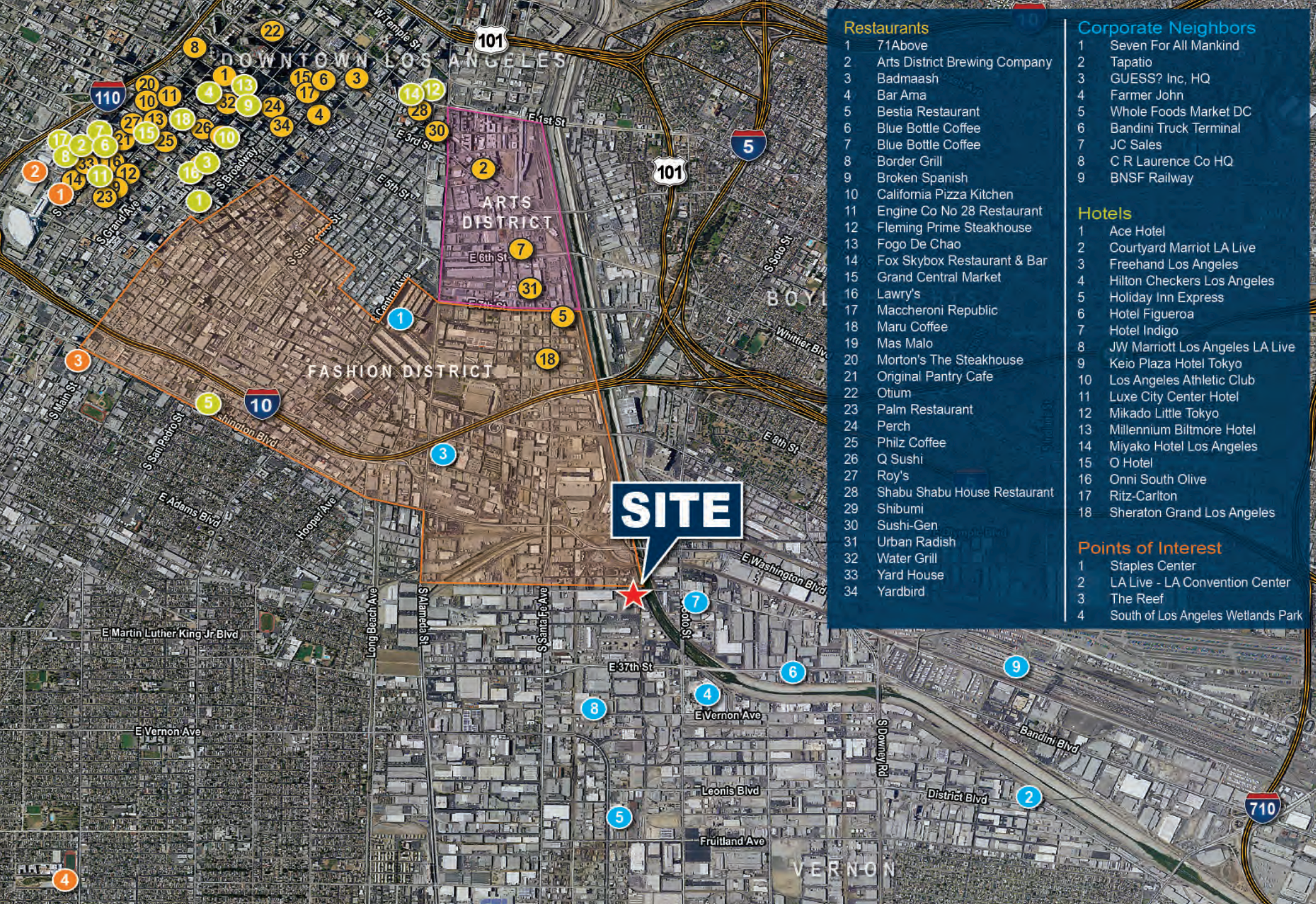
L.A. County and its 88 cities represent a dynamic, multicultural economy with a diverse workforce and top universities and colleges throughout. L.A. County is the entertainment, manufacturing, and international trade capital of the U.S. and has a fast growing high-tech and digital media industry cluster. With more than \$700 billion in annual output, Los Angeles County ranks among the world's largest economies. Its GDP is larger than Sweden, Norway, Poland or Belgium. The County's population of nearly 10.2 million would make it the 9th largest state in the U.S.

The seasonally adjusted unemployment rate in Los Angeles County remained unchanged over the month at 4.6 percent in April 2019, from a revised 4.6 percent in March 2019 and was below the rate of 4.7 percent one year ago. While unemployment figures near record lows, wage growth began to accelerate in 2018, with average four-quarter wage growing by 4.2% in 18Q3 year-over-year, compared to 3.6% in the nation.

VERNON

The City of Vernon is an industrial city of 5.2 square miles located several miles to the southeast of Downtown Los Angeles in Southern California. Vernon currently houses more than 1,800 businesses that employ approximately 55,000 people, serving as a vital economic engine in the region. Offering an environment uniquely friendly to business. Vernon is the home to industries including food and agriculture, apparel, steel, plastics, logistics and home furnishings.

Vernon has become a popular city for the apparel and cosmetics industrial in particular, due to the city's close proximity to downtown Los Angeles, the Arts District and the Fashion District. Additionally, Vernon's central location to most major freeways including the 5, 10, 110 and 710 freeways makes it a popular city amongst logistics groups, manufactures, trucking companies and food distributors.



- Restaurants**
- 1 71Above
 - 2 Arts District Brewing Company
 - 3 Badmaash
 - 4 Bar Ama
 - 5 Bestia Restaurant
 - 6 Blue Bottle Coffee
 - 7 Blue Bottle Coffee
 - 8 Border Grill
 - 9 Broken Spanish
 - 10 California Pizza Kitchen
 - 11 Engine Co No 28 Restaurant
 - 12 Fleming Prime Steakhouse
 - 13 Fogo De Chao
 - 14 Fox Skybox Restaurant & Bar
 - 15 Grand Central Market
 - 16 Lawry's
 - 17 Maccheroni Republic
 - 18 Maru Coffee
 - 19 Mas Malo
 - 20 Morton's The Steakhouse
 - 21 Original Pantry Cafe
 - 22 Otium
 - 23 Palm Restaurant
 - 24 Perch
 - 25 Philz Coffee
 - 26 Q Sushi
 - 27 Roy's
 - 28 Shabu Shabu House Restaurant
 - 29 Shibumi
 - 30 Sushi-Gen
 - 31 Urban Radish
 - 32 Water Grill
 - 33 Yard House
 - 34 Yardbird

- Corporate Neighbors**
- 1 Seven For All Mankind
 - 2 Tapatio
 - 3 GUESS? Inc, HQ
 - 4 Farmer John
 - 5 Whole Foods Market DC
 - 6 Bandini Truck Terminal
 - 7 JC Sales
 - 8 C R Laurence Co HQ
 - 9 BNSF Railway

- Hotels**
- 1 Ace Hotel
 - 2 Courtyard Marriot LA Live
 - 3 Freehand Los Angeles
 - 4 Hilton Checkers Los Angeles
 - 5 Holiday Inn Express
 - 6 Hotel Figueroa
 - 7 Hotel Indigo
 - 8 JW Marriott Los Angeles LA Live
 - 9 Keio Plaza Hotel Tokyo
 - 10 Los Angeles Athletic Club
 - 11 Luxe City Center Hotel
 - 12 Mikado Little Tokyo
 - 13 Millennium Biltmore Hotel
 - 14 Miyako Hotel Los Angeles
 - 15 O Hotel
 - 16 Onni South Olive
 - 17 Ritz-Carlton
 - 18 Sheraton Grand Los Angeles

- Points of Interest**
- 1 Staples Center
 - 2 LA Live - LA Convention Center
 - 3 The Reef
 - 4 South of Los Angeles Wetlands Park

2640 E. 26TH STREET, VERNON

NEARBY POINTS OF INTEREST | 17



DEMOGRAPHICS

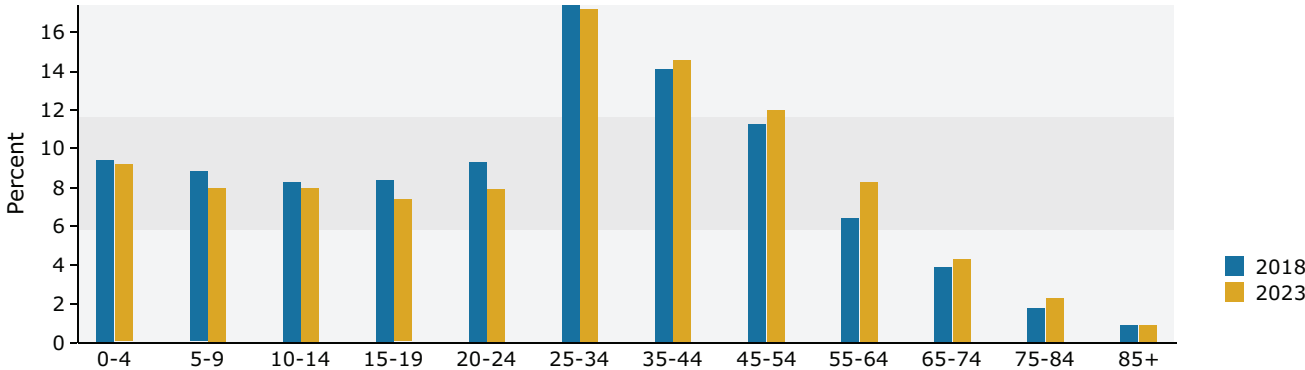
DEMOGRAPHICS

1 MILE RADIUS

Summary	Census 2010	2018	2023
Population	6,478	6,579	6,721
Households	1,493	1,499	1,546
Families	1,211	1,221	1,238
Average Household Size	4.31	4.36	4.32
Owner Occupied Housing Units	66	62	70
Renter Occupied Housing Units	1,427	1,437	1,476
Median Age	27.2	28.1	30.4

Population by Age	Census 2010		2018		2023	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	622	9.6%	618	9.4%	615	9.2%
5 - 9	574	8.9%	577	8.8%	537	8.0%
10 - 14	611	9.4%	549	8.3%	537	8.0%
15 - 19	624	9.6%	554	8.4%	495	7.4%
20 - 24	567	8.8%	609	9.3%	532	7.9%
25 - 34	1,107	17.1%	1,147	17.4%	1,155	17.2%
35 - 44	1,004	15.5%	925	14.1%	981	14.6%
45 - 54	616	9.5%	743	11.3%	805	12.0%
55 - 64	369	5.7%	422	6.4%	555	8.3%

Population by Age



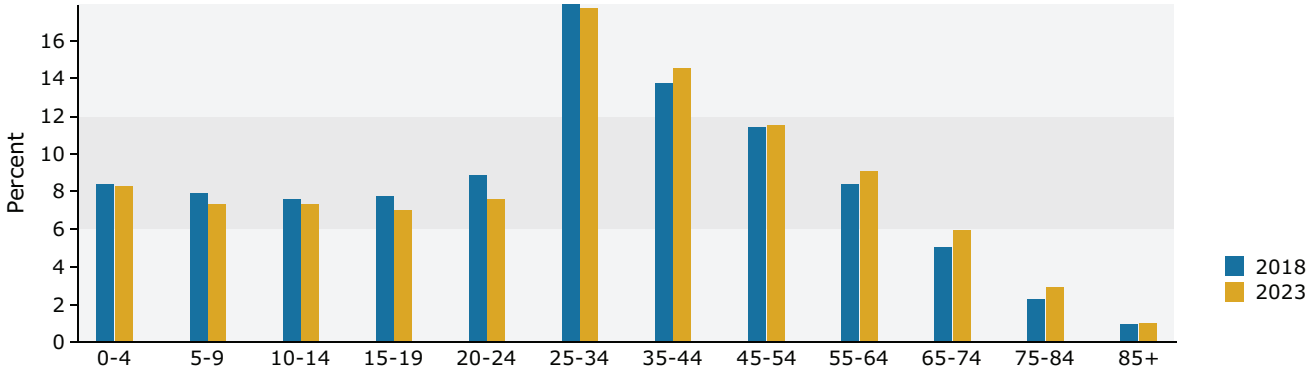
DEMOGRAPHICS

3 MILE RADIUS

Summary	Census 2010	2018	2023
Population	353,252	377,744	394,602
Households	92,089	101,067	107,818
Families	66,399	70,130	72,808
Average Household Size	3.72	3.63	3.56
Owner Occupied Housing Units	21,980	22,354	25,606
Renter Occupied Housing Units	70,109	78,713	82,212
Median Age	29.3	30.1	32.0

Race and Ethnicity	Census 2010		2018		2023	
	Number	Percent	Number	Percent	Number	Percent
White Alone	153,382	43.4%	162,591	43.0%	171,364	43.4%
Black Alone	20,987	5.9%	21,748	5.8%	22,099	5.6%
American Indian Alone	4,124	1.2%	4,133	1.1%	4,131	1.0%
Asian Alone	9,077	2.6%	12,722	3.4%	15,941	4.0%
Pacific Islander Alone	209	0.1%	228	0.1%	249	0.1%
Some Other Race Alone	151,614	42.9%	161,213	42.7%	165,003	41.8%
Two or More Races	13,859	3.9%	15,109	4.0%	15,814	4.0%
Hispanic Origin (Any Race)	310,176	87.8%	328,198	86.9%	340,086	86.2%

Population by Age



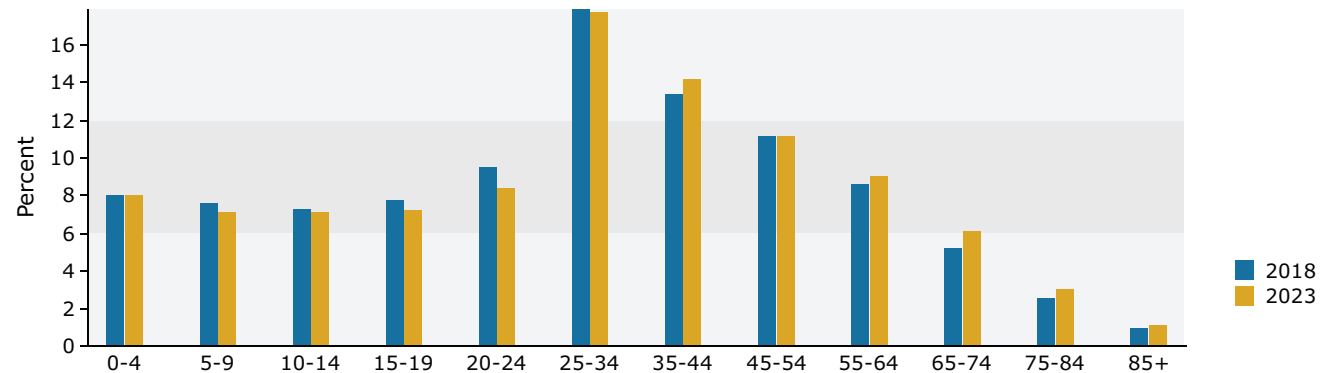
DEMOGRAPHICS

5 MILE RADIUS

Summary	Census 2010	2018	2023
Population	1,155,550	1,221,135	1,263,133
Households	310,447	330,585	344,842
Families	225,925	236,560	243,735
Average Household Size	3.61	3.59	3.56
Owner Occupied Housing Units	76,404	75,379	85,332
Renter Occupied Housing Units	234,043	255,205	259,510
Median Age	29.2	30.1	31.8

Population by Age	Census 2010		2018		2023	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	96,361	8.3%	98,291	8.0%	100,955	8.0%
5 - 9	89,458	7.7%	92,311	7.6%	89,280	7.1%
10 - 14	92,054	8.0%	88,788	7.3%	89,210	7.1%
15 - 19	105,445	9.1%	95,780	7.8%	91,348	7.2%
20 - 24	109,304	9.5%	116,376	9.5%	106,290	8.4%
25 - 34	192,342	16.6%	218,587	17.9%	223,232	17.7%
35 - 44	164,644	14.2%	163,954	13.4%	179,823	14.2%
45 - 54	131,959	11.4%	136,458	11.2%	141,124	11.2%
55 - 64	87,417	7.6%	104,490	8.6%	113,568	9.0%

Population by Age





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VERNON, CA 90058

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