



Rexford Industrial

Rexford Industrial Announces Completion Of 317,000 SF Of Value-Add Repositioning And Lease-Up Plus 40,473 SF Of Acquisitions

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LOS ANGELES, Oct. 12, 2017 /PRNewswire/ -- Rexford Industrial Realty, Inc. (the "Company" or "Rexford Industrial") (NYSE: REXR), a real estate investment trust focused on owning and operating industrial properties located in Southern California infill markets, today announced the completion of value-add repositioning and lease-up at two properties, 3880 W. Valley Boulevard and 12131 Western Avenue. Additionally, the Company acquired two industrial properties for \$7.4 million. The acquisitions were funded using cash on hand.

"We are pleased to announce the lease-up and completion of value add repositioning of approximately 317,000 square feet, as we continue to leverage Rexford's ability to create value through repositioning as we capitalize on the unique supply-demand dynamics of the infill Southern California industrial market," stated Howard Schwimmer and Michael Frankel, Co-Chief Executive Officers of the Company. "These two projects achieved attractive, above-market stabilized yields and are a testament to the quality and hard work of the Rexford team. In addition, Rexford recently closed \$7.4 million of incremental acquisition activity, which brought our year-to-date total investments to over \$534 million. We continue to see favorable opportunities to execute our internal and external growth strategies to drive cash flow and shareholder value."

The Company recently completed repositioning and lease-up of 3880 W. Valley Boulevard, located in Pomona in the San Gabriel Valley submarket, a single-tenant 108,500 square foot free-standing building with excess land for container storage. After the previous tenant vacated, Rexford completed extensive renovations including a new building façade, renovation of office areas, 19 new dock-high loading positions and ESFR fire sprinklers. In August 2017, the Company signed a five-year triple net lease to a luxury high-end car company which commenced in September 2017. Rexford achieved a 6.9% unlevered cash yield on total investment based upon the income from the initial year of the lease, which also comprises annual rental rate increases throughout the term of the lease. The tenant was represented by Douglas Sharpe with NAI Capital, and Rexford was represented by Robin Dodson, Erik Larson, and Christopher Tolles with Cushman & Wakefield.

Additionally, Rexford completed repositioning and lease-up of 12131 Western Avenue in Garden Grove in the Orange County submarket, a single-tenant free standing cross-dock building containing 207,953 square feet. After the previous tenant vacated, Rexford completed a full building renovation including a new two-story lobby, modernization of office areas and new ESFR fire sprinklers. In October, the Company signed a 10-year triple net lease with Southland Industries, a national engineering firm, which is expected to commence at year end. Rexford achieved a 5.9% unlevered cash yield on total investment based upon the income from the initial year of the lease, which comprises 3% annual rental rate increases through the term of the lease. The tenant was represented by Matt Wiley of Savills Studley, and Rexford was represented by Clyde Stauff and Michael Hartel with Colliers and Mike Bouma with Voit Real Estate Services.

In September, in an off-market transaction, the Company acquired 1825 S. Soto Street, located in the Los Angeles - Central submarket for \$3.5 million, or approximately \$139 per square foot. The property consists of 25,040 square feet on 1.03 acres and is fully leased at substantially below market rates to a publicly traded company. The building has 26' clear heights and a secured yard. According to CBRE, the vacancy rate in the 286 million square foot Central Los Angeles submarket was 1.6% at the end of the third quarter 2017.

In September, Rexford also acquired 19402 S. Susana Road in Rancho Dominguez, located in the Los Angeles - South Bay submarket for \$3.9 million, or approximately \$255 per square foot. The 15,433 square foot industrial building is situated with excess paved land on 1.69 acres and is fully leased to one tenant. According to CBRE, the vacancy rate in the 221 million square foot South Bay submarket was 0.8% at the end of the third quarter 2017.

About Rexford Industrial

Rexford Industrial is a real estate investment trust focused on owning and operating industrial properties in Southern California infill markets. The Company owns 146 properties with approximately 18.0 million rentable square feet and manages an additional 19 properties with approximately 1.2 million rentable square feet.

For additional information, visit www.rexfordindustrial.com.

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