



Rexford Industrial

Rexford Industrial Acquires Eight Properties for \$270 Million - Full Year 2021 Acquisitions Total \$1.9 Billion

January 3, 2022

**-- Acquires Eight Industrial Properties within Prime Infill Southern California Submarkets --
-- Industrial Portfolio Has Grown 18% Over Prior Year, Now Comprises 37.1 Million Square Feet --**

LOS ANGELES, Jan. 3, 2022 /PRNewswire/ -- Rexford Industrial Realty, Inc. (the "Company" or "Rexford Industrial") (NYSE: REXR), a real estate investment trust focused on creating value by investing in and operating industrial properties located in Southern California infill markets, today announced the acquisition of eight industrial properties for an aggregate purchase price of \$270 million. The acquisitions were funded using cash on hand and proceeds from forward equity settlements. For the full year 2021, the Company acquired \$1.9 billion of industrial properties, bringing the Company's total portfolio to 296 properties comprising approximately 37.1 million square feet within prime infill Southern California "last-mile" submarkets.



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"These eight investments, acquired through off-market and lightly marketed transactions, deliver substantial value creation and result from Rexford's deep, local sharp-shooter market knowledge and relationships, our value-add expertise and proprietary access to the infill Southern California market,

the nation's strongest, highest demand and highest-barrier industrial property market," stated Howard Schwimmer and Michael Frankel, Co-Chief Executive Officers of the Company. "Our \$1.9 billion of investments completed in 2021 are indicative of Rexford's substantial go-forward growth opportunity, given the unique position we hold in the world's fourth largest industrial market, which surpasses in size all global markets except the entire national markets of the United States, China and Germany. With over \$400 million of additional investments under contract or accepted offer, plus a broad range of internal growth initiatives under-way, our low-leverage, fortress-like balance sheet supports the expansion of our best-in-class portfolio and our ability to generate above-market cash flow growth and long-term value creation for our stakeholders."

In December, through off-market and lightly marketed transactions, the Company acquired:

- A property located in the western portion of the City of Industry, CA, within the LA – San Gabriel Valley submarket for \$28.6 million, or \$86 per land square foot. The 7.6-acre site contains a single tenant 111,927 square foot building acquired through a multi-year sale-leaseback. Upon lease expiration, the Company intends to execute a redevelopment of the site. The initial 3.5% unlevered cash yield is projected to grow to a stabilized unlevered cash yield on total investment of approximately 5.0%. According to CBRE, the vacancy rate in the 159 million square-foot San Gabriel Valley submarket was 0.2% at the end of the third quarter 2021.
- 2391-2393 Bateman Avenue, located in Irwindale, within the LA – San Gabriel Valley submarket for \$23.1 million, or \$352 per square foot. The 65,605 square foot, single tenant Class-A industrial facility is situated on 3.4 acres of land. The property is subject to a long-term sale leaseback with an initial unlevered cash yield on total investment of 4.0%, with contractual 3.0% annual rent increases through the lease term.
- 1020 Bixby Drive, located in the City of Industry, within the LA – San Gabriel Valley submarket for \$16.4 million, or \$287 per square foot. The 56,915 square foot warehouse building is fully leased at a rental rate estimated to be approximately 30% below market rates. Upon lease expiration, the Company intends to drive cash flow growth through either value-add repositioning and re-tenanting or through lease renewal at market rent. The initial 3.6% unlevered cash yield is projected to grow to a stabilized unlevered cash yield on total investment of 4.5%.
- 2800 Casitas Avenue, located in Los Angeles, within the LA – Greater San Fernando Valley submarket for \$43.0 million, or \$368 per square foot. The 5.7-acre site contains a 117,000 square foot, two-tenant industrial building leased at rental rates estimated to be approximately 60% below market rates. Upon near-term lease expiration, the Company intends to perform value-add repositioning, upgrading the building to a state-of-the-art last-mile warehouse/distribution facility. The investment is projected to generate a 4.5% stabilized unlevered cash yield on total investment. According to CBRE, the vacancy rate in the 180 million square-foot Greater San Fernando Valley submarket was 1.1% at the end of the third quarter 2021.
- 4240 W. 190th Street, located in Torrance, within the LA – South Bay submarket for \$75.3 million, or \$149 per land square foot. The fully leased, 307,000 square foot, two-tenant industrial building is currently leased at rental rates estimated to be 40% below market rates. Upon lease expiration, the Company plans to redevelop the 11.6-acre site into a best-in-class, single-tenant logistics facility. The initial 3.0% unlevered cash yield is projected to grow to a stabilized unlevered cash yield on total investment of 5.1%. According to CBRE, the vacancy rate in the 218 million square-foot LA - South Bay submarket was 0.6% at the end of the third quarter 2021.
- 8911 Aviation Boulevard, located in Inglewood, within the LA – South Bay submarket for \$32.0 million, or \$183 per land square foot. The 4.0-acre covered land site contains 100,000 square feet of buildings, leased to a single tenant located immediately adjacent to the Los Angeles International Airport. Following the expiration of the current long-term lease, the Company intends to redevelop the site by constructing two new, best-in-class logistics buildings. The initial unlevered cash yield is 4.7%.
- 3071 E. Coronado Street, located in Anaheim, within the Orange County – North submarket for \$28.0 million, or \$131 per land square foot. The 4.9-acre land site will be immediately redeveloped by constructing a new 106,925 square foot building featuring 36' clear height. Upon lease-up, the investment is projected to generate a 4.7% stabilized unlevered cash yield on total investment. According to CBRE, the vacancy rate in the 115 million square-foot Orange County – North submarket was 0.9% at the end of the third quarter 2021.
- 1168 Sherborn Boulevard, located in Corona, within the Inland Empire – West submarket for \$23.4 million, or approximately \$295 per square foot. The 79,515 square foot building was acquired in a long-term sale-leaseback transaction with in-place rent estimated to be 25% below market rates. The initial 3.5% unlevered cash yield is projected to grow over time driven by contractual 3.75% annual rent escalations. According to CBRE, the vacancy rate in the 319 million square-foot Inland Empire – West submarket was 0.8% at the end of the third quarter 2021.

About Rexford Industrial

Rexford Industrial, a real estate investment trust focused on creating value by investing in and operating industrial properties throughout Southern California infill markets, owns 296 properties with approximately 37.1 million rentable square feet and manages an additional 20 properties with approximately 1.0 million rentable square feet. For additional information, visit www.rexfordindustrial.com.

Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws, which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning

matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. While forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, they are not guarantees of future performance. For a further discussion of these and other factors that could cause the Company's future results to differ materially from any forward-looking statements, see the reports and other filings by the Company with the U.S. Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2020, and the Company's most recent Form 10-Q. The Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes.

Contact:

Investor Relations:

Stephen Swett

424 256 2153 ext. 401

investorrelations@refordindustrial.com

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