



# Rexford Industrial

## Rexford Industrial Announces \$186.5 Million of Transaction Activity

February 8, 2022

### **- Acquires Five Properties for \$170 million within Prime Infill Southern California Submarkets - - Industrial Portfolio Has Grown to 37.2 Million Square Feet -**

LOS ANGELES, Feb. 8, 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 five industrial properties for an aggregate purchase price of \$170.0 million. The Company also announced the disposition of one property for \$16.5 million. The acquisitions were funded using a combination of cash on hand and 1031 disposition proceeds.

"We are pleased to maintain our strong momentum into 2022 as our transaction activity continues to demonstrate Rexford Industrial's ability to capitalize upon our extensive research- and relationship-driven investment pipeline to acquire high-quality, irreplaceable industrial property with significant embedded value-creation potential within supply-constrained infill Southern California," stated Howard Schwimmer and Michael Frankel, Co-Chief Executive Officers of the Company. "These investments are indicative of Rexford Industrial's substantial go-forward growth opportunity driven by our proprietary access to 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 \$450 million of additional investments under contract or accepted offer, plus a broad range of accretive 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 value-creation for our stakeholders."

In January and February, the Company acquired:

- 444 Quay Avenue, located in Los Angeles, within the LA – South Bay submarket for \$10.8 million, or \$158 per land square foot. The 29,760 square foot port-adjacent building is situated on 1.6 acres of land adjoining an existing Rexford Industrial site. The current leases are estimated to be approximately 65% below market and, upon near-term expirations, the Company intends to redevelop the site, combined with the adjacent owned Rexford Industrial site, into a modern single-tenant low coverage logistics facility. The investment is projected to generate a 6.2% unlevered stabilized yield on total cost. According to CBRE, the vacancy rate in the 219 million square LA – South Bay submarket was 0.6% at the end of the fourth quarter 2021.
- 19475 Gramercy Place, located in Torrance, within the LA – South Bay submarket for \$11.3 million, or \$237 per square foot. The Company intends to reposition the existing vacant 47,712 square foot building on 1.9 acres of land and re-lease the site at market rent. The stabilized unlevered cash yield is projected to be 5.2% upon lease-up.
- 18455 South Figueroa Street & 501 West 190th Street, located in Los Angeles, within the LA – South Bay submarket, through an off-market transaction for \$64.3 million, or \$165 per land square foot. The fully leased covered land site contains a 146,765 square foot single-tenant flex project. Upon lease expiration in the near- to medium-term, the Company plans to redevelop the 9.0-acre site into a best-in-class, single-tenant industrial building featuring 36' clear heights, ESFR sprinklers and 185-foot truck court. The initial, in-place 3.6% unlevered cash yield is projected to grow to a 5.8% stabilized yield on total investment following redevelopment.
- 24903 Avenue Kearny, located in Santa Clarita, within the Greater San Fernando Valley submarket for \$58.5 million, or \$273 per square foot. The 214,436 square foot, fully leased building is situated on 10.1 acres of land and is subject to a long-term lease with in-place rent estimated to be approximately 10% below market rates. The initial 3.5% unlevered cash yield on total investment is projected to grow over time driven by contractual 3.0% annual rent increases. According to CBRE, the vacancy rate in the 180 million square-foot Greater San Fernando Valley submarket was 0.6% at the end of the fourth quarter 2021.
- 14005 Live Oak Avenue, located in Irwindale, within the LA – San Gabriel Valley submarket, through an off-market transaction for \$25.0 million, or \$112 per land square foot. The 5.1 acre covered land site contains a single-tenant 56,510 square foot office building subject to a short-term lease. Following lease expiration, the Company intends to redevelop the site by constructing a new 100,000 square foot state-of-the-art logistics facility with excess land for trailer storage. The initial 3.8% unlevered cash yield is expected to grow to a 5.0% stabilized unlevered cash yield on total investment following re-development. According to CBRE, the vacancy rate in the 160 million square-foot San Gabriel Valley submarket was 0.3% at the end of the fourth quarter 2021.

In January, the Company disposed of the following property:

- 28159 Avenue Stanford, located in Santa Clarita, within the LA – Greater San Fernando Valley submarket for \$16.5 million, or \$208 per square foot. The 79,247 square foot multi-tenant office/industrial building had 96% occupancy at the time of sale. The unlevered IRR on this transaction to the Company is 9.1%. Proceeds from the sale were reinvested into the acquisition of Avenue Kearny.

#### **About Rexford Industrial**

Rexford Industrial creates value by investing in, operating and redeveloping industrial properties throughout infill Southern California, the world's fourth largest industrial market and consistently the highest-demand, lowest supply market in the nation. The Company's highly differentiated strategy enables internal and external growth opportunities through its proprietary value creation and asset management capabilities. Rexford Industrial's high-quality, irreplaceable portfolio comprises 300 properties with approximately 37.2 million rentable square feet occupied by a stable and diverse tenant base. Structured as a real estate investment trust (REIT) listed on the New York Stock Exchange under the ticker "REXR," Rexford Industrial is an S&P MidCap 400 Index member. For more information, please visit [www.rexfordindustrial.com](http://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.

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