



Rexford Industrial

Rexford Industrial Acquires Two Southern California Industrial Properties For \$339.2 million

November 18, 2020

- Adds Over 1.1 Million Square Feet of Prime Infill Southern California Locations -
- 2020 Acquisitions Total \$729.3 Million -

LOS ANGELES, Nov. 18, 2020 /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 a four-building industrial complex and a three-tenant industrial property for \$339.2 million. The acquisitions were funded using a combination of cash on hand, 1031 exchange proceeds from prior dispositions, assumption of existing debt and operating partnership units.

"These investments contribute towards the accretive growth of our portfolio within the highly sought-after Southern California industrial market," stated Howard Schwimmer and Michael Frankel, Co-Chief Executive Officers of the Company. "Gateway Pointe Industrial Campus provides nearly one million square feet of institutional quality, Class A industrial space ideally positioned to serve last-mile, ecommerce-oriented tenant demand. The Balboa Boulevard acquisition leverages our ability to offer Operating Partnership Units in exchange for a Class A industrial property through a tax-efficient UPREIT structure in an off-market transaction. Year to date we have closed nearly \$730 million of acquisitions, the majority of which have been off market or lightly marketed transactions, leveraging our differentiated, research driven platform and market expertise. As we look ahead, our acquisition pipeline remains strong with approximately \$600 million of new investments under LOI or contract and expected to close in the coming months. Rexford is exceptionally well positioned to capitalize on the demand for industrial space within infill Southern California as we execute our internal and external growth strategies to create shareholder value."

The Company acquired Gateway Pointe Industrial Campus located at 3963, 3931, 3735, and 3629 Workman Mill Road in Whittier, within the LA – Mid-Counties submarket, for \$296.6 million, or \$300 per square foot. The 45.12 acre project comprises four Class A industrial buildings containing 989,195 square feet, leased at rents estimated to be approximately 21% below current market rates. The 100% occupied property features 32' clear heights at first bay, extensive dock-high loading, excess container parking and favorable access to major transportation corridors. The Company intends to drive cash flow growth by capitalizing upon below-market in-place rents to renew in-place tenants or re-tenant at higher market rates. The Company funded the acquisition with a combination of cash on hand and 1031 proceeds from prior dispositions. The unlevered cash yield on total investment grows from 3.6% at initial stabilization to over 4% through steady cash flow growth from contractual annual rent escalators as well as with mark-to-market upside as leases roll over the next several years. According to CBRE, the vacancy rate in the 112 million square foot LA – Mid-Counties submarket was 2.2% at the end of the third quarter 2020.

In addition, the Company acquired through an off-market transaction 13943-13955 Balboa Boulevard, located in Sylmar within the LA – San Fernando Valley submarket, for \$42.6 million, or \$212 per square foot. The 100% occupied, three-tenant Class A industrial building contains 200,632 square feet on 10.5 acres of land. In-place rents are estimated to be approximately 19% below market with near-term expirations. The company expects to drive cash flow growth by completing moderate capital improvements and renewing or releasing at higher market rental rates. The initial yield is 4.4% and the stabilized yield on total cost for the investment is projected to be 4.9%, with continued cash flow growth projected into future periods. According to CBRE, the vacancy rate in the 175 million square foot LA – San Fernando Valley submarket was 2.7% at the end of the third quarter 2020.

The OP Units, newly issued from the Company's operating partnership, Rexford Industrial Realty, L.P., used to fund the Balboa acquisition are redeemable by the seller on a one-to-one basis for shares of the Company's publicly traded common stock.

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 235 properties with approximately 29.2 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, 2019 and the Current Report on Form 8-K filed with the SEC on or about the date of this press release. 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@rexfordindustrial.com

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