

# PETROLIA AVE

LOS ANGELES, CA

INVESTMENT OFFERING MEMORANDUM



1008-1022 S PETROLIA AVE

ALAMEDA CORRIDOR  
**S Alameda St**



**S Petrolia Ave**

**S Santa Fe Ave**

±1.72 ACRES OF INFILL INDUSTRIAL PRODUCT IN THE SOUTH BAY



# **PETROLIA AVE**

±1.72 Acres of Infill Industrial Product in the South Bay

INVESTMENT OFFERING MEMORANDUM

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# PETROLIA AVE

LOS ANGELES, CA

1008-1022 S PETROLIA AVE

S Santa Fe Ave

S Petrolia Ave

S Alameda St







# **EXECUTIVE SUMMARY**





## THE OFFERING

The opportunity to acquire the 100% fee-simple interest in 1008-1022 S Petrolia Ave (the "Property") consisting of nearly 1.72 acres of land in one of the most desirable submarkets (Compton) for industrial property. The Property presents a strategic infill industrial opportunity in the land-constrained Los Angeles market. The Property is less than two miles from the CA-91 and the I-710 freeways, less than three miles from the I-105 freeway, less than five miles from the I-405 freeway, and less than 14 miles from Los Angeles International Airport and the twin ports of Los Angeles and Long Beach, the two busiest US container ports, providing seamless access to major logistics and transportation networks in Southern California.

**1008 - 1022 S Petrolia Ave is an excellent opportunity for investors to acquire an infill industrial site in a core location proximate to major nearby seaports with immediate freeway access in a market with extreme scarcity of available parcels of land.**

\*The prior buildings (~39,000 SF of buildings) on the ~75,000 SF lot sustained fire damage in July of 2023 and the site is now cleared and mostly flat land. The property was most recently leased as land for trucking and logistics and due to a slowdown in their business the tenant vacated and ownership desires to sell the property.

**Environmental:** The property has a cap requirement from the Department of Toxic Substances Control which must be maintained by any future buyer and the cost of this is roughly \$10,000-\$15,000 per year. The site also has a land use covenant restricting any residential, hospital, school, etc. uses so only heavy manufacturing, office, and other industrial uses are allowed. The site has a Phase I report from Partner Engineering and Science, Inc. from 2023 which does not suggest the need for a Phase II report.



## PHOTOS OF CURRENT SITE





## PHOTOS OF CURRENT SITE





## OFFERING SUMMARY



### ADDRESS

1008-1022 S PETROLIA AVE  
LOS ANGELES, CA



### LSF

74,923



### LAND (ACRES)

±1.72



### ZONING

MH (HEAVY MANUFACTURING)

## PROPERTY HIGHLIGHTS



### ■ Ideal Nearby Port / Last Mile Infill Location –

The Property is located at 1008-1022 S Petrolia Ave, Compton, CA proximate to the CA-91, I-110, I-710, I-105, and the I-405 freeways, less than 14 miles from Los Angeles International Airport and the twin ports of Los Angeles and Long Beach, offering same day delivery connectivity to the greater Los Angeles metro and access to global shipping networks.



- **Unique Southern California Location** – The Property is a rare offering to acquire an infill industrial property in the land constrained Los Angeles market.



### ■ Infill South Bay Industrial Opportunity –

The Property is a rare offering to acquire an infill industrial facility located within the core of the South Bay submarket. Given the age of the existing buildings, parcel size, and superior infill location, the Property is uniquely positioned as a rare industrial service facility opportunity.



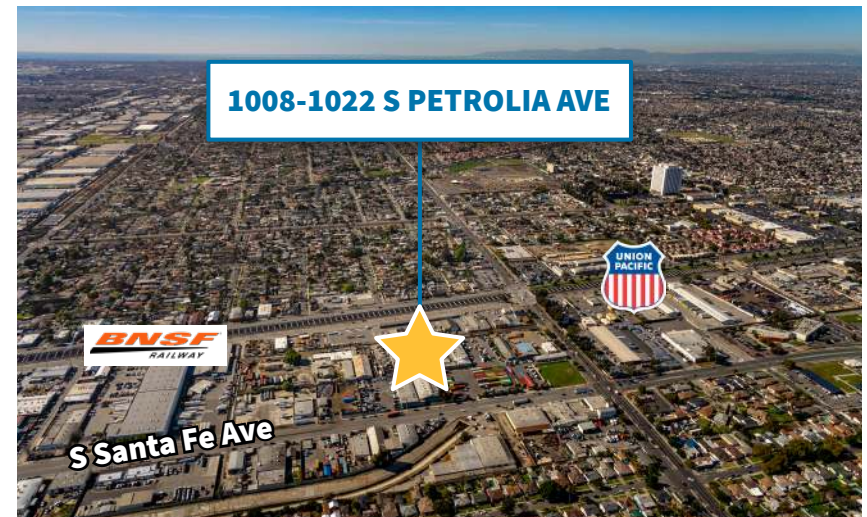
# INVESTMENT SUMMARY

## LOCATION HIGHLIGHTS

- **Population Center** – The Property is strategically located in Compton, CA proximate to major freeways providing seamless access to Southern California’s growing population of over 25 million people.
- **Abundant Workforce** – Los Angeles boasts an ample and well-educated workforce with over 4.3 million workers.
- **Excellent Location for Trucking** – Large cluster of intermodal facilities in the Los Angeles area enable trucking companies to provide quality services at competitive rate levels.
- **Strategic Access to Major Transportation Corridors and Critical Distribution and Logistics Hubs:**
  - **Surface** – The Property boasts exceptional access to all points throughout Los Angeles and the greater southwestern United States via the CA-91, I-110, I-710, I-105, and the I-405 freeways.
  - **Ports** – Within 14 miles from the Port of Los Angeles and Port of Long Beach, the nation’s largest and busiest container port complex where 40% of cargo from overseas enters the United States.
  - **Rail** – 8 Union Pacific and BNSF intermodal rail yards 35 miles or less from the Property.
  - **Airport** – Roughly 14 miles from Los Angeles International Airport, the primary cargo and passenger airport for Southern California.

## MARKET HIGHLIGHTS

- **Rents Near All-Time High** – Rents remained near an all-time high of \$1.74/SF/Mo. NNN as of Q4 2022, increasing 42% year-over-year.
- **Vacancy Remains Remarkably Low** – The vacancy rate in Los Angeles remains near historic lows of 1.4%.
- **Critical Major Consumer & Distribution Market** – Due to the market’s proximity to the Ports and the dense Los Angeles consumer base, most existing tenants need to remain in the Los Angeles market to continue operating effectively.







	15 miles	35 miles	55 miles
Population	5,439,796	12,244,980	15,631,637
Households	1,810,295	4,174,585	5,245,412
Average Household Size	2.95	2.87	2.92
Total Businesses	225,296	617,139	743,716
Total Employees	2,165,539	5,613,660	6,764,417
Median Age	35.1	36.6	36.3
Median Household Income	\$73,787	\$84,951	\$87,788



# PETROLIA AVE

LOS ANGELES, CA

S Santa Fe Ave

1008-1022 S PETROLIA AVE

S Petrolia Ave

S Alameda St



ALAMEDA CORRIDOR







# **PROPERTY OVERVIEW**



# PROPERTY OVERVIEW

## LOCATION

The Property, located at 1008-1022 S Petrolia Ave, consists of two adjacent parcels totaling ±1.72 acres in the land constrained Los Angeles market. The Property is strategically located in the South Bay submarket of Los Angeles, less than two miles from the I-710 and CA-91 freeways, less than five miles from the I-110, I-405, and I-105 freeways, and less than 14 miles from the Ports of Los Angeles and Long Beach. With Los Angeles International Airport 14 miles northwest and immediate access to the twin ports of Los Angeles and Long Beach, the nation’s busiest port complex, the Property is well positioned to serve the 9.9 million residents of greater Los Angeles, and states along the west coast and southwest US.

## PROPERTY SUMMARY:

LOCATION	Total
Address	1008-1022 S Petrolia Ave
City, State	Compton, CA
Industrial Market	Los Angeles
Submarket	South Bay
LAND SIZE	
Land Size (Acres)	±1.72
Land Size (SF)	±74,923
ZONING SPECIFICATIONS	
APNs	6164-002-023;-018
Zoning	MH (Heavy Manufacturing)







**E Alondra Blvd**

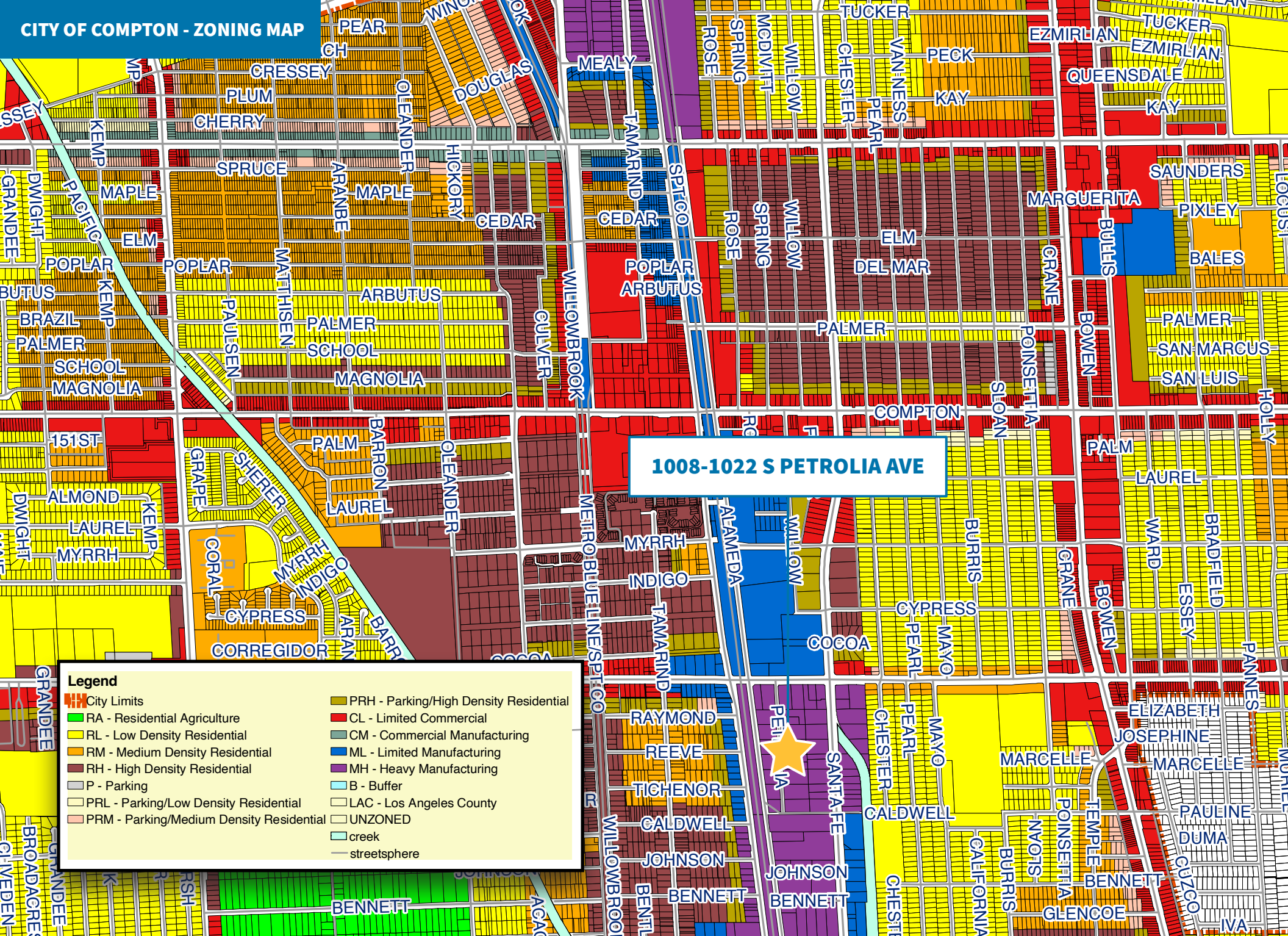
**1008-1022 S PETROLIA AVE**

**S Santa Fe Ave**

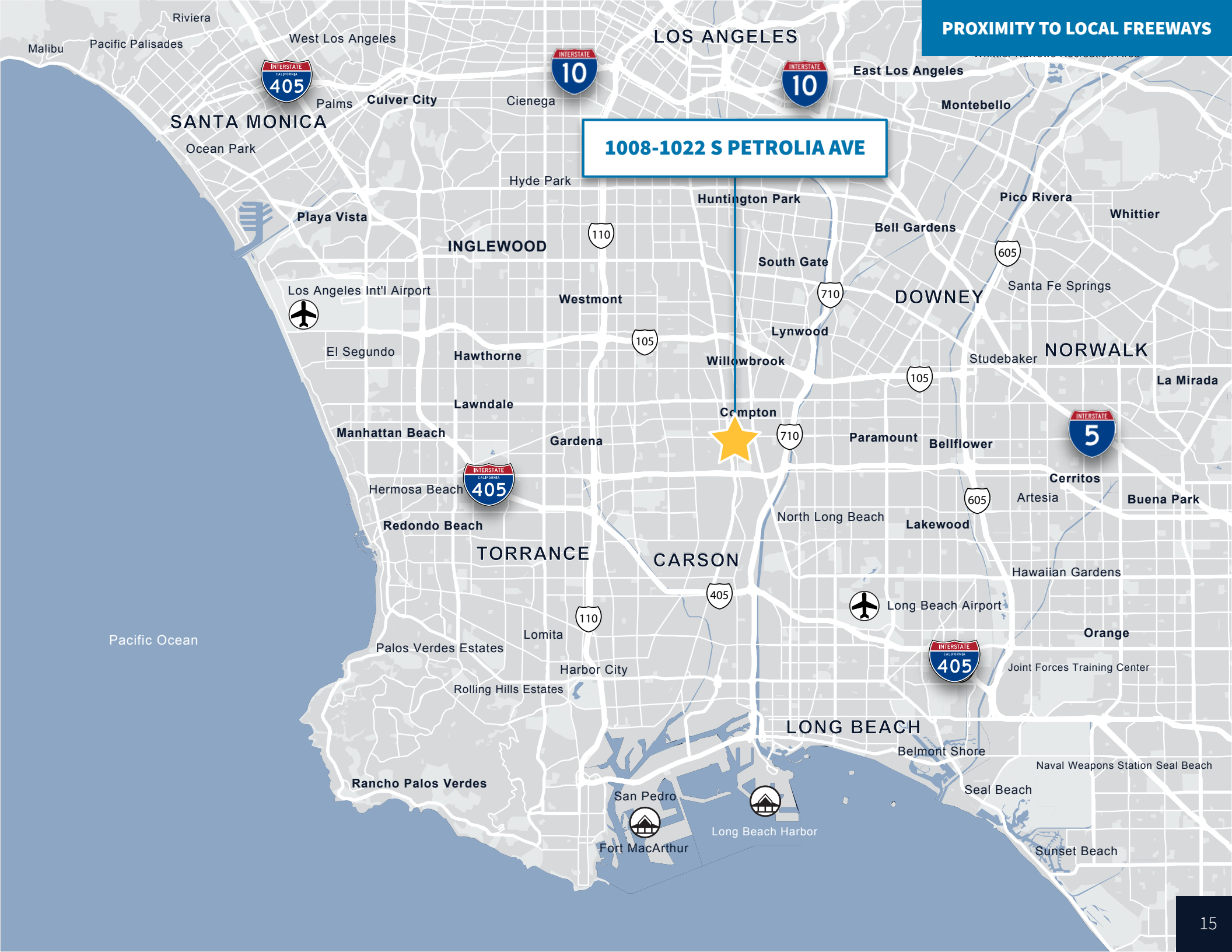
**S Petrolia Ave**



# CITY OF COMPTON - ZONING MAP







1008-1022 S PETROLIA AVE



# PETROLIA AVE

LOS ANGELES, CA

1008-1022 S PETROLIA AVE

ALAMEDA CORRIDOR

**BNSF**  
RAILWAY



S Santa Fe Ave

E Alondra Blvd





# **MARKET OVERVIEW**



# LOS ANGELES MARKET OVERVIEW

The Los Angeles market is comprised of Los Angeles and Ventura counties and represents one of the largest industrial markets in the nation. Los Angeles County is the single most populous county in the United States and is projected to grow by 2% over the next 5 years. With a Gross Metro Product (“GMP”) exceeding \$1 trillion the Los Angeles economy is one of the largest and most dynamic in the US. Los Angeles is home to the nation’s largest manufacturing base and international trade industry, which together represent roughly 20% of the local economy.



MOST POPULOUS METRO  
IN THE STATE



\$1T+ GROSS METRO  
PRODUCT



EXCELLENT CLIMATE



50+ MILLION ANNUAL  
TOURISTS



#2 BUSIEST US ORIGIN/  
DESTINATION AIRPORT IN  
2022

**4th**

MOST ACTIVE CARGO  
AIRPORT



121 HIGHER EDUCATION  
INSTITUTIONS



#1 LARGEST US  
MANUFACTURING BASE



#1 & #2 LARGEST SEA  
PORTS IN THE WESTERN  
HEMISPHERE



# DEMOGRAPHICS

## KEY FACTS

**9,992,643**

Population



**2.86**

Average  
Household Size

**36.4**

Median Age

**\$81,426**

Median Household  
Income

## BUSINESS



**478,426**

Total Businesses



**4,302,001**

Total Employees

## INCOME



**\$41,172**

Per Capita Income



**\$97,069**

Median Net Worth

## EDUCATION

**17%**

No High School  
Diploma



**21%**

High School  
Graduate



**25%**

Some College



**37%**

Bachelor's/Grad/  
Pr of Degree

## EMPLOYMENT



White Collar

**65%**



Blue Collar

**22%**



Services

**13%**

*This infographic contains data provided by Esri, Esri and Data Axle. The vintage of the data is 2022, 2027.*



# PORT OF LOS ANGELES & LONG BEACH

## PORT OF LOS ANGELES

The Port of Los Angeles, also known as America's Port®, is located 14 miles south of the Property and first opened in 1907. The port encompasses 7,500 acres of land and water along 43 miles of waterfront, and features both passenger and cargo terminals, including cruise, container, auto, breakbulk, dry and liquid bulk terminals, and warehouse facilities. The Los Angeles seaport is one of the world's busiest seaports and has been the #1 ranked container port in the United States since 2000. The Port of Los Angeles is a self-funding department of the City of Los Angeles whose jurisdiction includes San Pedro, Wilmington, and Terminal Island in the Harbor District, and is part of US Foreign Trade Zone #50.

## PORT OF LONG BEACH

The Port of Long Beach, located 14 miles southwest of the Property, first opened in 1911 and is the nation's second busiest container port. The Long Beach seaport encompasses 3,520 acres of land and 4,600 acres of water with 31 miles of waterfront, and handles over 9 million TEUs each year. The Port of Long Beach is comprised of break bulk, bulk, liquid bulk, and container terminals, is a self-funding department of the City of Long Beach and is part of US Foreign Trade Zone #50.



#1 Container Port  
in North America



16% of nation's  
containerized cargo  
handled (2022)



9.9 million TEUs  
moved (2022)



1.45 million jobs related to the  
Port of Los Angeles



1 in 17 jobs in Los Angeles,  
Orange, and San Bernardino  
County are tied to the Port



#2 Container Port  
in North America



9.1 million TEUs  
moved (2022)



15% of the nation's  
containerized cargo handled  
(2022)



1 in 20 jobs in Los Angeles,  
Orange, and San Bernardino  
County are tied to the port





Nation's largest container port complex, a West Coast rail hub with excellent access to the rest of the nation.



The Port's planned \$2.6 billion investment in capital improvements over the next 10 years will ensure its continued ability to provide superior cargo terminals, rail and warehouse infrastructure and attract top business tenants from around the world.



For these reasons, Los Angeles has become the number one freight destination in the country and a major distribution hub for the rest of the United States.



Trade growth correlates to the immense demand for warehousing space in the Southern California region.









# LOS ANGELES INTERNATIONAL AIRPORT

The Property is approximately 14 miles southeast of Los Angeles International Airport (LAX), the premier cargo and passenger airport in Southern California.



BUSIEST US ORIGIN &  
DESTINATION AIRPORT

4th

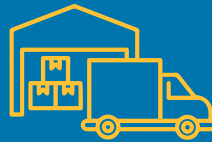
BUSIEST AIRPORT GLOBALLY



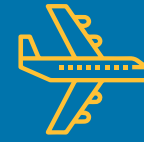
OVER 60 MILLION PASSENGERS  
(2022)



OVER 2.5 MILLION TONS  
OF FREIGHT AND MAIL  
PROCESSED (2022)



#4 US CARGO AIRPORT BY  
TONNAGE (2022)



#8 GLOBAL CARGO AIRPORT  
(2022)



70 AIR CARRIERS AND 23 CARGO-  
ONLY CARRIERS SERVICE THE  
AIRPORT



OVER 20 DEDICATED CARGO FACILITIES  
FEATURING OVER 2.1 MILLION SQUARE FEET  
OF DEVELOPED CARGO OPERATING SPACE  
USE BY AIR CARRIERS AND 3PL FIRMS

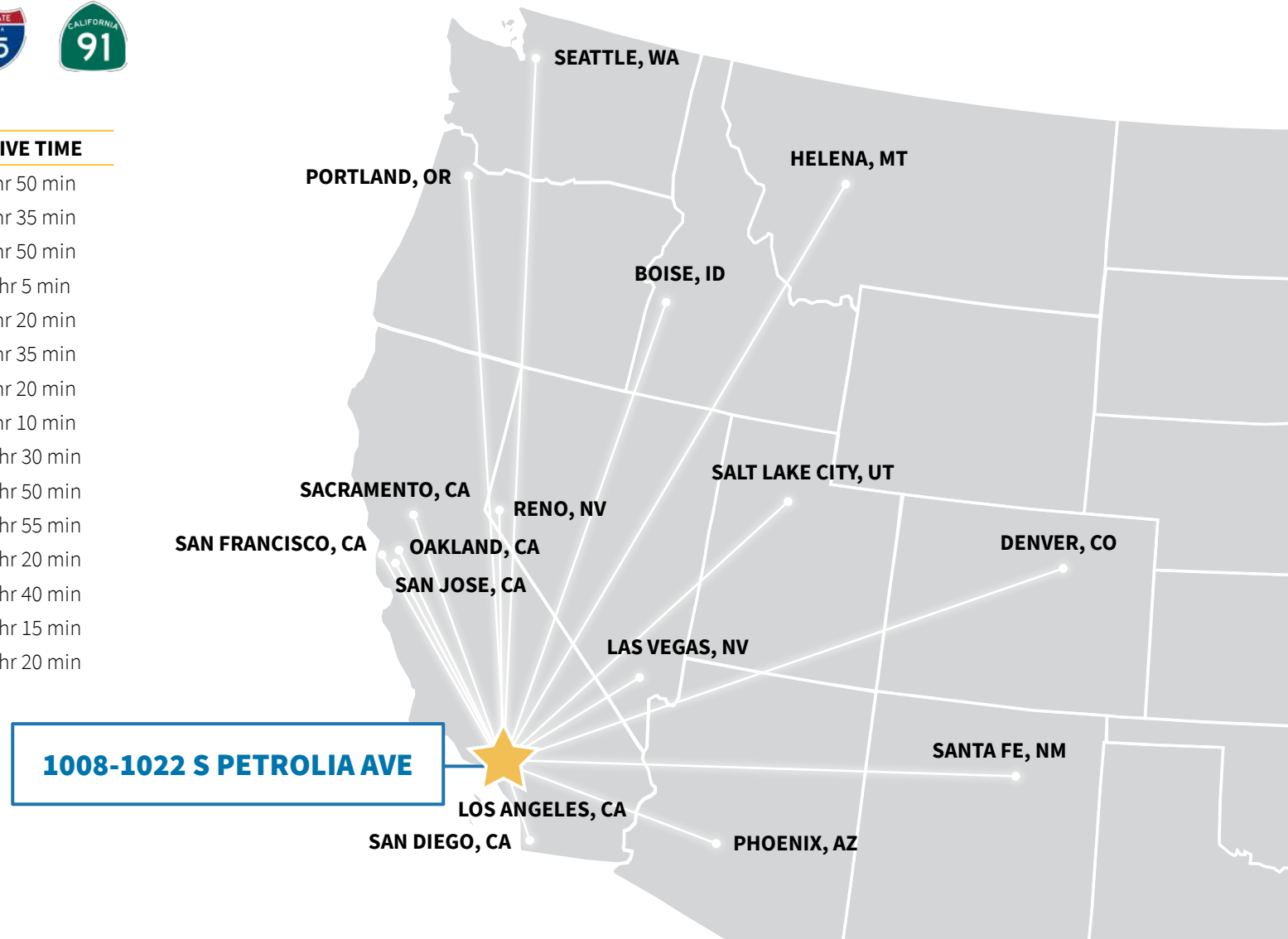


## FREEWAYS

The Property is strategically located in the South Bay submarket of Los Angeles, less than two miles from the I-710 and CA-91 freeways, less than five miles from the I-110, I-405, and I-105 freeways, and less than 14 miles from the Ports of Los Angeles and Long Beach. With Los Angeles International Airport 14 miles northwest and immediate access to the twin ports of Los Angeles and Long Beach, the nation's busiest port complex, the Property is well positioned to serve the 9.9 million residents of greater Los Angeles, and states along the west coast and southwest US.



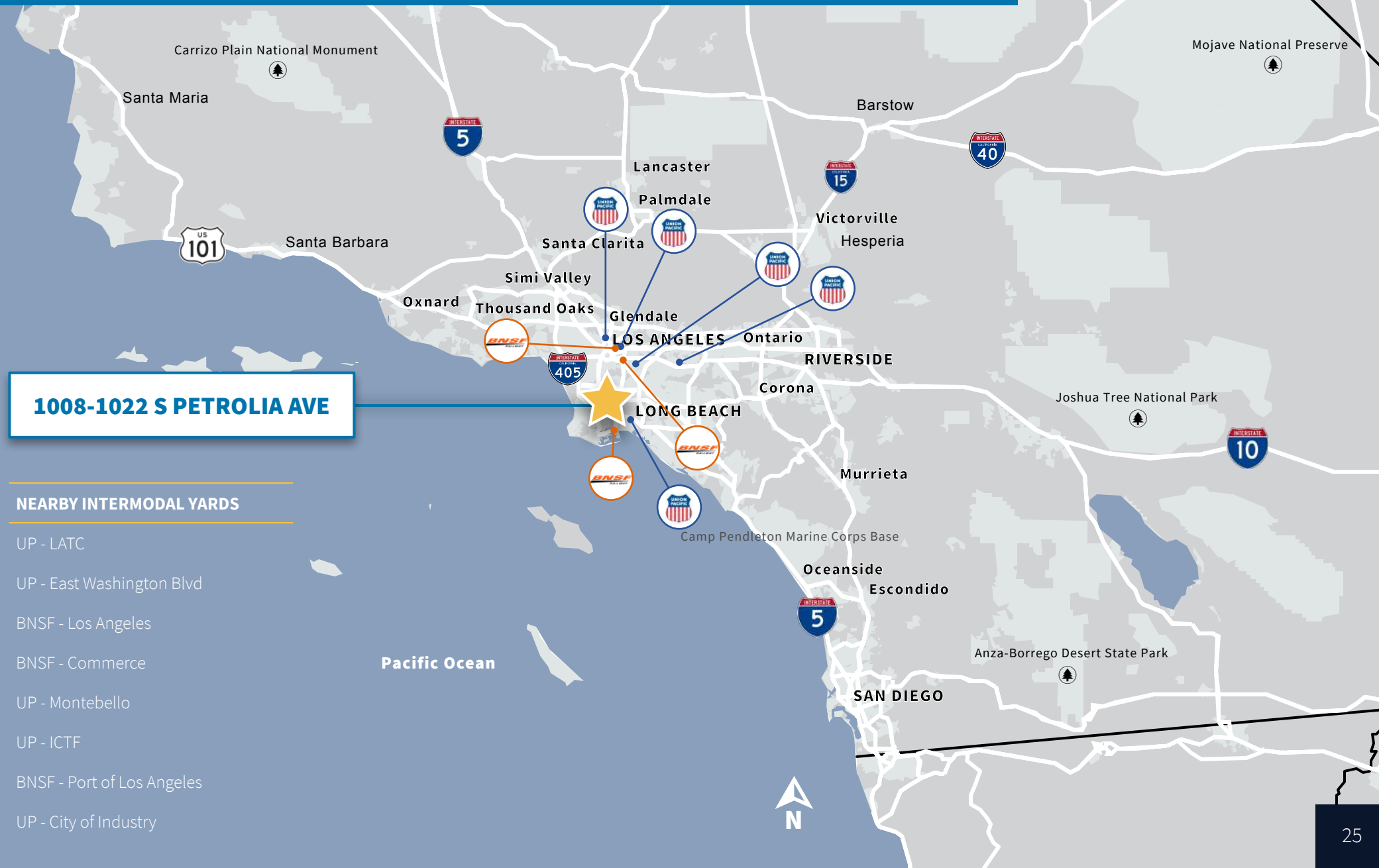
CITIES	MILES	DRIVE TIME
San Diego	114	1 hr 50 min
Las Vegas	284	4 hr 35 min
San Jose	354	5 hr 50 min
Phoenix	379	6 hr 5 min
Oakland	385	6 hr 20 min
San Francisco	396	6 hr 35 min
Sacramento	399	6 hr 20 min
Reno	486	8 hr 10 min
Salt Lake City	702	10 hr 30 min
Boise	857	13 hr 50 min
Santa Fe	862	12 hr 55 min
Portland	977	15 hr 20 min
Denver	1,030	15 hr 40 min
Seattle	1,150	18 hr 15 min
Helena	1,183	17 hr 20 min





## RAIL

There are 8 intermodal yards less than 32 miles from the Property in the greater Los Angeles area operated by Union Pacific (5 yards) and Burlington Northern Santa Fe (3 yards), offering convenient and efficient transfers of freight and cargo between marine terminals or transload facilities to rail facilities.



**1008-1022 S PETROLIA AVE**

### NEARBY INTERMODAL YARDS

- UP - LATC
- UP - East Washington Blvd
- BNSF - Los Angeles
- BNSF - Commerce
- UP - Montebello
- UP - ICTF
- BNSF - Port of Los Angeles
- UP - City of Industry



# LOS ANGELES INDUSTRIAL MARKET OVERVIEW: Q4 2022

## RENTS NEAR ALL-TIME HIGH

- Cooling of demand caused asking rent growth to decline for the first time in over 16 quarters but still up 42% year-over-year, at \$1.74/SF/Mo. NNN.
- Pre-leasing rates during the quarter reached an all-time high at 53% due to the continued strong tenant demand coupled with few blocks of available space for tenants to move into.
- Rental increases throughout the market continue to be a major talking point as rates increase, driven in part by near record low vacancy coupled with continued strong tenant demand.

## ULTRA LOW VACANCY

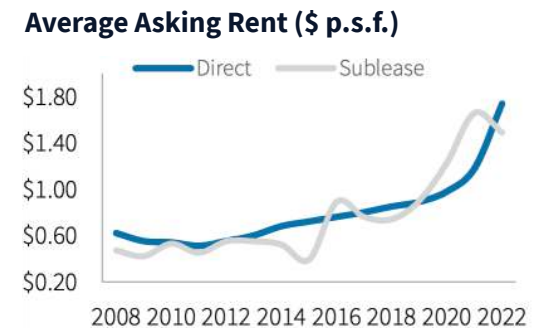
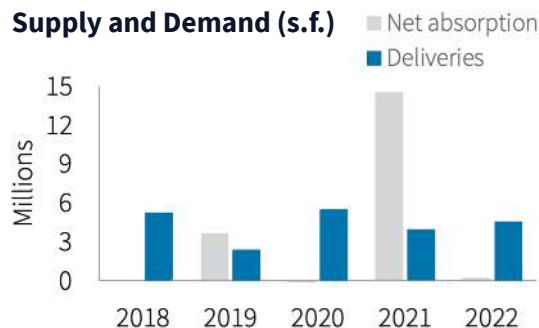
- Vacancy for Los Angeles ended the quarter at 1.4%.

## OPTIMISTIC DEVELOPERS CONTINUE BUILDING

- Developers added to the construction pipeline in Q4 2022 which currently stands at 6.8M SF, with a minor amount being Industrial Service Facilities.

FUNDAMENTALS	FORECAST
YTD net absorption	189,931 s.f.
Under construction	6,834,284 s.f.
Total vacancy	1.4%
Sublease vacancy	907,924 s.f.
Direct asking rent	\$1.74 p.s.f.
Sublease asking rent	\$1.49 p.s.f.
Concessions	Stable

## LOS ANGELES INDUSTRIAL MARKET





# LOS ANGELES LAND COMPARABLES

	Sale	Address	City	Year Built	RSF	Acres	Sale Price	\$/LSF	Occ. %	Buyer	Seller	Comments
1	Nov-22	14400 S Figueroa St	Gardena	1967	120,700	4.81	\$49,000,000	\$234	100%	Rexford	Private Owner	Class C industrial building that will be redeveloped. Short term sale leaseback.
2	Aug-22	3901 Via Oro	Long Beach	1983 / 1997	53,817	3.07	\$20,000,000	\$150	100%	Rexford	Wonderful Company	Two-Story office building with 1.3 years of lease term remaining. Covered land play to develop a Class A industrial building.
3	Aug-22	19500 S Alameda St	Rancho Dominguez	1954	133,729	3.07	\$32,100,000	\$240	100%	Terreno Realty	Gail Davies	Existing 10K SF building. There are two leases in-place with one tenant expiring December 22 and September 2023.
4	Jul-22	645 George de la Torre Jr Ave	Wilmington	1981	40,000	11.43	\$171,100,000	\$344	100%	Duke Realty	Juanita's Food LLC	Future development of an IOS site and or building. There is currently a 40K SF manufacturing plant on the property.
5	Jun-22	17331 S. Broadway St	Gardena	2012	N/A	4.74	\$50,000,000	\$242	100%	Centerpoint	Primoris Corp.	Covered Land Play. Keep 29,000 SF and demo the rest.
6	Jun-22	2425 S Malt Ave	Commerce	1953	118,026	5.77	\$50,300,000	\$200	100%	Ares Management	Limonadas LLC	Plan is to develop a 124,140 SF building.
7	Jun-22	2240-2250 Yates Ave	Commerce	1960	102,761	4.50	\$41,375,000	\$211	N/A	LBA Realty	Interstate Electric Co.	Redevelopment in Central LA.
8	Feb-22	19701 Hamilton Ave	Torrance	1984	122,277	5.22	\$36,100,000	\$159	100%	Brookfield	Montana Avenue Capital	Two-Story office building with leases in place through 2028. Long-term covered land play to develop a Class A Industrial building.





**1008-1022 S PETROLIA AVE**



1

5

3

2

8

4

6

7



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ALAMEDA CORRIDOR

