



9/05/08

## Rexford to Redevelop Light Industrial Property in East Pasadena

An older multi-tenant light industrial property in East Pasadena presented an attractive value-add investment opportunity for SoCal-based Rexford Industrial LLC, which paid \$4.7 mil for a 31.5k sf (\$149/sf) complex at 89-91 North San Gabriel Blvd, 2670-2674 Walnut St and 2675 Nina St, south of the 210 Fwy and east of Sierra Madre Blvd.



Built in 1947-1985, the asset consists of six light-industrial warehouse buildings -- five single-story and one two-story -- offering 10' to 18' clear heights, four ground-level loading doors and a loading dock with two loading positions. The project, RIF IV – San Gabriel, currently features a dysfunctional multi-tenant layout in which parking spaces interfere with loading. At present, the property is 30% occupied by month-to-month tenants Schlanser Glass and The Plant Peddler.

Rexford intends to redevelop the asset into a modern, fully functional, multi-tenant industrial project, which benefits from being located in a highly sought-after infill market. Portions of the buildings have brick walls, bow-truss roof structure and clearstory windows. These features will be restored and architecturally highlighted to appeal to more creative, higher-paying tenants seeking this type of creative industrial space in Pasadena.

“The value-add strategy for the property is to reposition the buildings into four functional industrial units for lease,” said Rexford Managing Partner Howard Schwimmer. “By reconfiguring the building with a more conventional layout, highlighting unique interior and exterior architectural features and creating additional parking, we expect to capitalize on the high asking rates for industrial space in the exceedingly low vacancy in-fill East Pasadena submarket,” he added.

The location of the property couldn't be better. Home to two of the leading scientific institutions in the world—California Institute of Technology (Caltech) and the Jet Propulsion Laboratory (JPL, NASA's leading robotics and spacecraft design and manufacturing center)—Pasadena has emerged as one of California's most innovative technology areas. JPL's large-scale projects provide subcontracting opportunities to many businesses and R&D firms in the area, who are also attracted by the skills and talents of a work force of Caltech alumni. The City of Pasadena has also implemented a set of incentives to spur investment from entrepreneurs and developers of R&D-related buildings.

Eugene Sun of Region One Realty represented both Rexford Industrial and the seller, Tsan Kuenn U.S.A. Incorporated, a California corporation.