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REAL ESTATE AWARDS INDUSTRIAL MARKET

Infill Developer Makes Most of Available Space

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Infill development is a way of life for Rexford Industrial LLC.

The privately held industrial developer has a portfolio of about 5 million square feet of space, including sites in major infill markets such as the City of Industry, Camarillo and Anaheim.

One recently completed project, Rexford Industrial Center-Sylmar, is representative of its work. The project, on a 250,000-square-foot lot, features a retrofit of an existing building and a second phase with new construction.

"It's a great representation of Rexford's expertise and really our vision," said Howard Schwimmer, co-founder and managing partner. "We are able to see things for not what they are but what they could be."

Rexford purchased the property in 2005 for \$6.42 million. At the time it contained an 113,500-square-foot building divided into two spaces: a dilapidated 70,000-square-foot portion and a 40,000-square-foot section in better condition. But it was more complicated than even that.

Aerospace parts manufacturer Castle Precision Industries already had a lease deal for the larger portion, so Rexford worked around the company to renovate the company's space. Rexford also divided the 40,000-square-foot piece into five units and built an exterior dock and installed a new electrical system for each unit. That section is now fully leased. Tenants include floor-finishing company Royal Parquet Group and dry-ice maker Airgas, among others. Rexford got rents in the 75-cents-to-77-cents-per-foot-per-month range, on a triple net basis.



PHOTO BY THOMAS WASPER

Paul Losino, director of operations for Airgas, said that his company looked far and wide before settling on the building at the Rexford development, where it distributes dry ice.

"It is actually a great building," said Losino. "Unlike most of the buildings in the valley this one actually has docks, which is phenomenal. It is quiet and extremely pleasant. The property managers are great."

Late last year, Rexford completed construction of the second phase, a state-of-the-art structure that includes two 9,500-square-foot units. The asking rents are 85 cents per foot per month, triple net. All in all, the company spent \$3.68 million on top of the purchase price.

"It changes the whole look of that neighborhood. Because it was a little blighted looking over there and to put a whole new building there changes the area," Schwimmer said.

"In these markets over here it is very tight and very difficult to find land. There are not a lot of amazing things that are going to happen in Sylmar because there is no land. It is a typical infill market: Every once in a while something might pop up, but not in a big way."

BEST INFILL PROJECT

REXFORD INDUSTRIAL CENTER-SYLMAR

15148 Bledsoe St., 13065-13081 Bradley Ave.,
Sylmar

Developer: Rexford Industrial LLC

Specs: 132,000 square feet with total project cost of \$11.1 million

Key Fact: Rexford renovated one structure while a tenant remained in place