

Rexford Steps in When Buyer Loses Financing

By [Bob Howard](#)



1946 E. 46th St.

LOS ANGELES-Rexford Industrial has acquired a 191,466-sf building in Vernon for \$14.5 million after stepping in to close the deal when financing fell through for another buyer. Rexford sees upside potential in the deal for a number of reasons, including a new lease that is already in place and the competitive edge the building will enjoy in the market.

Howard Schwimmer, Rexford co-founder and managing partner, points out that the deal was “particularly advantageous” for the locally based industrial specialist because Rexford was able to prelease the 79,000-sf oldest portion of the property in as-is condition. The new Rexford asset is at 1946 E. 46th St., and the new long-term tenant who signed the lease is Royal Printex, a specialist in textile printing.

Schwimmer further points out that the 46th Street property is centrally located in Vernon, an infill market where no vacant land exists for building new warehouse/distribution industrial product. The concrete tilt-up industrial building was constructed in five phases from 1961 to 1983 and has been continuously occupied by Jensen Industries Inc., a supplier of postal specialty products, since it was originally built. Jensen is in the process of vacating the property.

Schwimmer comments that, “We see great value in the remaining higher clear height vacant space that will compete as a lower-cost alternative to newer buildings in the market with much higher triple-net charges.” The Rexford business plan includes a variety of capital upgrades, including the construction of additional office space, refurbishment of existing office space and upgrades both for seismic and cosmetic purposes.

Rexford bought the property from Xebec Commerce 46th Street LLC, which was represented by Bart Pucci and Drew Casani of Grubb & Ellis. Rexford was represented by Kai Chon of Charles Dunn Co.