

# REAL ESTATE

## South Bay Reels from Commercial Downturn

By Erik Derr

While a steady stream of economic signs have suggested a financial recovery --- albeit a slow one --- is indeed on its way, it seems the South Bay housing market has weathered the downturn with the same relative stability it enjoyed during previous slowdowns, thanks to the area's proximity to many of L.A.'s biggest business hubs. At the same time, commercial real estate --- which typically lags behind the residential housing market in responding to changes in the economy --- is in the middle of its own steep decline that has hit the South Bay hard. "Residential has been in the toilet for two years. They're just coming out of it," said Jesse Laikin, senior vice president and founding principal at the South Bay office of Lee & Associates, the fourth-largest commercial real estate company in the nation.

Usually it takes about nine months for the commercial side to see any effects of any changes in the residential market, Laikin said. But "in this case, it was two years, because it was such a dynamic market for so long."

However, Laikin noted, commercial investors have seen a significant decline in real estate activity over "the last 12 months...the vacancy rate keeps rising," Commercial real

estate was still seeing positive growth two years ago, he said, but in the last quarter of 2008, "our market started sliding...we've had negative absorption since and negative absorption is not what we want."

In other words, the South Bay, which claims an estimated 230 million square feet of industrial space and about 62 million square feet in office area overall, has seen virtually no growth over the last year, said Laikin, a veteran of the commercial real estate industry for nearly 30 years.

Yes, there has been recent activity around projects such projects as the 37-acre Plaza El Segundo near the corner of Rosecrans Avenue and El Segundo Boulevard., at the site of a former aerospace facility that now offers a variety of restaurants, commercial retail and other service providers. But such projects, explained Laikin have all been redevelopments. "As far as (new) development and expansion, it's all stopped...that's old news," he said."You're not talking about somewhere like Corona or San Bernardino or Inland Empire. There's not a lot of land for us to develop."

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## Open House Directory

### BROKERS OPEN HOUSE

- |                   |                            |               |              |
|-------------------|----------------------------|---------------|--------------|
| 1. Fri 12:30-1:30 | 311 Kansas St. #C          | 3 Bd. 2.5 Ba. | \$789,000    |
| Bill Ruane        | Re/Max Beach Cities Realty |               | 310-877-2374 |

### OPEN HOUSE

- |                  |                            |               |              |
|------------------|----------------------------|---------------|--------------|
| 2. Sun 2:00-4:00 | 1005 E Acacia Ave, ES      | 3 Bd. 1.5 Ba. | \$849,900    |
| Bill Ruane       | Re/Max Beach Cities Realty |               | 310-877-2374 |
| 3. Sun 2:00-4:00 | 737 California St          | 5 Bd. 3 Ba.   | \$1,199,000  |
| Bill Ruane       | Re/Max Beach Cities Realty |               | 310-877-2374 |
| 4. Sun 2:00-4:00 | 350 Hillcrest St.          | 3 Bd. 2.5 Ba. | \$999,000    |
| Bill Ruane       | Re/Max Beach Cities Realty |               | 310-877-2374 |
| 5. Sun 2:00-4:00 | 311 Kansas St. #C          | 3 Bd. 2.5 Ba. | \$789,000    |
| Bill Ruane       | Re/Max Beach Cities Realty |               | 310-877-2374 |
| 6. Sun 2:00-4:00 | 513 W Mariposa Ave         | 4 Bd. 3 Ba.   | \$1,350,000  |
| Bill Ruane       | Re/Max Beach Cities Realty |               | 310-877-2374 |
| 7. Sun 2:00-4:00 | 1208 E Sycamore Ave, ES    | 4 Bd. 3.5 Ba. | \$1,399,000  |
| Bill Ruane       | Re/Max Beach Cities Realty |               | 310-877-2374 |

### OUT OF AREA OPEN HOUSE

- |                   |                                |               |              |
|-------------------|--------------------------------|---------------|--------------|
| 8. Sun 2:00-4:00  | 1215 Ashmill St, Carson        | 4 Bd. 2.5 Ba. | \$575,000    |
| Bill Ruane        | Re/Max Beach Cities Realty     |               | 310-877-2374 |
| 9. Sun 2:00-4:00  | 1223 Ashmill St, Carson        | 3 Bd. 2.5 Ba. | \$550,000    |
| Bill Ruane        | Re/Max Beach Cities Realty     |               | 310-877-2374 |
| 10. Sun 2:00-4:00 | 4321 Crest Dr #A, MB           | 3 Bd. 2.5 Ba. | \$1,599,000  |
| Bill Ruane        | Re/Max Beach Cities Realty     |               | 310-877-2374 |
| 11. Sun 2:00-4:00 | 4323 Crest Dr #B, MB           | 3 Bd. 2.5 Ba. | \$1,789,000  |
| Bill Ruane        | Re/Max Beach Cities Realty     |               | 310-877-2374 |
| 12. Sun 2:00-4:00 | 4320 Highland Ave #C, MB       | 3 Bd. 2.5 Ba. | \$1,859,000  |
| Bill Ruane        | Re/Max Beach Cities Realty     |               | 310-877-2374 |
| 13. Sun 2:00-4:00 | 312 44 <sup>th</sup> St #D, MB | 4 Bd. 4.5 Ba. | \$2,299,000  |
| Bill Ruane        | Re/Max Beach Cities Realty     |               | 310-877-2374 |
| 14. Sun 2:00-4:00 | 312 44 <sup>th</sup> St #E, MB | 4 Bd. 4.5 Ba. | \$2,299,000  |
| Bill Ruane        | Re/Max Beach Cities Realty     |               | 310-877-2374 |



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