

# PRESS RELEASE

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## **SEVENTH STREET DEVELOPMENT SELLS SEVEN INDUSTRIAL BUILDINGS IN ONE MONTH**

Sales of small and mid-sized industrial product in Southern California not impacted by credit crunch

**LONG BEACH, Calif.** – Seventh Street Development in the past 30 days has sold seven small industrial buildings totaling 120,000 square feet with an aggregate value of approximately \$16.5 million with another two buildings currently in escrow at its projects in San Bernardino, Pomona and Irwindale, announced company principal Craig Furniss.

While the havoc in the capital markets appears to be spreading to commercial from the residential sector, the sales at Seventh Street's three properties illustrate not only the continuing demand for small to midsize industrial buildings, but the availability of financing for such product, according to Furniss.

"There are certainly some concerns about where the economy is headed, but the demand for industrial space is still strong, although it can best be characterized as going from white hot, to just plain hot," says Furniss. "Small, fast-growing companies are continuing to drive the Southern California economy which helps to explain why well-located industrial submarkets offering this type of product continue to enjoy extremely low vacancies," says Furniss.

"Our buyers have been a mix of users and investors. For users, the availability SBA 504 financing means buyers of smaller buildings are not hindered by lending community's more conservative underwriting which has been brought on by the capital crunch. We are also seeing savvy investors with existing banking relationships or cash who are attracted by industrial's low vacancies and rising leases rates, especially in submarkets where there is no new supply on the horizon. Investors also like the low intensity management effort required by industrial," says Furniss.

In two separate transactions, Seventh Street sold buildings of 16,237 square feet, 12,820 square feet and 9,574 square feet to two private investors at its newly opened Waterman Business Center in San Bernardino. The 191,000 square-foot industrial park was completed this month and has remaining units from 2,000 square feet to 13,675 square feet.

“A third of the buildings at Waterman were sold or in escrow prior to project completion and we have deals in the works that include sales, leasing and purchase options,” adds Herrick Johnson of Lee & Associates. ”

Seventh Street was represented by Johnson and Alexey Zabolotskikh of Lee & Associates and John Bosko of NAI Capital. The buyer was represented by Frank Artura of TVM Commercial Realty.

RJ Sports, a manufacturer and distributor of golf and sports bags, will relocate its headquarters and distribution facility from Chino to Seventh Street’s just completed Mission 71-Business Park in Pomona, after acquiring a 16,703 square-foot warehouse building on nearly an acre of land.

The first phase of the master planned Mission-71 Business Park which fronts the Chino Valley Freeway (71) near the U.S. Interstate 10 and California 57 Freeways, was also completed this month by Seventh Street and includes 11 buildings ranging in size from 16,534 to 60,813 square feet.

“We continue to see a lot of demand for this product size, especially in the San Gabriel Valley where the market is dominated by light manufacturing and import/export companies who don’t require large warehouses,” says Lynn Knox of CB Richard Ellis. The industrial vacancy rate in the San Gabriel Valley is less than 1.5 percent according to Knox.

Seventh Street was represented by the CB Richard Ellis team of Knox, Barbara Emmons, John Privett and Lynn Eisenhower. RJ Sports was represented by Brad Yates of Grubb & Ellis.

At its Speedway Business Park in Irwindale, CD and DVD manufacturer I-Pak DVD, a subsidiary of Arion International, acquired three freestanding buildings totaling 64,570 square feet at Seventh Street’s Speedway Business Park in Irwindale. I-Pak had been leasing the space since the park opened in September 2006 and exercised a purchase option in its lease on the 27,369; 20,233; and 16,958 square-foot buildings. Seventh Street was represented by Mitch Ashwill of Ashwill Associates while I-Pak was represented by Jonathan Fan of Remax 2000 Realty.

**About Seventh Street Development:**

Headquartered in Long Beach, Seventh Street Development is a privately-held commercial real estate development firm specializing in Southern California infill industrial, retail and mixed-use commercial projects. Founded in 2003, Seventh Street Development offers a unique mix of institutional financial strength and discipline coupled with implementation by local entrepreneurs. For more information, visit [www.7thStreetDevelopment.com](http://www.7thStreetDevelopment.com).

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