



2018 ANNUAL REPORT

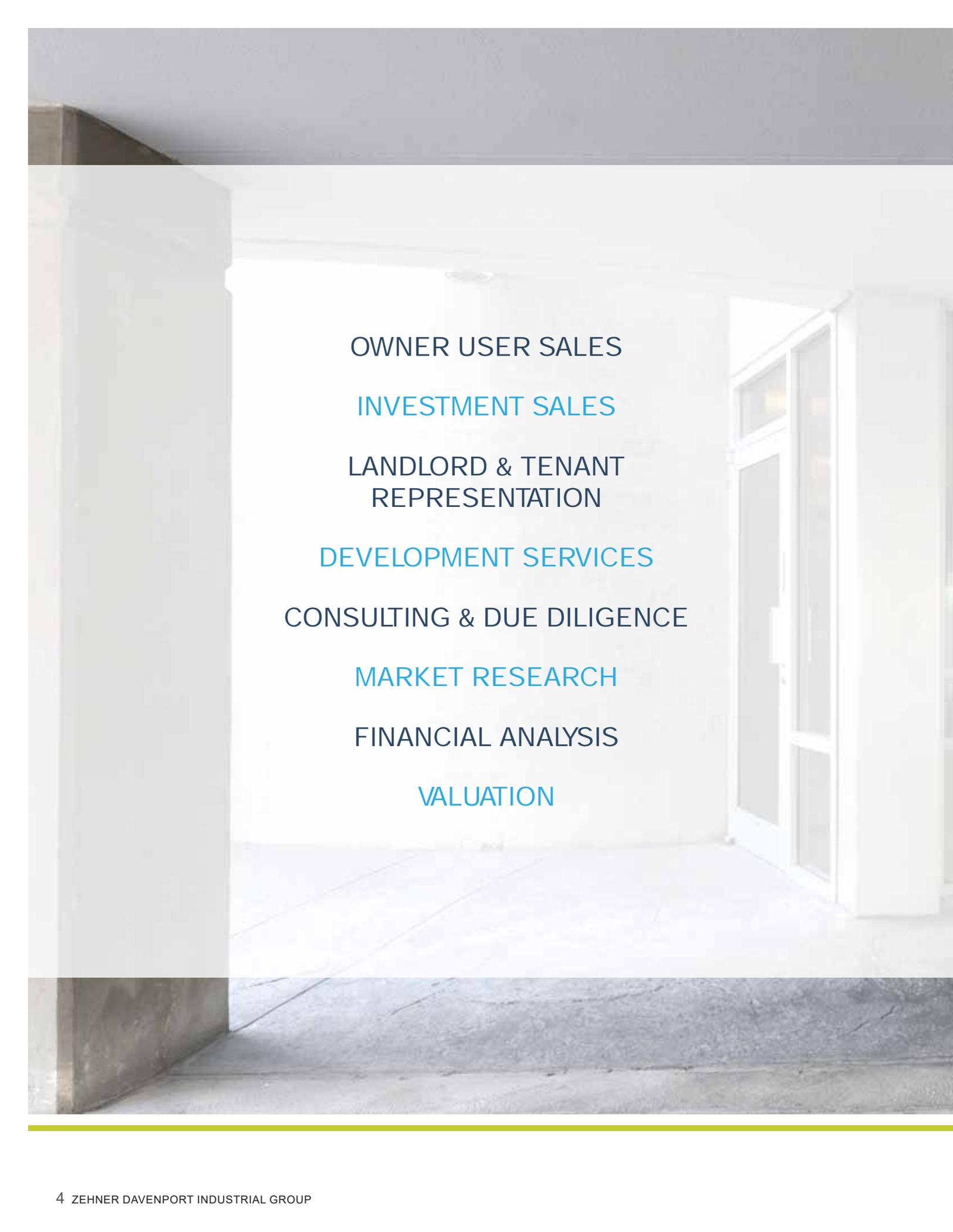
Southern California's Premier
Real Estate Marketing Team

Voit
REAL ESTATE SERVICES

**THE ZEHNER
DAVENPORT**
INDUSTRIAL GROUP







OWNER USER SALES
INVESTMENT SALES
LANDLORD & TENANT
REPRESENTATION
DEVELOPMENT SERVICES
CONSULTING & DUE DILIGENCE
MARKET RESEARCH
FINANCIAL ANALYSIS
VALUATION



OUR COVERAGE

2018 RECAP

163

Transactions

34

Sales

118

Leases

5

Investment Sale

6

Other

2,304,612

Square Feet

\$220,354,487

Consideration

2018 flew on by and here we are looking ahead to another year that looks to be much the same in terms of the Southern California industrial property market. Vacancy remains bottomed out in the 2% range and we expect that to keep sales prices and lease rates moving higher, but at a slighter slower pace in 2019. Tenants and buyers have become more focused on quality and getting what they truly need to be more productive in return for paying the premium landlords are sellers continue to insist upon. As a result, time-on-market for available properties has begun to increase, so in some instances we are measuring marketing time in months rather than days or weeks.

Landlords are still pushing hard for longer leases and stronger credit because they know that the supply/demand balance continues to weigh in their favor. Sales prices moved sharply higher in 2018 and \$300 per square foot is the new \$200 per square foot, especially for smaller buildings. The rise in interest rates in 2018 did little to dampen demand and the lack of construction activity continued to force buyers into older properties, many of which have elements of functional obsolescence. Unless there is an external shock to the local economy, we expect market direction to be relatively unchanged in 2019.

However, we do have some concerns at the macro-economic level that could throw a broomstick in the spokes if they persist. Politicians of all persuasions are ratcheting up the rhetoric and the fringes at both ends of the political spectrum have become more disruptive, making it more difficult to find middle ground on anything. Hot button issues like immigration reform, the recent tax cut, border security, healthcare and even calls to impeach the President have the media whipped into a frenzy. All that plus the uncertainty over the slowdown in global markets and trade tensions with China, has business owners wondering if the nation's robust GDP growth will be negatively impacted.

The federal deficit is expected to top \$1 Trillion again in the current fiscal year, in part due to lower revenues resulting from the tax cut legislation, and the national debt clock is ticking toward \$22 Trillion. Then there is another \$50 to \$100 Trillion in unfunded federal entitlement liability, depending on who is doing the counting. All of these issues, along with others, could impact business decision-making, including commitments to acquire new facilities. So far, Southern California has shrugged most of it off, but at some point it will impact the commercial real estate market. Let's all hope that cooler heads prevail in the end.

The entire Zehner Davenport Industrial Group remains grateful to all those we have served, and for those we have not had that opportunity, we intend to continue our diligent efforts to earn your business. We stand ready to assist in any way possible Just give us a call. We are here to help.

TEAM MEMBERS



MITCH ZEHNER

Executive Vice President

Mitch began his career in 1984. Mitch's reputation as a tireless advocate is well-known and well-deserved. He approaches every transaction as if he is standing in the shoes of his client, and that has earned him the loyalty and respect of everyone he works with. He is driven by competitive spirit and the fierce desire to do things right and do them well.



SETH DAVENPORT

Executive Vice President

Seth brings over a decade of industrial experience and an impressive transaction record to the team. A character in so many respects, Seth has risen to the top of the commercial real estate heap in record time. He brings to his clients a unique blend of hard work, market intelligence, communication skill and sense of humor that produces superior results. People do business with him because they like him and they trust him.



JENNIFER ELLISON

Executive Client Coordinator

Now in her 19th year in commercial real estate, Jennifer's broad knowledge base, practical experience and focus on quality is essential to the team's operating efficiency. As Executive Client coordinator, the team counts on her to keep things moving relative to all team listings, transactions in progress and marketing programs.



SABAS VARGAS

Executive Client Coordinator

Sabas has been with the Zehner Davenport Industrial Group for over 18 years. He has been described by his Managing Director as the "world's greatest employee" and his teammates agree. He is the team's go-to resource for so many things, but is primarily involved in aggregating market data, developing digital and print marketing collateral.



RYAN MOORE

Senior Vice President

Ryan joined the Zehner Davenport Industrial Group in 2010 as the team's industrial specialist in the Western Inland Empire. Widely known for his strong work ethic and professional integrity. He is recognized by his clients and peers in the industry for his comprehensive market knowledge, diligence and attention to detail.



JASON DI ROCCO

Vice President

Jason's natural style is to treat all clients' interests as if they are a family member. He takes pride in being a trusted advisor and cherishes the opportunity to fulfill clients real estate dreams/objectives. Jason was honored to be chosen "Rising Star" throughout all of Voit offices company wide in 2013. In 2015 he was selected to join NAIOP Young Professionals Group and has continued his trend of raising production year after year.



ADAM HILL

Vice President

As a former Vice President of Sales and Marketing, Adam has over 16 years of business and sales experience, having built a start-up company from the ground up, into a market-leader. His successes stem from his ability to connect with business owners, understanding their core needs and building relationships that add value. He has a reputation for being a passionate, reliable, and trust worthy business advisor that is willing to go the extra mile and always has his client's best interests at heart.



MICHAEL ZEHNER

Senior Associate

Michael is currently in his 7th year with Voit Real Estate Services as a Senior Associate. He joined the firm after graduating from the University of San Diego. Michael has taken on the North Orange County Market with a "boots on the ground" approach, actively marketing and digging up business on a daily basis. Michael is responsible for building team business development, marketing and all aspects of sales and leasing. His focus is always on the principles of diligent work and integrity, to ensure that his client's best interest is the number one priority and that every transaction is as seamless as possible.



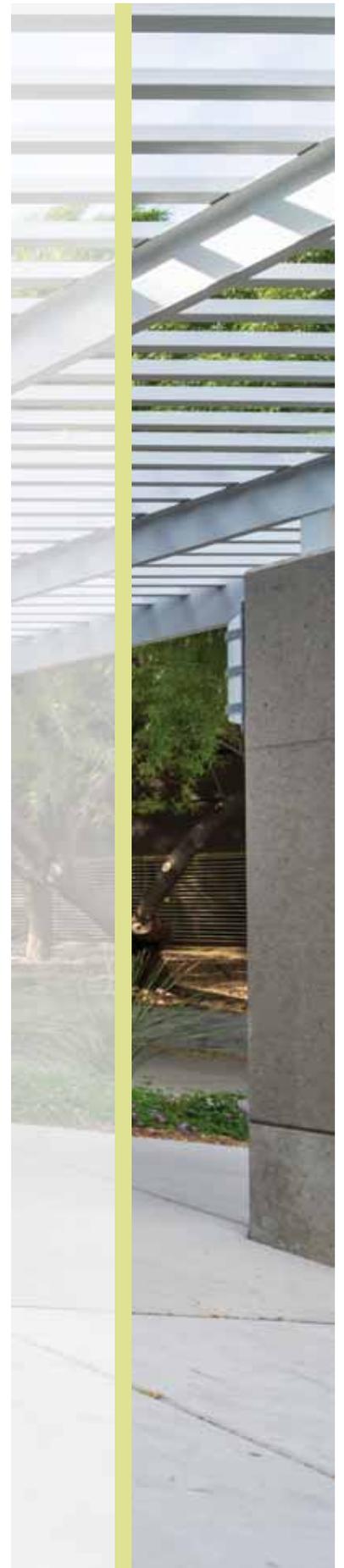
BRYSON LLOYD

Senior Associate

As a member of USC's Football Team beginning in 2009, Bryson developed a strong work ethic, team orientation and competitive spirit that he now brings to the Zehner Davenport Industrial Group. He is responsible for developing new client relationships and marketing of the team's listings in the Mid-Counties area of Los Angeles. Bryson brings a unique blend of youthful spirit, strong determination, and commitment to service that make him a valuable addition to the team.

PARTIAL CLIENT LIST







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