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Rexford Industrial Announces Operating and Transaction Activity Update

LOS ANGELES, May 29, 2024 /PRNewswire/ -- Rexford Industrial Realty, Inc. (the "Company" or "Rexford Industrial") (NYSE: REXR), a real estate investment trust focused on creating value by investing in and operating industrial properties located throughout infill Southern California, today announced second quarter-to-date operating and transaction activity updates in advance of upcoming investor meetings.

"Rexford Industrial's quarter-to-date leasing activity demonstrates the health of our underlying tenant demand fundamentals, differentiated by Rexford Industrial's focus on delivering the highest-quality and most functional industrial product serving a tenant base occupying space averaging 25,000 square feet in our infill Southern California portfolio, within the nation's highest-barrier and most supply-constrained industrial market," stated Michael Frankel and Howard Schwimmer, Co-Chief Executive Officers of the Company. "Additionally, our quarter-to-date investment and disposition activity continue to evidence Rexford Industrial's disciplined approach to highly-accretive capital allocation, positioning the Company for near- and long-term value creation for our stakeholders."

Operating Activity:

In the second quarter to date, Rexford Industrial executed 1.125 million square feet of new and renewal leases, with an average size of 16,000 square feet, including approximately 675,000 square feet of renewal leases and 450,000 square feet of new leases. Comparable rental rates on new and renewal leases increased by 68% compared to prior rents on a net effective basis and by 51% on a cash basis, in line with expectations. Average annual rent steps grew to 4.1% for leases executed quarter to date, compared to 4.0% during the prior quarter. As of May 22, 2024, the Company's Same Property Portfolio occupancy was 96.5%, representing a 10 basis point increase compared to the prior quarter end.

Transaction Activity:

In May, Rexford Industrial completed two industrial property investments for an aggregate purchase price of $143 million and completed the disposition of three properties for an aggregate sales price of $27 million. The acquisitions were funded using cash on hand and 1031 exchange disposition proceeds. Year to date, Rexford Industrial has completed $1.3 billion of investments and $37 million of dispositions.

The Company acquired:

- 1901 E Rosslynn Avenue, Fullerton, located in the North Orange County submarket, for $94.3 million or $338 per square foot. The 12-acre site comprises a 278,572 square

foot, single-tenant industrial building featuring 30-foot clear height and excess land for outside storage and trailer parking, which is leased to a highly entrenched tenant. The investment generates an initial unlevered cash yield of 5.6%, growing through annual embedded rent steps of 4.25%. According to CBRE, the vacancy rate in the 115 million square foot North Orange County submarket was 1.0% at the end of the first quarter 2024.

- 16203-16233 Arrow Highway, Irwindale, located in the LA – San Gabriel Valley submarket, for $48.5 million or $360 per square foot through an off-market transaction. The 6-acre site contains 134,542 square feet of improvements comprising four newly developed, Class-A industrial buildings featuring best-in-class 30-foot warehouse clear height and highly-sought-after dock-high loading. The investment generates an initial unlevered cash yield of 6.2%, growing through average annual embedded rent steps of 4.2%. According to CBRE, the vacancy rate in the 161 million square foot LA – San Gabriel Valley submarket was 3.0% at the end of the first quarter 2024.

The Company disposed of:

- 6407-6431 Alondra Boulevard, Paramount, located in the LA – South Bay submarket, for $7.6 million or $251 per square foot. The two multi-tenant buildings total 30,224 square feet and were 81% occupied at the time of sale. The unlevered IRR to the Company is 16.6%.

- 15401 Figueroa Street, Los Angeles, located in the LA – South Bay submarket, for $10.2 million or $265 per square foot. The 38,354 square foot single-tenant industrial building was sold vacant to a user for an unlevered IRR to the Company of 12.6%.

- 8210 Haskell Avenue, Los Angeles, located in the LA – Greater San Fernando Valley submarket, for $9.2 million or $351 per square foot. The 26,229 square foot single-tenant industrial building was sold vacant to a user for an unlevered IRR to the Company of 9.6%.

The Company currently has a near-term acquisition pipeline comprising approximately $40 million of new investments within prime infill Southern California industrial markets under contract or accepted offer.

About Rexford Industrial

Rexford Industrial creates value by investing in, operating and redeveloping industrial properties throughout infill Southern California, the world's fourth largest industrial market and consistently the highest-demand, lowest supply market in the nation. The Company's highly differentiated strategy enables internal and external growth opportunities through its proprietary value creation and asset management capabilities. Rexford Industrial's high-quality, irreplaceable portfolio comprises 422 properties with approximately 49.5 million rentable square feet occupied by a stable and diverse tenant base. Structured as a real estate investment trust (REIT) listed on the New York Stock Exchange under the ticker "REXR," Rexford Industrial is an S&P MidCap 400 Index member. For more information, please visit www.rexfordindustrial.com.

Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws, which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. While forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, they are not guarantees of future performance. For a further discussion of these and other factors that could cause the Company's future results to differ materially from any forward-looking statements, see the reports and other filings by the Company with the U.S. Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes.

Definitions

Initial Unlevered Cash Yield: Calculated by dividing an investment's initial annual cash NOI by its first-year investment which includes the sum of the purchase price, closing costs, anticipated nonrecurring capital expenditures, anticipated tenant improvement allowances/costs and leasing commissions, if any.

Rent Change – Cash: Compares the first month cash rent excluding any abatement on new/renewal leases to the last month rent for the most recent expiring lease. Data included for comparable leases only. Comparable leases generally exclude: (i) space that has never been occupied under our ownership, (ii) repositioned/redeveloped space, including space in pre-development/entitlement process, (iii) space that has been vacant for over one year or (iv) lease terms shorter than twelve months.

Rent Change – Net Effective: Compares GAAP rent, which straightlines rental rate increases and abatements, on new/renewal leases to GAAP rent for the most recent expiring lease. Data included for comparable leases only. Comparable leases generally exclude: (i) space that has never been occupied under our ownership, (ii) repositioned/redeveloped space, including space in predevelopment/entitlement process, (iii) space that has been vacant for over one year or (iv) lease terms shorter than twelve months.

Same Property Portfolio: Our 2024 Same Property Portfolio is a subset of our consolidated portfolio and includes properties that were wholly owned by us for the period from January 1, 2023 through May 22, 2024, and excludes (i) properties that were acquired or sold during the period from January 1, 2023 through May 22, 2024, and (ii) properties acquired prior to January 1, 2023 that were or will be classified as repositioning/redevelopment (current and future) or lease-up during 2023 and 2024 and select buildings in "Other Repositioning," which we believe will significantly affect the properties' results during the comparative periods. As of May 22, 2024, our 2024 Same Property Portfolio consisted of buildings aggregating 36,993,292 rentable square feet at 293 of our properties.

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