

Is Your Industrial Property Overtaxed?

What California Industrial Owners, Investors and Owner-Users Need to Know

\$61M+

Saved for CA clients

95%

Win rate

No fee

unless we win

Industrial Remains Strong, but Peak-Era Prices Have Not Held

E-commerce made industrial the favored property type of the last decade. In 2021 and 2022, a rush of logistics demand pushed Southern California rents and sale prices to records and cap rates to around 4%, pricing many smaller users out of the market. Many buildings were bought, built or reassessed at that peak.

That surge has since unwound. Starting rents on new leases are down roughly 24% from their peak in the Inland Empire and 26% in Los Angeles.¹ Inland Empire vacancy reached 8.4% in 2025, the highest in more than a decade, and Los Angeles asking rents were still falling in mid-2026. Investors now price most Southern California industrial at cap rates of about 5% to 6.5%.¹

Many California industrial properties are assessed on peak-era rents and cap rates, while today's buyers pay less for the same building.

What Lower Rents and Higher Cap Rates Do to Value

Even a small drop in income, combined with a higher cap rate, takes a large bite out of value. For a warehouse worth \$15,000,000 at the peak:

Item	Illustrative Example
Peak value: \$600,000 NOI at a 4.0% cap rate	\$15,000,000
Today: \$570,000 NOI (5% lower) at a 5.0% cap rate	\$11,400,000
Assessment reduction	\$3,600,000
Annual tax savings (at 1.15%)	\$41,400 / year
5-year savings	\$207,000

¹ CompStak, 2026 Industrial Gateway Market Overview (starting rents, Q2 2026 vs. peak); CoStar data via Matthews (Inland Empire Q3 2025, Los Angeles Q2 2026); CBRE U.S. Cap Rate Survey H2 2025 (stabilized Class A and B industrial, Southern California markets).

Common Causes of Industrial Over-Assessment

- Buildings bought or built from 2021 to 2023, when buyers paid peak rents and record-low cap rates
- Landlords facing lease rollover, as new leases now sign below in-place rents and with more free rent
- Owner-users: comparable Inland Empire sale prices are about 15% below their 2022 peak, yet assessments kept rising
- Special-purpose buildings, such as food processing, manufacturing and cold storage, with few buyers but assessed on what it would cost to build them
- County data errors: office space overstated, building size wrong, or the property classified as the wrong type
- Net-lease tenants who pay the taxes, who may be able to file the appeal directly

Proven With Industrial Owners

350,000+ SF warehouse, appeal rescued: the prior consultant had withdrawn the appeal. We reinstated it and won a \$32,000 refund at hearing.

The Assessor's reduction wasn't enough: the Assessor cut an industrial owner's taxes from \$87,000 to \$63,000 and called it fair. Our appeal brought them to about \$48,000.

Warehouse valued as office: the county valued a part-office, part-warehouse building as all office. Correcting it produced \$200,000 in refunds.

California-headquartered global company, \$350,000+ per year: ongoing savings across its office and industrial properties.

"CRE Tax Appeal has delivered unmatched results handling our real estate appeals in Southern California. Facing a decade of backlogged appeals in LA County, CRE delivered results exceeding anything we had previously achieved internally or using outside firms. To date, they have achieved \$2.5M in savings and relentlessly pursued refunds to ensure every dollar is collected. Our tax team at Macy's highly recommends CRE for their abilities and excellent client service."

Michael Clary, Macy's

"Brett and Joe help Sunroad Enterprises ensure that our property taxes are fair. I am very happy with the results they have created. They are experts on property tax, and we enjoy consulting with them on property tax issues."

Jim McLennan, Sunroad Enterprises, San Diego, California

The CRE Tax Appeal Difference

CRE Tax Appeal does one thing: commercial property tax appeals in California. Our principals trained under MAI-designated appraisers, have represented over \$3.7 billion in property value, and have appeared before Assessment Appeals Boards across California for nearly two decades. We value industrial property the way the market does, by income for investors and by comparable sales for owner-users, and we work on contingency: no upfront cost, no fee unless we win.

How It Works

Step 1: Request a free property review. We compare your assessment with current market data and walk you through the numbers in a 15-minute call. **Step 2: We file and manage the appeal.** After a short agreement and agent authorization, we prepare the valuation, negotiate with the Assessor, and represent you before the Assessment Appeals Board. **Step 3: You receive your refund.** We track every refund until the county pays, then invoice a percentage of the savings.

Know Your Filing Deadline

Decline-in-value appeals are filed each year from July 2 to November 30 in most California counties; some counties close September 15. Base Year and supplemental appeals have their own deadlines, so the sooner we review your property, the more we can recover.

Get Your Free Property Review Today

Or call us at 858-505-8065 | cretaxappeal.com/free-property-review

No upfront cost. No fee unless we win.