

2026

1ST QUARTER

MARKET INSIGHT

Central Los Angeles

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

LeePR

OVERALL VACANCY RATE

6.3% YOY ▼ -7.4%
QOQ ▼ -1.6%

OVERALL ASKING LEASE RATES (NNN)

\$1.27 YOY ▼ -4.5%
QOQ ▼ -2.3%

OVERALL LEASING ACTIVITY

3.0M_{SF} YOY ▲ 2.5%
QOQ ▲ 4.8%

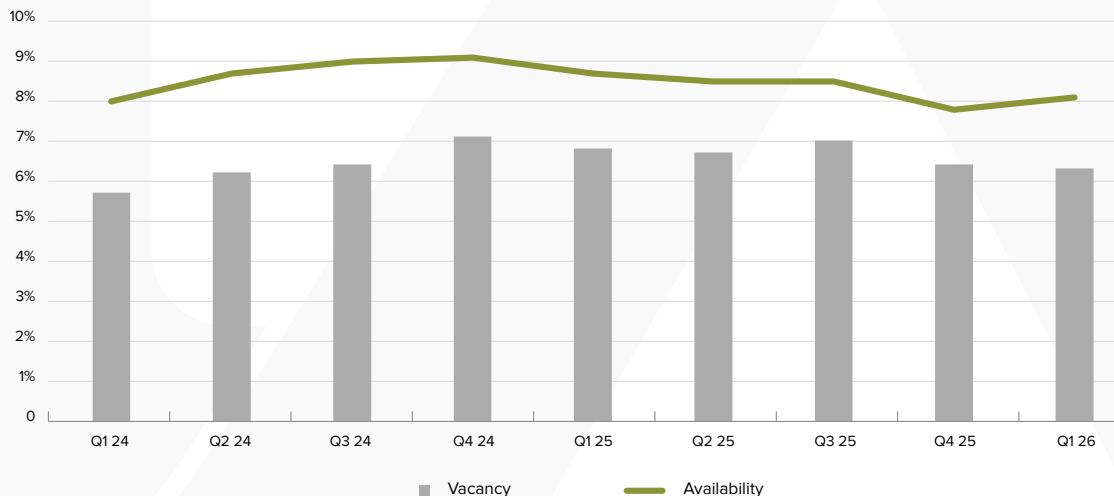
UNDER CONSTRUCTION (PSF)

556K_{SF} YOY ▲ 55.2%
QOQ ▲ 14.3%

MARKET TRENDS

- ▶ Vacancy tightened slightly to 6.3% (-10 bps QoQ, -7.4% YoY), indicating modest improvement in occupancy fundamentals.
- ▶ Availability ticked up to 8.1% (+30 bps QoQ), suggesting some near-term leasing friction despite lower vacancy.
- ▶ Net absorption remained positive (438K SF), though significantly below prior quarter levels, pointing to slowing demand momentum.
- ▶ Leasing activity held steady (+4.8% QoQ, +2.5% YoY), while sales volume declined sharply (-25.0% QoQ, -47.1% YoY), reflecting weaker investment activity.
- ▶ Construction activity expanded (+14.3% QoQ, +55.2% YoY), while asking rents continued to compress to \$1.27 NNN (-2.3% QoQ, -4.5% YoY).

VACANCY VS AVAILABILITY



ECONOMIC INDICATORS



US Unemployment Rate



GDP - Quarter 4*



US 10-Year Treasury Note

HISTORIC COMPARISON

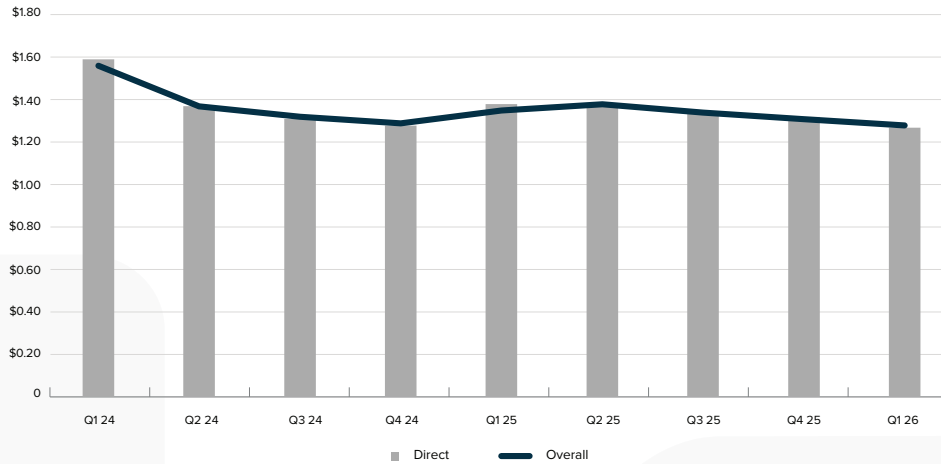
	Q1 2025	Q4 2025	Q1 2026	QoQ % Change	YoY % Change
Total Inventory (SF)	246,776,166	247,001,458	247,134,475	0.1%	0.1%
Overall Vacancy	6.8%	6.4%	6.3%	-1.6%	-7.4%
Overall Availability	8.6%	7.8%	8.1%	3.8%	-5.8%
Under Construction (SF)	358,309	486,333	556,076	14.3%	55.2%
Net Absorption (SF)	925,574	1,352,490	438,467	N/A	N/A
Leasing Activity (SF)	2,993,573	2,927,724	3,068,929	4.8%	2.5%
Sales Activity (SF)	1,360,077	958,736	718,876	-25.0%	-47.1%
Overall Asking Lease Rate (NNN)	\$1.33	\$1.30	\$1.27	-2.3%	-4.5%

Q1 GDP will be published on April 30, 2026, by BEA

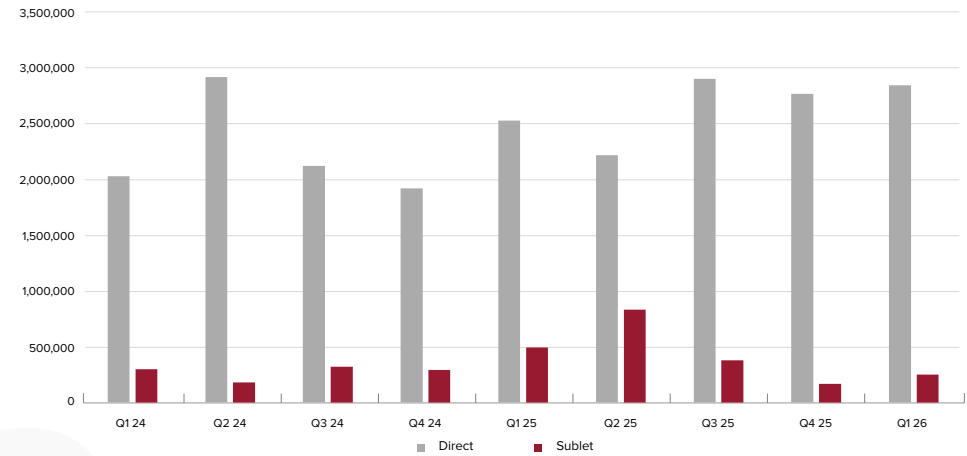
MARKET INSIGHT

Central Los Angeles

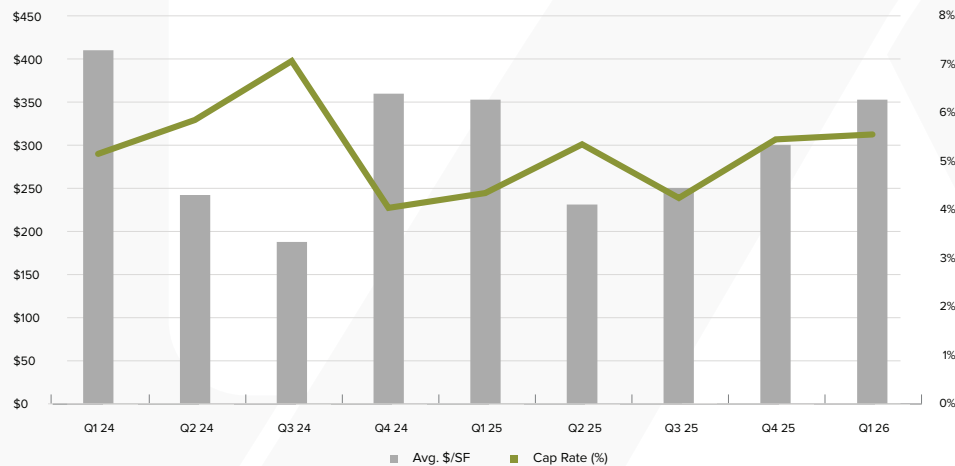
LEASE RATES



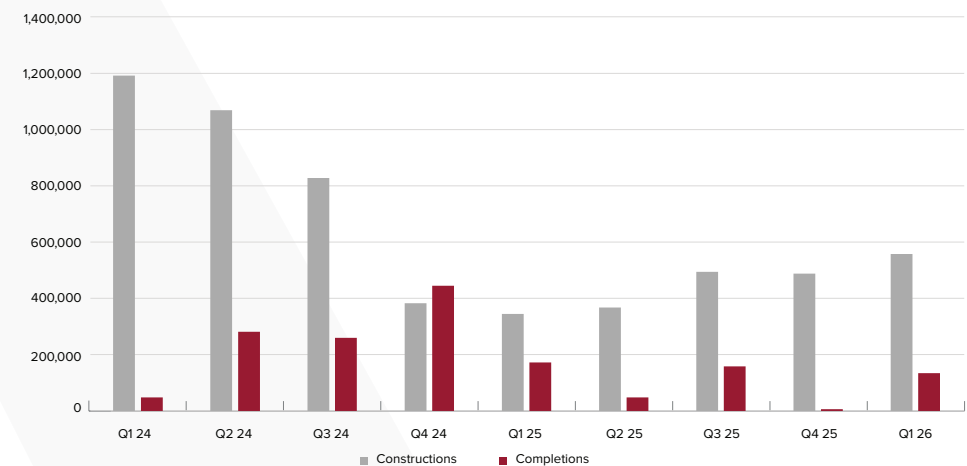
LEASING ACTIVITY



SALE TRENDS



CONSTRUCTION



MARKET INSIGHT

Central Los Angeles

MAJOR CONSTRUCTIONS / DEVELOPMENT PROJECTS

Address / Submarket / Owner or Developer	Estimated Completion	Size (SF)
7400 E Slauson Avenue Commerce • Prologis, Inc.	2026	283,621
3094 E Vernon Avenue Vernon • Goodman North America Management LLC	2026	263,409
3344 Medford Street Los Angeles • Xebec	2026	135,970
2757 Leonis Boulevard Vernon • Alere Property Group LLC	2026	69,695
2120 E 52nd Street Vernon • PINE VALLEY 52ND ST VERNON LLC	2026	66,790

TOP 5 LEASES

Address / Submarket / Landlord / Lease Type	Tenant	Size (SF)
2101 Flotilla Street Montebello • DWS	Speed Xpress	326,517
6108 Peachtree Street Commerce • American International Industries	H&T Seafood	159,394
6501 Flotilla Street Commerce • REDA	Bar Logistics	157,715
4505 Bandini Boulevard Vernon • The Walter Companies	Moshay, Inc.	130,122
2263 E Vernon Avenue Vernon • Confidential (Sublease)	One Dreamworks, Inc.	119,196

TOP 5 SALES

Address / Submarket / Seller(s)	Size (SF)	Buyer	\$/SF	Price
6900 Alameda Street Huntington Park • Saturn Holdings	77,800	Shannon Fabrics	\$12.7M	\$163
7136 Slauson Avenue Commerce • Sun Plastics	60,000	Fenico Precision Castings	\$17.9M	\$300
7421 Slauson Avenue Commerce • Bridge Industrial	57,410	Shins Trading Co	\$22.4	\$390
7305 Paramount Boulevard Pico Rivera • Windermere Real Estate	18,962	CommonWealth Partners	\$4.9	\$256
2537-2553 E 54th Street Huntington Park • 2M Textile	13,268	American Celebrations	\$2.9	\$219

MARKET INSIGHT

Central Los Angeles

CITY-LEVEL BREAKDOWN

City	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Asking Sale Price (\$/SF)
Bell/Bell Gardens	160	6,944,894	3.2	3.7	(59,563)	46,931	\$1.38	\$283
Commerce	733	45,620,050	73	9.1	552,404	996,705	\$1.28	\$275
Cudahy	36	971,517	5.1	6.6	(8,000)	0	\$0.00	\$237
Huntington Park	161	3,740,538	4.7	9.4	80,850	94,250	\$0.96	\$246
DTLA	4675	114,082,125	7.3	9.3	(203,985)	2,189,534	\$1.33	\$312
Maywood	45	765,189	1.6	4.1	(6,650)	0	\$1.15	\$320
Montebello	217	10,046,195	2.3	3	355,932	453,491	\$1.29	\$271
Pico Rivera	195	10,274,561	6.4	7.1	(45,202)	87,666	\$1.37	\$299
South Gate	237	10,139,528	1.9	3.7	(41,583)	9,098	\$1.08	\$264
Vernon	793	44,549,878	6.3	8.5	(185,736)	764,299	\$1.26	\$285

Corp ID. # 01125429

Los Angeles Central
5675 Telegraph Rd. Suite 300
Commerce, CA 90040 | (323) 720-8484

City of Industry
13181 Crossroads Pkwy N Suite 300
City of Industry, CA 91746 | (562) 699-7500

Sources: LAC-I Research, CoStar, Moody's I Port Statistics Sources: PLA, PLB

The data presented is based on a survey of industrial properties 5,000 square feet and larger. Leasing rates reflect asking triple-net (NNN). While the information in this report has been obtained from sources believed to be reliable, its accuracy cannot be guaranteed.