2025 3rd Quarter

Market Insight

Central Los Angeles

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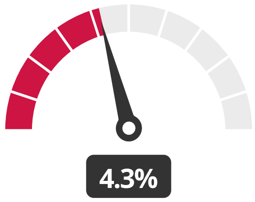
Overall Vacancy Rate	Overall Asking Lease Rates (NNN)	Overall Leasing Activity	Under Construction (PSF)
6.9% +9.5%	$1.33 +1.5%	2.9M SF +14.3%	755K SF -8.5%

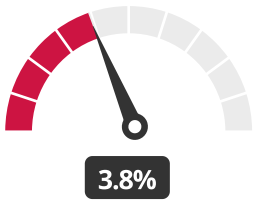
^ Percent Represents Year-Over-Year Change

The Central Los Angeles Industrial Market

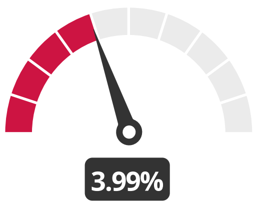
The Central submarket saw stable inventory growth with vacancy inching up to 6.9%, reflecting moderate softening in demand. Construction activity rose 20% from last quarter, while leasing volume held steady and remained well above year-ago levels. Despite a dip in quarterly absorption, sales activity was up nearly 66% year-over-year, showing continued investor confidence in the market.



US Unemployment Rate



GDP - Quarter 2*



US 10-Year Treasury Note

Summary

Summary	Q3 2024	Q2 2025	Q3 2025	QoQ % Change	YoY % Change
Total Inventory (SF)	245,521,191	246,182,995	246,340,710	0.1%	0.3%
Overall Vacancy	6.3%	6.7%	6.9%	3.0%	9.5%
Overall Availability	8.9%	8.4%	8.4%	0.0%	-5.6%
Under Construction (SF)	825,344	629,661	755,567	20.0%	-8.5%
Net Absorption (SF)	(214,787)	309,297	(473,580)	N/A	N/A
Leasing Activity (SF)	2,608,083	2,948,300	2,981,656	1.1%	14.3%
Sales Activity (SF)	795,001	1,645,676	1,318,030	-19.9%	65.8%
Overall Asking Lease Rate (NNN)	$ 1.31	$ 1.37	$ 1.33	-2.9%	1.5%

Port of **Los Angeles** (Q3)

Total Loaded TEUs	1,871,865
Total Empty TEUs	989,381
Total TEUs	2,861,246

Total TEUs YOY Change **+0.2%**

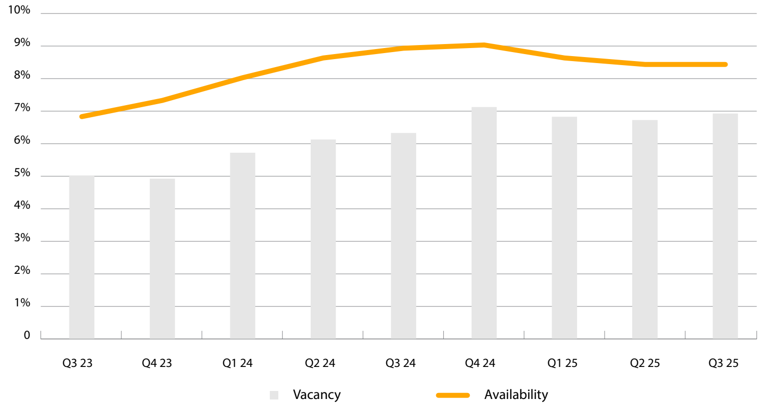
Port of **Long Beach** (Q3)

Total Loaded TEUs	1,568,852
Total Empty TEUs	1,074,763
Total TEUs	2,643,615

Total TEUs YOY Change **+0.7%**

Vacancy vs Availability

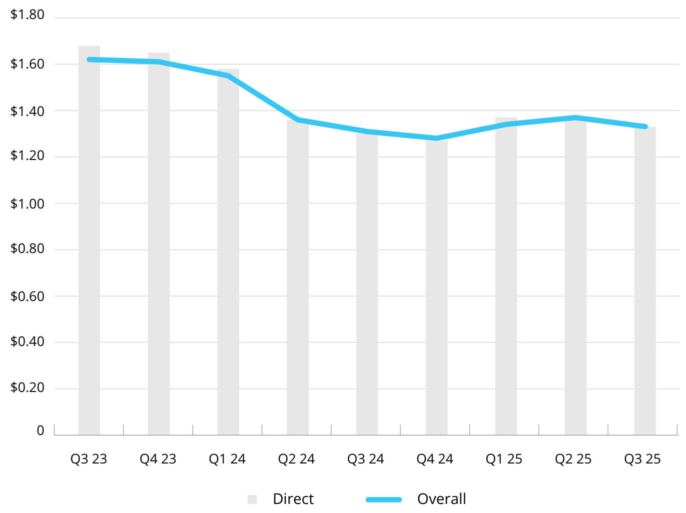
- Year-over-year, vacancy climbed 9.5%, while availability declined by -5.6%



*Q3 GDP will be published on October 30, 2025 by BEA.

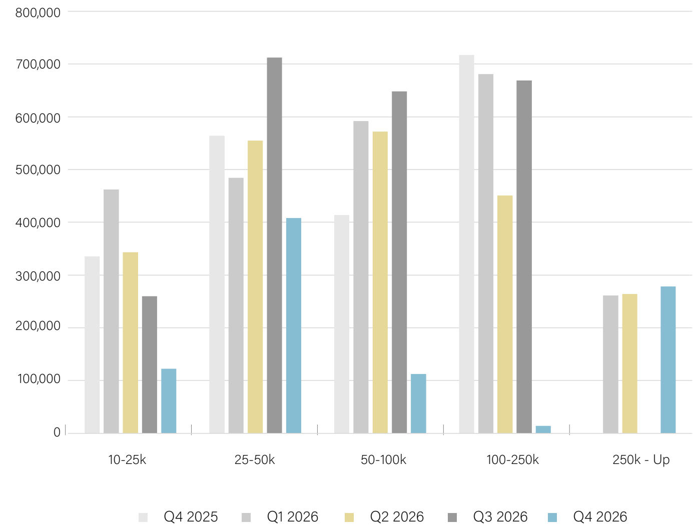
Lease Rates

- Asking rents: $1.33 psf/mo NNN, down -2.9% QoQ, up 1.5% YoY



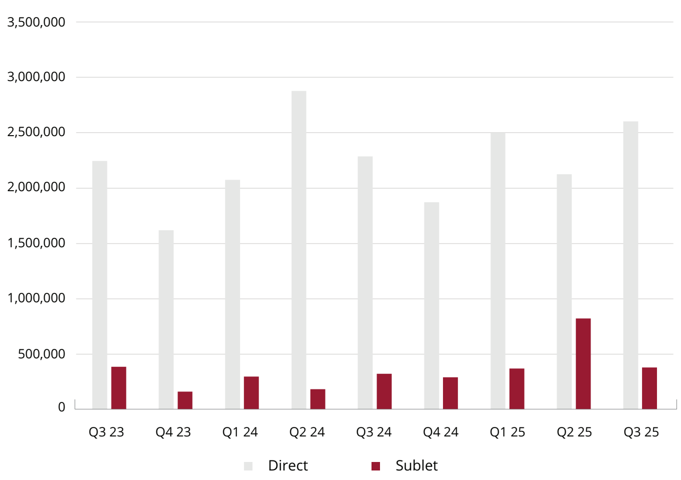
Lease Expiration

- Lease expirations peak in Q1 2026 at 2.4M SF, then decline sharply by Q4



Leasing Activity

- Leasing activity increased this quarter – up 1.1% QoQ and 14.3% YoY



Top 5 Leases

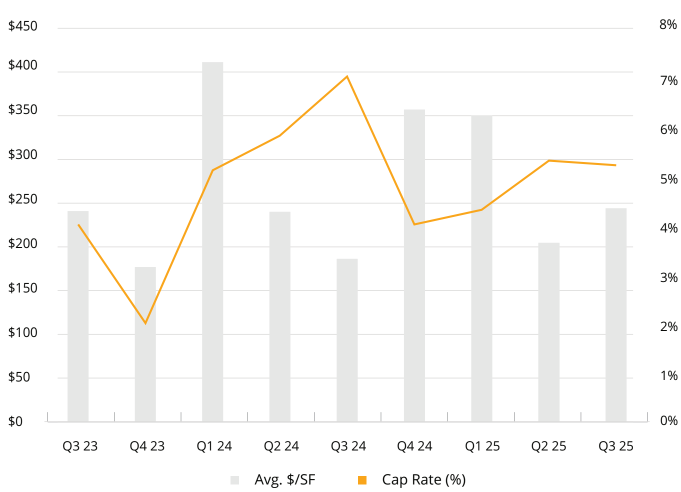
Address	Size (SF)	Tenant	Landlord
8500 Rex Rd Pico Rivera, CA 90660	335,600	Million Dollar Baby	Majestic AMB Pico Rivera
4885 E 52nd Pl Vernon, CA 90058	210,347	UniUni Logistics Inc	Bridge Industrial
5631 Ferguson Dr Los Angeles, CA 90022	204,000	Bathroom Vanities Wholesale, Inc	Oldcastle Building Envelope Inc
8200 Slauson Av Pico Rivera, CA 90660	160,585	Bimbo Bakeries USA	Invreg Slauson LLC
1363 S Bonnie Beach Pl Commerce, CA 90023	154,425	Golden State Connections Inc	Neman Properties LLC

Top 5 Sales

Address	Size (SF)	Buyer	Seller(s)	Price	$/SF
4400-4458 Pacific Blvd Vernon	253,200	Digital Realty Trust, Inc.	4D Development	$48.8M	$192.73
7400 Bandini Blvd Commerce	94,937	Shins Trading Co	Bridge Industrial	$38.5M	$405.53
5764 Alcoa Ave (Part of a 4 Property Sale) Los Angeles	66,550	Agile Cold Storage	Link Logistics Real Estate	$25.9M	$389.82
3311 E Slauson Ave (Part of a 4 Property Sale) Los Angeles	63,375	Agile Cold Storage	Link Logistics Real Estate	$21.1M	$333.91
4790 Valley Blvd Los Angeles	41,449	Move Happy	Paul & Karen McCarthy	$14.2M	$343.80

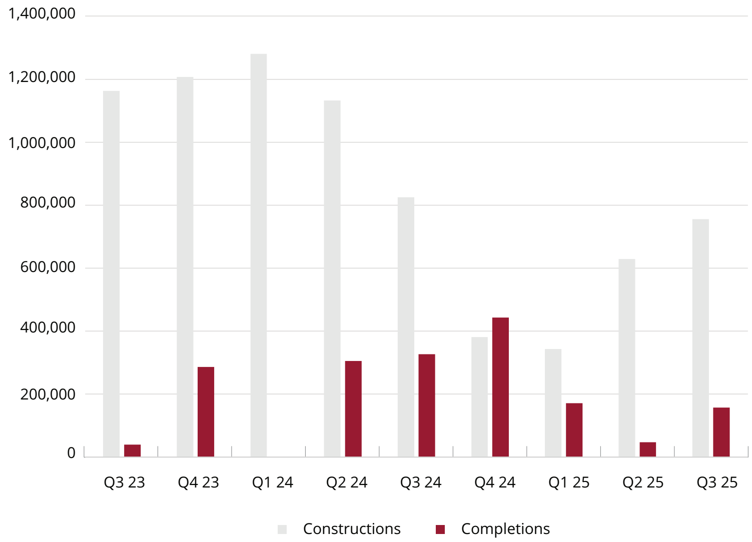
Sale Trends

- Sales hit 1.3 MSF: up YoY by 65.8%, but below the 10-year average of 2.1 MSF



Construction

- Construction starts increased 20.0% QoQ but fell by -8.5% YoY



Major Constructions / Development Projects

Address	Owner or Developer	Size (SF)	Est. Completion
7400 E Slauson Ave Commerce	Prologis, Inc.	283,621	2026
3094 E Vernon Ave Vernon	Goodman Group	263,409	2026
6403 Wilmington Ave Los Angeles	Sagard	100,430	2025
2757 Leonis Blvd Vernon	Alere Property Group LLC	69,695	2026
6375 Wilmington Ave Los Angeles	Sagard	32,587	2025

City	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Asking Sale Price ($/SF)
Bell/Bell Gardens	159	6,867,961	4.3	5.5	49,805	190,183	$1.48	$281
Commerce	740	46,020,261	9.5	10.8	16,579	627,026	$1.30	$274
Cudahy	36	961,107	1.6	8.2	(4,560)	2,160	$0.83	$242
Huntington Park	160	3,695,172	5.9	10.6	25,420	25,420	$0.82	$251
DTLA	4,650	113,949,130	7.6	9	(368,281)	1,822,095	$1.37	$310
Maywood	45	765,189	0.7	3.2	6,936	6,396	$1.15	$327
Montebello	215	10,015,250	5.7	6.7	(74,630)	54,050	$1.45	$270
Pico Rivera	194	10,286,270	6.9	7.3	194,055	464,720	$1.35	$294
South Gate	237	10,008,687	3.4	4.7	(22,688)	0	$1.38	$269
Vernon	789	43,771,683	6.1	7.8	(296,216)	596,285	$1.33	$286

Sources: LAC-I Research, CoStar, Moody's | Port Statistics Sources: PBLA, PBLB

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.

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