

MARKET INSIGHT

Central Los Angeles

OVERALL VACANCY RATE

6.0% YOY ▼ -10.4%
QOQ ▼ -3.2%

OVERALL ASKING LEASE RATES (NNN)

\$1.27 YOY ▼ -7.3%
QOQ = 0.0%

OVERALL LEASING ACTIVITY

3.4M_{SF} YOY ▲ 16.2%
QOQ ▲ 12.3%

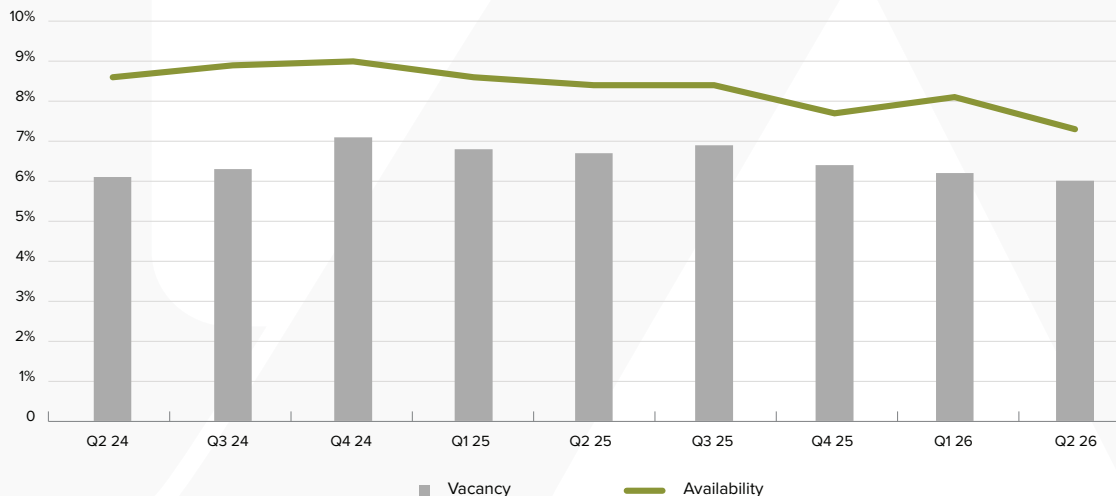
UNDER CONSTRUCTION (PSF)

522K_{SF} YOY ▲ 25.3%
QOQ ▼ -11.8%

MARKET TRENDS

- Vacancy tightened further to 6.0% (-3.2% QoQ, -10.4% YoY), continuing the trend of improving occupancy fundamentals.
- Availability also declined to 7.3% (-9.9% QoQ, -13.1% YoY), reinforcing the tightening trend and easing the leasing friction seen in prior quarters.
- Net absorption accelerated to 880K SF, up from 528K SF in Q1 2026 and 386K SF a year ago, pointing to strengthening demand momentum.
- Leasing activity picked up meaningfully (+12.3% QoQ, +16.2% YoY), while sales volume improved on a quarterly basis (+15.6% QoQ) but remained sharply lower year-over-year (-49.3% YoY), reflecting a still-recovering investment market.
- Construction activity pulled back (-11.8% QoQ) but remained well above year-ago levels (+25.3% YoY), while asking rents held flat QoQ at \$1.27 NNN but stayed down (-7.3% YoY).

VACANCY VS AVAILABILITY



ECONOMIC INDICATORS



US Unemployment Rate



GDP - Quarter 1*



US 10-Year Treasury Note

HISTORIC COMPARISON

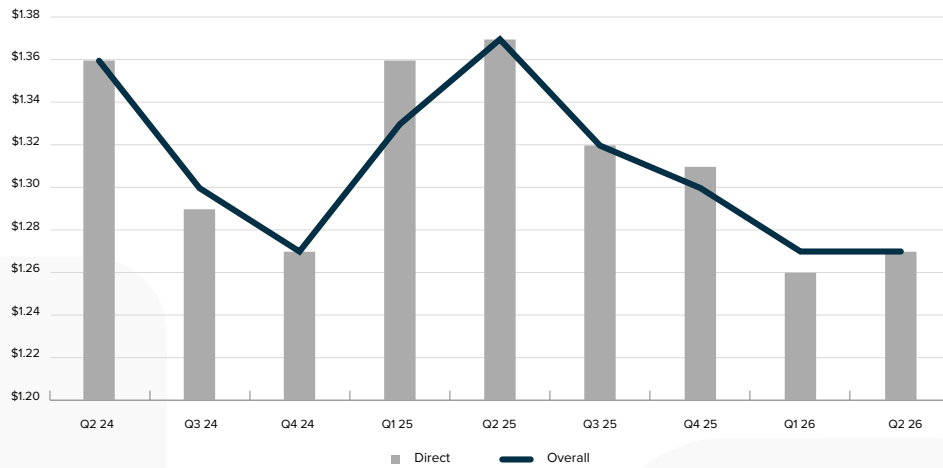
	Q2 2025	Q1 2026	Q2 2026	QoQ % Change	YoY % Change
Total Inventory (SF)	246,116,002	246,427,259	246,496,954	0.0%	0.2%
Overall Vacancy	6.7%	6.2%	6.0%	-3.2%	-10.4%
Overall Availability	8.4%	8.1%	7.3%	-9.9%	-13.1%
Under Construction (SF)	416,761	591,885	522,190	-11.8%	25.3%
Net Absorption (SF)	386,001	527,961	879,750	N/A	N/A
Leasing Activity (SF)	3,000,536	3,102,656	3,485,383	12.3%	16.2%
Sales Activity (SF)	1,691,374	741,486	857,495	15.6%	-49.3%
Overall Asking Lease Rate (NNN)	\$ 1.37	\$ 1.27	\$ 1.27	0.0%	-7.3%

*Q2 will be published July 30, 2026, by BEA

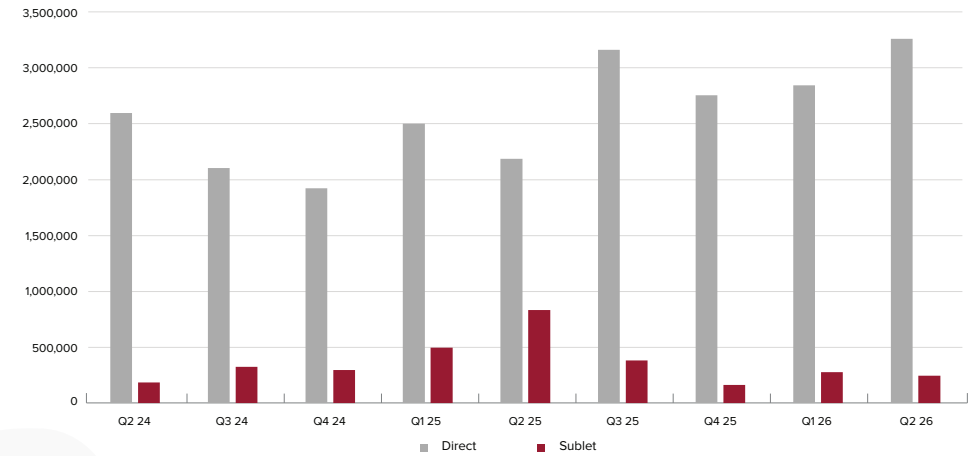
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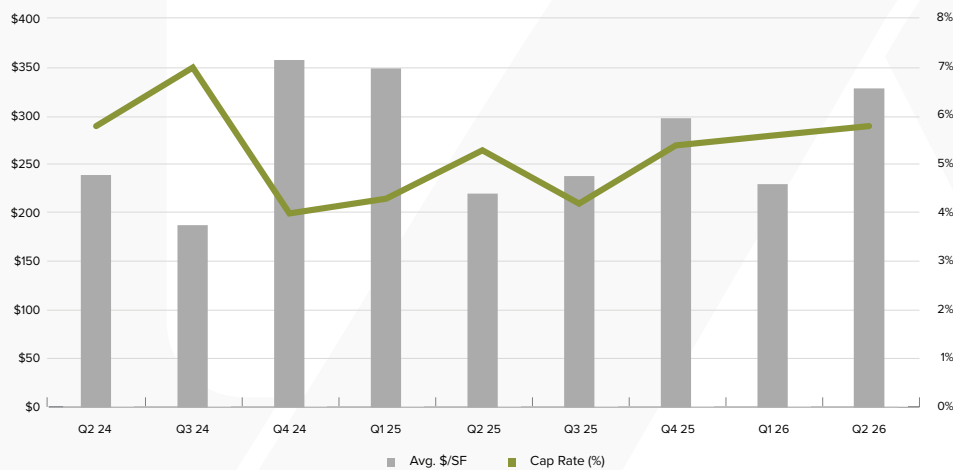
LEASE RATES



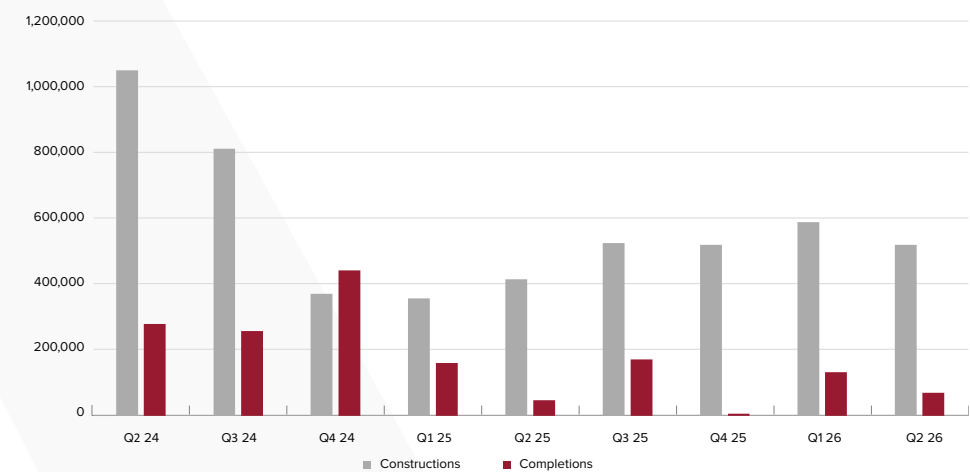
LEASING ACTIVITY



SALE TRENDS



CONSTRUCTION



MARKET INSIGHT

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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
2120 E 52nd Street Vernon • PINE VALLEY 52ND ST VERNON LLC	2026	66,790
722 S Maple Avenue Montebello • Montebello, LLC	2026	35,810

TOP 5 SALES

Address / Submarket / Seller(s)	Size (SF)	Buyer	\$/SF	Price
4401 Downey Road (2-Property) Vernon • Golden West Food Group	150,000	New Mountain Capital	\$332	\$87.1M
4690 Colorado Boulevard Los Angeles • Eaton Corporation	96,948	Blue Owl Capital	\$447	\$43.3M
5555 Slauson Avenue Commerce • BCI	91,010	Holland Flower Market	\$375	\$34.1M
3258 E 45th Street (2-Property) Los Angeles (2 property sale) • SDL Alcoa LLC	88,457	Golden Star Imports	\$423	\$14.6M
414 E. 9th Street Los Angeles • Clarion Parnters	54,320	Stonelake Capital Partners	\$147	\$17.5M

TOP 5 LEASES

Address / Submarket / Landlord / Lease Type	Tenant	Size (SF)
4000 Union Pacific Avenue Commerce • Dedeaux Properties	Line Apparel LLC	374,000
7400 Slauson Avenue Commerce • Prologis	Kids2	283,621
6285 Slauson Avenue Commerce • Rexford Industrial Realty Inc	Plastic Express	224,229
6021 S Malt Avenue Commerce • American International Industries	NA Trading Co.	140,509
3359-3389 E 50th Street Vernon • Ambiance Apparel	Secret Charm, LLC	137,402

MARKET INSIGHT

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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	7,220,103	3	4	23,158	9,936	\$1.37	\$278
Commerce	732	45,494,075	7	6.8	917,582	717,108	\$1.27	\$273
Cudahy	36	971,525	3.8	5.8	(13,025)	19,712	\$0.00	\$235
Huntington Park	161	3,740,319	5.1	5.4	(13,024)	60,895	\$1.01	\$242
DTLA	4666	113,296,718	7.7	8.4	287,980	1,783,402	\$1.35	\$306
Maywood	45	765,189	1.6	4.1	11,578	0	\$1.15	\$315
Montebello	215	10,034,248	4.6	5.2	(260,660)	85,195	\$1.03	\$271
Pico Rivera	193	10,200,239	6.8	7.1	(38,368)	229,751	\$1.37	\$300
South Gate	236	10,095,543	3.3	1.5	42,555	61,365	\$1.08	\$264
Vernon	793	44,678,995	6.4	7.5	(78,026)	497,086	\$1.28	\$282

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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.