

Central Los Angeles

Overall
Vacancy Rate

6.9% +19.0%

Overall
Asking Lease Rates (NNN)

\$1.34 -13.5%

Overall
Leasing Activity

2.6M SF +8.2%

Under Construction (PSF)

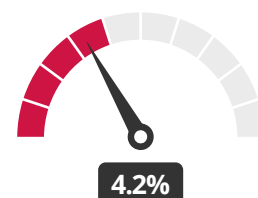
52K SF -95.3%

^ Percent Represents Year-Over-Year Change

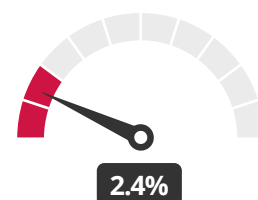
The Central Los Angeles Industrial Market

Ended Q1 2025 on a stronger footing, recording 909,543 SF of positive net absorption, the first gain after ten straight quarters of occupancy losses. As demand outpaced new deliveries for the first time since Q1 2022, the vacancy rate fell from 7.2% to 6.9%. Availability also retreated, landing at 8.5%, though still well above the 6.1% level seen two years earlier.

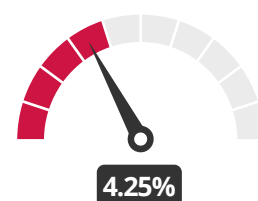
Average asking rents continued their downward trend, closing the quarter at \$1.34 NNN, a 13.5% drop (\$0.21) year-over-year and marking the fifth decline in the past seven quarters. Demand remains strongest in the Vernon and Commerce submarkets, driven by sustained activity in food production and apparel manufacturing.



US Unemployment Rate



GDP - Quarter 4*



US 10-Year Treasury Note

Summary

	Q1 2024	Q4 2024	Q1 2025	QoQ % Change	YoY % Change
Total Inventory (SF)	245,960,570	246,873,111	247,043,376	0.1%	0.4%
Overall Vacancy	5.8%	7.2%	6.9%	(4.2%)	19.0%
Overall Availability	8.0%	8.9%	8.5%	(4.5%)	6.3%
Under Construction (SF)	1,116,983	223,142	52,877	(76.3%)	(95.3%)
Net Absorption (SF)	(1,927,485)	(1,015,778)	909,543	N/A	N/A
Leasing Activity (SF)	2,420,522	2,196,391	2,619,900	19.3%	8.2%
Sales Activity (SF)	370,273	1,004,918	1,420,077	41.3%	283.5%
Overall Asking Lease Rate (NNN)	\$ 1.55	\$ 1.28	\$ 1.34	4.7%	(13.5%)

Port of Los Angeles (Q1)

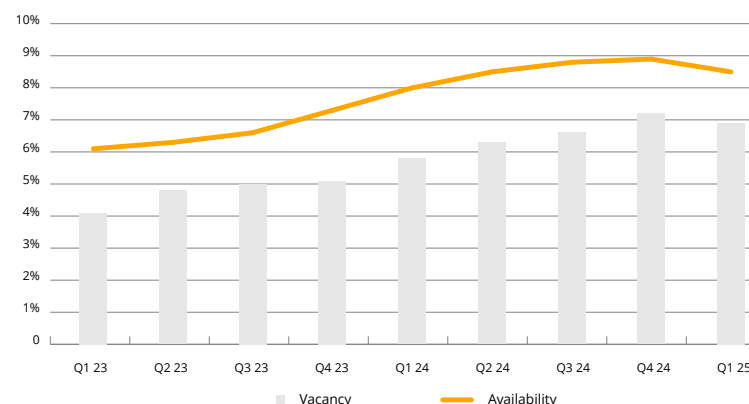
Total Loaded TEUs	1,628,000	Total TEUs YOY Change 5.2%
Total Empty TEUs	876,049	
Total TEUs	2,504,049	

Port of Long Beach (Q1)

Total Loaded TEUs	1,513,624	Total TEUs YOY Change 26.6%
Total Empty TEUs	1,021,952	
Total TEUs	2,535,576	

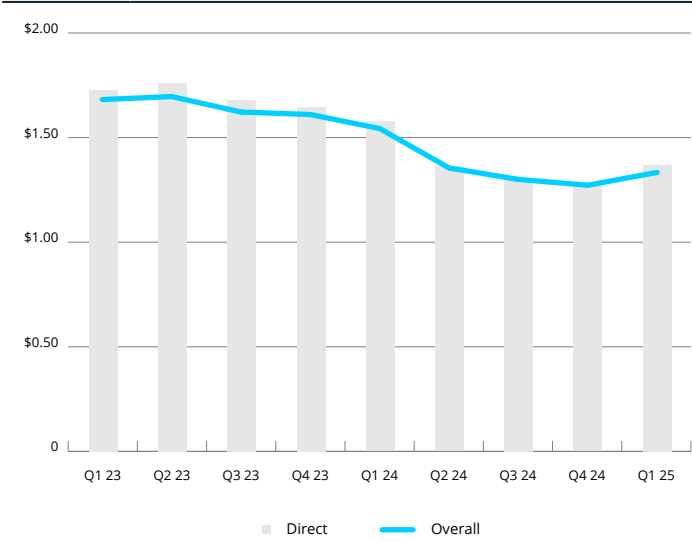
Vacancy vs Availability

- Year-over-year, vacancy climbed 19.0%, while availability rose 6.3%

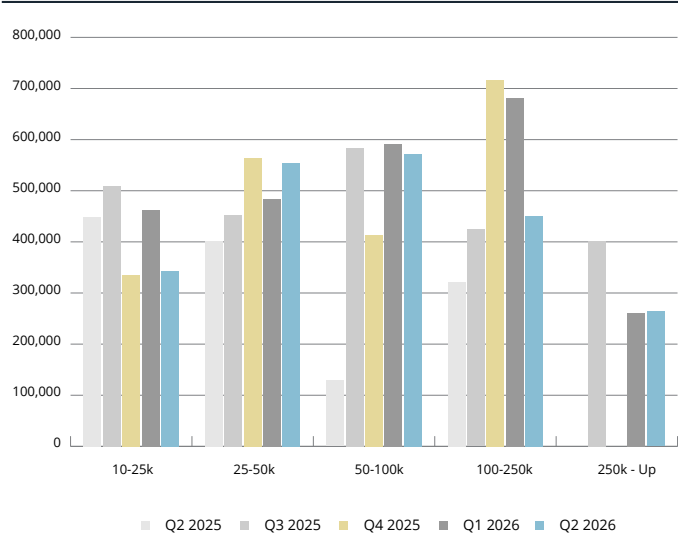


Lease Rates

- At \$1.34 NNN, overall asking rents rose 4.7% quarter-over-quarter but remain down 13.5% year-over-year

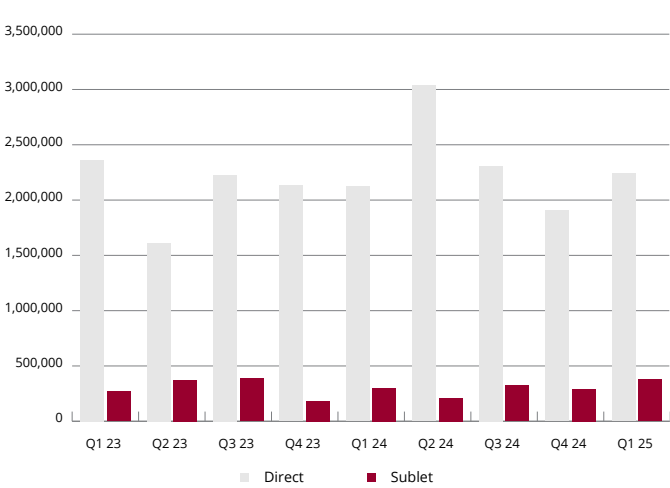


Lease Expiration: By Size Range



Leasing Activity

- Leasing activity increased this quarter – up 19.3% QoQ and 8.2% YoY



Top 5 New Leases

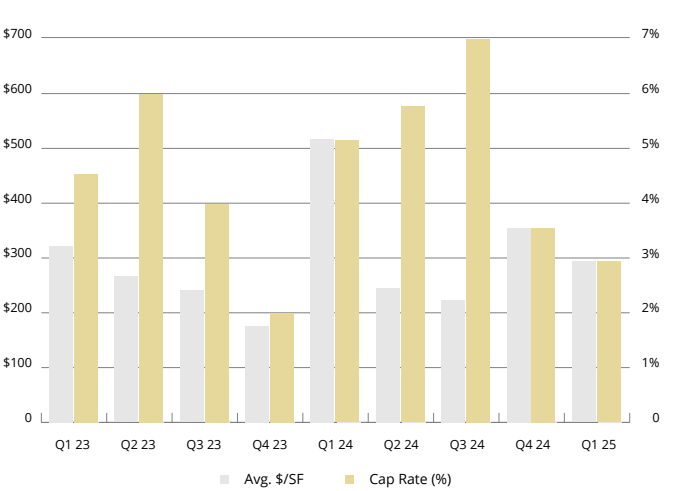
Address	Size (SF)	Lessor	Lessee(s)
11840 Alameda St Lynwood	163,931	Terreno Realty	PL Developments
2034 27th St Vernon	126,563	Rexford Industrial	One Dreamworks, Inc
8457 Eastern Ave Bell Gardens	119,347	Link Logistics	Zia Tile
6000 Slauson Ave Commerce	105,010	Clarion Partners	Cinderella Divine
3166 Slauson Ave Vernon	72,280	Clarion Partners	Kitsch, LLC

Top 5 Sales

Address	Size (SF)	Buyer	Seller(s)	Price
4224 District Blvd Vernon	117,360	Lucky Taro Inc	Winix Inc	\$57.0M
620-640 E. Slauson Ave Los Angeles	76,378	ABC Trading Inc	Joseph Davidian	\$10.0M
3385 Leonis Blvd Vernon	55,136	Oceans Fresh Food Market	RDA Warehouse LLC	\$22.0M
1813 Washington Blvd Los Angeles	22,000	Omina Tera LLC	Kluger Trust	\$5.1M
2117 Yates Ave Commerce	19,222	Leones Properties LLC	Superior Printing & Ink	\$4.5M

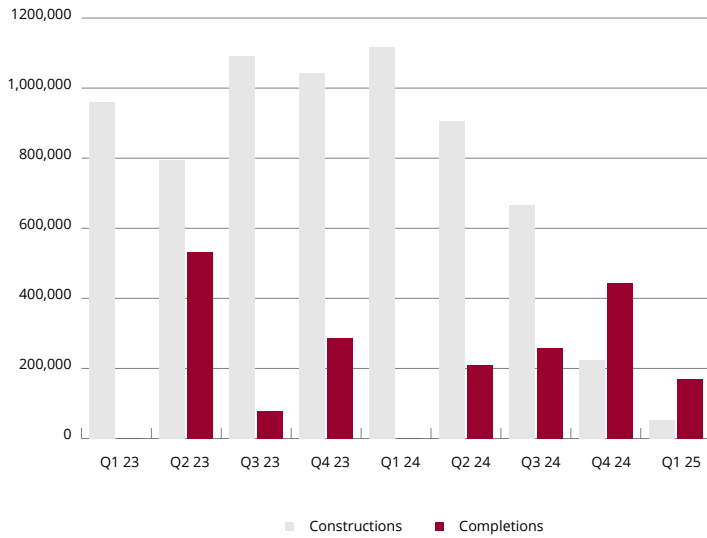
Sale Trends

- Sales hit 1.4 MSF: up QoQ and YoY, but below the 10-year average of 2.1 MSF



Construction

- Construction starts plummeted: down 76.3% QoQ and 95.3% YoY



Major Constructions / Development Projects

Address	Owner or Developer	Size (SF)	Est. Completion
6501 Flotilla St Commerce	American International Industries	157,715	2025
7400 Bandini Blvd Commerce	Bridge Industrial	151,565	2025
6403 Wilmington Ave Los Angeles	Panattoni Development	100,430	TBD
5635 - 5637 E 61st St Commerce	Rexford Industrial	94,140	2025
5635 E 61st St Commerce	Rexford Industrial	47,052	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	157	6,690,976	3.7	3	239,336	143,638	\$1.58	\$273
Commerce	744	43,848,832	9.7	11.1	(288,687)	1,022,179	\$1.29	\$257
Cudahy	38	1,022,617	2.4	10.6	11,732	13,072	\$1.15	\$239
Huntington Park	159	3,675,271	2.6	6.4	73,628	102,056	\$0.82	\$247
DTLA	4481	122,759,249	7.3	8.8	722,884	2,671,559	\$1.22	\$304
Maywood	46	821,382	1.5	3.1	-	-	\$1.35	\$320
Montebello	216	7,784,775	6	7.1	(46,495)	121,874	\$1.94	\$259
Pico Rivera	198	8,023,544	7.9	11	(43,735)	20,000	\$1.38	\$276
South Gate	231	9,784,151	3.4	7.3	(9,826)	7,338	\$1.41	\$260
Vernon	797	42,632,575	6.9	8.5	250,706	699,479	\$1.17	\$276

Sources: LAC-I Research, CoStar, Moody's

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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