

## MARKET TRENDS

# LOS ANGELES INDUSTRIAL

### MARKET DRIVERS

As the third quarter closes, the Ports of Long Beach and Los Angeles remain key drivers for the Los Angeles industrial market. After a strong August, activity noticeably slowed September, and the balance of the year is projected to remain sluggish. Logistics and retail warehouse are loaded up on inventory and freight movement earlier than normal, resulting in a “peak season” that appears average to weak.

### LEASING MARKET

The leasing market appears to be stabilizing, with demand trending upward. There are currently more active requirements across all sizes than at any time in 2025. Amazon has more than one million square feet of active requirements, with leases underway in at least two buildings. Hadrian took the Bridge 200,000 SF building on Normandie, expanding their presence in Torrance. The expansion of the manufacturer specializing in building autonomous factories is yet again another indicator that advanced manufacturing, space, and satellite companies are continuing to expand their footprint in the Southbay. Further evidenced by a major rocket company leasing 200,000 SF in Hawthorne. While rates continue to hover near the bottom, landlords are still offering significant concession packages, in the form of free rent and tenant improvement allowances, to attract tenants.

### SALE MARKET

The most notable third quarter sale was Terreno Realty’s acquisition of two leased 50,000 SF warehouse buildings in North Redondo Beach from MetLife. Both properties are leased for another two years and complement Terreno’s existing holdings in the area. North Redondo Beach also saw a recent lease of over 250,000 SF previously occupied by Northrop, now leased by Impulse Space, having never hit the open market. Terreno’s acquisition was priced around \$355 PSF.

### NEAR-TERM OUTLOOK

Looking forward, no major changes are expected in vacancy, availability, or rental rates through year-end. However, as the Fed continues to cut interest rates, both leasing and sales activity in the South Bay are expected to show continued signs of stabilization.

## Market Summary

	3Q25	2Q25	3Q24	YOY Change
Direct Vacancy Rate	5.8%	5.7%	5.1%	13.75%
Total Availability Rate	8.5%	8.6%	8.1%	5.09%
Direct Asking Lease Rate	\$1.43	\$1.46	\$1.51	-5.30%
	3Q25	2Q25	3Q24	YOY Change
Total Lease Transactions (SF)	6,633,250	9,101,908	10,444,225	-36.49%
Sale Transactions (SF)	2,163,368	2,944,762	2,197,340	-1.55%
Direct Net Absorption	-576,010	-546,969	-1,258,121	N/A

↓ 6.6M SF  
LEASING ACTIVITY

↑ -576K SF  
NET ABSORPTION

↑ 5.8%  
VACANCY RATE

↓ \$1.43  
ASKING RENT (AVG)

↑ 434K SF  
NEW DELIVERIES

Year-Over-Year Trend

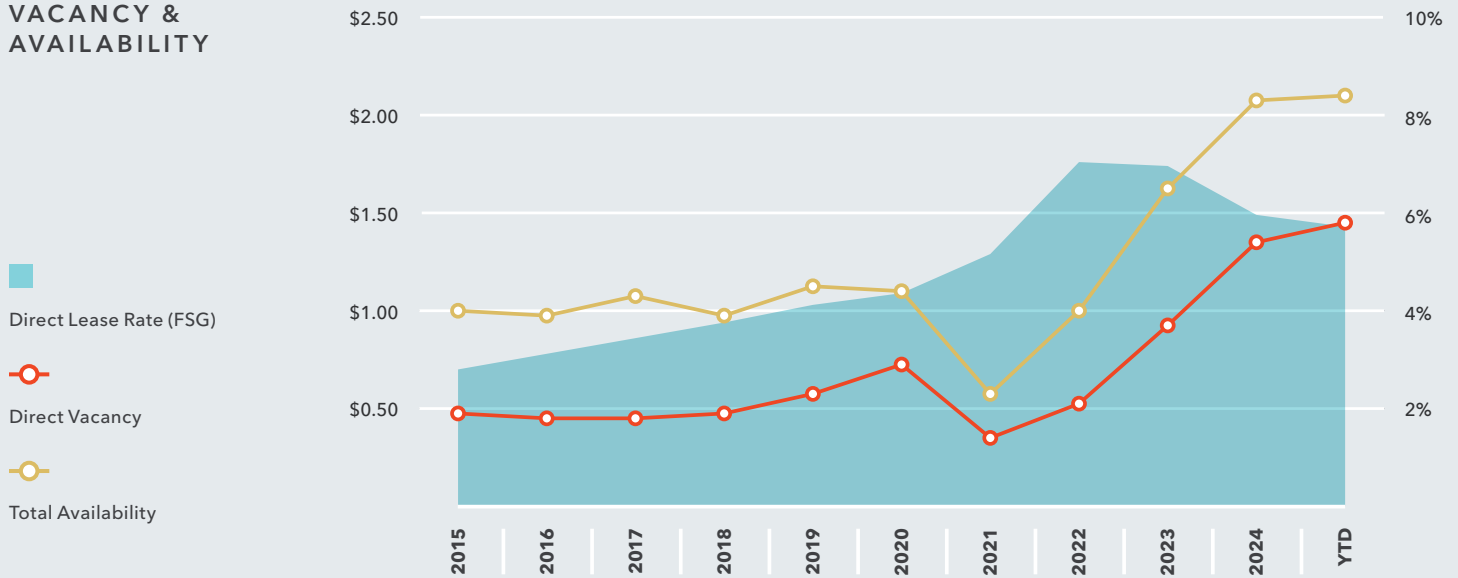
## Market Highlights

**DIRECT MARKET VACANCY**  
in Los Angeles is currently  
at 5.8%

**THE AVERAGE ASKING RATE**  
is \$1.43 PSF on a triple net  
lease (NNN) basis

**AVERAGE SALE PRICE**  
was \$264.85 PSF with a  
cap rate of 5.8%

## LEASE RATE, VACANCY & AVAILABILITY



## BIGGEST SALE OF THE QUARTER

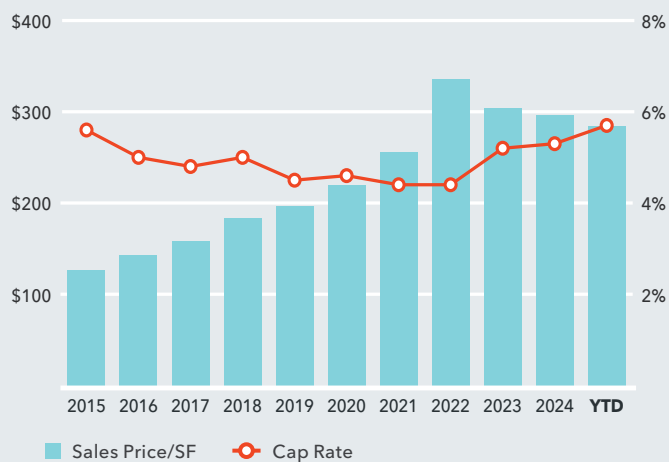
*The Concourse, City of Industry  
(4 Properties)*



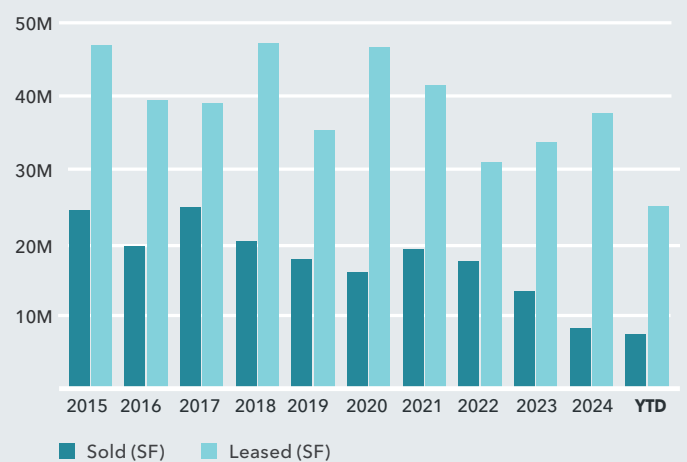
## NET ABSORPTION & NEW DELIVERIES



## AVERAGE SALES PRICE/SF & CAP RATE



## SALE VOLUME & LEASING ACTIVITY



## SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Sublet Vacancy Rate	Total Vacancy Rate	Total Availability Rate	3Q25 Direct Net Absorption	YTD Net Direct Absorption	3Q25 Total Leasing Activity	YTD Total Leasing Activity	Average Rental Rate (NNN)
Bell/Bell Gardens/Maywood	7,626,605	4.1%	0.0%	4.1%	5.4%	-81,823	-61,785	2,880	377,039	\$1.48
Commerce	45,722,762	8.3%	0.7%	9.0%	11.0%	61,268	56,568	466,809	2,007,345	\$1.35
Huntington Park/Cudahy	4,620,482	4.8%	0.2%	5.0%	10.9%	20,858	-25,082	0	86,000	\$0.83
Los Angeles	126,446,359	6.5%	0.4%	6.9%	8.2%	-522,720	-379,180	665,570	2,833,267	\$1.65
Montebello/Monterey Park	11,882,037	5.3%	0.7%	5.9%	7.6%	32,310	114,170	0	251,053	\$1.23
Pico Rivera	10,287,381	5.1%	0.1%	5.2%	6.8%	263,189	165,408	161,354	215,711	\$1.34
South Gate	9,700,959	3.5%	0.0%	3.5%	4.8%	-20,988	-14,989	18,725	175,602	\$1.38
Vernon	44,448,121	5.1%	1.1%	6.2%	8.4%	-350,160	-336,412	559,685	1,977,664	\$1.29
<b>Central</b>	<b>260,734,706</b>	<b>6.3%</b>	<b>0.5%</b>	<b>6.8%</b>	<b>8.5%</b>	<b>-598,066</b>	<b>-481,302</b>	<b>1,875,023</b>	<b>7,923,681</b>	<b>\$1.44</b>
Artesia/Cerritos	13,129,498	6.4%	0.8%	7.2%	8.6%	-28,443	9,793	252,003	813,746	\$1.27
Bellflower/Downey	5,724,006	5.0%	0.8%	5.8%	6.6%	-18,401	-129,749	132,609	141,868	\$1.08
Buena Park/La Palma	14,956,352	7.4%	2.2%	9.6%	14.1%	93,491	248,687	33,199	198,418	\$1.36
La Mirada	13,212,739	8.1%	4.4%	12.6%	16.7%	208,233	-141,799	26,823	307,793	\$1.48
Norwalk	2,925,308	2.6%	0.0%	2.6%	4.1%	2,540	-736	1,100	129,250	\$1.51
Paramount	9,295,783	2.3%	0.2%	2.5%	5.9%	-294	-4,009	68,381	251,645	\$1.06
Santa Fe Springs	54,396,544	5.3%	0.5%	5.8%	8.1%	593,346	330,668	1,130,533	2,944,719	\$1.47
Whittier	3,769,428	10.0%	0.8%	10.8%	19.9%	-6,934	-151,680	12,244	31,963	\$1.23
<b>Mid-Cities</b>	<b>117,409,658</b>	<b>5.8%</b>	<b>1.2%</b>	<b>7.1%</b>	<b>9.9%</b>	<b>843,538</b>	<b>161,175</b>	<b>1,656,892</b>	<b>4,819,402</b>	<b>\$1.38</b>
Alhambra	2,203,708	4.2%	1.1%	5.3%	4.5%	16,474	-38,974	31,250	69,806	\$1.40
Arcadia/Temple City	3,166,855	3.6%	0.0%	3.6%	3.1%	-1,536	76,461	28,450	113,495	\$2.17
Azusa	7,071,404	8.2%	2.4%	10.7%	17.3%	-53,758	-38,958	47,460	103,775	\$1.33
Baldwin Park	5,301,877	3.8%	0.1%	3.9%	4.1%	-18,947	-23,604	61,693	140,642	\$1.49
City of Industry/DB/HH/RH	77,482,899	4.4%	1.2%	5.6%	6.0%	-118,480	1,062,418	403,374	3,999,238	\$1.35
Covina/West Covina	3,365,320	3.2%	0.0%	3.2%	12.2%	24,106	-10,291	11,000	39,760	\$1.24
Duarte	1,799,956	5.8%	0.6%	6.5%	8.1%	-6,213	-8,389	4,000	35,031	\$1.23
El Monte	8,863,966	3.8%	1.9%	5.7%	9.9%	-36,785	-56,405	73,167	263,402	\$1.24
Irwindale	13,235,427	5.9%	0.7%	6.6%	8.0%	-96,695	-66,107	20,193	239,356	\$1.34
La Puente	2,144,089	7.5%	0.0%	7.5%	8.6%	-101,693	-137,530	6,080	24,773	\$1.50
Glendora/La Verne/San Dimas	6,695,825	6.0%	0.0%	6.0%	9.2%	-22,465	-157,723	8,683	141,914	\$1.50
Monrovia	3,269,823	3.2%	0.0%	3.2%	5.4%	-739	10,712	12,621	36,599	\$1.70
Pomona/Claremont	20,152,595	3.3%	1.3%	4.7%	4.8%	615,180	553,319	656,725	1,308,755	\$1.07
Rosemead/San Gabriel	2,215,283	3.4%	0.0%	3.4%	3.5%	25,184	-14,600	6,174	57,196	\$1.59
South El Monte	11,327,570	2.9%	0.2%	3.1%	2.3%	90,455	81,139	129,443	442,608	\$1.44
Walnut	7,154,747	4.8%	0.1%	5.0%	3.4%	279,223	248,473	140,881	542,966	\$1.04
<b>San Gabriel Valley</b>	<b>175,451,344</b>	<b>4.5%</b>	<b>1.0%</b>	<b>5.4%</b>	<b>6.4%</b>	<b>593,311</b>	<b>1,479,941</b>	<b>1,641,194</b>	<b>7,559,316</b>	<b>\$1.30</b>
Carson	36,120,345	5.5%	1.1%	6.6%	7.5%	-27,933	19,068	340,248	800,544	\$1.50
Compton	25,221,117	7.2%	0.8%	8.0%	10.6%	54,336	-199,770	341,637	894,792	\$1.32
El Segundo	7,518,536	4.3%	0.0%	4.3%	4.5%	-113,121	-283,438	17,370	27,580	\$2.30
Gardena	29,194,936	6.6%	0.3%	6.9%	8.2%	698	-95,485	118,165	611,665	\$1.38
Harbor City	1,803,680	1.5%	0.1%	1.6%	3.4%	-27,010	-24,410	0	106,616	\$0.75
Hawthorne	8,161,436	5.4%	0.0%	5.4%	2.9%	-194,111	-188,527	228,894	323,352	\$1.71
Inglewood	4,814,684	2.2%	2.6%	4.8%	4.6%	-34,734	-3,632	14,200	91,854	\$1.91
Lakewood/Hawaiian Gardens	538,200	1.0%	0.0%	1.0%	9.8%	0	2,450	1,500	4,950	-
Lawndale	263,626	2.1%	0.0%	2.1%	6.1%	-5,634	9,736	0	9,098	-
Long Beach/Terminal Island	24,519,735	9.7%	0.5%	10.1%	13.1%	-315,581	-627,235	182,183	466,410	\$1.46
Lynwood	4,076,526	1.4%	0.0%	1.4%	2.7%	0	13,920	0	225,527	\$1.56
Rancho Dominguez/E Rancho Dominguez	14,101,714	8.2%	1.7%	9.9%	15.6%	-239,848	-150,650	131,709	562,396	\$1.41
Redondo/Hermosa Beach	1,748,119	0.0%	0.0%	0.0%	0.0%	1,440	0	0	103,000	-
San Pedro	2,782,567	13.3%	1.4%	14.7%	15.6%	1,348	-1,282	1,348	2,348	-
Signal Hill	3,090,727	3.5%	0.0%	3.5%	6.2%	24,575	-3,712	30,572	131,456	\$0.92
Torrance	29,423,920	6.0%	0.4%	6.5%	12.8%	-564,747	-263,921	21,380	171,002	\$1.74
Wilmington	3,987,545	1.6%	0.9%	2.5%	4.1%	25,529	-4,954	30,935	74,135	\$1.50
<b>South Bay</b>	<b>197,367,413</b>	<b>6.3%</b>	<b>0.7%</b>	<b>7.0%</b>	<b>9.5%</b>	<b>-1,414,793</b>	<b>-1,801,842</b>	<b>1,460,141</b>	<b>4,606,725</b>	<b>\$1.51</b>
<b>Los Angeles Total</b>	<b>750,963,121</b>	<b>5.8%</b>	<b>0.8%</b>	<b>6.6%</b>	<b>8.5%</b>	<b>-576,010</b>	<b>-642,028</b>	<b>6,633,250</b>	<b>24,909,124</b>	<b>\$1.43</b>

## SIGNIFICANT SALE TRANSACTIONS 3Q 2025

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
The Concourse (4 Properties)	SGV	420,697	\$112,200,000	\$266.70	TA Realty	MetLife
Caballero-Descanso (2 Properties)	Mid-Cities	274,170	\$60,900,000	\$222.12	Elion Partners	AEW Capital Management
Valley View Commerce (7 Properties)	Mid-Cities	211,880	\$48,833,000	\$230.47	Circle Industrial	The Seligman Group
Pacific Santa Fe Industrial Center	Central Los Angeles	253,200	\$48,800,000	\$192.73	Digital Realty Trust, Inc.	4D Development
2959 E Victoria St	South Bay	54,400	\$23,000,000	\$422.79	Zurita Family	2959 Victoria Street Parters

## SIGNIFICANT LEASE TRANSACTIONS 3Q 2025

Property	Submarket	SF	Transaction Date	Landlord	Tenant
Shoemaker Commerce Center	Mid-Cities	521,091	July 2025	PGIM Real Estate	Breakthru Beverage Group
Pomona Distribution Center	SGV	504,016	August 2025	Rexford Industrial Realty, Inc.	Undisclosed
Port LA Distribution Center	South Bay	338,936	July 2025	BlackRock, Inc.	Nippon Express, USA
Pico Rivera Business Center	Central Los Angeles	335,600	August 2025	Prologis, Inc.	Million Dollar Baby
Watson Industrial Center	South Bay	258,678	July 2025	Watson Land Company	Geodis

## SIGNIFICANT UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery
Whittier Boulevard Business Center	12352 Whittier Blvd	Mid-Cities	292,303	Western RealCo	October 2025
3094 E Vernon Ave	3094 E Vernon Ave	Central Los Angeles	263,409	Goodman Group	March 2026
15010 Don Julian Rd	15010 Don Julian Rd	SGV	219,242	Rexford Industrial Realty, Inc.	December 2025
9615 Norwalk Blvd	9615 Norwalk Blvd	Mid-Cities	201,571	Rexford Industrial Realty, Inc.	October 2025
1600 W 135th St	1600 W 135th St	South Bay	190,860	Invesco Ltd.	November 2027
14940 Proctor Ave	14940 Proctor Ave	SGV	160,094	Rexford Industrial Realty, Inc.	March 2026

Data Source: EDD, CoStar



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The information in this report was composed by the Kidder Mathews Research Group.

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**COMMERCIAL  
BROKERAGE****\$9B**AVERAGE ANNUAL  
TRANSACTION VOLUME**26.2M**ANNUAL  
SALES SF**36.7M**ANNUAL  
LEASING SF**ASSET  
SERVICES****53M SF**MANAGEMENT  
PORTFOLIO SIZE**800+**ASSETS UNDER  
MANAGEMENT**250+**CLIENTS  
SERVED**VALUATION  
ADVISORY****2,400+**AVERAGE ANNUAL  
ASSIGNMENTS**39**TOTAL  
APPRAISERS**24**WITH MAI  
DESIGNATIONS