

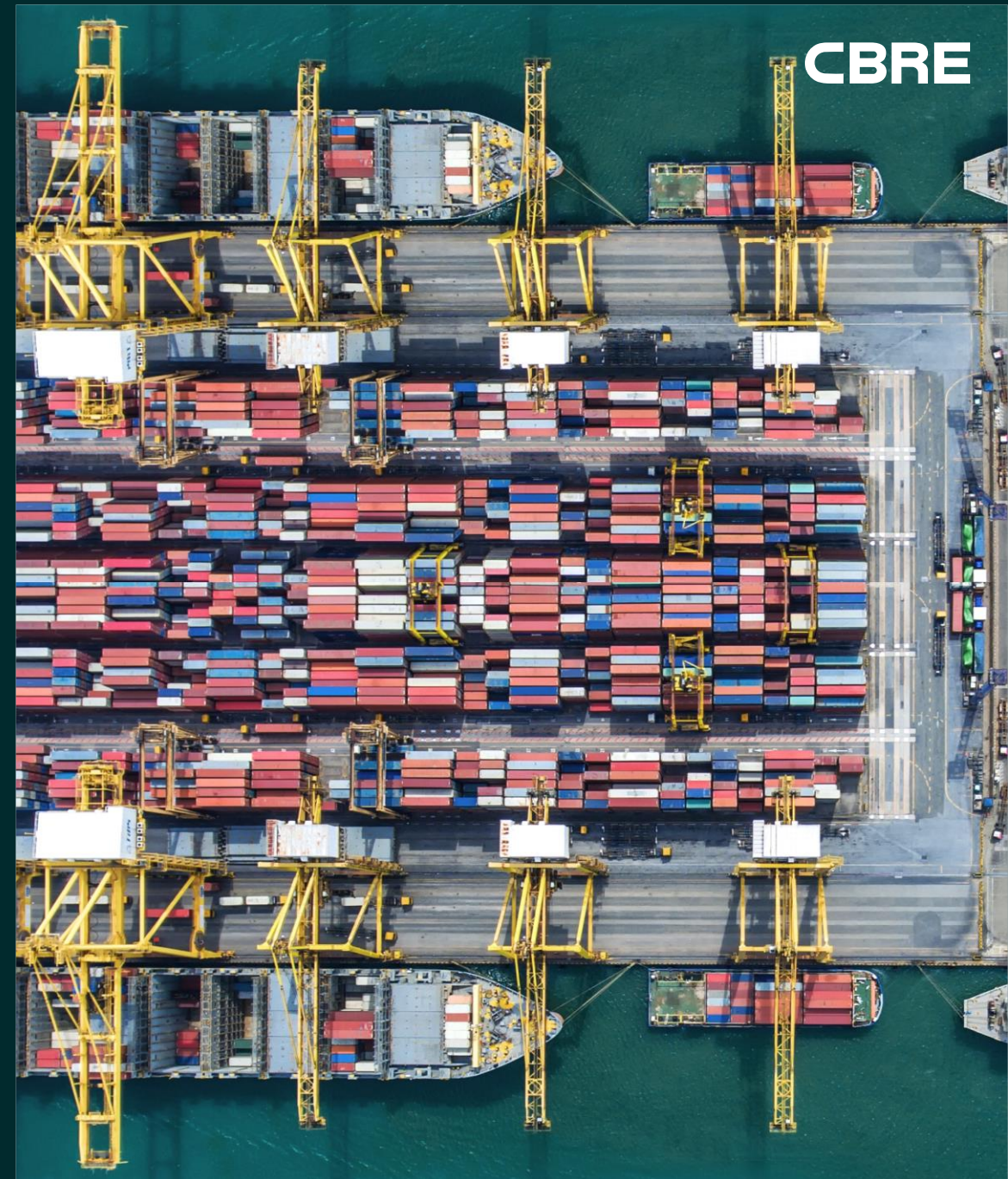
Q3 2025 Submarket Report

# South Bay Industrial Submarket Report Q3 2025

SOUTH BAY

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CBRE RESEARCH  
OCTOBER 2025



# Activity gains momentum yet remains outpaced by new vacancies

▲ 6.5%

Overall Vacancy Rate

▼ (613K)

SF Net Absorption

▼ 440K

SF Under Construction

▼ \$1.41

NNN / MO Lease Rate

▶ 5.8%

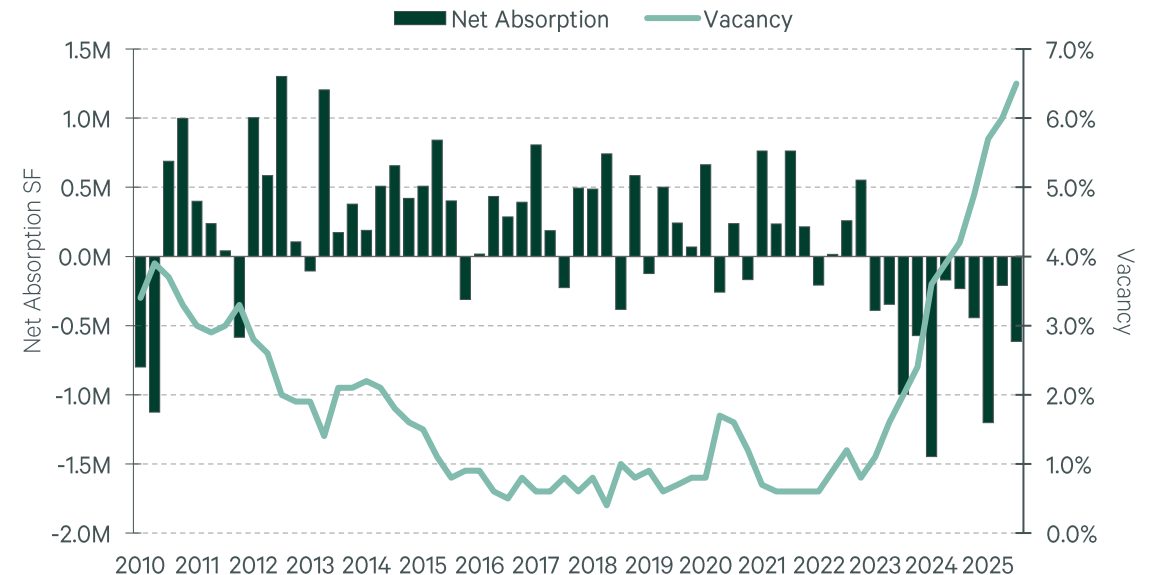
Projected Unemployment Rate through Q3 2025 LA/Ventura Counties

Note: Arrows indicate change from previous quarter.

## MARKET HIGHLIGHTS

- The South Bay closed Q3 2025 with a vacancy rate of 6.5%, which represented an increase of 50 basis points from the previous quarter. The overall availability rate in South Bay also rose slightly to 10.1%
- The average direct asking rate decreased by 3.4% quarter-over-quarter to \$1.41 per sq. ft. NNN on a monthly basis.
- The quarter ended with 3.1 million sq. ft. of gross absorption, a 35% increase over Q3 2024's 2.3 million sq. ft. and an 81% increase quarter-over-quarter.
- A single new development was completed in Q3 2025 totaling 429,112 sq. ft. Brookfield completed the spec project named Dominguez Commerce Center, which features a fully vacant, 42-foot clear cross dock facility.
- The largest lease transaction completed in Q3 2025 was inked by Lincoln Transportation Services at a 356,642-sq.-ft. building in Rancho Dominguez.
- EmpireCLS Worldwide purchased a 48,959-sq.-ft. building located at 600 Allied Way in El Segundo for \$12.1 million.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q3 2025.

FIGURE 2: Submarket Statistics

Submarket	Bldg. Count	NRA	Overall Vacancy Rate	Overall Availability Rate	Net Absorption	Gross Activity	Gross Absorption	Asking Rate (NNN)	Under Const.	Deliveries
Carson	659	44,961,009	8.4%	11.3%	-37,636	1,574,416	1,117,236	\$1.35	0	429,112
Compton	348	21,793,134	7.7%	11.1%	-137,757	361,654	337,136	\$1.39	0	0
El Segundo	138	5,927,934	3.0%	9.2%	-83,351	36,250	36,250	\$2.43	0	0
Gardena	479	14,523,000	3.5%	5.7%	16,197	169,558	169,558	\$1.29	0	0
Harbor City	103	3,274,244	2.5%	7.6%	188,377	203,877	203,877	\$1.57	0	0
Hawthorne	166	6,839,280	2.3%	6.6%	-11,252	34,000	10,000	\$1.56	0	0
Inglewood	135	3,910,642	1.9%	2.2%	-10,000	16,550	16,550	\$1.62	0	0
LA Unincorporated	384	14,936,419	6.9%	12.1%	-161,554	132,903	132,903	\$0.97	0	0
Lawndale	11	167,202	0.0%	6.0%	0	0	0	\$2.20	0	0
Long Beach	467	18,623,863	8.6%	11.3%	103,598	307,185	307,185	\$1.41	440,343	0
LAX	122	4,801,801	3.8%	6.5%	0	0	0	\$1.99	0	0
Rancho Dominguez	307	20,577,816	5.5%	11.4%	96,072	723,148	723,148	\$1.20	0	0
Redondo Beach	33	2,489,244	3.5%	3.5%	-18,200	0	0	\$1.98	0	0
San Pedro	23	3,169,531	10.7%	14.2%	0	0	0	N/A	0	0
Signal Hill	109	2,335,635	0.4%	3.0%	2,554	12,964	12,964	\$1.35	0	0
Torrance	519	28,598,298	7.7%	11.5%	-530,694	130,755	104,355	\$1.66	0	0
Wilmington	79	3,407,021	1.2%	4.9%	-29,622	0	0	\$1.10	0	0
<b>SOUTH BAY</b>	<b>4,082</b>	<b>200,336,073</b>	<b>6.5%</b>	<b>10.1%</b>	<b>-613,268</b>	<b>3,703,260</b>	<b>3,171,162</b>	<b>\$1.41</b>	<b>440,343</b>	<b>429,112</b>

Source: CBRE Research, Q3 2025.

FIGURE 3: Notable Lease Transactions Q3 2025

Tenant	Address	SF Leased	Type
Lincoln Transportation Services	19801 S Santa Fe Ave, Rancho Dominguez	356,642	New Lease
Geodis	771 E Watson Center Rd, Carson	258,678	New Lease
Custom Goods	901 E 233rd St, Carson	221,050	New Lease
Hadrian	20850 Normandie Ave, Torrance	203,877	New Lease
Rocket Lab	4022 E Conant St, Long Beach	150,701	Renewal

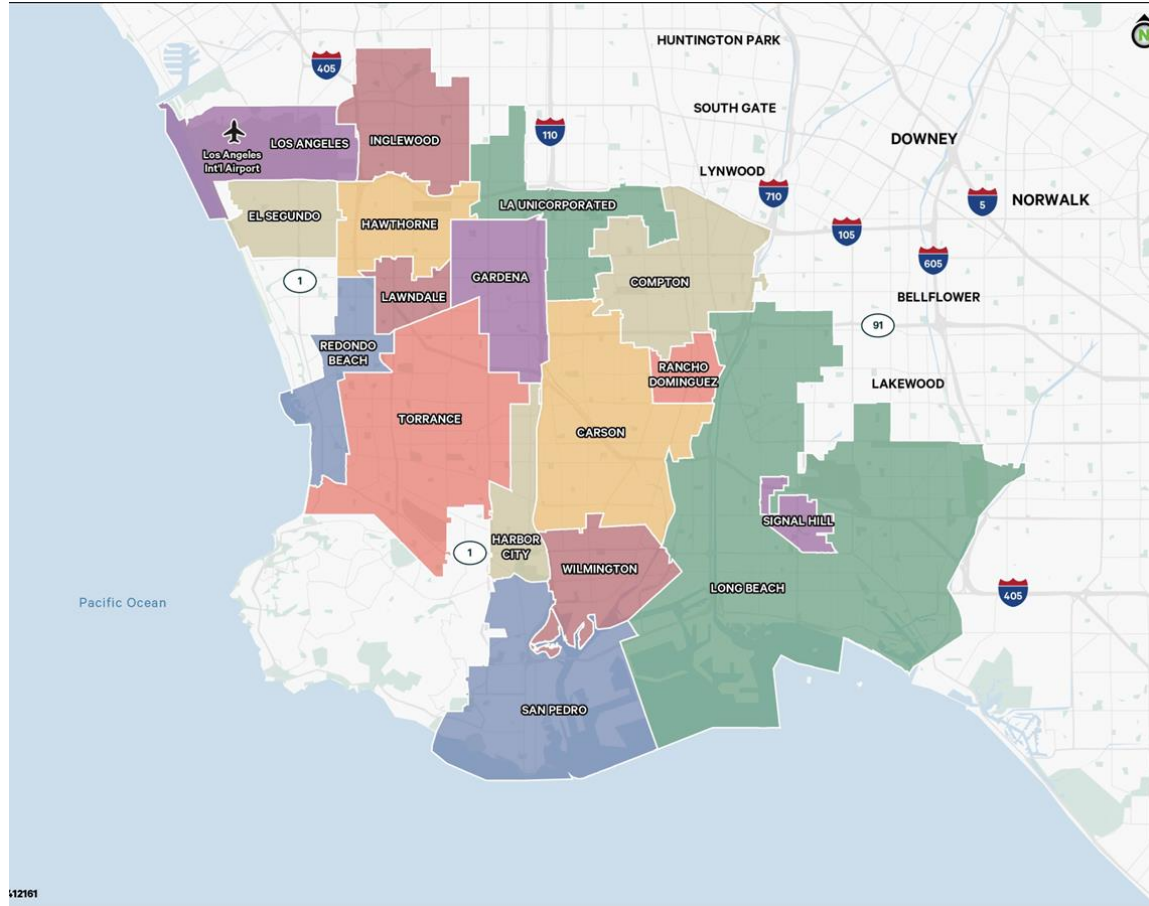
Source: CBRE Research, Q3 2025.

FIGURE 4: Notable Sale Transactions Q3 2025

Buyer	Address	SF Sold	Sale Price
EmpireCLS Worldwide Chauffeured Services	600 Allied Way, El Segundo	48,959	\$14.7MM
MTM Holdings LLC	332 E Rosecrans Ave, Gardena	36,250	\$12.1MM
Murray Re Inc	2919 E Victoria St, Compton	26,452	\$8.4MM
Dover Pacific LLC	19840 Hamilton Ave, Torrance	23,000	\$7.2MM
Private Buyer	690 W 190th St, Gardena	24,137	\$6.5MM

Source: CBRE Research, Q3 2025.

### Submarket Map



Source: CBRE Research, Q3 2025, Location Intelligence.

### Definitions

**Available Sq. Ft.** Space in a building, ready for occupancy; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total Building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rates, weighted by their corresponding available square footage. **Building Area:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Gross Absorption:** All user-sales and lease transactions completed within a specified period, lease activity defined as new leases and expansions, omitting renewals unless publicly marketed, and sale activity omitting only investment sales. **Gross Activity:** All user-sales and lease transactions completed within a specified period. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. Positive absorption is reflected when a lease is signed, which may not coincide with the date of occupancy. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that is not occupied.

### Survey Criteria

Includes all industrial buildings 10,000 sq. ft. and greater in size in Los Angeles and Ventura counties. Buildings which have begun construction as evidenced by site excavation or foundation work.

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