

FIGURES | GREATER LOS ANGELES INDUSTRIAL | Q3 2025

# Leasing activity increases while notable space-givebacks tick up vacancy

▲ 5.0%

Overall Vacancy Rate

▼ (1.2M)

SF Net Absorption

▲ 7.4M

SF Under Construction

▼ \$1.23

NNN / MO Lease Rate

▶ 5.8%

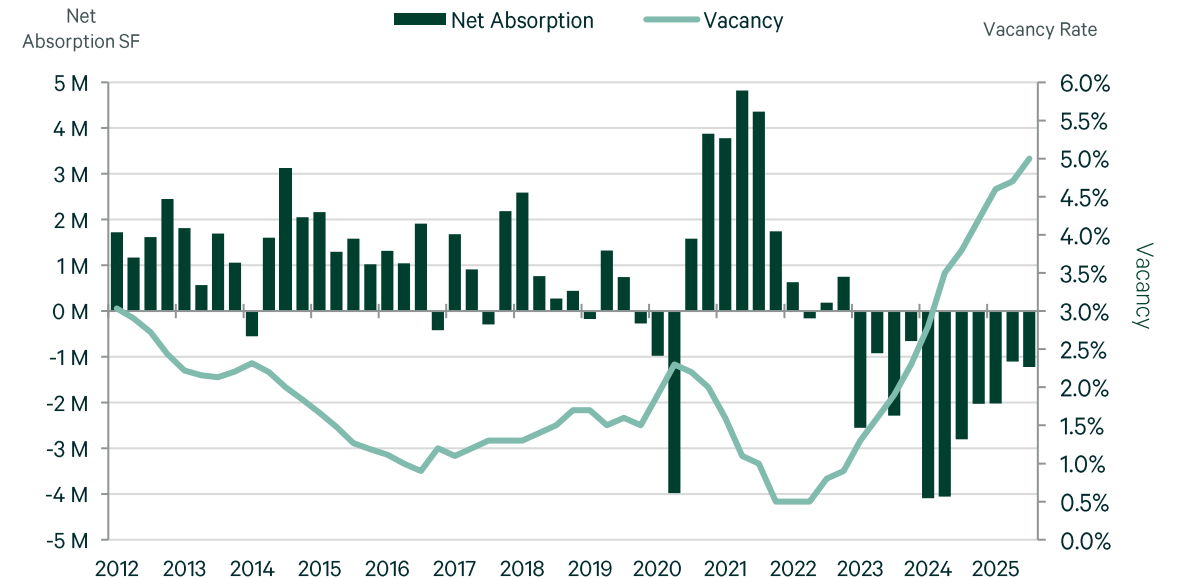
Projected Unemployment Rate  
L.A. & Ventura Counties

Note: Arrows indicate change from previous quarter.

## MARKET HIGHLIGHTS

- The average direct asking rate reported at \$1.23 NNN in Q3 2025, a 3.1% decrease from the previous quarter and 17.4% lower year-over-year.
- Total vacancy ticked up 30 basis points (bps) quarter-over-quarter and by 110 bps from 3.4% in Q3 2024.
- The total availability rate increased to 7.6% in Q3 2025 from 6.9% in Q1 2025. Sublease availability remained flat quarter-over-quarter at 1.3%, up from 1.0% in Q3 2024.
- Logistics occupiers accounted for the largest share of leasing activity in Q3 2025, followed by food & beverage and aerospace manufacturers. Breakthru Beverage signed the largest deal with a 521,091 sq. ft. new lease at 15620–15700 Shoemaker Ave in Santa Fe Springs.
- The largest sale was TA Realty’s acquisition of 4-property portfolio totaling 420,697 sq. ft. in City of Industry for \$112.2 million, or \$266.70 per sq. ft.

FIGURE 1: Overall Vacancy & Net Absorption Trend



Source: CBRE Research, Q3 2025.

### Market Overview

Gross activity increased by 13.7% quarter-over-quarter and 14.0% year-over-year. Despite the increase in activity, gross absorption in Greater Los Angeles (GLA) was outpaced by new vacancies, two of which being the 926,000-sq.-ft. former Rite Aid distribution center in Lancaster and the 512,000-sq.-ft. former DCW Logistics space in Torrance.

Total sales volume in Q3 2025 reached \$1.0 billion, a 7.4% decrease quarter-over-quarter and a 31.6% increase year-over-year. Private buyers continued to be active, driving 59% of acquisitions in Q3. Institutional acquisition comprised only 8% of buying volume compared to 35% of selling volume in Q3. Owner Users constituted 23% of acquisitions in Q3, the same percentage as Q2. Uncertainty regarding tariffs and federal funds rates continued to inhibit capital market activity.

Over 1.3 million sq. ft. of industrial space delivered in Q3. The largest delivery of the quarter was Brookfield’s 429,112 sq. ft. warehouse at 2001 E Dominguez St. in Carson. GLA’s total development pipeline stood at 7.4M sq. ft. under construction by the end of Q3 2025, compared to 7.1M sq. ft. one year prior.

Los Angeles County’s Transportation and warehousing employment ended Q3 2025 with 207,000 employees, unchanged year-over-year and up 6.1% over five years. Manufacturing employment declined to 298,700, a 3.6% decrease year-over-year and a 3.8% decrease over five years. The motion picture and sound recording industry added jobs, reaching 112,600 employees, a 1.4% increase year-over-year.

CBRE has revised its U.S. growth outlook upward, a shift from the more pessimistic view held in the spring. Greater clarity around trade policy and private sector resilience should equate to 1.6% GDP growth this year. Much of this growth should be frontloaded as higher inflation—peaking in the low-3% range by early 2026—creating some headwinds during the latter half of this year.

FIGURE 2: Submarket Statistics

Submarket	Bldg. Count	NRA	Direct Vacancy Rate	Overall Vacancy Rate	Overall Availability Rate	Net Absorption	Total Gross Activity	Gross Absorption	Avg. Direct Asking Rate NNN	Under Const.	Deliveries
Commerce/Vernon	2,747	152,636,690	5.2%	5.6%	8.7%	987,333	3,352,844	3,019,185	\$1.07	630,550	157,715
Downtown Los Angeles	2,496	95,649,918	4.8%	5.1%	6.9%	(474,277)	494,962	473,395	\$0.90	167,522	0
Mid-Counties	2,123	103,012,223	4.5%	5.0%	7.5%	245,969	2,003,392	1,819,712	\$1.31	615,137	179,587
Greater San Fernando Valley	4,742	171,196,243	3.0%	3.4%	5.6%	(800,320)	1,484,812	1,200,762	\$1.42	4,084,541	392,557
San Gabriel Valley	3,002	158,465,274	3.6%	4.3%	6.6%	(75,026)	2,636,777	2,153,778	\$1.15	727,999	0
South Bay	4,080	200,256,489	5.9%	6.5%	10.1%	(613,268)	3,703,260	3,171,162	\$1.41	440,343	429,112
<b>Los Angeles County</b>	<b>19,190</b>	<b>881,216,837</b>	<b>4.5%</b>	<b>5.0%</b>	<b>7.7%</b>	<b>(729,589)</b>	<b>13,676,047</b>	<b>11,837,994</b>	<b>\$1.23</b>	<b>6,666,092</b>	<b>1,158,971</b>
Ventura County	1,799	67,935,701	4.1%	4.2%	6.1%	(496,319)	683,930	602,640	\$1.18	737,730	180,502
<b>Greater L.A.</b>	<b>20,989</b>	<b>949,152,538</b>	<b>4.5%</b>	<b>5.0%</b>	<b>7.6%</b>	<b>(1,225,908)</b>	<b>14,359,977</b>	<b>12,440,634</b>	<b>\$1.23</b>	<b>7,403,822</b>	<b>1,339,473</b>

Source: CBRE Research, Q3 2025.

FIGURE 3: Notable Lease Transactions Q3 2025

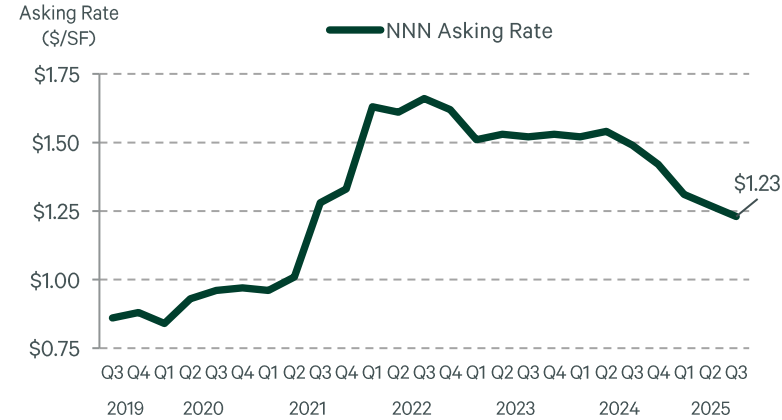
Tenant	Address	SF Leased	Type
Breakthru Beverage Group	15620-15700 Shoemaker Ave, Santa Fe Springs	521,091	New Lease
Mission-Sino Investments	1601 W Mission Blvd, Pomona	504,016	New Lease
Lincoln Transportation Services	19801 S Santa Fe Ave, Compton	356,642	New Lease
Million Dollar Baby	8500 Rex Rd, Pico Rivera	335,600	New Lease
Geodis	771 E Watson Center Rd, Carson	258,678	New Lease
Sunset Distribution	120 Puente Ave, City of Industry	253,670	Renewal

Source: CBRE Research, Q3 2025.

FIGURE 4: Notable Sale Transactions Q3 2025

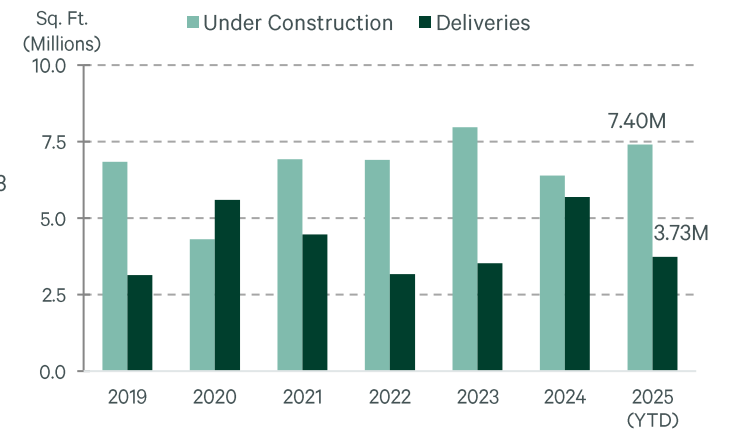
Buyer	Address	SF Sold	Sale Price
TA Realty	4 Property Portfolio, City of Industry	420,697	\$112.2MM
Agile Cold Storage	4 Property Portfolio, Vernon	145,522	\$55.0MM
Digital Realty Trust	4400-4458 Pacific Blvd, Vernon	253,200	\$48.8MM
Fortress Net Lease REIT	3624 W Century Blvd, Inglewood	84,994	\$29.1MM
Zurich Transport	2359 E Victory St, Rancho Dominguez	54,400	\$23.0MM
The Interface Group	2590 Conejo Spectrum, Thousand Oaks	77,172	\$18.9MM

FIGURE 5: Direct Asking Lease Rates



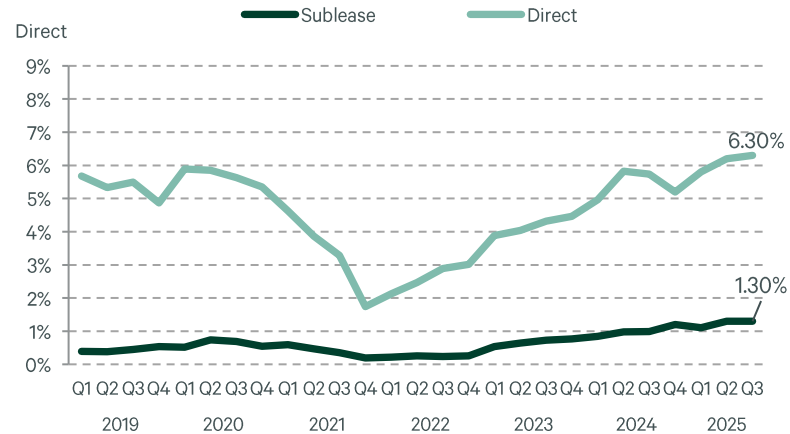
Source: CBRE Research, Q3 2025.

FIGURE 7: Development Pipeline



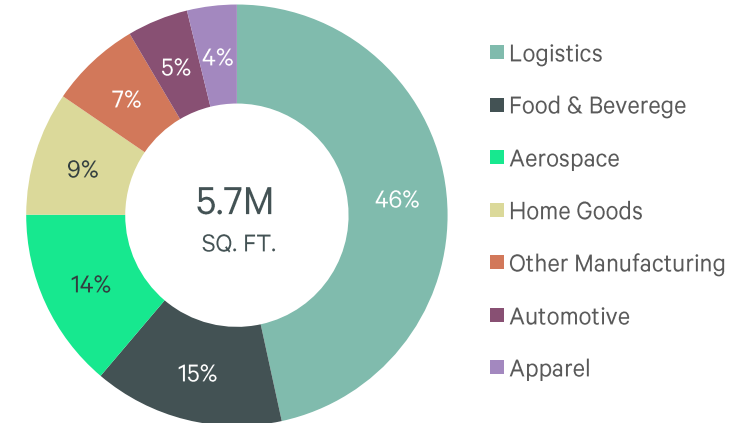
Source: CBRE Research, Q3 2025.

FIGURE 6: Direct & Sublease Availability



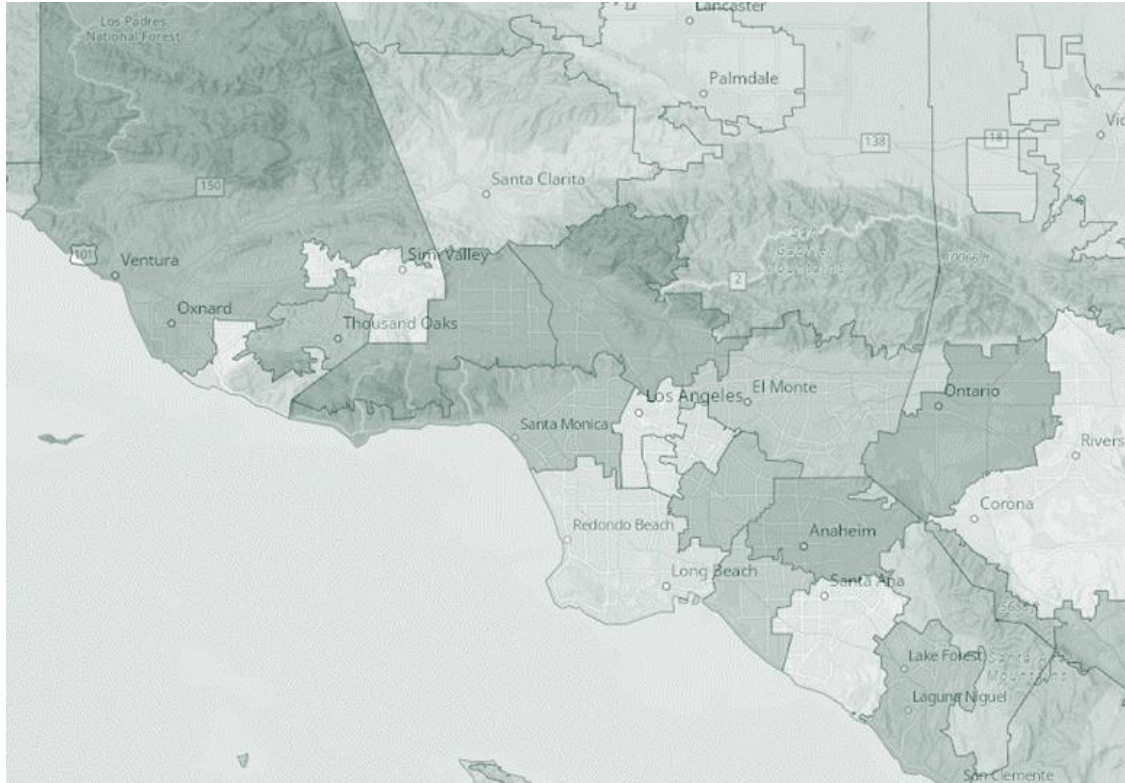
Source: CBRE Research, Q3 2025.

FIGURE 8: Top 25 Leases of the Quarter by Industry



Source: CBRE Research, Q3 2025.

### Submarket Map



### 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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Source: CBRE Research, Q3 2025, Location Intelligence.

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