

Q1 2025 Submarket Report

South Bay Industrial Submarket Report Q1 2025

SOUTH BAY

CBRE RESEARCH
APRIL 2025



FIGURES | SOUTH BAY INDUSTRIAL | Q1 2025

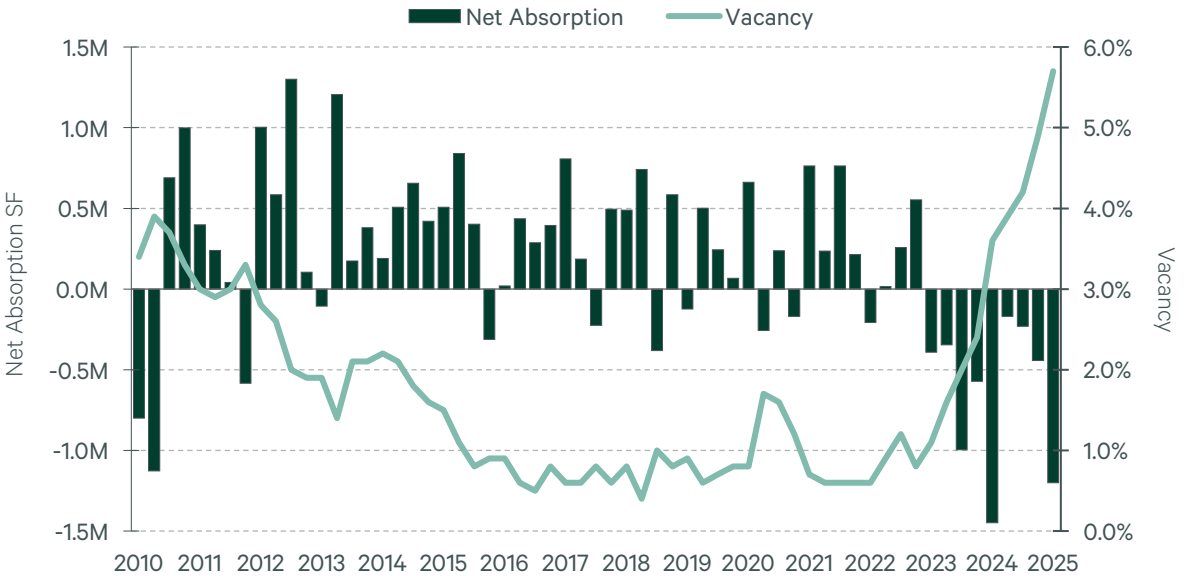
Economic uncertainty leads to some space give-backs



MARKET HIGHLIGHTS

- In Q1 2025, South Bay ended with a vacancy rate of 5.7%, which represented an increase of 90 basis points from 4.8% in Q4 2024.
- The overall availability rate in South Bay rose from 7.6% in Q4 2024 to 8.8% in Q1 2025.
- The average direct asking rate decreased 7.5% quarter-over-quarter from \$1.61 per sq. ft. NNN on a monthly basis (NNN) to \$1.49 NNN.
- The quarter ended with 1.9 million sq.-ft. of gross absorption; a 42.0% increase year-over-year compared to 1.3 million sq.-ft. of gross absorption in Q1 2024.
- The South Bay industrial market ended Q1 2025 with a total of 550,000 sq. ft. of new deliveries in Carson and Rancho Dominguez. This included an industrial campus developed by Link Logistics known as Pinyon Pointe, which features three state of the art buildings located in Carson.
- The largest lease transaction completed in Q1 2025 was a 206,055-sq.-ft. building located in Torrance subleased by Freight Horse Logistics.
- Carson Warehouse Corporation completed the purchase of a 127,775-sq.-ft. building from Rexford Industrial, located at 1055 Sandhill Ave in Carson for \$52.5 million dollars.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 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	670	44,522,702	6.8%	11.1%	-141,175	474,569	462,645	\$1.51	429,112	344,472
Compton	353	21,756,415	7.7%	11.6%	-282,205	391,862	334,191	\$1.33	0	0
El Segundo	145	5,924,321	2.4%	8.1%	-62,728	0	0	\$2.66	0	0
Gardena	491	14,446,492	2.5%	5.2%	-6,148	104,460	91,500	\$1.27	76,468	0
Harbor City	110	3,274,244	8.3%	12.0%	0	0	0	\$1.81	0	0
Hawthorne	181	6,839,280	2.5%	4.0%	-41,175	34,408	34,408	\$1.61	0	0
Inglewood	142	3,910,642	1.6%	2.1%	-8,441	12,825	12,825	\$1.76	0	0
LA Unincorporated	387	14,871,125	5.9%	8.4%	-31,453	94,844	94,844	\$1.16	58,225	0
Lawndale	11	167,202	0.0%	0.0%	0	0	0	N/A	0	0
Long Beach	483	18,110,720	5.8%	8.3%	-26,570	124,012	124,012	\$1.47	945,153	0
LAX	132	4,801,801	3.9%	5.8%	-50,908	20,176	20,176	\$2.26	0	0
Rancho Dominguez	312	20,575,912	7.6%	9.6%	-207,500	307,911	79,008	\$1.30	0	205,375
Redondo Beach	33	2,489,244	2.8%	2.8%	0	30,000	30,000	\$2.10	0	0
San Pedro	25	3,169,531	10.7%	14.2%	0	0	0	N/A	0	0
Signal Hill	112	2,335,635	0.6%	2.5%	0	25,590	25,590	\$1.20	0	0
Torrance	534	28,322,546	5.3%	8.9%	-350,124	549,540	549,540	\$1.72	83,740	0
Wilmington	83	3,400,825	0.4%	0.4%	6,703	0	0	N/A	0	0
SOUTH BAY	4,204	198,918,637	5.7%	8.8%	-1,201,724	2,170,197	1,858,739	\$1.49	1,529,698	549,847

Source: CBRE Research, Q1 2025.

FIGURE 3: Notable Lease Transactions Q1 2025

Tenant	Address	SF Leased	Type
Freight Horse Logistics	1540 Francisco St., Torrance	206,055	Sublease
Trio Manufacturing	17006 S Figueroa St., Carson	123,189	New Lease
Habitat for Humanity	801 W Artesia Blvd., Compton	120,000	New Lease
Maxam	19119 S Reyes Ave., Rancho Dominguez	116,100	Renewal
True Anomaly	3833 McGowen St., Long Beach	90,632	New Lease

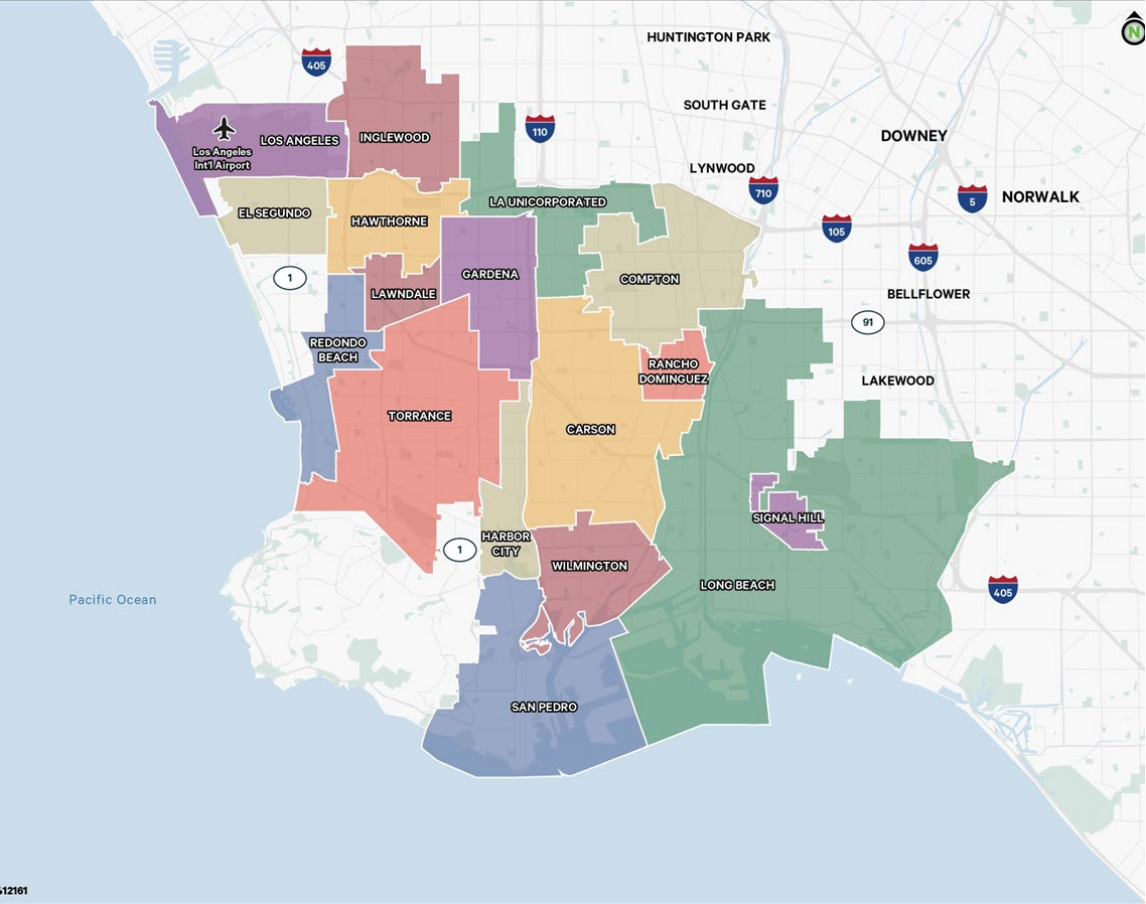
Source: CBRE Research, Q1 2025.

FIGURE 4: Notable Sale Transactions Q1 2025

Buyer	Address	SF Sold	Sale Price
Carson Warehouse Corporation	1055 Sandhill Ave., Carson	127,775	\$52.5MM
Alta West Partners, LLC	3401 Del Amo Blvd., Torrance	83,000	\$21.4MM
Woojin Is America, Inc.	130 W Victoria St., Carson	58,400	\$15.4MM
Luna Cycle	20555 Earl St., Torrance	53,250	\$15.2MM
Faropoint	605-665 Hawaii Ave., Torrance	35,956	\$10.0MM

Source: CBRE Research, Q1 2025.

Submarket Map



Source: CBRE Research, Q1 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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