

FIGURES | GREATER LOS ANGELES INDUSTRIAL | Q4 2025

Capital markets activity accelerates as the overall asking rate remains flat over the quarter

▲ 5.2%

Overall Vacancy Rate

▼ (116K)

SF Net Absorption

▼ 5.9M

SF Under Construction

▼ \$1.22

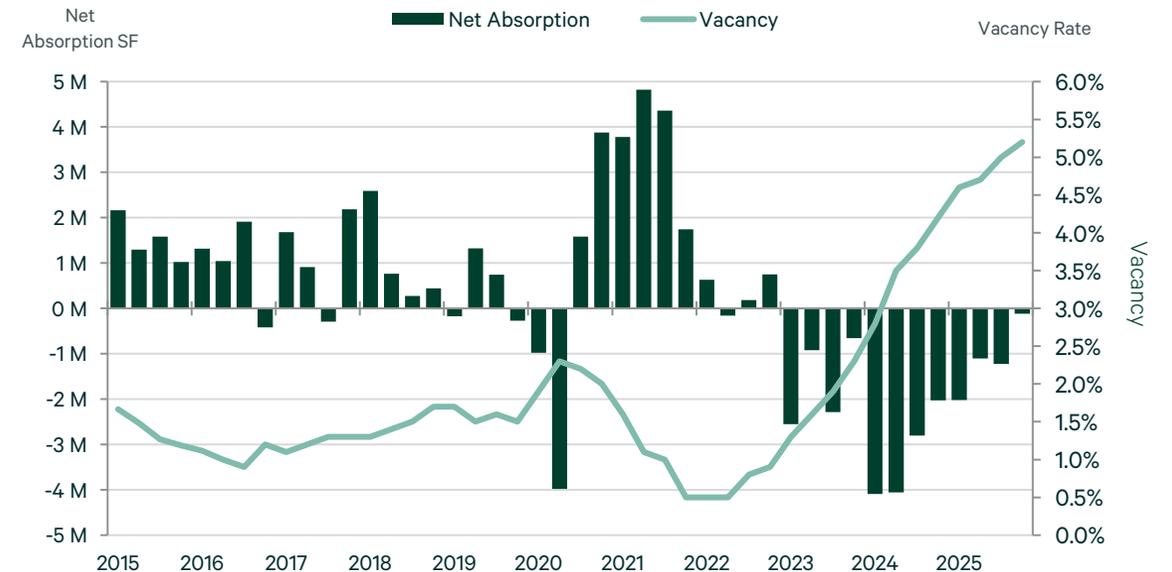
NNN / MO Lease Rate

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- Asking rates continued to soften in Q4 2025, though the pace of decline slowed significantly. The average direct asking rate was \$1.22 NNN in Q4 2025, down 0.8% from the previous quarter and 14.1% lower year-over-year.
- Total vacancy increased by 20 basis points (bps) quarter-over-quarter to 5.2%, and by 100 bps year-over-year from 4.2% in Q4 2024.
- Total availability and sublease availability increased marginally by 10 bps quarter-over-quarter to 7.7% and 1.2%
- FedEx signed one of the largest deals of the quarter with a 516,124-sq.-ft. lease at 9399 Stewart & Gray Rd in Downey, followed by Chinese logistics firm Cainiao renewing 492,699 sq. ft. at 5650 Grace Pl in Commerce.
- The purchase of 5705 W 98th St at LAX by Morgan Stanley Real Estate Investing from Overton Moore Properties was the largest industrial sale of the quarter. The 143,060-sq.-ft. property is on 19 acres of land and sold for \$211.4 million or \$1,477.66 per sq. ft..

FIGURE 1: Overall Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2025.

sp5Market Overview

In Greater Los Angeles (GLA), gross activity decreased by 23% quarter-over-quarter and by 21% year-over-year. The South Bay and Commerce/Vernon submarkets saw the largest share with each accounting for 25% total gross activity, respectively. Logistics occupiers dominated activity, accounting for 66.6% of the total square footage leased in the top 25 deals of Q4 2025.

Capital markets activity strengthened at year-end following a federal funds rate cut to 3.75-4.00%. Q4 2025 sales volume totaled \$1.2 billion, up 8.6% quarter-over-quarter and 6.0% year-over-year. The average price per square foot across GLA remained steady at \$312 compared to Q3 2025 but rose 3.3% from Q4 2024. Private buyers accounted for 63.8% of all industrial acquisitions in 2025, up from 46.1% in 2025, while REITs represented just 7.7% of buyers, down sharply from 24.7% the prior year.

1.7 million sq. ft. of industrial space delivered in Q4 2025. The largest delivery of the quarter was NorthPoint Development’s 647,327-sq.-ft. property at 46950 N 45th St W in Lancaster. There is 5.9 million sq. ft. under construction, down slightly from 6.8 million sq. ft. under construction in Q4 2024.

Shipping volume through the Ports of Los Angeles and Long Beach remained robust despite tariff uncertainty. Through November 2025, total shipping volume reached 18.5 million TEUs (Twenty-foot Equivalent Units) processed year-to-date. This marks a 2.4% increase in shipping volume year-over-year.

U.S. financial markets are focused on the upside, particularly AI’s sizable contribution to growth in recent quarters. Consumer confidence remains weak, however, with a smaller segment of affluent households that drove spending. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are ‘slow to hire, slow to fire’—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

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	2,734	151,879,160	4.6%	5.2%	7.9%	587,753	2,876,612	2,359,768	\$1.06	630,550	0
Downtown Los Angeles	2,459	91,497,242	5.2%	5.4%	6.9%	3,485	692,597	692,597	\$0.93	167,522	0
Mid-Counties	2,111	102,732,073	5.1%	5.6%	8.2%	(344,639)	1,480,272	1,387,438	\$1.28	822,837	493,874
Greater San Fernando Valley	4,708	171,311,055	4.1%	4.5%	6.5%	(128,768)	1,332,948	855,237	\$1.35	1,869,211	1,077,734
San Gabriel Valley	2,989	157,646,006	3.7%	4.4%	6.7%	(210,193)	1,587,055	1,418,349	\$1.16	1,292,751	58,500
South Bay	4,048	199,052,132	5.8%	6.6%	9.8%	(25,629)	2,952,862	2,490,339	\$1.40	393,583	0
Los Angeles County	19,049	874,117,668	4.7%	5.3%	7.8%	(117,991)	10,922,346	9,203,728	\$1.22	5,176,454	1,696,658
Ventura County	1,779	66,026,544	4.1%	4.2%	5.8%	1,933	738,876	615,363	\$1.20	737,730	0
Greater L.A.	20,828	940,144,212	4.7%	5.2%	7.7%	(116,058)	11,661,222	9,819,091	\$1.22	5,914,184	1,696,658

Source: CBRE Research, Q4 2025.

FIGURE 3: Notable Lease Transactions Q4 2025

Tenant	Address	SF Leased	Type
FedEx	9399 Stewart and Gray Rd, Downey	516,124	New Lease
Cainiao	5650 Grace Pl, Commerce	492,699	Renewal
Morrison Express	415 501 W Walnut St, Compton	219,575	New Lease
SpaceX	2815 W El Segundo Blvd, Hawthorne	198,972	New Lease
Aloha Freight Forwarders	21750 Arnold Center Rd, Long Beach	194,646	New Lease

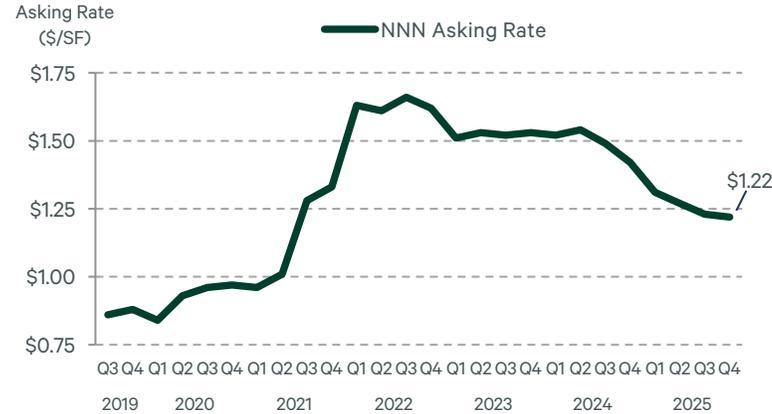
Source: CBRE Research, Q4 2025.

FIGURE 4: Notable Sale Transactions Q4 2025

Buyer	Address	SF Sold	Sale Price
Morgan Stanley & Co.	5705 W 98 th St, LAX	143,060	\$211.4MM
Bridge Investment Group	18305+18501 San Jose Dr, City of Industry	449,244	\$109.0MM
Robertson Properties Group	5102 Industry Ave, Pico Rivera	173,100	\$63.8MM
3 Industrial	14380-14400, 14450 Industrial Cir, La Mirada	303,753	\$55.0MM
EQT Real Estate	1500 Francisco St, Torrance	76,007	\$51.5MM
Erewhon Natural Foods	1800 E Martin Luther King Jr Blvd, Los Angeles	110,789	\$51.0MM

Source: CoStar, CBRE Research, Q4 2025.

FIGURE 5: Direct Asking Lease Rates



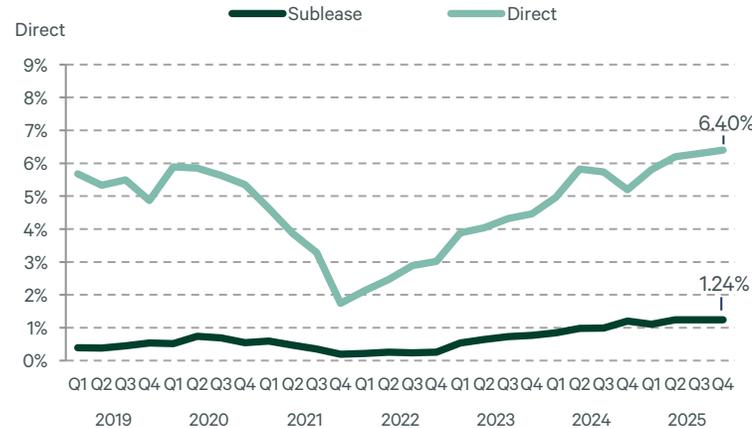
Source: CBRE Research, Q4 2025.

FIGURE 7: Development Pipeline



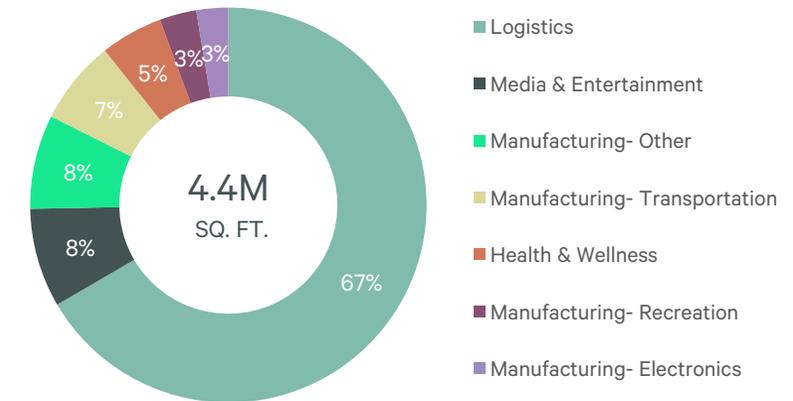
Source: CBRE Research, Q4 2025.

FIGURE 6: Direct & Sublease Availability



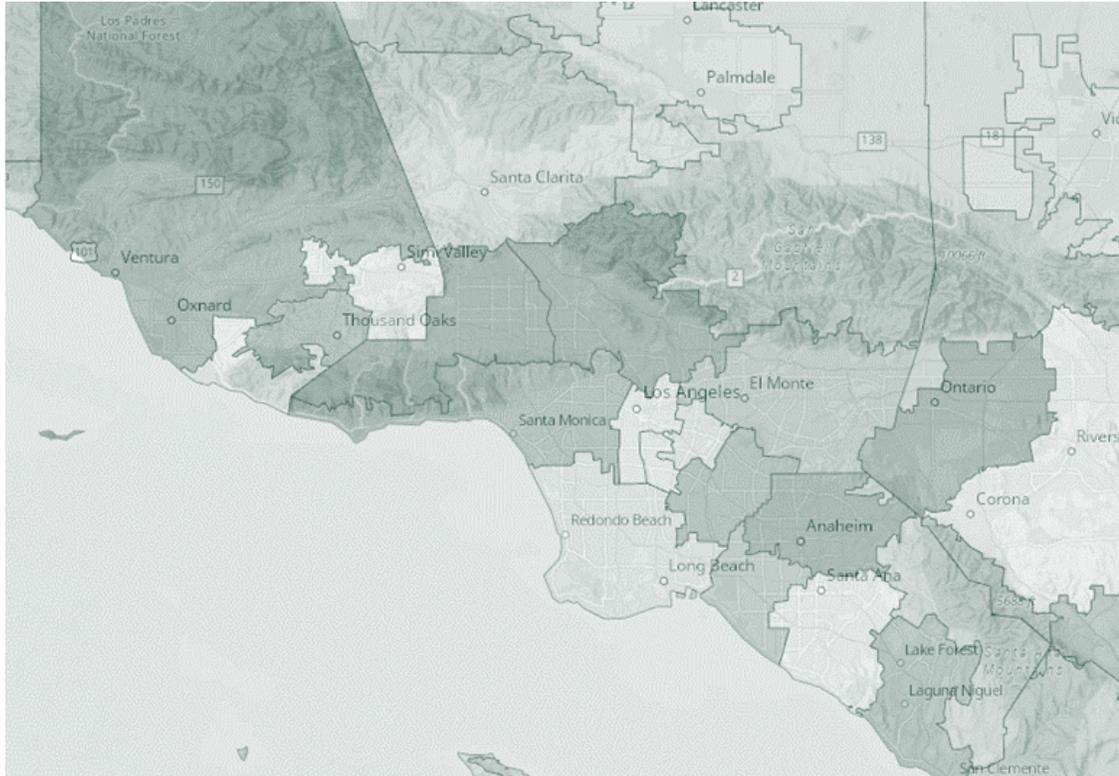
Source: CBRE Research, Q4 2025.

FIGURE 8: Top 25 Leases of the Quarter by Industry



Source: CBRE Research, Q4 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, Q4 2025, Location Intelligence.

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