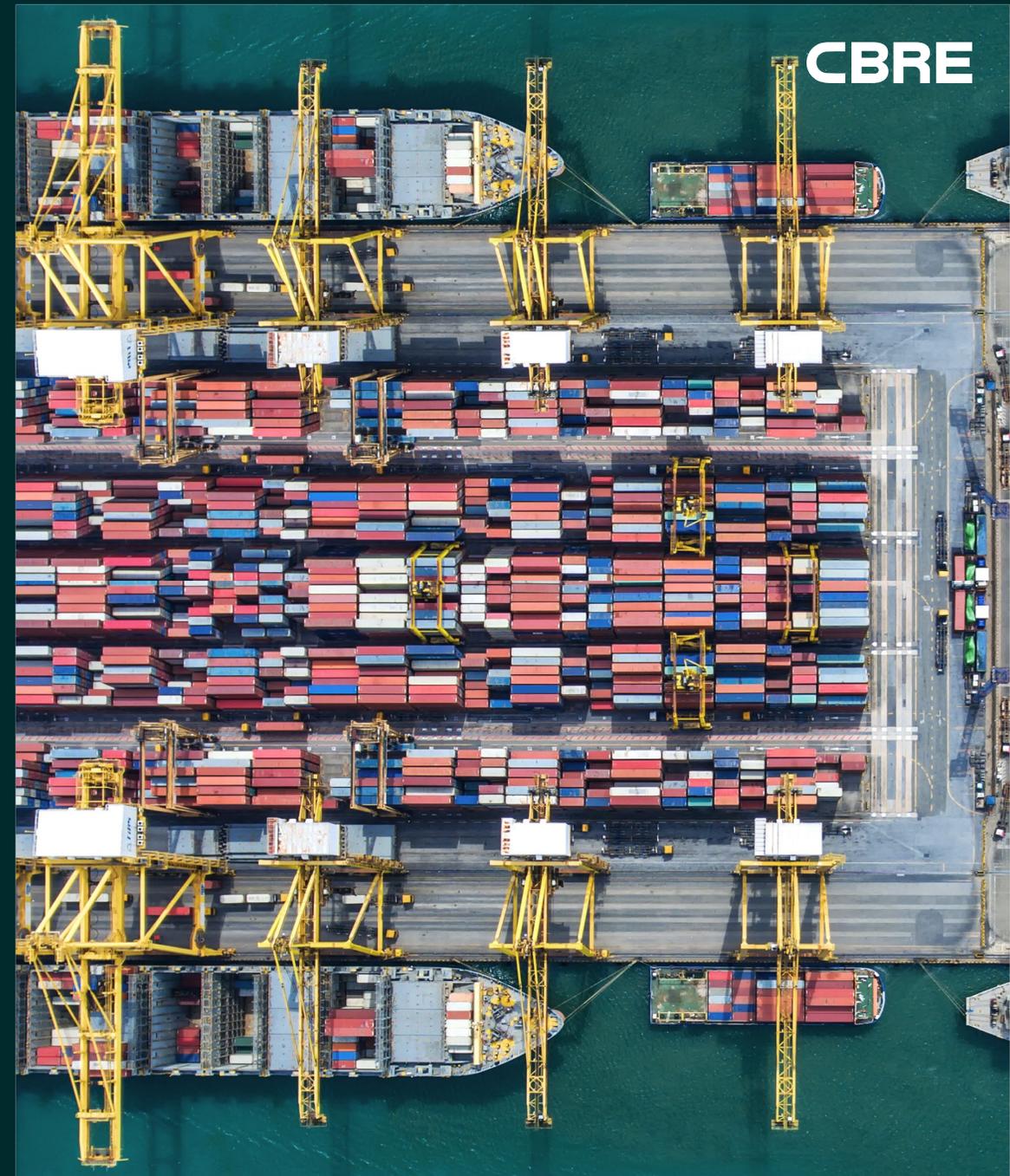


Q4 2025 Submarket Report

South Bay Industrial Submarket Report Q4 2025

SOUTH BAY

CBRE RESEARCH
JANUARY 2026



Healthy leasing volume drives a marginal decrease in asking rates and net absorption

▲ 6.6%

Overall Vacancy Rate

▼ (25K)

SF Net Absorption

▲ 394K

SF Under Construction

▼ \$1.40

NNN / MO Lease Rate

▼ 5.7%

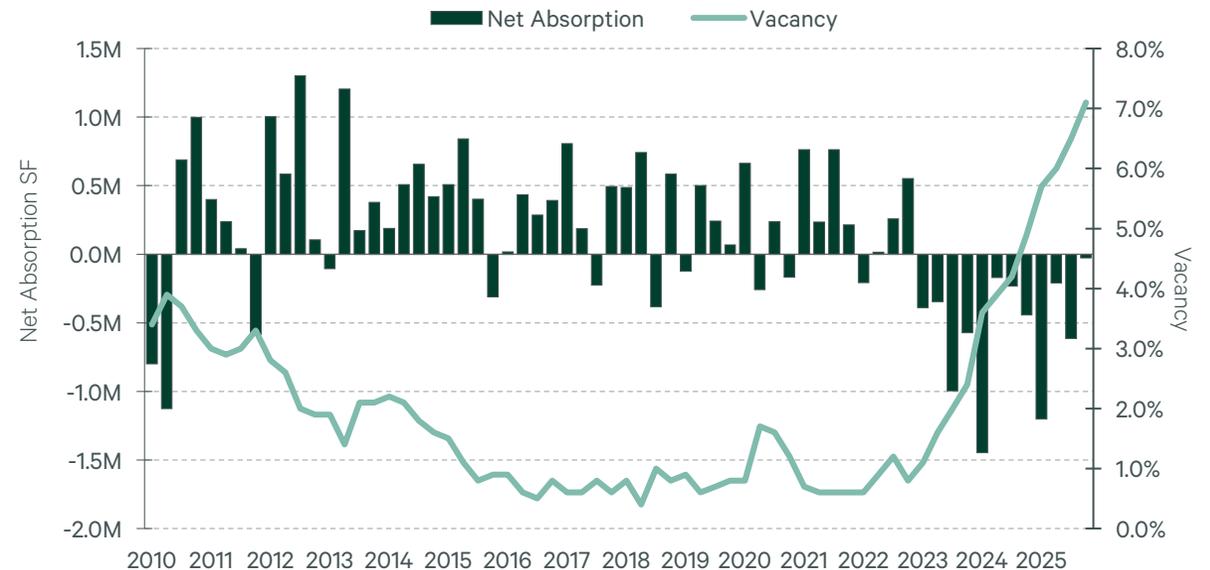
Unemployment Rate,
Nov. 2025 Prelim.
Los Angeles County

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The South Bay ended 2025 with a total annual gross absorption of 9.8 million square feet, a 16.2% year-over-year increase from 2024.
- The average direct asking rate decreased nominally by 0.7% quarter-over-quarter to \$1.41 per sq. ft. NNN on a monthly basis.
- The South Bay reached an overall vacancy rate of 6.6%, an increase of 10 basis points from the previous quarter. The overall availability rate in South Bay fell by 40 basis points to 9.8%.
- The total development pipeline totaled 394,000 sq. ft. at the end of Q4 2025. 17600 S. Santa Fe Ave in Rancho Dominguez and 2104 E. 223rd St in Carson commenced construction for a total of 270,000 sq. ft.
- The largest lease transaction completed in Q4 2025 was inked by Morrison Services at 415-501 W Walnut St, a 220,000-sq.-ft. building in Compton.
- EQT Exeter RE Income Trust acquired a Class A 76,000-sq.-ft. building at 1500 Francisco St. in Torrance for \$51.5 million. This was a sale-leaseback with Frito-Lay.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 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	655	44,801,012	8.2%	11.9%	127,944	820,894	663,068	\$1.39	129,295	0
Compton	345	21,577,934	7.1%	9.7%	127,182	566,743	447,743	\$1.32	0	0
El Segundo	137	5,927,934	3.4%	8.9%	(26,816)	30,085	30,085	\$2.24	0	0
Gardena	474	14,292,974	3.3%	4.6%	22,769	141,431	141,431	\$1.22	0	0
Harbor City	100	3,204,855	4.1%	11.5%	(48,172)	122,655	0	\$1.47	0	0
Hawthorne	164	6,819,000	2.6%	3.2%	(20,350)	254,932	254,932	\$1.63	0	0
Inglewood	135	3,910,642	1.9%	1.9%	0	0	0	\$1.62	0	0
LA Unincorporated	384	14,935,558	7.3%	10.9%	(81,068)	268,552	268,552	\$0.96	0	0
Lawndale	11	167,202	6.0%	6.0%	(10,000)	0	0	\$2.20	0	0
Long Beach	461	18,420,278	8.4%	10.6%	65,709	97,631	97,631	\$1.39	123,595	0
LAX	120	4,676,951	4.2%	8.2%	(16,722)	27,986	27,986	\$1.84	0	0
Rancho Dominguez	303	20,373,815	6.7%	12.0%	(218,167)	295,720	245,662	\$1.20	140,693	0
Redondo Beach	33	2,489,244	5.3%	7.4%	(45,258)	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	110	2,365,658	0.4%	3.0%	0	0	0	\$1.35	0	0
Torrance	515	28,537,523	7.4%	10.4%	97,320	306,043	293,059	\$1.71	0	0
Wilmington	78	3,382,021	1.2%	4.3%	0	20,190	20,190	\$1.10	0	0
SOUTH BAY	4048	199,052,132	7.1%	9.8%	(25,629)	2,952,862	2,490,339	\$1.40	393,583	0

Source: CBRE Research, Q4 2025.

FIGURE 3: Notable Lease Transactions Q4 2025

Tenant	Address	SF Leased	Type
Morrison Express	415-501 W. Walnut St, Compton	219,575	New Lease
Space X	2815 W. El Segundo Blvd, Hawthorne	198,972	New Lease
Aloha Freight Forwarders	21750 Arnold Center Rd, Long Beach	194,646	New Lease
Yamato Transport USA, Inc.	1055 W. Victoria St, Compton	119,000	Renewal
360 Lion USA	2511 S. Edison Way, Compton	109,701	New Lease

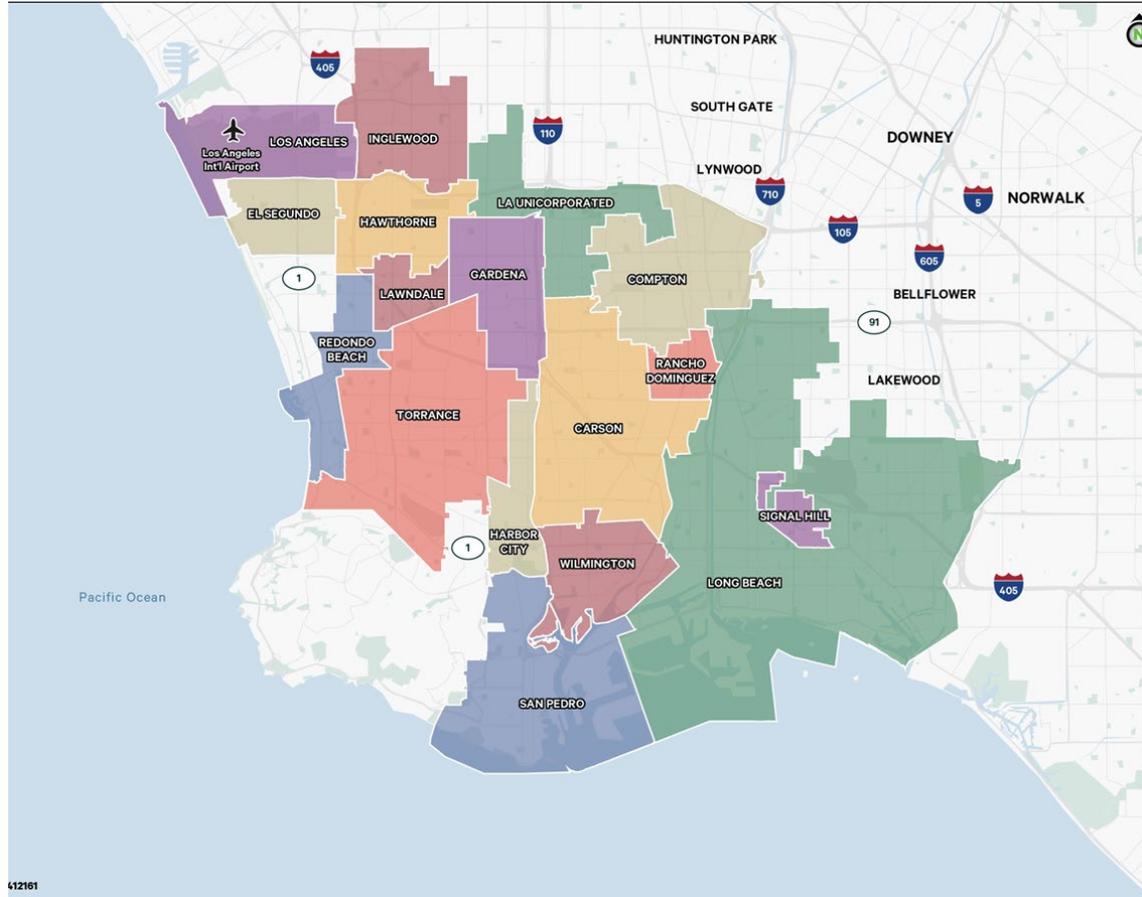
Source: CBRE Research, Q4 2025.

FIGURE 4: Notable Sale Transactions Q4 2025

Buyer	Address	SF Sold	Sale Price
EQT	1500 Francisco St, Torrance	76,007	\$51.5MM
Fuji Trans	1925 E Dominguez St, Carson	150,000	\$47.0MM
Supremas Inc.	2911 Harcourt St, Compton	50,218	\$12.3MM
Smoky Hollow Industries	145 Kansas St, El Segundo	11,000	\$9.1MM
Abacus Brands	600 Lairport St, El Segundo	18,526	\$9.1MM

Source: CBRE Research, Q4 2025.

Submarket Map



Source: CBRE Research, Q4 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.

Contacts

Luke Snyder
Field Research Analyst
Luke.snyder@cbre.com

Michael Maloney
Field Research Analyst
Michael.maloney@cbre.com

Alex Hall
Field Research Manager
Alex.hall1@cbre.com

Taylor Coyne
Director of Research
Taylor.coyne@cbre.com

Patrick McGrath
Executive Managing Director
Patrick.mcgrath@cbre.com

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