

# San Pedro Bay port complex: the driver of the SoCal industrial market

GREATER LOS ANGELES, ORANGE COUNTY & INLAND EMPIRE

by Matthew Hocum and Rick Cozart

In the first quarter of 2024, the Ports of Los Angeles and Long Beach, known as the San Pedro Bay port complex, accounted for over 30% of the Twenty-foot Equivalent Units (TEUs) in the United States. From 2007 to 2024, total TEU activity historically correlated to 15-28% of total leased square footage annually in the Greater Los Angeles, Orange County, and Inland Empire (GLA-OC-IE) region. These imports and exports are anticipated to continue influencing the region’s industrial leasing market.

The influx of imported goods in Southern California necessitates nearby storage space for retail, distribution, and logistics companies. However, third-party logistics (3PLs) throughout GLA and IE have excess capacity in existing warehouses, left over from the pandemic surge. While that space will need to be absorbed before witnessing tighter vacancy rates and rising rents, the long-term fundamentals remain sound and optimistic.

San Pedro Bay Total TEUs  
% Share of U.S. (March 2024)

38.6%

San Pedro Bay Total TEUs  
Throughout Q1 2024

4.38M

San Pedro Bay Total TEUs  
Q1 Annual % Change

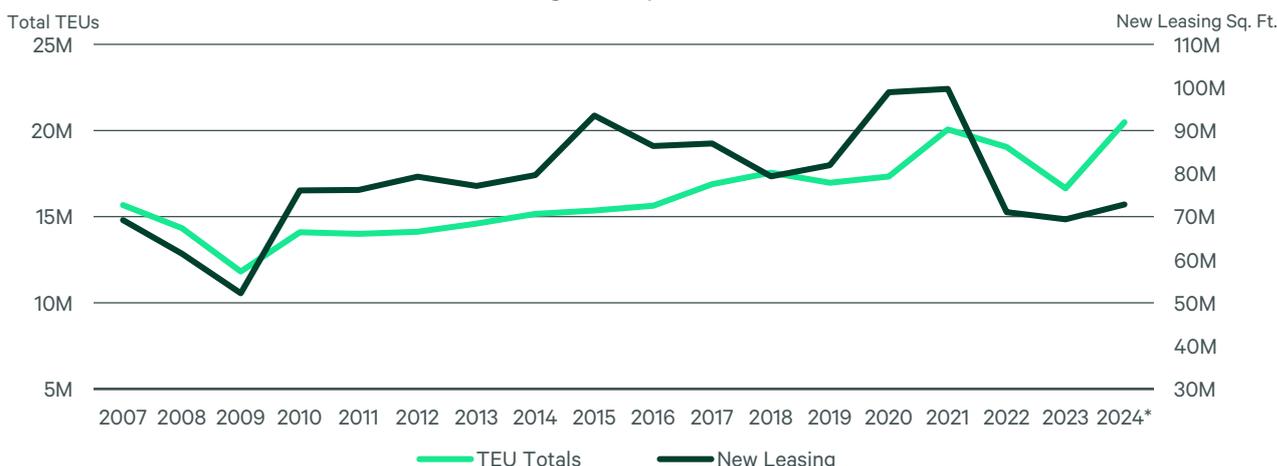
23%

FIGURE 1: March 2024 Loaded Imports

Port	Loaded Imports	YOY % Change	March 2019 % Change
Los Angeles	379,542 TEUs	18.6%	27.7%
Long Beach	302,521 TEUs	8.4%	22.5%
Combined Total	682,063 TEUs	13.8%	25.3%

Source: Ports of Los Angeles and Long Beach, April 2024.

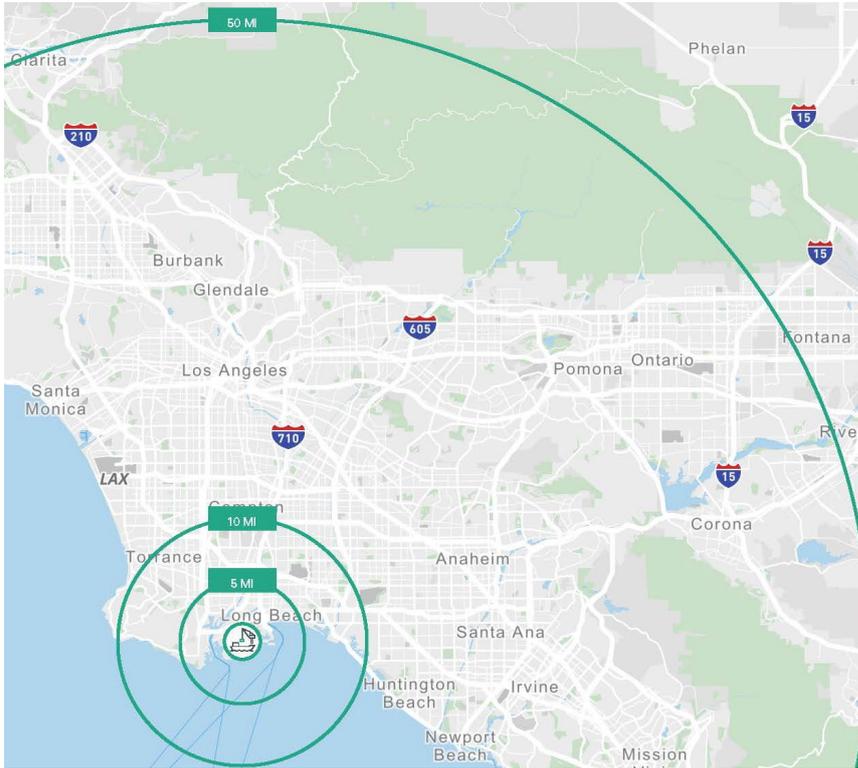
FIGURE 2: Total TEU’s & GLA-OC-IE New Leasing Activity



\*Note: 2024 annual forecast based on Q1 volume.

Source: Ports of Los Angeles and Long Beach, April 2024.

**FIGURE 3: Radius Map of GLA-OC-IE from San Pedro Bay port complex**



Source: CBRE Research, April 2024.

5-Mile Radius Avg. Taking Rate 50K+ Sq. Ft., Q1 2024

**\$1.81 NNN**

10-Mile Radius Avg. Taking Rate 50K+ Sq. Ft., Q1 2024

**\$1.60 NNN**

50-Mile Radius Avg. Taking Rate 50K+ Sq. Ft., Q1 2024

**\$1.47 NNN**

The San Pedro Bay port complex plays a pivotal role in shaping Southern California's industrial real estate landscape. Its proximity influences the base rents, demand, and development of industrial spaces, partly due to reduced drayage rates and simplified logistics. The port complex's key metrics not only highlight the region's economic health but also provide a snapshot of the U.S. economy.

**Key Facts**

- In 2023, the port reported a total cargo value of over \$492 billion.
- Major imports comprised of furniture, machine parts, auto parts, apparel, and electronics.
- East and Southeast Asian countries make up the top trading partners, with China as the largest contributor to the San Pedro Bay's imported TEUs.
- Throughout 2023, 29% of all U.S. imported and exported goods over water came through the port complex, providing more than 2.7 million jobs throughout the nation.

Despite short-term economic uncertainties, the San Pedro Bay port complex ensures that the GLA-OC-IE region's industrial market continues to be a leading real estate hub in the U.S.

Source: Ports of Los Angeles and Long Beach, April 2024.

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