



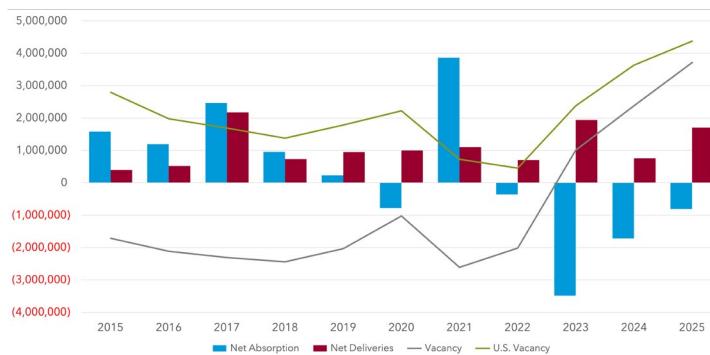
INDUSTRIAL MARKET OVERVIEW

 BRANDON CARRILLO, *Principal*

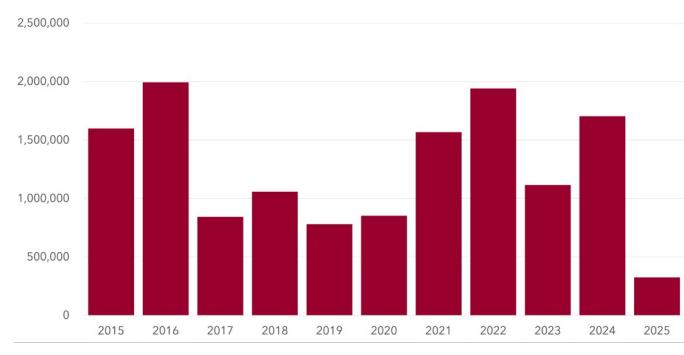
Average lease rates continued to bounce along in 4Q25, increasing from \$1.48 PSF NNN in 3Q25 to \$1.52 PSF NNN in 4Q25, compared to \$1.54 PSF NNN in 2Q25. Lease rates for industrial space have declined since 2023, when they peaked at \$1.98 PSF NNN, driven by lower demand and rising vacancy. The vacancy rate increased slightly to 6.1% in 4Q25 from 6.0% in 3Q25, a significant shift from the 1.1% vacancy recorded in 2022. The 4Q25 vacancy rate does not include sublease availability, which could add an additional one to two percentage points. Average sale rates remain highly price-segmented based on numerous variables. Despite the data, LA/South Bay industrial real estate remains at a healthy vacancy level, giving buyers and tenants more options and greater leverage on pricing terms, a dynamic not seen in years.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	90,622	(695,208)	(778,937)	575,784	(1,396,288)
▲ Vacancy Rate	6.10%	6.00%	5.90%	5.10%	5.10%
▲ Avg NNN Asking Rate PSF	\$18.24	\$17.76	\$18.48	\$19.32	\$19.56
▲ Sale Price PSF	\$632.15	\$290.97	\$276.34	\$307.74	\$363.39
◀ ▶ Cap Rate	-	6.40%	5.20%	5.60%	6.00%
▲ Under Construction SF	324,921	244,786	719,480	1,496,172	1,703,297
▲ Inventory SF	202,913,104	202,852,546	202,346,966	201,570,274	201,209,807

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1925 E. Dominguez Street Carson, CA	150,000 SF	\$47,000,000 \$313.33 PSF	Fujitrans USA, Inc. Brookfield Properties	Class B
2698 Junipero Ave & 2300 Walnut Ave & 2700 Rose Ave, Signal Hill, CA	88,309 SF	\$24,000,000 \$272.05 PSF	G&I XII Sequoia LP	Class B
1500 Francisco Street Torrance, CA	73,652 SF	\$51,500,000 \$699.23 PSF	EQT Exeter REIT Frito-Lay Sales, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
415-501 W. Walnut Street Compton, CA	230,000 SF	Prologis, Inc.	Undisclosed	Undisclosed
21750 S. Arnold Center Drive Carson, CA	194,898 SF	Watson Land Company	TW California Logistics	Logistics
2511 S. Edison Way Compton, CA	109,134 SF	PGIM, Inc.	Undisclosed	Undisclosed



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