



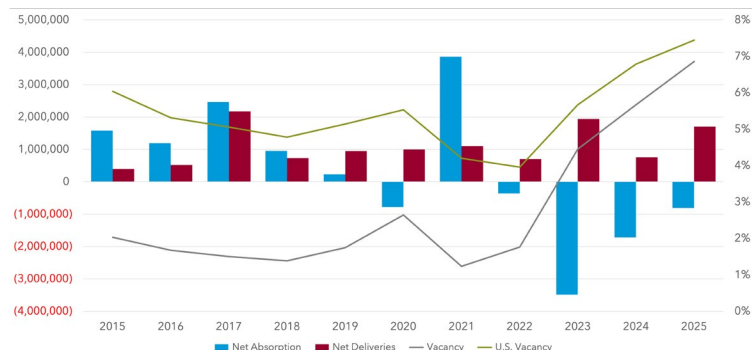
INDUSTRIAL MARKET OVERVIEW

BRANDON CARRILLO, *Principal*

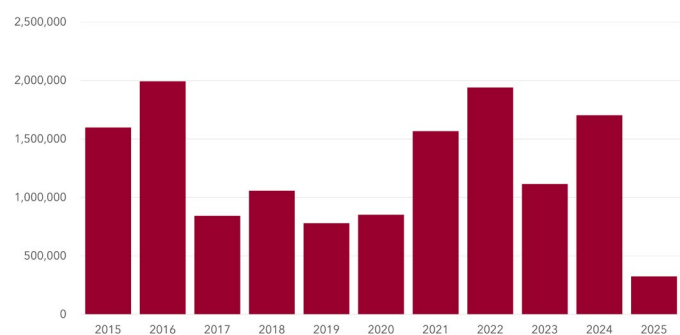
Average lease rates continued to bounce along in 4Q25, increasing from \$1.48 PSF NNN in 3Q25 to \$1.52 PSF NNN in 4Q25, compared to \$1.54 PSF NNN in 2Q25. Lease rates for industrial space have declined since 2023, when they peaked at \$1.98 PSF NNN, driven by lower demand and rising vacancy. The vacancy 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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