LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2026
LA - NORTH, CA

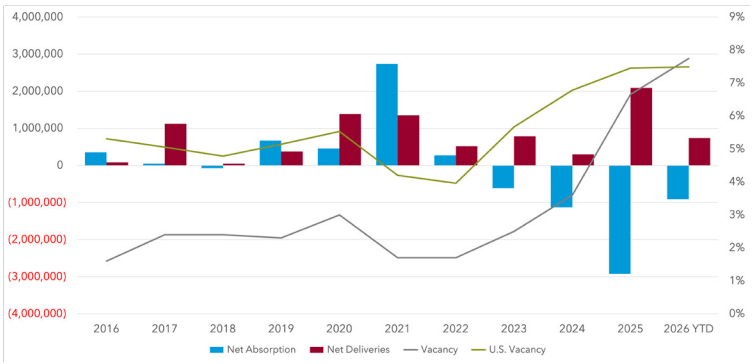
INDUSTRIAL MARKET OVERVIEW

LOS ANGELES NORTH INDUSTRIAL TEAM

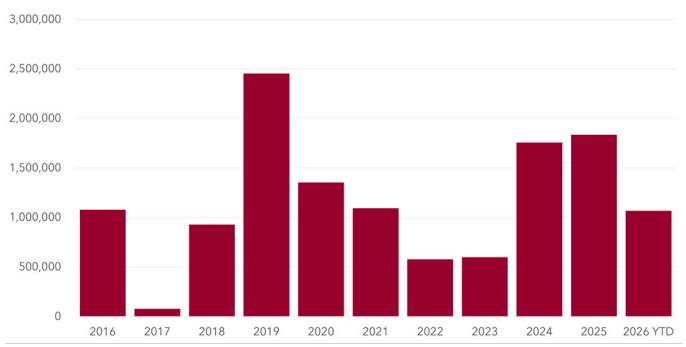
LA North industrial market continued to adjust during the second quarter as elevated vacancy reflected the cumulative impact of new supply delivered over the past two years. Although net absorption remained negative, the pace of occupancy losses moderated from earlier quarters while the development pipeline continued to shrink, reducing future supply pressure. Tenant demand remains focused on well-located infill properties, particularly those offering modern functionality and regional distribution access. Average asking rents eased modestly but continue to reflect the long-term strength of this highly constrained industrial market. As construction activity slows, market fundamentals are expected to gradually improve through the remainder of 2026.

MARKET INDICATORS	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
▲ 12 Mo. Net Absorption SF	(3,152,479)	(3,176,890)	(2,922,613)	(2,503,166)	(2,531,947)
▲ Vacancy Rate	7.7%	7.5%	6.7%	5.7%	4.7%
▼ Avg NNN Asking Rate PSF	$1.44	$1.47	$1.51	$1.47	$1.46
▼ Sale Price PSF	$206.59	$261.32	$273.33	$253.00	$269.28
▼ Cap Rate	5.90%	6.30%	5.20%	5.40%	5.40%
▲ Under Construction SF	1,066,849	833,945	1,835,423	1,553,488	2,210,311
▼ Inventory SF	143,197,082	143,546,107	142,843,304	142,348,936	141,960,565

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
40355 Delta Lane* Palmdale, CA	129,074 SF	$25,100,000 $194.46 PSF	Royal Oak Realty Trust Delta Scientific Corporation	Class A
9741-9803 Independence Avenue* Chatsworth, CA	79,060 SF	$18,271,385 $231.11 PSF	BKM Capital Partners, et al Link Logistics Real Estate	Class C
11144 Penrose Street Sun Valley, CA	64,610 SF	$5,000,000 $77.39 PSF	JRCC Investments, LLC Martin Carroll May	Class C

**Part of a Portfolio Sale*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
25470 Springbrook Avenue Santa Clarita, CA	257,507 SF	Covington Group, Inc.	DrinkPAK	Canned Beverage Manufacturer
29051 Avenue Valley View Valencia, CA	113,400 SF	IAC Properties	AERO Engineering	Aerospace & Defense
1245 Aviation Place* San Fernando, CA	83,462 SF	Rexford Industrial Realty, Inc.	285 Logistics, LLC	Transportation and Warehousing

**Lee & Associates Transaction*

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