LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2026
LA - CENTRAL, CA

INDUSTRIAL MARKET OVERVIEW

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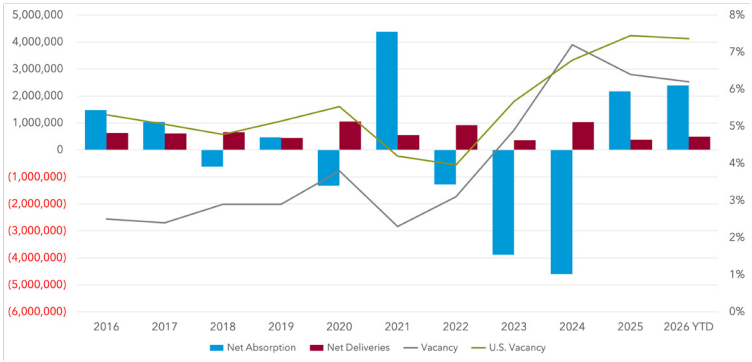
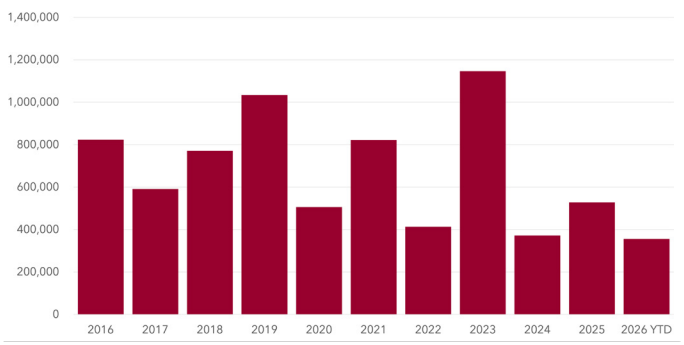
Central Los Angeles' industrial market continued to stabilize in Q3 2026, although conditions remained mixed. Vacancy rose slightly to 6.2%, up from 6.0% in Q2, but improved from 6.9% a year earlier. Annual net absorption reached 649,051 square feet, reversing the negative 476,653 square feet recorded in Q3 2025. Average asking rents increased to $15.48 per square foot annually, a 1.6% quarterly gain, but remained 2.3% below year-ago levels. Meanwhile, the construction pipeline contracted to 355,760 square feet, down 32% from Q2. Investment pricing also softened, with average sale prices declining 8.2% quarterly to $301.56 per square foot. Overall, improving annual fundamentals suggest gradual recovery, despite persistent near-term market pressures.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▼ 12 Mo. Net Absorption SF	649,051	879,750	527,961	1,204,341	(476,653)
▼ Vacancy Rate	6.20%	6.00%	6.30%	6.40%	6.90%
▲ Avg NNN Asking Rate PSF	$15.48	$15.24	$15.24	$15.60	$15.84
▼ Sale Price PSF	$301.56	$328.62	$229.92	$297.93	$238.40
▼ Cap Rate	5.70%	5.80%	5.60%	5.40%	4.20%
▼ Under Construction SF	355,760	522,190	597,710	527,967	527,967
▲ Inventory SF	246,497,964	246,496,954	246,427,259	246,294,242	246,288,417

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8685 Bowers Ave. South Gate, CA	203,336 SF	$35,800,000 $176 PSF	8565 Bowers Avenue, LLC Hines	Class B
7000 E. Slauson Ave. Commerce, CA	69,123 SF	$18,700,000 $270 PSF	Intrnl Union of Painters & Allied Trades 700 E. Slauson Avenue	Class B
315 Aurora St. Los Angeles, CA	29,943 SF	$11,500,000 $382 PSF	Metabolic Studio 700 E. Slauson Avenue	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3030 S. Atlantic Blvd Vernon, CA	180,601 SF	Magellan Group	AMP Logis	Freight
6000-6050 Rickenbacker Rd Commerce, CA	117,648 SF	DWS Group	Price Zone	Wholesale Importer
2522 E. 37th St. Vernon, CA	83,019 SF	Karney Management	Baby2Baby	Specialized Social Service

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