



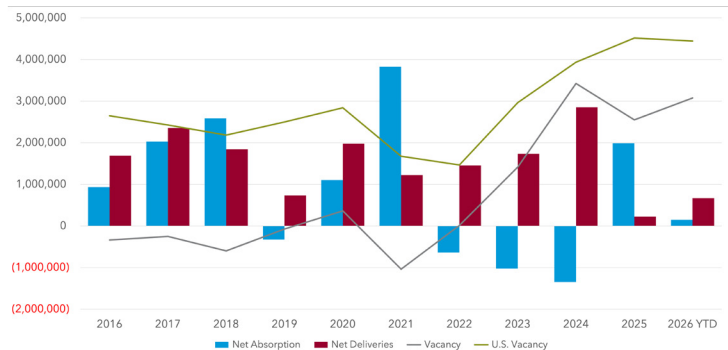
INDUSTRIAL MARKET OVERVIEW

LEJO MAMMEN, *Director of IT & Research*

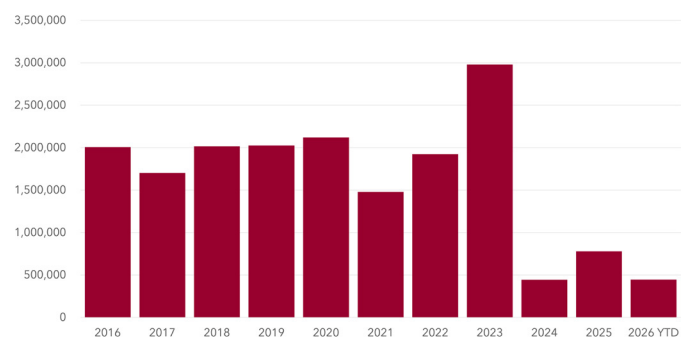
The San Gabriel Valley industrial market showed signs of renewed pressure in Q3 2026, as vacancy climbed to 5.8%, up from 5.4% in Q2 and 5.0% a year earlier. Annual net absorption turned negative at 290,936 square feet, reversing the positive 1.8 million square feet recorded in Q3 2025. Despite weakening occupancy, average asking rents rose to \$17.16 per square foot annually, a 4.4% quarterly increase and 10.9% above year-ago levels. Meanwhile, construction activity expanded to 446,164 square feet, up 19.4% from Q2 but down 46.7% annually. Average sale prices declined 1.7% quarterly to \$303.73 per square foot. Overall, while rental prices remain resilient, vacancy is rising.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▼ 12 Mo. Net Absorption SF	(290,936)	1,205,159	(1,065,324)	(343,262)	1,816,317
▲ Vacancy Rate	5.80%	5.40%	6.00%	5.20%	5.00%
▲ Avg NNN Asking Rate PSF	\$17.16	\$16.44	\$15.84	\$15.00	\$15.48
▼ Sale Price PSF	\$303.73	\$308.91	\$332.17	\$249.74	\$252.72
▼ Cap Rate	8.00%	8.10%	8.00%	6.60%	5.40%
▲ Under Construction SF	446,164	373,533	373,533	778,923	837,423
▼ Inventory SF	175,348,424	178,073,826	178,073,826	177,668,436	177,609,936

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Walnut Tech Center (11 Buildings) Walnut, CA	200,363 SF	\$60,700,000 \$303.00 PSF	CIP Real Estate AEW Capital	Class B
San Dimas Commerce Center San Dimas, CA	178,459 SF	\$41,000,000 \$230.00 PSF	TA Realty Birtcher Anderson	Class B
14250 E. Lomitas Ave City of Industry, CA	66,284 SF	\$22,900,000 \$345.00 PSF	Marquez Brothers International Pacino Foods	Class B

*Part of a 3-Property Portfolio Sale; **Part of a 2-Property Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
19465-19485 E. Walnut Dr. City of Industry, CA	220,000 SF	Principal Real Estate	SLA	Logistics
2867 Surveyor St. Pomona, CA	116,025 SF	Future Foam	Green Castle Cabinetry	Wood Kitchen Manufacturing
20595 Business Pkwy City of Industry, CA	100,000 SF	Majestic Realty	Confidential	Undisclosed

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2026 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com