LAQ326

THIRD QUARTER 2026 MARKET REPORT
GREATER LOS ANGELES INDUSTRIAL

Voit REAL ESTATE SERVICES

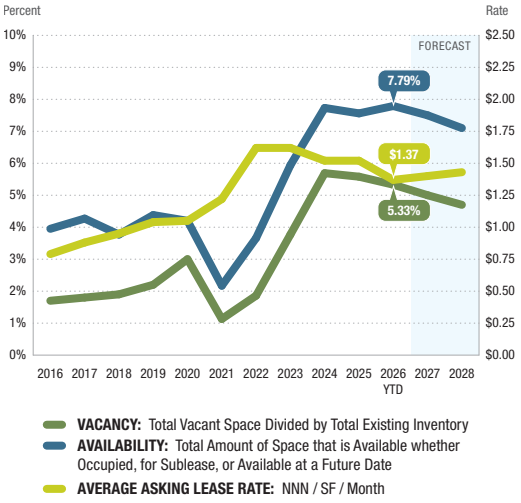
OVERVIEW. Los Angeles industrial vacancy stabilized in Q3 2026, as gross absorption rose through the summer while move-outs kept net absorption from turning positive. Year-to-date net absorption is running ahead of the 2025 pace, driven by aerospace, advanced manufacturing, and logistics occupiers seeking functional buildings. Long Beach and San Pedro posted positive occupancy growth, and newer product commanded a rent premium over older inventory. Port volumes reached a summer record as importers pulled holiday cargo forward ahead of tariff and freight cost increases, though much of that volume likely moved through space tenants already occupied. Asking rents leveled off from their peak while free rent and tenant improvement allowances remained elevated. With limited land and little new construction, the market is positioned for gradual improvement into 2027.

VACANCY & AVAILABILITY. The industrial vacancy rate rose to 5.33% in Q3 2026, an increase of 13 basis points quarter over quarter from 5.20% in Q2 2026 but a decrease of 8 basis points year over year from 5.41% in Q3 2025. Vacancy climbed as 927,066 square feet of new construction delivered and move-outs outpaced move-ins. The rate has risen from a low of 1.11% in Q2 2022. Mid-Counties carried the highest regional vacancy at 6.31%, followed by the South Bay at 5.69%, Central Los Angeles at 5.13%, and the San Gabriel Valley at 4.56%. Total availability rose to 7.79% in Q3 2026, an increase of 3 basis points quarter over quarter from 7.76% in Q2 2026 but a decrease of 11 basis points year over year from 7.90% in Q3 2025 and remains above its low of 2.17% in Q1 2022. The 246-basis-point gap between the 5.33% vacancy rate and the 7.79% availability rate represents 18,620,383 square feet of occupied space marketed for lease or sale. Space offered for sublease declined to 7,709,647 square feet from 8,991,943 square feet in Q2 2026.

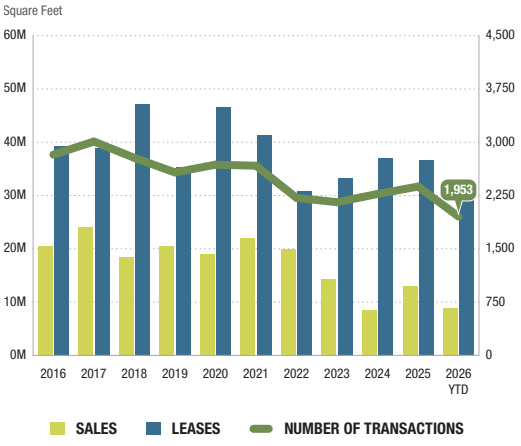
LEASE RATES. The average asking lease rate held flat at $1.37/SF NNN in Q3 2026, unchanged quarter over quarter from $1.37/SF in Q2 2026 but a decrease of 3.3% year over year from $1.42/SF in Q3 2025. Asking rents stand 27% below the peak of $1.88/SF in Q2 2023. The South Bay posted the highest regional asking rate at $1.43/SF, while Mid-Counties posted the lowest at $1.26/SF. A sample of 31 NNN lease comps from the quarter, excluding teaser, short-term, and sublease structures, averaged $1.25/SF NNN, 8.8% below asking. Within that sample, buildings with clear heights of 30 feet or more averaged $1.78/SF, versus $1.06/SF below 24 feet.

TRANSACTION ACTIVITY. Transaction volume eased to 592 deals totaling 11,211,313 square feet in Q3 2026, down from 656 transactions at 13,310,795 square feet in Q2 2026 and below the 15,876,543 square feet recorded in Q3 2025, the market's busiest quarter of the past year. Leasing accounted for 477 transactions, covering 8,095,896 square feet. Sale activity edged up to 115 transactions from 110, though building area slipped to 3,115,417 square feet and dollar volume fell to $608,719,513 from $1,024,184,710 in Q2 2026 as fewer large properties traded; the median sale price held near $244/SF. The quarter's decline was concentrated in larger assets, while smaller buildings continued changing hands at a steady pace.

VACANCY, AVAILABILITY & AVERAGE ASKING LEASE RATES



TRANSACTION VOLUME & NUMBER OF TRANSACTIONS



Market Statistics

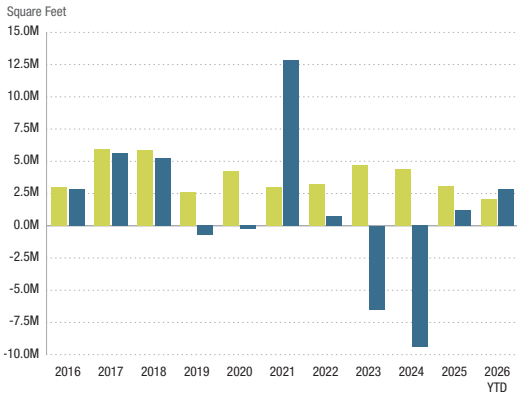
	Change Over Last Quarter		Q3 2026	Q2 2026	Q3 2025	% Change Over Last Year
Vacancy Rate	▲	UP	5.33%	5.20%	5.41%	(1.55%)
Availability Rate	▲	UP	7.79%	7.76%	7.90%	(1.40%)
Average Asking Lease Rate	▬	FLAT	$1.37	$1.37	$1.42	(3.28%)
Sale & Lease Transactions	▼	DOWN	11,211,313	13,310,795	15,876,543	(29.38%)
Gross Absorption	▲	UP	13,363,368	11,808,559	13,853,155	(3.54%)
Net Absorption	▼	NEGATIVE	(526,709)	2,798,764	2,122,617	N/A

ABSORPTION. Los Angeles recorded a net demand loss of 526,709 square feet in Q3 2026, reversing positive occupancy growth of 2,798,764 square feet in Q2 2026 and 2,122,617 square feet in Q3 2025. Year-to-date positive occupancy growth totals 2,812,670 square feet. Gross absorption rose to 13,363,368 square feet in Q3 2026, an increase of 13% quarter over quarter from 11,808,559 square feet in Q2 2026. The South Bay posted the largest regional gain at 281,012 square feet, driven by ICT in San Pedro and CODA Logistics in Long Beach, while the San Gabriel Valley recorded a net demand loss of 494,536 square feet.

CONSTRUCTION. Space under construction rose to 2,283,014 square feet at the close of Q3 2026, up from 1,719,092 square feet in Q2 2026 but still roughly 45% below the 10-year average of approximately 4.2 million square feet. South Bay led all submarkets at 818,695 square feet. Deliveries climbed to 927,066 square feet from 590,633 square feet in Q2 2026; Pixior took occupancy of 283,621 square feet in Commerce, while a 185,000-square-foot Prologis building in Santa Fe Springs delivered without a tenant. Planned projects total 8,167,211 square feet, though new starts remain selective as developers weigh vacant inventory against extended permitting timelines.

EMPLOYMENT. Los Angeles County's unemployment rate fell to 5.0% in August 2026, down 30 basis points month over month from a revised 5.3% in July and 60 basis points year over year from 5.6% in August 2025, per the California EDD. Transportation, warehousing, and utilities lost 4,900 jobs year over year, and manufacturing 3,800, though aerospace added 600.

NEW DELIVERIES & NET ABSORPTION



NEW DELIVERIES: New Construction Delivered to the Market

NET ABSORPTION: Changes in the Amount of Occupied Space from One Quarter to the Next

Forecast

Los Angeles industrial vacancy should hold near current levels through Q1 2027 before easing later in the year, with occupancy recovering ahead of rents. Elevated borrowing costs will keep speculative starts scarce, so new buildings should compete with existing vacancies only in select pockets of South Bay, where the pipeline is concentrated. Aerospace, logistics, and advanced manufacturing users should continue to lease modern, high-clearance buildings, while logistics operators focus on consolidation rather than expansion. The indicator to watch is net absorption: two consecutive positive quarters would begin shifting leverage back to owners, and until then free rent and tenant improvement allowances will remain a part of most deals. Asking rents should edge higher as owners hold face rates to protect building values, while the discounts show up in taking rents and concessions, particularly in older, low-clearance buildings. Owner-users should keep buying well-located smaller buildings. The wild card is tariff policy: importers pulled holiday cargo forward this summer, and higher tariffs that cut import volumes in 2027 would reduce port-related warehouse demand in South Bay and Long Beach. A continued decline in sublease space would be the earliest sign that recovery has begun.

Significant Transactions

Sales

* Voit Real Estate Services Deal

Property Address	City	Square Feet	Sale Price	Buyer	Seller
15614–15700 Shoemaker Ave.	Santa Fe Springs	536,754	$176,500,000	Shoemaker Industrial LP	PGIM, Inc.
8685 Bowers Ave.	South Gate	203,336	$35,774,500	Firestone Alameda Holdings LLC	HUSPRF Bowers LP
13900 Carmenita Rd.	Santa Fe Springs	150,548	$51,250,000	Travelers Club Luggage	Ares Management Corporation
7000 E. Slauson Ave.	City of Commerce	69,104	$18,663,500	Finishing Trades Institute	7000 E Slauson Avenue Co.
23105 Kashiwa Ct.	Torrance	63,202	$20,500,000	Grand Prix Auto Club*	LEDtronics Inc.

Leases

Property Address	City	Square Feet	Transaction Date	Tenant	Owner
300–350 Westmont Ave.	San Pedro	338,936	Jul-2026	ICT	CBRE Investment Management
2255 E. 220th St. - Renewal	Carson	224,560	Sep-2026	Geodis	Watson Land Company
19465–19485 E Walnut Dr.	City of Industry	220,000	Jul-2026	SLA Inc.	Principle Real Estate Investor
20974 S. Santa Fe Ave.	Long Beach	211,446	Aug-2026	CODA Logistics & Distribution	Kaplan & Kaplan
3030 S. Atlantic Blvd.	Vernon	200,000	Sep-2026	AMP Logis	The Magellan Group, Inc.

	INVENTORY				VACANCY & LEASE RATES					ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q3 2026	Square Feet Available	Availability Rate Q3 2026	Average Asking Lease Rate	Net Absorption Q3 2026	Net Absorption 2026	Gross Absorption Q3 2026	Gross Absorption 2026
Central													
Bell/Bell Gardens/Maywood	205	7,710,083	0	0	165,271	2.14%	370,135	4.80%	$1.29	(25,603)	20,608	18,069	72,715
City of Commerce	734	45,915,183	0	124,140	1,750,987	3.81%	3,682,971	8.02%	$1.27	70,487	1,784,618	1,428,351	3,138,122
Huntington Park/Cudahy	197	4,700,994	0	100,935	145,659	3.10%	237,054	5.04%	$1.00	83,358	22,234	155,077	320,582
Downtown	5,081	126,891,222	135,970	189,000	7,941,170	6.26%	9,608,977	7.57%	$1.54	(552,837)	(383,253)	1,785,468	4,802,813
Montebello	217	10,036,445	0	0	510,594	5.09%	579,170	5.77%	$1.03	(51,649)	69,881	97,488	643,096
Pico Rivera	195	10,275,056	0	0	541,257	5.27%	585,379	5.70%	$1.40	181,694	204,822	259,046	571,463
South Gate	238	10,148,360	0	550,000	227,876	2.25%	409,556	4.04%	$0.96	(73,748)	(66,166)	6,478	77,071
Vernon	801	44,888,469	190,290	69,812	2,074,270	4.62%	2,889,496	6.44%	$1.22	447,914	294,882	1,147,207	2,545,403
Total	7,668	260,565,812	326,260	1,033,887	13,357,084	5.13%	18,362,738	7.05%	$1.39	79,616	1,947,626	4,897,184	12,171,265
Mid Counties													
Artesia/Cerritos	279	13,345,867	216,533	72,189	1,016,388	7.62%	1,868,026	14.00%	$1.03	(75,001)	43,878	266,668	549,230
Bellflower/Downey	212	5,712,465	516,124	0	99,261	1.74%	149,202	2.61%	$1.23	(15,508)	156,470	78,860	425,284
Buena Park/La Palma	233	14,972,124	0	0	1,750,858	11.69%	3,210,876	21.45%	$1.32	(499,442)	(856,429)	381,610	602,958
La Mirada	182	13,287,350	0	0	1,234,791	9.29%	1,916,264	14.42%	$1.20	297,942	70,613	671,620	1,090,661
Norwalk	91	2,925,358	0	5,000	219,410	7.50%	219,410	7.50%	$0.00	(155,159)	(186,935)	55,239	87,598
Paramount	416	9,450,875	0	0	396,755	4.20%	538,667	5.70%	$1.08	6,467	(99,087)	208,526	444,234
Santa Fe Springs	1,357	54,475,056	38,187	324,360	2,144,753	3.94%	3,690,106	6.77%	$1.38	163,093	364,247	847,989	2,314,893
Whittier	159	4,040,913	0	0	598,359	14.81%	593,608	14.69%	$1.19	(115,193)	260,173	73,984	370,555
Total	2,929	118,210,008	770,844	401,549	7,460,575	6.31%	12,186,159	10.31%	$1.26	(392,801)	(247,070)	2,584,496	5,885,413
San Gabriel Valley													
Alhambra	116	2,294,362	0	0	54,423	2.37%	52,784	2.30%	$1.40	22,362	(1,794)	26,637	57,291
Arcadia/Temple City	143	3,146,879	0	0	164,094	5.21%	185,190	5.88%	$3.00	29,269	(65,730)	52,129	108,291
Azusa	256	6,911,626	0	0	493,292	7.14%	892,534	12.91%	$1.11	111,289	447,773	194,552	521,840
Baldwin Park	251	5,306,282	0	0	149,182	2.81%	153,131	2.89%	$1.38	(65,353)	(50,278)	39,016	139,513
City of Industry/DB/HH/RH	1,097	77,898,969	147,100	463,603	3,123,393	4.01%	4,610,728	5.92%	$1.36	(265,168)	132,349	705,395	2,958,464
Covina/West Covina	185	3,483,523	0	89,987	299,767	8.61%	564,753	16.21%	$2.01	(120,245)	(118,446)	105,775	161,615
Duarte	70	1,740,877	0	0	40,929	2.35%	40,929	2.35%	$1.22	13,837	1,199	114,840	137,328
El Monte	311	8,852,278	63,238	80,000	666,860	7.53%	783,306	8.85%	$1.27	16,963	(311,907)	79,718	488,105
Irwindale	257	13,463,778	0	2,365,880	656,213	4.87%	704,493	5.23%	$1.17	21,697	214,987	209,747	403,513
La Puente	94	2,188,721	0	0	13,972	0.64%	52,304	2.39%	$0.00	26,993	163,397	157,826	216,106
La Verne/San Dimas/Glendora	307	6,707,001	0	142,529	601,368	8.97%	616,156	9.19%	$1.47	(44,230)	(55,452)	30,099	135,017
Monrovia	199	3,345,053	0	0	117,396	3.51%	204,493	6.11%	$1.75	6,402	(36,274)	34,708	101,909
Pomona/Claremont	669	20,164,414	0	230,000	797,514	3.96%	844,705	4.19%	$1.22	66,060	161,798	353,179	935,282
Monterey Park/Rosemead/San Gabriel	221	3,993,993	0	201,963	135,627	3.40%	142,741	3.57%	$1.45	3,429	65,062	49,521	182,291
South El Monte	852	11,570,524	156,877	0	533,494	4.61%	582,963	5.04%	$1.48	(131,479)	(184,522)	66,915	369,306
Walnut	206	7,164,845	0	0	278,525	3.89%	594,696	8.30%	$1.43	(186,362)	(214,099)	73,090	154,257
Total	5,234	178,233,125	367,215	3,573,962	8,126,049	4.56%	11,025,906	6.19%	$1.37	(494,536)	148,063	2,293,147	7,070,128
South Bay													
Carson	500	36,084,895	181,014	0	2,088,403	5.79%	4,302,984	11.92%	$1.37	(294,533)	(287,510)	916,214	1,898,905
Compton	481	25,667,113	140,693	147,849	2,666,034	10.39%	3,072,825	11.97%	$1.18	(201,330)	(409,675)	102,881	847,425
El Segundo	155	8,099,842	0	0	372,354	4.60%	462,337	5.71%	$2.21	25,945	(163,908)	18,284	100,621
Gardena	1,168	29,548,815	324,393	742,143	1,608,182	5.44%	2,292,071	7.76%	$1.36	212,655	(16,904)	390,137	1,282,412
Harbor City	98	1,832,901	0	0	92,455	5.04%	99,655	5.44%	$0.00	13,510	(58,705)	20,510	41,610
Hawthorne	224	8,668,015	0	0	213,174	2.46%	288,496	3.33%	$1.74	(52,387)	(48,348)	52,349	382,087
Inglewood	234	4,779,350	0	215,455	218,679	4.58%	233,919	4.89%	$1.83	4,893	(28,377)	48,209	71,575
Lakewood/Hawaiian Gardens	24	539,173	0	0	25,162	4.67%	67,672	12.55%	$1.16	(25,162)	(19,963)	0	5,199
Lawndale	32	279,665	0	0	11,800	4.22%	18,005	6.44%	$0.00	950	(1,800)	2,750	6,550
Long Beach/San Pedro/Terminal Island	807	27,664,686	123,595	1,012,354	1,135,674	4.11%	2,266,633	8.19%	$1.62	551,585	1,427,165	1,241,654	1,697,644
Lynwood	96	4,076,526	0	0	78,233	1.92%	150,151	3.68%	$1.13	7,648	(21,323)	29,004	38,823
Rancho Dominguez	224	13,847,795	0	0	800,803	5.78%	1,155,564	8.34%	$1.38	(13,679)	427,055	401,282	1,548,283
Redondo & Hermosa Beach	36	1,753,037	0	0	4,140	0.24%	4,140	0.24%	$0.00	(940)	(2,640)	51,229	96,487
Signal Hill	213	3,104,110	0	24,400	81,038	2.61%	102,634	3.31%	$1.22	22,302	18,914	81,435	126,243
Torrance	637	29,446,343	49,000	1,015,612	1,688,070	5.73%	2,518,415	8.55%	$1.62	12,033	310,375	208,277	1,663,809
Wilmington	154	4,008,430	0	0	265,037	6.61%	303,025	7.56%	$1.23	17,522	(160,305)	24,326	95,083
Total	5,083	199,400,696	818,695	3,157,813	11,349,238	5.69%	17,338,526	8.70%	$1.43	281,012	964,051	3,588,541	9,902,756
Los Angeles Total	**20,914**	**756,409,641**	**2,283,014**	**8,167,211**	**40,292,946**	**5.33%**	**58,913,329**	**7.79%**	**$1.37**	**(526,709)**	**2,812,670**	**13,363,368**	**35,029,562**
5,000-24,999	13,687	165,703,175	0	70,868	7,020,060	4.24%	9,221,266	5.56%	$1.50	(318,201)	(627,747)	2,484,659	6,811,769
25,000-49,999	3,600	125,403,717	87,187	215,829	6,286,659	5.01%	9,432,946	7.52%	$1.34	141,650	(349,436)	2,246,728	6,187,556
50,000-99,999	1,991	136,166,299	309,319	770,725	7,997,023	5.87%	10,669,319	7.84%	$1.26	343,654	683,287	2,603,372	7,095,957
100,000-249,999	1,293	191,873,213	1,370,384	4,270,236	12,095,918	6.30%	17,330,248	9.03%	$1.40	692,077	2,325,995	4,259,852	9,737,811
250,000-499,999	274	88,541,318	0	1,612,983	5,241,465	5.92%	6,760,148	7.64%	$1.30	(1,695,009)	(1,347,025)	818,870	2,941,273
500,000 plus	69	48,721,919	516,124	1,226,570	1,651,821	3.39%	5,499,402	11.29%	$1.60	309,120	2,127,596	949,887	2,255,196
Los Angeles Total	**20,914**	**756,409,641**	**2,283,014**	**8,167,211**	**40,292,946**	**5.33%**	**58,913,329**	**7.79%**	**$1.37**	**(526,709)**	**2,812,670**	**13,363,368**	**35,029,562**

This survey consists of buildings greater than 5,000 square feet. Lease rates are on a triple-net basis.

LAQ326

THIRD QUARTER 2026 MARKET REPORT
GREATER LOS ANGELES INDUSTRIAL

Voit REAL ESTATE SERVICES



Los Angeles Industrial Shows Resilience Amid Stabilizing Fundamentals

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The Los Angeles industrial real estate market continues to exhibit resilience and enduring strength, even as operating conditions have returned to a more balanced environment compared to the unprecedented market performance seen in recent years. Throughout 2026, fundamentals have stabilized as leasing activity has increased, tenant demand has strengthened, and industrial users have remained focused on securing strategic locations predominantly near the Ports of Los Angeles and Long Beach. Although vacancy rates remain above historic lows and rental growth has leveled off from peak pricing, Los Angeles continues to rank among the nation's most sought-after industrial investment markets due to its irreplaceable infrastructure, robust transportation network, and access to one of the world's largest consumer populations.

Across the region, demand is increasingly being fueled by aerospace, defense, advanced manufacturing, logistics, and technology-related companies seeking efficient and highly functional industrial space. The South Bay, Central, Mid-Counties, and San Gabriel Valley submarkets continue to draw strong tenant interest, particularly for properties featuring modern building specifications, enhanced power capacity, secure yard space, and optimized loading capabilities. Leasing momentum improved during the first half of the year, generating positive absorption and renewed activity across numerous submarkets. Consequently, landlords are experiencing greater tour volume and transaction activity, while tenants remain focused on securing strategically positioned facilities that can accommodate long-term business expansion.

Looking forward, the outlook for the Los Angeles industrial market remains favorable. Limited land supply, restricted development opportunities, and the region's vital role within global supply chains continue to underpin long-term occupancy levels and asset values. While tenants now possess greater negotiating flexibility than in previous years, strengthening leasing fundamentals, increased investment sales activity, and growing demand from industrial occupiers are creating compelling opportunities for owners and investors alike. As market conditions continue to improve, well-located industrial properties are expected to remain in high demand, further solidifying Los Angeles' reputation as one of the country's premier industrial real estate markets.

Product Type

MFG./DIST.
Manufacturing / Distribution / Warehouse facilities with up to 29.9% office space.

Submarkets

CENTRAL
Bell / Bell Gardens / Maywood, City of Commerce, Huntington Park / Cudahy, Downtown, Montebello , Pico Rivera, South Gate, Vernon

MID COUNTIES
Artesia / Cerritos, Bellflower / Downey, Buena Park / La Palma, La Mirada, Norwalk, Paramount, Santa Fe Springs, Whittier

SAN GABRIEL VALLEY
Alhambra, Arcadia / Temple City, Azusa, Baldwin Park, City of Industry / DB / HH / RH, Covina / West Covina, Duarte, El Monte, Irwindale, La Puente, La Verne / San Dimas / Glendora, Monrovia, Pomona / Claremont, Monterey Park / Rosemead / San Gabriel, South El Monte, Walnut

SOUTH BAY
Carson, Compton, El Segundo, Gardena, Harbor City, Hawthorne, Inglewood, Lakewood / Hawaiian Gardens, Lawndale, Long Beach / San Pedro / Terminal Island, Lynwood, Rancho Dominguez, Redondo & Hermosa Beach, Signal Hill, Torrance, Wilmington

Please Contact Us for Further Information

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714.978.7880	760.472.5620	909.545.8000	949.851.5100	424.329.7500	858.453.0505

This survey consists of properties representing both single tenant and multi-tenant buildings. The lease rates are based on a triple-net basis. The information contained in this report is gathered from sources that are deemed reliable, but no guarantees are made as to its accuracy. This information is for Voit Real Estate Services' use only and cannot legally be reproduced without prior written consent from the management of Voit Real Estate Services.

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