



Q4 | 2025 Market Report



Los Angeles Industrial

LA West/ South

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MARKET REPORT Q4

Industrial 2025 LA West/ South



MARKET ACTIVITY



Direct Vacancy
▼ 6.36%



Net Absorption
▲ 496,807 SF



Overall Vacancy
▼ 7.09%



Gross Absorption
▲ 3,516,028 SF



Under Construction
▼ 422,825 SF



Rental Rates (NNN)
▲ \$1.58



Median Sale \$/SF
▼ \$278.52



Deal Volume
▲ \$492.0M

KEY TAKE AWAYS

MARKET

- Vacancy Rate:** Declined 16 bps to 7.09% in Q4.
- Net Absorption:** Turned positive in Q4, totaling 497K SF.
- Asking Rents:** Increased by \$0.03 or 1.9% to a rate of \$1.58 PSF NNN.
- Construction Activity:** 151K SF was delivered in Q4.
- Sales:** The median price PSF in Q4 was \$278.52. Volume in Q4 totaled \$492.0M. Up 118.2% from Q3. In 2025, volume totaled \$1.09B. An increase of 13.7% compared to 2024.

ECONOMIC OUTLOOK

- Interest Rates:** FOMC decided cut rates twice over Q4. Ending the year at range of 3.50%-3.75%. Only one cut projected in 2026.
- Supply Chain:** YTD Y/Y volume at the San Pedro Port Complex is up 1.8% through Nov. The cost from China/East Asia to the West Coast increased 41.2% over Q4, ending at \$2,617 per container. (Freightos). US tariffs stabilized at country-specific rates (25-40% most nations, 125% China). Revenue collection from tariffs far out exceeding expectations. With consumers not being burdened by them yet.
- Geopolitics:** The removal of Venezuelan President Maduro may lead to lower energy prices in the future. Helping to fuel the AI boom.

ECONOMIC OUTLOOK



U.S. Employment
▲ 4.4%



U6 Rate
▲ 8.4%



Interest Rate
▼ 6.15%
(30 year fixed)



Changing GDP
▲ 5.4%



Port Traffic Y/Y Δ
▲ 1.8%



NYSE Performance
▲ 2.8%



Inflation Change
▼ 2.71%



10 Yr. - 2 Yr. Spread
▲ 71 BPS

EXPERIENCE IN A CHANGING MARKET

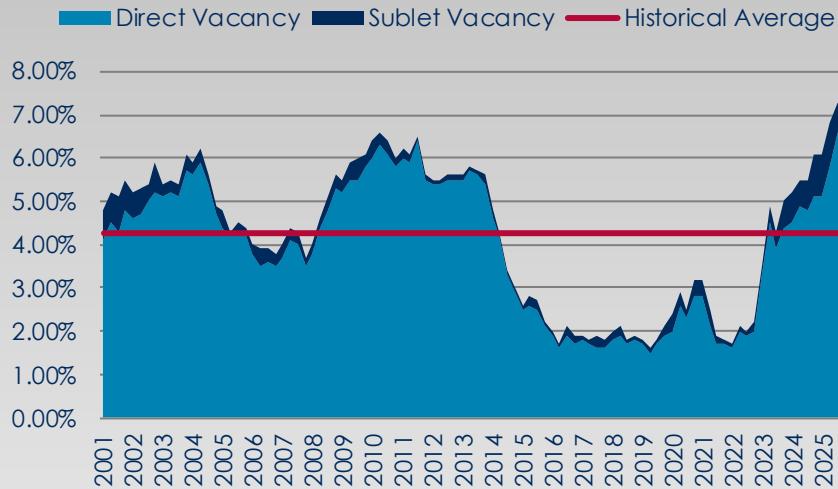
@DAUMCOMMERCIAL



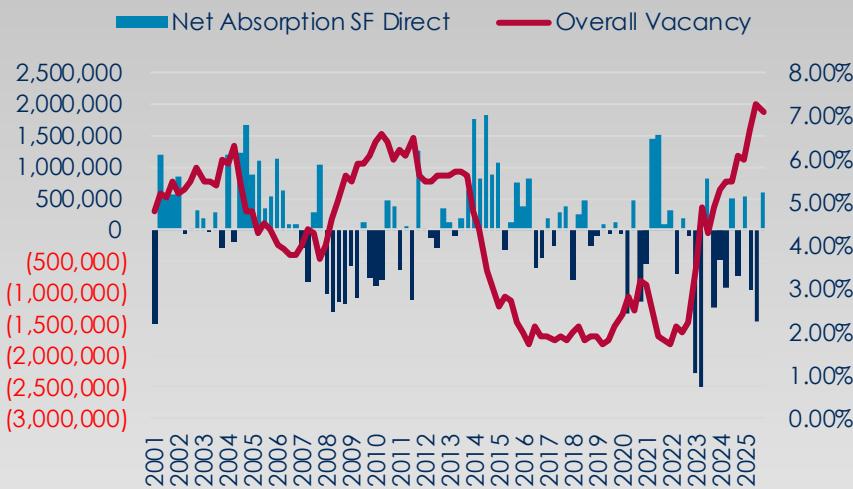
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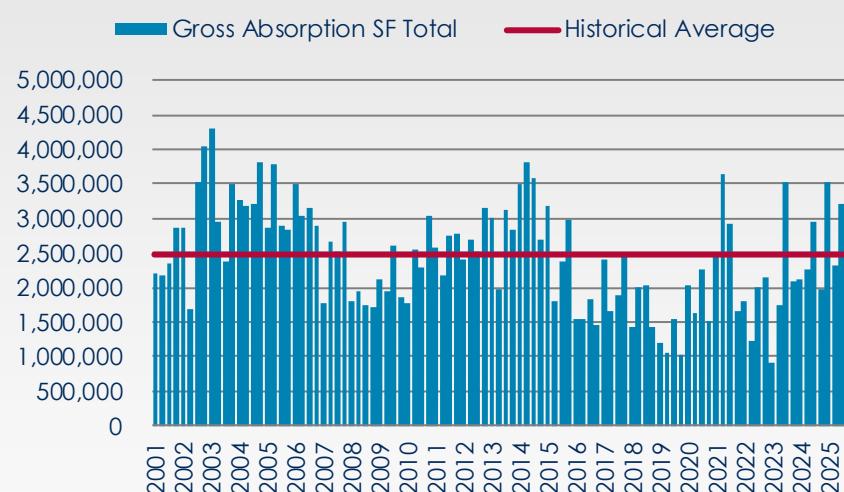
OVERALL VACANCY DECLINED BY 18 BPS IN Q4 TO 7.09%



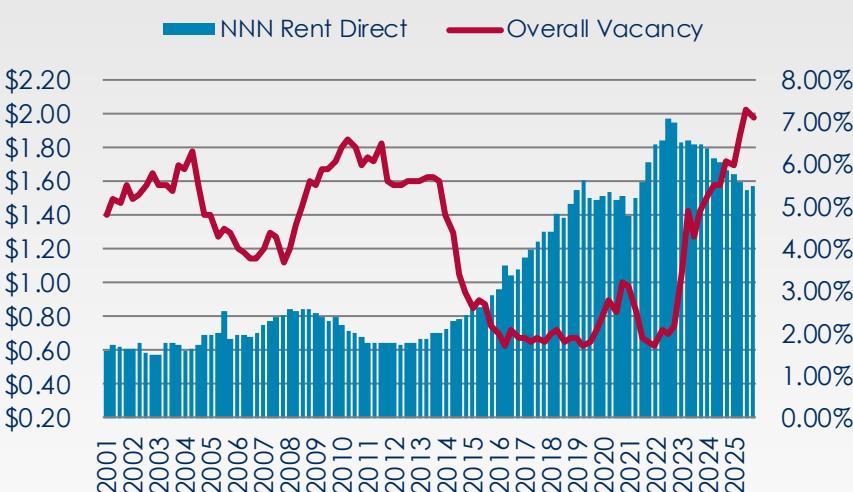
NET ABSORPTION TURNED POSITIVE IN Q4 TOTALING 497K SF IN Q4



GROSS ABORTION INCREASED BY 9.5% IN Q4 TO 3.5M SF

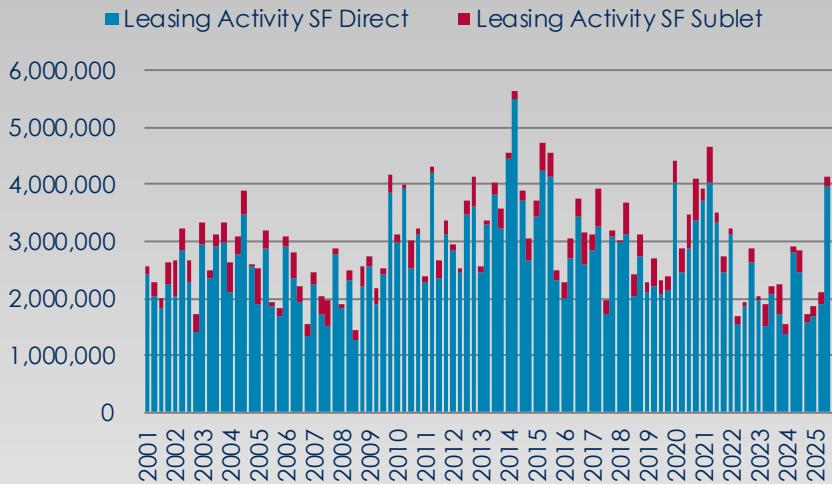


ASKING RENTS INCREASED BY \$0.03 PSF OR 1.9% IN Q4 TO \$1.58 PSF NNN

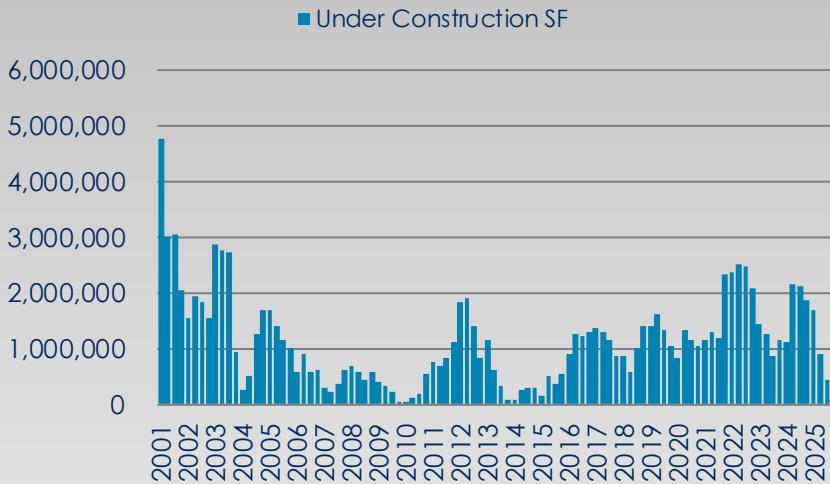


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LEASING ACTIVITY DECLINED 49.0% FROM REVISED Q3 TO 2.11 MSF IN Q4

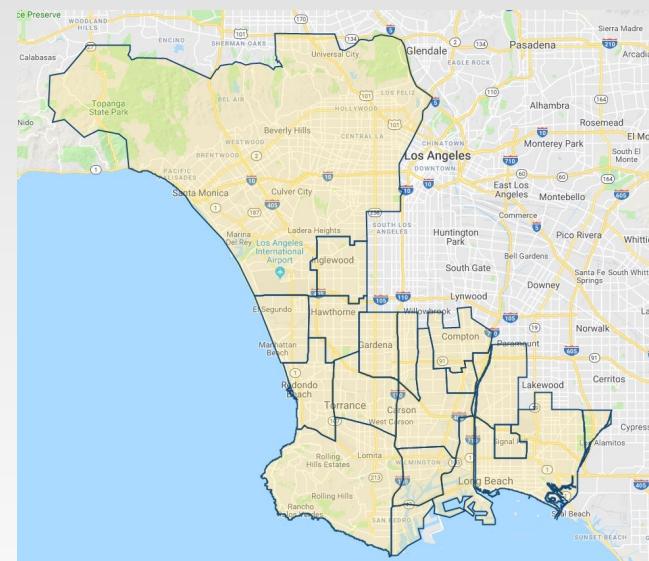
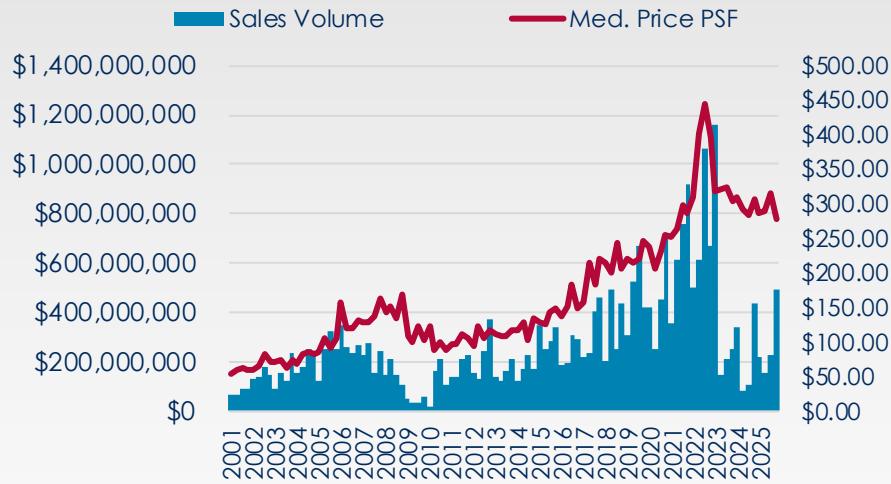


CONSTRUCTION ACTIVITY 151K SF WAS DELIVERED IN Q4. UC REVISED TO 423K SF



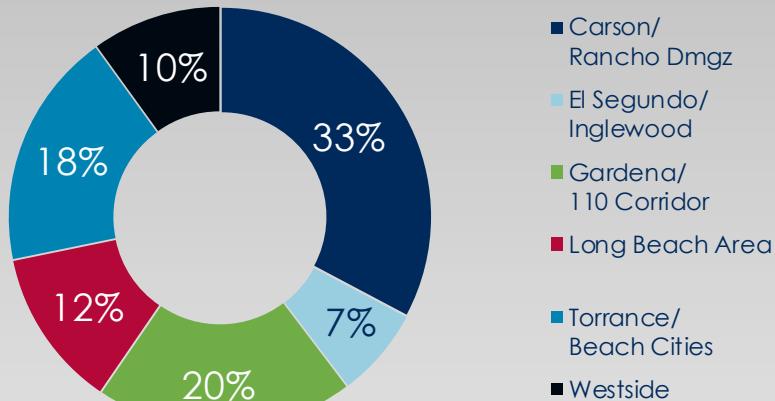
SALES

THE MEDIAN PRICE PSF IN Q4 WAS \$278.52 PSF. VOLUME UP 118.2%

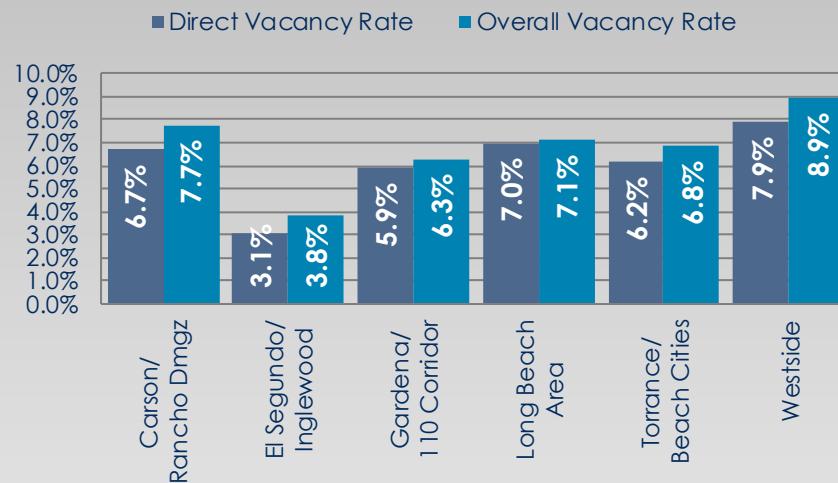


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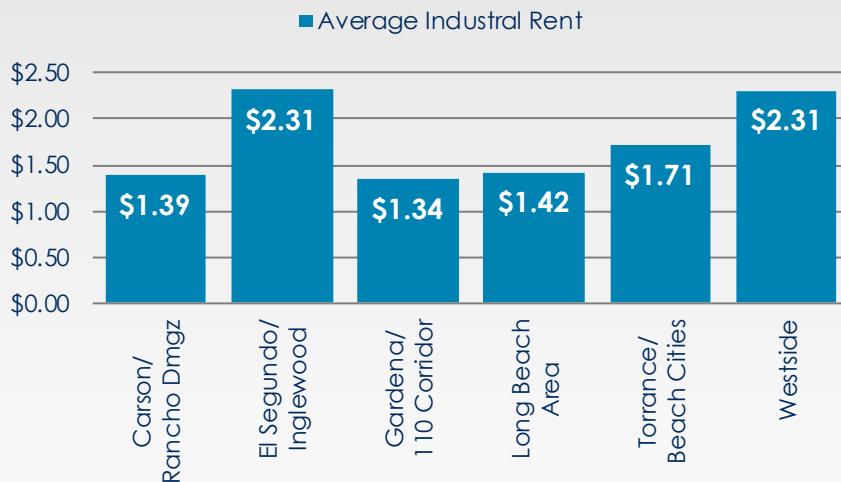
SQUARE FOOT BREAKDOWN- 233,762,159 SF MARKET SIZE



VACANCY BREAKDOWN



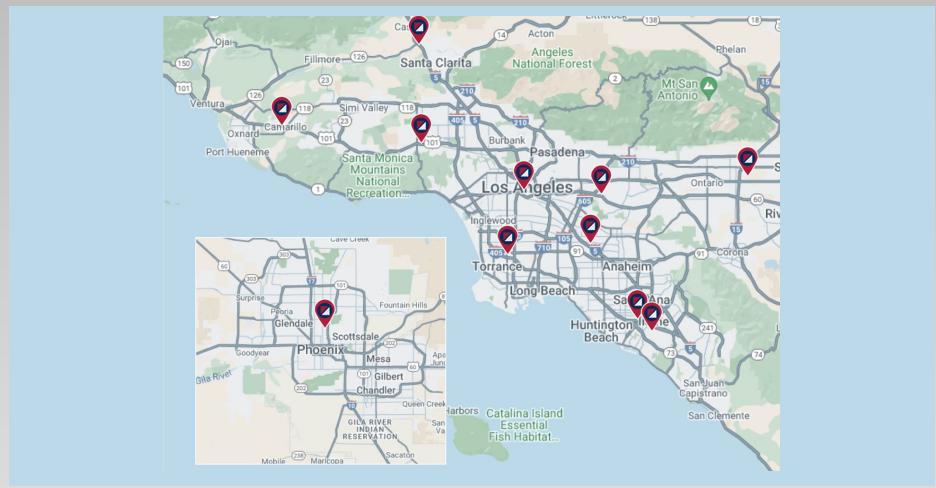
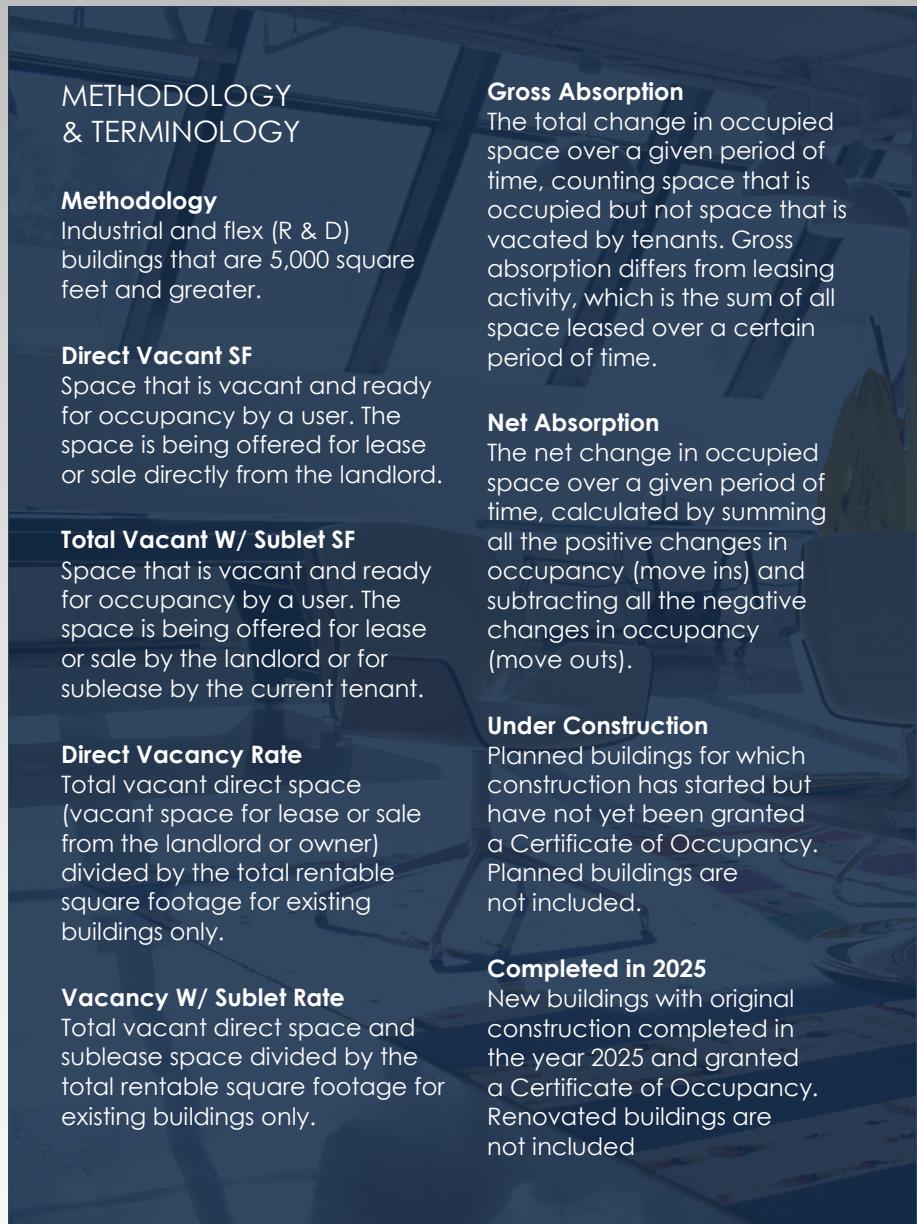
AVERAGE ASKING RENT PSF NNN AT CLOSE OF QUARTER



VOLUME BREAKDOWN



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MARKET	OFFICE ADDRESS	PHONE NUMBER
LOS ANGELES	801 S FIGUEROA ST. SUITE 600 LOS ANGELES, CA 90017	213-626-9101
LOS ANGELES NORTH	21820 BURBANK BLVD. SUITE 130 WOODLAND HILLS, CA 91367	818-887-3600
SANTA CLARITA VALLEY	27200 TOURNEY RD. SUITE 425 VALENCIA, CA 91355	661-705-2299
SAN GABRIEL VALLEY	13181 CROSSROADS PKWY N. SUITE 100 CITY OF INDUSTRY, CA 91746	562-695-7244
SOUTH BAY	19191 S VERNONT AVE. SUITE 850 TORRANCE, CA 90502	310-538-6700
MID-COUNTIES	13810 CERRITOS CORPORATE DR. SUITE C CERRITOS, CA 90703	562-207-3300
ORANGE COUNTY	4400 MACARTHUR BLVD. SUITE 950 NEWPORT BEACH, CA 92660	949-724-1900
VENTURA COUNTY	751 DAILY DR. SUITE 105 CAMARILLO, CA 93010	805-987-8866
INLAND EMPIRE	3595 E INLAND EMPIRE BLVD. BLDG 5 ONTARIO, CA 91764	909-980-1234
PHOENIX	1702 E HIGHLAND AVE. SUITE 120 PHOENIX, AZ 85016	602-957-7300
INVESTMENT DIVISION	650 TOWN CENTER DR. SUITE 120 COSTA MESA, CA 92626	949-341-4500
INDIAN WELLS	74900 HIGHWAY 111, SUITE 221 INDIAN WELLS, CA 92210	760-253-8539

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||||||| Los Angeles |||||

||||||| Orange County |||||

||||||| Ventura |||||

||||||| Inland Empire |||||

||||||| Phoenix |||||

Economic Overview

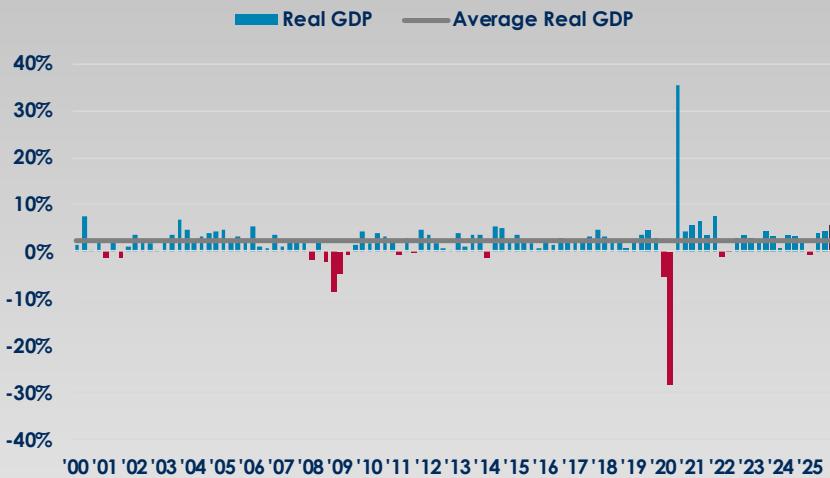
||||||| Q4 2025



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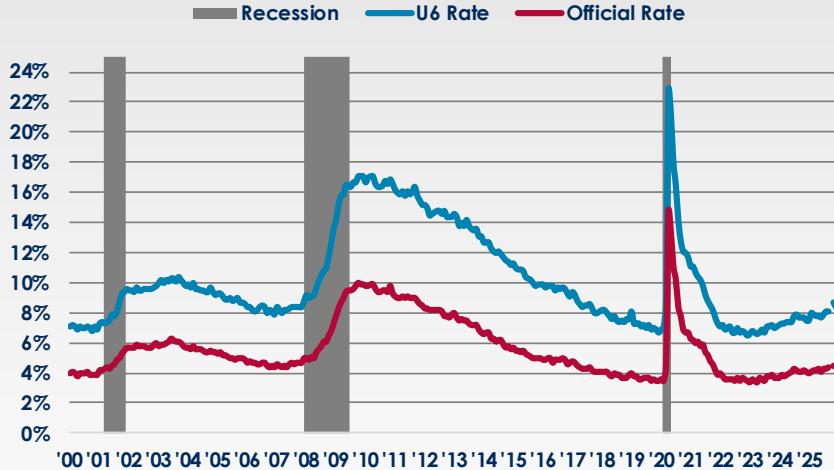
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GDP IN Q3 FINISHED AT 4.3%. Q4 ESTIMATE AT 5.4% PER GDPNOW

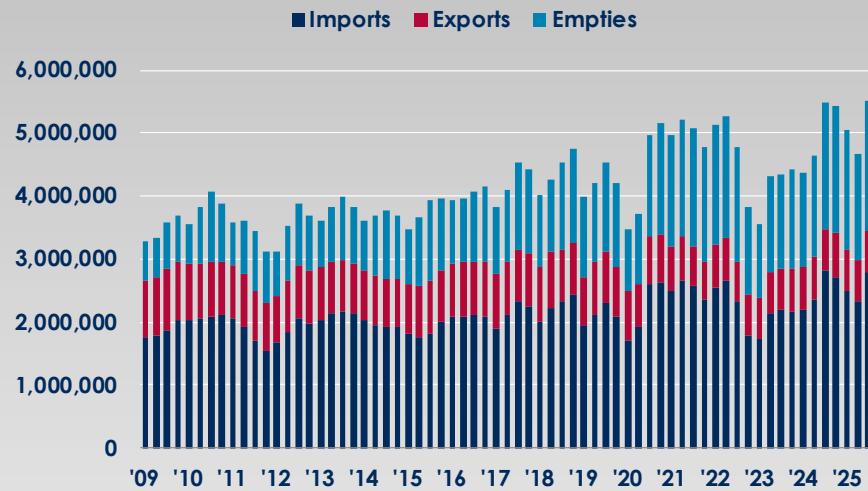


*5.4% Estimate for Q4-25 from the Federal Reserve Bank of Atlanta GDPNow

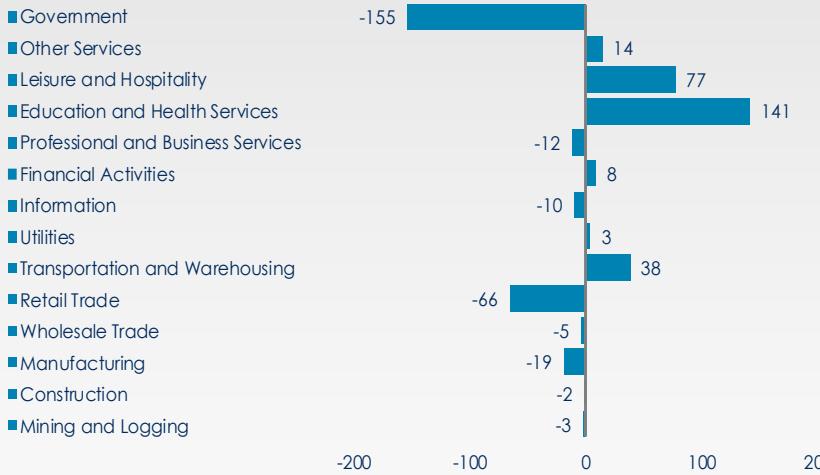
LABOR MARKET RESILIENCE LIKELY TO PAUSE RATE CUTS



PORT ACTIVITY IN Q3 WAS UP 0.4% Y/Y. YTD 2025 UP 1.8% Y/Y

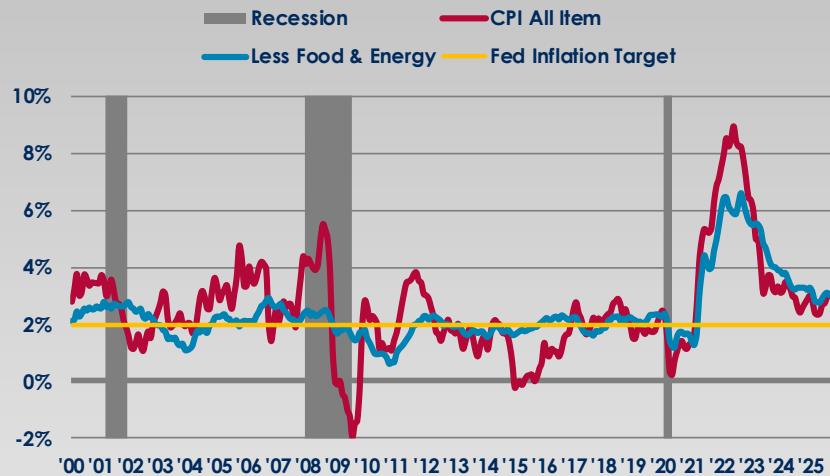


EDUCATION & HEALTH SERVICES LED JOB GAINS AGAIN IN Q4

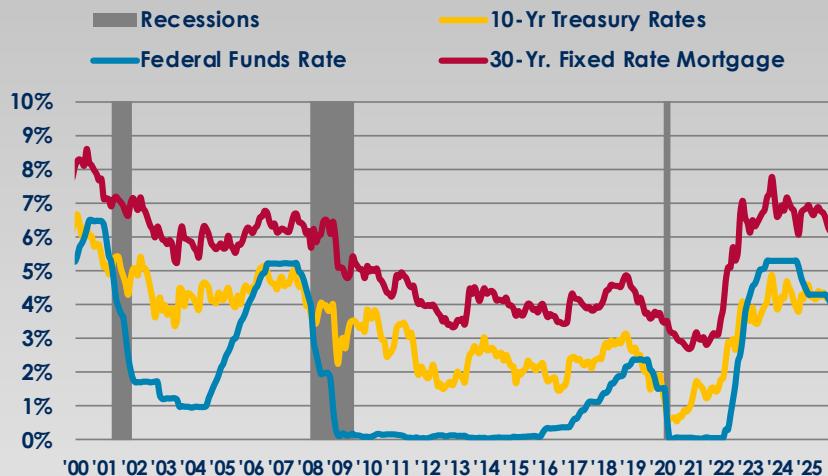


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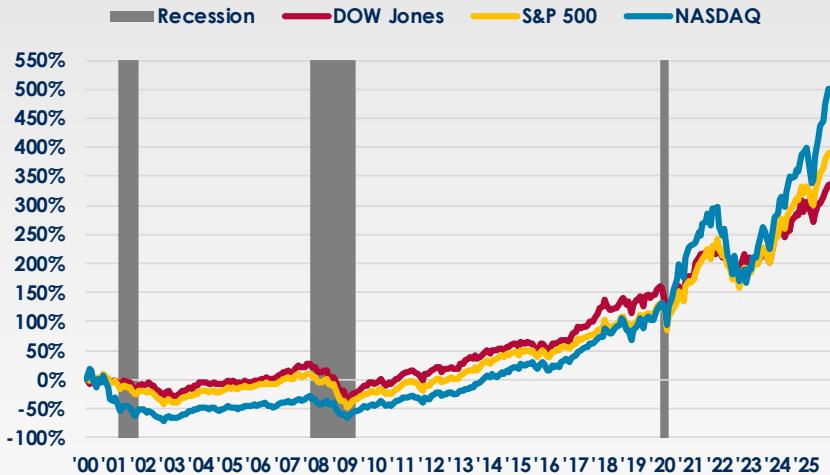
INFLATION TRENDING UPWARD ABOVE THE FED TARGET OF 2%



THE FED CUT RATES BY 50 BPS OVER Q4



MAJOR INDEXES REACHED ALL TIME HIGHS IN Q4



10-2 YEAR YIELD CURVE STEEPENED IN Q4

