MARKET REPORT · Q3 2026

Industrial

Central / SE LA

Central / SE LA | LA – North | San Gabriel Valley | West / South LA

6.14%
OVERALL VACANCY

0.08M SF
NET ABSORPTION

$819.6M
SALE VOLUME

A quarterly read on industrial leasing, absorption, and investment activity across Central and Southeast Los Angeles.

DAUM
COMMERCIAL REAL ESTATE SERVICES

Experience in a Changing Market

IN THIS REPORT

02 Executive Summary
03 Market Trends
04 Leasing & Sales Activity
05 Submarket Detail
07 Map & Methodology

QUARTER IN MOTION

Direct Vacancy	**5.71%**	▼ 27 bps
Leasing Activity	**4.06 MSF**	▼ 23.5%
Asking Rent NNN	**$1.15**	▼ $0.02
Under Construction	**0.80 MSF**	▼ 22.1%

Industrial Market Report

6.14%

OVERALL VACANCY RATE

▼ 29 bps QoQ ▼ 42 bps YoY

Q3 AT A GLANCE

Vacancy declined 29 bps from revised Q2 to 6.14% and net absorption turned positive at 0.08 MSF after a negative Q2, while gross absorption reached 6.32 MSF, the highest quarterly total on record. Leasing activity cooled 23.5% from Q2 to 4.06 MSF; sale volume rose 40.9% to $819.6M, bringing YTD 2026 volume to $1.97B.

5.71%	0.08M SF	4.1M SF	$1.15	0.80M SF	$819.6M
DIRECT VACANCY	NET ABSORPTION	LEASING ACTIVITY	ASKING RENT NNN	UNDER CONSTRUCTION	SALE VOLUME
▼ 27 bps QoQ	▲ 1.70M QoQ	▼ 23.5% QoQ	▼ $0.02 QoQ	▼ 22.1% QoQ	▲ YTD up 76.6% Y/Y

MARKET

- **Vacancy Rate:** Declined by 29 bps from revised Q2 to 6.14% in Q3. Year over Year decrease of 42 bps or 1.50 MSF.
- **Net Absorption:** Turned positive in Q3 after a negative Q2, totaling 0.08 MSF. YTD 2026 totaled -0.56 MSF.
- **Asking Rates:** Declined by $0.02 or 1.7% to $1.15 PSF NNN in Q3.
- **Leasing Activity:** Down 23.5% from revised Q2 to 4.06 MSF in Q3.
- **Sale Activity:** Median price PSF in Q3 was $226.41. Volume up 40.9% to $819.6M. YTD 2026 volume of $1.97B is up 76.6% from 2025.

ECONOMIC OUTLOOK

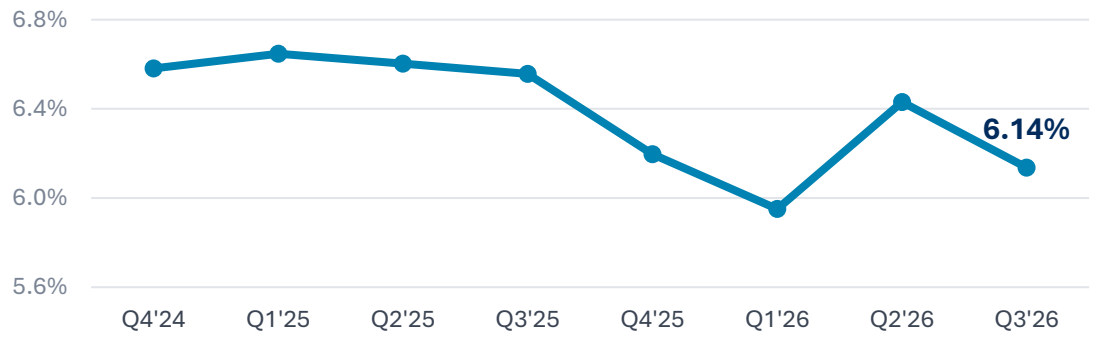
- **Interest Rates:** FOMC held rates in July, then raised by 25 bps in September to a range of 3.75%-4.00%.
- **Supply Chain:** Record volume at San Pedro Bay Port Complex totaling 5.80M TEUs in Q3. YTD Y/Y volume at the San Pedro Port Complex is up 3.6% through Sept. The cost from China/East Asia to the West Coast increased 36.2% over Q3, ending at $8,411 per container. (Freightos).
- **Geopolitics:** The conflict in Iran resumed in July after a June agreement briefly reopened the Strait of Hormuz, keeping shipping costs elevated.

Covers industrial & flex (R&D) buildings 5,000 SF and greater in Central / SE LA (Central LA, Commerce, Mid-Counties and Vernon). · Source: DAUM Research, Q3 2026. · Full methodology on page 7.

Although all information is furnished regarding sale, rental or financing from sources deemed reliable, it has not been verified and no representation is made as to its accuracy.

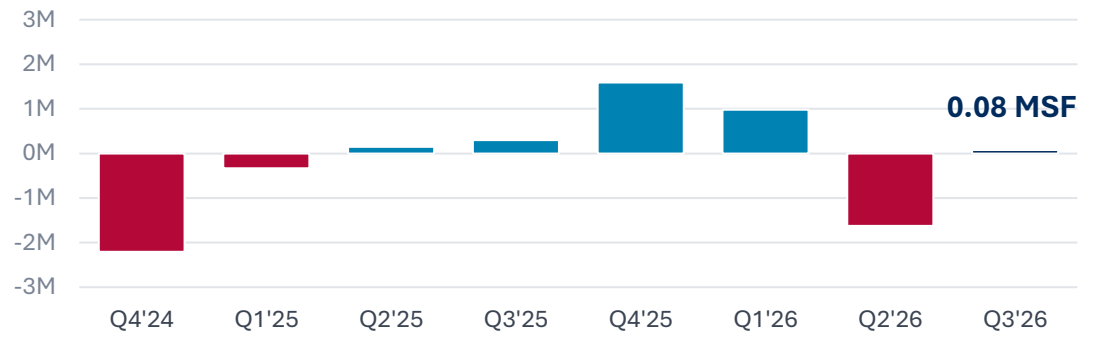
Leasing Fundamentals

Overall Vacancy



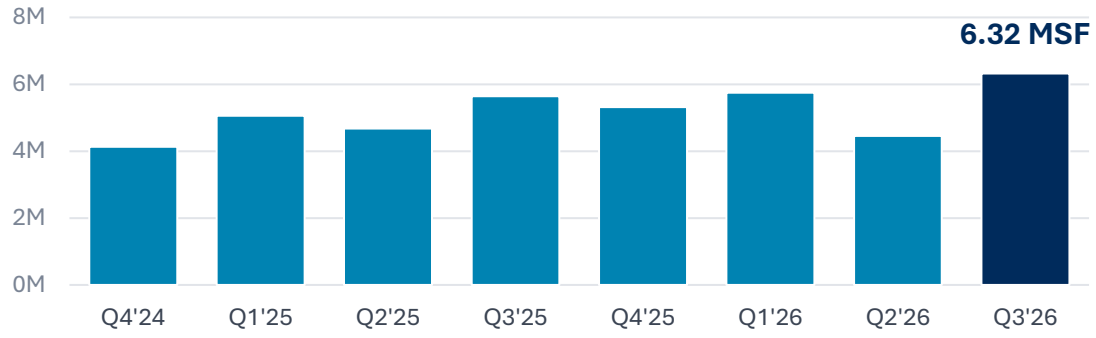
Declined by 29 bps from revised Q2 to 6.14% in Q3.

Net Absorption



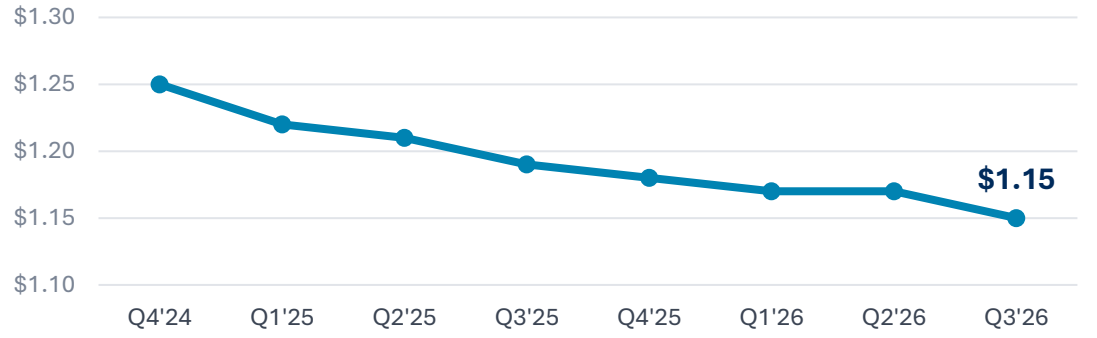
Turned positive in Q3 at 0.08 MSF, after a negative Q2.

Gross Absorption



Increased by 41.9% from revised Q2 to 6.32 MSF in Q3, the highest on record.

Asking Rents (NNN)

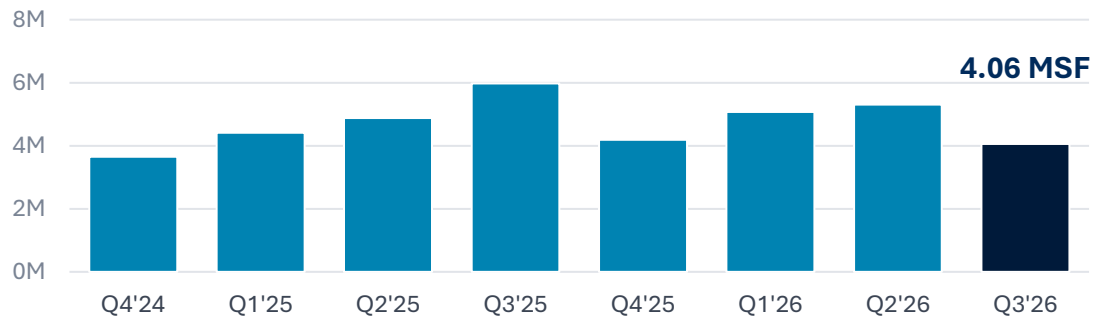


Declined by $0.02 or 1.7% to $1.15 PSF NNN in Q3, the lowest since Q3 2021.

Although all information is furnished regarding sale, rental or financing from sources deemed reliable, it has not been verified and no representation is made as to its accuracy.

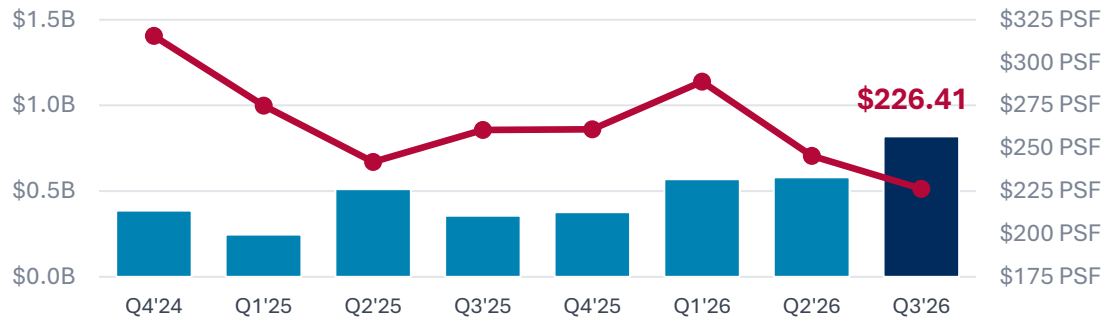
Leasing & Sales Activity

Leasing Activity



Declined by 23.5% from revised Q2 to 4.06 MSF in Q3.

Sales Volume & Median Price PSF



The median price PSF in Q3 was $226.41. Volume up 40.9% to $819.6M, the highest since Q3 2022.

NOTABLE LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	Type
3030 S Atlantic Blvd	Vernon	AMP Logis	200,683	Direct
16222 Phoebe Ave	Mid-Counties	Capital Logistics	137,700	Direct
12500 E Slauson Ave	Mid-Counties	SwiftX	127,585	Direct
10251 Santa Fe Springs Rd	Mid-Counties	Undisclosed	121,124	Direct
6000 Rickenbacker Rd	Commerce	Price Zone	117,900	Direct

NOTABLE SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / PSF
Part of Larger Portfolio Sale	Multiple	Rexford Industrial/ EQT	1,322,044	$284.00M/ $214.82 PSF
15614-15700 Shoemaker Ave	Mid-Counties	PGIM, Inc./ JPMorgan Chase	536,754	$176.50M/ $328.83 PSF
14555 Alondra Blvd	Mid-Counties	BGRE/ Undisclosed	248,105	$58.50M/ $235.79 PSF
8685 Bowers Ave	Vernon	Hines/ 8685 Bowers Ave, LLC	203,336	$35.77M/ $175.94 PSF
13900 Carmenita Rd	Mid-Counties	Ares Management/ Travelers Club	150,548	$51.25M/ $340.42 PSF

Although all information is furnished regarding sale, rental or financing from sources deemed reliable, it has not been verified and no representation is made as to its accuracy.

By Submarket

SUBMARKET STATISTICS

SUBMARKET	INVENTORY (SF)	% OF TOTAL	DIRECT VACANT (SF)	DIRECT VACANCY	OVERALL VACANT (SF)	OVERALL VACANCY	QTR NET ABSORPTION	YTD NET ABSORPTION	YTD LEASING ACTIVITY	UNDER CONSTR. (SF)	YTD COMPL. (SF)	AVG. RENT NNN	SALES VOLUME	PRICE PSF
Central Los Angeles	64,620,543	18%	4,267,300	6.60%	4,320,215	6.69%	–102,305	331,304	1,464,265	135,970	5,825	$1.13	$33.1M	$220.20
South LA	17,046,327	5%	801,499	4.70%	876,579	5.14%	–117,759	–36,257	352,163	–	–	$0.99	$5.4M	$508.01
Central LA	**81,666,870**	**23%**	**5,068,799**	**6.21%**	**5,196,794**	**6.36%**	**–220,064**	**295,047**	**1,816,428**	**135,970**	**5,825**	**$1.10**	**$38.5M**	**$259.19**
Commerce	50,214,959	14%	2,353,873	4.69%	2,604,144	5.19%	100,126	396,800	2,449,751	–	283,621	$1.19	$36.0M	$246.90
Montebello	25,424,820	7%	1,100,753	4.33%	1,175,253	4.62%	182,508	193,453	1,259,445	–	–	$1.07	–	–
Commerce	**75,639,779**	**22%**	**3,454,626**	**4.57%**	**3,779,397**	**5.00%**	**282,634**	**590,253**	**3,709,196**	**0**	**283,621**	**$1.15**	**$36.0M**	**$246.90**
Cerritos/Norwalk	21,219,701	6%	1,142,650	5.38%	1,379,034	6.50%	–361,540	–283,696	960,143	216,533	–	$1.09	$207.0M	$325.22
Downey/Paramount	20,543,907	6%	631,644	3.07%	672,523	3.27%	61,255	–33,663	856,267	–	–	$1.14	$17.1M	$230.77
SFS/La Mirada	70,904,635	20%	4,790,261	6.76%	5,116,434	7.22%	–7,835	–233,640	3,939,305	229,931	–	$1.27	$472.0M	$228.12
Mid-Counties	**112,668,243**	**32%**	**6,564,555**	**5.83%**	**7,167,991**	**6.36%**	**–308,120**	**–550,999**	**5,755,715**	**446,464**	**0**	**$1.21**	**$696.1M**	**$230.77**
Vernon	**79,668,673**	**23%**	**4,554,681**	**5.72%**	**4,996,227**	**6.27%**	**549,588**	**–687,663**	**3,153,372**	**219,790**	**202,712**	**$1.13**	**$48.9M**	**$175.94**
Central / SE LA Totals	**348,204,265**	**100%**	**19,867,776**	**5.71%**	**21,365,524**	**6.14%**	**78,519**	**–564,377**	**14,447,825**	**802,224**	**507,158**	**$1.15**	**$819.6M**	**$226.41**

348,204,265 SF total market size · Source: DAUM Research, Q3 2026

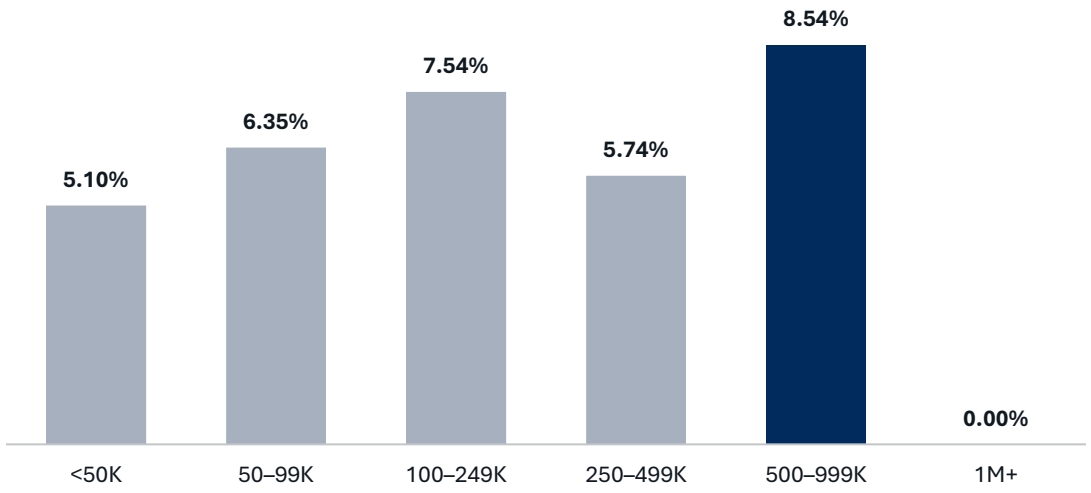
Although all information is furnished regarding sale, rental or financing from sources deemed reliable, it has not been verified and no representation is made as to its accuracy.

By Building Size

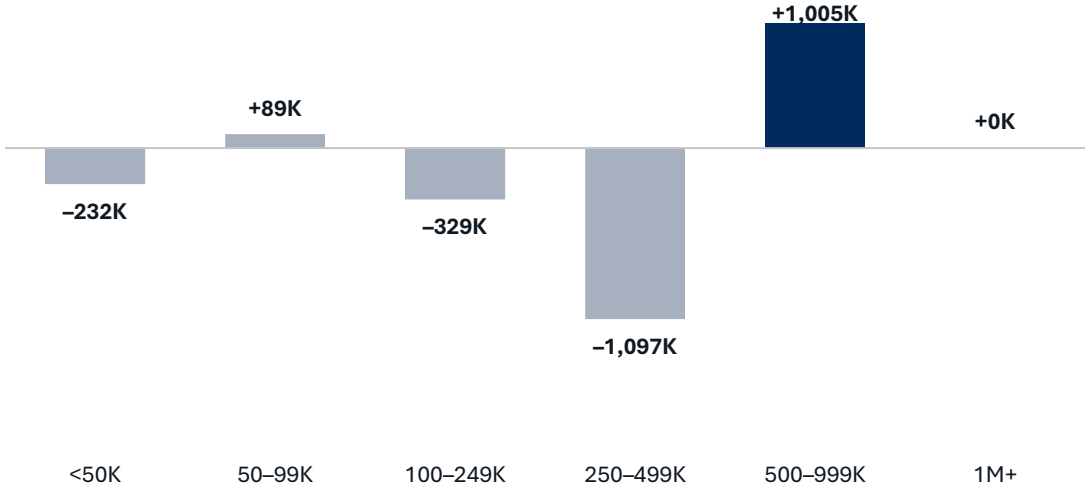
STATISTICS BY BUILDING SIZE RANGE

BUILDING SIZE RANGE	INVENTORY (SF)	% OF TOTAL	VACANCY RATE	AVG. ASKING RENT NNN	YTD NET ABSORPTION	UNDER CONSTR. (SF)
Below 50,000 SF	139,489,168	40%	5.10%	$1.15	–231,874	44,875
50,000 – 99,999 SF	66,389,099	19%	6.35%	$1.12	88,750	122,486
100,000 – 249,999 SF	89,062,847	26%	7.54%	$1.19	–329,094	634,863
250,000 – 499,999 SF	39,670,308	11%	5.74%	$1.13	–1,097,495	0
500,000 – 999,999 SF	12,211,250	4%	8.54%	$0.00	1,005,336	0
1,000,000 SF & Greater	1,375,000	0%	0.00%	$0.00	0	0

VACANCY RATE BY BUILDING SIZE



YTD NET ABSORPTION BY BUILDING SIZE (THOUSANDS SF)



Although all information is furnished regarding sale, rental or financing from sources deemed reliable, it has not been verified and no representation is made as to its accuracy.

Map & Methodology

SUBMARKET MAP



METHODOLOGY & TERMINOLOGY

Methodology

Industrial and flex (R&D) buildings that are 5,000 square feet and greater.

Direct Vacancy Rate

Total vacant direct space divided by total rentable square footage.

Net Absorption

Net change in occupied space: positive changes (move-ins) less negative changes (move-outs).

Direct Vacant SF

Vacant space ready for occupancy, offered for lease or sale directly by the landlord.

Vacancy W/ Sublet Rate

Total vacant direct and sublease space divided by total rentable square footage.

Under Construction

Planned buildings where construction has started but no Certificate of Occupancy yet.

Total Vacant W/ Sublet SF

Vacant space offered by the landlord or for sublease by the current tenant.

Gross Absorption

Total change in occupied space, counting occupied space but not space vacated.

Completed in 2026

New buildings with original construction completed in 2026 and granted a C of O.

DAUM OFFICES

MARKET	ADDRESS	PHONE
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 Vermont Ave. Suite 850 Torrance, CA 90502	310-538-6700
Mid-Counties	13810 Cerritos Corporate Dr. Suite C Cerritos, CA 90703	562-207-3300

MARKET	ADDRESS	PHONE
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
Indian Wells	74900 Highway 111, Suite 221 Indian Wells, CA 92210	760-253-8539

Although all information is furnished regarding sale, rental or financing from sources deemed reliable, it has not been verified and no representation is made as to its accuracy.

ECONOMIC OVERVIEW · Q3 2026

Economic Overview

National Indicators

BOTTOM LINE FOR CRE

Record Q3 port volume and a 3.6% GDP nowcast show firm goods demand, but the Fed's September hike and a 10-Year near 5% raise financing costs, while 11.2% input inflation keeps new supply constrained, favoring well-located existing buildings.

DAUM
COMMERCIAL REAL ESTATE SERVICES

Experience in a Changing Market

IN THIS SECTION

02 Trade & Growth

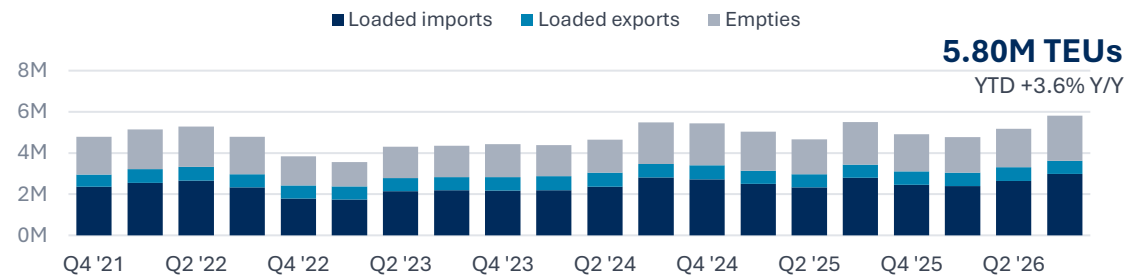
03 Prices, Labor & Capital

QUARTER IN MOTION

Port Volume, San Pedro Bay	**5.80M TEUs**	▲ 5.4% Y/Y
Trans-Pacific Freight	**$8,411**	▲ 36.2% Q/Q
Retail Inventory-to-Sales	**1.36**	2019 avg 1.46
Real GDP, Q3 GDPNow	**3.6%**	Q2 BEA 2.2%
CPI, September Y/Y	**3.7%**	▲ 0.2 pt Q/Q
Unemployment Rate	**4.2%**	Unch. Q/Q
Fed Funds Target	**3.75–4.00%**	▲ 25 bps Q/Q
10-Year Treasury, 9/30	**5.29%**	Sep avg 4.99%
Construction Input Costs	**159.1**	▲ 59.1% vs 1/20

Trade & Growth

Port Volume



Q3 port volume rose 5.4% Y/Y to a record 5.80M TEUs; loaded imports up 6.2% support distribution space demand.

Source: Ports of Los Angeles and Long Beach. Quarterly totals of monthly TEUs; Q3 2026 is a record since 1995.

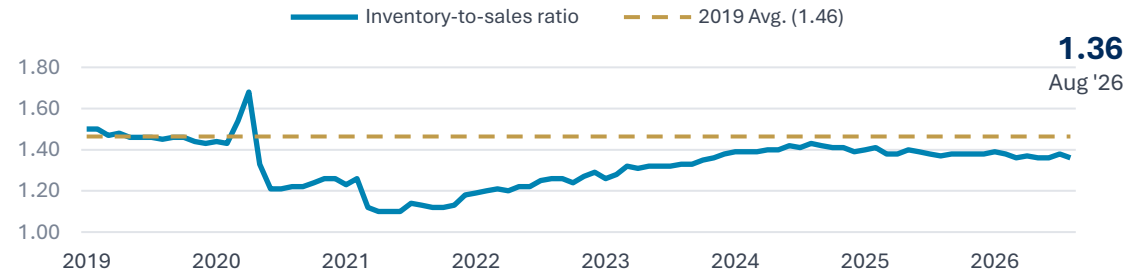
Freight Rates



Trans-Pacific spot rates rose 36.2% in Q3 to $8,411, the highest since June 2022; landed costs keep rising for importers.

Source: Freightos Baltic Index (FBX01), Asia to N. America West Coast, weekly to 9/25/2026. Events: CRS; UN News.

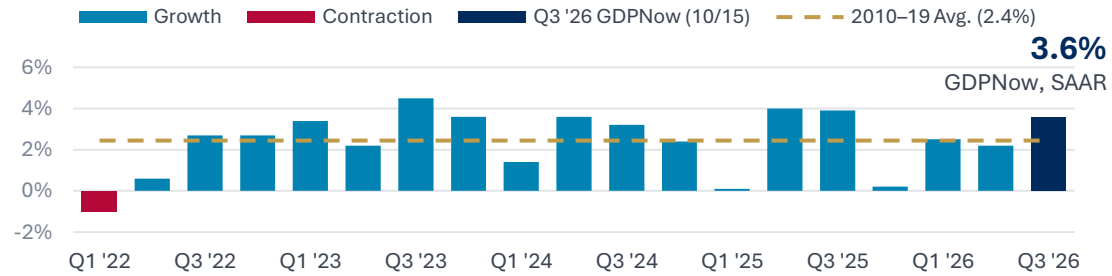
Retail Inventory to Sales



Retail inventory-to-sales was 1.36 in August after Census revisions, still below the 1.46 2019 norm; lean stocks temper storage demand.

Source: U.S. Census Bureau via FRED (RETAILIRSA), seasonally adjusted, 2026 annual revision. Latest: August 2026.

GDP



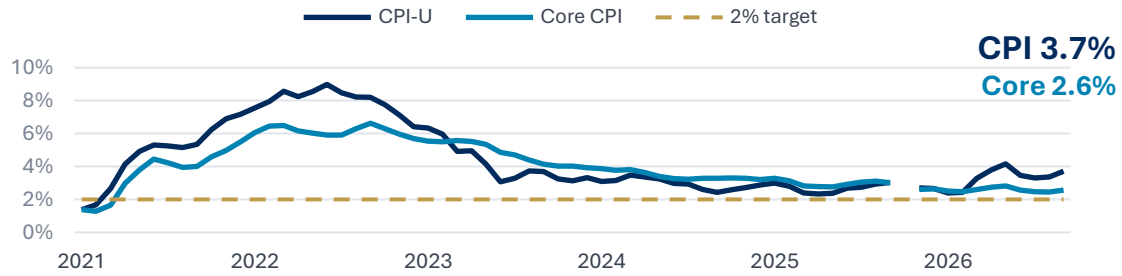
GDP: Q2 revised to 2.2%; GDPNow puts Q3 at 3.6%, with inventory building adding 1.9 points, a warehouse tailwind.

Source: BEA via FRED (A191RL1Q225SBEA), Q2 third est. 9/30/26. Q3: Atlanta Fed GDPNow model nowcast, 10/15/26.

Although all information is furnished regarding sale, rental or financing from sources deemed reliable, it has not been verified and no representation is made as to its accuracy.

Prices, Labor & Capital

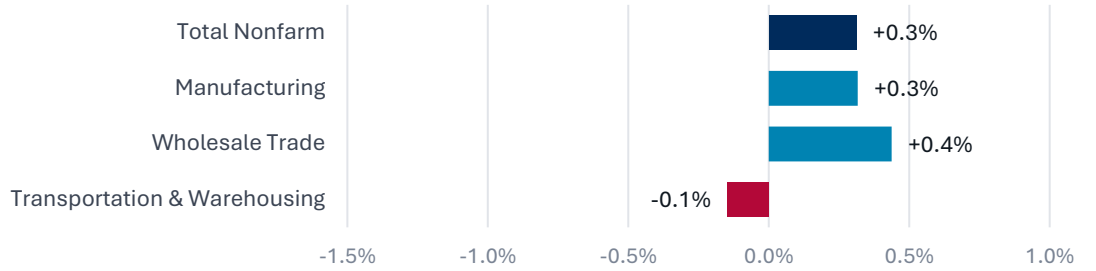
Inflation



CPI rose to 3.7% in September as gasoline jumped 9.1% m/m; core was 2.6%, keeping rate relief off the table.

Source: BLS via FRED (CPIAUCSL, CPILFESL), Y/Y from SA indexes. Through September 2026; Oct 2025 not published.

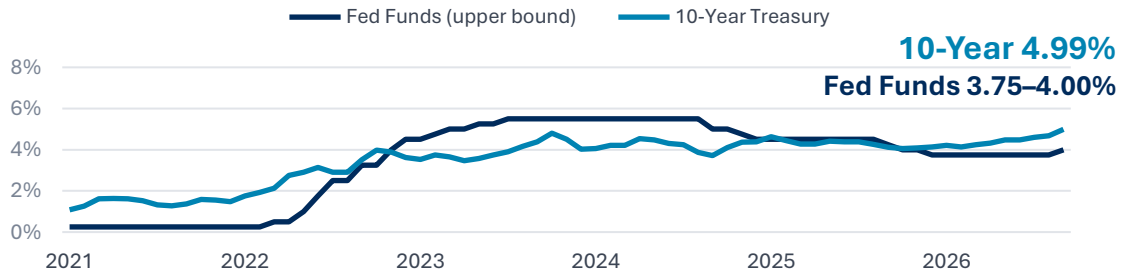
Employment



Industrial-using payrolls were mixed Y/Y in September and total hiring slowed to 29,000; occupier expansion stays cautious.

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, SA. Sept. 2026 (preliminary) vs. Sept. 2025.

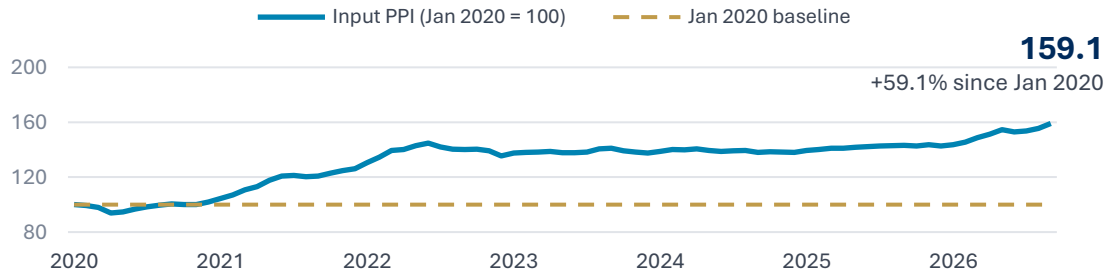
Interest Rates



The Fed raised rates to 3.75–4.00% on Sept. 16; the 10-Year averaged 4.99% in September, lifting debt costs for owners.

Source: Federal Reserve; Federal Reserve H.15 via FRED (GS10, monthly average). Through September 2026.

Construction Input Costs



Nonresidential construction input prices rose 11.2% Y/Y to 59.1% above January 2020, raising replacement costs and limiting new supply.

Source: U.S. Bureau of Labor Statistics via FRED (WPUIP2312001), not seasonally adjusted. Through September 2026.

Although all information is furnished regarding sale, rental or financing from sources deemed reliable, it has not been verified and no representation is made as to its accuracy.