MARKET REPORT · Q3 2026

Industrial

Los Angeles County

Los Angeles | Orange County | Ventura | Inland Empire | Phoenix

6.48%
OVERALL VACANCY

1.12M SF
NET ABSORPTION

$1.74B
SALE VOLUME

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

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	**5.84%**	▼ 23 bps
Leasing Activity	**10.83 MSF**	▼ 30.3%
Asking Rent NNN	**$1.32**	▼ $0.01
Under Construction	**3.20 MSF**	▲ 2.7%

Industrial Market Report

DAUM
COMMERCIAL REAL ESTATE SERVICES

6.48%

OVERALL VACANCY RATE

▼ 27 bps QoQ ▲ 5 bps YoY

Q3 AT A GLANCE

Vacancy declined 27 bps from revised Q2 to 6.48% as net absorption turned positive at 1.12 MSF and gross absorption reached 15.5 MSF, the highest quarterly total on record. Leasing activity cooled 30.3% from a strong Q2, while sale volume rose to $1.74B, bringing YTD 2026 volume to $4.73B. Historical figures reflect CoStar's removal of data center properties from the industrial inventory.

5.84%	1.12M SF	10.8M SF	$1.32	3.20M SF	$1.74B
DIRECT VACANCY	NET ABSORPTION	LEASING ACTIVITY	ASKING RENT NNN	UNDER CONSTRUCTION	SALE VOLUME
▼ 23 bps QoQ	▲ 1.66M QoQ	▼ 30.3% QoQ	▼ $0.01 QoQ	▲ 2.7% QoQ	▲ YTD up 72.6% Y/Y

MARKET

- **Vacancy Rate:** Declined by 27 bps from revised Q2 to 6.48% in Q3. Year over Year increase of 5 bps or 0.48 MSF.
- **Net Absorption:** Turned positive in Q3 after a negative Q2, totaling 1.12 MSF. YTD 2026 totaled -2.26 MSF.
- **Asking Rates:** Declined by $0.01 or 0.8% to $1.32 PSF NNN in Q3.
- **Leasing Activity:** Down 30.3% from revised Q2 to 10.83 MSF in Q3.
- **Sale Activity:** Median price PSF in Q3 was $239.57. Volume up 8.7% to $1.74B. YTD 2026 volume of $4.73B is up 72.6% from 2025.

ECONOMIC OUTLOOK

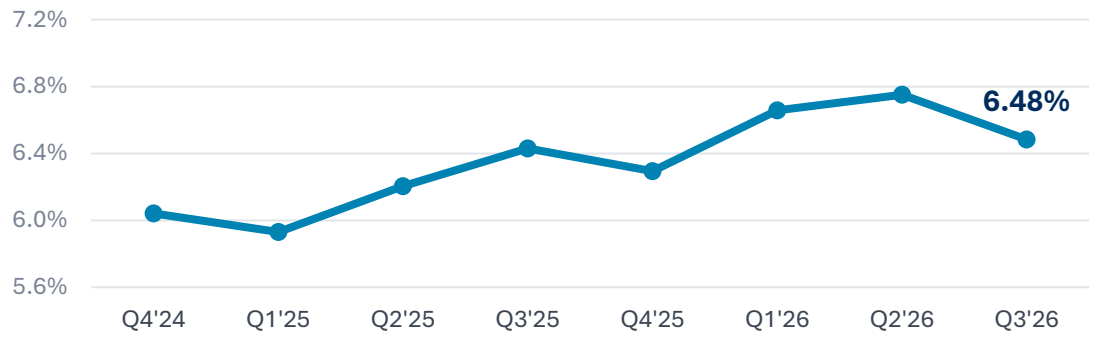
- **Interest Rates:** FOMC held rates in July, then raised by 25 bps in September to a range of 3.75%-4.00%.
- **Supply Chain:** Record volume at San Pedro Bay Port Complex totaling 5.80M TEUs in Q3. YTD Y/Y volume at the San Pedro Port Complex is up 3.6% through Sept. The cost from China/East Asia to 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 across Los Angeles County. · 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.

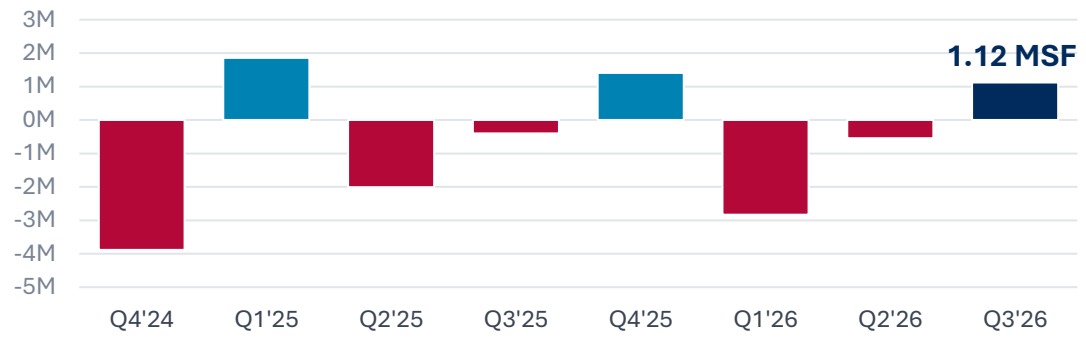
Leasing Fundamentals

Overall Vacancy



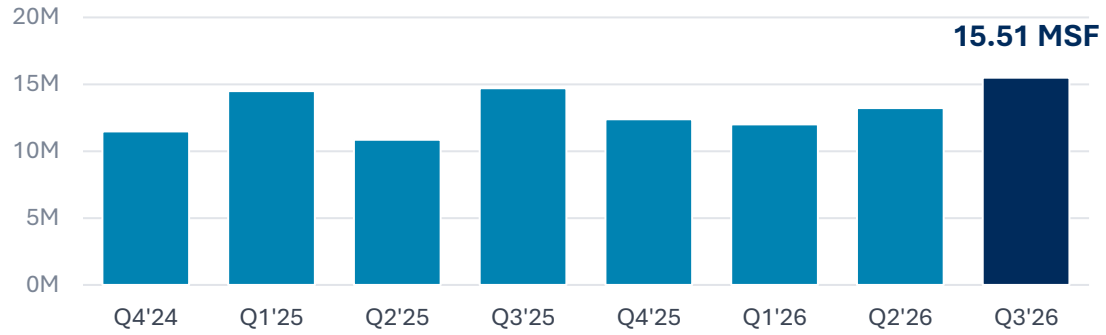
Declined by 27 bps from revised Q2 to 6.48% in Q3.

Net Absorption



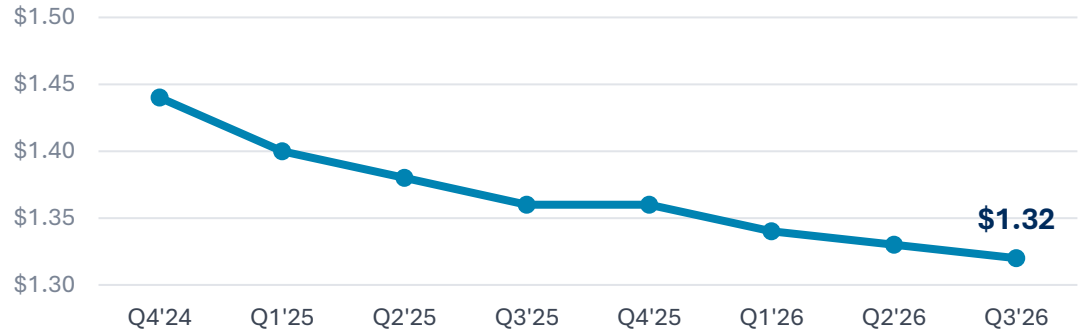
Stronger demand in Q3 totaling 1.12 MSF, after a negative Q2.

Gross Absorption



Increased by 17.2% from revised Q2 to 15.5 MSF in Q3, the highest on record.

Asking Rents (NNN)

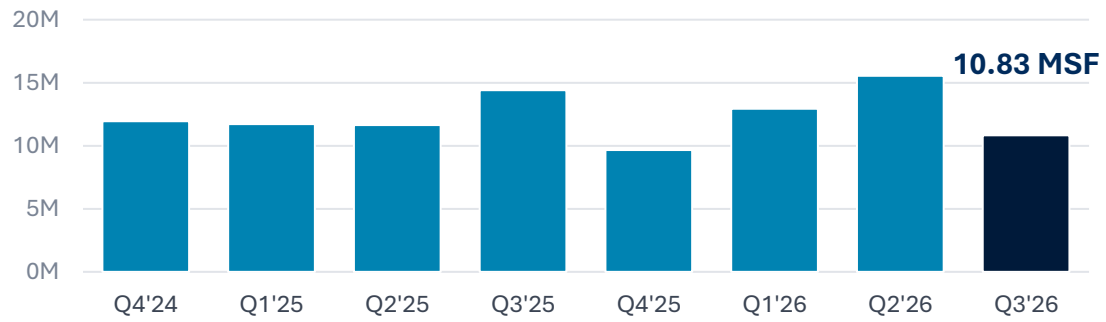


Declined by $0.01 or 0.8% to $1.32 PSF NNN in Q3.

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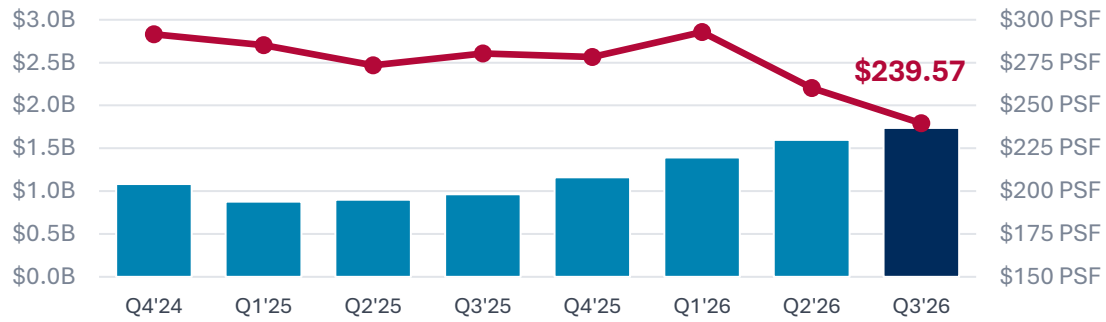
Leasing & Sales Activity

Leasing Activity



Declined by 30.3% from revised Q2 to 10.83 MSF in Q3.

Sales Volume & Median Price PSF



The median price PSF in Q3 was $239.57. Volume up 8.7% to $1.74B, the highest since Q1 2023.

NOTABLE LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	Type
300 Westmont Dr	Torrance/Beach Cities	Shipco, Inc.	338,936	Direct
19465-19485 E Walnut Dr N	Lower SGV	SLA, Inc.	220,000	Direct
20974 S Santa Fe Ave	Long Beach Area	Coda Logistics & Dist.	211,446	Direct
3030 S Atlantic Blvd	Vernon	AMP Logis	200,683	Direct
19501 Prairie Ave	Torrance/Beach Cities	Undisclosed	177,103	Sublease

NOTABLE SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / PSF
Part of Larger Portfolio Sale	Multiple	Rexford Industrial/ EQT	2,637,581	$613.90M/ $232.75 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
13900 Carmenita Rd	Mid-Counties	Ares Management/ Travelers Club	150,548	$51.25M/ $340.42 PSF
Walnut Tech Business Center	Lower SGV	AEW Capital/ CIP Real Estate	130,446	$39.49M/ $302.70 PSF

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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 LA	81,666,870	9%	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	75,639,779	8%	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
Mid-Counties	112,668,243	12%	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	9%	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	**349,643,565**	**38%**	**19,642,661**	**5.62%**	**21,140,409**	**6.05%**	**304,038**	**–353,362**	**14,434,711**	**802,224**	**492,158**	**$1.15**	**$819.6M**	**$226.41**
Antelope Valley	13,856,407	1%	1,774,492	12.81%	1,774,492	12.81%	1,237	340,658	146,165	296,935	279,891	$1.00	–	–
Conejo Valley	3,363,691	0%	259,430	7.71%	283,546	8.43%	163,541	147,271	267,722	24,942	–	$1.64	$37.5M	$282.27
Santa Clarita Valley	26,742,393	3%	2,308,732	8.63%	2,726,266	10.19%	–14,908	–480,519	1,203,555	–	–	$1.30	$29.7M	$248.65
SFV-East	78,367,748	8%	4,142,439	5.29%	4,422,770	5.64%	102,714	–574,165	2,199,217	840,156	11,706	$1.58	$91.3M	$241.23
SFV-West	43,027,810	5%	2,193,319	5.10%	2,586,367	6.01%	–79,481	–514,755	1,260,130	0	101,648	$1.35	$30.4M	$292.03
LA – North	**165,358,049**	**18%**	**10,678,412**	**6.46%**	**11,793,441**	**7.13%**	**173,103**	**–1,081,510**	**5,076,789**	**1,162,033**	**393,245**	**$1.43**	**$188.9M**	**$257.92**
Eastern SGV	26,841,114	3%	1,342,039	5.00%	1,372,571	5.11%	68,793	263,513	532,921	–	–	$1.24	$46.8M	$223.30
Lower SGV	88,586,267	10%	4,072,500	4.60%	5,330,497	6.02%	–663,090	–695,508	3,131,621	147,100	565,484	$1.37	$372.1M	$249.41
Southwest SGV	28,823,613	3%	1,504,107	5.22%	1,566,817	5.44%	–89,356	–281,246	830,110	248,863	101,322	$1.30	$29.4M	$339.39
Upper SGV	38,872,011	4%	2,201,469	5.66%	2,482,584	6.39%	334,239	–214,103	1,906,425	–	–	$1.29	$24.4M	$223.45
San Gabriel Valley	**183,123,005**	**20%**	**9,120,115**	**4.98%**	**10,752,469**	**5.87%**	**–349,414**	**–927,344**	**6,401,077**	**395,963**	**666,806**	**$1.30**	**$472.7M**	**$240.45**
Carson/Rancho Dominguez	76,001,680	8%	5,515,015	7.26%	6,003,204	7.90%	41,273	5,793	4,253,280	321,707	160,181	$1.30	$67.7M	$227.65
El Segundo/Inglewood	16,297,288	2%	576,473	3.54%	716,526	4.40%	69,560	–92,636	359,854	0	0	$2.11	$70.3M	$523.00
Gardena/110 Corridor	44,967,017	5%	2,774,945	6.17%	3,009,998	6.69%	–83,592	–124,077	2,010,709	180,705	0	$1.26	$40.6M	$220.37
Long Beach Area	28,857,419	3%	1,582,922	5.49%	1,698,752	5.89%	515,556	504,575	2,401,949	165,959	166,149	$1.41	$9.6M	$336.32
Torrance/Beach Cities	43,004,515	5%	2,646,603	6.15%	3,237,130	7.53%	338,526	–252,052	3,591,035	277,024	61,586	$1.53	$58.5M	$292.76
Westside	22,996,386	2%	1,689,803	7.35%	1,819,150	7.91%	73,273	64,542	786,384	–	–	$2.30	$9.7M	$328.27
West / South LA	**232,124,305**	**25%**	**14,785,761**	**6.37%**	**16,484,760**	**7.10%**	**954,596**	**106,145**	**13,403,211**	**945,395**	**387,916**	**$1.50**	**$256.5M**	**$254.14**
Los Angeles Totals	**927,160,844**	**100%**	**54,166,622**	**5.84%**	**60,110,752**	**6.48%**	**1,116,646**	**–2,259,240**	**39,315,788**	**3,195,006**	**1,940,125**	**$1.32**	**$1.74B**	**$239.57**

927,160,844 SF total market size · Source: DAUM Research, Q3 2026

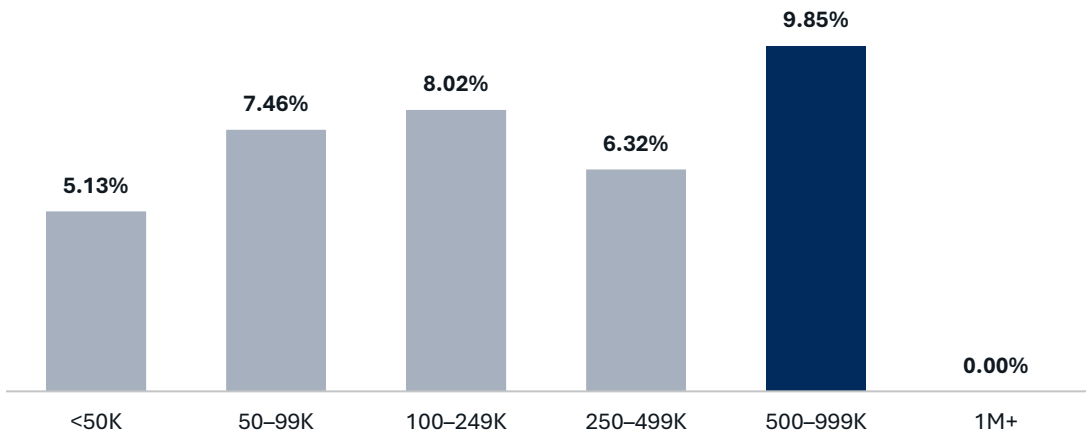
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By Building Size

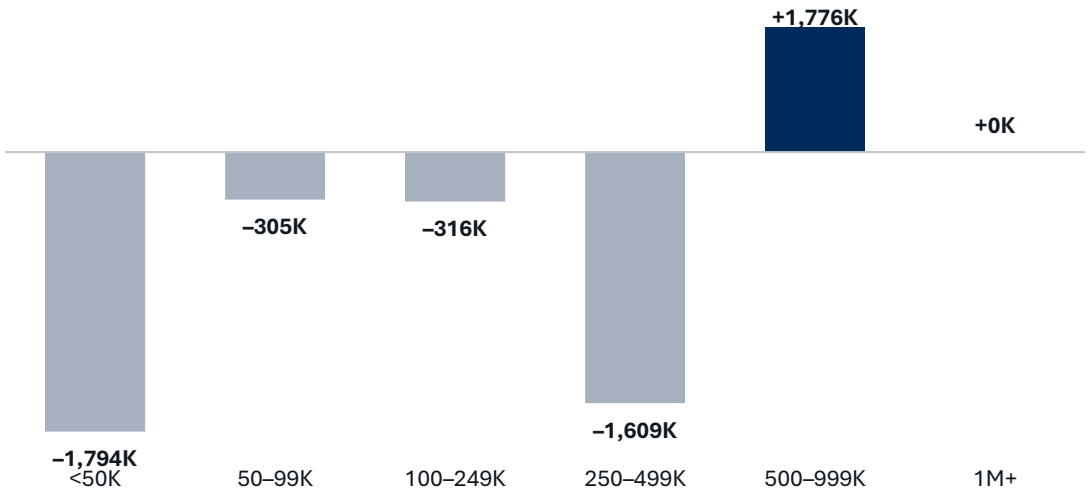
STATISTICS BY BUILDING SIZE RANGE

BUILDING SIZE RANGE	INVENTORY (SF)	% OF TOTAL	VACANCY RATE	AVG. ASKING RENT NNN	YTD NET ABSORPTION	UNDER CONSTR. (SF)
Below 50,000 SF	399,674,972	43%	5.13%	$1.38	–1,793,555	311,692
50,000 – 99,999 SF	167,125,629	18%	7.46%	$1.36	–305,407	412,439
100,000 – 249,999 SF	217,949,712	24%	8.02%	$1.43	–316,359	1,748,940
250,000 – 499,999 SF	86,479,414	9%	6.32%	$1.44	–1,609,125	721,935
500,000 – 999,999 SF	42,648,087	5%	9.85%	$1.48	1,775,726	0
1,000,000 SF & Greater	13,206,170	1%	0.00%	$0.00	0	0

VACANCY RATE BY BUILDING SIZE



YTD NET ABSORPTION BY BUILDING SIZE (THOUSANDS SF)



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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

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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
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Experience in a Changing Market

IN THIS SECTION

02 Trade & Growth

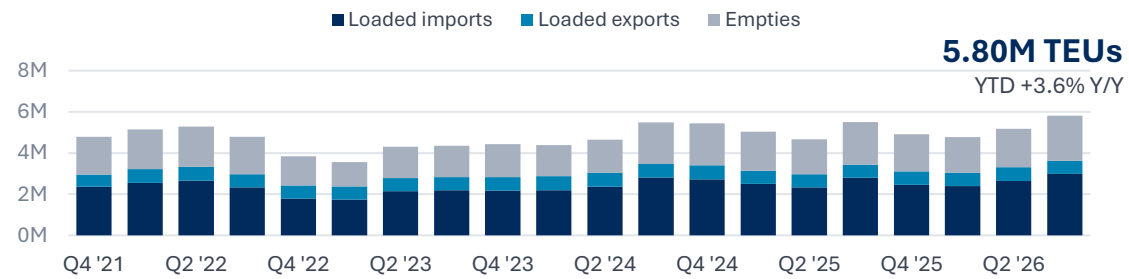
03 Prices, Labor & Capital

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.

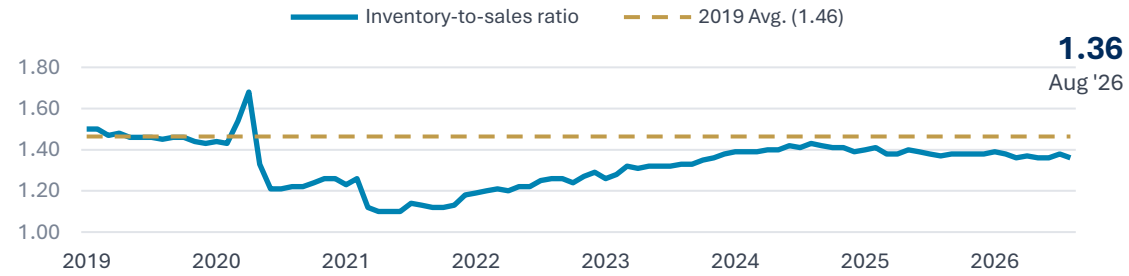
Freight Rates



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.

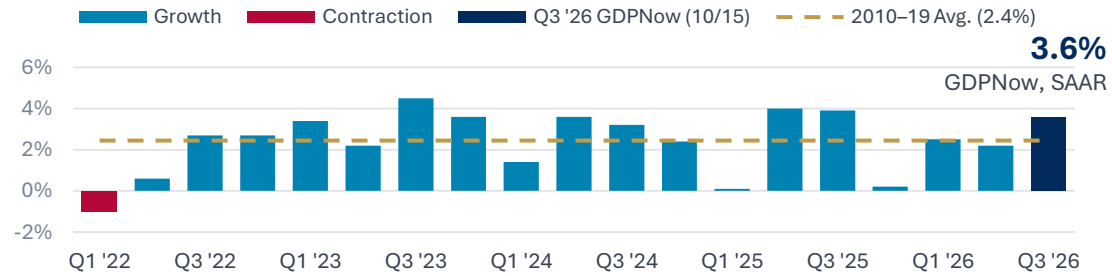
Retail Inventory to Sales



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



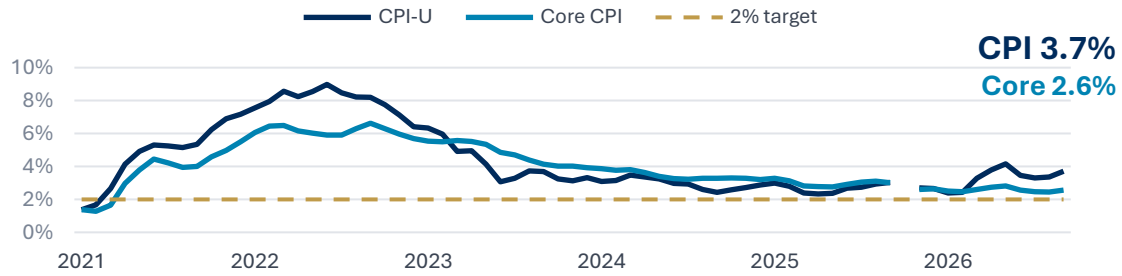
GDP: Q2 revised to 2.2%; GDPNow puts Q3 at 3.6%, with inventory building adding 1.9 points, a warehouse tailwind.

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

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Prices, Labor & Capital

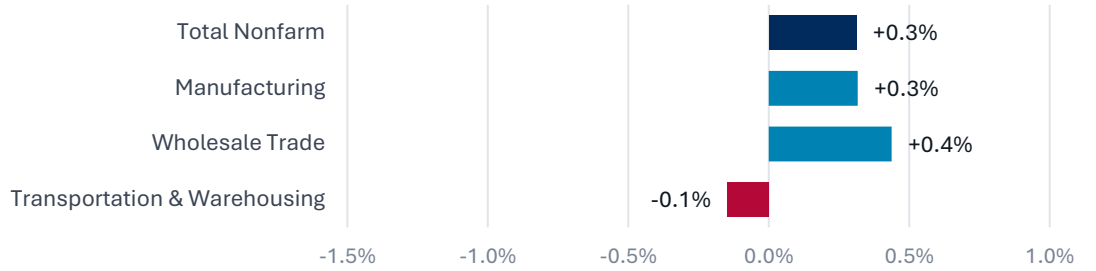
Inflation



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.

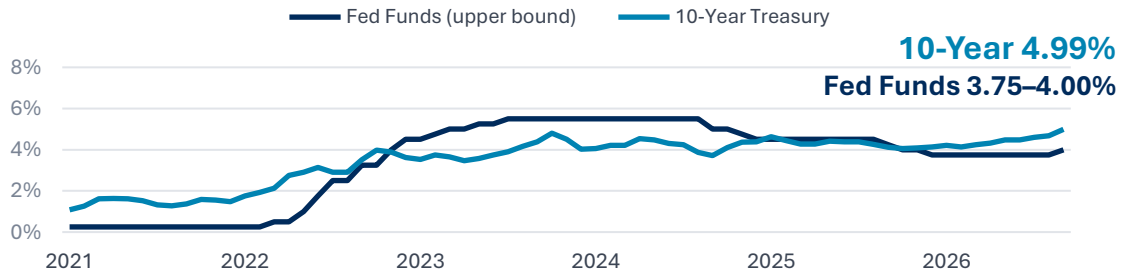
Employment



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.

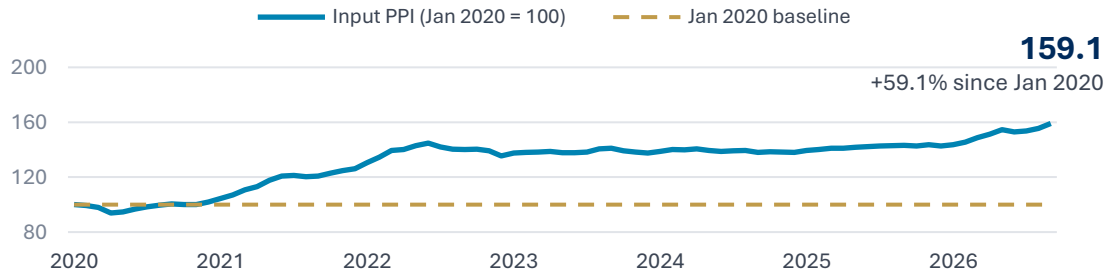
Interest Rates



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.

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