MARKET REPORT · Q3 2026

Industrial

LA – North

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

7.14%
OVERALL VACANCY

0.17M SF
NET ABSORPTION

$188.9M
SALE VOLUME

A quarterly read on industrial leasing, absorption, and investment activity across the San Fernando, Santa Clarita, Antelope, and Conejo valleys.

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	**6.47%**	▼ 1 bps
Leasing Activity	**1.28 MSF**	▼ 41.2%
Asking Rent NNN	**$1.43**	▲ $0.01
Under Construction	**1.16 MSF**	▲ 6.4%

Industrial Market Report

DAUM
COMMERCIAL REAL ESTATE SERVICES

7.14%

OVERALL VACANCY RATE

▼ 19 bps QoQ ▲ 90 bps YoY

Q3 AT A GLANCE

Vacancy declined 19 bps from Q2 to 7.14%, the first quarterly decline since Q1 2025, though still up 90 bps year over year. Net absorption turned positive at 0.17 MSF on sublease space, while leasing activity fell 41.2% to 1.28 MSF. Sale volume of $188.9M brought YTD 2026 volume to $869.9M, up 79.9% from 2025.

6.47%	0.17M SF	1.3M SF	$1.43	1.16M SF	$188.9M
DIRECT VACANCY	NET ABSORPTION	LEASING ACTIVITY	ASKING RENT NNN	UNDER CONSTRUCTION	SALE VOLUME
▼ 1 bps QoQ	▲ 0.39M QoQ	▼ 41.2% QoQ	▲ $0.01 QoQ	▲ 6.4% QoQ	▲ YTD up 79.9% Y/Y

MARKET

- **Vacancy Rate:** Declined by 19 bps from Q2 to 7.14% in Q3. Year over Year increase of 90 bps or 1.49 MSF.
- **Net Absorption:** Turned positive in Q3, totaling 0.17 MSF. YTD 2026 totaled -1.14 MSF.
- **Asking Rates:** Increased by $0.01 or 0.7% to $1.43 PSF NNN in Q3.
- **Leasing Activity:** Down 41.2% from Q2 to 1.28 MSF in Q3.
- **Sale Activity:** Median price PSF in Q3 was $257.92. Volume down 30.0% to $188.9M. YTD 2026 volume of $869.9M is up 79.9% from 2025.

ECONOMIC OUTLOOK

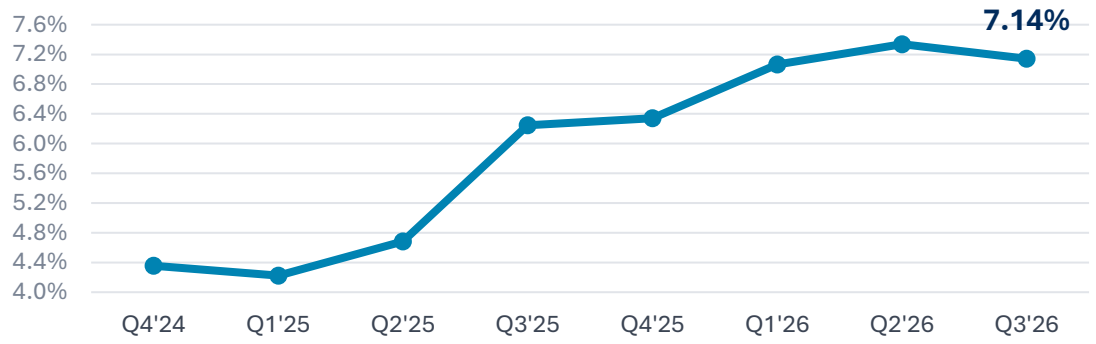
- **Interest Rates:** FOMC held rates in July, then raised by 25 bps in September to a range of 3.75%-4.00%.
- **Supply Chain:** Record volume at San Pedro Bay Port Complex totaling 5.80M TEUs in Q3. YTD Y/Y volume at the San Pedro Port Complex is up 3.6% through Sept. The cost from China/East Asia to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

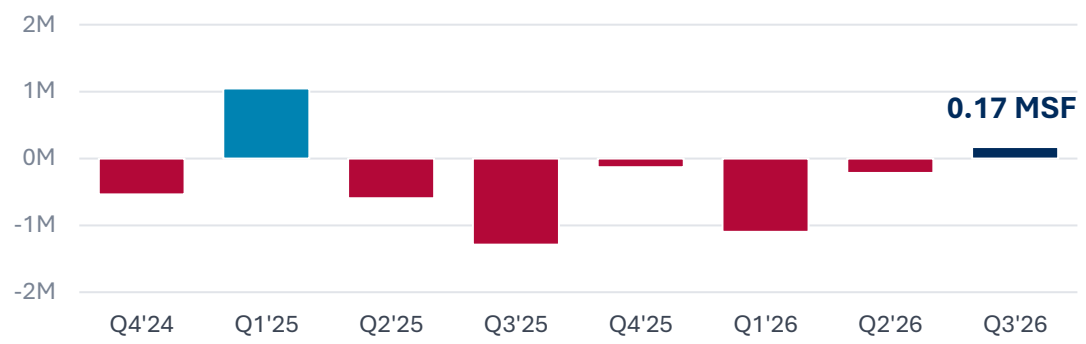
Leasing Fundamentals

Overall Vacancy



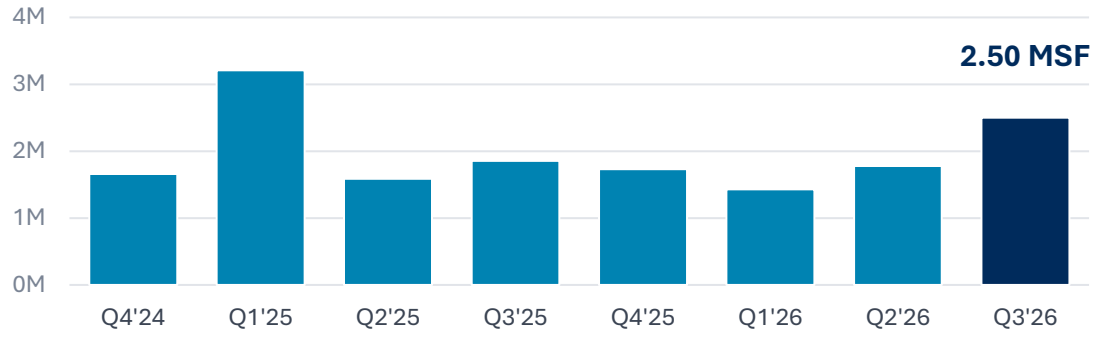
Declined by 19 bps from Q2 to 7.14% in Q3, the first decline since Q1 2025.

Net Absorption



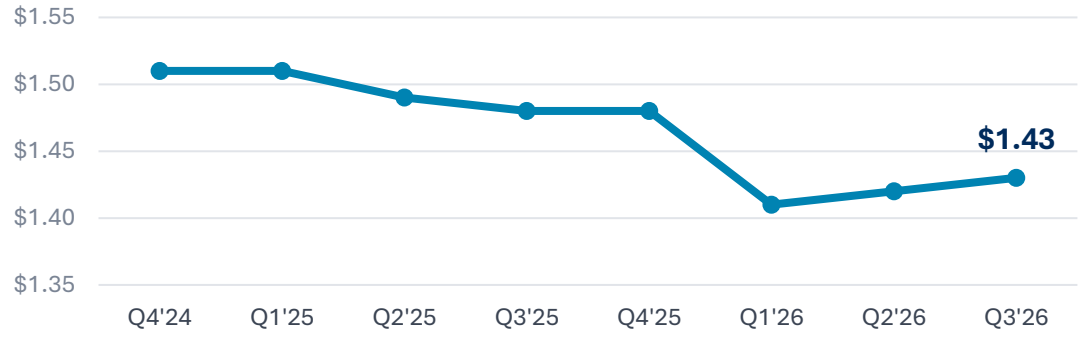
Turned positive in Q3 totaling 0.17 MSF, the first positive quarter since Q1 2025.

Gross Absorption



Increased by 40.7% from Q2 to 2.50 MSF in Q3, the highest since Q1 2025.

Asking Rents (NNN)

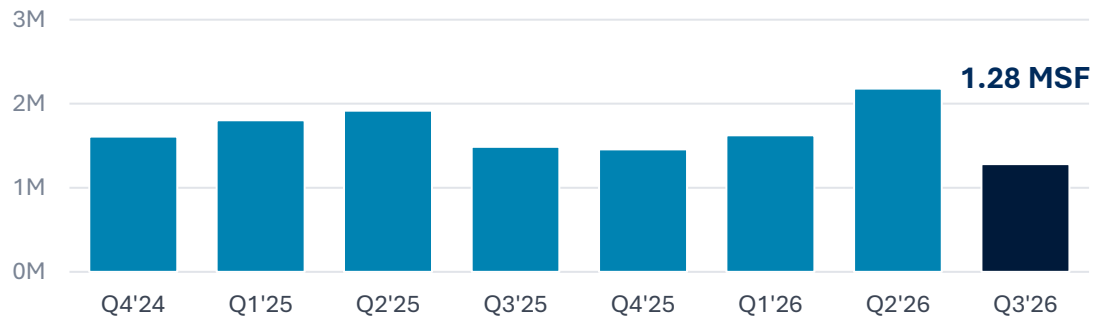


Increased by $0.01 or 0.7% to $1.43 PSF NNN in Q3.

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.

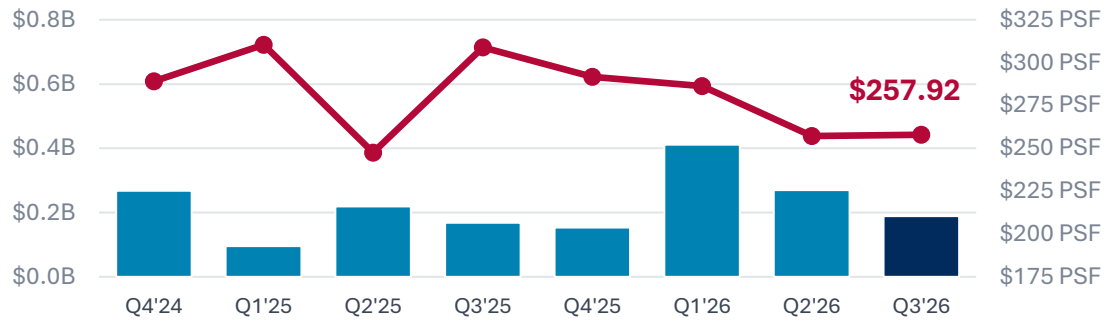
Leasing & Sales Activity

Leasing Activity



Declined by 41.2% from Q2 to 1.28 MSF in Q3, the lowest since Q2 2024.

Sales Volume & Median Price PSF



The median price PSF in Q3 was $257.92. Volume down 30.0% to $188.9M; YTD 2026 volume is up 79.9% from 2025.

NOTABLE LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	Type
12154 Montague St	SFV-East	IMANI Studio	123,974	Sublease
24935 Avenue Kearny	Santa Clarita Valley	The PDA Group	66,130	Direct
19731 Nordhoff St	SFV-West	Lennon & Company	65,000	Sublease
11149 Vanowen St	SFV-East	Saunders Electric	60,233	Direct
28577 W Industry Dr	Santa Clarita Valley	Top Quality Mfg.	44,844	Direct

NOTABLE SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / PSF
5701 Lindero Canyon Rd	Conejo Valley	HP Properties/ Rose Equities	132,850	$37.50M/ $282.27 PSF
12780 San Fernando Rd	SFV-East	Turcobilt Investments/ Xebec	100,000	$18.50M/ $185.00 PSF
24911 Avenue Stanford	Santa Clarita Valley	Williams Homes/ huMannity Medtec	67,681	$15.47M/ $228.56 PSF
100 S Flower St	SFV-East	Cogent Fiber/ I Squared Capital	52,632	$15.80M/ $300.20 PSF
9810-9820 Owensmouth Ave	SFV-West	Pak Properties/ Chatsworth Ohana LP	38,568	$10.75M/ $278.73 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
Antelope Valley	**13,856,407**	**8%**	**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**	**2%**	**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**	**16%**	**2,308,732**	**8.63%**	**2,726,266**	**10.19%**	**–14,908**	**–480,519**	**1,203,555**	**–**	**–**	**$1.30**	**$29.7M**	**$248.65**
Burbank	14,873,351	9%	667,512	4.49%	692,484	4.66%	–51,250	64,964	349,399	–	–	$1.75	$27.7M	$257.92
East SFV	52,333,787	32%	3,024,167	5.78%	3,230,935	6.17%	285,552	–460,269	1,510,092	840,156	11,706	$1.42	$63.6M	$225.74
Glendale	8,103,348	5%	275,916	3.40%	310,557	3.83%	–142,823	–194,310	282,665	–	–	$2.18	–	–
Upper SGV	3,057,262	2%	174,844	5.72%	188,794	6.18%	11,235	15,450	57,061	–	–	$1.87	–	–
SFV-East	**78,367,748**	**47%**	**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**	**26%**	**2,193,319**	**5.10%**	**2,586,367**	**6.01%**	**–79,481**	**–514,755**	**1,260,130**	**–**	**101,648**	**$1.35**	**$30.4M**	**$292.03**
LA – North Totals	**165,253,383**	**100%**	**10,688,932**	**6.47%**	**11,803,961**	**7.14%**	**168,683**	**–1,144,662**	**5,083,089**	**1,162,033**	**393,245**	**$1.43**	**$188.9M**	**$257.92**

165,253,383 SF total market size · Source: DAUM Research, Q3 2026

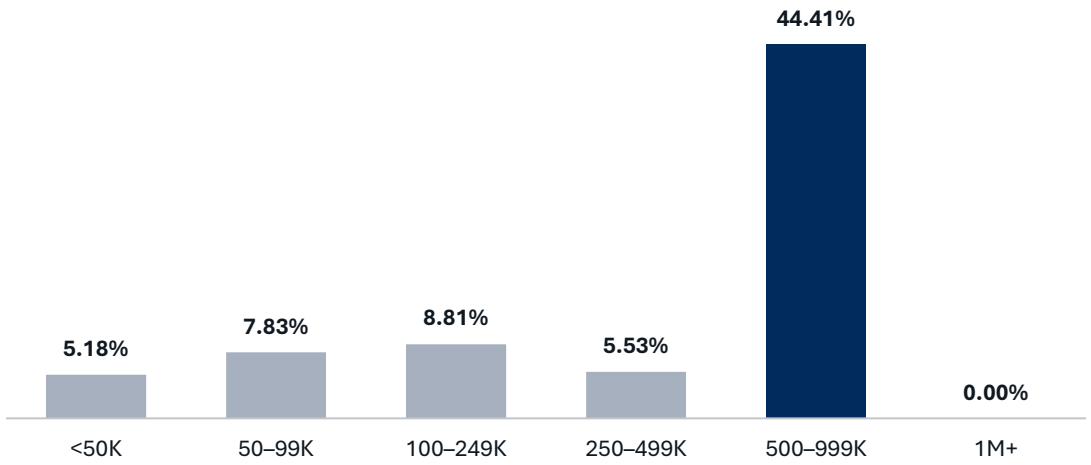
Although all information is furnished regarding sale, rental or financing from sources deemed reliable, it has not been verified and no representation is made as to its accuracy.

By Building Size

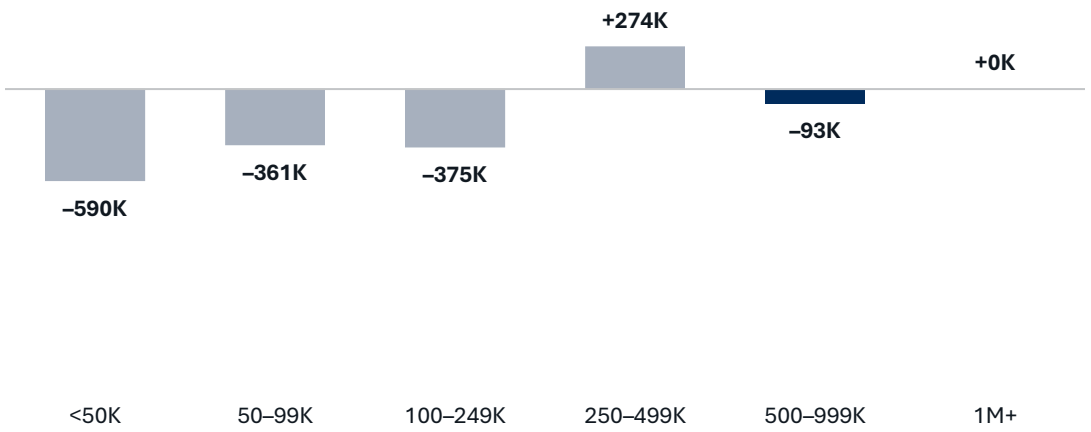
STATISTICS BY BUILDING SIZE RANGE

BUILDING SIZE RANGE	INVENTORY (SF)	% OF TOTAL	VACANCY RATE	AVG. ASKING RENT NNN	YTD NET ABSORPTION	UNDER CONSTR. (SF)
Below 50,000 SF	92,329,008	56%	5.18%	$1.46	–589,965	39,942
50,000 – 99,999 SF	30,154,369	18%	7.83%	$1.25	–360,621	236,156
100,000 – 249,999 SF	28,874,269	17%	8.81%	$1.38	–374,781	164,000
250,000 – 499,999 SF	4,801,825	3%	5.53%	$0.00	274,135	721,935
500,000 – 999,999 SF	4,164,108	3%	44.41%	$1.28	–93,430	0
1,000,000 SF & Greater	4,924,595	3%	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

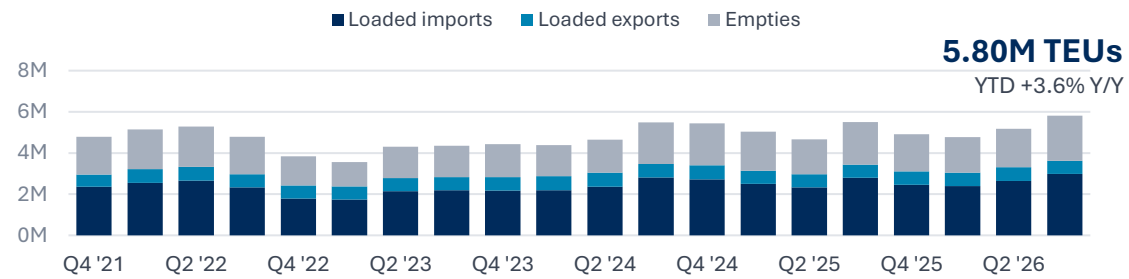
03 Prices, Labor & Capital

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.

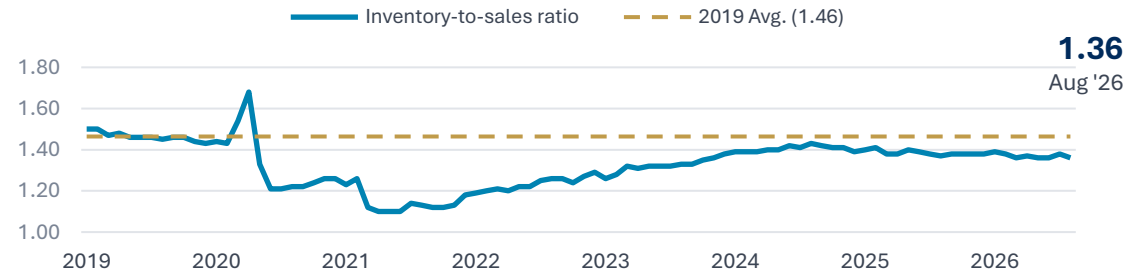
Freight Rates



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.

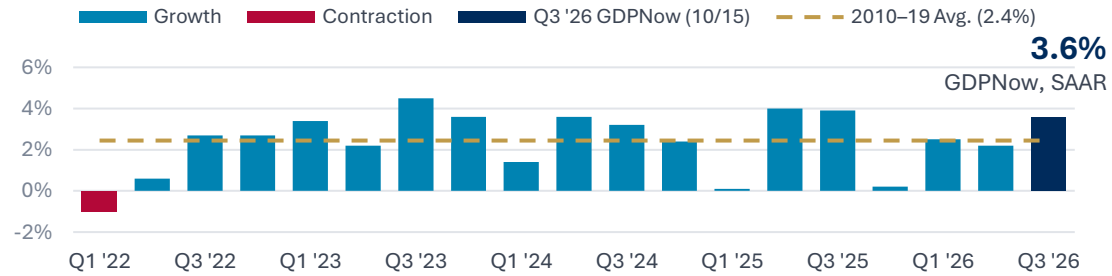
Retail Inventory to Sales



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



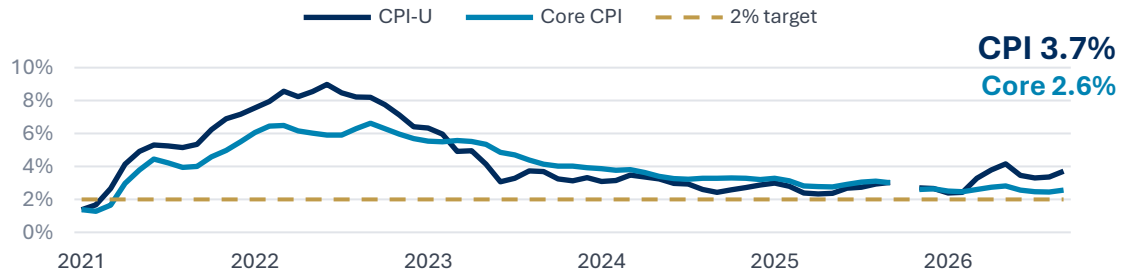
GDP: Q2 revised to 2.2%; GDPNow puts Q3 at 3.6%, with inventory building adding 1.9 points, a warehouse tailwind.

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

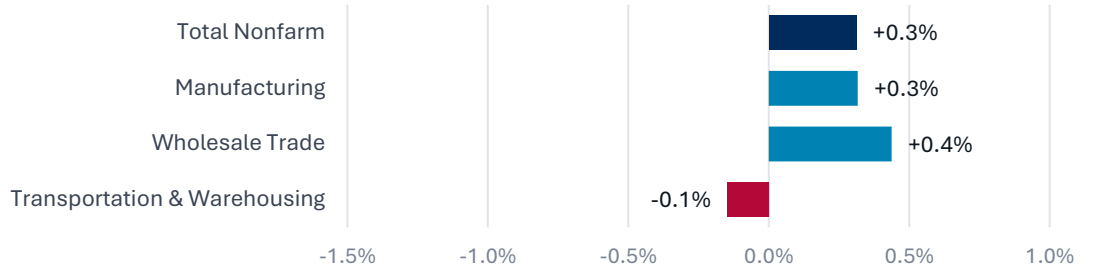
Inflation



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.

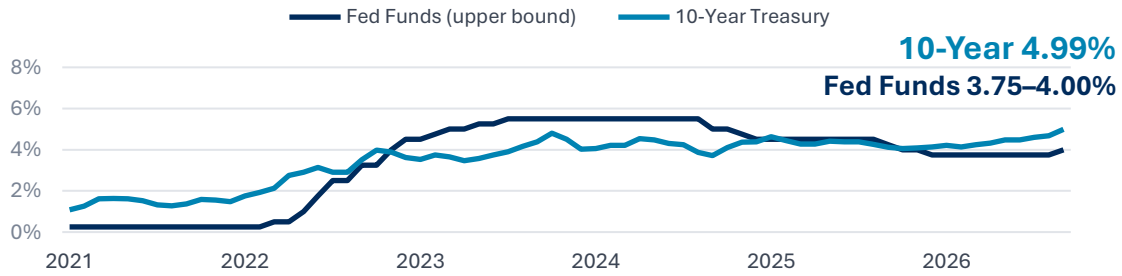
Employment



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.

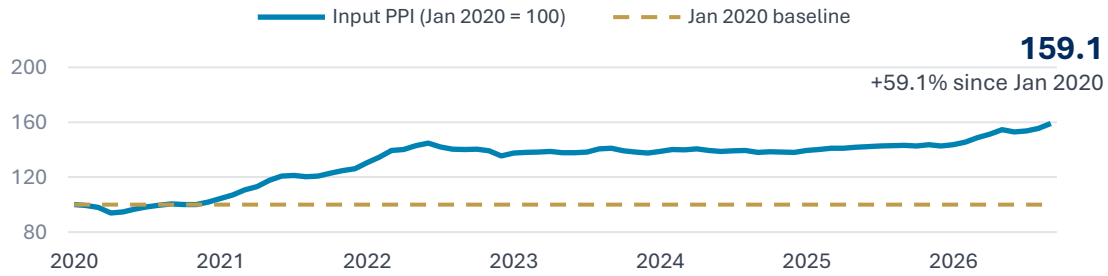
Interest Rates



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.