

FIGURES | CENTRAL LOS ANGELES INDUSTRIAL | Q1 2025

Increase in gross absorption outpaced by space give-backs

▲ 5.5%

Overall Vacancy Rate

▼ (688.2K)

SF Net Absorption

▼ 157.7K

SF Under Construction

▼ \$1.12

NNN / MO Lease Rate

► 6.0%

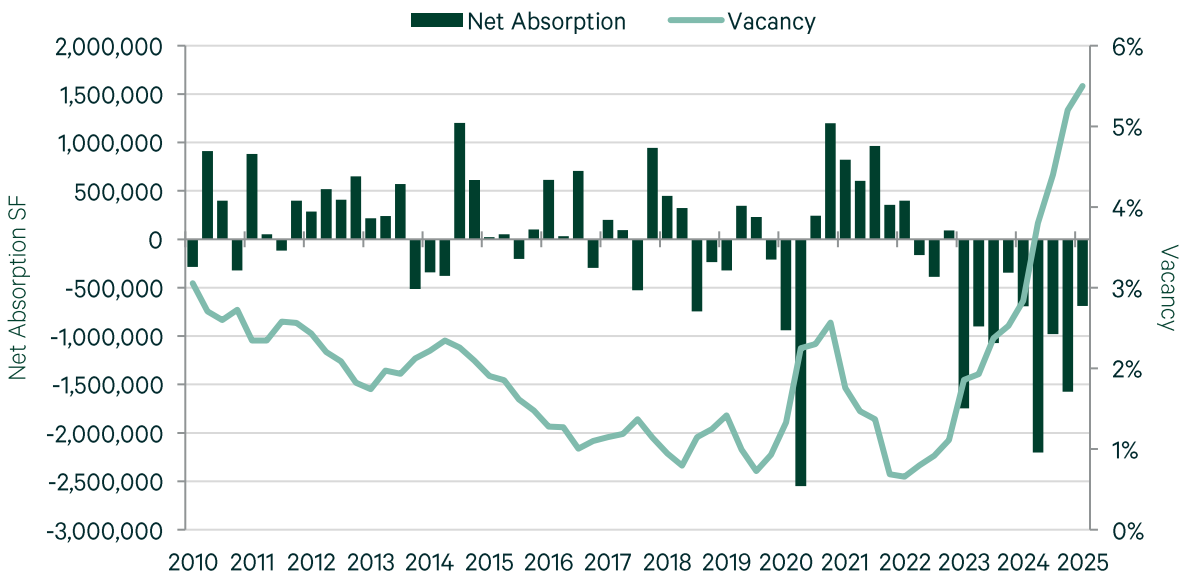
Projected Unemployment Rate Through Q1 2025
LA County

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The overall vacancy rate ended Q1 2025 at 5.5%, driven by 688,187 sq. ft. of negative net absorption. This was up from 5.2% in Q4 2024, a 30 basis-point increase. The availability rate ended the quarter at 7.5%, remaining the same as Q4 2024.
- The average direct asking rate fell further down to \$1.12 NNN, decreasing 13.9% in Q1 2025 and 15.1% year-over-year.
- Gross absorption was 3.2 million sq. ft. This was primarily driven by Logistics & Distribution occupiers. One of the most notable deals of the quarter was the 126,563 sq. ft. lease by One Dreamworks, Inc., at 2034 2040 E 27th St in Vernon.
- Seven sale transactions over 20,000 sq. ft. occurred in Q1 2025, totaling 445,246 sq. ft. The most notable transactions were Lucky Taro’s acquisition of 4224 District Blvd in Vernon, a 117,360 sq. ft. property for \$57.0 million or \$485.69 per sq. ft. & NM Bake’s acquisition of 7215 7255 Crider Ave in Commerce, a combined 90,254 sq. ft. property for \$19.3 million or \$213.4 per sq. ft. It is worth noting that Lucky Taro plans to own and occupy 4224 District Blvd.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 2025

FIGURE 2: Submarket Statistics

Submarket	Bldg. Count	NRA	Direct Vacancy Rate	Overall Vacancy Rate	Overall Availability Rate	Gross Absorption Q1	Net Absorption Q1	Net Absorption YTD	Avg. Ask NNN	Under Const.	Deliveries
Bell	79	5,306,986	1.2%	1.2%	1.4%	182,265	124,520	124,520	\$1.87	0	0
Bell Gardens	77	2,675,508	2.9%	2.9%	4.3%	154,307	112,554	112,554	\$1.11	0	0
City of Commerce	813	49,195,491	7.6%	9.0%	11.2%	816,655	-259,902	-259,902	\$1.07	157,715	0
Montebello	200	11,419,001	4.3%	4.4%	5.5%	340,472	78,305	78,305	\$1.90	0	0
Monterey Park	93	2,083,905	6.3%	6.3%	10.2%	28,798	4,002	4,002	\$0.80	0	0
Pico Rivera	186	10,255,943	7.2%	7.9%	11.8%	27,455	-93,234	-93,234	\$1.32	0	0
COMMERCE	1,448	80,936,834	6.5%	7.4%	9.6%	1,549,952	-33,755	-33,755	\$1.21	157,715	0
Cudahy	38	1,443,923	7.0%	7.0%	7.0%	10,912	13,072	13,072	\$1.16	0	0
City of Vernon	928	55,615,845	4.2%	5.1%	7.0%	933,143	-116,942	-116,942	\$1.17	0	69,522
Maywood	28	825,620	0.0%	0.0%	0%	N/A	N/A	N/A	N/A	0	0
South Gate	244	10,433,462	4.9%	4.9%	8.1%	N/A	-17,164	-17,164	\$1.22	0	0
Huntington Park	159	4,418,053	2.7%	4.0%	7.2%	18,200	N/A	N/A	\$0.87	0	0
VERNON	1,397	72,736,903	4.2%	5.0%	7.8%	962,255	-121,034	-121,034	\$1.16	0	69,522
COMMERCE/VERNON	2,845	153,673,737	5.4%	6.3%	8.7%	2,512,207	-154,789	-154,789	\$1.19	157,715	69,522
DOWNTOWN LOS ANGELES	2,653	96,333,533	4.1%	4.1%	5.6%	735,556	-533,398	-533,398	\$0.94	0	0
CENTRAL LOS ANGELES	5,498	250,007,270	4.9%	5.5%	7.5%	3,247,763	-688,187	-688,187	\$1.12	157,715	69,522

Source: CBRE Research, Q1 2025.

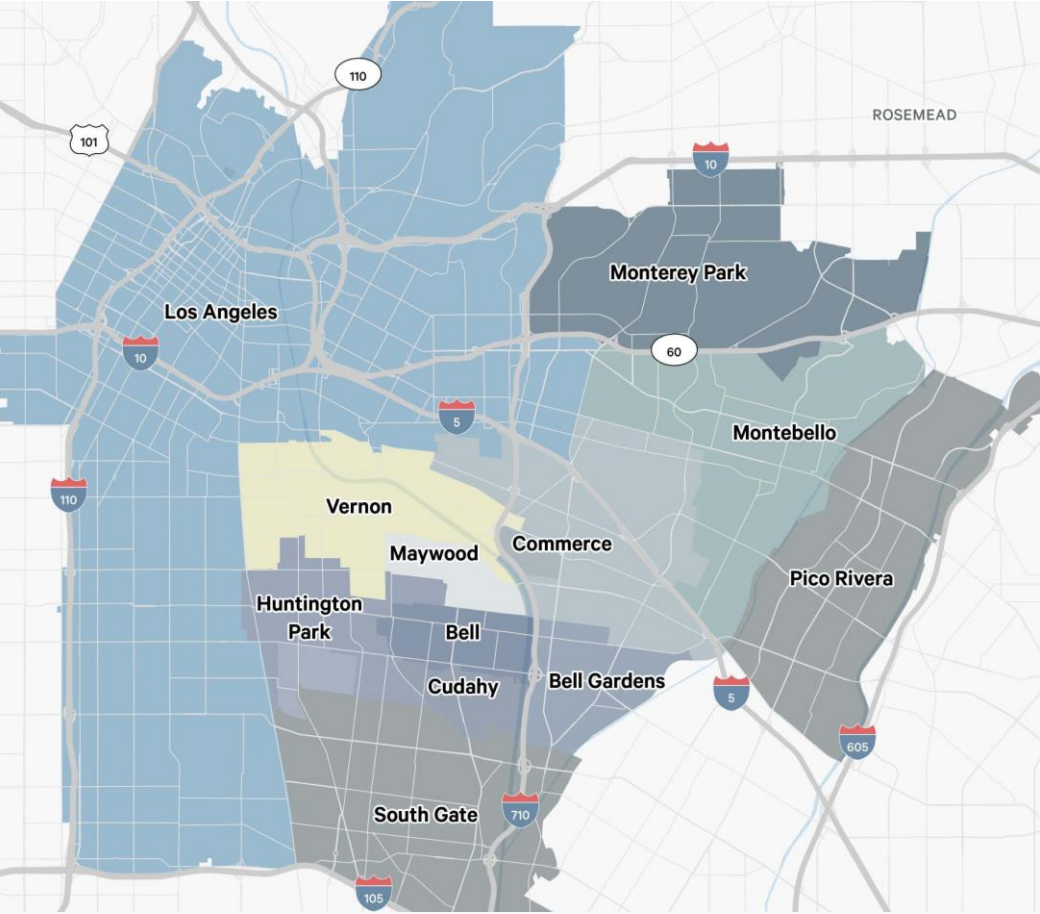
FIGURE 3: Notable Lease Transactions Q1 2025

Tenant	Address	SF Leased	Type
Confidential Tenant	2500 S Atlantic Blvd. Commerce	126,800	New Lease
One Dreamworks, Inc.	2034 2040 E 27 th St, Vernon	126,563	New Lease
Legendary Foods	5630 Rickenbacker Rd, Commerce	124,520	New Lease
Neil's Express, Inc.	1515 1535 Gage Rd, Commerce	122,657	New Lease
Zia Tile	8457 Eastern Ave, Commerce	119,347	New Lease
Freezpak	3000 3090 E Washington Blvd, Vernon	117,088	New Lease
Cinderella Divine	6000 6060 E Slauson Ave, Commerce	105,010	New Lease

FIGURE 4: Notable Sale Transactions Q1 2025

Buyer	Address	SF Sold	Sale Price
Lucky Taro	4224 District Blvd, Vernon	117,360	\$57.0MM
NM Bake	7215 7255 Crider Ave, Commerce	90,254	\$19.26MM
Konoike Transport and Engineering	2435 E 37 th St, Los Angeles	86,032	\$17.5MM
ABC Trading Co.	620 640 E Slauson Ave, Los Angeles	76,378	\$9.85MM
Confidential Buyer	3398 Leonis Blvd, Vernon	30,122	\$10.6MM

Submarket Map



Source: CBRE Research, Q1 2025, Location Intelligence.

Definitions

Available Sq. Ft.: Space in a building, ready for occupancy; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total Building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rates, weighted by their corresponding available square footage. **Building Area:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Gross Absorption:** All user-sales and lease transactions completed within a specified period, lease activity defined as new leases and expansions, omitting renewals unless publicly marketed, and sale activity omitting only investment sales. **Gross Activity:** All user-sales and lease transactions completed within a specified period. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. Positive absorption is reflected when a lease is signed, which may not coincide with the date of occupancy. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that is not occupied.

Survey Criteria

Includes all industrial buildings 10,000 sq. ft. and greater in size in Los Angeles and Ventura counties. Buildings which have begun construction as evidenced by site excavation or foundation work.

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