

FIGURES | CENTRAL LOS ANGELES INDUSTRIAL | Q4 2024

Central Los Angeles leasing activity has slowed down, coinciding with a decrease in asking rates.

▲ 5.2%

Overall Vacancy Rate

▼ (1.6M)

SF Net Absorption

▼ 240.9K

SF Under Construction

▼ \$1.30

NNN / MO Lease Rate

◀ 6.0%

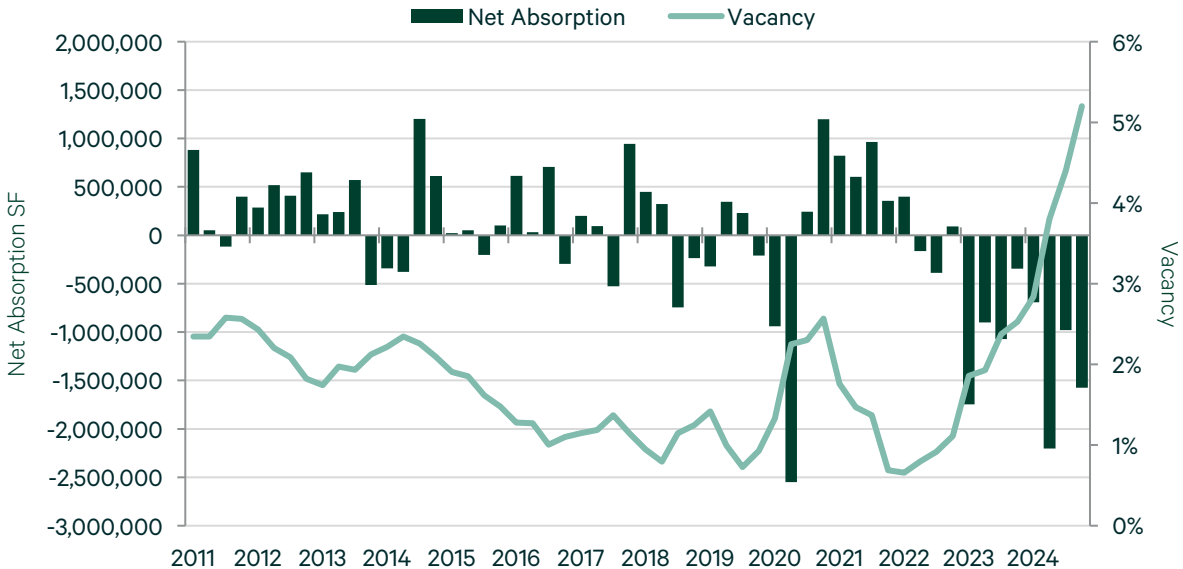
Projected Unemployment Rate Through Q4 2024 LA County

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The overall vacancy rate ended Q4 2024 at 5.2%, driven by 1.6 million sq. ft. of negative net absorption. The availability rate ended the quarter at 7.5%, a 110-basis-point increase quarter-over-quarter.
- The average direct asking rate fell to \$1.30 NNN, decreasing 7.1% in Q4 2024 and 11.6% year-over-year. Despite the reduction, asking rates remain 64.6% higher than pre-pandemic levels.
- Total leasing activity was 1.9 million sq. ft. This was 34.5% lower than the previous quarter. Leasing activity was primarily driven by logistics & distribution occupiers. The most notable deal of the quarter was the 374,370-sq.-ft. lease at 2100 Yates Ave by Source Logistics.
- Five sale transactions over 10,000 sq. ft. occurred in Q4 2024, totaling 340,511 sq. ft. The most notable transactions were Ocean Fresh Seafood’s acquisition of 3385 Leonis Blvd., a 55,136-sq.-ft. property for \$22.0MM or \$399.01 per sq. ft. and Bridge Investment Groups acquisition of 4542 Dunham St., acquired for land value, the 5.59-acre site sold for \$21.0MM or \$86.25 per sq. ft (land).

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2024

FIGURE 2: Submarket Statistics

Submarket	Bldg. Count	NRA	Direct Vacancy Rate	Overall Vacancy Rate	Overall Availability Rate	Gross Absorption Q4	Net Absorption Q4	Net Absorption YTD	Avg. Ask NNN	Under Const.	Deliveries
Bell	79	5,306,986	1.2%	3.5%	3.8%	0	0	-55,203	\$1.87	0	0
Bell Gardens	77	2,691,607	7.1%	7.1%	8.3%	0	0	-169,679	\$1.21	0	0
City of Commerce	813	49,636,207	7.3%	8.5%	11%	584,311	-1,362,921	-2,866,906	\$1.29	171,388	151,551
Montebello	200	11,478,338	5.1%	5.1%	7.1%	458,396	458,396	376,442	\$1.85	0	0
Monterey Park	93	2,071,109	6.5%	6.5%	8.6%	11,970	10,500	-54,800	\$1.08	0	0
Pico Rivera	186	10,255,653	5.7%	7.0%	12.4%	0	-130,235	-579,796	\$1.38	0	0
COMMERCE	1,448	81,439,900	6.4%	7.4%	10.0%	1,054,677	-1,024,260	-3,349,942	\$1.38	171,388	151,551
Cudahy	38	1,443,923	8.0%	8.0%	8.0%	0	-4,320	-103,692	\$0.83	0	0
City of Vernon	927	55,327,034	4.0%	4.8%	7.6%	225,046	-63,980	-394,661	\$1.40	69,522	73,777
Maywood	28	825,620	0.0%	0.0%	0%	15,259	0	0	N/A	0	0
South Gate	244	10,433,462	4.8%	4.8%	7.9%	26,300	-16,500	-312,665	\$1.35	0	0
Huntington Park	160	4,460,241	2.7%	4.0%	7.0%	0	-336,559	-295,654	\$1.03	0	0
VERNON	1,397	72,490,280	4.1%	4.7%	7.5%	266,605	-421,359	-1,106,672	\$1.37	69,522	73,777
COMMERCE VERNON	2,845	153,930,180	5.3%	6.2%	8.8%	1,321,282	-1,445,619	-4,456,614	\$1.37	240,910	225,328
DOWNTOWN LOS ANGELES	2,655	97,790,660	3.5%	3.6%	5.4%	531,100	-432,778	-1,296,937	\$1.11	0	253,318
CENTRAL LOS ANGELES	5,500	251,720,840	4.6%	5.2%	7.5%	1,852,382	-1,878,397	-5,753,551	\$1.30	240,910	478,646

Source: CBRE Research, Q4 2024.

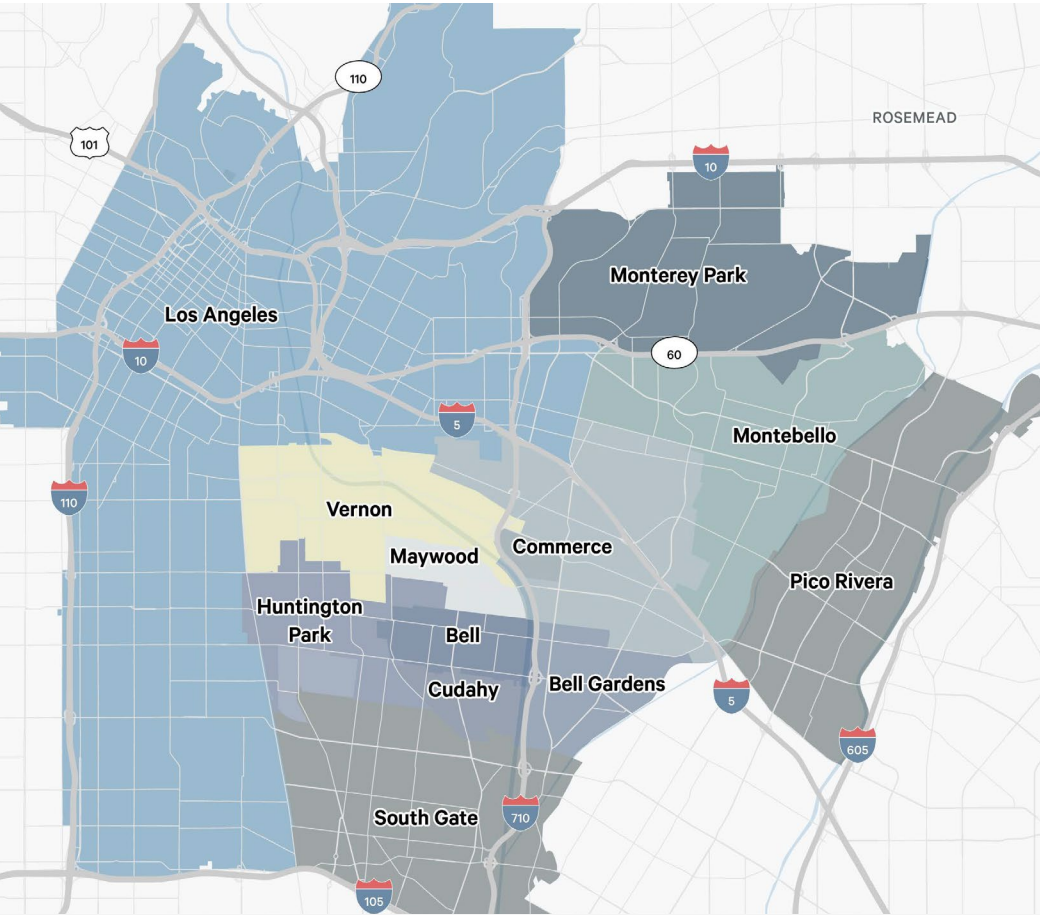
FIGURE 3: Notable Lease Transactions Q4 2024

Tenant	Address	SF Leased	Type
Source Logistics	2100 Yates Ave Commerce	374,370	New Lease
Axelavate Supply Hub	2420 Yates Ave Commerce	126,842	New Lease
Shin's Trading Co., Inc.	1700 E Martin Luther King Jr. Blvd Los Angeles	115,012	New Lease
Confidential Tenant	7261 7265 E Slauson Ave Commerce	107,894	New Lease
Ivy Enterprises, Inc.	5636 E 61 st St Commerce	90,268	Expansion
Confidential Tenant	2001 2021 S Alameda St Los Angeles	87,795	New Lease
YDH International Logistics	1745 1749 Chapin Rd Montebello	84,026	New Lease

FIGURE 4: Notable Sale Transactions Q4 2024

Buyer	Address	SF Sold	Sale Price
Bridge investment Group	4542 Dunham St Commerce	201,678	\$21.0MM
Ocean Fresh Seafood	3385 Leonis Blvd Vernon	55,136	\$22.0MM
OLAM 4520 Maywood	4520 Maywood Ave Vernon	47,000	\$10.25MM
Ziv Enterprises	2136 Garfield Ave Commerce	26,377	\$7.59MM
Ray Golbari	2037 E 38 th St Vernon	10,320	\$1.0MM

Submarket Map



Source: CBRE Research, Q4 2024, 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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