

FIGURES | GREATER LOS ANGELES INDUSTRIAL | Q4 2024

Leasing accelerates amidst space givebacks and declining rental rates

▲ 4.2%

Overall Vacancy Rate

▲ (2.0M)

SF Net Absorption

▼ 5.4M

SF Under Construction

▼ \$1.42

NNN / MO Lease Rate

▲ 5.6%

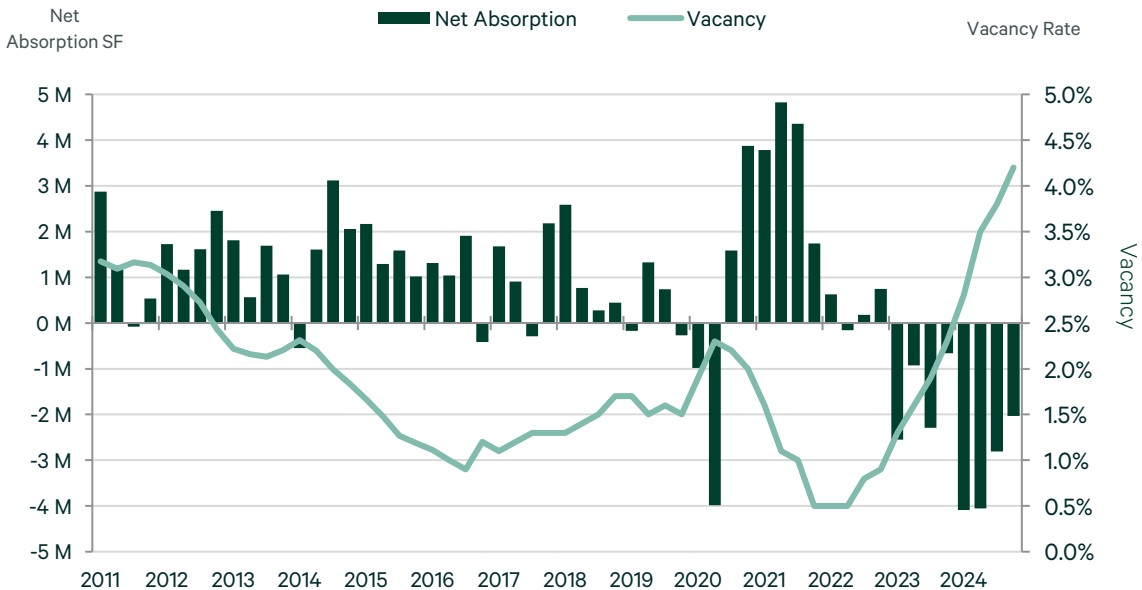
Projected Unemployment Rate Through Q4 2024
LA / Ventura Counties

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The average direct asking rate dipped to \$1.42 NNN, a 5% decrease from the previous quarter and 13% from the previous year.
- Leasing activity increased by 39.6% year-over-year timed with leases consummated pre-pandemic and occupiers capitalizing on favorable market dynamics with early renewals.
- The total availability rate rose by 190 basis points (bps) year-over-year to 6.2% from 4.5% in Q4 2023. Sublease availability increased 40 bps to 1.2% from 0.8% over the same timeframe.
- Manufacturing occupiers in the City of Industry signed the top two deals in GLA. GE Appliances renewed for 1,300,000 sq. ft. at 19705-25 Business Pkwy, and toy manufacturer Jakks Pacific renewed for 800,000 sq. ft. at 21733-21749 Baker Pkwy.
- Rexford Industrial made the top acquisition of the quarter with 2501 Rosecrans Ave in Compton for \$137.2 million or \$457 per sq. ft., totaling 300,217 SF. In 2024, Rexford's expanded its industrial portfolio by 2.9M sq. ft. with a total acquisition figure at roughly \$1.0 billion.

FIGURE 1: Overall Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2024.

Market Overview

Occupiers took advantage of cooling rates and secured over 13.4M sq. ft. of leases, a 39.6% increase compared to Q4 2023, and the highest recorded in GLA since Q2 2021. 36% of Q4 2024 leasing activity was transacted in the San Gabriel Valley, primarily driven by manufacturing companies. The surge in total GLA leasing was nevertheless outpaced by new large vacancies. The Greater Los Angeles (GLA) industrial market reported its eighth consecutive quarter of negative net absorption in Q4 2024.

Industrial asset sales totaled \$1.2 billion in Q4, up 52.3% from Q3 and 23.1% from Q4 2023. In total, 51% of buyers and 50% of sellers were private. Despite the Q4 2024 capital market upswing, the total sales volume in 2024 was \$4.2 billion, 18.6% lower than 2023’s total sales volume of \$5.0 billion. The median capitalization rate was 5.3%, 10 bps decrease since 2023 and demonstrative of the quantitative easing measures taken by the Fed.

Sixteen properties delivered in GLA in Q4 for a total of 1.9 million sq. ft., bringing the total under construction pipeline down to 5.4M sq. ft. This quarter reported the lowest pipeline in GLA since Q2 2022. The largest Q4 2024 delivery was 4200 Valley Blvd, a 269,780-sq.-ft. property in Walnut in the San Gabriel Valley.

Transportation and warehousing employment remained healthy at 227,600, a 0.3% growth year-over-year despite L.A. County’s unemployment rate climbing 90 bps in that same timeframe. Overall manufacturing employment in L.A. County dipped to 308,600 employees—3.3% lower than one year prior. Motion picture and sound recording employment posted a 3.0% jump from 2023 to 104,200 employees, though that headcount is still 24.7% lower than 5 years ago.

In conclusion, the industrial asset class experienced a jump in activity due to occupier-favorable dynamics and the Federal Funds Rate dropping another 25 bps to 4.5%. Investors are now presented with looming risks from the possibility of sticky inflation (and corresponding sticky interest rates), geopolitical uncertainty, and uncertainty regarding incoming tariffs. However, market fundamentals remain strong, and new U.S. Census data reported that California’s population increased by 0.6% between 2023 and 2024, challenging the narrative of California’s ‘exodus’. GLA’s demographics, businesses, and ports of entry continue to drive its world-class industrial market.

FIGURE 2: Submarket Statistics

Submarket	Bldg. Count	NRA	Direct Vacancy Rate	Overall Vacancy Rate	Overall Availability Rate	Net Absorption	Total Gross Activity	Gross Absorption	Avg. Direct Asking Rate NNN	Under Const.	Deliveries
Commerce/Vernon	2,845	153,930,180	5.3%	6.2%	8.8%	(1,445,619)	1,371,362	1,321,282	\$1.37	240,910	225,328
Downtown Los Angeles	2,655	97,790,660	3.5%	3.6%	5.4%	(432,778)	531,100	531,100	\$1.11	0	253,318
Mid-Counties	2,153	102,853,928	4.9%	5.0%	7.8%	388,729	1,924,253	1,124,907	\$1.55	751,878	206,892
Greater San Fernando Valley	4,888	171,499,240	1.7%	2.0%	3.8%	(114,094)	1,276,308	893,852	\$1.49	1,739,347	169,635
San Gabriel Valley	3,075	158,857,336	4.0%	4.5%	6.2%	(95,927)	4,943,232	2,326,596	\$1.29	188,563	356,730
South Bay	4,196	198,446,793	4.3%	4.9%	7.6%	(443,926)	2,480,233	2,060,608	\$1.61	1,702,202	522,912
Los Angeles County	19,812	883,378,137	3.9%	4.3%	6.6%	(2,143,615)	12,526,488	8,258,345	\$1.44	4,622,900	1,734,815
Ventura County	1,808	67,358,349	2.5%	2.7%	4.0%	114,777	889,087	589,047	\$1.13	728,268	116,852
Greater L.A.	21,620	950,736,486	3.8%	4.2%	6.4%	(2,028,838)	13,415,575	8,847,392	\$1.42	5,351,168	1,851,667

Source: CBRE Research, Q4 2024.

FIGURE 3: Notable Lease Transactions Q4 2024

Tenant	Address	SF Leased	Type
GE Appliances	19705–25 Business Pkwy	1,300,000	Renewal
Jakks Pacific	21733–49 Baker Pkwy	800,000	Renewal
Win.It America	151 Marcellin Dr	606,480	Renewal
Sunny Health & Fitness	13000 E Temple Ave	407,638	New Lease
Source Logistics	2100 Yates Ave	374,370	New Lease
Wesco Distribution	9306 Sorensen Ave	305,422	Renewal

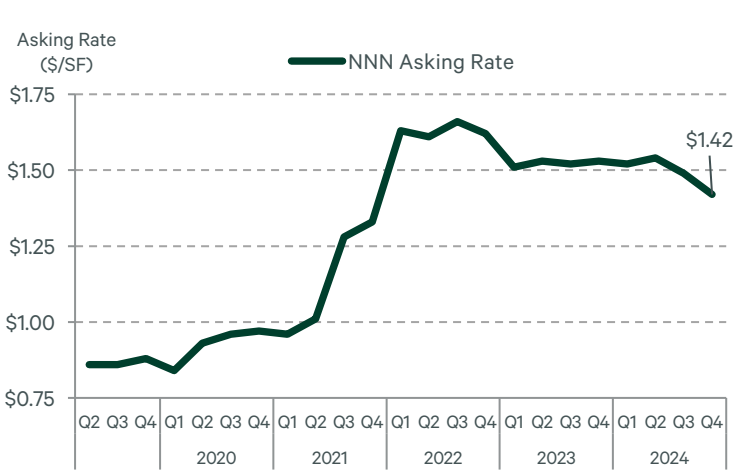
Source: CBRE Research, Q4 2024.

FIGURE 4: Notable Sale Transactions Q4 2024

Buyer	Address	SF Sold	Sale Price
Rexford Industrial	2501 W Rosecrans Ave Compton	300,217	\$137.2 MM
Kayne Anderson	(Portfolio) Burbank	205,819	\$93.3 MM
Ardmore Home Designs	918 S Stimson Ave City of Industry	282,377	\$59.9 MM
Lift Partners	18500 Crenshaw Blvd Torrance	180,269	\$55.0 MM
Caroline Tseng	2550 El Presidio St Carson	130,055	\$45.0 MM

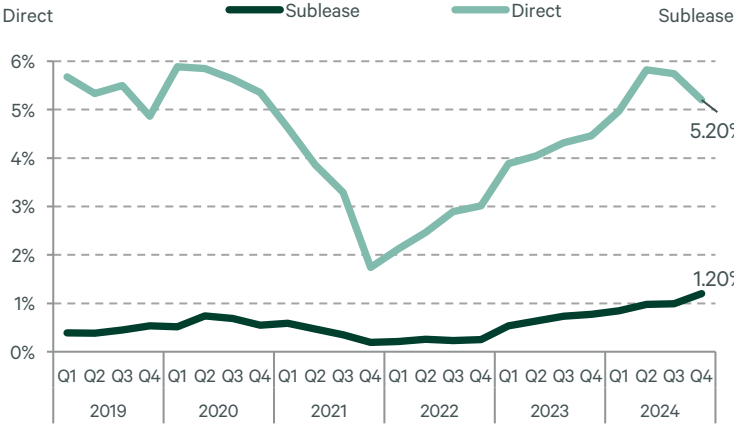
Source: CBRE Research, Q4 2024.

FIGURE 5: Direct Asking Lease Rates



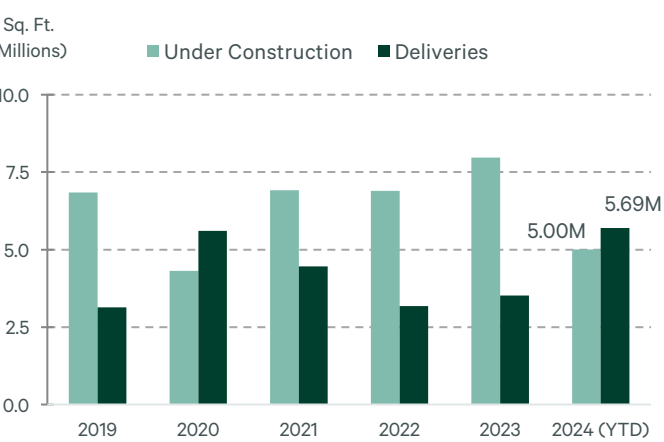
Source: CBRE Research, Q4 2024.

FIGURE 6: Direct Availability & Sublease Vacancy



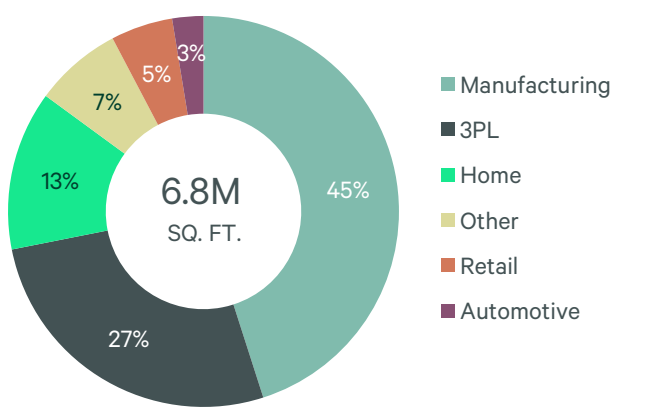
Source: CBRE Research, Q4 2024.

FIGURE 7: Development Pipeline

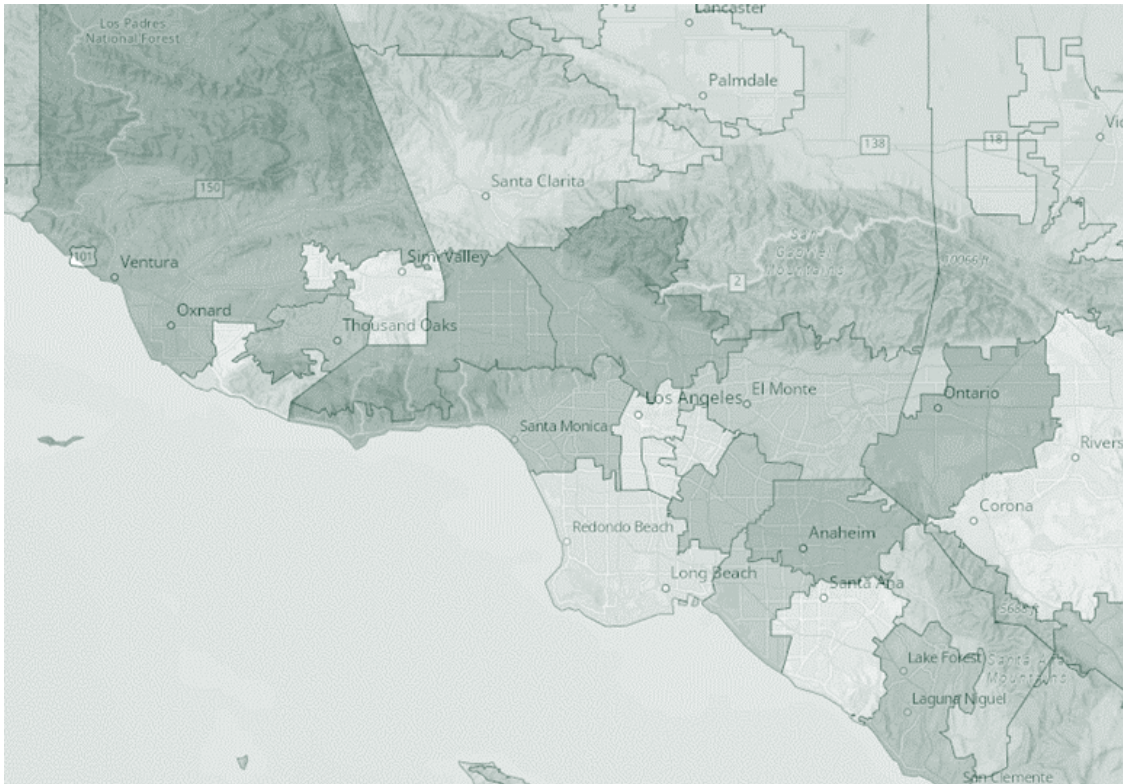


Source: CBRE Research, Q4 2024.

FIGURE 8: Top 25 Leases of the Quarter by Industry



Source: CBRE Research, Q4 2024.

Los Padres
National Forest

Available Sq. Ft.

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.

Includes all industrial

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.

Alex Hall

Sr. Field Research Analyst
+1 818 502 6700
alex.hall1@cbre.com

Field Research Analyst
+1 818 502 6700
david.cannon1@cbre.com

Field Research Analyst
+1 310 363 4917
maxine.david@cbre.com

Sr. Field Research Analyst
+1 310 550 2500
siyuan.ma@cbre.com

Field Research Analyst
+1 262 408 7506
matthew.hocum@cbre.com

Field Research Analyst
+1 818 502 6700
rachel.stein@cbre.com

Field Research Analyst
+1 213 613 3333
samuel.tufenkian@cbre.com

Field Research Analyst
+1 213 613 3333
wheeler.smith@cbre.com

Field Research Analyst
+1 213 613 3333
will.rose@cbre.com

Director of Research
+1 916 446 8292
konrad.knutsen@cbre.com

© Copyright 2025 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE's Global Chief Economist.