

FIGURES | CENTRAL LOS ANGELES INDUSTRIAL | Q3 2024

Leasing Activity was elevated however vacating tenants outpaced those gains

▲ 4.4%
Overall Vacancy Rate

▲ (980K)
SF Net Absorption

▼ 548.2K
SF Under Construction

▲ \$1.40
NNN / MO Lease Rate

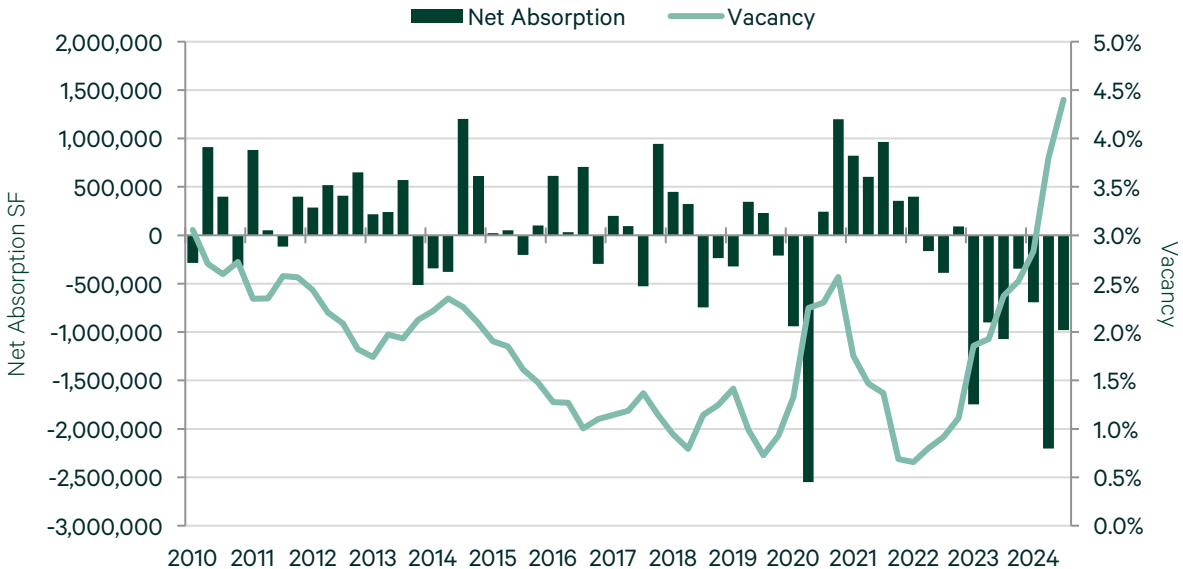
▲ 893,100
Industrial-Using Employment
LA & Ventura County

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The overall vacancy rate ended Q3 2024 at 4.4%, driven by 980,000 sq. ft. of negative net absorption. The availability rate ended the quarter at 6.4%, a 30-basis point increase quarter-over-quarter.
- The average direct lease rate increased to \$1.40 NNN per month, up 1.4% this quarter. The driving force behind the increase is Class A space returning to the market while a growing trend of flight to affordability begins to take shape.
- Total leasing activity was 2.9 million sq. ft. This was 31% higher than the previous quarter. Leasing activity was primarily driven by both Manufacturing and Logistics & Distribution.
- Industrial-using employment in combined Los Angeles and Ventura Counties totaled 893,100 in Q3 2024.
- Nine sales transactions over 10,000 sq ft occurred in Q3 2024, totaling 167,394 sq. ft. in CLA. The most notable transaction was Rexford’s \$7,275,000 disposal of 2553 S Garfield Ave. The property is 25,615 sq. ft. and sold for \$284.01 per sq. ft.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q3 2024

FIGURE 2: Submarket Statistics

Submarket	Bldg. Count	NRA	Direct Vacancy Rate	Overall Vacancy Rate	Overall Availability Rate	Gross Absorption Q3	Net Absorption Q3	Net Absorption YTD	Avg. Ask NNN	Under Const.	Deliveries
Bell	78	5,241,576	12%	3.6%	3.8%	0	-165,440	-55,203	\$ 1.87	0	0
Bell Gardens	77	2,691,527	7.1%	7.1%	8.3%	0	-70,801	-169,679	\$ 1.31	0	0
City of Commerce	812	50,594,049	5.3%	5.5%	7.8%	510,750	-373,794	-1,503,985	\$ 1.24	151,551	94,154
Montebello	199	11,314,829	9.2%	9.2%	11.0%	22,143	-119,459	-81,954	\$ 1.56	0	0
Monterey Park	94	2,213,656	6.5%	6.5%	8.5%	46,164	-34,100	-65,300	\$ 0.86	0	0
Pico Rivera	186	10,516,905	1.9%	5.6%	10.3%	126,300	10,710	-449,561	\$ 2.06	0	0
COMMERCE	1,446	82,572,542	5.2%	6.0%	8.4%	705,357	-752,884	-2,325,682	\$ 1.38	151,551	94,154
Cudahy	37	1,389,171	8.0%	8.0%	8.0%	0	0	-99,210	\$ 1.05	0	0
Huntington Park	146	4,794,244	1.9%	3.0%	5.9%	52,450	52,450	40,905	\$ 0.92	0	0
Maywood	28	825,620	0.0%	0.0%	1.8%	0	0	0	N/A	0	0
South Gate	226	10,658,498	4.5%	4.5%	7.8%	18,412	18,412	-296,165	\$ 1.50	0	0
City of Vernon	910	55,206,432	3.5%	4.3%	5.8%	1,298,198	-193,394	-330,681	\$ 1.51	143,299	185,089
VERNON	1,347	72,873,965	3.6%	4.2%	6.1%	1,369,060	-122,532	-685,151	\$ 1.47	143,299	185,089
COMMERCE VERNON	2,793	155,446,507	4.4%	5.2%	7.3%	2,074,417	-875,416	-3,010,833	\$ 1.42	294,850	279,243
DOWNTOWN LOS ANGELES	2,549	98,769,175	3.0%	3.2%	4.9%	476,708	-105,274	-864,159	\$ 1.36	253,318	-
CENTRAL LOS ANGELES	5,342	254,215,682	3.9%	4.4%	6.4%	2,551,125	-980,690	-3,874,992	\$ 1.40	548,168	279,243

Source: CBRE Research, Q3 2024.

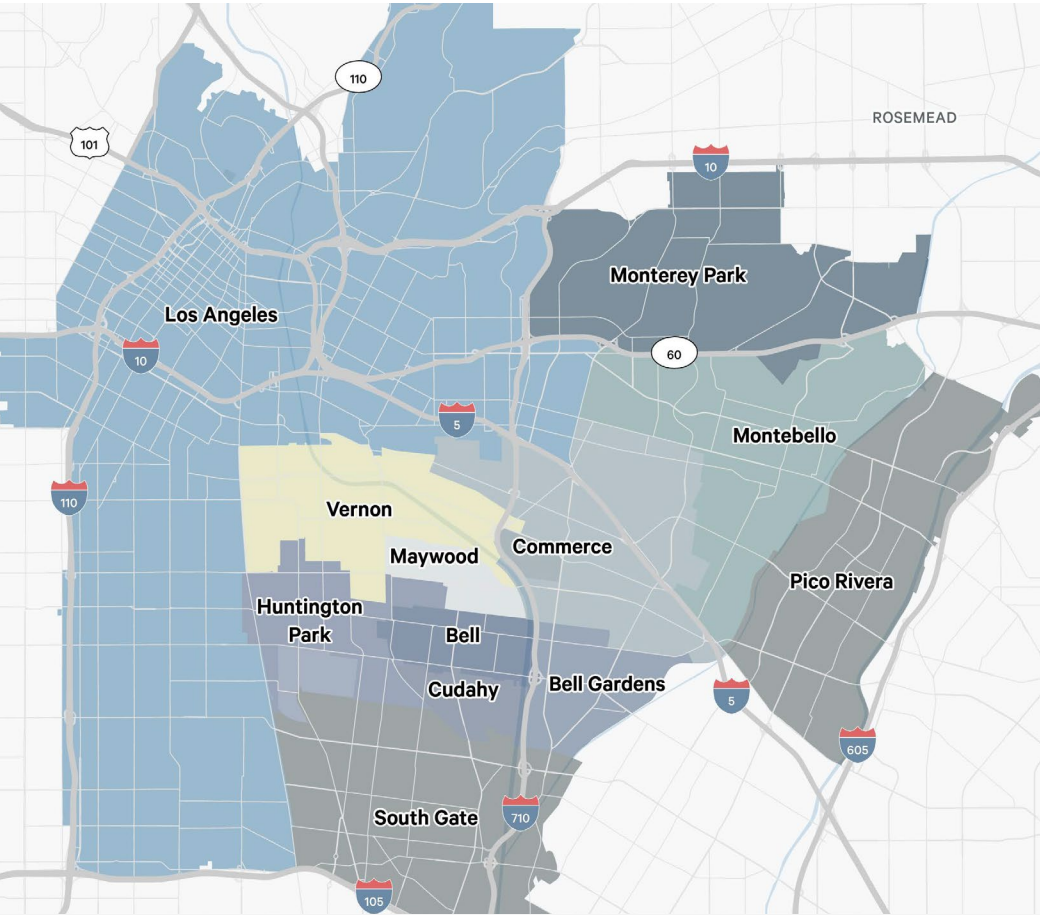
FIGURE 3: Notable Lease Transactions Q3 2024

Tenant	Address	SF Leased	Type
City of Los Angeles	450 S Central Ave	202,107	New Lease
Golden State Connections	4633 S Downey Rd	189,899	Expansion
Reformation	5801 5881 S 2nd St	185,089	New Lease
MGM Transformer	3430 E 26th St	140,464	New Lease
Ace World Class	4901 Zambrano St	107,900	Renewal
Super Secure Warehouse	7208 7222 E Gage Ave	105,214	New Lease
Secret Charm	6000 6098 Rickenbacker Rd	89,938	New Lease

FIGURE 4: Notable Sale Transactions Q3 2024

Buyer	Address	SF Sold	Sale Price
CoreSite	1925 E Vernon Ave	368,500	\$61.5MM
DM Holdings Group	2553 S Garfield Ave	25,615	\$7.2MM
Rock Paper Scissors, LLC	1373 N Broadway	24,633	\$4.4MM
Snsn Capital Ventures	1243-1261 S Boyle Ave	21,904	\$4.9MM
Miryam Seleh	3740 Fruitland Ave	18,350	\$3.8MM

Submarket Map



Source: CBRE Research, Q3 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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