

FIGURES | CENTRAL LOS ANGELES INDUSTRIAL | Q2 2025

# Despite heightened sales activity, occupancy levels continued to contract

▲ 5.6%

Overall Vacancy Rate

▼ (471.1K)

SF Net Absorption

▲ 955.8K

SF Under Construction

▼ \$1.07

NNN / MO Lease Rate

▲ 5.8%

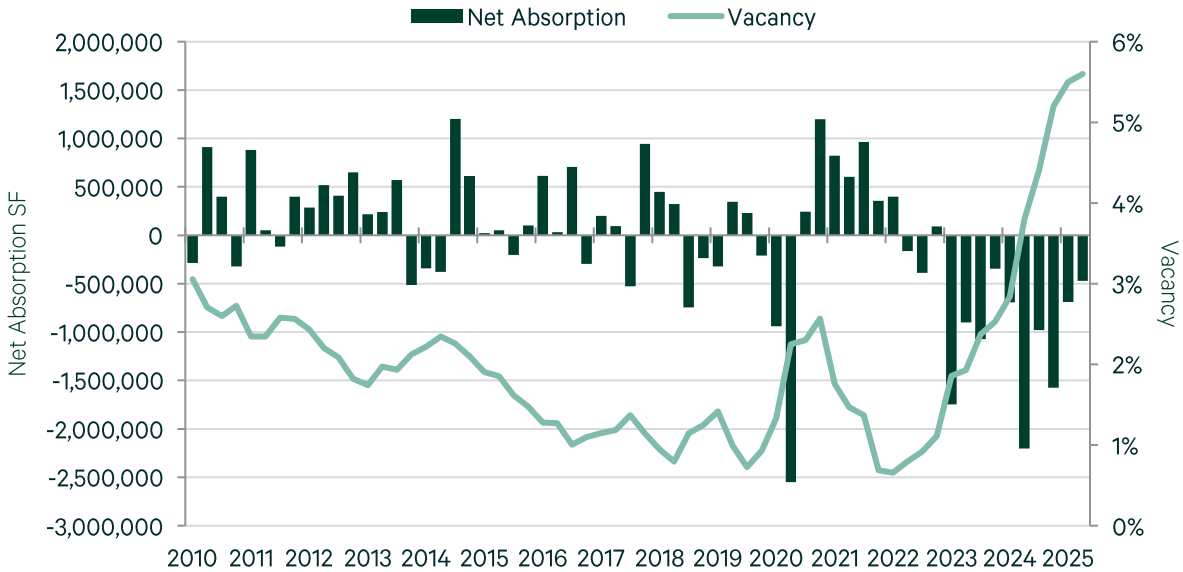
Projected Unemployment  
Rate Through Q2 2025  
LA/Ventura Counties

Note: Arrows indicate change from previous quarter.

## MARKET HIGHLIGHTS

- The overall vacancy rate ended Q2 2025 at 5.6%, driven by 471,145 sq. ft. of negative net absorption. This was up from 3.8% in Q2 2024, a 180 basis-point increase. The availability rate ended the quarter at 8.0%, increasing from 7.5% in Q1 2025.
- The average direct asking rate fell further down to \$1.07 NNN, decreasing 4.5% in Q2 2025 and 21.9% year-over-year.
- Gross absorption was 2.7 million sq. ft. This was primarily driven by Logistics & Distribution occupiers. One of the most notable deals of the quarter was a 445,767-sq.-ft. sublease by YS Express, at 5500 Sheila St. in Commerce.
- Seven sale transactions over 20,000 sq. ft. occurred in Q2 2025, totaling 891,774 sq. ft. The most notable transactions were Palisade Group's acquisition of the Garfield Business Center located at 3300-3430 Garfield Ave in Commerce, totaling 544,705 sq. ft. across five buildings for a total of \$97.0 million or \$178.08 per sq. ft. and Global Farms' acquisition of 2288 E 27<sup>th</sup> St in Vernon, a 32,000-sq.-ft. property for \$12.6 million or \$393.75 per sq. ft.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q2 2025

FIGURE 2: Submarket Statistics

Submarket	Bldg. Count	NRA	Direct Vacancy Rate	Overall Vacancy Rate	Overall Availability Rate	Gross Absorption Q2	Net Absorption Q2	Net Absorption YTD	Avg. Ask NNN	Under Const.	Deliveries
Bell	79	5,306,986	1.4%	1.4%	2.4%	23,098	(12,759)	111,761	\$1.69	0	0
Bell Gardens	76	2,324,798	3.8%	3.8%	5.6%	91,249	(10,108)	102,446	\$1.26	0	0
City of Commerce	811	48,848,418	7.9%	8.8%	11.0%	924,250	59,468	(200,434)	\$1.08	441,336	0
Montebello	201	11,415,022	4.1%	4.4%	5.9%	111,724	2,323	80,628	\$1.83	13,825	0
Monterey Park	93	2,081,895	7.1%	7.1%	13.4%	37,600	(17,238)	(13,236)	\$0.82	0	0
Pico Rivera	186	10,274,893	7.5%	8.2%	11.8%	45,336	(28,864)	(122,098)	\$1.30	0	0
COMMERCE	1,446	80,252,012	6.8%	7.4%	9.7%	1,233,257	(7,178)	(40,933)	\$1.20	455,161	0
Cudahy	37	1,162,664	8.6%	8.6%	10.1%	6,560	2,160	15,232	\$1.10	0	0
Huntington Park	159	4,379,407	4.0%	5.5%	9.2%	15,800	(63,570)	(63,570)	\$0.81	0	0
Maywood	28	825,620	0.0%	0.0%	0%	0	0	0	N/A	0	0
South Gate	245	10,470,765	5.3%	5.3%	7.5%	105,327	(139,015)	(156,179)	\$1.08	0	0
City of Vernon	931	55,411,577	4.2%	4.7%	8.1%	804,646	162,040	45,098	\$1.07	333,104	0
VERNON	1,400	72,250,033	4.4%	4.9%	8.0%	932,333	(38,385)	(159,419)	\$1.05	333,104	0
COMMERCE/VERNON	2,846	152,502,045	5.6%	6.2%	8.9%	2,165,590	(45,563)	(200,352)	\$1.13	788,265	0
DOWNTOWN LOS ANGELES	2,650	95,962,424	4.4%	4.6%	6.5%	485,386	(425,582)	(958,980)	\$0.92	167,522	0
CENTRAL LOS ANGELES	5,496	248,464,469	5.2%	5.6%	8.0%	2,650,976	(471,145)	(1,159,332)	\$1.07	955,787	0

Source: CBRE Research, Q2 2025.

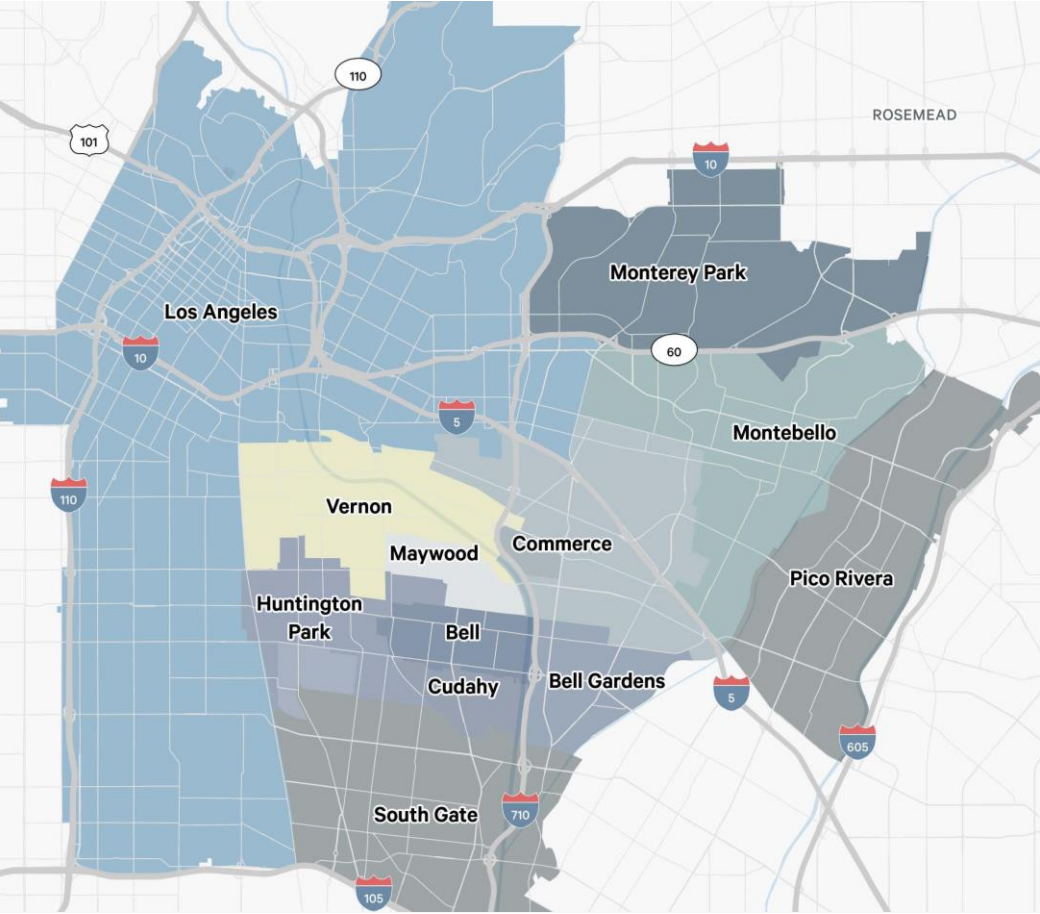
FIGURE 3: Notable Lease Transactions Q2 2025

Tenant	Address	SF Leased	Type
YS Express	5500 Sheila St, Commerce	445,767	Sublease
US E-Logistics	5215 Boyle Ave, Vernon	232,299	Renewal
Justman Packaging and Display	2100 E 38th St, Vernon	171,261	New Lease
Scenic Expressions	1401 S Hicks Ave, Commerce	135,063	Renewal
SuperInk	2929 E 54th St, Vernon	113,952	New Lease
Omni Logistics	2825-2831 S Santa Fe Ave, Vernon	111,033	Renewal

FIGURE 4: Notable Sale Transactions Q2 2025

Buyer	Address	SF Sold	Sale Price
Palisade Group	3300-3430 Garfield Ave, Commerce	544,705	\$97.00MM
Griffith Company Inc	6483-6493 Stanford Ave, Los Angeles	60,000	\$16.95MM
Hatikva Investments	4095 Firestone Blvd, South Gate	123,365	\$14.50MM
Global Farms	2288 E 27 <sup>th</sup> St, Commerce	32,000	\$12.60MM
Yellow Iron Real Estate	6408-6466 Gayhart St, Commerce	65,090	\$11.30MM

Submarket Map



Source: CBRE Research, Q2 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.

Contacts

Wheeler Smith

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

Samuel Tufenkian

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

Alex Hall

Research Manager  
+1 213 613 3333  
alex.hall1@cbre.com

Konrad Knutsen

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

Jessica Lall

DTLA Managing Director  
+1 213 613 3560  
jessica.lall@cbre.com