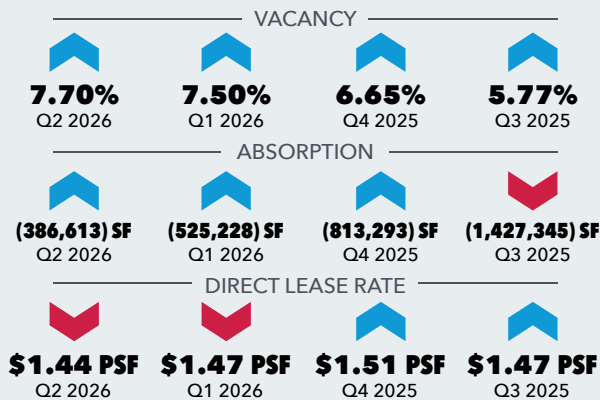




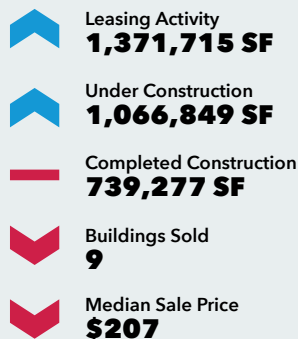
Q2

LA NORTH INDUSTRIAL MARKET REPORT

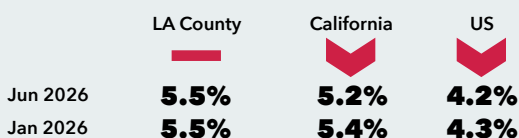
Market Indicators



Q2 Trends at a Glance



Unemployment Rate



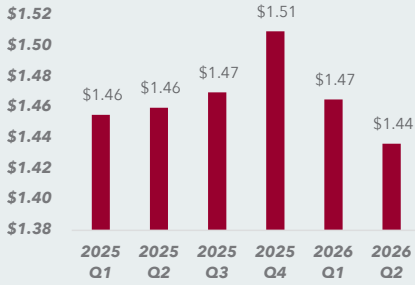
Construction Slowdown Supports Long-Term Market Balance

LA North industrial market remained in a period of adjustment during the second quarter as it continued working through the wave of new supply delivered over the past two years. Vacancy increased to 7.7%, up from historically tight levels, while net absorption remained negative as tenant move-ins have yet to fully offset the additional available space entering the market. Even so, quarterly occupancy losses moderated compared with prior periods, suggesting market conditions are beginning to stabilize.

One of the more encouraging trends is the continued decline in development activity. The construction pipeline has fallen significantly from recent highs, with just over one million square feet currently underway compared with more than two million square feet a year ago. As fewer projects are completed, future supply pressure should become more manageable, allowing demand additional time to absorb existing vacant space.

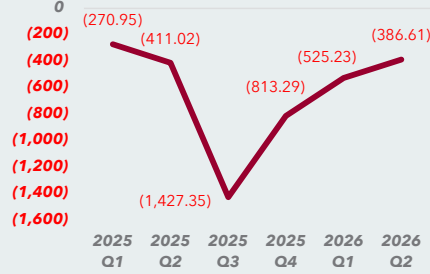
Tenant interest continues to center on functional infill industrial buildings that provide efficient access throughout the San Fernando Valley and surrounding markets. While average asking rents softened slightly during the quarter, pricing remains well above pre-pandemic levels, underscoring the long-term desirability of the region. With new construction slowing and the supply pipeline becoming more disciplined,

RENTAL RATES



AVERAGE PER SF, PER MONTH

ABSORPTION



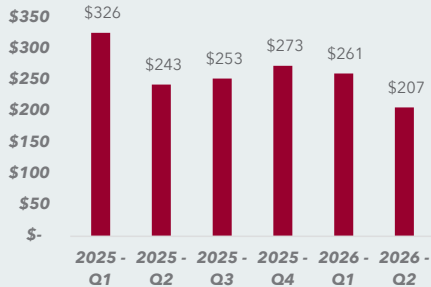
IN THOUSANDS OF SF

LEASING ACTIVITY

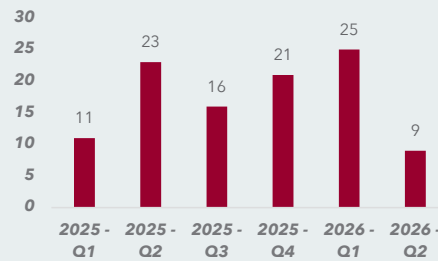


MILLIONS OF SF LEASED

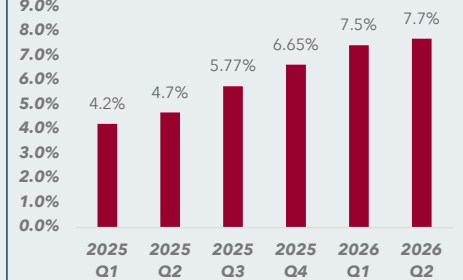
MEDIAN SALE PRICE



SALE TRANSACTIONS



VACANCY



Median sale price excludes distressed sales and those where no price information was recorded.

TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER/SELLER	BUILDING CLASS
40355 Delta Ln* Palmdale, CA	129,074 SF	\$25,100,000 \$194.46 PSF	Royal Oak Realty Trust Delta Scientific Corporation	Class A
9741-9803 Independence Ave* Chatsworth, CA	79,060 SF	\$18,271,385 \$231.11 PSF	BKM Capital Partners, et al Link Logistics Real Estate	Class C
11144 Penrose St Sun Valley, CA	64,610 SF	\$5,000,000 \$77.39 PSF	JRCC Investments, LLC Martin Carroll May	Class C

*Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
25470 Springbrook Ave Santa Clarita, CA	257,507 SF	Covington Group, Inc.	DrinkPAK	Canned Beverage Manufacturer
29051 Avenue Valley View Valencia, CA	113,400 SF	IAC Properties	AERO Engineering	Aerospace & Defense
1245 Aviation Place* San Fernando, CA	83,462 SF	Rexford Industrial Realty, Inc.	285 Logistics, LLC	Transportation and Warehousing

*Lee & Associates Transaction

SUBMARKETS	TOTAL INVENTORY	TOTAL VACANCY		NET ABSORPTION		CONSTRUCTION			ASKING RATE
		TOTAL SF	%	Q2 2026	YTD 2026	UNDERWAY	COMPLETED		
							Q2 2026	YTD 2026	
Antelope Valley	14,514,836	1,713,341	11.8%	22,375	(444,296)	296,935	0	647,327	\$1.11
Burbank	8,835,418	572,664	6.5%	21,420	106,522	0	0	0	\$1.78
Canoga Park	4,147,803	175,002	4.2%	24,281	11,996	0	0	0	\$1.42
Chatsworth	19,290,326	1,482,106	7.7%	(70,759)	(155,441)	0	0	0	\$1.40
Glendale	5,245,090	53,518	1.0%	9,128	(2,795)	0	0	0	\$2.02
No. Hollywood / Universal City	12,206,308	807,758	6.6%	(145,178)	(169,736)	0	0	0	\$1.37
Northridge	4,055,155	224,388	5.5%	(2,140)	(66,044)	0	0	0	\$1.14
Reseda / Tarzana	837,366	34,836	4.2%	5,193	10,903	0	0	0	\$2.07
San Fernando /Sylmar /Pacoima / Arleta	17,648,882	1,673,743	9.5%	(16,625)	(365,551)	769,914	0	91,950	\$1.54
Santa Clarita Valley	26,469,398	2,927,003	11.1%	(124,345)	(486,035)	0	0	0	\$1.36
Sun Valley	10,455,582	795,664	7.6%	(49,597)	59,857	0	0	0	\$1.52
Van Nuys	18,001,531	611,804	3.4%	(78,154)	49,769	0	0	0	\$1.55
Woodland Hills	1,489,387	15,324	1.0%	17,788	13,782	0	0	0	\$1.72
Total	143,197,082	11,087,151	7.7%	(386,613)	(911,841)	1,066,849	0	739,277	\$1.44

Source: CoStar and Lee & Associates

MARKET DEFINITIONS

RENTABLE AREA

Includes all Class A, B and C multi-tenant and single-tenant industrial buildings of 10,000 square feet and greater. Excludes buildings under construction, planned or under renovation.

DIRECT VACANCY

Space in existing buildings that is not occupied and is available for direct lease.

TOTAL VACANCY

Space in existing buildings that is not occupied and is available for direct lease and/or sub-lease.

TOTAL NET ABSORPTION

The square feet leased after deducting space vacated.

DIRECT ASKING LEASE RATE

Calculated for direct available space using NNN rents. Rents are weighted by total square feet available for direct lease.

UNDER CONSTRUCTION

Buildings in the process of construction. A building is considered complete when issued a certificate of occupancy.

MEDIAN SALE PRICE

Based on actual prices of sold buildings as reported in public records and by CoStar. Includes all industrial buildings 10,000 SF and more sold at \$500,000 or more.

ABOUT LEE & ASSOCIATES

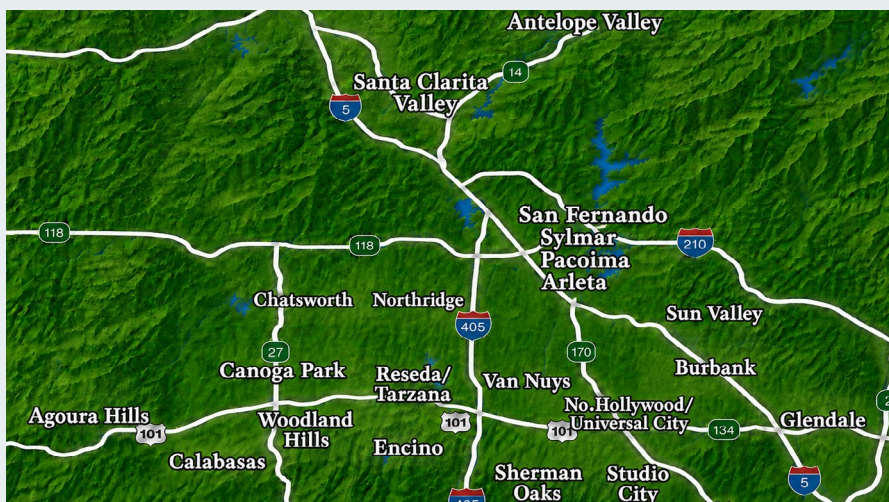
Lee & Associates offers an array of real estate services tailored to meet the needs of the company's clients, including commercial real estate brokerage, integrated services, and construction services. Established in 1979, Lee & Associates is now an international firm with 80+ offices throughout the United States and Canada. Our 1,300 professionals regularly collaborate to make sure they are providing their clients with the most advanced, up-to-date market technology and information. For the latest news from Lee & Associates, visit lee-associates.com or follow us on Facebook, LinkedIn, Twitter and our company blog, Link.

Lee & Associates-LA North/Ventura, Inc. is a full-service commercial brokerage company serving the San Fernando Valley, Conejo Valley, Simi Valley/Moorpark and Ventura County markets. Founded in 1994, Lee & Associates-LA North/Ventura has grown to become one of the largest commercial brokerage companies in the Los Angeles North and Ventura regions with four offices and 48 agents.

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LA NORTH INDUSTRIAL SUBMARKETS

Antelope Valley	Reseda / Tarzana
Burbank	San Fernando / Sylmar /
Canoga Park	Pacoima / Arleta
Chatsworth	Santa Clarita Valley
Glendale	Sun Valley
No. Hollywood /	Van Nuys
Universal City	Woodland Hills
Northridge	



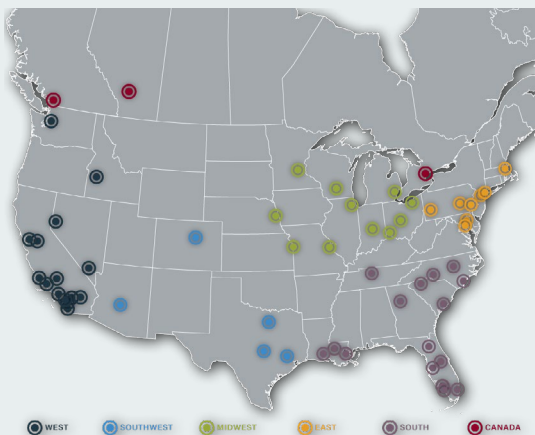
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