LA NORTH INDUSTRIAL MARKET REPORT

Market Indicators

VACANCY

Q3 2025	Q2 2025	Q1 2025	Q4 2024
5.7%	4.7%	4.2%	4.2%

ABSORPTION

Q3 2025	Q2 2025	Q1 2025	Q4 2024
(1,427,345) SF	(411,024) SF	(270,591) SF	(393,846) SF

DIRECT LEASE RATE

Q3 2025	Q2 2025	Q1 2025	Q4 2024
$1.47 PSF	$1.46 PSF	$1.46 PSF	$1.53 PSF

Q3 Trends at a Glance

- Leasing Activity **1,137,290 SF**
- Under Construction **1,553,488 SF**
- Completed Construction **388,371 SF**
- Buildings Sold **16**
- Median Sale Price **$253**

Unemployment Rate

	LA County	California	US
May 2025	5.4%	5.3%	4.2%
Feb 2025	5.9%	5.4%	4.1%

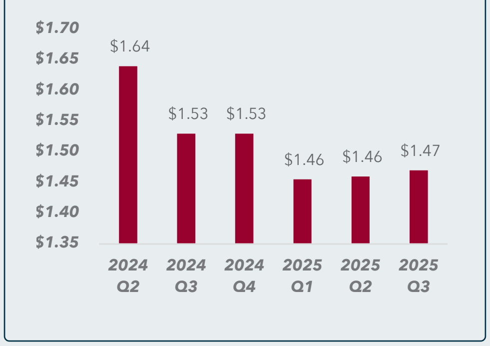
LA North Industrial Market: Cooling Yet Stable in Q3 2025

The LA North industrial market continued to cool in Q3 2025 but remains fundamentally resilient compared to national trends. Vacancy rose to 5.77%, up slightly from the previous quarter, yet still well below the U.S. average of 7.54%. The market is entering a phase of normalization after several years of record growth, as occupiers adjust to higher costs and evolving space needs.

Despite the slowdown, leasing activity remains strong, with steady demand from regional distributors, logistics firms, and local manufacturers. Many tenants are capitalizing on increased availability to secure higher-quality facilities or consolidate operations, keeping transaction volume healthy even as overall absorption turns negative.

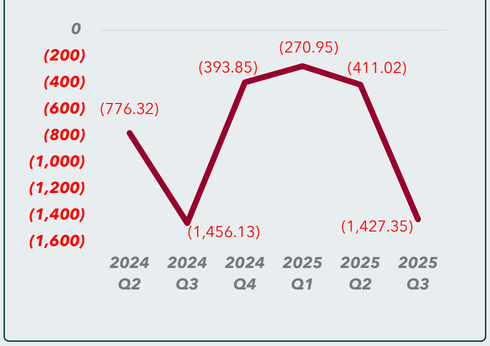
Year-to-date net absorption stands at -2.1 million square feet, reflecting modest space givebacks across multiple submarkets. Still, landlords have largely maintained confidence, with average asking rents holding at $1.47 per square foot, supported by limited new construction and a balanced long-term outlook for industrial demand.

RENTAL RATES



AVERAGE PER SF, PER MONTH

ABSORPTION

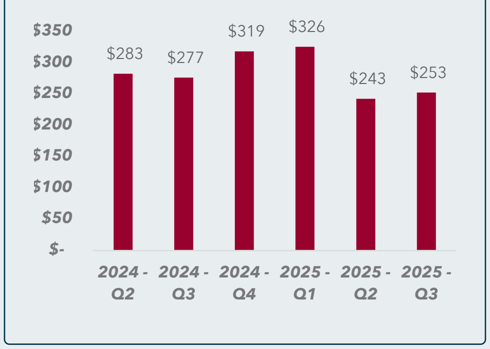


IN THOUSANDS OF SF

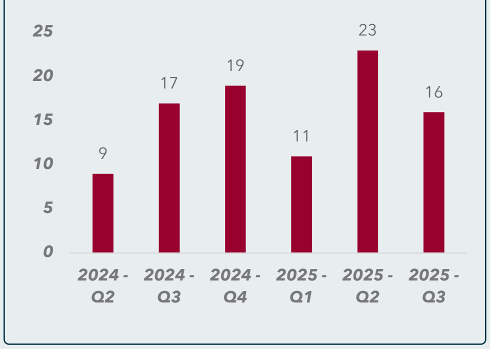
LEASING ACTIVITY

MILLIONS OF SF LEASED

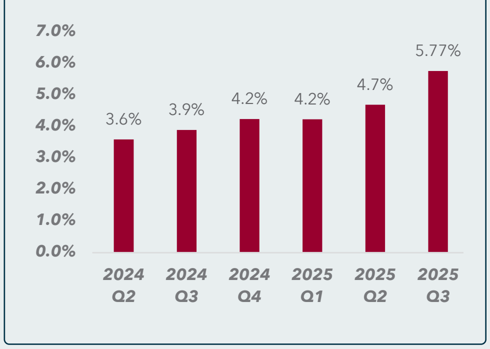
MEDIAN SALE PRICE



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
10220 Norris Ave Pacoima, CA	60,000 SF	$13,200,000 $220.00 PSF	Bolour Harold Jabarian & Associates	Class B
12350 Montague St Pacoima, CA	50,400 SF	$10,000,000 $198.41 PSF	JZ Capital Partners LTD Bixler Revocable Trust	Class C
100 E. Graham Pl* Burbank, CA	43,622 SF	$9,109,872 $208.84 PSF	Alta West Partners LLC The Luzzatto Company	Class B

**Part of a Portfolio Sale*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
40347 Legacy Ln Palmdale, CA	99,853 SF	Undisclosed	Undisclosed	Undisclosed
8430 Tujunga Ave Sun Valley, CA	71,547 SF	Rexford Industrial Realty, Inc.	Undisclosed	Entertainment
11085 Olinda St Sun Valley, CA	52,640 SF	Lynne N. Rosenblood	Zodax LP	Retail

Source: CoStar and Lee & Associates

SUBMARKETS	TOTAL INVENTORY	TOTAL VACANCY		NET ABSORPTION		CONSTRUCTION			ASKING RATE
							COMPLETED		
		TOTAL SF	%	Q3 2025	YTD 2025	UNDERWAY	Q3 2025	YTD 2025	
Antelope Valley	12,880,089	1,313,905	10.2%	(973,165)	(884,764)	1,021,538	0	0	$1.11
Burbank	9,147,915	587,305	6.4%	120,248	(211,311)	0	0	0	$1.57
Canoga Park	4,191,641	170,743	4.1%	6,138	14,267	0	0	0	$1.47
Chatsworth	19,347,958	1,455,551	7.5%	(156,726)	(142,597)	0	0	0	$1.39
Glendale	5,267,787	54,662	1.0%	80,153	153,157	0	0	0	$2.99
No. Hollywood / Universal City	12,549,172	568,208	4.5%	15,158	(6,861)	0	0	0	$1.46
Northridge	4,077,247	166,935	4.1%	(873)	(160,535)	0	0	0	$1.43
Reseda /Tarzana	837,366	53,775	6.4%	(12,735)	(26,798)	0	0	0	$1.53
San Fernando /Sylmar /Pacoima / Arleta	17,630,691	1,056,010	6.0%	(150,630)	(235,527)	531,950	0	223,068	$1.73
Santa Clarita Valley	26,221,054	1,513,115	5.8%	(221,776)	17,722	0	388,371	388,371	$1.24
Sun Valley	10,555,655	731,101	6.9%	(17,469)	(422,988)	0	0	0	$1.53
Van Nuys	18,142,297	531,401	2.9%	(112,014)	(207,671)	0	0	0	$1.55
Woodland Hills	1,500,064	7,644	0.5%	(3,654)	4,586	0	0	0	$1.85
Total	142,348,936	8,210,355	5.77%	(1,427,345)	(2,109,320)	1,553,488	388,371	611,439	$1.47

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.

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Lancaster
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Burbank

Canoga Park

Glendale

Chatsworth

North Hollywood/ Universal City
La Crescenta
Montrose
Studio City
Sunland
Tujunga

Northridge

Reseda/Tarzana

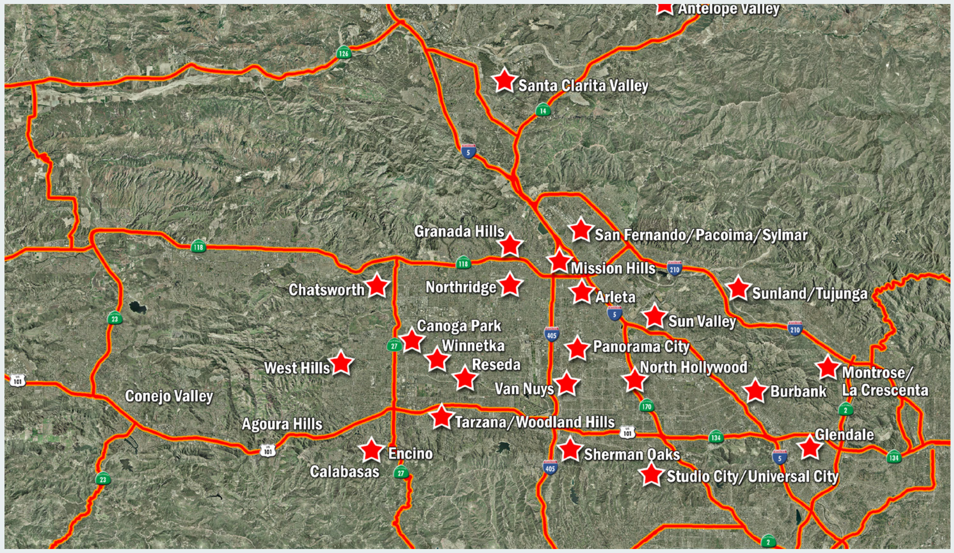
San Fernando/Sylmar/ Pacoima/Arleta

Santa Clarita Valley
La Crescenta
Montrose
Studio City
Sunland
Tujunga

Sun Valley

Van Nuys
Mission Hills
Panorama City
Sherman Oaks

Van Nuys
Encino
Granada Hills
West Hills
Winnetka



LA NORTH/VENTURA TEAM

Erica Balin
Managing Director, Industrial
818.444.4912

John Battle, SIOR, Investment
818.444.4908

Matt Benwitt, Investment
818.444.4964

Deena Benz, Industrial
805.626.1277

Warren Berzack, Investment
818.933.0350

Cheri Blessing, Retail
805.626.1240

Jonathan Bruce, Office
818.444.4916

Paul Capra, Retail
805.626.1264

Darren Casamassima, Office
818.933.0303

Scott Caswell, Industrial
818.444.4911

Clyde Clifford, Industrial
818.444.4910

Jennifer Donaldson, Office
818.933.0347

Cody Eickhoff, Industrial
818.444.4917

Teresa Ernest, Industrial
818.444.4917

Sydney Fraser, Office
818.933.0320

Grant Fulkerson, SIOR, Industrial
818.449.4401

Aaron Guerrero, Office/Retail
818.444.4929

Grant Harris, Industrial
805.626.1212

Joe Jusko, Industrial, Office
818.223.4397

David Kaufman, Office
818.223.4397

David Kim, Office
805.626.1234

Eugene Kim, Office
818.444.4919

Bryce Kolb, Industrial
818.444.4931

Mark Leonard, Office
818.449.4414

Chris McKenzie, Industrial
818.933.0337

Bruce Milton, Retail
805.626.1281

Josh Morris, Industrial
818.933.0319

Eric Nishimoto, Investment
818.444.4984

John Ochoa, SIOR, Industrial
805.626.1208

Peter Padden, Industrial
805.626.1283

Ryan Pelino, Industrial
818.444.4991

Patrick Reddy, Industrial
818.933.0348

Scott Romick
Managing Director, Office
818.933.0305

Jay Rubin, Office
818.223.4385

Brett Saunders, Office/Industrial
818.444.4926

Jared Smits, Office
818.444.4986

Tom Specker, Office
818.223.4381

Marc Spellman, Office
818.444.4932

Drew Stewart, Office
818.444.4922

Peter Steigleder, Industrial
818.933.0318

Frank Tesoro, Office
818.444.44930

Mike Tingus, Industrial
818.223.4380

Stacy Vierheilig-Fraser, Office
818.933.0313

Brett Warner, Industrial
818.933.0302

Hunter Warner, Industrial
818.933.0349

Todd Wuschnig, Office
818.933.0301

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Lee & Associates LA North/Ventura
A Member of the Lee & Associates Group of Companies

Sherman Oaks
Office: 818.986.9800

Westlake Village
Office: 818.223.4388

Ventura County
Office: 805.626.1200

Antelope Valley
Office: 818.223.4388

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