



# Los Angeles industrial market report

Q3 2022

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# Los Angeles Industrial market trends

## 01

### Employment

- The Los Angeles Metro area's seasonally adjusted **unemployment rate registered 5.2%** as of August 2022, up from a revised 4.9% in July 2022 and below the rate of 8.5% from the year prior.
- **Nonfarm employment increased by 8,000 jobs between July and August.** Sectors that increased over the month include trade, transportation, and utilities (2,000), government (1,800), construction (900), and manufacturing (400).

## 02

### Vacancy & Activity

- **Market-wide vacancies concluded the quarter at 2.0%**, up 10 basis points (bps) from the prior quarter.
- Leasing activity continued its upward trajectory for the third straight quarter with **nearly 5.0 msf leased.**
- **Over 1.3 msf of industrial space was delivered** in 3Q 2022 with 4.3 msf currently under construction.

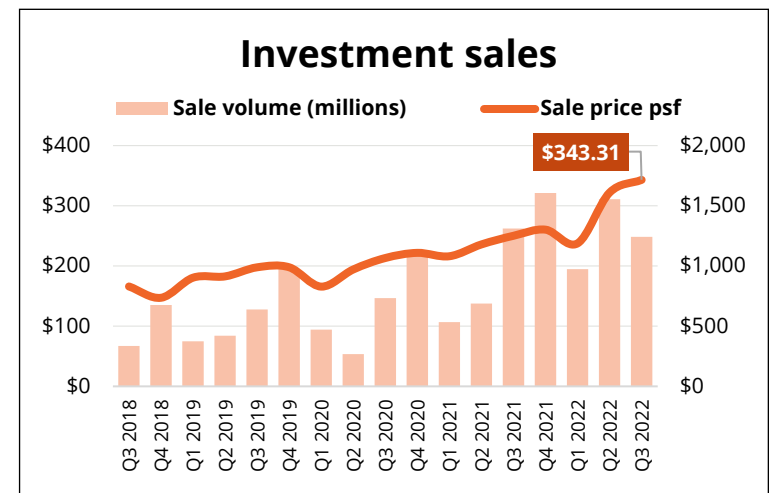
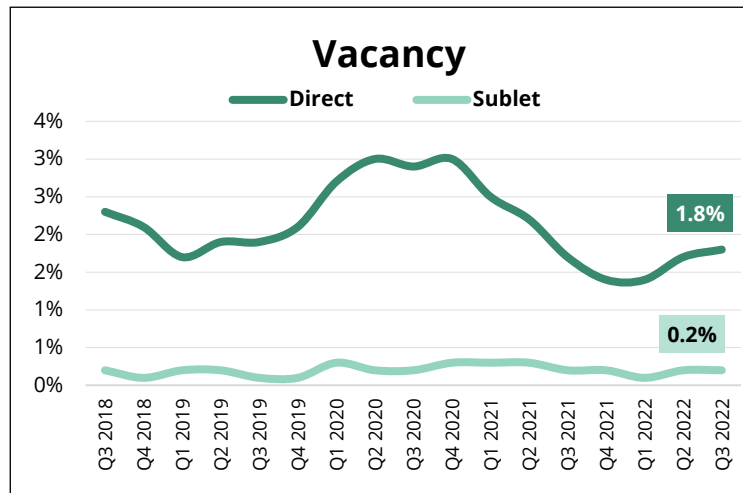
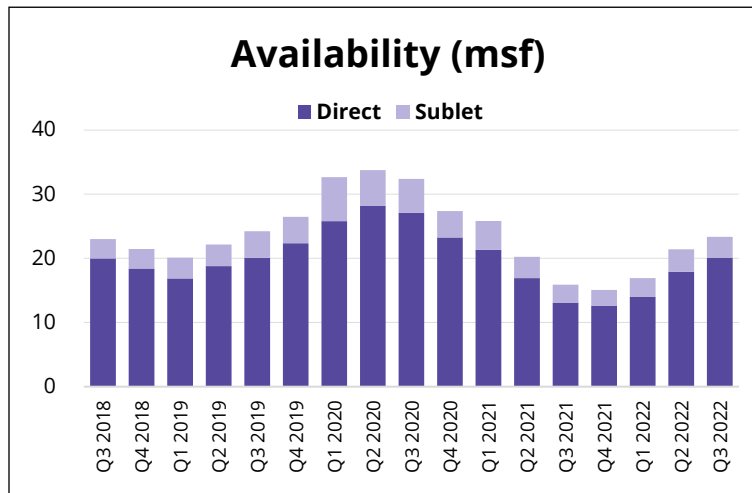
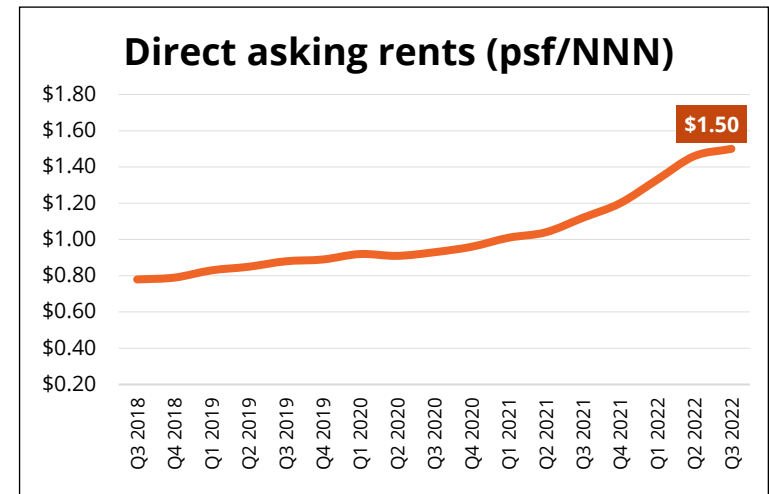
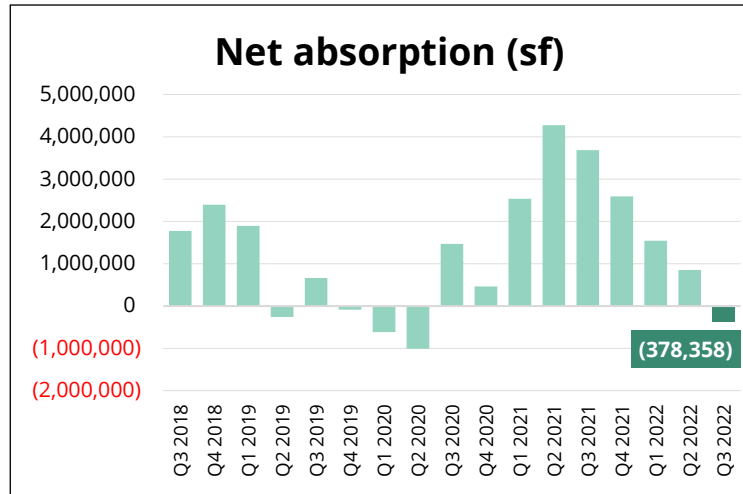
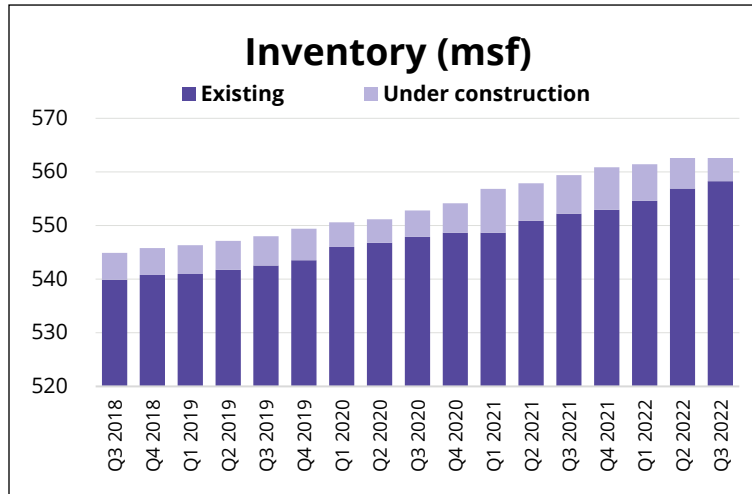
## 03

### Pricing

- Industrial rents continue to climb to record highs, at \$1.50 psf triple-net by the end of 3Q 2022 **up nearly 34% from the year prior.**
- **Average sale price for industrial space in 3Q 2022 was \$343.31 psf**, a new all-time high.
- **Rental growth** is expected to continue between 10%-15%.



# Los Angeles Industrial market indicators



\*Survey consists of industrial buildings greater than 50,000 sf.

# Los Angeles Industrial market activity

## Recent leasing activity

Tenant name	Address	Sign date	Size (sf)	Transaction type	Lease type
Ryder Logistics	18045 Rowland St., Industry	Sept 2022	200,000	Direct	New
Quik Pick Express	23610 Banning Blvd., Carson	Jul 2022	177,573	Direct	Renewal
DHE	5950 S Eastern Ave., Commerce	Aug 2022	168,352	Direct	New
Lee Kum Kee Foods, Inc.	15650 Salt Lake Ave., Industry	Sept 2022	110,000	Direct	New
Orange Courier	11600 Los Nietos Rd., Santa Fe Springs	Sept 2022	106,251	Direct	New

## Recent sales activity

Buyer	Address	Sale date	Square feet	Sale price	Sale price psf	Seller
UBS Realty Advisors	2900 Fruitland Ave., Vernon (3 Bldgs.)	Aug 2022	855,470	\$181,000,000	\$211.58	O-I Glass, Inc.
Duke Realty	645 George de la Torre Jr. Ave., Wilmington (2 Bldgs.)	Jul 2022	155,008	\$171,000,000	\$1,103.17	Juanita's Foods
Rexford Industrial	920 E. Pacific Coast Hwy., Wilmington	Sept 2022	148,186	\$100,000,000	\$674.83	ACX Pacific Northwest, Inc.
Thor Equities	12065 Pike St., Santa Fe Springs	Jul 2022	159,964	\$85,000,000	\$531.37	Staley Point Capital
Majestic Asset Mgmt., Inc.	9320-9328 Telstar Ave., El Monte	Aug 2022	248,961	\$73,000,000	\$293.22	Rising Realty Partners
Link	1719 Chapin Rd., Montebello	Sept 2022	82,199	\$29,300,000	\$356.45	Macy Investments

## Large contiguous space availabilities

Owner	Address	Date available	Block size (sf)	Floors	Asking rent	Landlord Broker
Warmington Capital Partners	SW Corner of W Ave. G & 14 Freeway, Lancaster	Aug 2023	1,260,630	1	TBD	Daum
Transwestern	3347 E Ave. M, Palmdale	Jun 2023	1,247,520	1	TBD	Daum
Blackstone Inc.	3880 N Mission Rd., Los Angeles	Vacant	1,015,000	1 & 2	TBD	CBRE
Covington Group	E Ave. M, Palmdale	Jun 2024	1,004,880	1	TBD	CBRE

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# Los Angeles Industrial market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent		
			W / D	Flex	3Q22	YTD	Construction	Total	W / D	Flex
Antelope Valley	6,433,701	1.70%	1.50%	8.10%	0	64,000	0	\$1.25	\$1.25	\$0.00
Central	142,868,841	2.70%	2.70%	4.90%	(655,495)	(766,321)	335,674	\$1.48	\$1.46	\$2.25
Conejo Valley	10,998,608	3.70%	2.40%	7.70%	(28,650)	3,648	363,362	\$1.10	\$0.92	\$1.65
Mid-Counties	68,161,101	1.10%	1.10%	0.00%	35,147	(342)	92,771	\$1.68	\$1.68	\$0.00
San Fernando Valley	48,071,310	2.10%	1.80%	4.30%	(277,072)	(66,063)	168,676	\$1.52	\$1.53	\$1.47
San Gabriel Valley	87,563,800	1.70%	1.60%	6.00%	(29,351)	(19,651)	1,148,210	\$1.19	\$1.19	\$0.00
Santa Clarita Valley	15,453,465	1.90%	2.10%	0.30%	(2,890)	504,960	319,479	\$1.21	\$1.21	\$0.00
South Bay	128,090,927	1.80%	1.50%	9.00%	566,297	255,409	1,917,886	\$1.77	\$1.77	\$1.49
Upper San Gabriel Valley	17,947,439	5.30%	5.60%	2.20%	134,752	138,302	0	\$1.95	\$1.95	\$0.00
Ventura	25,520,216	2.30%	1.70%	16.50%	(122,714)	1,856,354	0	\$1.08	\$1.08	\$0.00
Westside	7,154,646	6.60%	0.00%	18.40%	1,618	49,571	0	\$3.05	\$2.40	\$3.27
<b>Market Total</b>	<b>558,264,054</b>	<b>2.00%</b>	<b>1.80%</b>	<b>5.50%</b>	<b>(378,358)</b>	<b>2,019,867</b>	<b>4,346,058</b>	<b>\$1.50</b>	<b>\$1.45</b>	<b>\$1.92</b>

By Product Type	Inventory (sf)	Vacancy	3Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Warehouse / Distribution	533,624,788	1.80%	(230,652)	2,093,437	4,256,068	2,691,442
Flex	24,639,266	5.50%	(147,706)	(73,570)	90,000	558,840
<b>Market Total</b>	<b>558,264,054</b>	<b>2.00%</b>	<b>(378,358)</b>	<b>2,019,867</b>	<b>4,346,068</b>	<b>3,250,282</b>

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For more market insights  
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