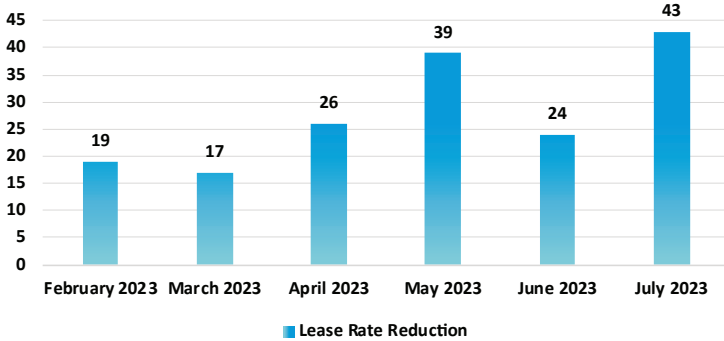
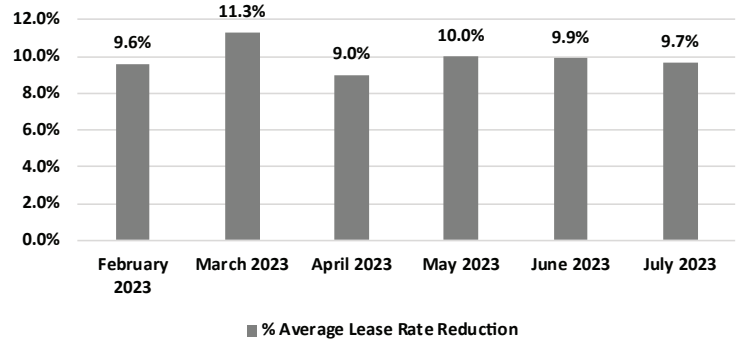


LOS ANGELES CENTRAL INDUSTRIAL LEASE RATE REDUCTION REPORT Q2 2023

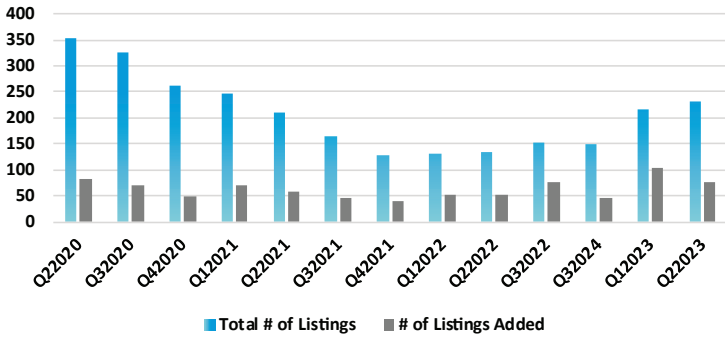
DIRECT LEASE # OF LISTINGS RATE REDUCTION



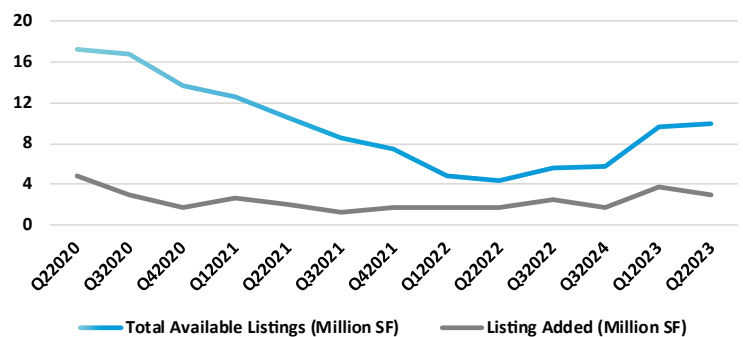
DIRECT LEASE AVERAGE REDUCTION FROM PREVIOUS RATE



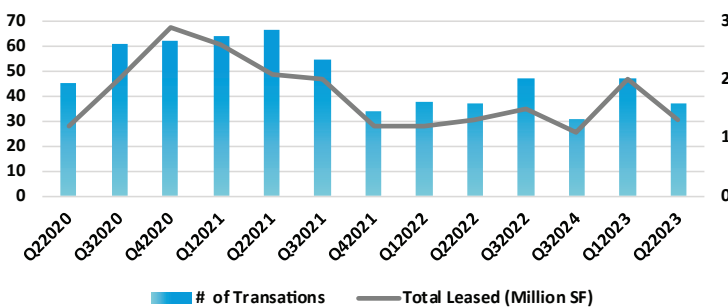
DIRECT LEASE TOTAL # OF LISTINGS VS # OF LISTINGS ADDED



DIRECT LEASE TOTAL AVAILABLE SF VS AVAILABLE SF ADDED (MILLION)



DIRECT LEASE # OF TRANSACTIONS VS TOTAL SF LEASED



The LA Central submarket ended the first half of 2023 with an average direct asking rate of \$1.61 NNN and a direct vacancy rate of 4.1%, indicating a slight increase from the previous quarter's 4.0%. During this quarter, 75 listings totaling 2.9 million SF were added, which is down from 104 listings in the last quarter but an increase from 51 listings in 2Q2022. The increase in sublease listings on the market has put pressure on landlords to reduce their expectations of direct asking rates, giving tenants a slight advantage because of lower sublease offerings. Almost every city in the LA Central submarket experienced a lease reduction, except for Montebello and Pico Rivera, with Central Los Angeles, Maywood and South Gate's rates remaining unchanged. The average lease rate reduction for 2Q2023 was 9.6%.

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