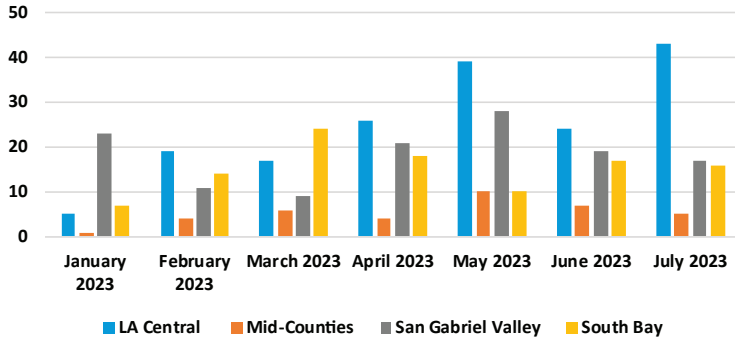
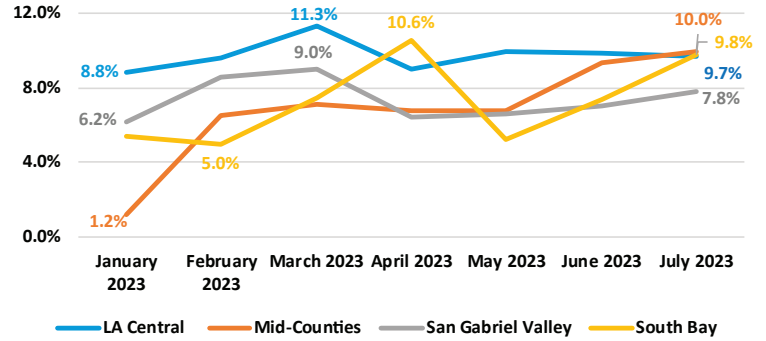


LOS ANGELES COUNTY INDUSTRIAL LEASE RATE REDUCTION REPORT Q2 2023

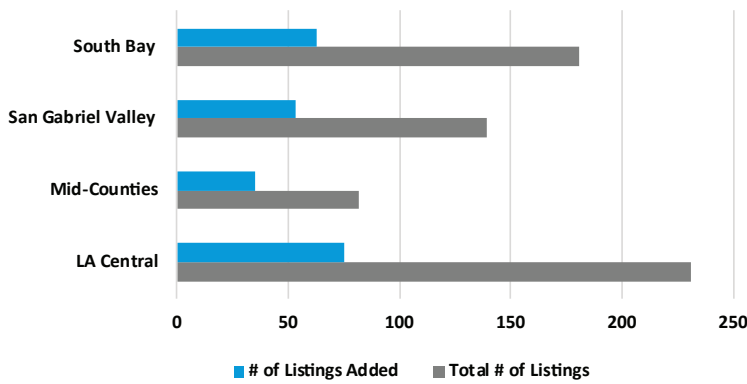
**DIRECT LEASE
OF LISTINGS RATE REDUCTION**



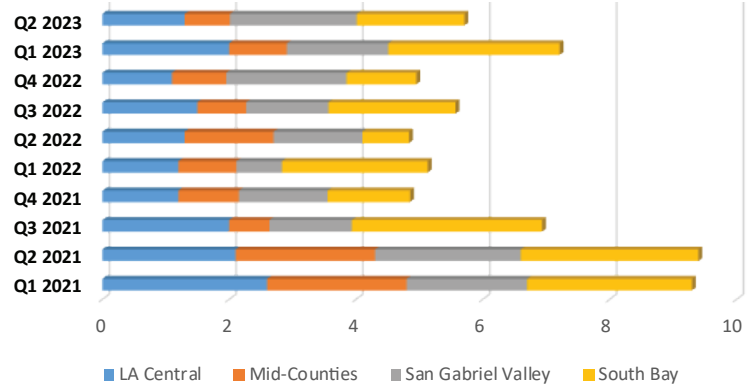
**DIRECT LEASE
AVERAGE REDUCTION FROM PREVIOUS RATE**



**DIRECT LEASE
OF LISTINGS ADDED VS TOTAL # OF LISTINGS**



**DIRECT LEASE
TOTAL LEASED (MILLIONS SF)**



At the end of 2Q2023, the average direct asking rate for the LA County market decreased slightly to \$1.69 NNN PSF from \$1.71 NNN PSF previously. There were approximately 223 direct lease rate reductions, averaging a 7.9% lower rate than the previous rates, resulting in nearly 60% more listing reductions compared to the first quarter of the year. The highest average lease rate reduction was in the LA Central submarket at 9.6%, and the lowest was in The San Gabriel Valley submarket at 7.7%, while the Mid-Counties and South Bay submarkets averaged 7.7% each. During the quarter, 226 direct listings were added to the availability, competing with 68 sublease listings, which averaged \$1.41 NNN. The San Gabriel Valley submarket had the highest number of direct lease transactions, totaling approximately 2 million SF, followed by the South Bay submarket at 1.7 million SF.

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