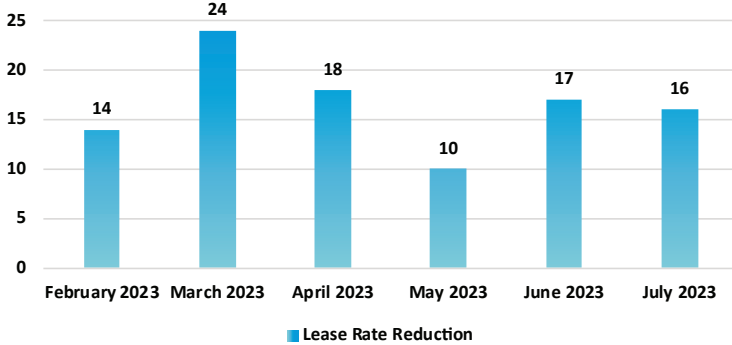
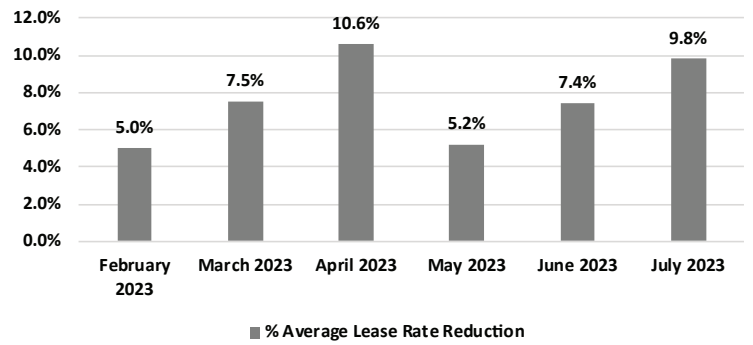


# SOUTH BAY INDUSTRIAL LEASE RATE REDUCTION REPORT Q2 2023

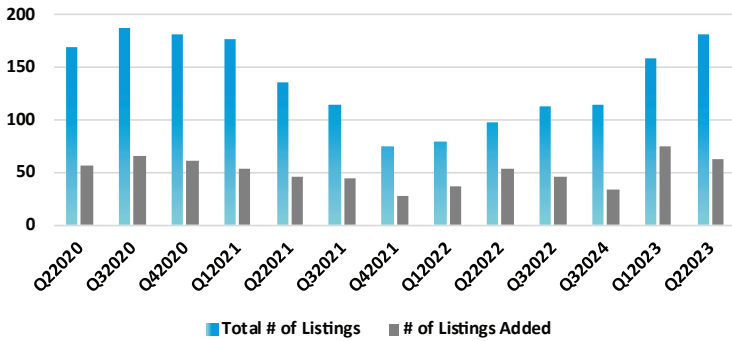
## DIRECT LEASE # OF LISTINGS RATE REDUCTION



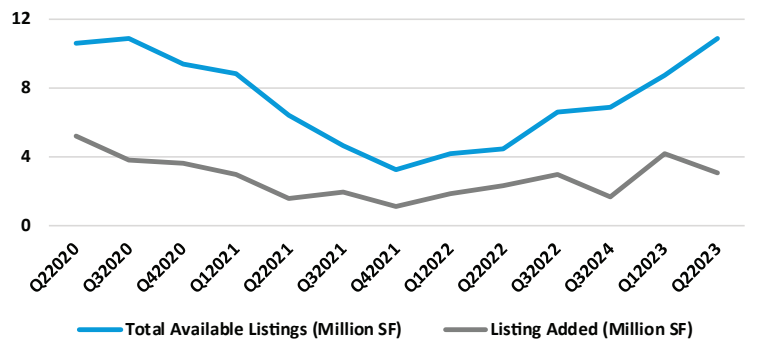
## DIRECT LEASE AVERAGE REDUCTION FROM PREVIOUS RATE



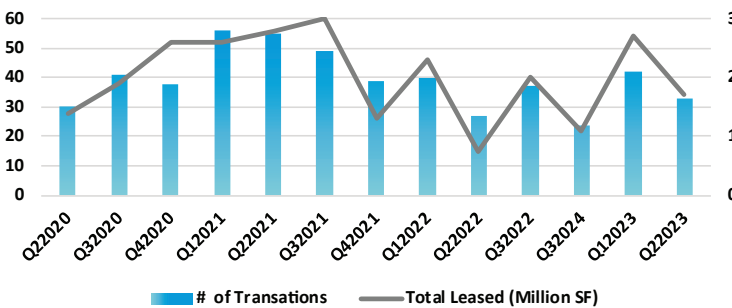
## DIRECT LEASE TOTAL # OF LISTINGS VS # OF LISTINGS ADDED



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



## DIRECT LEASE # OF TRANSACTIONS VS TOTAL SF LEASED



The South Bay submarket concluded the first half of 2023 with an average direct asking rate of \$1.81 NNN and a total vacancy of 4.0%, up from 3.0% in 1Q2023. Like other submarkets in the Greater Los Angeles area, the South Bay submarket also experienced an increase in sublease vacancy, which rose from 0.2% in 1Q2023 to 0.3% in 2Q2023, the smallest sublease increase among the submarkets. The overall South Bay average direct asking lease rate decreased from \$1.87 NNN in the last quarter. The average lease rate reduction for 2Q2023 was 7.7%.

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