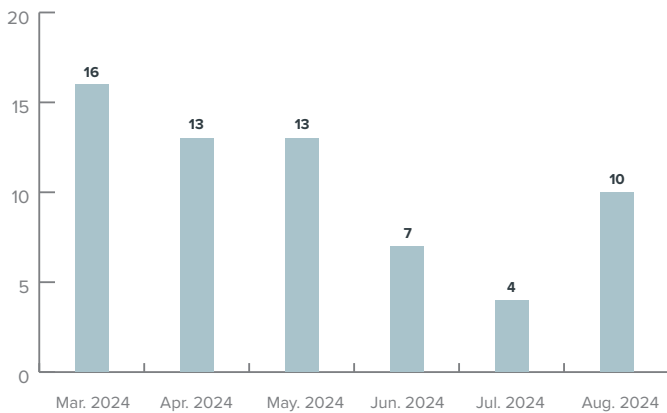


INSIGHT

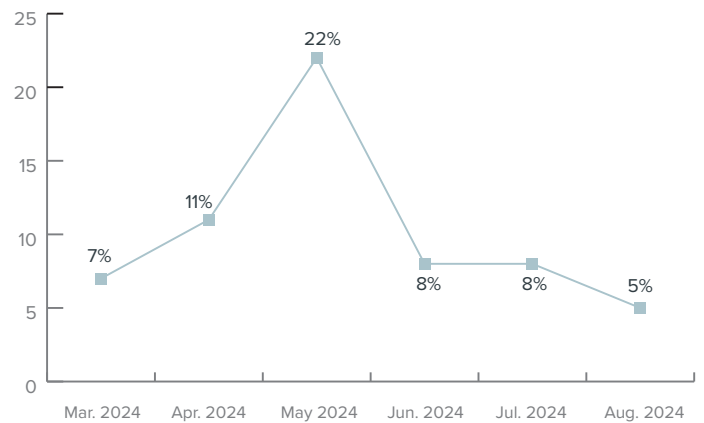
The uptick in rate reductions from 4 to 10 listings in August, while a significant increase, was limited in its effectiveness due to the modest 5% reduction. Historically, May's 22% reductions led to increased sales and leasing in June, indicating that substantial rate cuts are necessary to stimulate the market. August's smaller reductions, however, may not be impactful enough to drive new leasing momentum, especially after months of slow activity. This hesitation to reduce rates more significantly may stall lease absorption further.

Lease Rate Reduction

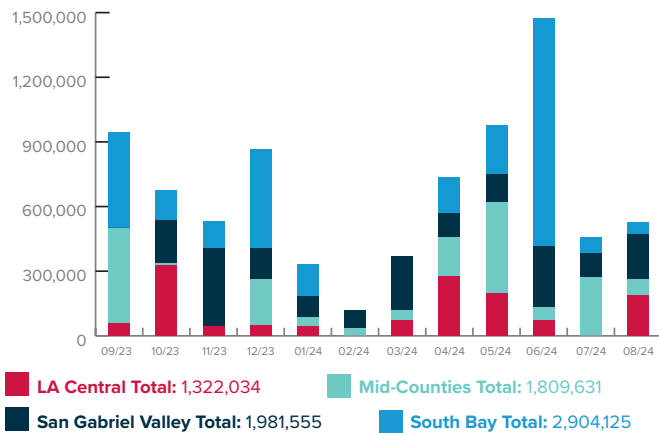
All Lease # of Listings Rate Reductions



All Lease Average Reduction From Previous Rate



Total Leased And Sold (SF)



LA Central Total: 1,322,034

Mid-Countries Total: 1,809,631

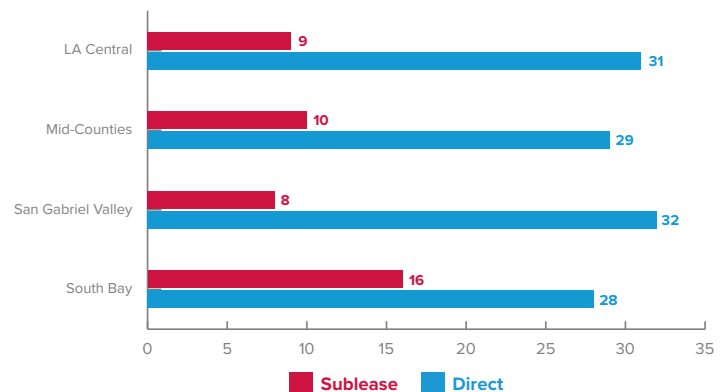
San Gabriel Valley Total: 1,981,555

South Bay Total: 2,904,125

Grand Total:

8,017,345

Total # of Listings



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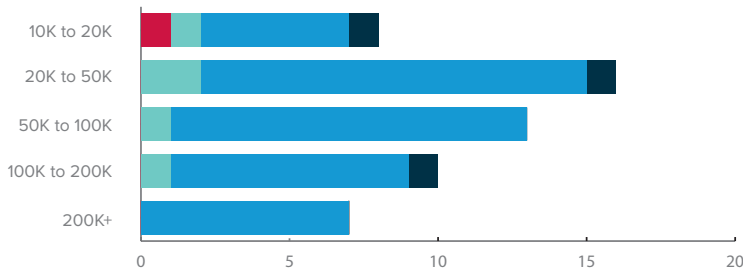
LOCAL EXPERTISE. INTERNATIONAL REACH. WORLD CLASS.

INSIGHT

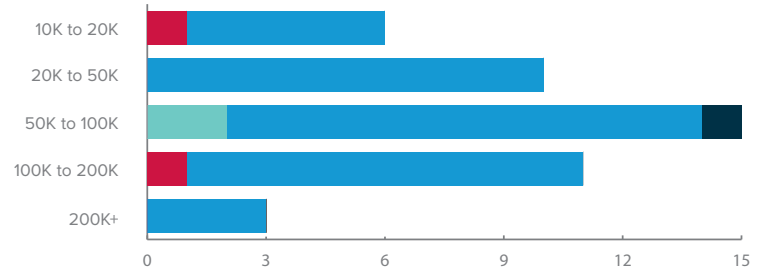
The market saw 17 new leases and subleases added, bringing total availability to 163, while only 10 leases were finalized. This creates a supply-demand imbalance, with availability outpacing demand by nearly two to one. The tension is most pronounced in Mid-Counties and South Bay, regions where leasing activity was minimal. This imbalance indicates that landlords in these areas might need to adjust pricing, improve terms, or offer incentives to attract potential tenants in a highly competitive market.

Lease Supply Demand Report

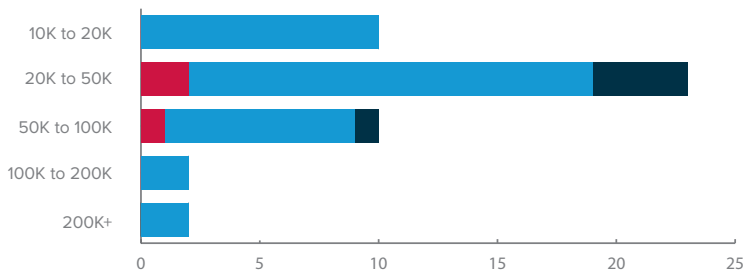
LA Central Lease Supply Demand (August 2024)



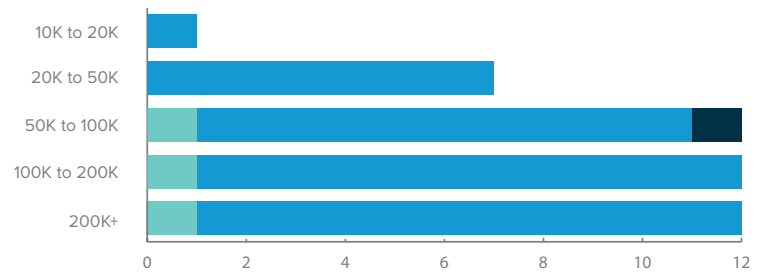
Mid-Counties Lease Supply Demand (August 2024)



San Gabriel Valley Lease Supply Demand (August 2024)



South Bay Lease Supply Demand (August 2024)



Grand Total:	Total Availables Added	Total Available Added Sublease	Total Availables	Total Comps This Month
	6	11	163	10

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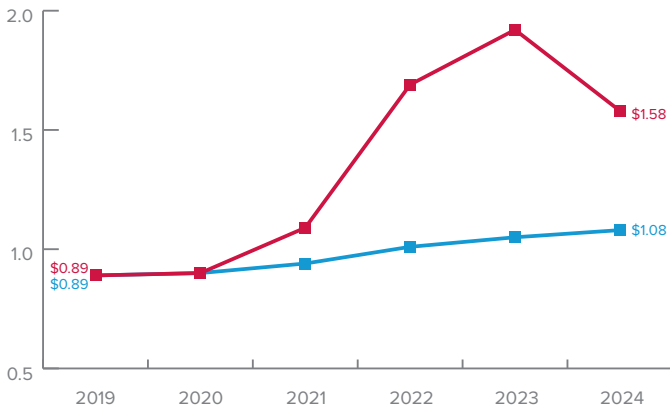
INSIGHT

NNN lease rates declined from 2023 to 2024, though not enough to reach inflation-adjusted equilibrium, potentially suggesting that current lease rates are too high for the market, contributing to suppressed demand. With no comparable gross lease rates recorded in August, volatility is further highlighted, as gross leases are often influenced by singular, high-variation property transactions. Without adjustments to reach equilibrium, landlords might continue to face demand stagnation, making further rate assessments or reductions critical for returning to a balanced market.

2019-2024 (August) Potential Lease Equilibrium

ALL MARKETS IN LOS ANGELES - NNN

Lease Comp Rate VS. Lease Comp Rate w/ Inflation

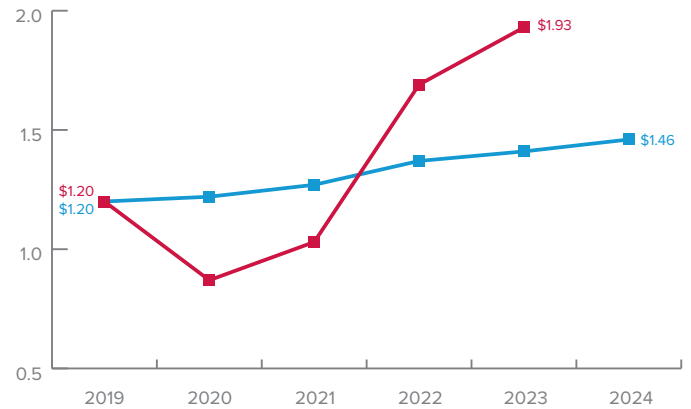


Year	Lease Comp Rate	Lease Comp Rate With Inflation	% Inflation
2019	\$0.89	\$0.89	
2020	\$0.90	\$0.90	2.0%
2021	\$1.09	\$0.94	4.0%
2022	\$1.69	\$1.01	7.6%
2023	\$1.92	\$1.05	3.3%
2024	\$1.58	\$1.08	3.2%

■ Lease Comp Rate ■ Lease Comp Rate w/ Inflation

ALL MARKETS IN LOS ANGELES - GRS

Lease Comp Rate VS. Lease Comp Rate w/ Inflation



Year	Lease Comp Rate	Lease Comp Rate With Inflation	% Inflation
2019	\$1.20	\$1.20	
2020	\$0.87	\$1.22	2.0%
2021	\$1.03	\$1.27	4.0%
2022	\$1.69	\$1.37	7.6%
2023	\$1.93	\$1.41	3.3%
2024	\$1.46	\$1.46	3.2%

■ Lease Comp Rate ■ Lease Comp Rate w/ Inflation

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INSIGHT

Los Angeles sublease listings stand at 43, with the majority concentrated in LA Central. Although the average sublease rate rose from \$1.38 to \$1.45 from Q2 to Q3 2024, it remains well below the \$1.80+ levels seen from Q3 2023 to Q1 2024. This lower rate suggests that sublease demand has softened, or landlords are adjusting prices downward to attract tenants.

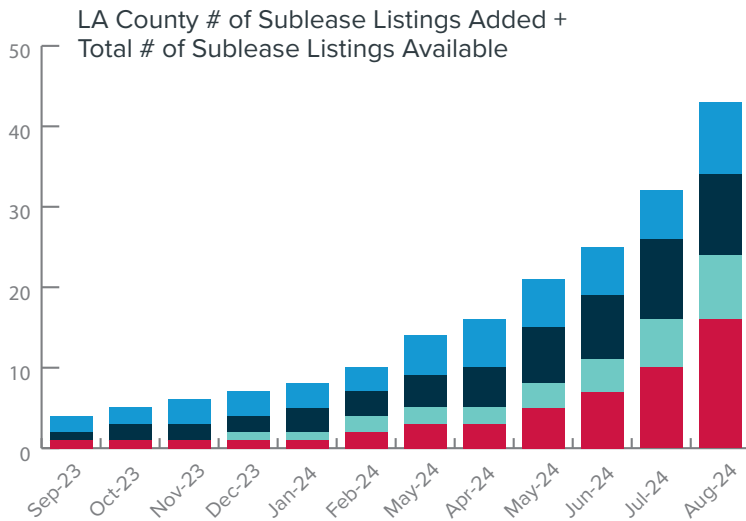
Sublease Report

Sublease Vacancy

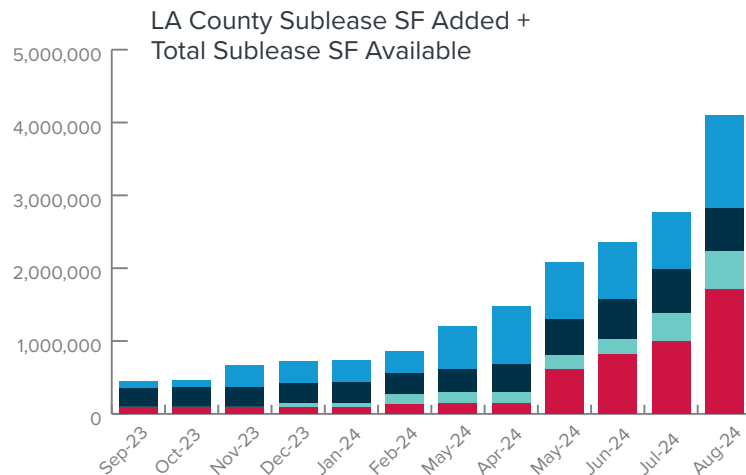
Q3 2024 (QTD)	8.0%
Q3 2023	1.9%

Sublease Asking Rate (NNN)

Q3 2024 (QTD)	\$1.45
Q3 2023	\$1.81

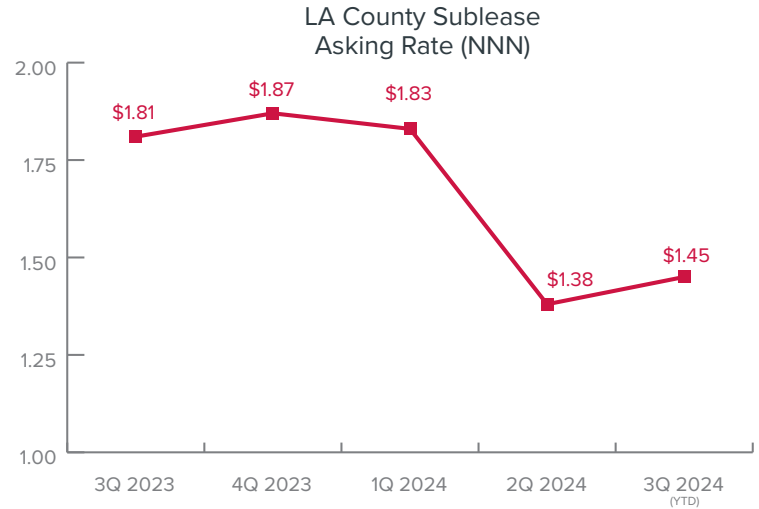
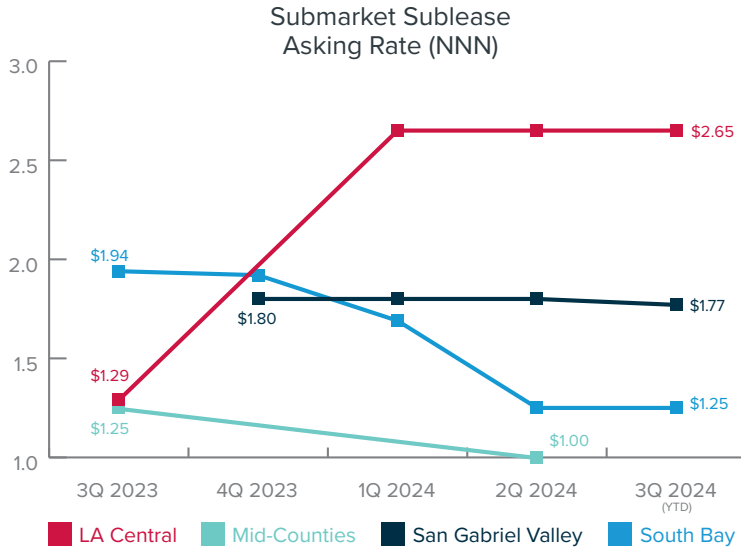


Period	LA Central	Mid-Counties	SGV	South Bay	LA County
Sept-23	1		1	2	4
Oct-23			1		1
Nov-23				1	1
Dec-23		1			1
Jan-24			1		1
Feb-24	1	1			2
Mar-24	1		1	2	4
Apr-24			1	1	2
May-24	2	1	2		5
June-24	2	1	1		4
July-24	3	2	2		7
Aug-24	6	2		3	11
Total	16	8	10	9	43

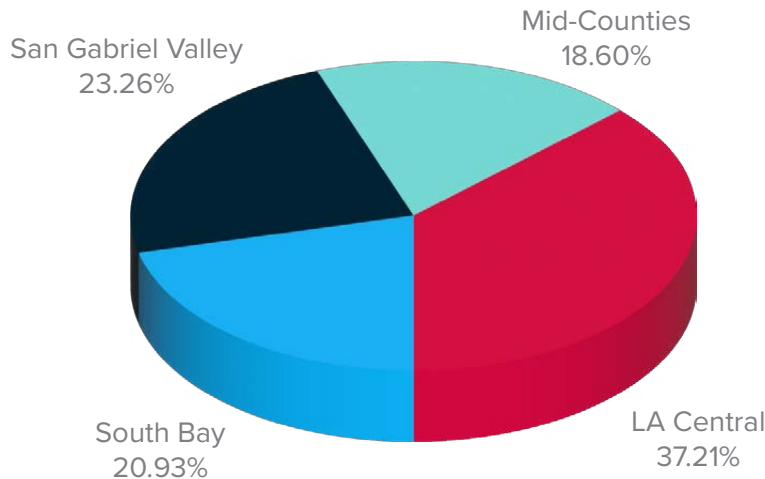


Period	LA Central	Mid-Counties	SGV	South Bay	LA County
Sept-23	94,769		250,000	99,260	444,029
Oct-23			16,320		16,320
Nov-23				206,055	206,055
Dec-23		54,000			54,000
Jan-24			11,400		11,400
Feb-24	35,300	89,499			124,799
Mar-24	19,989		46,064	280,184	346,237
Apr-24			66,939	201,027	267,966
May-24	460,120	53,995	100,201		614,316
June-24	201,528	17,000	49,535		268,063
July-24	182,849	177,281	50,677		410,807
Aug-24	712,018	130,124		497,583	1,339,725
Total	1,706,573	521,899	591,136	1,284,109	4,103,717

Sublease Report



% Sublease Availability



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