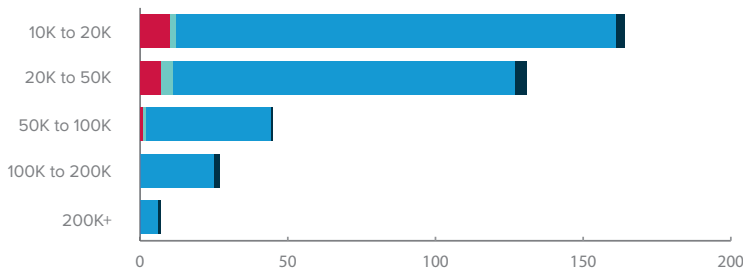


INSIGHT

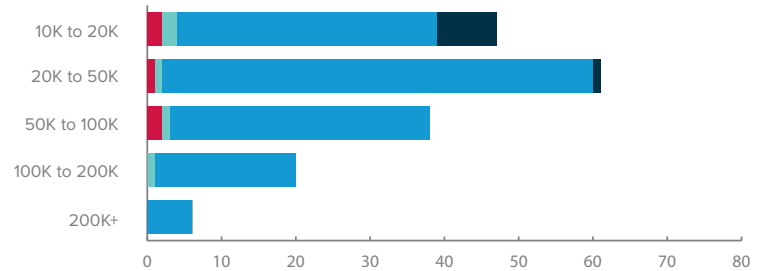
In December, **81 new availabilities** entered the market, while only **49 comparable transactions** were recorded during the same period. While **Mid-Counties** and **San Gabriel Valley** maintained a near equilibrium between supply and demand, **LA Central** and **South Bay** saw a significant imbalance, with far more availabilities added than comps. Despite all regions experiencing a persistent oversupply, **LA Central** and **South Bay** stand out with over **250 active availabilities** and a widening gap between new listings and completed transactions. To stimulate movement and correct this growing mismatch, landlords in these regions may need to adjust lease rates to better align with market demand.

Lease Supply Demand Report

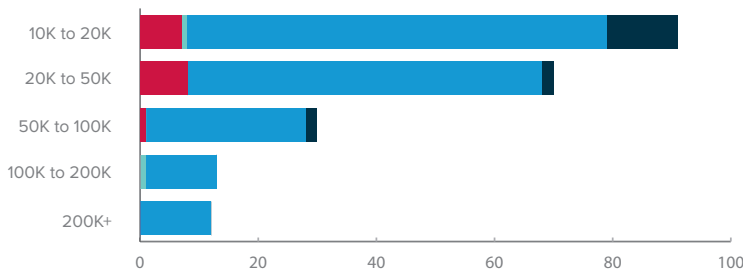
LA Central Lease Supply Demand (December 2024)



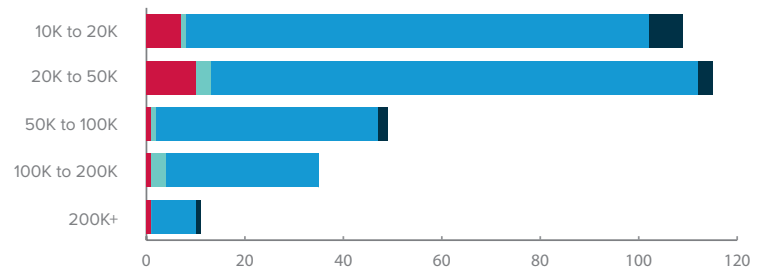
Mid-Counties Lease Supply Demand (December 2024)



San Gabriel Valley Lease Supply Demand (December 2024)



South Bay Lease Supply Demand (December 2024)



Grand Total:	Total Availables Added	Total Available Added Sublease	Total Availables	Total Comps This Month
	59	22	951	49

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INSIGHT

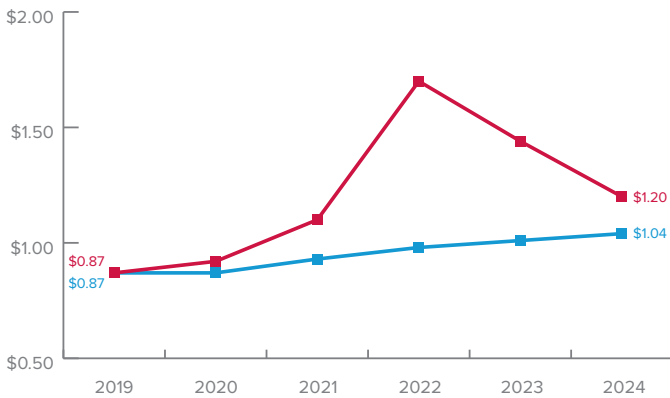
While **NNN lease rates** have steadily declined year over year since 2022—dropping 17% in the past year alone—they remain above equilibrium, requiring an additional 13% reduction to align with market balance.

In contrast, **GRS lease rates** saw an unexpected **6.5% increase** over the last year and now require a **32.7%** decrease to reach equilibrium. With rates still misaligned with market demand, landlords may need to consider further reductions to stimulate leasing activity and improve movement in the market.

2019-2024 (December) Potential Lease Equilibrium

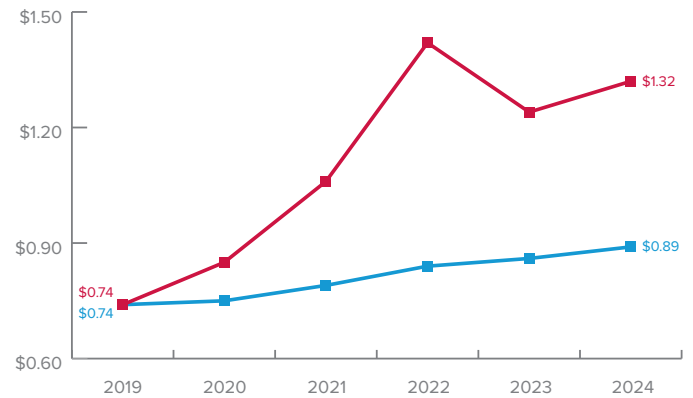
ALL MARKETS IN LOS ANGELES - NNN

Lease Comp Rate VS. 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	\$0.87	\$0.87	
2020	\$0.92	\$0.87	1.0%
2021	\$1.10	\$0.93	6.0%
2022	\$1.70	\$0.98	6.0%
2023	\$1.44	\$1.01	2.8%
2024	\$1.20	\$1.04	3.2%

Year	Lease Comp Rate	Lease Comp Rate With Inflation	% Inflation
2019	\$0.74	\$0.74	
2020	\$0.85	\$0.75	1.0%
2021	\$1.06	\$0.79	6.0%
2022	\$1.42	\$0.84	6.0%
2023	\$1.24	\$0.86	2.8%
2024	\$1.32	\$0.89	3.2%

■ Lease Comp Rate ■ Lease Comp Rate w/ Inflation

■ Lease Comp Rate ■ Lease Comp Rate w/ Inflation

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INSIGHT

Over the past year, **lease rates declined from \$1.30 to \$1.27**, yet **vacancy nearly doubled**, rising from **3.9% to 8.5%**. Currently, there are **161 available subleases**, compared to just **85 completed transactions** in the past year, with **86 new availabilities added in the last six months alone**.

Rates steadily increased quarter-over-quarter from **Q4 2023** until a **sharp 10% drop in Q4 2024**. This adjustment may need to continue to improve occupancy and encourage more leasing activity.

Notably, **Mid-Countries saw a significant 28% increase in asking rates from Q2 to Q4 2024**, despite the growing supply-demand imbalance and rising vacancy. Given these market conditions, landlords may need to **reassess pricing strategies** to better align with demand and drive movement in the market.

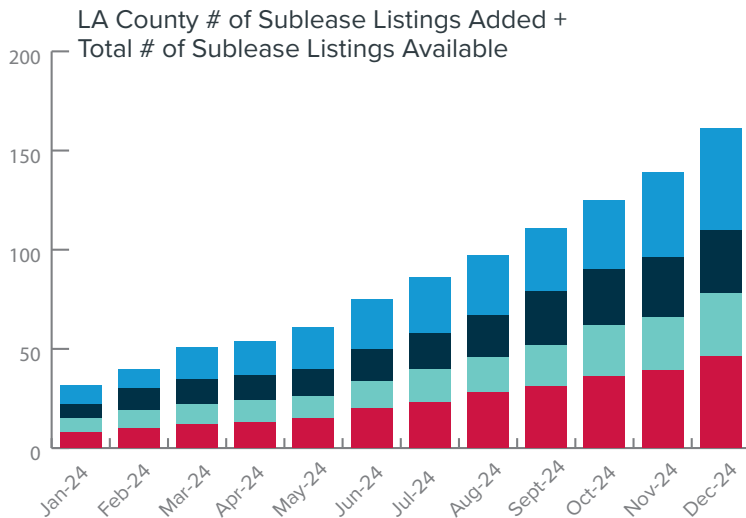
Sublease Report

Sublease Vacancy

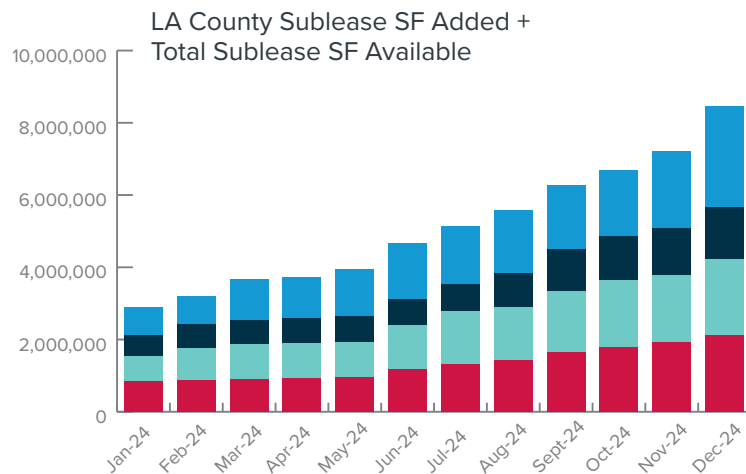
Q4 2024 (QTD)	8.5%
Q4 2023	3.9%

Sublease Asking Rate (NNN)

Q4 2024 (QTD)	\$1.27
Q4 2023	\$1.30



Period	LA Central	Mid-Countries	SGV	South Bay	LA County
Jan-24	8	7	7	10	32
Feb-24	2	2	4	0	8
Mar-24	2	1	2	6	11
Apr-24	1	1	0	1	3
May-24	2	0	1	4	7
June-24	5	3	2	4	14
July-24	3	3	2	3	11
Aug-24	5	1	3	2	11
Sept-24	3	3	6	2	14
Oct-24	5	5	1	3	14
Nov-24	3	1	2	8	14
Dec-24	7	5	2	8	22
Total	46	32	32	51	161



Period	LA Central	Mid-Countries	SGV	South Bay	LA County
Jan-24	832,559	712,846	555,824	798,541	2,899,770
Feb-24	43,290	163,859	108,308	-	315,457
Mar-24	28,912	72,079	24,710	326,693	452,394
Apr-24	30,000	10,500	-	16,427	56,927
May-24	32,230	-	16,948	176,086	225,264
June-24	220,410	242,270	22,000	232,496	717,176
July-24	136,106	250,384	41,427	55,212	483,129
Aug-24	90,494	19,967	190,306	111,945	412,712
Sept-24	219,743	226,582	215,617	34,699	696,641
Oct-24	142,880	170,999	26,980	92,885	433,744
Nov-24	136,049	12,000	92,000	266,005	506,054
Dec-24	209,717	220,821	153,200	672,384	1,256,122
Total:	2,122,390	2,102,307	1,447,320	2,783,373	8,455,390

Total Number of Sublease Listings Added + Total Number of Sublease Listings Available

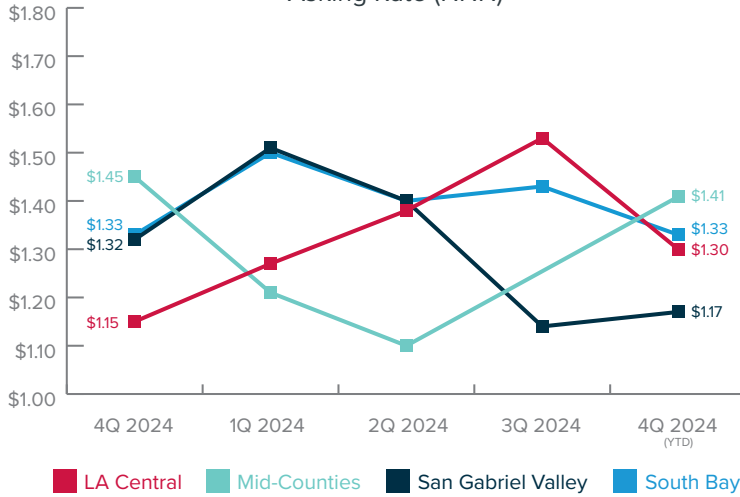
161

Total Comps

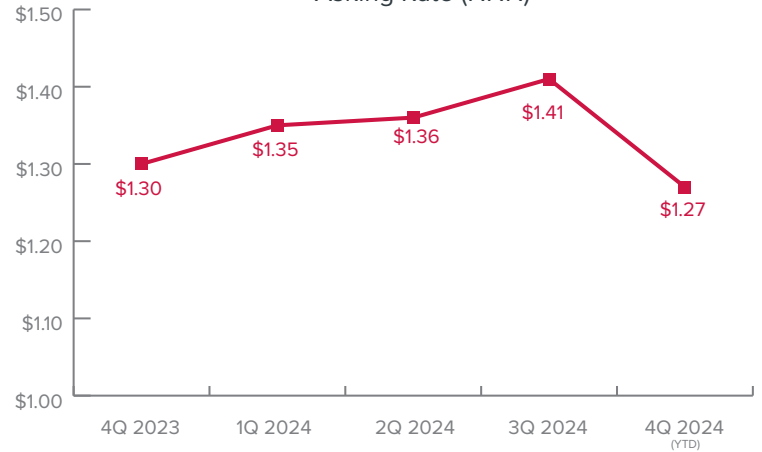
85

Sublease Report

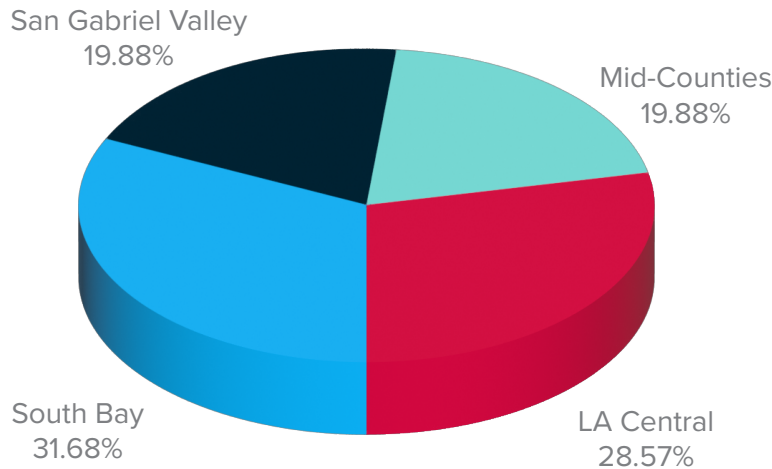
Submarket Sublease
Asking Rate (NNN)



LA County Sublease
Asking Rate (NNN)



% Sublease Availability



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