

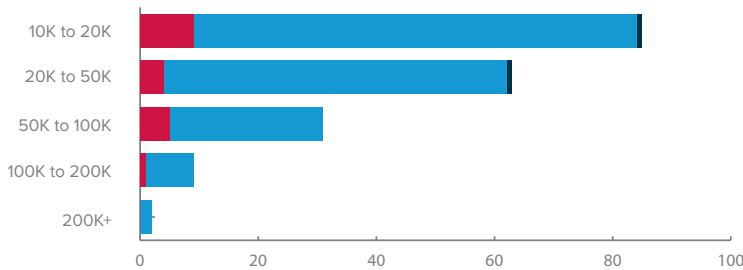
May | 2025

INSIGHT

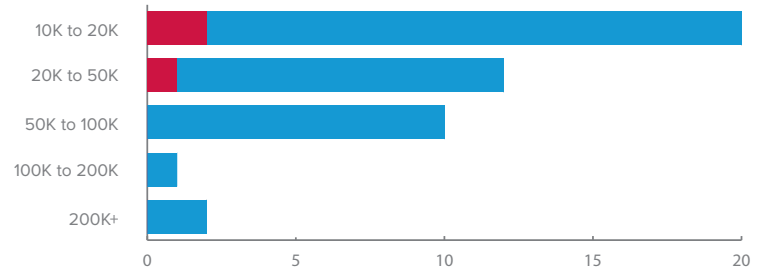
Sales activity across Los Angeles County for Class B and C properties remained subdued in May, with 2.8x more listings added than properties sold. The LA Central submarket, which represents 43% of all active listings, experienced a notable imbalance—19 new listings were added, yet only 4 properties sold, indicating an excess of listings compared to sales. The Mid-Counties submarket showed slow sales, adding 3 new listings with no sales recorded during the month. This ongoing mismatch between supply and demand underscores a challenging sales environment, where increased inventory is not translating into buyer engagement leading Sellers to reconsider pricing strategies to attract Buyers.

Sale Supply Demand Report

LA Central Sale Supply Demand (May 2025)



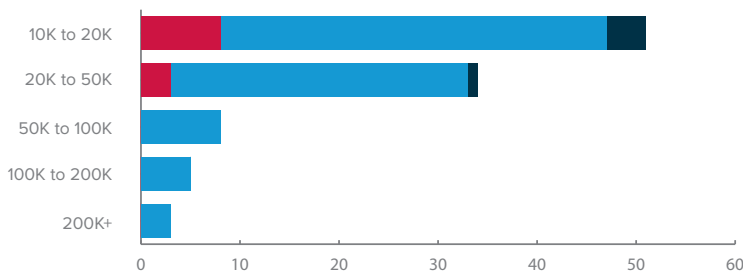
Mid-Counties Sale Supply Demand (May 2025)



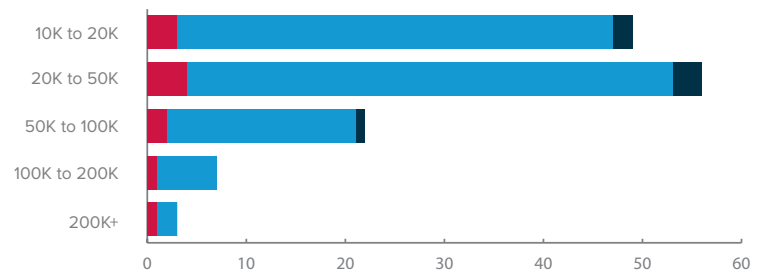
SF	Availables Added Sales	Total Availables Sales	Total Comps This Month - Sold
10K to 20K	9	75	1
20K to 50K	4	58	1
50K to 100K	5	25	1
100K to 200K	1	8	0
200K+	0	1	1

SF	Availables Added Sales	Total Availables Sales	Total Comps This Month - Sold
10K to 20K	2	18	0
20K to 50K	1	11	0
50K to 100K	0	10	0
100K to 200K	0	1	0
200K+	0	2	0

San Gabriel Valley Sale Supply Demand (May 2025)



South Bay Sale Supply Demand (May 2025)



SF	Availables Added Sales	Total Availables Sales	Total Comps This Month - Sold
10K to 20K	8	39	4
20K to 50K	3	30	1
50K to 100K	0	8	0
100K to 200K	0	5	0
200K+	0	2	1

SF	Availables Added Sales	Total Availables Sales	Total Comps This Month - Sold
10K to 20K	3	44	2
20K to 50K	4	49	3
50K to 100K	2	19	1
100K to 200K	1	6	0
200K+	1	2	0

Grand Total:	Availables Added - Sales	Total Availables - Sales	Total Comps This Month - Sold
	44	413	16

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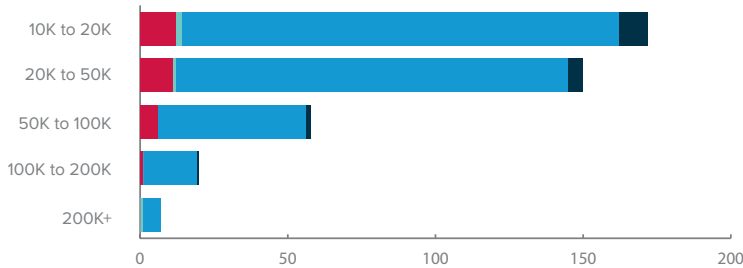
INSIGHT

The Industrial leasing market continues to favor tenants. LA Central saw slow tenant activity, with 2.1x more listings added than properties leased. Mid-Counties showed more direct leasing activity, with 8 listings added and 6 properties leased, but its sublease market struggled, with 4 new listings added and no subleases recorded. In contrast, the San Gabriel Valley sublease market was more balanced with a 1:1 supply-to-demand ratio, but direct leasing activity was slower with 19 listings added and 10 properties leased.

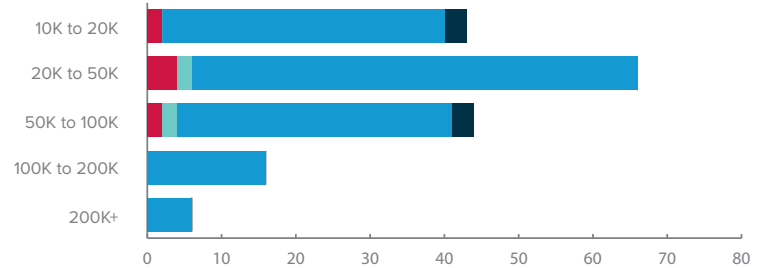
The South Bay submarket exhibited the slowest leasing activity with 4.5x more listings added than properties leased. Accounting for 30% of all available listings, South Bay faces a particularly challenging market, with minimal tenant interest and an oversupply of inventory. Landlords in this submarket should be prepared to make price adjustments to remain competitive and attract tenants in a market showing little traction. With 103 listings added this month and 44 properties leased, tenants hold the advantage as supply remains abundant and demand remains slow.

Lease Supply Demand Report

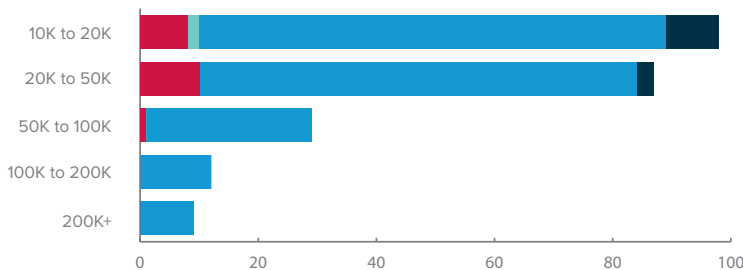
LA Central Lease Supply Demand (May 2025)



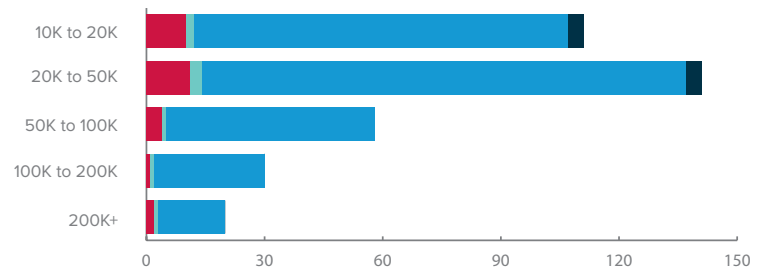
Mid-Counties Lease Supply Demand (May 2025)



San Gabriel Valley Lease Supply Demand (May 2025)



South Bay Lease Supply Demand (May 2025)



SF	Availables Added Direct	Availables Added Sublease	Total Availables	Total Comps This Month
10K to 20K	8	2	79	9
20K to 50K	10	0	74	3
50K to 100K	1	0	28	0
100K to 200K	0	0	12	0
200K+	0	0	9	0

SF	Availables Added Direct	Availables Added Sublease	Total Availables	Total Comps This Month
10K to 20K	10	2	95	4
20K to 50K	11	3	123	4
50K to 100K	4	1	53	0
100K to 200K	1	1	28	0
200K+	2	1	17	0

Grand Total:	Direct Availables Added	Total Available Added Sublease	Total Availables	Total Comps This Month
	85	18	1030	44

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INSIGHT

The sublease market for Class B and C properties has experienced significant softening over the past year. Vacancy rates more than doubled, rising from 3.4% in Q2 2024 to 8.3% in Q2 2025. Despite this, average rental rates saw a marginal increase from \$1.25 to \$1.28 per square foot (psf), largely driven by a surge in smaller building listings—68 of the 85 new listings this month are under 50,000 square feet, a category that commands a higher average psf rate.

Regional performance varied significantly. LA Central experienced the steepest decline in sublease listing rates, dropping 24% from \$1.91 to \$1.45 psf, signaling landlords' willingness to reduce rates to attract tenants amid sluggish demand, as reflected in a 4:2 supply-to-demand ratio. Conversely, San Gabriel saw a 23% increase in rates, suggesting stronger pricing power in that submarket reflected in its 1:1 supply-to-demand ratio, signaling a healthy demand. With 184 active sublease listings compared to just 78 comparable leases, the market remains tenant-favorable. This oversupply continues to pressure landlords to adopt more aggressive pricing and marketing strategies to drive occupancy.

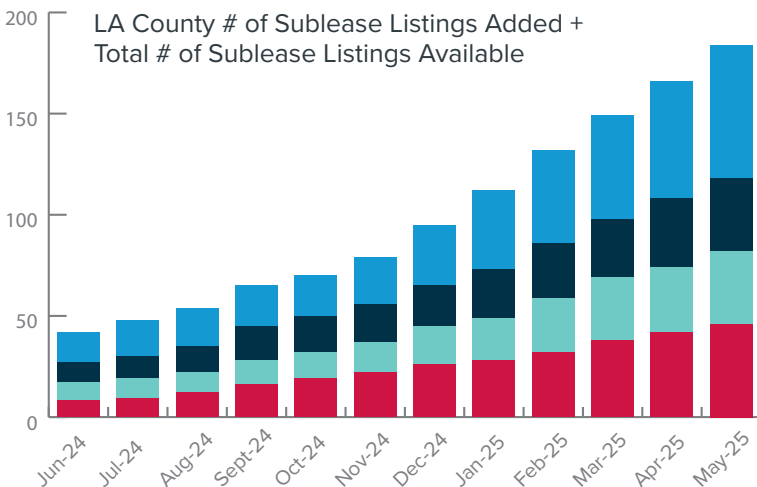
Sublease Report

Sublease Vacancy (NNN)

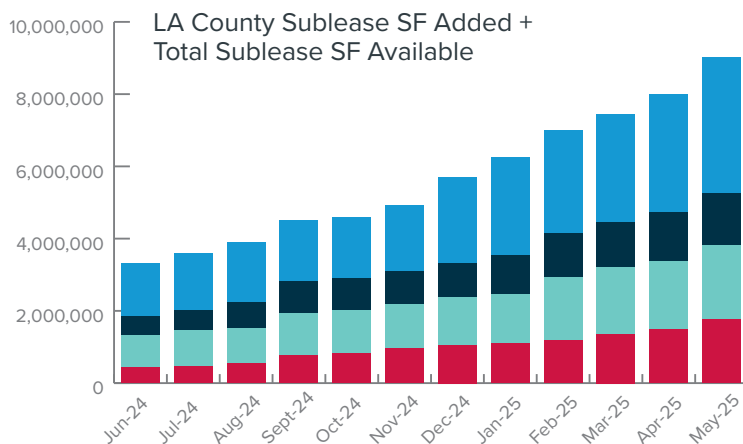
Q2 2025 (QTD)	8.3%
Q2 2024	3.4%

Sublease Asking Rate (NNN)

Q2 2025 (QTD)	\$1.28
Q2 2024	\$1.25



Period	LA Central	Mid-Counties	SGV	South Bay	LA County
June-24	8	9	10	15	42
July-24	1	1	1	3	6
Aug-24	3	0	2	1	6
Sept-24	4	2	4	1	11
Oct-24	3	1	1	0	5
Nov-24	3	2	1	3	9
Dec-24	4	4	1	7	16
Jan-25	2	2	4	9	17
Feb-25	4	6	3	7	20
Mar-25	6	4	2	5	17
Apr-25	4	1	5	7	17
May-25	4	4	2	8	18
Total	46	36	36	66	184



Period	LA Central	Mid-Counties	SGV	South Bay	LA County
June-24	435,622	882,536	531,346	1,472,905	3,322,409
July-24	34,000	106,384	31,427	96,684	268,495
Aug-24	63,143	-	152,034	98,985	314,162
Sept-24	231,754	181,251	169,178	19,119	601,302
Oct-24	59,673	13,879	26,980	-	100,532
Nov-24	136,049	30,560	20,000	131,370	317,979
Dec-24	95,451	99,537	13,200	574,977	783,165
Jan-25	46,301	40,000	153,645	318,606	558,552
Feb-25	87,320	386,766	118,150	134,058	726,294
Mar-25	168,600	110,271	22,320	160,214	461,405
Apr-25	126,503	31,680	138,728	244,121	541,032
May-25	277,400	188,512	35,495	529,876	1,031,283
Total:	1,761,816	2,071,376	1,412,503	3,780,915	9,026,610

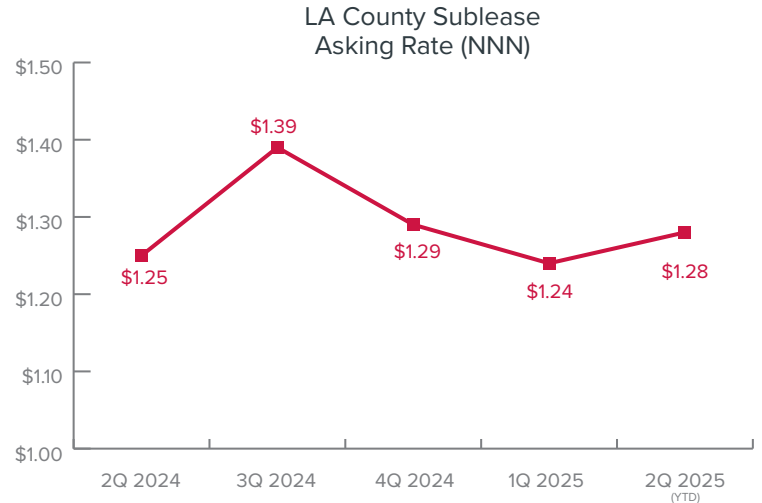
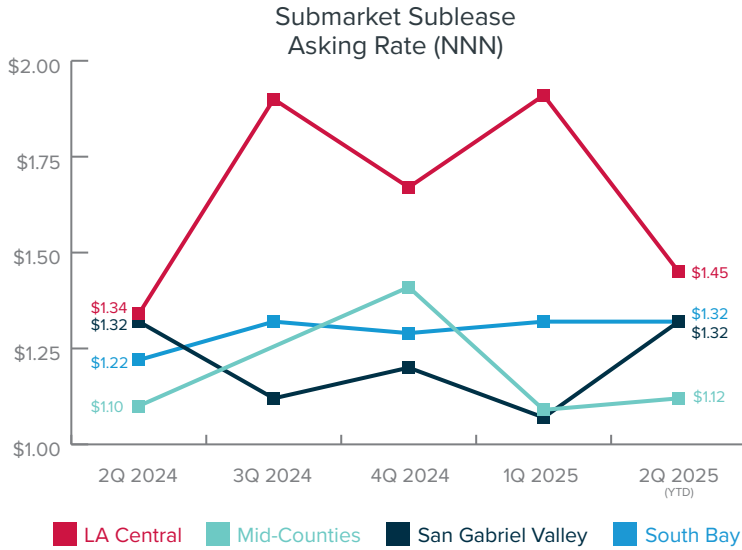
Total Number of Sublease Listings Added + Total Number of Sublease Listings Available:

184

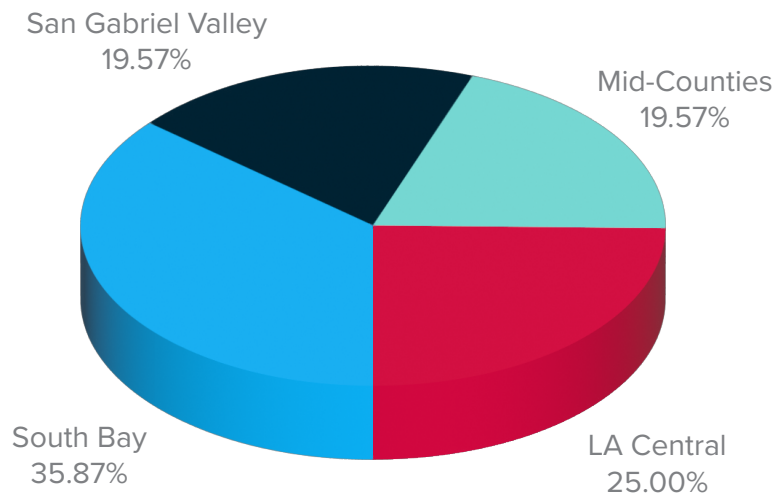
Total Comps

78

Sublease Report



% Sublease Availability



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