Los Angeles County Industrial
CONSOLIDATED MARKET REPORT
▶ Class B and C Buildings

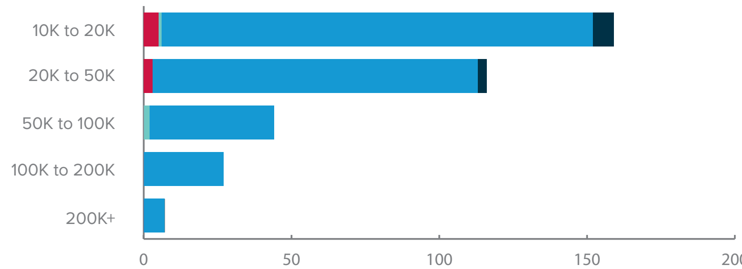
November | 2024

INSIGHT

In November, 48 new properties were added to the market, compared to just 35 comparable transactions. The LA Central, Mid-Counties, and San Gabriel Valley regions experienced a relatively balanced supply and demand. However, the South Bay saw an oversupply of available properties, coupled with a limited number of transactions. This suggests that while some markets may have reached an equilibrium between supply and demand, landlords in the South Bay may need to adjust pricing in order to move the excess inventory.

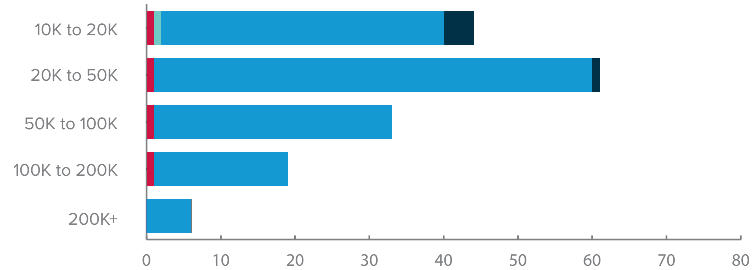
Lease Supply Demand Report

LA Central Lease Supply Demand (November 2024)



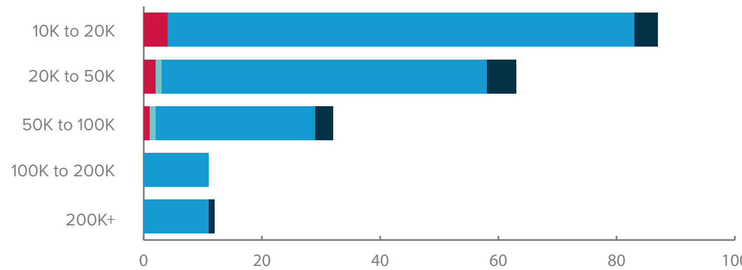
SF	Availables Added Direct	Availables Added Sublease	Total Availables	Total Comps This Month
10K to 20K	5	1	146	7
20K to 50K	3	0	110	3
50K to 100K	0	2	42	0
100K to 200K	0	0	27	0
200K+	0	0	7	0

Mid-Counties Lease Supply Demand (November 2024)



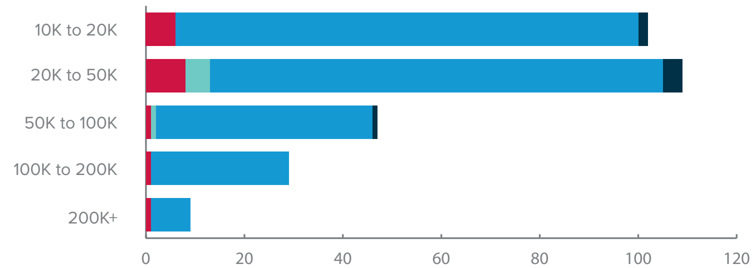
SF	Availables Added Direct	Availables Added Sublease	Total Availables	Total Comps This Month
10K to 20K	1	1	38	4
20K to 50K	1	0	59	1
50K to 100K	1	0	32	0
100K to 200K	1	0	18	0
200K+	0	0	6	0

San Gabriel Valley Lease Supply Demand (November 2024)



SF	Availables Added Direct	Availables Added Sublease	Total Availables	Total Comps This Month
10K to 20K	4	0	79	4
20K to 50K	2	1	55	5
50K to 100K	1	1	27	3
100K to 200K	0	0	11	0
200K+	0	0	11	1

South Bay Lease Supply Demand (November 2024)



SF	Availables Added Direct	Availables Added Sublease	Total Availables	Total Comps This Month
10K to 20K	6	0	94	2
20K to 50K	8	5	92	4
50K to 100K	1	1	44	1
100K to 200K	1	0	28	0
200K+	1	0	8	0

Grand Total:	Total Availables Added	Total Available Added Sublease	Total Availables	Total Comps This Month
	36	12	934	35

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LEE & ASSOCIATES
LOS ANGELES - DOWNTOWN

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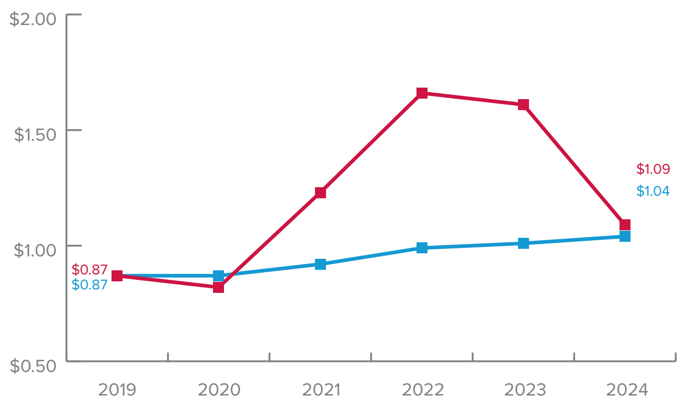
INSIGHT

Both NNN and GRS lease rates have significantly dropped, with NNN leases now approaching equilibrium. This suggests that lease rates are finally stabilizing after several years of unusually high rates. As a result, tenants may be better positioned to secure more favorable terms, while landlords may need to continue to adjust expectations to stay competitive in the current market. This shift could also indicate a broader trend towards market normalization, potentially leading to more balanced negotiations going forward.

2019-2024 (November) Potential Lease Equilibrium

ALL MARKETS IN LOS ANGELES - NNN

Lease Comp Rate VS. Lease Comp Rate w/ Inflation

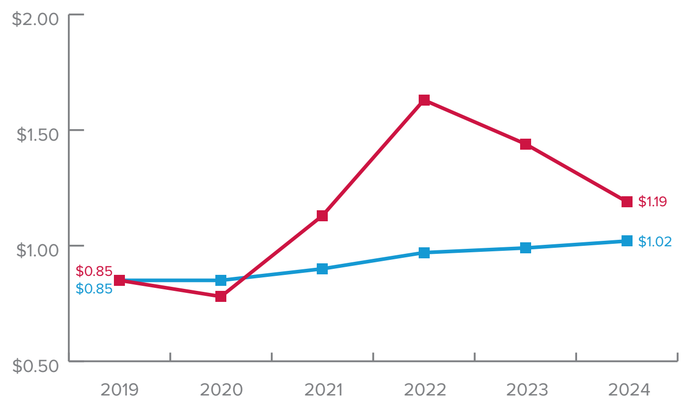


Year	Lease Comp Rate	Lease Comp Rate With Inflation	% Inflation
2019	$0.87	$0.87	
2020	$0.82	$0.87	0.7%
2021	$1.23	$0.92	5.4%
2022	$1.66	$0.99	7.5%
2023	$1.61	$1.01	2.4%
2024	$1.09	$1.04	3.0%

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	$0.85	$0.85	
2020	$0.78	$0.85	0.7%
2021	$1.13	$0.90	5.4%
2022	$1.63	$0.97	7.5%
2023	$1.44	$0.99	2.4%
2024	$1.19	$1.02	3.0%

Lease Comp Rate   Lease Comp Rate w/ Inflation

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LEE & ASSOCIATES
LOS ANGELES - DOWNTOWN

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INSIGHT

Sublease vacancy has risen to 8.1%, up from 4.1% this time last year. During the same period, sublease asking rates have seen a modest decline. Currently, there are 149 available subleases, but only 83 comparable transactions over the past 12 months, pointing to an oversupply in the market. After several quarters of gradual increases, asking rates peaked at $1.41 before recently dropping. This suggests that landlords may need to implement additional price reductions to address the growing vacancy and better align supply with demand. If the current trend persists, further downward adjustments could be necessary to stimulate leasing activity and reduce inventory.

Sublease Report

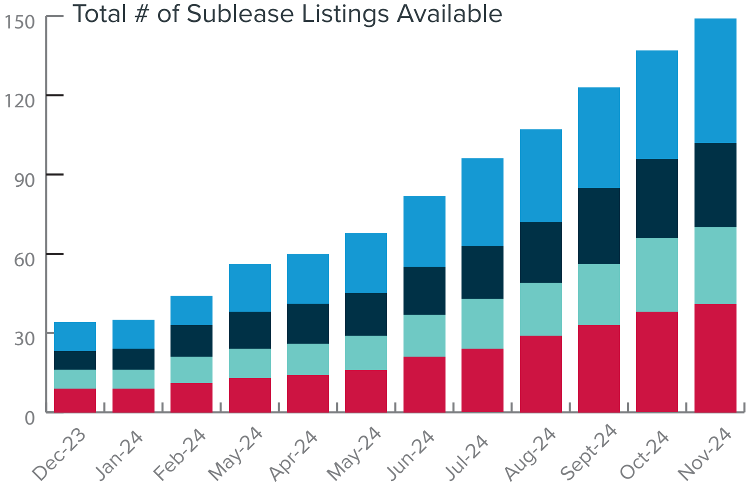
Sublease Vacancy

Q4 2024 (QTD)	8.1%
Q4 2023	4.1%

Sublease Asking Rate (NNN)

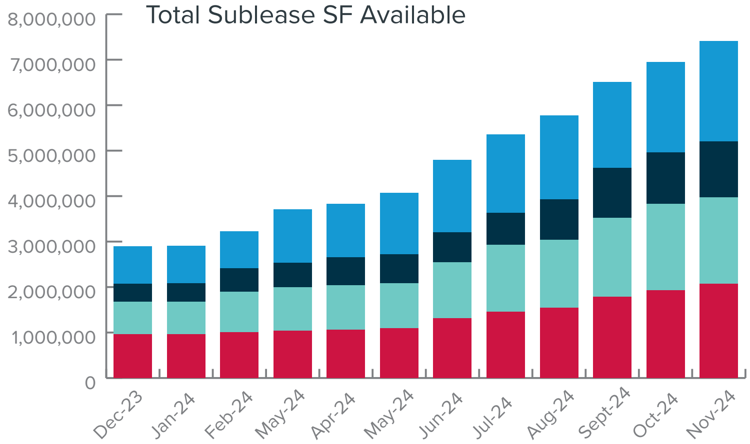
Q4 2024 (QTD)	$1.27
Q4 2023	$1.30

LA County # of Sublease Listings Added + Total # of Sublease Listings Available



Period	LA Central	Mid-Counties	SGV	South Bay	LA County
Dec-23	9	7	7	11	34
Jan-24	0	0	1	0	1
Feb-24	2	3	4	0	9
Mar-24	2	1	2	7	12
Apr-24	1	1	1	1	4
May-24	2	1	1	4	8
June-24	5	3	2	4	14
July-24	3	3	2	6	14
Aug-24	5	1	3	2	11
Sept-24	4	3	6	3	16
Oct-24	5	5	1	3	14
Nov-24	3	1	2	6	12
Total	**41**	**29**	**32**	**47**	**149**

LA County Sublease SF Added + Total Sublease SF Available



Period	LA Central	Mid-Counties	SGV	South Bay	LA County
Dec-23	961,930	712,846	398,740	817,009	2,890,525
Jan-24	-	-	10,290	-	10,290
Feb-24	43,290	174,227	108,308	-	325,825
Mar-24	28,912	72,079	24,710	351,935	477,636
Apr-24	30,000	10,500	74,000	16,427	130,927
May-24	32,230	17,500	16,948	176,086	242,764
June-24	220,410	242,270	22,000	232,496	717,176
July-24	136,106	250,384	41,427	134,462	562,379
Aug-24	90,494	19,967	190,306	111,945	412,712
Sept-24	246,299	226,582	219,965	44,779	737,625
Oct-24	142,880	170,999	26,980	92,885	433,744
Nov-24	136,049	12,000	92,000	221,140	461,189
Total:	**2,068,600**	**1,909,354**	**1,225,674**	**2,199,164**	**7,402,792**

Total Number or Sublease Listings Added + Total Number of Sublease Listings Available	149

Total Comps	83

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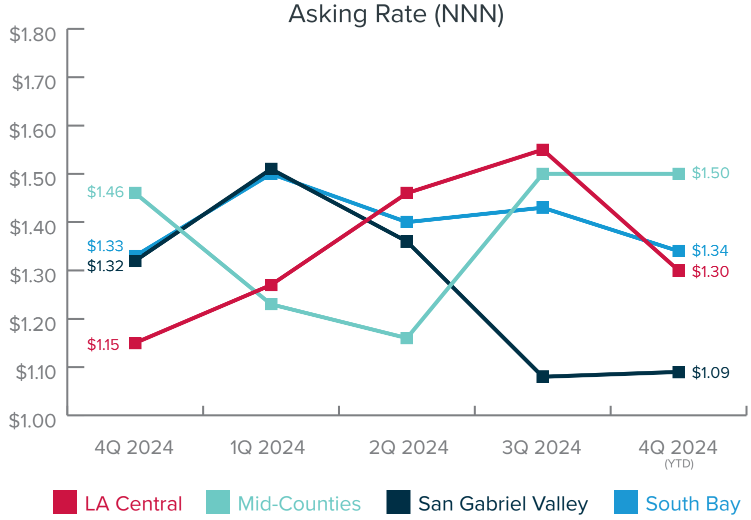
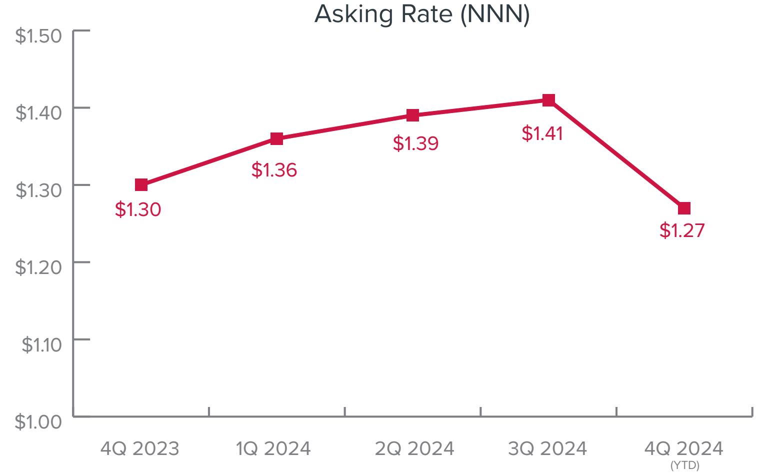
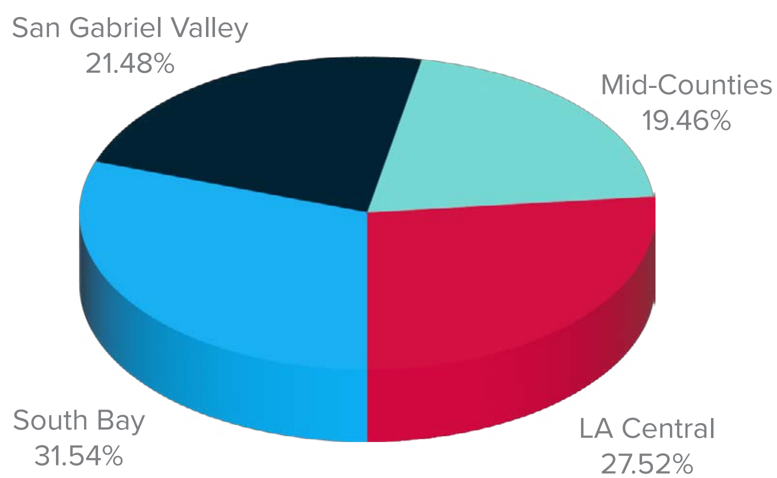
LOCAL EXPERTISE. INTERNATIONAL REACH. WORLD CLASS.

Sublease Report





% Sublease Availability



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