Los Angeles County Industrial

CONSOLIDATED MARKET REPORT

▶ Class B and C Buildings

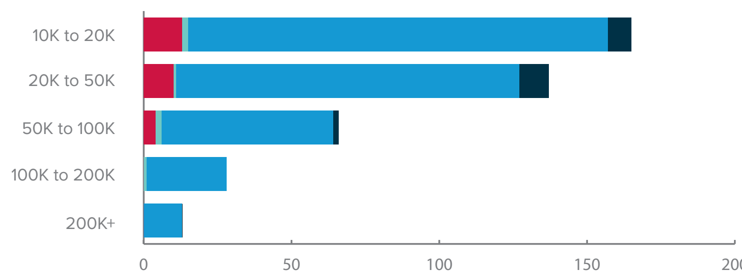
September | 2024

INSIGHT

In the past month, 92 new leases and subleases entered the market compared to 65 completed leases, amplifying supply pressures. Mid-Counties shows the most strain, with four times more listings than finalized leases, reflecting a possible oversupply issue that could deter tenant interest unless rates adjust. In contrast, San Gabriel Valley achieved relative balance, with 26 completed leases against 29 new additions, suggesting a more resilient demand in this region that helps maintain market stability.

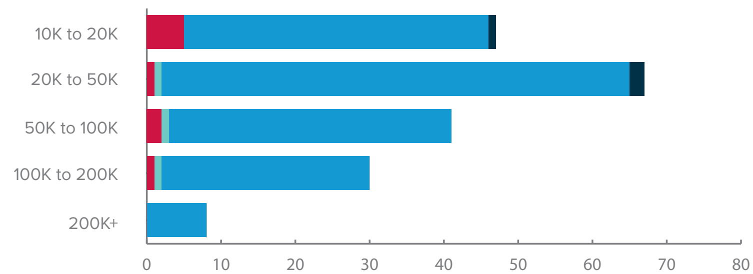
Lease Supply Demand Report

LA Central Lease Supply Demand (September 2024)



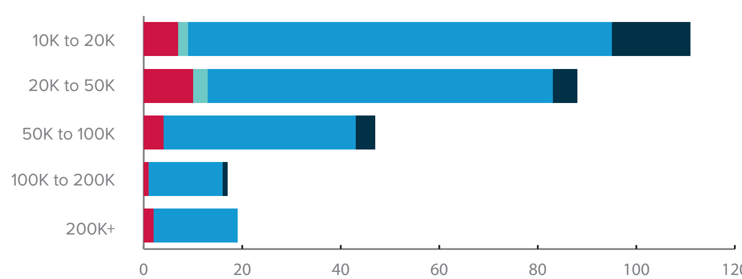
SF	Availables Added Direct	Availables Added Sublease	Total Availables	Total Comps This Month
10K to 20K	13	2	142	8
20K to 50K	10	1	116	10
50K to 100K	4	2	58	2
100K to 200K	0	1	27	0
200K+	0	0	13	0

Mid-Counties Lease Supply Demand (September 2024)



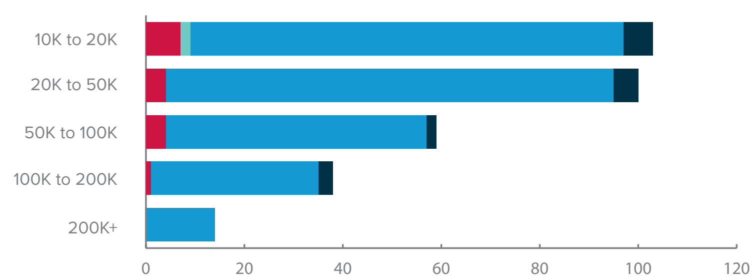
SF	Availables Added Direct	Availables Added Sublease	Total Availables	Total Comps This Month
10K to 20K	5	0	41	1
20K to 50K	1	1	63	2
50K to 100K	2	1	38	0
100K to 200K	1	1	28	0
200K+	0	0	8	0

San Gabriel Valley Lease Supply Demand (September 2024)



SF	Availables Added Direct	Availables Added Sublease	Total Availables	Total Comps This Month
10K to 20K	7	2	86	16
20K to 50K	10	3	70	5
50K to 100K	4	0	39	4
100K to 200K	1	0	15	1
200K+	2	0	17	0

South Bay Lease Supply Demand (September 2024)



SF	Availables Added Direct	Availables Added Sublease	Total Availables	Total Comps This Month
10K to 20K	7	2	88	6
20K to 50K	4	0	91	5
50K to 100K	4	0	53	2
100K to 200K	1	0	34	3
200K+	0	0	14	0

Grand Total:	Total Availables Added	Total Available Added Sublease	Total Availables	Total Comps This Month
	76	16	1041	65

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Los Angeles County Industral
CONSOLIDATED MARKET REPORT

LEE & ASSOCIATES
LOS ANGELES - DOWNTOWN

▶ Class B and C Buildings

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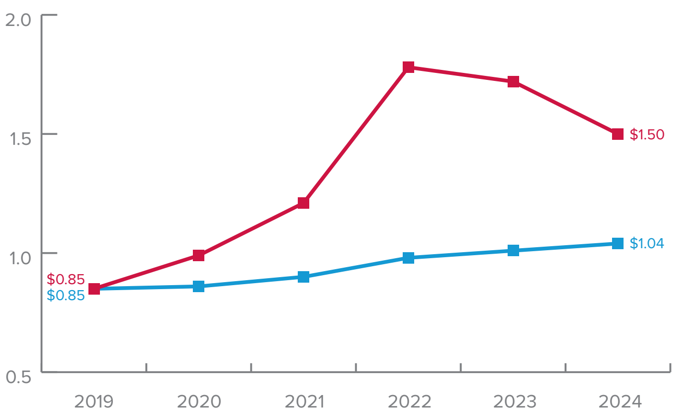
INSIGHT

NNN and Gross lease rates are on a downward trend from 2023 levels but remain above the inflation-adjusted equilibrium. While this movement toward equilibrium is promising, the pace may need to accelerate to attract more tenants. Without further rate reductions, the market could remain stagnant, especially in areas with significant supply overhang.

2019-2024 (September) Potential Lease Equilibrium

ALL MARKETS IN LOS ANGELES - NNN

Lease Comp Rate VS. Lease Comp Rate w/ Inflation

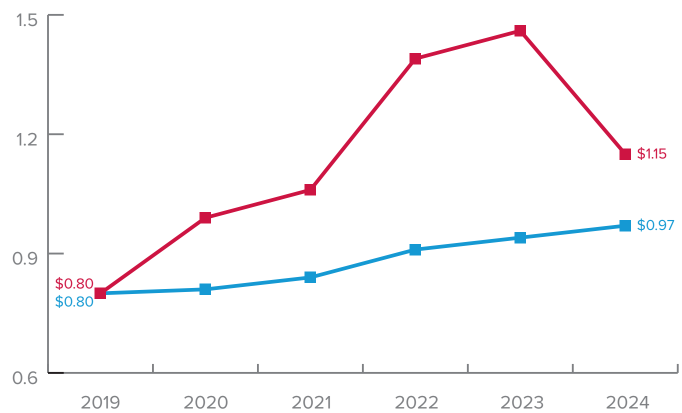


Year	Lease Comp Rate	Lease Comp Rate With Inflation	% Inflation
2019	$0.85	$0.85	
2020	$0.99	$0.86	1.2%
2021	$1.21	$0.90	4.6%
2022	$1.78	$0.98	7.8%
2023	$1.72	$1.01	3.2%
2024	$1.50	$1.04	3.2%

■ 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	$0.80	$0.80	
2020	$0.99	$0.81	1.2%
2021	$1.06	$0.84	4.6%
2022	$1.39	$0.91	7.8%
2023	$1.46	$0.94	3.2%
2024	$1.15	$0.97	3.2%

■ Lease Comp Rate ■ Lease Comp Rate w/ Inflation

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LOS ANGELES - DOWNTOWN

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INSIGHT

The sublease asking rate has steadily increased since Q3 2023, coinciding with a rise in vacancy rates from 4.2% a year ago to 6.7% in Q3 2024. This upward trend in asking rates is primarily driven by LA Central, while other submarkets have shown more fluctuation over recent quarters. The rising rates in a high-supply environment suggest that landlords are holding firm on pricing.

Sublease Report

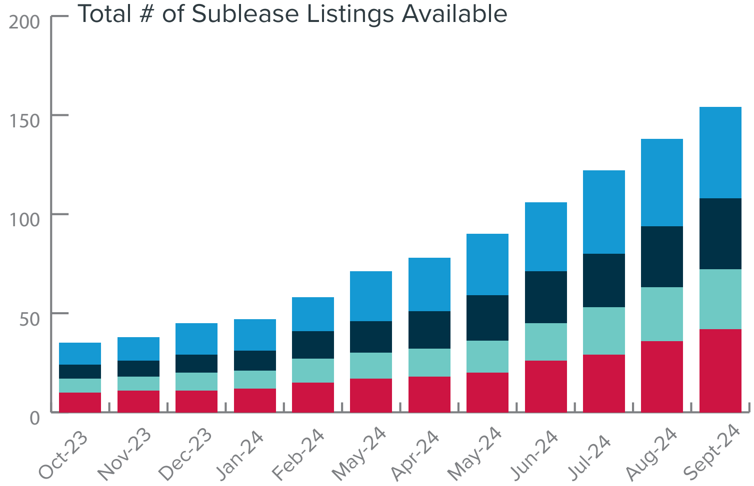
Sublease Vacancy

Q3 2024 (QTD)	**6.7%**
Q2 2023	4.2%

Sublease Asking Rate (NNN)

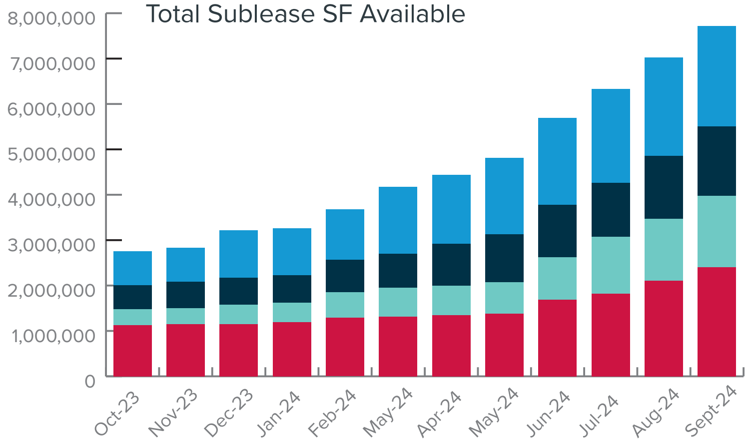
Q3 2024 (QTD)	**$1.33**
Q2 2023	$1.32

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



Period	LA Central	Mid-Counties	SGV	South Bay	LA County
Oct-23	10	7	7	11	35
Nov-23	1		1	1	3
Dec-23		2	1	4	7
Jan-24	1		1		2
Feb-24	3	3	4	1	11
Mar-24	2	1	2	8	13
Apr-24	1	1	3	2	7
May-24	2	2	4	4	12
June-24	6	3	3	4	16
July-24	3	5	1	7	16
Aug-24	7	3	4	2	16
Sept-24	6	3	5	2	16
Total	**42**	**30**	**36**	**46**	**154**

LA County Sublease SF Added + Total Sublease SF Available



Period	LA Central	Mid-Counties	SGV	South Bay	LA County
Oct-23	1,128,989	349,982	525,346	744,439	2,748,756
Nov-23	20,000		53,244	11,194	84,438
Dec-23		77,520	19,920	281,436	378,876
Jan-24	41,107		10,290		51,397
Feb-24	97,290	137,368	108,308	64,000	406,966
Mar-24	28,912	72,079	24,710	381,935	507,636
Apr-24	30,000	10,500	181,788	32,737	255,025
May-24	32,230	39,793	136,336	176,086	384,445
June-24	310,678	242,270	95,547	230,287	878,782
July-24	136,106	323,941	31,427	142,462	633,936
Aug-24	281,208	102,763	202,806	111,945	698,722
Sept-24	300,075	211,582	139,307	34,699	685,663
Total:	**2,406,595**	**1,567,798**	**1,529,029**	**2,211,220**	**7,714,642**

Total Number or Sublease Listings Added + Total Number of Sublease Listings Available	**154**

Total Comps	**83**

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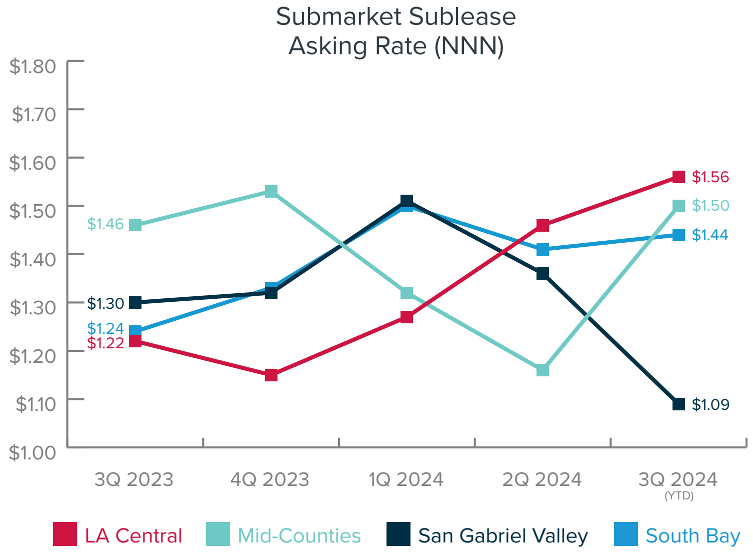
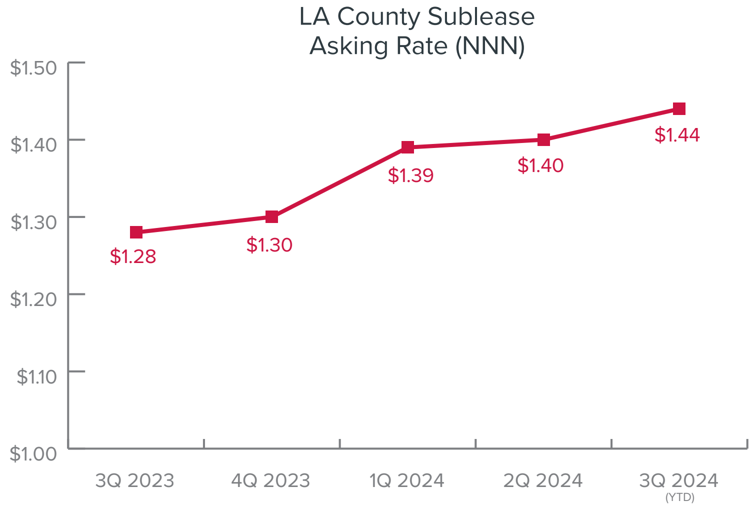
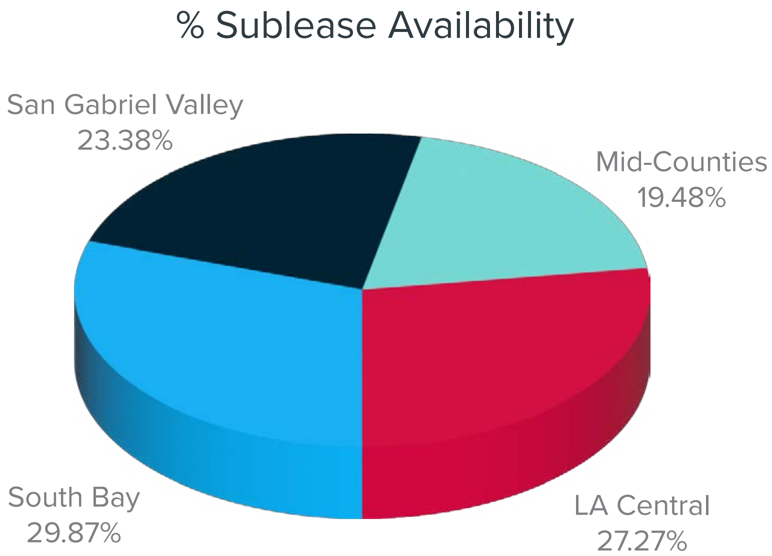
Sublease Report







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