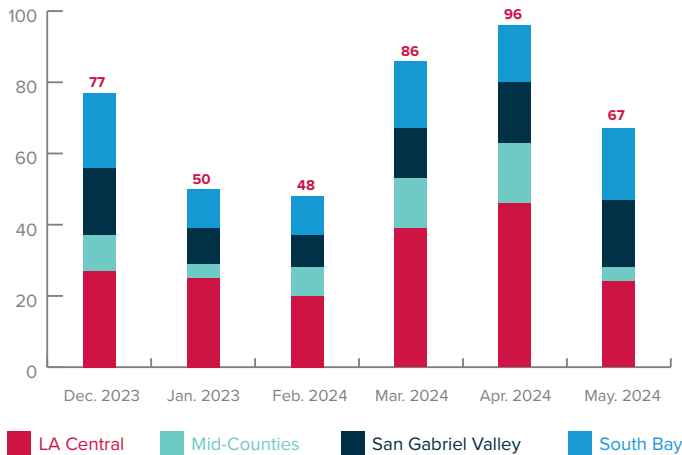


# MAY 2024

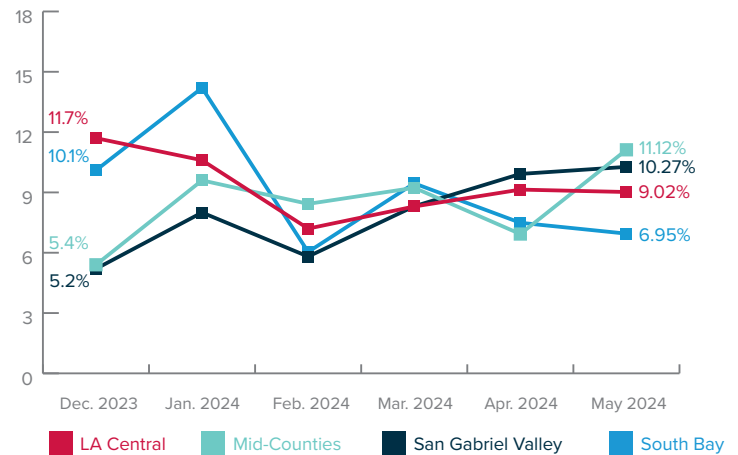
## LOS ANGELES COUNTY INDUSTRIAL LEASE RATE REDUCTION REPORT



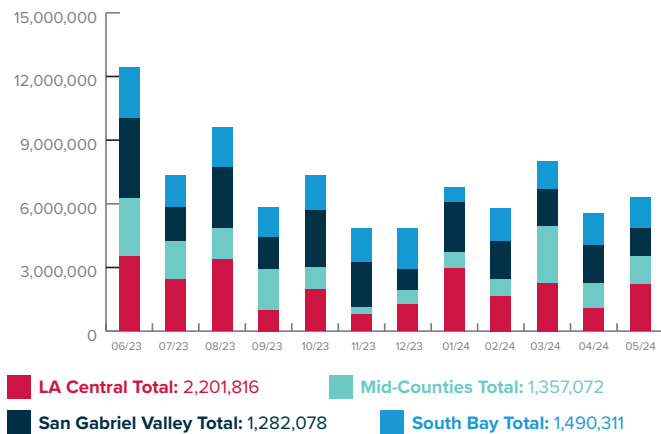
All Lease  
# of Listings Rate Reductions



All Lease  
Average Reduction From Previous Rate



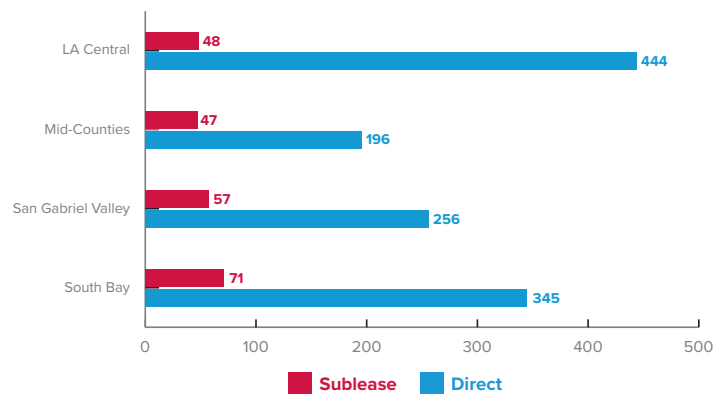
Total Leased And Sold (SF)



LA Central Total: 2,201,816 Mid-Countries Total: 1,357,072  
San Gabriel Valley Total: 1,282,078 South Bay Total: 1,490,311

Grand Total: 6,331,277 SF

Total # of Listings



### INSIGHT

The lease rate reduction report indicates that a substantial number of properties had their asking rates reduced in May. The extent of these reductions varied significantly across different markets. There is a noticeable pattern where the rate of lease rate reductions correlates with the level of market absorption, indicating that as landlords reduce asking rates, tenant activity typically increases, reflecting a response to more favorable lease terms.

### REFLECTION

As the market continues to seek equilibrium in lease pricing, we can expect to see landlords experimenting with lower rates to gauge tenant responsiveness. This iterative process of price discovery will likely continue until a balance is achieved where tenants are sufficiently incentivized to lease available properties, leading to a stabilization of lease rates.



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