



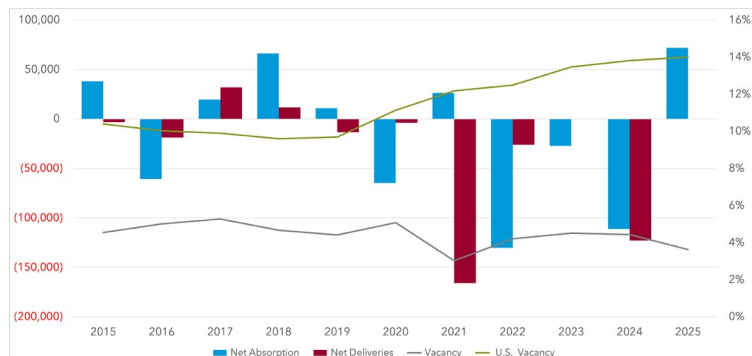
OFFICE MARKET OVERVIEW

CHRISTOPHER LARIMORE, *Founding Principal*

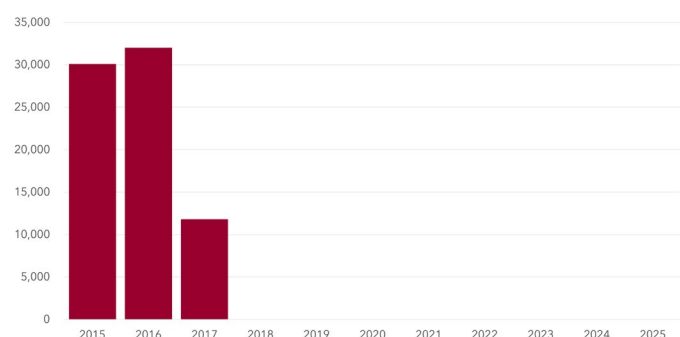
In Q4 2025, the Mid-Cities office market experienced modest softening, with 12-month net absorption declining by 22,963 SF after midyear gains. Vacancy improved to 3.6%, remaining one of the tightest office markets in the region. Average NNN asking rents rose sharply to \$33.09 PSF annually, while sales pricing adjusted downward to \$250 PSF. Cap rates expanded to 7.96%, reflecting a more cautious investment environment. No office space was under construction during the quarter, limiting future supply. The largest leases included 4,922 SF at 2675-2677 Zoe Ave, 4,621 SF at 10350 Heritage Park Dr, and 4,000 SF at 5608 Soto St. Notable sales were led by AltaMed's \$9.5M purchase at 2675 E. Slauson Ave.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	68,100	49,331	48,177	(2,576)	(13,849)
▲ Vacancy Rate	3.70%	3.30%	3.90%	4.40%	4.40%
▲ Avg Asking Rent PSF	\$33.09	\$24.96	\$25.70	\$26.44	\$26.51
▼ Sale Price PSF	\$251.00	\$257.00	\$256	\$258	\$258
◀ ▶ Cap Rate	7.90%	7.90%	0.00%	0.00%	2.00%
◀ ▶ Under Construction	-	-	-	-	-
▼ Inventory	8,800,000	8,881,328	8,881,328	8,881,328	8,881,328

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2675 E. Slauson Avenue Huntington Park, CA	32,508 SF	\$9,500,000 \$292.24 PSF	AltaMed Steven Hamner	Class B
8320 Iowa Street Downey, CA	10,200 SF	\$2,500,000 \$245.10 PSF	Community Family Guidance Ctr Exchange Club Child Abuse	Class C
8137 3rd Street Downey, CA	8,250 SF	Undisclosed	Rosiak RJRP Family Trust	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2675-2677 Zoe Avenue Huntington Park, CA	4,922 SF	Amidi Group	Optimal Medical Group	Health Care and Social Assistance
3680 E. Imperial Highway Lynwood, CA	3,471 SF	Brian Taban	Undisclosed	Undisclosed
10350 Heritage Park Drive Santa Fe Springs, CA	3,029 SF	Hoonie Kang	Undisclosed	Undisclosed

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2025 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com