LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2026
LA - MID-CITIES, CA

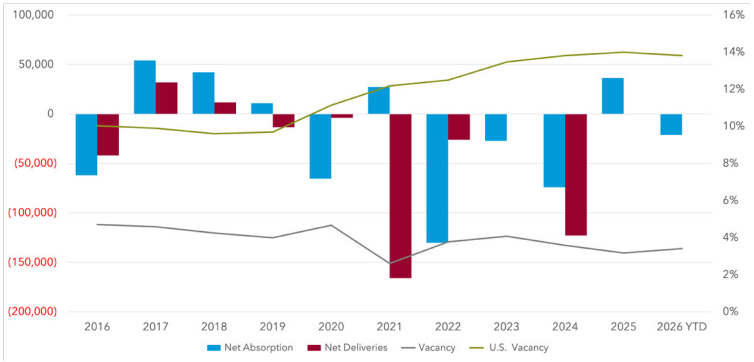
OFFICE MARKET OVERVIEW

CHRISTOPHER LARIMORE, *Founding Principal*

The Mid-Cities office market remained fundamentally tight in Q2 2026 despite softer leasing activity. Vacancy increased slightly to 3.4% from 3.2% in the prior quarter but remains well below the national average, reflecting limited available space. Twelve-month net absorption turned negative at 24,100 square feet, signaling slower tenant demand after positive absorption through much of 2025. Average asking rents held relatively stable at $27.12 per square foot NNN annually, while average sale pricing eased to $244 per square foot. No new construction is underway, keeping inventory essentially unchanged at 8.9 million square feet and supporting long-term occupancy fundamentals.

MARKET INDICATORS	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
▼ 12 Mo. Net Absorption SF	(2,100)	(1,417)	68,100	49,331	48,177
▼ Vacancy Rate	3.40%	3.20%	3.70%	3.30%	3.90%
▼ Avg Asking Rent PSF	$33.48	$27.35	$33.09	$24.96	$25.70
▼ Sale Price PSF	$244.00	$247.00	$251.00	$257.00	$256.00
▲ Cap Rate	7.90%	8.00%	7.90%	7.90%	0.00%
◄ ► Under Construction	-	-	-	-	-
◄ ► Inventory	8.9M	8,800,000	8,800,000	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
8505-8535 Florence Avenue Downey, CA	38,644 SF	$5,025,000 $130.03 PSF	Feizbakhsh Khorsandi Partnership Ronald J. Lascoe	Class B
3559 Gage Avenue Bell, CA	6,743 SF	$3,000,000 $444,91 PSF	Dr. Christopher Lau, MD Carlos G. Contreras & Ana L. Rodas	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3680 E. Imperial Highway Lynwood, CA	4,250 SF	Hafco & Associates	Undisclosed	Undisclosed
15747 Woodruff Avenue Bellflower, CA	3,032 SF	ACP Management	Undisclosed	Undisclosed
3680 E. Imperial Highway Lynwood, CA	2,571 SF	Hafco & Associates	Undisclosed	Undisclosed

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