

Retail Market Outlook

Los Angeles County Q4 2024

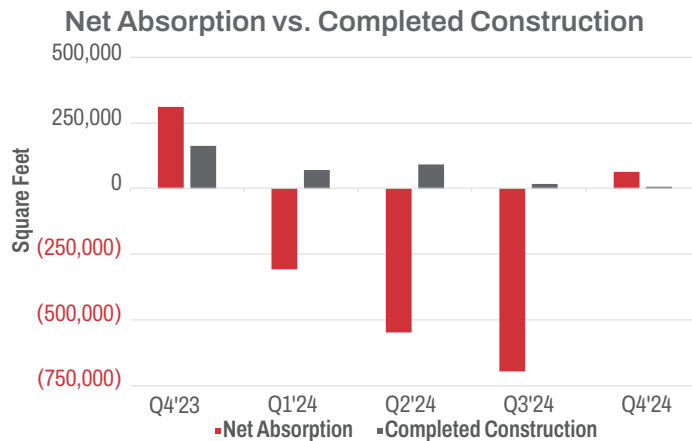
MARKET STATISTICS*

| Submarket | Existing Total RBA (SF) | Under Construction (SF) | Total Available (%) | Total Vacancy (%) | Leasing Volume (SF) | YTD Leasing Volume (SF) | Sales Volume (SF) | YTD Sales Volume (SF) | Average Asking Rent (\$/SF NNN) | Average Sale Price (\$/SF) |
|---------------------------|-------------------------|-------------------------|---------------------|-------------------|---------------------|-------------------------|-------------------|-----------------------|---------------------------------|----------------------------|
| Central | 17,307,816 | 20,017 | 8.0% | 7.8% | 90,444 | 270,683 | 55,019 | 94,831 | \$2.73 | \$173 |
| Mid-Wilshire | 7,930,050 | 0 | 5.5% | 5.0% | 28,979 | 150,196 | 26,876 | 75,689 | \$3.35 | \$335 |
| LA North | 73,907,558 | 59,918 | 5.4% | 5.3% | 318,687 | 1,510,367 | 770,202 | 1,265,035 | \$2.66 | \$470 |
| San Gabriel Valley | 70,166,528 | 258,635 | 5.1% | 4.7% | 197,036 | 1,469,219 | 439,850 | 1,860,694 | \$2.15 | \$300 |
| South Bay | 64,112,842 | 723,318 | 6.4% | 6.2% | 405,945 | 1,325,373 | 2,283,479 | 3,648,261 | \$2.68 | \$421 |
| Tri-Cities | 30,050,335 | 0 | 4.9% | 5.5% | 112,184 | 523,273 | 65,657 | 335,627 | \$3.22 | \$604 |
| LA West | 53,973,088 | 157,253 | 9.5% | 7.9% | 344,168 | 1,492,405 | 206,294 | 852,203 | \$4.68 | \$634 |
| Los Angeles County | 317,448,217 | 1,219,141 | 6.3% | 5.9% | 1,497,443 | 6,741,516 | 3,847,377 | 8,132,340 | \$3.07 | \$413 |

*RBA includes retail buildings of all sizes. Rents reflect buildings of 5,000 square feet or greater.

LEASING TRENDS

Throughout 2024, the retail market faced significant downward momentum in net absorption. However, Q4 marked a breakout as the market achieved 62,203 square feet of positive net absorption. Despite this, the year-to-date figures reveal negative net absorption of 1.5 million square feet. During the same period, only 188,441 square feet of new retail space were added, reflecting a 73.3% decline compared to 2023.

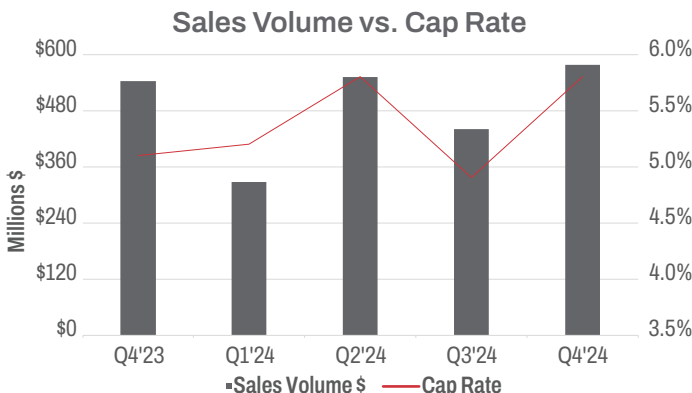


Select Lease Transactions

| Address | City | Submarket | Square Feet |
|---|---------------|-----------|-------------|
| North Park: Neighborhood Center | San Pedro | South Bay | 50,000 |
| 4317 Beverly Blvd: Freestanding Retail | Los Angeles | LA West | 47,080 |
| 3479-3485 S La Cienega Blvd: Storefront Retail | Los Angeles | LA West | 36,000 |
| 2701-2741 Manhattan Beach Blvd: Neighborhood Center | Redondo Beach | South Bay | 28,195 |
| 955-961 Sepulveda Blvd: Neighborhood Center | Torrance | South Bay | 26,367 |

SALES TRENDS

Sales volume has experienced fluctuations over the past five quarters due to shifting interest rates. By the close of Q4 2024, year-to-date sales volume reached approximately \$1.9 billion—a 17.1% decline compared to the same period in 2023. In Q4 2024, the average cap rate rose to 5.8%, reflecting a quarter-over-quarter increase of 90 basis points and a year-over-year rise of 70 basis points.



Select Sales Transactions

| Address | City | Submarket | Square Feet |
|--|-----------------|--------------------|-------------|
| 152-452 W Hillcrest Dr: Super Regional Mall | Thousand Oaks | LA North | 314,778 |
| 500-660 W Huntington Dr: Community Center | Monrovia | San Gabriel Valley | 230,000 |
| 24965-24975 Pico Canyon Rd: Community Center | Stevenson Ranch | LA North | 187,035 |
| 101-127 S La Brea Ave: Neighborhood Center | Los Angeles | LA West | 117,119 |
| 11069 Sepulveda Blvd: Auto Dealership | Mission Hills | LA North | 63,292 |