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WEST LA ASKING RENTS FLATTENING, RECESSION DATA SHOWS DECLINE IS COMING

Direct asking rates have remained largely unchanged with a slight decrease of 1.8% in sublease asking rates since the beginning of the year, indicating the anticipated descent has not yet begun.

According to the National Bureau of Economic Research, the current recession began in February. In the 2001 recession, West LA direct asking rents declined 15.7% from peak to trough over 10 quarters and sublease decreased 31.7% also over 10 quarters. In the 2008 recession, the direct asking rate declined 22.7% from peak to trough over 11 quarters and sublease decreased 29.0% over 10 quarters.

Recovery time for direct asking rents in the previous two recessions (when asking rents reached pre-recession levels) took 12 quarters in 2001 and 20 quarters in 2008.

Landlords are expected to be hesitant about dropping asking rents, but deal rents and concessions should demonstrate more tenant-favorable terms.

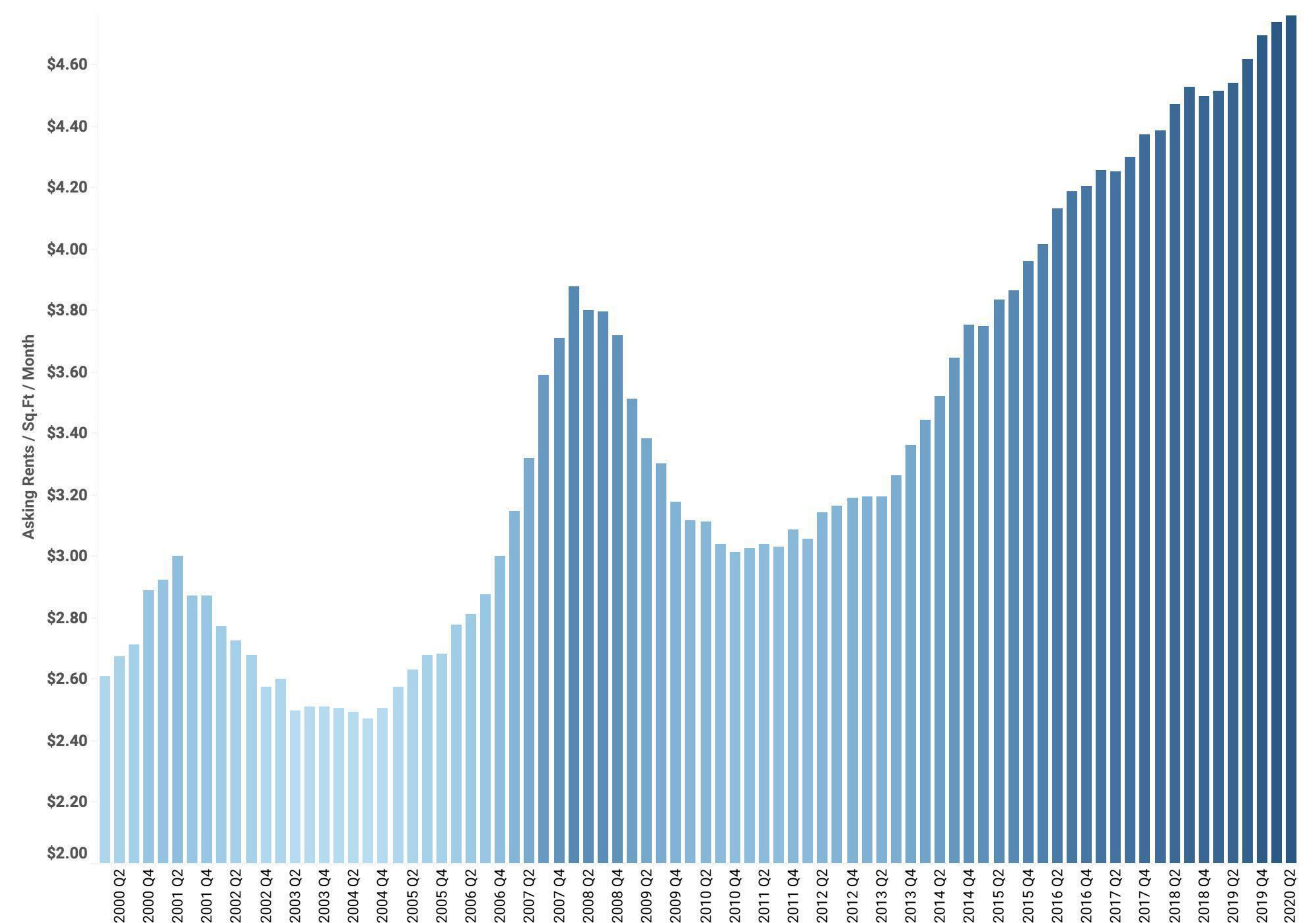
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WEST LOS ANGELES

Historical Asking Rents (2000-2020)



Source: HelloOffice/Costar