

Los Angeles - Westside

THIRD CONSECUTIVE YEAR OF RISING EFFECTIVE RENT

Takeaway

Tenant effective rent posted its third consecutive year-on-year increase. Effective rent rose at roughly the same amount as in 2016, but concessions jumped by more than 10%. Tenants displayed additional price resistance during 2017. Some found space in alternative areas such as El Segundo and Playa Vista. Consolidation in the media and entertainment sector could temper leasing activity and rent increases in 2018.

Negotiated Rent

\$62.88

TOTAL GROSS RENT

▲ 6.2%

Concessions

\$94.25

▲ 10.9%

\$61.63

IMPROVEMENT
ALLOWANCE
AVERAGE

6.0

FREE RENT
AVERAGE
(MONTHS)

Tenant Effective Rent

\$53.46

▲ 5.4%

Building Expenses

\$10.29

OPEX

▲ 2.4%

\$4.77

RE TAXES

▲ 6.0%

Landlord Effective Rent

\$33.23

▲ 6.5%



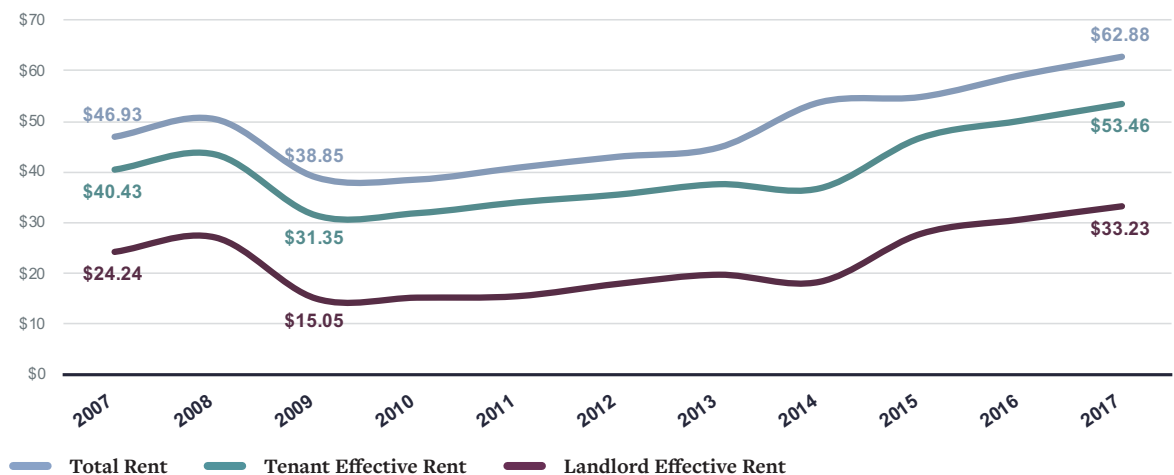
RENT SENSIBLY.

DO YOU KNOW WHERE
YOUR RENT GOES?

TOTAL GROSS RENT

Tenant Effective Rent
= Total Gross Rent Less
Concessions
(Amortized Concession
Package)

Landlord Effective Rent
= Total Gross Rent Less
Expenses, Concessions
& Commissions



METHODOLOGY

The *Effective Rent Index* tracks what tenants truly pay for top tier Class A office space (tenant effective rent) and what landlords ultimately walk away with (landlord effective rent) once building expenses and leasing costs are deducted from net rent. Derived from negotiated office leases, the index provides critical insight into the health of each market and its position along the 'landlord-tenant favorable' spectrum. For more information about the report or detailed methodology visit: www.savills-studley.com/research/us/effective-rent-indexes.aspx.

