

# Los Angeles - Downtown

MODEST INCREASE IN RENT DESPITE CHOPPY DEMAND

## Takeaway

Dependency on the legal, banking and professional/business services sectors kept leasing in Downtown Los Angeles from gaining much momentum during 2017. Tenant effective rent pushed above \$30/sf in 2017, but is still well below rent in West Los Angeles. The greater Los Angeles economy seems to be losing some momentum and may have already pushed past its peak. Moderating demand should curb rent growth during 2018.

**Negotiated Rent** **\$44.69** ▲ 6.4%  
TOTAL GROSS RENT

**Concessions** **\$105.00** ▲ 6.1%  
**\$67.50** 10.0  
IMPROVEMENT ALLOWANCE AVERAGE FREE RENT AVERAGE (MONTHS)

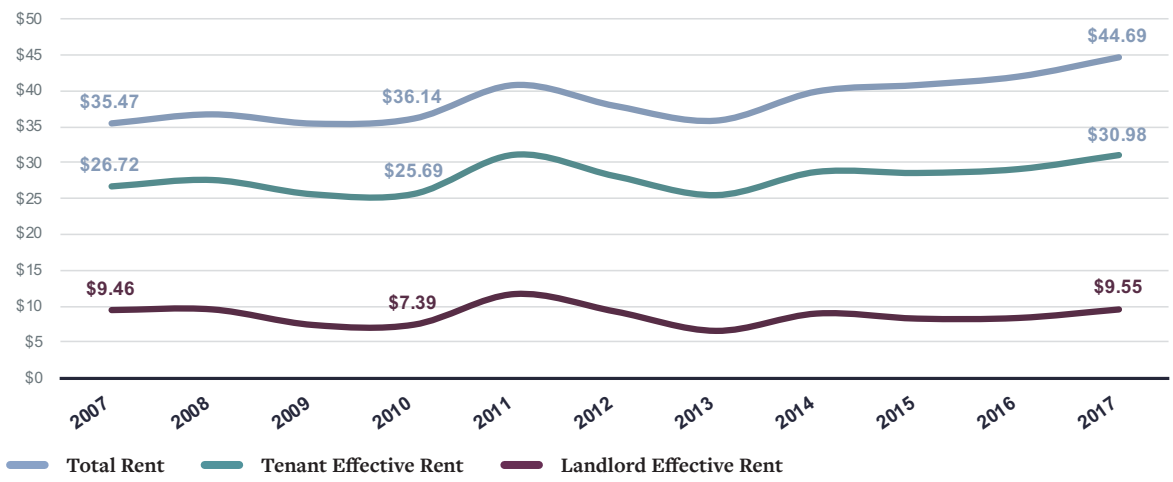
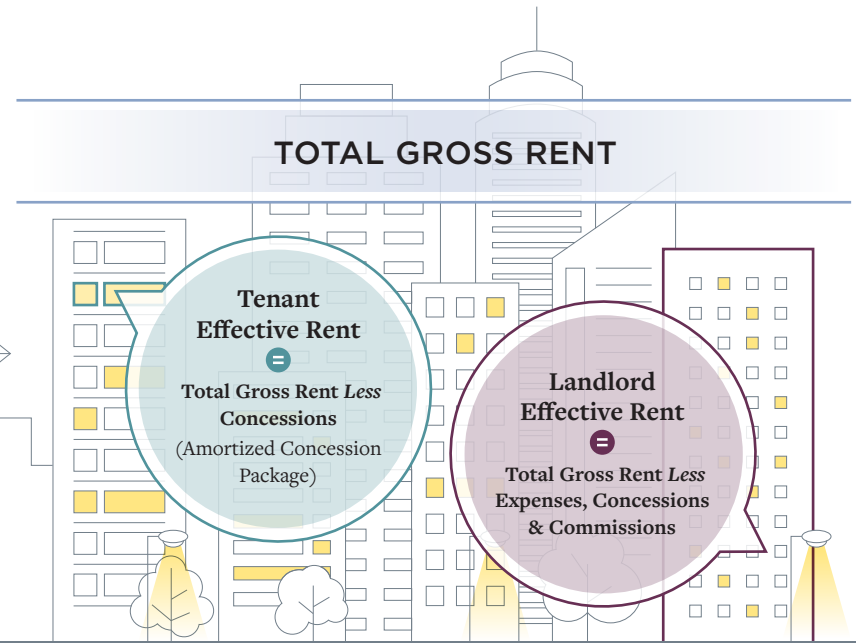
**Tenant Effective Rent** **\$30.98** ▲ 6.6%

**Building Expenses**  
**\$13.54** ▲ 3.0% **\$3.90** ▲ 4.3%  
OPEX RE TAXES

**Landlord Effective Rent** **\$9.55** ▲ 14.5%



**RENT SENSIBLY.**  
DO YOU KNOW WHERE YOUR RENT GOES?



## 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](http://www.savills-studley.com/research/us/effective-rent-indexes.aspx)

