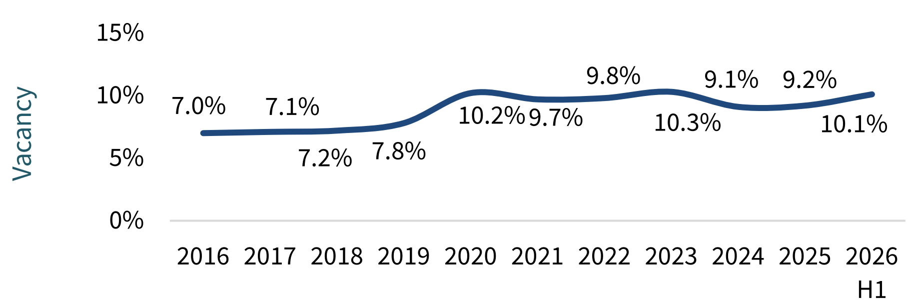
Los Angeles Outpatient Medical

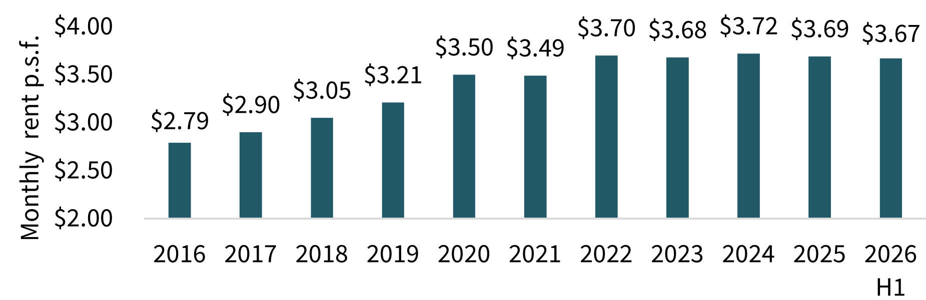
Q2 2026 MARKET OVERVIEW

- The total vacancy rate for the Los Angeles medical outpatient building market increased by 90 basis points during the first half of 2026 – rising above 10% for the first quarter since 1Q23. This result isn't all that surprising given the significant market disruptions to healthcare organizations from the One Big Beautiful Bill Act and the macroeconomic climate of uncertainty during the first half of the year. If these factors normalize, we forecast that the vacancy rate will fall back below 10% by year-end.
- Nationally, the sales volume of medical outpatient buildings for the first half of 2026 is on pace with the volume for 1H24 (excluding Healthpeak's acquisition of Physicians Realty Trust). Further, the first half activity for 2026 represents an approximately sixty percent increase in volume compared to the first half of 2025. Over this same period nationally, cap rates have remained relatively unchanged, in the 6.7% range.
- Locally in the Los Angeles market, the sale volume for MOBs during the first half of 2026 sits at $308 Million, which represents a more than 300% increase from 1H25 and nearly five times higher than 1H24. However, the majority of that volume is made up of the properties that were sold off in Welltower's disposition of their entire MOB portfolio to Remedy, and locally Douglas Emmett for the Beverly Hills portion of the portfolio. If we exclude the WELL portfolio sale from the data, 1H26 sale volume is just $83 MM, which is a decrease from the 1H25 volume ($93.5 MM) and only a $20 MM increase above the historically low 1H24 volume ($62 MM).

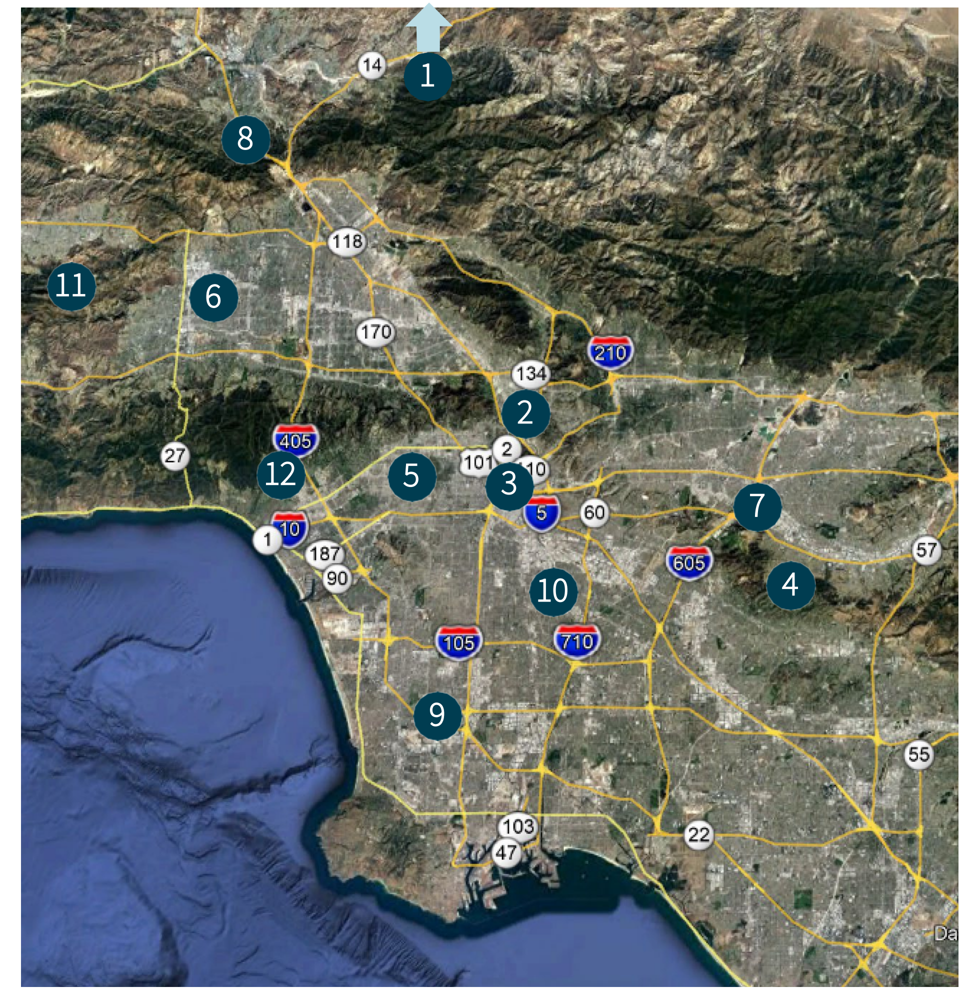
VACANCY | Q2



AVERAGE ASKING RATES | Q2



2026 Mid-Year | Rise in vacancy driven by macroeconomic uncertainty.



MARKET EXPERTS | CONTACT US

Bryan Lewitt
MANAGING DIRECTOR
bryan.lewitt@jll.com
818 292 0676

Chris Isola
EXECUTIVE VICE PRESIDENT
chris.isola@jll.com
310 927 1591

STATISTICS BY SUBMARKET

	Submarkets	Market Size (SF)	Net Absorption Q2 2026	Net Absorption (YTD)	Direct Vacant %	Sublet Vacant %	Total Vacant %	Monthly Rents FSG
1	Antelope Valley	604,596	4,980	-697	8.4%	0.0%	8.4%	$2.35
2	Tri-Cities	2,567,940	-9,552	-36,329	8.1%	0.2%	8.3%	$4.04
3	Downtown Los Angeles	501,304	1,668	-437	23.9%	0.0%	23.9%	$4.01
4	Mid-Cities	1,107,539	-2,045	-6,261	5.3%	0.0%	5.3%	$2.80
5	Mid-Wilshire	2,269,448	-160,290	-172,689	13.1%	0.9%	14.0%	$3.50
6	LA North	4,611,593	-8,557	34,489	10.4%	0.5%	10.9%	$3.08
7	San Gabriel Valley	2,427,559	24,659	-23,416	8.1%	0.1%	8.2%	$3.01
8	Santa Clarita Valley	984,388	16,657	10,011	7.4%	0.0%	7.4%	$3.12
9	South Bay	3,836,372	-9,837	-15,444	7.6%	0.1%	7.7%	$3.69
10	Southeast Los Angeles	1,092,069	25,436	-17,741	8.9%	0.0%	8.9%	$2.61
11	Conejo Valley	726,317	-17,575	-17,919	13.7%	0.1%	13.9%	$3.36
12	Westside	5,716,154	66,259	5,469	10.1%	1.2%	11.3%	$4.84
	TOTAL	**26,445,279**	**-68,197**	**-240,964**	**9.6%**	**0.5%**	**10.1%**	**$3.67**