



### OFFICE MARKET OVERVIEW

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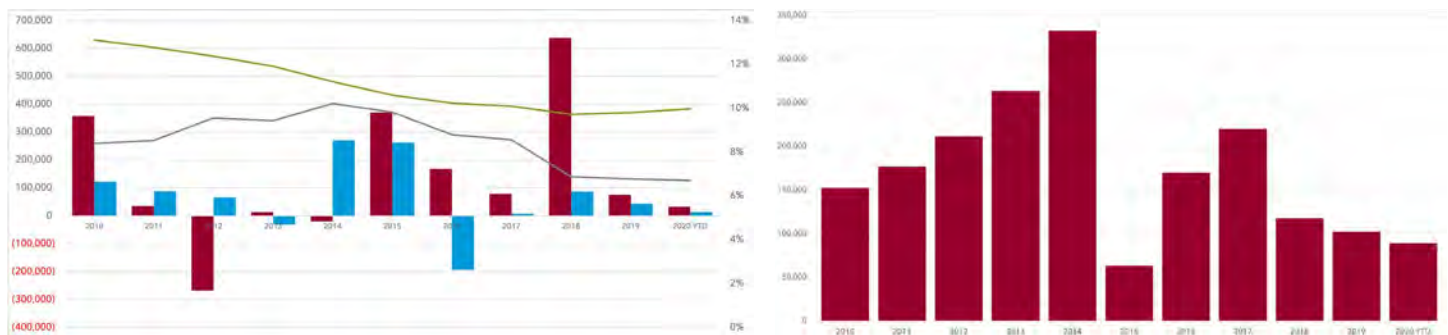
Overall, first quarter 2020 ended in a positive trajectory with positive net absorption, small uptick in rental rate and a minimal decrease in vacancy. The office market in the San Gabriel Valley closed the last quarter as a landlord market with rates increasing across all class types. However, landlords were still working with tenants with generous TI packages and rent abatement for longer terms. Office building sales continued their positive trend with an increase in average price per square foot at \$302 and a steady cap rate of 5.6%. However, these positive indicators are expected to turn drastically around during the second quarter when the office market deals with the Covid-19 aftermath.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▲ Net Absorption	54,406 SF	(43,345) SF	(7,384) SF	17,251 SF	108,206 SF
▼ Vacancy Rate	6.60%	6.80%	6.60%	6.50%	6.60%
▲ Avg FSG Asking Rate	\$25.92/SF	\$25.80/SF	\$25.80/SF	\$25.44/SF	\$25.44/SF
▼ Under Construction	88,960 SF	102,096 SF	102,096 SF	134,733 SF	107,773 SF
▲ Inventory	33,018,298 SF	33,005,162 SF	33,005,162 SF	32,972,525 SF	32,972,525 SF

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
The Lakes at West Covina, 1000-1050 Lake Ave, West Covian, CA	176,800 SF	\$40,850,000 \$231.05/SF	Oaktree Capital Management LP CrossHarbor Capital Partners LLC	Class A
800 E. Valley Blvd San Gabriel, CA	10,631 SF	\$12,550,000 \$1,180.51/SF	800 San Gabriel Valley, LLC May Kay	Class B
20 E Foothill Blvd Arcadia, CA	29,559 SF	\$9,550,000 \$323.08/SF	J.A.C. Window, Inc. Chris W C Leong	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
181 W Huntington Dr Monrovia, CA	40,593 SF	Samuelson & Fetter	Worley & Parsons	Engineering
20401 Valley Blvd Walnut, CA	8,720 SF	Vogel Properties, Inc.	Undisclosed	-