



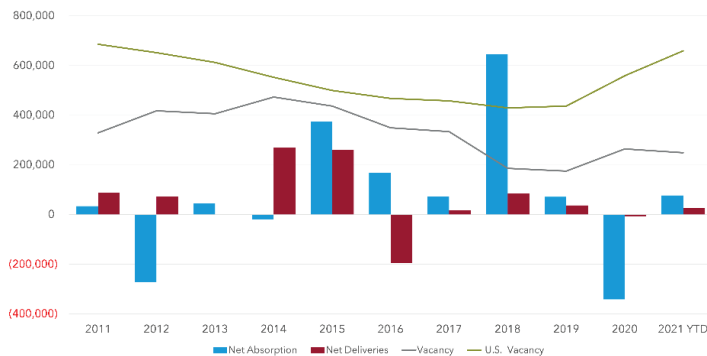
OFFICE MARKET OVERVIEW

CHRISTOPHER LARIMORE, *Founding Principal*

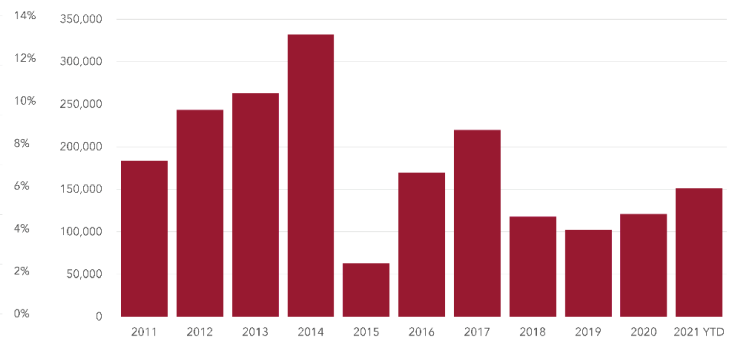
Q2 21 Sales Volume fell to 1/3 of last quarter's, but sales price continues to hold firm in the \$304 PSF range. Post-pandemic sales are focused on owner-user properties from 2,000-8,000SF, which are in very short supply. Cap rates for investment sales continue to fall to 5.5%-6% range. Post-pandemic leasing activity has resulted in positive net absorption and less vacant SF. Rental rates have stayed steady at \$2.12 PSF and overall leased space increased 39% from last quarter. Months vacant is on the rise as businesses figure out how or when to get employees back to work, and determine if downsizing is a solution.

| MARKET INDICATORS | Q2 2021 | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 |
|----------------------------|------------|------------|------------|------------|------------|
| ▼ 12 Mo. Net Absorption SF | 70,066 | 76,368 | (159,044) | (203,569) | (47,383) |
| ▼ Vacancy Rate | 6.9% | 7.5% | 7.8% | 7.3% | 6.7% |
| ▲ Avg FSG Asking Rate PSF | \$25.44 | \$25.32 | \$25.20 | \$25.80 | \$25.92 |
| ▼ SF Under Construction | 151,101 | 172,811 | 121,024 | 88,960 | 88,960 |
| ▲ Inventory SF | 33,086,210 | 32,972,424 | 32,972,424 | 32,993,289 | 32,993,289 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|-----------|-------------------------------|--|----------------|
| 101 Wheeler Avenue Arcadia, CA | 6,936 SF | \$7,000,000 \$1,009.23 PSF | Allied Pacific IPA Girl Scouts of Greater LA | Class B |
| 1493 N. Montebello Blvd. Montebello, CA | 18,238 SF | \$630,000 \$345.43 PSF | Gilbert R Vasquez Michael Takahashi | Class B |
| 1000 San Gabriel Blvd. Rosemead, CA | 26,928 SF | \$4,970,000 \$184.57 PSF | Herbert Liang pan & Pa Ping Hsu Harmonize Support Group | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|-----------|--------------------|--------------|--------------------------------|
| 4900 Rivergrade Road Irwindale, CA | 35,480 SF | MetLife, Inc. | City of Hope | Voluntary Health Organizations |
| 3333 Diamond Canyon Road Diamond Bar, CA | 19,501 SF | Xiubo Cheung | Undisclosed | Undisclosed |
| 181 W Huntington Drive Monrovia, CA | 15,593 SF | Samuelson & Fetter | Undisclosed | Undisclosed |