



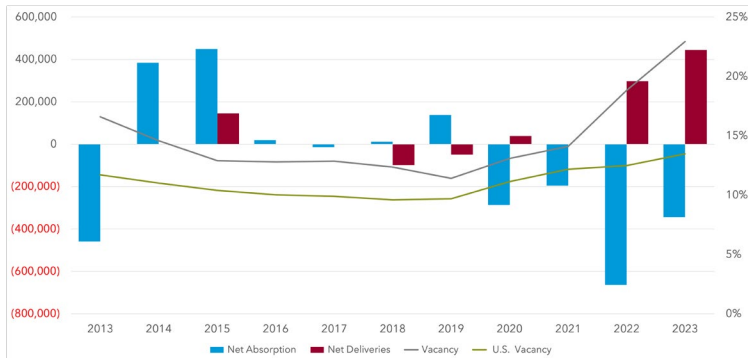
OFFICE MARKET OVERVIEW

CHRISTOPHER LARIMORE, *Founding Principal*

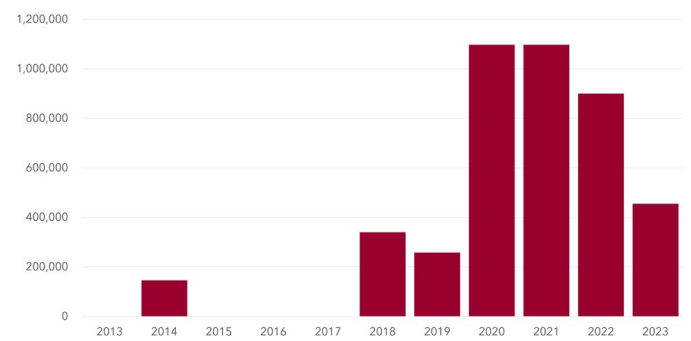
Office market conditions for Class A, Tri-Cities are among the most tenant-friendly in years. Vacancy, currently 22.60%, continues to increase at historically elevated levels with a large amount of sublease space available. This inhibits landlords from increasing rates and is why the average asking rents have seen little movement in recent quarters. Given expected continued market weakness, the outlook calls for rents to decline in the coming quarters. The construction pipeline has stagnated for 3 quarters. The largest proposed project is a medical office building, which is an asset class more resilient and in demand versus traditional multi-tenant space. The submarket finally closed two sales but overall the transaction activity is historically low.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	(628,620)	(90,756)	344,482	30,704	(327,379)
▲ Vacancy Rate	22.60%	19.0%	18.5%	18.1%	18.8%
▼ Avg FSG Asking Rate PSF	\$44.76	\$44.88	\$44.88	\$44.40	\$43.92
◀ ▶ SF Under Construction	455,000	455,000	455,000	900,000	900,000
◀ ▶ Inventory SF	18,813,401	18,813,401	18,813,401	18,368,401	18,368,401

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
450 N. Brand Boulevard Glendale, CA	273,992 SF	\$34,666,930 \$126.53 PSF	Central Brand LLC Kennedy Wilson, Inc.	Class A
400 N. Brand Boulevard Glendale, CA	166,778 SF	\$23,333,070 \$139.91 PSF	Central Brand LLC Kennedy Wilson, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
301 N. Lake Avenue Pasadena, CA	10,848 SF	Mark E. Handin	Raymond James & Associates, Inc.	Finance
500 N. Brand Boulevard Glendale, CA	9,313 SF	Michael Dardick	Trans Financial Group	Finance and Insurance
103-117 E. Colorado Boulevard Pasadena, CA	5,542 SF	John S. Kutzer	Undisclosed	Undisclosed

