

OFFICE MARKET OVERVIEW

CHRISTOPHER LARIMORE, *Founding Principal*

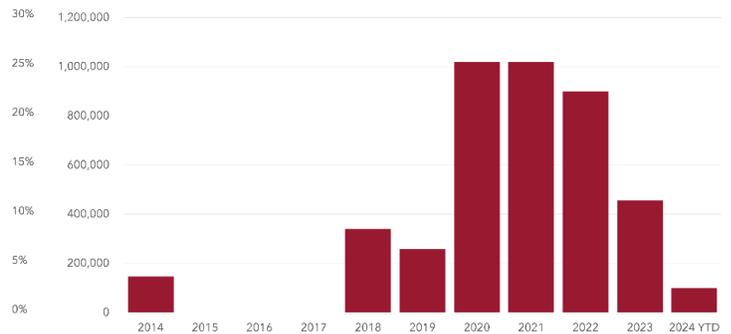
The Class A office market in the Tri-Cities submarket has not bounced back to pre-pandemic levels. Q1 2024 failed to close any sales due in large part to high interest rates, inflation and vacancy. Vacancy continues to increase in this submarket to 25.1%, due in part to Class A rental rates being higher than other class buildings, and 355,000 SF has been added to the inventory with another 100,000 SF to go, keeping high vacancy and negative net absorption numbers. 32 lease deals closed of which five were subleases, resulting in the lowest volume per quarter in 10 years at 53,949 SF leased. Rental rates have held relatively steady post-pandemic at \$3.67 PSF.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	(180,119)	(628,620)	(90,756)	344,482	30,704
▲ Vacancy Rate	25.1%	22.6%	19%	18.5%	18.1%
▼ Avg FSG Asking Rate PSF	\$44.04	\$44.76	\$44.88	\$44.88	\$44.40
▼ SF Under Construction	100,000	455,000	455,000	455,000	900,000
▲ Inventory SF	19,344,184	18,813,401	18,813,401	18,813,401	18,368,401

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
NONE TO REPORT				

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
800 N. Brand Boulevard Glendale, CA	26,682 SF	Beacon Capital Partners	Undisclosed	Undisclosed
225 S. Lake Avenue Pasadena, CA	16,257 SF	Heitman	Wedbush	Security Brokers
200 S. Los Robles Avenue Pasadena, CA	11,886 SF	John Iloulian	Undisclosed	Undisclosed