



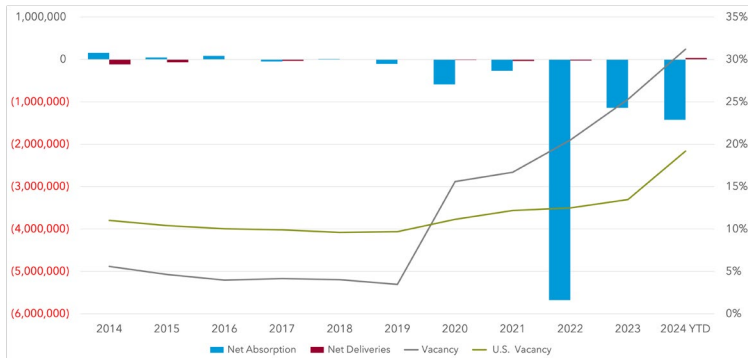
OFFICE MARKET OVERVIEW

ELLIOTT GALLAHAN, *Senior Associate*

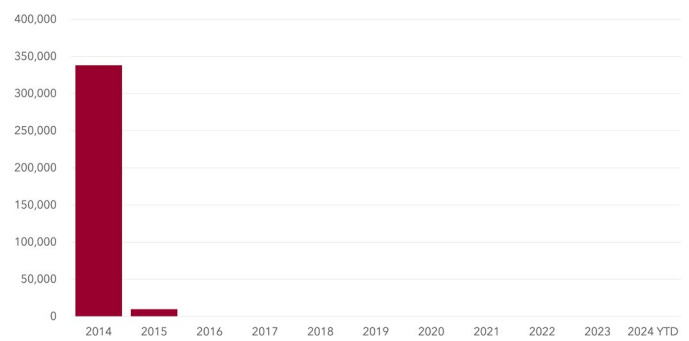
As of Q2 2024, the Tri-Cities office market, encompassing Burbank, Glendale, and Pasadena, faces significant challenges. The vacancy rate has risen to 31.2%, up from 30.6% in Q1 2024, and market asking rents have increased to \$44.80 per square foot annually, compared to \$43.74 previously. The 12-month net absorption is -521,723 square feet, indicating ongoing negative absorption. The sales market shows a decline, with the market sale price per square foot dropping to \$317, a 6.6% decrease from the prior period's \$340. Additionally, the market cap rate has risen to 6.7% from 6.4%. Leasing activity remains sluggish, reflecting persistent market difficulties.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	(521,723)	(628,118)	(628,620)	(90,756)	344,482
▲ Vacancy Rate	31.2%	30.6%	22.6%	19.0%	18.5%
▲ Avg FSG Asking Rate PSF	\$44.80	\$43.74	\$44.76	\$44.88	\$44.88
▼ SF Under Construction	145,674	183,574	455,000	455,000	455,000
▼ Inventory SF	19,125,952	19,356,538	18,813,401	18,813,401	18,813,401

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
601 Mission Street South Pasadena, CA	11,705 SF	\$6,800,000 \$298.84 PSF	Birdi & Associates, Inc. Urs Fischer	Class C
529 Hahn Avenue Glendale, CA	10,421 SF	\$4,225,000 \$405.43 PSF	Undisclosed Geoffrey Robert Gross	Class C
605 Mission Street South Pasadena, CA	6,000 SF	\$1,902,096 \$317.02 PSF	Birdi & Associates, Inc. Urs Fischer	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
269-283 S. Lake Avenue Pasadena, CA	33,464 SF	Heitman	Tokio Marine	Insurance Agents
500 N. Brand Boulevard Glendale, CA	20,292 SF	Michael Dardick	Undisclosed	Undisclosed
4411 W. Olive Avenue Burbank, CA	15,883 SF	Alexander Moradi	Undisclosed	Undisclosed

