



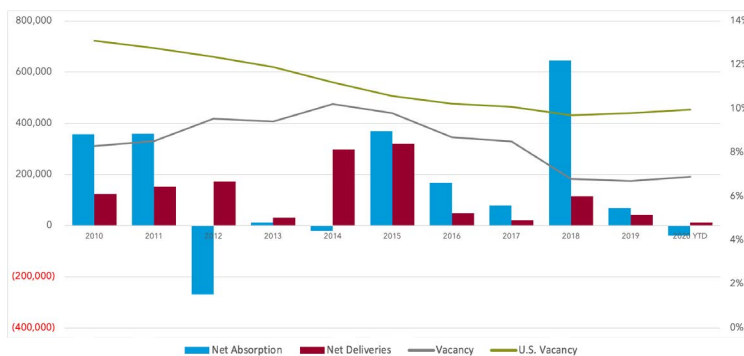
OFFICE MARKET OVERVIEW

CHRISTOPHER LARIMORE, *President*

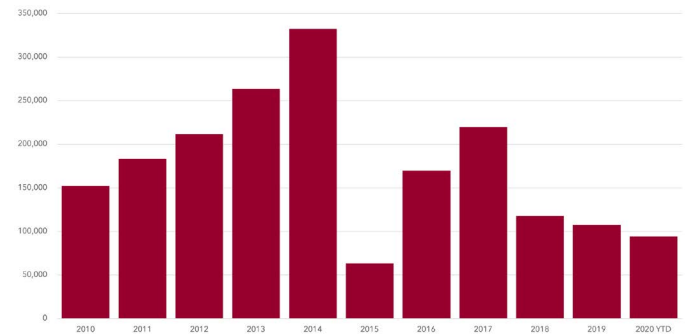
The full effect of COVID-19 is not reflected in this quarter's data. Sales volume decreased slightly by -5% and \$/PSF rose from \$303 (Q1) to \$323. Leasing activity dropped by 55% due to statewide stay-at-home orders. Rental rates remained steady but are expected to decrease as demand for office space decreases and tenants either default, fail to renew or need less space. The positive of this submarket is that only 2.8% of inventory is Class A; the majority are Class B and C, which fair better during downturns because they cost less to operate, and ownership usually are not REITs or Pension Funds.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q1 2019
▼ Net Absorption	(49,478) SF	54,406 SF	(43,345) SF	(7,384) SF	17,251 SF
▲ Vacancy Rate	6.7%	6.6%	6.7%	6.6%	6.5%
◀▶ Avg NNN Asking Rate	\$2.16 PSF	\$2.16 PSF	\$2.15 PSF	\$2.15 PSF	\$2.12 PSF
◀▶ Under Construction	94,210 SF	94,210 SF	107,346 SF	107,346 SF	139,983 SF
◀▶ Inventory	33,150,763 SF	33,150,763 SF	33,137,627 SF	33,137,627 SF	33,110,446 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
420 W. Rowland St Covina, CA	62,969 SF	\$39,856,600 \$632.96 PSF	IRA Capital LLC DaVita, Inc.	Class B
248 E. Foothill Blvd Monrovia, CA	10,608 SF	\$3,529,213 \$332.69 PSF	Upper SGV Municipal Water Rolland Johnson	Class B
37 E. Huntington Dr Arcadia	6,343 SF	\$2,900,000 \$457.20 PSF	S&L International Charles T. Mathews	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4900 Rivergrade Rd Irwindale, CA	18,213 SF	MetLife, Inc.	Kaiser Permanente	Medical
1330 Valley Vista Dr Diamond Bar, CA	4,350 SF	Cycle Link USA, Inc.	Undisclosed	Undisclosed
250 W. 1st St Claremont, CA	3,730 SF	Village Plaza Associates, LLC	Undisclosed	Undisclosed