



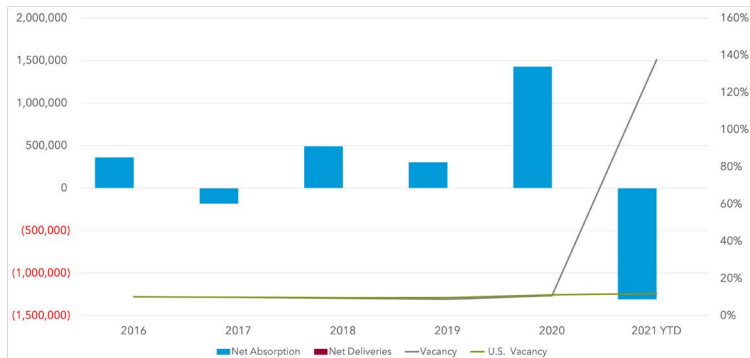
### OFFICE MARKET OVERVIEW

MIKE TINGUS, *President*

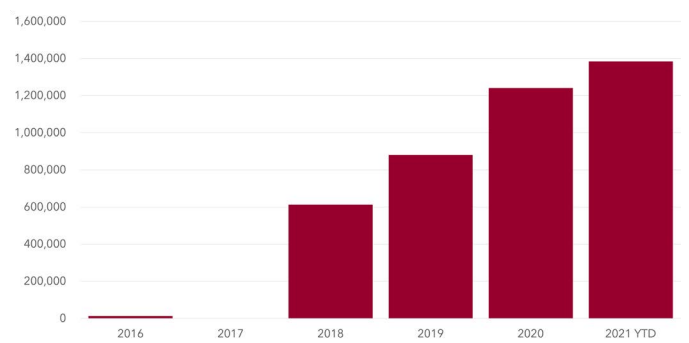
As employers plan for their office needs, there has never been a better time for tenants to find a bargain. Q1 2021 - which begins and ends with the anniversaries of California's Covid-19 cases and the stay-at-home order that closed offices for millions - saw leasing activity reduced to 623,039 SF. That's less than half the leasing activity reported in Q1 2020. It's unknown whether leasing activity has reached its bottom. This slowdown continues as 1,240,777 SF of new inventory is under construction amid three straight quarters of negative net absorption. Nearly 350,000 SF are expected for delivery in May from three projects. There were nine sales of non-distressed office properties averaging \$271 PSF, which is much less than the approximately \$467 PSF average in the previous quarter.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ Net Absorption SF	(1,307,470)	(1,192,440)	(656,280)	(186,703)	(465,950)
▲ Vacancy Rate	13.76%	12.9%	10.2%	9.4%	9.3%
▲ Avg NNN Asking Rate	\$34.36 PSF	\$34.21 PSF	\$34.32 PSF	\$34.68 PSF	\$34.56 PSF
▼ SF Under Construction	1,384,353	1,389,029	882,893	821,960	872,051
▲ Inventory SF	86,265,838	86,202,450	73,754,362	73,353,440	73,054,474

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
26050 Mureau Road Calabasas, CA	46,899 SF	\$12,695,000 \$270.69 PSF	Alliant Capital, Ltd Crusader Insurance Company	Class A
25050 Avenue Kearny Santa Clarita, CA	23,817 SF	\$6,000,000 \$251.92 PSF	A. Golden Enterprises Rebel Professional Center	Class B
120 W Cypress Avenue Burbank, CA	8,188 SF	\$2,700,000 \$329.75 PSF	Private Entity Gave Properties, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2811 Wilshire Blvd, Ste 2807, 2813-2827, Santa Monica, CA	11,771 SF	2811 Wilshire Associates, LLC	MIC of Southern California	Medical
12034 Riverside Dr, 1st & 2nd Fl Valley Village, CA	9,000 SF	Glenn & Elsie Jackson	ABC Signature, LLC	Production Studio
8671 Hayden Pl, Ste 8673 Culver City, CA	7,028 SF	Hayden Place, LLC	Jorge Pelayo, Richard Cardenas and Cindy Cobos	Financial Services

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