

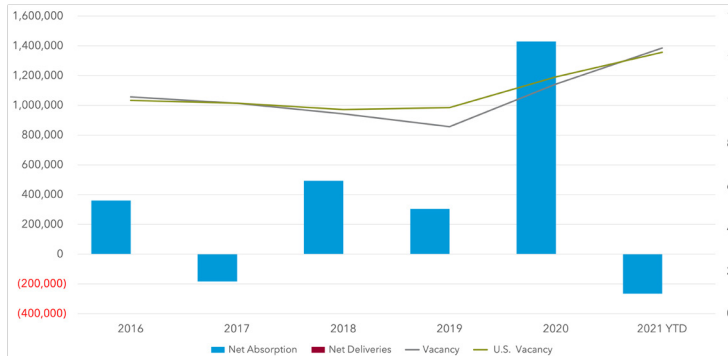
OFFICE MARKET OVERVIEW

MIKE TINGUS, *President*

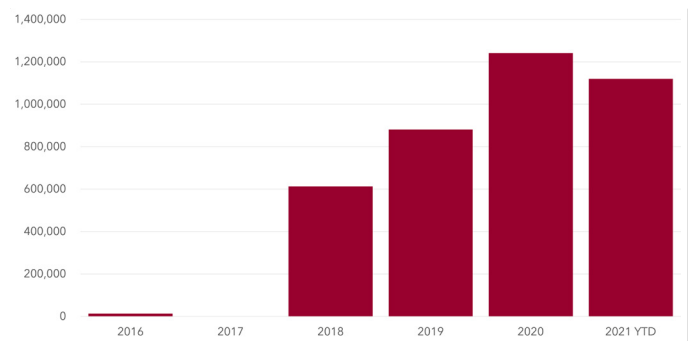
The LA North Office market once again saw sluggish leasing activity as vacancy rates climbed to their highest level since 2014. Meanwhile, the market saw significant sales activity during the quarter. Twenty-three sales, the most since Q1 2018. Among the factors contributing to increased vacancies and leasing rates is the absence of new space. There has been no new inventory delivered in 2021 and while more than 1.1 million sf is under construction, only 319,841 sf is scheduled for completion this year. The other 800,000 sf is tied up in a single project - Worthe Real Estate Group's Second City expansion in Burbank - and will not be delivered until at least the first quarter of 2023.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▼ 12 Mo. Net Absorption SF	(1,009,468)	(745,017)	(1,307,470)	(1,192,440)	(656,280)
▲ Vacancy Rate	12.35%	11.73%	13.76%	12.9%	10.2%
▲ Avg NNN Asking Rate PSF	\$37.64	\$37.38	\$34.36	\$34.21	\$34.32
▼ SF Under Construction	1,119,297	1,128,215	1,384,353	1,389,029	882,893
▲ Inventory SF	94,187,318	93,958,882	86,265,838	86,202,450	73,754,362

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3450 Cahuenga Blvd Ste 906 Studio City, CA	1,921 SF	\$920,000 \$478.92 PSF	Private Owner User Owner Cahuenga LLC	Class B
3450 Cahuenga Blvd Ste 401 Studio City, CA	1,921 SF	\$1,020,000 \$530.97 PSF	Private Owner User Owner Cahuenga LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
21700 Oxnard Street Woodland Hills, CA	17,044 SF	Douglas Emmett 2000, LLC	Music Reports, Inc	Licensing
21210 Erwin Street Woodland Hills, CA	14,400 SF	L Aronoff & Sons	Stairway Resource Center, Inc	Medical
15000 Ventura Blvd, Ste 202 Sherman Oaks, CA	9,923 SF	15000 Ventura Blvd, LLC	NS Pictures Inc	Production company

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