



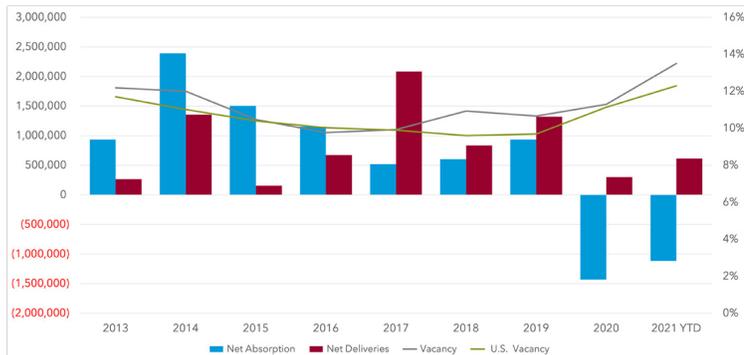
OFFICE MARKET OVERVIEW

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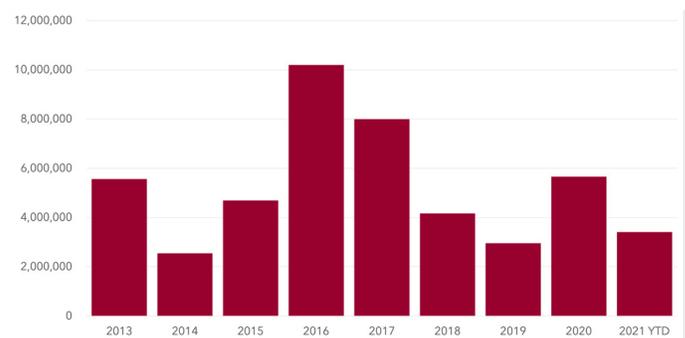
Q3 saw an uptick in a very sluggish OC office market. Year- to-date Net Absorption is just north of (1.1M) SF, but the pace of negative absorption slowed greatly. The OC office market's two dominant submarkets, the Airport Area and the Spectrum are on a completely different trajectory. The Airport submarket has seen it's vacancy rate climb from 11.4% to 16.5% in 2021, while the Spectrum has seen strong leasing as companies begin their return to the market. Lease rates have started decrease, with asking rents down 3.6% and effective rents, which take into account free rent and TI Allowances, falling even further. The effects of Covid and the Delta variant have slowed users return to the office but the full effects will not be seen until a wider return materializes.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Net Absorption SF	(1,873)	(269,179)	(846,066)	(928,557)	(642,568)
▲ Vacancy Rate	13.74%	13.58%	13.19%	12.33%	11.37%
◀ ▶ Avg NNN Asking Rate PSF	\$2.64	\$2.64	\$2.67	\$2.68	\$2.70
▼ SF Under Construction	1,042,353	1,262,812	1,106,289	1,281,493	1,412,797
▲ Inventory SF	117,420,510	117,200,051	116,981,852	116,806,648	116,576,992

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
333 City Boulevard W Orange, CA	435,177 SF	\$150,500,000 \$345.84 PSF	City Tower Properties LLC Pacific Oak SOR City Tower LLC	Class A
15191 Alton Pkwy Irvine, CA	373,167 SF	\$197,590,000 \$529.48 PSF	Alton Parkway Operating Company Five Point Office Venture I, LLC	Class A
1801 E Saint Andrew Place Santa Ana, CA	370,374 SF	\$105,300,000 \$284.31 PSF	Rexford Industrial - 1800 St Andrew CF Alpha & Golf Propco LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
400 Spectrum Center Dr., 7th-9th & 11th Floor	89,068	Irvine Company	Terran Orbital	Manufacturing
15550 Sand Canyon Ave., 1st & 2nd Floor	69,647	Irvine Ranch Water District	Bandai Namco	Retailer
2722 Michelson Dr., 1st Floor	69,445	LBA Realty	Withheld	Withheld

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