



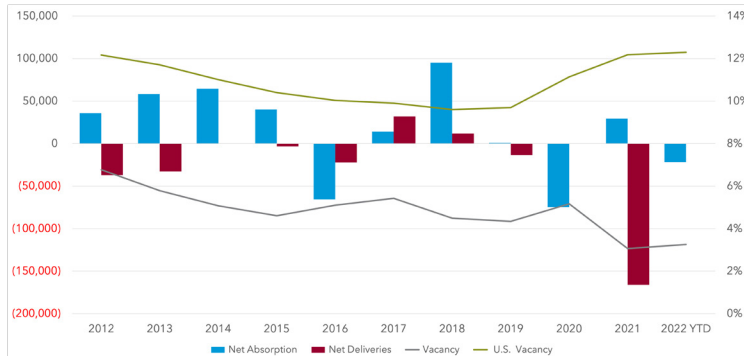
OFFICE MARKET OVERVIEW

CHRISTOPHER LARIMORE, *Founding Principal*

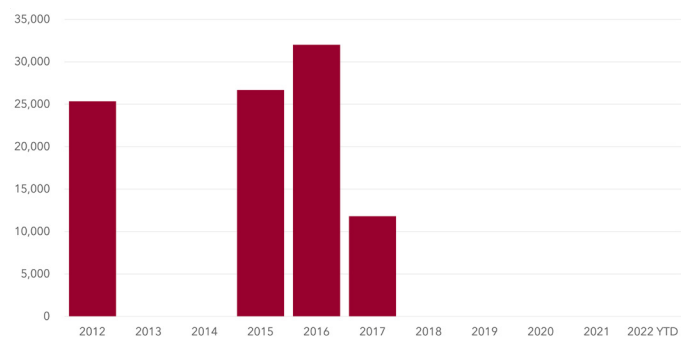
The Mid-Cities office market began the year with negative gains. After the positive activity closing the year due to the end of the pandemic, 2022 started with an increase in energy prices and higher CPI, which caused many investors and business owners to pause. Leasing activity resulted in -22,351 SF net absorption, which hasn't occurred since Q1 2021. Asking rates decreased by 3%. Owner-User sales dominate in this market with business owners using financial benefits of property ownership to offset operation increases, and the luxury to remain isolated from other companies should another pandemic occur. As the economy becomes more volatile, investors are looking to diversify their portfolio into real estate holdings.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▼ 12 Mo. Net Absorption SF	(22,351)	31,701	75,062	124,110	(205,021)
▲ Vacancy Rate	3.3%	3.0%	3.4%	4.2%	7.3%
▼ Avg FSG Asking Rate PSF	\$25.48	\$26.15	\$24.49	\$24.09	\$23.64
◀▶ SF Under Construction	0	0	0	0	0
◀▶ Inventory SF	8,889,600	8,889,600	8,889,600	8,889,600	9,055,600

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
12215 Telegraph Road Santa Fe Springs, CA	40,040 SF	\$9,450,000 \$236.01 PSF	Kristoff Commercial Real Estate, Inc. Krikorian Premiere Theatres	Class B
5565-5577 Sheila Street Commerce, CA	27,300 SF	\$3,500,000 \$128.21 PSF	Michael Marrufo Santa Fe Realty Co.	Class C
6252 Telegraph Road Commerce, CA	21,323 SF	\$6,200,000 \$290.77 PSF	Benjamin Botach Central Basin Municipal Water Dist.	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
12052 Imperial Hwy Norwalk, CA	3,400 SF	Dr. Parhan Sage	PHD Dental	Health Care
5900 S. Eastern Avenue Commerce, CA	3,293 SF	Quest Capital Partners, Inc.	Undisclosed	Undisclosed
8221 3rd Street Downey, CA	2,204 SF	Taft Plaza, LLC	Undisclosed	Undisclosed

