



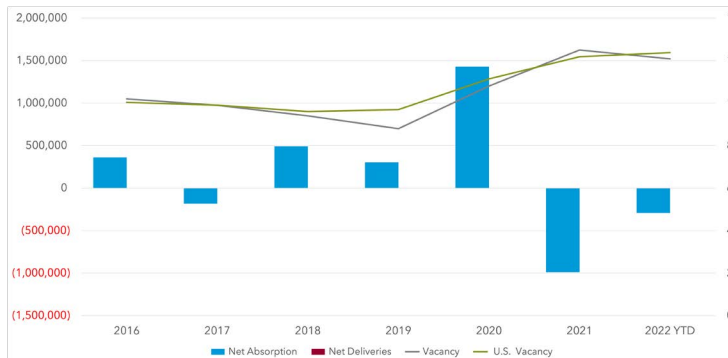
OFFICE MARKET OVERVIEW

MIKE TINGUS, *President*

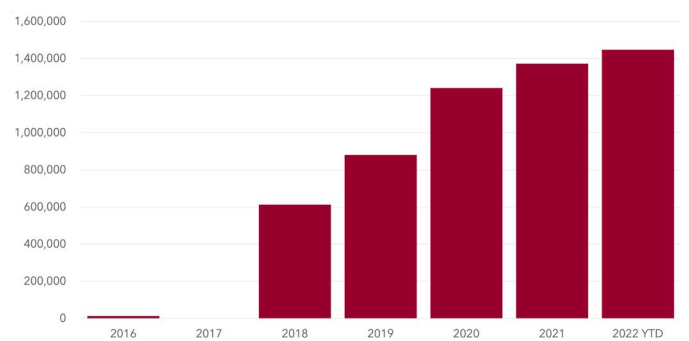
The LA North office market, which ended eight consecutive quarters of skyrocketing office vacancies and brought stability to the market in Q1, traded stability for speed in Q2 marked by a record-setting increase in vacancies. Vacancy rates spiked to 13.5% - a 160 basis-point increase over Q1 - as vacant office space surpassed 10 million square feet. Despite the enormity of the surplus and dwindling demand, average asking rates for leases set a new record at \$3.04 PSF. Meanwhile, nearly 1.3 million square feet is under construction. The market has demonstrated its ability to quickly move inventory. Steady sales with 16 transactions conducted, two were distressed with a median price of \$314 PSF.

| MARKET INDICATORS | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 |
|----------------------------|------------|------------|------------|-------------|------------|
| ▼ 12 Mo. Net Absorption SF | (292,732) | (219,656) | (673,901) | (1,009,468) | (745,017) |
| ▼ Vacancy Rate | 12.08% | 12.35% | 12.45% | 12.35% | 11.73% |
| ▲ Avg NNN Asking Rate PSF | \$39.50 | \$38.26 | \$38.00 | \$37.64 | \$37.38 |
| ▲ SF Under Construction | 1,446,794 | 1,397,869 | 1,463,215 | 1,119,297 | 1,128,215 |
| ▲ Inventory SF | 94,062,704 | 91,327,142 | 94,154,716 | 94,187,318 | 93,958,882 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|-------------------------------------------------------|-----------|-----------------------------|-----------------------------------------------------|----------------|
| 9430 Topanga Canyon Boulevard Chatsworth, CA | 26,880 SF | \$5,700,000 \$212.05 PSF | Christina Boyd Music Holding Prop. | Class B |
| 20631 Ventura Boulevard Woodland Hills, CA | 22,966 SF | \$6,500,000 \$283.03 PSF | Matian Commercial Property Bluestone Estate, LLC | Class B |
| 3457-3459 Cahuenga Boulevard, W Woodland Hills, CA | 4,767 SF | \$2,800,000 \$587.37 PSF | FilmTree LLC Darren M. Zinger | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--------------------------------------------------------------------|-----------|-------------------|-------------------------------------------|---------------------|
| 10200 Riverside Dr Ste 100, 200, 201, 203, 205, Toluca Lake, CA | 12,906 SF | Drum Properties | Digital Vortechs, Inc. | Post Production Co. |
| 21204 Erwin Street Woodland Hills, CA | 11,130 SF | A.B.2 | Highland Park Patient Collective, Inc. | Medical Dispensary |
| 607 S Glenoaks Boulevard, Ste 100 Burbank, CA | 9,457 SF | 601 Glenoaks, LLC | First Choice ADHC Inc. | Adult Day Care |

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