



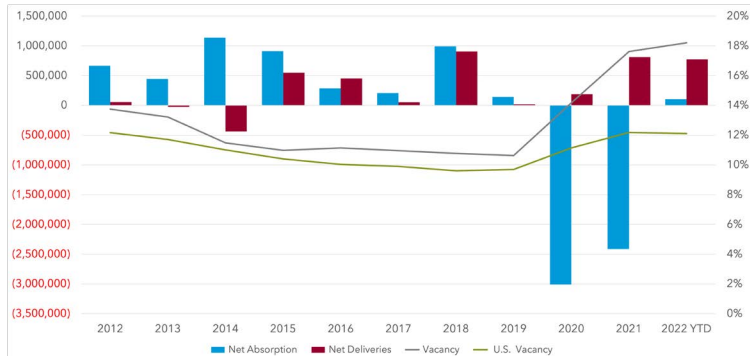
### OFFICE MARKET OVERVIEW

ALEKS TRIFUNOVIC, SIOR, *President*

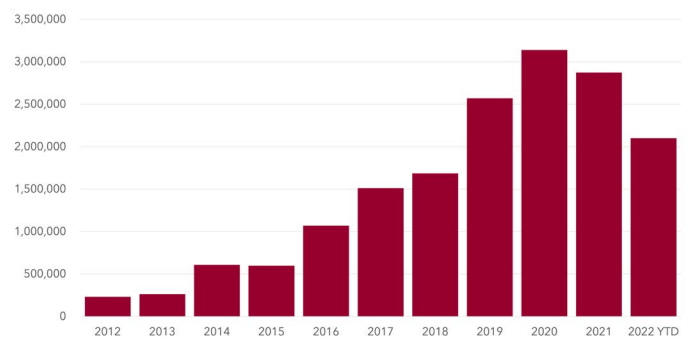
The Westside office market experienced pullback of momentum in the Q2 due to factors that caused consumer fear and uncertainty. First was the crypto crash that impacted those in the tech sector who are heavily invested in crypto. Secondly, a decline in the stock market shrunk 401k's, impacting buying power on owner-user sales. Next was the doubling of the interest rate, causing the cost of ownership and development to rise. This also hurt underwriting on development with the belief that interest rates will push up CAP rates, impacting the IRR and exit cap rates. Larger tenants continue to make decisions and absorb space while mid-sized companies are still working through work-from-home and hybrid protocols.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲ 12 Mo. Net Absorption SF	257,998	131,895	340,321	(532,992)	(935,896)
▼ Vacancy Rate	17.9%	18.0%	17.6%	17.8%	17.2%
▼ Avg NNN Asking Rate PSF	\$4.40	\$4.44	\$4.40	\$4.38	\$4.38
▼ SF Under Construction	2,099,651	2,247,194	2,873,561	3,047,805	2,889,246
▲ Inventory SF	91,189,887	91,042,344	90,416,258	90,253,887	90,152,189

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7961 West 3rd Street Los Angeles, CA	7,232 SF	\$6,000,000 \$829.65 PSF	Hart's Playground LLC 7961 West Third Ltd	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2045 Sawtelle Boulevard Los Angeles, CA	34,000 SF	2045 Sawtelle 1, LLC	Medical User	Medical
1907 Olympic Blvd Suites 1A and 1B Santa Monica, CA	6,100 SF	Cabin Editing Company, LLC	Ntropic, LLC	VFX
2332 South Centinela Blvd Suite B Los Angeles, CA	6,011 SF	WJR Centinela LLC/ TFBF LLC	Ericsson Inc	Telecommunications

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