



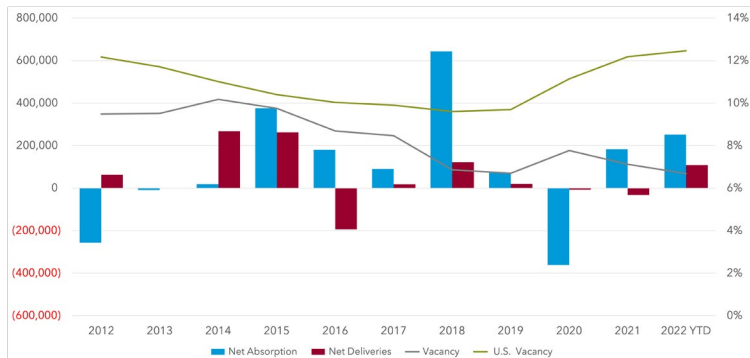
OFFICE MARKET OVERVIEW

CHRISTOPHER LARIMORE, *Founding Principal*

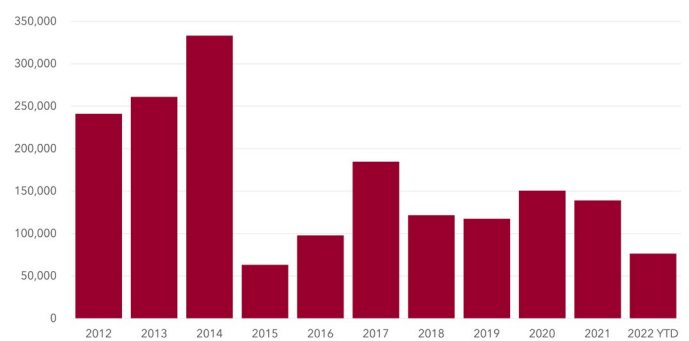
The San Gabriel Valley office market is showing signs of a shift this past quarter, which will continue through next year as recession looms. Leasing activity is slowing down, especially for Class A, and office tenants are either looking for smaller space or giving back some space. Soon, landlords will need to offer incentives to attract tenants. According to Kastle Systems "Back to Work Barometer" most major cities have yet to reach 50% of pre-pandemic office usage as many employees work from home or have hybrid schedules. This also translates into the office sales in this submarket with an increased demand in smaller Class B & C owner-user buildings and less institutional Class A buildings. Majority of large space leased and purchased are by medical groups.

| MARKET INDICATORS | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|----------------------------|------------|------------|------------|------------|------------|
| ▼ 12 Mo. Net Absorption SF | 82,526 | 171,734 | (2,750) | (21,547) | 68,022 |
| ◀▶ Vacancy Rate | 6.7% | 6.7% | 7.2% | 7.1% | 7.2% |
| ▲ Avg FSG Asking Rate PSF | \$26.63 | \$26.56 | \$26.52 | \$25.75 | \$25.52 |
| ▼ SF Under Construction | 76,452 | 128,862 | 138,997 | 138,997 | 132,997 |
| ▲ Inventory SF | 33,108,525 | 33,010,115 | 32,999,980 | 32,999,980 | 33,060,113 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|-----------|-----------------------------|--|----------------|
| 3144 Santa Anita Avenue El Monte, CA | 22,320 SF | \$6,175,000 \$276.66 PSF | Undisclosed HealthCare Partners of California | Class B |
| 618-620 Route 66 Glendora, CA | 19,720 SF | \$4,118,677 \$208.86 PSF | Lincoln Orellana Quest Capital Partners, Inc. | Class C |
| 20628 E. Arrow Highway Covina, CA | 12,222 SF | \$2,500,000 \$204.55 PSF | Undisclosed Undisclosed | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|-----------|----------------------------------|-------------|---|
| 13101 S. Crossroads Parkway City of Industry, CA | 16,032 SF | Majestic Realty Co | Undisclosed | Undisclosed |
| 20955 Pathfinder Road Diamond Bar, CA | 6,486 SF | Access Property Services, Inc | TAAD | Professional, Scientific, and Technical Services |
| 114 W. Lime Avenue Monrovia, A | 6,200 SF | 116 West Lime Street, LLC | Undisclosed | Undisclosed |

