



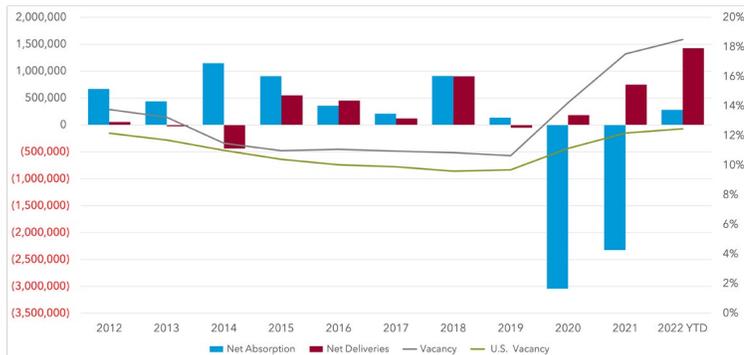
OFFICE MARKET OVERVIEW

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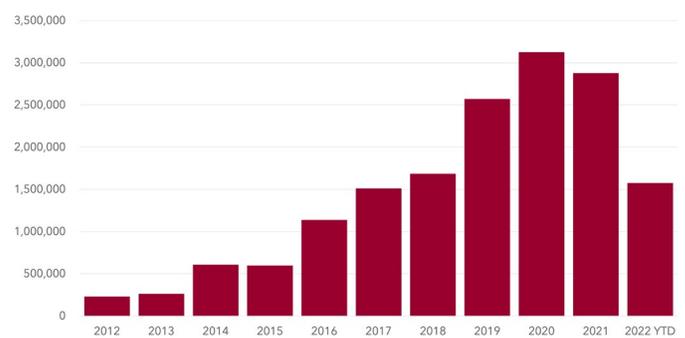
The office market continued up and down in Q3 due to tech firms seeking layoffs. Since Snap, Inc.'s 20% reduction in staff, smaller tech firms are following suit. Companies with newly formed back-to-work plans are now going through an organizational rightsizing. Debt markets for the sale of office buildings dried up for developers as bank & debt institutions focus on more secure sectors for lending, impacting the non-owner user sales & velocity on available properties. The sale market for owner-users is still active but current interest rates of 6% vs 4% have placed pressure on the bid and ask with buyers going pencils down, waiting for better opportunities as pain increases for owners.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	208,996	274,073	116,382	332,669	(440,599)
▲ Vacancy Rate	18.2%	17.8%	18.0%	17.5%	17.8%
▼ Avg NNN Asking Rate PSF	\$4.36	\$4.40	\$4.44	\$4.40	\$4.38
▼ SF Under Construction	1,575,646	2,151,920	2,250,945	2,877,312	3,008,119
▲ Inventory SF	91,651,121	91,013,472	90,849,813	90,223,727	90,090,206

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2217, 2219, and 2229 Pontius Avenue Los Angeles, CA	8,100 SF	\$7,425,000 \$916.67 PSF	Pontius 22, LLC	Class B
6374 Arizona Circle Los Angeles, CA	8,100 SF	\$7,190,000 \$887.65 PSF	BLT Enterprises	Class B
5708 Cahuenga Blvd Los Angeles, CA	1,840 SF	\$827,700 \$449.84 PSF	D&D Eng LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5800 Hannum Ave, Ste 110 & 145- 5811A Uplander Way, Culver City, CA	16,488 SF	B9 Sequoia Culver City Owner LP	West Side Gear Company LLC	Media
6837 Hayvenhurst Avenue Van Nuys, CA	15,960 SF	Victor G. Haney Tr/Betty Bondy Decd Tr & LCH LLC	Sorting Robotics, Inc.	Robotics
6101 Centinela Ave, Suites 346 & 350 Culver City, CA	12,077 SF	6101 Centinela Property Owner, LLC	Jazwares, LLC	Toys

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