



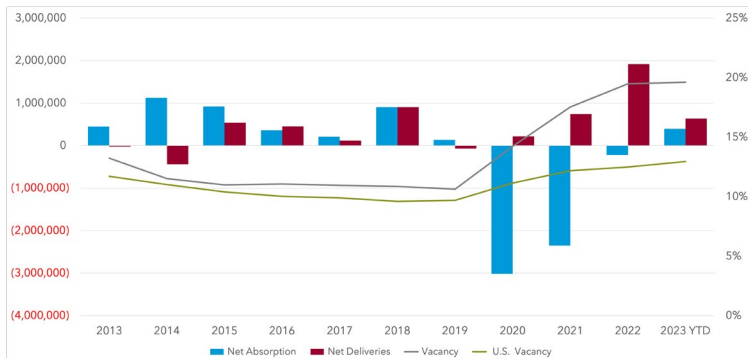
OFFICE MARKET OVERVIEW

ALEKS TRIFUNOVIC, SIOR, *President*

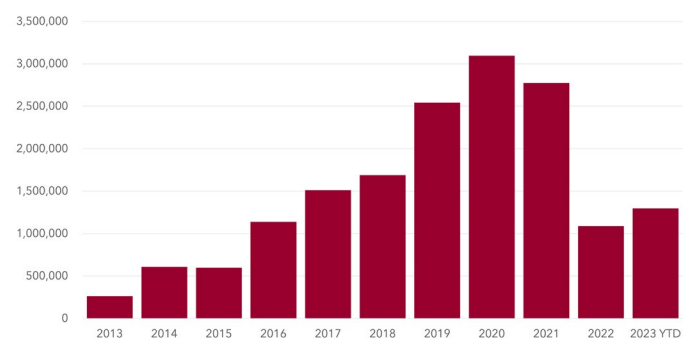
Q1 from an activity standpoint was very slow on the sale front. The increase in interest rates grounded sale activity. Santa Monica's premiere asset The Water Garden has interest, but pricing is coming in at close to half of seller's expectations. Investor buyers are limited by the lack of lending on vacant office space. The owner-user market has shown some life with buyers trying to take advantage of opportunities. The WFH model is changing with medium-sized tenants looking for lease space. Endeavor content signed the largest lease in the Q at 65,000 SF, taking the top two floors at the Lumen project. Other larger tenants are on hold as their employees return to the office.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▲ 12 Mo. Net Absorption SF	(232,280)	(246,317)	(331,509)	243,620	114,616
▲ Vacancy Rate	20.3%	19.5%	18.2%	17.8%	17.7%
▼ Avg NNN Asking Rate PSF	\$4.33	\$4.39	\$4.36	\$4.39	\$4.43
▲ SF Under Construction	1,296,882	1,087,645	2,195,397	2,091,674	2,408,029
▲ Inventory SF	92,702,123	92,068,166	90,901,189	90,871,957	90,490,925

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1663-1669 Euclid Street Santa Monica, CA	8,227 SF	\$15,000,000 \$1,823.26 PSF	Indian Paintbrush Productions LLC 1663 Euclid LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
11151 Missouri Avenue Los Angeles, CA	11,240 SF	Harvey Capital Corp.	The Range LA	Undisclosed
1712 Berkeley Street Santa Monica, CA	4,850 SF	1712 Berkeley, LLC	SourceHOV Holdings, Inc. & Source-Corp. Management Inc.	Undisclosed
310 Wilshire Boulevard Santa Monica, CA	4,723 SF	Work XYZ LP	Bjarke Ingles Group California Inc.	Undisclosed

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