

# THE CoSTAR OFFICE REPORT

THIRD QUARTER 2012

## Los Angeles Office Market



# LOS ANGELES OFFICE MARKET



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# LOS ANGELES OFFICE MARKET

## METHODOLOGY

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

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## TERMS & DEFINITIONS

**Availability Rate:** The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

**Available Space:** The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

**Build-to-Suit:** A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

**Buyer:** The individual, group, company, or entity that has purchased a commercial real estate asset.

**Cap Rate:** Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

**CBD:** Abbreviation for Central Business District. (See also: Central Business District)

**Central Business District:** The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

**Class A:** A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

**Class B:** A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Class C:** A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Construction Starts:** Buildings that began construction during a specific period of time. (See also: Deliveries)

**Contiguous Blocks of Space:** Space within a building that is, or is able to be joined together into a single contiguous space.

**Deliveries:** Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

**Delivery Date:** The date a building completes construction and receives a certificate of occupancy.

**Developer:** The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

**Direct Space:** Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

**Existing Inventory:** The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

**Flex Building:** A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

**Full Service Rental Rate:** Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

**Gross Absorption:** The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

**Growth in Inventory:** The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

**Industrial Building:** A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

**Landlord Rep:** (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

**Leased Space:** All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

**Leasing Activity:** The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

**Market:** Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

**Multi-Tenant:** Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

**Net Absorption:** The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

**Net Rental Rate:** A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

**New Space:** Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

**Occupied Space:** Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

**Office Building:** A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

**Owner:** The company, entity, or individual that holds title on a given building or property.

**Planned/Proposed:** The status of a building that has been announced for future development but not yet started construction.

**Preleased Space:** The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

**Price/SF:** Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

**Property Manager:** The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

**Quoted Rental Rate:** The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

**RBA:** Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

**Region:** Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

**Relet Space:** Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

**Rentable Building Area:** (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

**Rental Rates:** The annual costs of occupancy for a particular space quoted on a per square foot basis.

**Sales Price:** The total dollar amount paid for a particular property at a particular point in time.

**Sales Volume:** The sum of sales prices for a given group of buildings in a given time period.

**Seller:** The individual, group, company, or entity that sells a particular commercial real estate asset.

**SF:** Abbreviation for Square Feet.

**Single-Tenant:** Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

**Sublease Space:** Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

**Submarkets:** Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

**Suburban:** The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

**Tenancy:** A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

**Tenant Rep:** Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

**Time On Market:** A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

**Under Construction:** The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

**Vacancy Rate:** A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

**Vacant Space:** Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

**Weighted Average Rental Rate:** Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

**Year Built:** The year in which a building completed construction and was issued a certificate of occupancy.

**YTD:** Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

# LOS ANGELES OFFICE MARKET



OVERVIEW

## LOS ANGELES'S VACANCY STAYS AT 12.5% Net Absorption Positive 94,915 SF in the Quarter

The Los Angeles Office market ended the third quarter 2012 with a vacancy rate of 12.5%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 94,915 square feet in the third quarter. Vacant sublease space decreased in the quarter, ending the quarter at 1,666,617 square feet. Rental rates ended the third quarter at \$27.81, an increase over the previous quarter. A total of seven buildings delivered to the market in the quarter totaling 334,750 square feet, with 2,091,435 square feet still under construction at the end of the quarter.

### Absorption

Net absorption for the overall Los Angeles office market was positive 94,915 square feet in the third quarter 2012. That compares to negative (186,152) square feet in the second quarter 2012, positive 1,053,894 square feet in the first quarter 2012, and positive 145,998 square feet in the fourth quarter 2011.

Tenants moving out of large blocks of space in 2012 include: DeVry University moving out of 49,121 square feet at Kilroy Airport Center Long Beach - Phase I/At; and UBM Canon moving out of 43,756 square feet at 11444 W Olympic Blvd.

Tenants moving into large blocks of space in 2012 include: Penny Mac Mortgage Investment Trust moving into 141,977 square feet at 6101 Condor Dr; Worley Parsons moving into 92,309 square feet at The Atrium; and Sage Publications moving into 71,250 square feet at 2560 Teller Rd.

The Class-A office market recorded net absorption of positive 304,031 square feet in the third quarter 2012, compared to negative (177,039) square feet in the second quarter 2012, positive 669,795 in the first quarter 2012, and negative (362,300) in the fourth quarter 2011.

The Class-B office market recorded net absorption of positive 1,785 square feet in the third quarter 2012, compared to negative (24,955) square feet in the second quarter 2012, positive 395,103 in the first quarter 2012, and positive 425,511 in the fourth quarter 2011.

The Class-C office market recorded net absorption of negative (210,901) square feet in the third quarter 2012 compared to positive 15,842 square feet in the second quarter 2012, negative (11,004) in the first quarter 2012, and positive 82,787 in the fourth quarter 2011.

Net absorption for Los Angeles's central business district was negative (117,701) square feet in the third quarter 2012. That compares to negative (249,610) square feet in the second quarter 2012, positive 107,789 in the first quarter 2012, and negative (293,241) in the fourth quarter 2011.

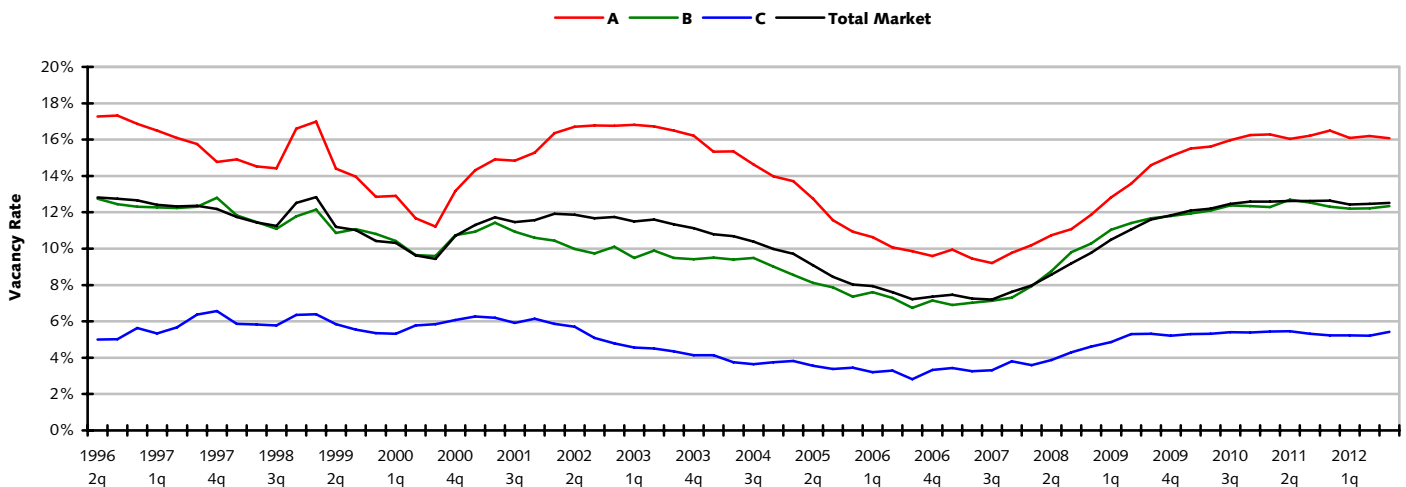
Net absorption for the suburban markets was positive 212,616 square feet in the third quarter 2012. That compares to positive 63,458 square feet in second quarter 2012, positive 946,105 in the first quarter 2012, and positive 439,239 in the fourth quarter 2011.

### Vacancy

The office vacancy rate in the Los Angeles market area remained unchanged at 12.5% at the end of the third quarter 2012, as it was at the end of the second quarter 2012. The vacancy rate was 12.4% at the end of the first quarter 2012, and 12.6% at the end of the fourth quarter 2011.

Class-A projects reported a vacancy rate of 16.1% at the end of the third quarter 2012, 16.2% at the end of the second quarter 2012, 16.1% at the end of the first quarter 2012, and 16.5% at the end of the fourth quarter 2011.

## VACANCY RATES BY CLASS 1996-2012



Source: CoStar Property®



Class-B projects reported a vacancy rate of 12.3% at the end of the third quarter 2012, 12.2% at the end of the second and first quarters of 2012, and 12.3% at the end of the fourth quarter 2011.

Class-C projects reported a vacancy rate of 5.4% at the end of the third quarter 2012, up slightly from the 5.2% it was at the end of the previous three quarters going back to the end of the fourth quarter 2011.

The overall vacancy rate in Los Angeles's central business district at the end of the third quarter 2012 increased to 12.3%. The vacancy rate was 12.2% at the end of the second quarter 2012, 11.9% at the end of the first quarter 2012, and 12.0% at the end of the fourth quarter 2011.

The vacancy rate in the suburban markets increased to 12.6% in the third quarter 2012. The vacancy rate was 12.5% at the end of the second and first quarters of 2012, 12.5% and 12.8% at the end of the fourth quarter 2011.

### Largest Lease Signings

The largest lease signings occurring in 2012 included: the 328,829-square-foot lease signed by Wells Fargo Bank at Wells Fargo Center in the Downtown Los Angeles market; the 180,000-square-foot deal signed by Western Asset Management Company at Western Asset Plaza in the Burbank/Glendale/Pasadena market; and the 160,415-square-foot lease signed by Lewis Brisbois Bisgaard & Smith LLP at Figueroa Plaza North Tower in the Downtown Los Angeles market.

### Sublease Vacancy

The amount of vacant sublease space in the Los Angeles market decreased to 1,666,617 square feet by the end of the third quarter 2012, from 1,725,306 square feet at the end of the second quarter 2012. There was 1,772,109 square feet vacant at the end of the first quarter 2012 and 2,156,888 square feet at the end of the fourth quarter 2011.

Los Angeles's Class-A projects reported vacant sublease

space of 1,135,133 square feet at the end of third quarter 2012, down from the 1,212,659 square feet reported at the end of the second quarter 2012. There were 1,190,713 square feet of sublease space vacant at the end of the first quarter 2012, and 1,394,250 square feet at the end of the fourth quarter 2011.

Class-B projects reported vacant sublease space of 432,194 square feet at the end of the third quarter 2012, down from the 441,739 square feet reported at the end of the second quarter 2012. At the end of the first quarter 2012 there were 509,234 square feet, and at the end of the fourth quarter 2011 there were 693,450 square feet vacant.

Class-C projects reported increased vacant sublease space from the second quarter 2012 to the third quarter 2012. Sublease vacancy went from 70,908 square feet to 99,290 square feet during that time. There were 72,162 square feet at the end of the first quarter 2012, and 69,188 square feet at the end of the fourth quarter 2011.

Sublease vacancy in Los Angeles's central business district stood at 158,506 square feet at the end of the third quarter 2012. It was 199,434 square feet at the end of the second quarter 2012, 215,078 square feet at the end of the first quarter 2012, and 343,265 square feet at the end of the fourth quarter 2011.

Sublease vacancy in the suburban markets ended the third quarter 2012 at 1,508,111 square feet. At the end of the second quarter 2012 sublease vacancy was 1,525,872 square feet, was 1,557,031 square feet at the end of the first quarter 2012, and was 1,813,623 square feet at the end of the fourth quarter 2011.

### Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$27.81 per square foot per year at the end of the third quarter 2012 in the Los Angeles market area. This represented a 0.1% increase in quoted rental rates from the end of the second quarter 2012, when rents were reported at \$27.77 per square foot.

The average quoted rate within the Class-A sector was \$30.97 at the end of the third quarter 2012, while Class-B rates stood at \$24.73, and Class-C rates at \$22.74. At the end of the second quarter 2012, Class-A rates were \$30.98 per square foot, Class-B rates were \$24.69, and Class-C rates were \$22.69.

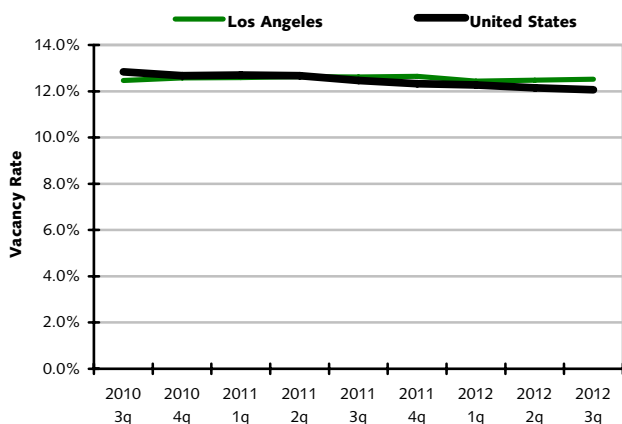
The average quoted asking rental rate in Los Angeles's CBD was \$31.01 at the end of the third quarter 2012, and \$27.23 in the suburban markets. In the second quarter 2012, quoted rates were \$31.19 in the CBD and \$27.17 in the suburbs.

### Deliveries and Construction

During the third quarter 2012, seven buildings totaling 334,750 square feet were completed in the Los Angeles market area. This compares to three buildings totaling 87,431 square feet that were completed in the second quarter 2012, eight buildings totaling 492,803 square feet completed in the first quarter 2012, and 281,484 square feet in six buildings completed in the fourth quarter 2011.

## U.S. VACANCY COMPARISON

### Past 9 Quarters



Source: CoStar Property

## LOS ANGELES OFFICE MARKET



## OVERVIEW

There were 2,091,435 square feet of office space under construction at the end of the third quarter 2012.

Some of the notable 2012 deliveries include: 18888 Labin Ct, a 139,809-square-foot building that delivered in third quarter 2012 and is now 100% occupied; and 12145 Woodruff Ave, a 86,045-square-foot building that delivered in first quarter 2012 and is now 100% occupied.

The largest projects underway at the end of third quarter 2012 were Governor Deukmejian Courthouse, a 545,000-square-foot building which will be 99% occupied by the courthouse, and 3270 Lomita Blvd, a 321,450-square-foot facility that is 100% pre-leased.

### Inventory

Total office inventory in the Los Angeles market area amounted to 422,956,621 square feet in 17,329 buildings as of the end of the third quarter 2012. The Class-A office sector consisted of 181,493,122 square feet in 996 projects. There were 5,425 Class-B buildings totaling 154,026,794 square feet, and the Class-C sector consisted of 87,436,705 square feet in 10,908 buildings. Within the Office market there were 703 owner-occupied buildings accounting for 29,622,114 square feet of office space.

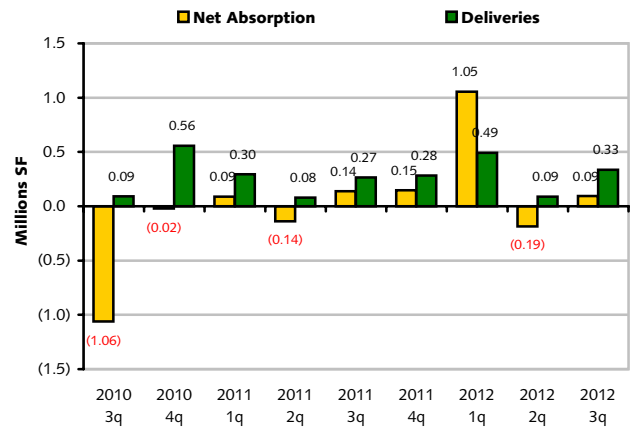
### Sales Activity

Tallying office building sales of 15,000 square feet or larger, Los Angeles office sales figures rose during the second quarter 2012 in terms of dollar volume compared to the first quarter of 2012.

In the second quarter, 28 office transactions closed with a total volume of \$670,288,229. The 28 buildings totaled 4,228,498 square feet and the average price per square foot equated to \$158.52 per square foot. That compares to 28 transactions totaling \$350,635,590 in the first quarter 2012. The total square footage in the first quarter was 1,777,106 square feet for an average price per square foot of \$197.31.

## ABSORPTION & DELIVERIES

### Past 9 Quarters



Source: CoStar Property•

Total office building sales activity in 2012 was down compared to 2011. In the first six months of 2012, the market saw 56 office sales transactions with a total volume of \$1,020,923,819. The price per square foot averaged \$170.00. In the same first six months of 2011, the market posted 48 transactions with a total volume of \$1,108,842,185. The price per square foot averaged \$270.68.

Cap rates have been lower in 2012, averaging 7.16% compared to the same period in 2011 when they averaged 7.98%.

One of the largest transactions that has occurred within the last four quarters in the Los Angeles market is the sale of Parsons Campus in Pasadena. This 932,000-square-foot office building sold for \$319,939,744, or \$343.28 per square foot. The property sold on 7/5/2011, at a 7.25% cap rate.

Reports compiled by: Paula Bonner, David Blake and Scott Stephenson, CoStar Research Managers.



# LOS ANGELES OFFICE MARKET

## MARKETS

### CoSTAR MARKETS & SUBMARKETS

In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are then divided into Markets, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Markets	Submarkets			
Antelope Valley	Antelope Valley			
Burbank/Glendale/Pasadena	Burbank Studio/Universal Cities	Glendale	North Hollywood	Pasadena/Arcadia/Monrovia
Downtown Los Angeles	Greater Downtown*			
Mid-Cities	Mid-Cities			
Mid-Wilshire	Hollywood/Silver Lake West Hollywood	Mid-Wilshire	Miracle Mile	Park Mile
San Fernando Valley	Eastern SFV Western SFV	Encino Woodland Hills/Warner Ctr	Sherman Oaks	Tarzana
San Gabriel Valley	Eastern SGV	Western SGV		
Santa Clarita Valley	Santa Clarita Valley			
South Bay	190th Street Corridor LAX	Beach Cities/Palos Verdes Long Beach: Downtown	El Segundo Long Beach: Suburban	Hawthorne/Gardena Torrance
Southeast Los Angeles	Southeast Los Angeles			
Ventura North	Fillmore/NE County Ventura	Moorpark/Simi Valley	Ojai/NW County	Santa Paula/Somis
Ventura South	Calabasas/Westlake Vill	Camarillo/Point Mugu	Oxnard/Port Hueneme	Thousand Oaks/SE County
West Los Angeles	Beverly Hills Marina Del Rey/Venice Santa Monica/Mountains	Brentwood Olympic Corridor West Los Angeles	Century City Pacific Palisades/Malibu Westwood	Culver City Santa Monica

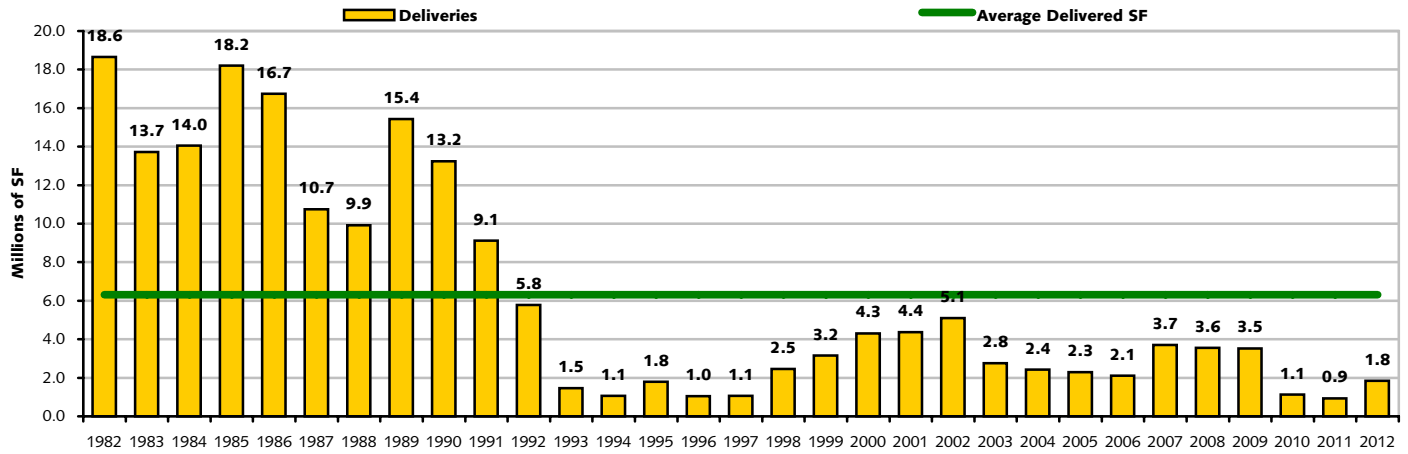
\* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

# LOS ANGELES OFFICE MARKET



## INVENTORY & DEVELOPMENT

### HISTORICAL DELIVERIES 1982 - 2012



Source: CoStar Property® \* Future deliveries based on current under construction buildings.

### CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
South Bay	5	912,112	906,662	99.4%	26,721	182,422
Mid-Wilshire	5	561,017	52,150	9.3%	25,192	112,203
Ventura South	5	277,912	222,643	80.1%	21,335	55,582
San Fernando Valley	2	134,000	125,000	93.3%	24,112	67,000
San Gabriel Valley	1	130,000	130,000	100.0%	15,675	130,000
Burbank/Glendale/Pasadena	2	45,887	2,240	4.9%	18,226	22,943
Mid-Cities	2	20,507	18,420	89.8%	10,322	10,253
West Los Angeles	2	10,000	0	0.0%	30,842	5,000
Ventura North	0	0	0	0.0%	9,269	0
Antelope Valley	0	0	0	0.0%	10,598	0
All Other	0	0	0	0.0%	57,671	0
<b>Totals</b>	<b>24</b>	<b>2,091,435</b>	<b>1,457,115</b>	<b>69.7%</b>	<b>24,407</b>	<b>87,143</b>

Source: CoStar Property®

### RECENT DELIVERIES

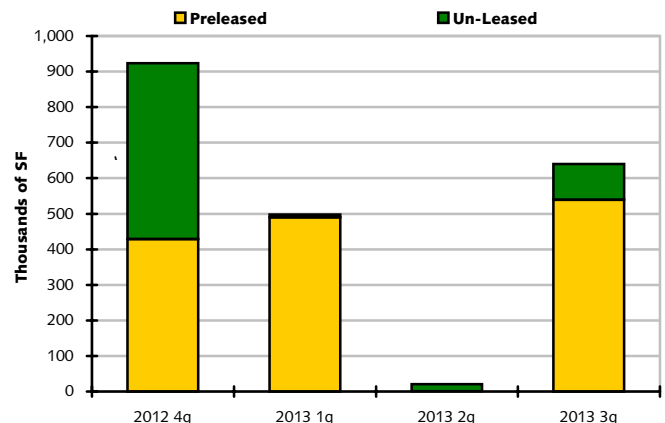
Leased & Un-Leased SF in Deliveries Since 2008



Source: CoStar Property®

### FUTURE DELIVERIES

Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

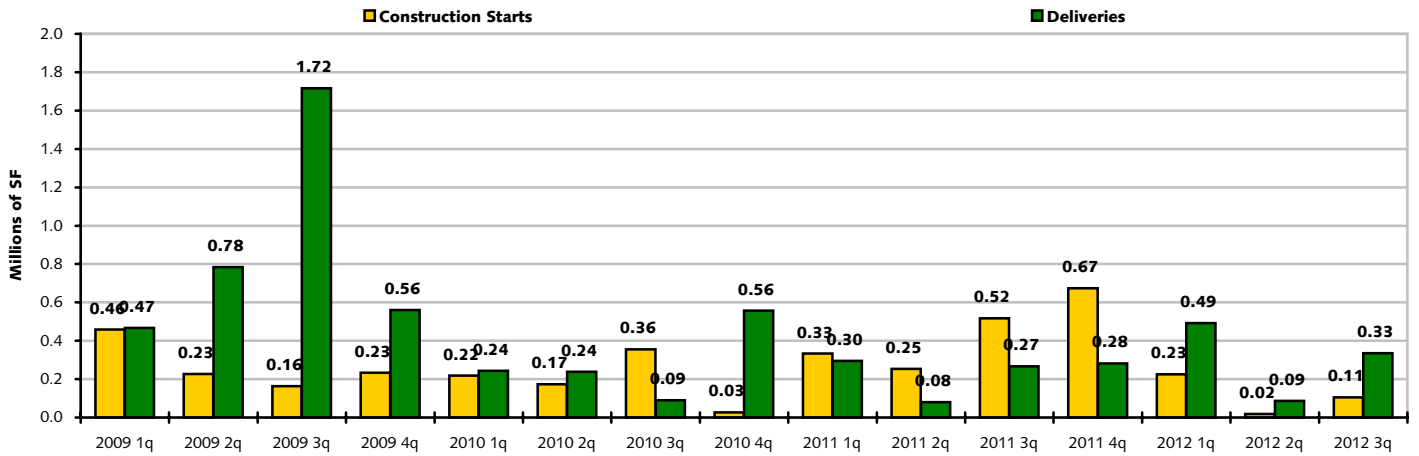


# LOS ANGELES OFFICE MARKET

## INVENTORY & DEVELOPMENT

### HISTORICAL CONSTRUCTION STARTS & DELIVERIES

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

### RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	13	284,665	162,789	57.2%	\$34.35	105,633	179,032
50,000 SF - 99,999 SF	2	136,045	133,545	98.2%	\$0.00	0	136,045
100,000 SF - 249,999 SF	2	241,922	139,809	57.8%	\$0.00	0	241,922
250,000 SF - 499,999 SF	1	252,352	252,352	100.0%	\$0.00	252,352	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

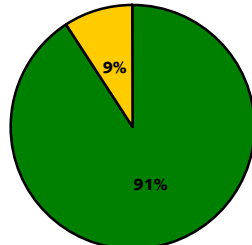
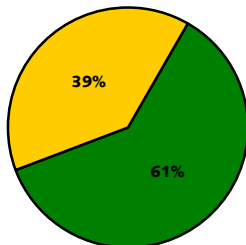
Source: CoStar Property®

### RECENT DEVELOPMENT BY TENANCY

Based on RBA Developed for Single & Multi Tenant Use

2012 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

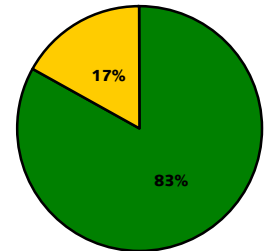
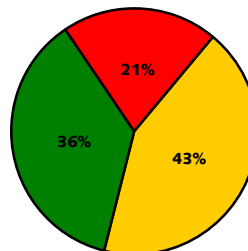
Source: CoStar Property®

### EXISTING INVENTORY COMPARISON

Based on Total RBA

By Class

By Space Type



■ Class A ■ Class B ■ Class C

■ Multi ■ Single

Source: CoStar Property®

## LOS ANGELES OFFICE MARKET



INVENTORY &amp; DEVELOPMENT

## SELECT YEAR-TO-DATE DELIVERIES

Based on Project Square Footage

- |   |   |  |
|---|---|--|
| <p><b>1. 18888 Labin Ct</b></p> <hr/> Submarket: <b>San Gabriel Valley</b><br>RBA: <b>139,809</b><br># Floors: <b>2</b><br>Class: <b>B</b><br>Occupied: <b>100%</b><br>Quoted Rate: <b>N/A</b><br>Grnd Brk Date: <b>Second Quarter 2011</b><br>Deliv Date: <b>Third Quarter 2012</b><br>Leasing Co: <b>N/A</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>                                      | <p><b>2. 12145 Woodruff Ave</b></p> <hr/> Submarket: <b>Mid-Cities</b><br>RBA: <b>86,045</b><br># Floors: <b>2</b><br>Class: <b>B</b><br>Occupied: <b>100%</b><br>Quoted Rate: <b>N/A</b><br>Grnd Brk Date: <b>First Quarter 2011</b><br>Deliv Date: <b>First Quarter 2012</b><br>Leasing Co: <b>N/A</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>                                | <p><b>3. 8900 Beverly Blvd</b></p> <hr/> Submarket: <b>Mid-Wilshire</b><br>RBA: <b>50,000</b><br># Floors: <b>3</b><br>Class: <b>A</b><br>Occupied: <b>95%</b><br>Quoted Rate: <b>Negotiable</b><br>Grnd Brk Date: <b>First Quarter 2011</b><br>Deliv Date: <b>First Quarter 2012</b><br>Leasing Co: <b>N/A</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>  |
| <p><b>4. 540 S Santa Fe Ave</b></p> <hr/> Submarket: <b>Downtown Los Angeles</b><br>RBA: <b>46,000</b><br># Floors: <b>2</b><br>Class: <b>B</b><br>Occupied: <b>100%</b><br>Quoted Rate: <b>N/A</b><br>Grnd Brk Date: <b>Second Quarter 2011</b><br>Deliv Date: <b>First Quarter 2012</b><br>Leasing Co: <b>C.E.G. Construction</b><br>Developer: <b>C.E.G. Construction</b><br>Architect: <b>N/A</b> | <p><b>5. 5825 W Sunset Blvd</b></p> <hr/> Submarket: <b>Mid-Wilshire</b><br>RBA: <b>40,661</b><br># Floors: <b>2</b><br>Class: <b>B</b><br>Occupied: <b>0%</b><br>Quoted Rate: <b>\$32.47</b><br>Grnd Brk Date: <b>Third Quarter 2011</b><br>Deliv Date: <b>Second Quarter 2012</b><br>Leasing Co: <b>Cushman &amp; Wakefield, Inc.</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b> | <p><b>6. 2705 S Diamond Bar Blvd</b></p> <hr/> Submarket: <b>San Gabriel Valley</b><br>RBA: <b>36,666</b><br># Floors: <b>3</b><br>Class: <b>B</b><br>Occupied: <b>91%</b><br>Quoted Rate: <b>\$25.80</b><br>Grnd Brk Date: <b>Second Quarter 2011</b><br>Deliv Date: <b>Second Quarter 2012</b><br>Leasing Co: <b>Palm Pacific Realty, Inc.</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>             |
| <p><b>7. 2970 W Olympic Blvd</b></p> <hr/> Submarket: <b>Mid-Wilshire</b><br>RBA: <b>27,000</b><br># Floors: <b>3</b><br>Class: <b>A</b><br>Occupied: <b>48%</b><br>Quoted Rate: <b>\$33.00</b><br>Grnd Brk Date: <b>Fourth Quarter 2010</b><br>Deliv Date: <b>First Quarter 2012</b><br>Leasing Co: <b>Caliber Properties</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>                      | <p><b>8. 1040 Princeton Dr</b></p> <hr/> Submarket: <b>West Los Angeles</b><br>RBA: <b>22,335</b><br># Floors: <b>2</b><br>Class: <b>B</b><br>Occupied: <b>0%</b><br>Quoted Rate: <b>Negotiable</b><br>Grnd Brk Date: <b>Fourth Quarter 2011</b><br>Deliv Date: <b>Third Quarter 2012</b><br>Leasing Co: <b>Lee &amp; Associates</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>    | <p><b>9. 24801 Pico Canyon Rd</b></p> <hr/> Submarket: <b>Santa Clarita Valley</b><br>RBA: <b>15,939</b><br># Floors: <b>3</b><br>Class: <b>B</b><br>Occupied: <b>0%</b><br>Quoted Rate: <b>Negotiable</b><br>Grnd Brk Date: <b>Second Quarter 2011</b><br>Deliv Date: <b>First Quarter 2012</b><br>Leasing Co: <b>N/A</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>                                   |
| <p><b>10. 3140 Long Beach Blvd</b></p> <hr/> Submarket: <b>South Bay</b><br>RBA: <b>11,257</b><br># Floors: <b>1</b><br>Class: <b>B</b><br>Occupied: <b>100%</b><br>Quoted Rate: <b>N/A</b><br>Grnd Brk Date: <b>Fourth Quarter 2011</b><br>Deliv Date: <b>Third Quarter 2012</b><br>Leasing Co: <b>N/A</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>   | <p><b>11. 1042 Princeton Dr</b></p> <hr/> Submarket: <b>West Los Angeles</b><br>RBA: <b>10,860</b><br># Floors: <b>2</b><br>Class: <b>B</b><br>Occupied: <b>0%</b><br>Quoted Rate: <b>\$35.47</b><br>Grnd Brk Date: <b>Fourth Quarter 2011</b><br>Deliv Date: <b>Third Quarter 2012</b><br>Leasing Co: <b>Lee &amp; Associates</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>      | <p><b>12. 9400 Santa Monica Blvd</b></p> <hr/> Submarket: <b>West Los Angeles</b><br>RBA: <b>10,104</b><br># Floors: <b>3</b><br>Class: <b>B</b><br>Occupied: <b>86%</b><br>Quoted Rate: <b>Negotiable</b><br>Grnd Brk Date: <b>First Quarter 2011</b><br>Deliv Date: <b>Second Quarter 2012</b><br>Leasing Co: <b>Bernards Builders &amp; Mgmt Services</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b> |
| <p><b>13. 1663 18th St</b></p> <hr/> Submarket: <b>West Los Angeles</b><br>RBA: <b>8,467</b><br># Floors: <b>2</b><br>Class: <b>B</b><br>Occupied: <b>0%</b><br>Quoted Rate: <b>\$48.67</b><br>Grnd Brk Date: <b>Second Quarter 2011</b><br>Deliv Date: <b>First Quarter 2012</b><br>Leasing Co: <b>Lee &amp; Associates</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>                        | <p><b>14. 9671 Sunland Blvd</b></p> <hr/> Submarket: <b>San Fernando Valley</b><br>RBA: <b>7,000</b><br># Floors: <b>2</b><br>Class: <b>B</b><br>Occupied: <b>59%</b><br>Quoted Rate: <b>\$18.00</b><br>Grnd Brk Date: <b>Second Quarter 2011</b><br>Deliv Date: <b>First Quarter 2012</b><br>Leasing Co: <b>RE/MAX In Action</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>       | <p><b>15. 4448 Santa Anita Ave</b></p> <hr/> Submarket: <b>San Gabriel Valley</b><br>RBA: <b>2,518</b><br># Floors: <b>1</b><br>Class: <b>B</b><br>Occupied: <b>21%</b><br>Quoted Rate: <b>\$40.87</b><br>Grnd Brk Date: <b>First Quarter 2011</b><br>Deliv Date: <b>Third Quarter 2012</b><br>Leasing Co: <b>Palm Pacific Realty, Inc.</b><br>Developer: <b>N/A</b><br>Architect: <b>N/A</b>                  |

## SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

<p><b>1. Governor Deukmejian Courthouse</b></p> <p>Submarket: <b>South Bay</b>  RBA: <b>545,000</b>  # Floors: <b>5</b>  Class: <b>A</b>  Preleased: <b>99%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Fourth Quarter 2011</b>  Deliv Date: <b>Third Quarter 2013</b>  Leasing Co: <b>Coldwell Bnkr Com BLAIR WESTMAC</b>  Developer: <b>Clark Construction Group LLC</b>  Architect: <b>N/A</b></p>	<p><b>2. 3270 Lomita Blvd</b></p> <p>Submarket: <b>South Bay</b>  RBA: <b>321,450</b>  # Floors: <b>7</b>  Class: <b>B</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Third Quarter 2011</b>  Deliv Date: <b>First Quarter 2013</b>  Leasing Co: <b>Del Amo Hospital, Inc.</b>  Developer: <b>N/A</b>  Architect: <b>N/A</b></p>	<p><b>3. Red Bldg - West</b></p> <p>Submarket: <b>Mid-Wilshire</b>  RBA: <b>215,049</b>  # Floors: <b>6</b>  Class: <b>A</b>  Preleased: <b>0%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Fourth Quarter 2007</b>  Deliv Date: <b>Fourth Quarter 2012</b>  Leasing Co: <b>LA Realty Partners</b>  Developer: <b>Cohen Brothers Realty Corporation</b>  Architect: <b>Pelli Clarke Pelli</b></p>
<p><b>4. Red Bldg - East</b></p> <p>Submarket: <b>Mid-Wilshire</b>  RBA: <b>203,568</b>  # Floors: <b>15</b>  Class: <b>A</b>  Preleased: <b>7%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Fourth Quarter 2007</b>  Deliv Date: <b>Fourth Quarter 2012</b>  Leasing Co: <b>LA Realty Partners</b>  Developer: <b>Cohen Brothers Realty Corporation</b>  Architect: <b>Pelli Clarke Pelli</b></p>	<p><b>5. The Gateway at Alhambra</b></p> <p>Submarket: <b>San Gabriel Valley</b>  RBA: <b>130,000</b>  # Floors: <b>3</b>  Class: <b>A</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Third Quarter 2011</b>  Deliv Date: <b>Fourth Quarter 2012</b>  Leasing Co: <b>Community Development Commission</b>  Developer: <b>N/A</b>  Architect: <b>N/A</b></p>	<p><b>6. 11333 Sepulveda Blvd</b></p> <p>Submarket: <b>San Fernando Valley</b>  RBA: <b>125,000</b>  # Floors: <b>3</b>  Class: <b>A</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>First Quarter 2011</b>  Deliv Date: <b>Fourth Quarter 2012</b>  Leasing Co: <b>PMB Real Estate Services</b>  Developer: <b>PMB Real Estate Services</b>  Architect: <b>N/A</b></p>
<p><b>7. The Offices at Riverpark</b></p> <p>Submarket: <b>Ventura South</b>  RBA: <b>120,000</b>  # Floors: <b>5</b>  Class: <b>A</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>First Quarter 2012</b>  Deliv Date: <b>First Quarter 2013</b>  Leasing Co: <b>CBRE</b>  Developer: <b>Shea Properties</b>  Architect: <b>Altoon + Porter Architects LLP</b></p>	<p><b>8. 17901 Soledad Canyon Rd</b></p> <p>Submarket: <b>Santa Clarita Valley</b>  RBA: <b>102,113</b>  # Floors: <b>3</b>  Class: <b>A</b>  Preleased: <b>0%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Third Quarter 2007</b>  Deliv Date: <b>Fourth Quarter 2012</b>  Leasing Co: <b>Sinanian Development, Inc.</b>  Developer: <b>Sinanian Development, Inc.</b>  Architect: <b>Arkineto Architects of Agoura Hills</b></p>	<p><b>9. Formosa South</b></p> <p>Submarket: <b>Mid-Wilshire</b>  RBA: <b>95,000</b>  # Floors: <b>1</b>  Class: <b>A</b>  Preleased: <b>0%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Third Quarter 2012</b>  Deliv Date: <b>Third Quarter 2013</b>  Leasing Co: <b>Jones Lang LaSalle</b>  Developer: <b>N/A</b>  Architect: <b>N/A</b></p>
<p><b>10. The Offices at Riverpark</b></p> <p>Submarket: <b>Ventura South</b>  RBA: <b>58,456</b>  # Floors: <b>2</b>  Class: <b>A</b>  Preleased: <b>69%</b>  Quoted Rate: <b>\$25.20</b>  Grnd Brk Date: <b>Fourth Quarter 2008</b>  Deliv Date: <b>Fourth Quarter 2012</b>  Leasing Co: <b>CBRE</b>  Developer: <b>Shea Properties</b>  Architect: <b>Altoon + Porter Architects LLP</b></p>	<p><b>11. The Offices at Riverpark</b></p> <p>Submarket: <b>Ventura South</b>  RBA: <b>58,456</b>  # Floors: <b>2</b>  Class: <b>A</b>  Preleased: <b>50%</b>  Quoted Rate: <b>\$25.20</b>  Grnd Brk Date: <b>Fourth Quarter 2008</b>  Deliv Date: <b>Fourth Quarter 2012</b>  Leasing Co: <b>CBRE</b>  Developer: <b>Shea Properties</b>  Architect: <b>Altoon + Porter Architects LLP</b></p>	<p><b>12. 4400 Sunset Blvd</b></p> <p>Submarket: <b>Mid-Wilshire</b>  RBA: <b>37,900</b>  # Floors: <b>1</b>  Class: <b>B</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Fourth Quarter 2011</b>  Deliv Date: <b>First Quarter 2013</b>  Leasing Co: <b>Childrens Hosp Los Angeles</b>  Developer: <b>N/A</b>  Architect: <b>N/A</b></p>
<p><b>13. 2626 Foothill Blvd</b></p> <p>Submarket: <b>Burbank/Glendale/Pasadena</b>  RBA: <b>24,887</b>  # Floors: <b>2</b>  Class: <b>A</b>  Preleased: <b>9%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Third Quarter 2011</b>  Deliv Date: <b>Fourth Quarter 2012</b>  Leasing Co: <b>NAI Capital Commercial Real Estate</b>  Developer: <b>N/A</b>  Architect: <b>N/A</b></p>	<p><b>14. 3200 E 29th St</b></p> <p>Submarket: <b>South Bay</b>  RBA: <b>24,419</b>  # Floors: <b>2</b>  Class: <b>B</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>First Quarter 2012</b>  Deliv Date: <b>Fourth Quarter 2012</b>  Leasing Co: <b>2 H Construction</b>  Developer: <b>N/A</b>  Architect: <b>N/A</b></p>	<p><b>15. 30440 Agoura Rd</b></p> <p>Submarket: <b>Ventura South</b>  RBA: <b>23,000</b>  # Floors: <b>2</b>  Class: <b>A</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>First Quarter 2012</b>  Deliv Date: <b>Fourth Quarter 2012</b>  Leasing Co: <b>Conrad N Hilton Foundation</b>  Developer: <b>N/A</b>  Architect: <b>N/A</b></p>

## LOS ANGELES OFFICE MARKET



FIGURES AT A GLANCE

## CLASS A MARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Antelope Valley	2	138,000	74,296	74,296	53.8%	0	0	0	\$28.12
Burbank/Glendale/Pasadena	144	23,467,551	3,405,547	3,482,045	14.8%	400,816	0	24,887	\$31.74
Downtown Los Angeles	76	37,900,445	5,433,210	5,563,792	14.7%	(171,794)	0	0	\$34.43
Mid-Cities	10	1,227,562	229,427	232,245	18.9%	(32,877)	0	0	\$24.86
Mid-Wilshire	100	18,392,129	2,798,170	2,913,353	15.8%	114,498	77,000	513,617	\$24.87
San Fernando Valley	119	15,917,652	2,774,234	2,818,177	17.7%	174,517	0	125,000	\$25.59
San Gabriel Valley	34	3,820,678	359,316	359,316	9.4%	78,759	0	130,000	\$25.73
Santa Clarita Valley	25	1,825,208	477,739	477,739	26.2%	(11,286)	102,113	0	\$28.80
South Bay	163	26,329,571	4,998,337	5,033,204	19.1%	43,737	0	545,000	\$25.47
Southeast Los Angeles	15	1,525,508	176,830	178,993	11.7%	(2,244)	0	0	\$24.14
Ventura North	6	584,568	38,493	38,493	6.6%	25,606	0	0	\$21.92
Ventura South	44	4,493,198	852,477	876,261	19.5%	(28,850)	0	259,912	\$26.87
West Los Angeles	258	45,871,052	6,413,794	7,119,089	15.5%	205,905	0	0	\$40.79
<b>Totals</b>	<b>996</b>	<b>181,493,122</b>	<b>28,031,870</b>	<b>29,167,003</b>	<b>16.1%</b>	<b>796,787</b>	<b>179,113</b>	<b>1,598,416</b>	<b>\$30.97</b>

Source: CoStar Property®

## CLASS B MARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Antelope Valley	165	2,166,089	223,469	223,469	10.3%	(4,079)	0	0	\$22.46
Burbank/Glendale/Pasadena	956	19,686,945	1,824,861	1,872,730	9.5%	(17,805)	0	21,000	\$25.54
Downtown Los Angeles	203	20,238,188	2,452,216	2,474,988	12.2%	(74,543)	298,352	0	\$22.59
Mid-Cities	207	3,919,281	265,752	265,752	6.8%	104,226	86,045	20,507	\$21.00
Mid-Wilshire	421	12,340,438	1,293,735	1,359,262	11.0%	(261,255)	40,661	47,400	\$25.52
San Fernando Valley	477	12,939,303	1,597,778	1,626,110	12.6%	37,946	7,000	9,000	\$22.59
San Gabriel Valley	567	16,437,564	1,580,220	1,670,720	10.2%	(18,289)	178,993	0	\$21.86
Santa Clarita Valley	123	2,501,191	366,931	366,931	14.7%	130,704	15,939	0	\$28.07
South Bay	656	24,161,097	3,607,498	3,634,813	15.0%	(27,007)	57,115	367,112	\$23.43
Southeast Los Angeles	114	3,153,548	296,258	301,442	9.6%	(7,430)	0	0	\$20.29
Ventura North	246	4,053,252	471,294	479,838	11.8%	137,220	0	0	\$21.91
Ventura South	501	13,577,988	2,386,710	2,401,731	17.7%	225,027	0	18,000	\$22.71
West Los Angeles	789	18,851,910	2,222,078	2,343,208	12.4%	147,218	51,766	10,000	\$35.01
<b>Totals</b>	<b>5,425</b>	<b>154,026,794</b>	<b>18,588,800</b>	<b>19,020,994</b>	<b>12.3%</b>	<b>371,933</b>	<b>735,871</b>	<b>493,019</b>	<b>\$24.73</b>

Source: CoStar Property®





## LOS ANGELES OFFICE MARKET

FIGURES AT A GLANCE

## CLASS C MARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Antelope Valley	190	1,479,313	93,909	93,909	6.3%	6,119	0	0	\$14.52
Burbank/Glendale/Pasadena	1,939	12,235,516	630,086	645,232	5.3%	(73,471)	0	0	\$22.38
Downtown Los Angeles	399	10,957,125	472,473	477,625	4.4%	(13,185)	0	0	\$18.81
Mid-Cities	752	4,855,200	275,393	280,748	5.8%	(35,633)	0	0	\$18.45
Mid-Wilshire	1,066	9,246,964	381,204	390,054	4.2%	(43,418)	0	0	\$29.20
San Fernando Valley	879	6,708,693	445,630	452,683	6.7%	(11,045)	0	0	\$19.38
San Gabriel Valley	1,294	9,446,507	637,825	639,855	6.8%	(36,114)	0	0	\$18.34
Santa Clarita Valley	60	465,793	27,020	27,020	5.8%	6,769	0	0	\$30.33
South Bay	1,512	11,795,345	704,036	708,191	6.0%	3,022	0	0	\$20.67
Southeast Los Angeles	408	3,499,172	172,505	172,755	4.9%	7,931	0	0	\$18.34
Ventura North	562	2,906,925	138,392	138,392	4.8%	(15,253)	0	0	\$19.73
Ventura South	447	3,092,861	217,356	217,356	7.0%	(8,232)	0	0	\$18.34
West Los Angeles	1,400	10,747,291	452,903	504,202	4.7%	6,447	0	0	\$33.81
<b>Totals</b>	<b>10,908</b>	<b>87,436,705</b>	<b>4,648,732</b>	<b>4,748,022</b>	<b>5.4%</b>	<b>(206,063)</b>	<b>0</b>	<b>0</b>	<b>\$22.74</b>

Source: CoStar Property®

## TOTAL OFFICE MARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Antelope Valley	357	3,783,402	391,674	391,674	10.4%	2,040	0	0	\$21.53
Burbank/Glendale/Pasadena	3,039	55,390,012	5,860,494	6,000,007	10.8%	309,540	0	45,887	\$28.75
Downtown Los Angeles	678	69,095,758	8,357,899	8,516,405	12.3%	(259,522)	298,352	0	\$31.01
Mid-Cities	969	10,002,043	770,572	778,745	7.8%	35,716	86,045	20,507	\$21.31
Mid-Wilshire	1,587	39,979,531	4,473,109	4,662,669	11.7%	(190,175)	117,661	561,017	\$25.39
San Fernando Valley	1,475	35,565,648	4,817,642	4,896,970	13.8%	201,418	7,000	134,000	\$23.53
San Gabriel Valley	1,895	29,704,749	2,577,361	2,669,891	9.0%	24,356	178,993	130,000	\$21.73
Santa Clarita Valley	208	4,792,192	871,690	871,690	18.2%	126,187	118,052	0	\$28.50
South Bay	2,331	62,286,013	9,309,871	9,376,208	15.1%	19,752	57,115	912,112	\$24.34
Southeast Los Angeles	537	8,178,228	645,593	653,190	8.0%	(1,743)	0	0	\$21.14
Ventura North	814	7,544,745	648,179	656,723	8.7%	147,573	0	0	\$21.56
Ventura South	992	21,164,047	3,456,543	3,495,348	16.5%	187,945	0	277,912	\$23.47
West Los Angeles	2,447	75,470,253	9,088,775	9,966,499	13.2%	359,570	51,766	10,000	\$38.37
<b>Totals</b>	<b>17,329</b>	<b>422,956,621</b>	<b>51,269,402</b>	<b>52,936,019</b>	<b>12.5%</b>	<b>962,657</b>	<b>914,984</b>	<b>2,091,435</b>	<b>\$27.81</b>

Source: CoStar Property®

## LOS ANGELES OFFICE MARKET



FIGURES AT A GLANCE

## CLASS A SUBMARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
190th Street Corridor	13	2,282,116	408,734	411,018	18.0%	7,020	0	0	\$26.05
Antelope Valley	2	138,000	74,296	74,296	53.8%	0	0	0	\$28.12
Beach Cities/Palos Verdes	12	1,467,947	490,895	491,195	33.5%	(24,590)	0	0	\$31.71
Beverly Hills	54	6,372,812	918,006	980,627	15.4%	95,964	0	0	\$43.86
Brentwood	20	3,503,525	529,311	549,700	15.7%	21,701	0	0	\$37.89
Burbank	46	7,607,316	801,876	840,396	11.0%	4,967	0	0	\$37.00
Calabasas/Westlake Vill	16	1,523,580	200,746	224,530	14.7%	(2,342)	0	23,000	\$28.95
Camarillo/Point Mugu	5	249,736	50,049	50,049	20.0%	(9,505)	0	0	\$25.79
Century City	23	10,940,608	1,588,673	1,765,868	16.1%	99,454	0	0	\$48.66
Culver City	13	2,896,785	379,014	434,834	15.0%	(6,966)	0	0	\$28.87
Eastern SFV	11	992,110	119,347	119,347	12.0%	35,458	0	125,000	\$25.33
Eastern SGV	17	1,902,612	251,178	251,178	13.2%	103,571	0	0	\$25.66
El Segundo	37	8,508,599	1,014,673	1,028,988	12.1%	48,857	0	0	\$29.57
Encino	24	3,449,023	374,454	375,599	10.9%	68,654	0	0	\$29.06
Fillmore/NE County	0	0	0	0	0.0%	0	0	0	\$0.00
Glendale	29	5,761,208	1,251,117	1,285,563	22.3%	135,637	0	0	\$29.43
Greater Downtown	76	37,900,445	5,433,210	5,563,792	14.7%	(171,794)	0	0	\$34.43
Hawthorne/Gardena	4	582,183	55,032	55,032	9.5%	(7,470)	0	0	\$22.68
Hollywood/Silver Lake	21	2,471,293	174,479	212,156	8.6%	73,154	0	0	\$37.89
LAX	17	3,646,224	1,407,921	1,407,921	38.6%	(81,237)	0	0	\$18.32
Long Beach: Downtown	18	3,225,430	522,822	527,274	16.3%	66,947	0	545,000	\$26.07
Long Beach: Suburban	31	3,990,145	668,927	682,443	17.1%	24,183	0	0	\$25.15
Marina Del Rey/Venice	26	4,672,597	1,111,048	1,405,931	30.1%	101,431	0	0	\$33.81
Mid-Cities	10	1,227,562	229,427	232,245	18.9%	(32,877)	0	0	\$24.86
Mid-Wilshire	37	8,196,811	1,855,262	1,869,162	22.8%	(119,896)	27,000	0	\$20.16
Miracle Mile	16	4,678,592	543,433	598,316	12.8%	51,436	0	0	\$30.43
Moorpark/Simi Valley	4	457,134	38,493	38,493	8.4%	25,606	0	0	\$21.78
North Hollywood	4	625,616	66,687	66,687	10.7%	113,463	0	0	\$29.87
Ojai/NW County	0	0	0	0	0.0%	0	0	0	\$0.00
Olympic Corridor	15	2,434,021	179,368	196,621	8.1%	64,310	0	0	\$33.77
Oxnard/Port Hueneme	7	750,146	118,247	118,247	15.8%	17,402	0	236,912	\$25.43
Pacific Palisades/Malibu	2	132,863	11,448	11,448	8.6%	1,841	0	0	\$43.78
Park Mile	9	806,296	36,875	38,875	4.8%	36,530	0	0	\$23.29
Pasadena/Arcadia/Monrovi	51	7,306,562	963,353	963,933	13.2%	127,207	0	24,887	\$31.07
Santa Clarita Valley	25	1,825,208	477,739	477,739	26.2%	(11,286)	102,113	0	\$28.80
Santa Monica	65	7,974,657	872,609	908,799	11.4%	(257,104)	0	0	\$49.46
Santa Monica Mountains	3	269,744	33,055	33,055	12.3%	15,063	0	0	\$39.53
Santa Paula/Somis	0	0	0	0	0.0%	0	0	0	\$0.00
Sherman Oaks	13	1,927,069	244,461	247,384	12.8%	(44,598)	0	0	\$27.77
Southeast Los Angeles	15	1,525,508	176,830	178,993	11.7%	(2,244)	0	0	\$24.14
Studio/Universal Cities	14	2,166,849	322,514	325,466	15.0%	19,542	0	0	\$30.55
Tarzana	6	426,886	63,702	64,265	15.1%	12,368	0	0	\$26.65
Thousand Oaks/SE County	16	1,969,736	483,435	483,435	24.5%	(34,405)	0	0	\$26.46
Torrance	31	2,626,927	429,333	429,333	16.3%	10,027	0	0	\$26.16
Ventura	2	127,434	0	0	0.0%	0	0	0	\$22.45
West Hollywood	17	2,239,137	188,121	194,844	8.7%	73,274	50,000	513,617	\$35.26
West Los Angeles	8	849,792	117,219	117,219	13.8%	19,079	0	0	\$28.78
Western SFV	30	2,513,864	777,782	785,192	31.2%	58,689	0	0	\$24.82
Western SGV	17	1,918,066	108,138	108,138	5.6%	(24,812)	0	130,000	\$25.98
Westwood	29	5,823,648	674,043	714,987	12.3%	51,132	0	0	\$37.60
Woodland Hills/Warner Ctr	35	6,608,700	1,194,488	1,226,390	18.6%	43,946	0	0	\$24.48
<b>Totals</b>	<b>996</b>	<b>181,493,122</b>	<b>28,031,870</b>	<b>29,167,003</b>	<b>16.1%</b>	<b>796,787</b>	<b>179,113</b>	<b>1,598,416</b>	<b>\$30.97</b>

Source: CoStar Property®



## LOS ANGELES OFFICE MARKET

FIGURES AT A GLANCE

## CLASS B SUBMARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bids	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
190th Street Corridor	52	2,697,091	346,164	356,852	13.2%	(16,612)	0	0	\$21.20
Antelope Valley	165	2,166,089	223,469	223,469	10.3%	(4,079)	0	0	\$22.46
Beach Cities/Palos Verdes	118	3,038,648	211,462	216,499	7.1%	5,858	0	0	\$26.11
Beverly Hills	94	3,235,563	314,475	335,111	10.4%	9,951	10,104	0	\$44.74
Brentwood	21	523,718	39,498	39,498	7.5%	3,859	0	0	\$39.00
Burbank	230	4,203,767	447,516	479,131	11.4%	31,078	0	0	\$25.22
Calabasas/Westlake Vill	151	5,547,753	976,832	980,553	17.7%	43,883	0	0	\$23.30
Camarillo/Point Mugu	70	2,233,555	588,937	588,937	26.4%	115,801	0	0	\$20.82
Century City	10	567,004	108,696	109,754	19.4%	26,878	0	0	\$34.26
Culver City	154	3,419,797	512,388	521,010	15.2%	68,119	0	0	\$29.01
Eastern SFV	151	4,500,167	457,732	463,873	10.3%	14,188	7,000	0	\$21.41
Eastern SGV	347	10,080,688	1,335,800	1,385,348	13.7%	19,466	176,475	0	\$21.76
El Segundo	68	5,101,697	829,747	829,747	16.3%	52,379	0	0	\$29.09
Encino	32	978,324	115,177	128,210	13.1%	20,708	0	0	\$24.89
Fillmore/NE County	4	30,685	0	0	0.0%	0	0	0	\$0.00
Glendale	254	3,834,031	264,900	270,722	7.1%	(4,734)	0	0	\$25.12
Greater Downtown	203	20,238,188	2,452,216	2,474,988	12.2%	(74,543)	298,352	0	\$22.59
Hawthorne/Gardena	59	1,831,113	498,921	498,921	27.2%	(3,555)	0	16,924	\$18.58
Hollywood/Silver Lake	152	4,027,595	373,806	379,222	9.4%	(26,244)	40,661	47,400	\$31.59
LAX	32	1,879,038	396,819	396,819	21.1%	8,753	0	0	\$19.04
Long Beach: Downtown	44	2,899,352	644,043	647,057	22.3%	(105,020)	45,858	0	\$20.29
Long Beach: Suburban	137	3,093,452	390,830	393,470	12.7%	(48,144)	11,257	28,738	\$19.37
Marina Del Rey/Venice	100	2,664,676	537,889	627,208	23.5%	(51,441)	33,195	10,000	\$32.31
Mid-Cities	207	3,919,281	265,752	265,752	6.8%	104,226	86,045	20,507	\$21.00
Mid-Wilshire	96	3,659,196	487,582	487,582	13.3%	(153,280)	0	0	\$18.85
Miracle Mile	27	863,347	101,901	101,901	11.8%	11,670	0	0	\$27.46
Moorpark/Simi Valley	68	1,653,013	194,860	194,860	11.8%	143,214	0	0	\$22.18
North Hollywood	91	1,469,482	96,112	96,112	6.5%	2,854	0	0	\$25.67
Ojai/NW County	10	86,620	3,563	4,063	4.7%	710	0	0	\$25.03
Olympic Corridor	32	1,067,754	58,142	58,142	5.4%	12,478	0	0	\$33.87
Oxnard/Port Hueneme	98	1,678,907	148,430	148,430	8.8%	(17,534)	0	18,000	\$24.01
Pacific Palisades/Malibu	24	456,447	78,752	79,852	17.5%	(10,431)	0	0	\$42.54
Park Mile	27	821,084	220,483	279,744	34.1%	(81,582)	0	0	\$21.08
Pasadena/Arcadia/Monrovi	306	9,051,588	920,411	926,543	10.2%	(38,129)	0	21,000	\$26.09
Santa Clarita Valley	123	2,501,191	366,931	366,931	14.7%	130,704	15,939	0	\$28.07
Santa Monica	226	4,872,140	314,529	314,529	6.5%	74,895	8,467	0	\$39.71
Santa Monica Mountains	14	195,970	49,380	49,380	25.2%	(6,584)	0	0	\$30.02
Santa Paula/Somis	21	116,101	14,637	14,637	12.6%	7,653	0	0	\$16.14
Sherman Oaks	48	1,361,018	153,199	153,199	11.3%	4,790	0	0	\$26.48
Southeast Los Angeles	114	3,153,548	296,258	301,442	9.6%	(7,430)	0	0	\$20.29
Studio/Universal Cities	75	1,128,077	95,922	100,222	8.9%	(8,874)	0	0	\$23.81
Tarzana	35	813,362	83,642	88,259	10.9%	14,057	0	0	\$23.30
Thousand Oaks/SE County	182	4,117,773	672,511	683,811	16.6%	82,877	0	0	\$22.97
Torrance	146	3,620,706	289,512	295,448	8.2%	79,334	0	321,450	\$23.94
Ventura	143	2,166,833	258,234	266,278	12.3%	(14,357)	0	0	\$21.68
West Hollywood	119	2,969,216	109,963	110,813	3.7%	(11,819)	0	0	\$33.89
West Los Angeles	62	835,020	99,459	99,459	11.9%	6,462	0	0	\$26.36
Western SFV	133	3,049,441	511,399	514,940	16.9%	(30,384)	0	9,000	\$20.75
Western SGV	220	6,356,876	244,420	285,372	4.5%	(37,755)	2,518	0	\$22.27
Westwood	52	1,013,821	108,870	109,265	10.8%	13,032	0	0	\$31.42
Woodland Hills/Warner Ctr	78	2,236,991	276,629	277,629	12.4%	14,587	0	0	\$24.21
<b>Totals</b>	<b>5,425</b>	<b>154,026,794</b>	<b>18,588,800</b>	<b>19,020,994</b>	<b>12.3%</b>	<b>371,933</b>	<b>735,871</b>	<b>493,019</b>	<b>\$24.73</b>

Source: CoStar Property®

## LOS ANGELES OFFICE MARKET



FIGURES AT A GLANCE

## CLASS C SUBMARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
190th Street Corridor	8	182,479	0	0	0.0%	0	0	0	\$24.01
Antelope Valley	190	1,479,313	93,909	93,909	6.3%	6,119	0	0	\$14.52
Beach Cities/Palos Verdes	323	2,367,323	134,776	138,445	5.8%	(11,176)	0	0	\$24.56
Beverly Hills	172	1,390,510	90,716	98,433	7.1%	(25,191)	0	0	\$38.42
Brentwood	30	343,024	19,994	19,994	5.8%	19,658	0	0	\$34.70
Burbank	311	1,939,574	144,980	144,980	7.5%	(12,462)	0	0	\$20.43
Calabasas/Westlake Vill	43	325,783	24,183	24,183	7.4%	(9,241)	0	0	\$19.58
Camarillo/Point Mugu	68	581,005	51,528	51,528	8.9%	(18,579)	0	0	\$16.62
Century City	5	42,602	0	0	0.0%	0	0	0	\$0.00
Culver City	290	1,819,914	54,399	68,610	3.8%	33,647	0	0	\$27.38
Eastern SFV	426	2,716,912	186,831	190,831	7.0%	(32,674)	0	0	\$18.05
Eastern SGV	791	5,747,044	388,252	389,682	6.8%	(8,508)	0	0	\$17.03
El Segundo	67	1,091,319	20,027	20,027	1.8%	(6,095)	0	0	\$26.47
Encino	24	217,486	25,627	27,820	12.8%	(7,669)	0	0	\$21.28
Fillmore/NE County	29	60,981	0	0	0.0%	0	0	0	\$0.00
Glendale	427	2,608,478	83,508	83,908	3.2%	(4,942)	0	0	\$21.46
Greater Downtown	399	10,957,125	472,473	477,625	4.4%	(13,185)	0	0	\$18.81
Hawthorne/Gardena	226	1,484,432	89,047	89,533	6.0%	(593)	0	0	\$17.97
Hollywood/Silver Lake	516	4,379,063	159,850	161,900	3.7%	4,272	0	0	\$27.66
LAX	200	1,145,050	56,684	56,684	5.0%	2,056	0	0	\$19.36
Long Beach: Downtown	204	1,267,100	77,636	77,636	6.1%	(8,930)	0	0	\$17.51
Long Beach: Suburban	253	1,923,467	79,998	79,998	4.2%	27,725	0	0	\$17.40
Marina Del Rey/Venice	219	1,452,296	49,061	59,651	4.1%	(10,171)	0	0	\$38.37
Mid-Cities	752	4,855,200	275,393	280,748	5.8%	(35,633)	0	0	\$18.45
Mid-Wilshire	179	2,187,878	72,586	72,586	3.3%	(28,423)	0	0	\$19.18
Miracle Mile	54	293,479	11,389	11,389	3.9%	1,121	0	0	\$21.57
Moorpark/Simi Valley	93	561,014	39,264	39,264	7.0%	(8,138)	0	0	\$23.68
North Hollywood	245	1,504,710	48,846	54,421	3.6%	(6,034)	0	0	\$20.51
Ojai/NW County	88	292,129	8,819	8,819	3.0%	3,500	0	0	\$15.01
Olympic Corridor	59	485,284	45,247	48,965	10.1%	(455)	0	0	\$26.25
Oxnard/Port Hueneme	224	1,111,729	63,613	63,613	5.7%	692	0	0	\$15.94
Pacific Palisades/Malibu	21	151,784	13,307	21,920	14.4%	(5,349)	0	0	\$49.50
Park Mile	51	323,980	17,164	17,164	5.3%	(4,937)	0	0	\$29.70
Pasadena/Arcadia/Monrovi	757	5,255,459	304,898	314,069	6.0%	(34,213)	0	0	\$23.40
Santa Clarita Valley	60	465,793	27,020	27,020	5.8%	6,769	0	0	\$30.33
Santa Monica	264	2,354,780	100,621	107,071	4.5%	(21,344)	0	0	\$39.98
Santa Monica Mountains	27	239,103	5,479	5,479	2.3%	5,712	0	0	\$31.70
Santa Paula/Somis	54	163,949	10,030	10,030	6.1%	(10,030)	0	0	\$15.31
Sherman Oaks	68	446,582	30,279	30,279	6.8%	(113)	0	0	\$22.34
Southeast Los Angeles	408	3,499,172	172,505	172,755	4.9%	7,931	0	0	\$18.34
Studio/Universal Cities	199	927,295	47,854	47,854	5.2%	(15,820)	0	0	\$26.60
Tarzana	37	423,789	9,489	9,489	2.2%	(1,759)	0	0	\$19.49
Thousand Oaks/SE County	112	1,074,344	78,032	78,032	7.3%	18,896	0	0	\$20.41
Torrance	231	2,334,175	245,868	245,868	10.5%	35	0	0	\$20.70
Ventura	298	1,828,852	80,279	80,279	4.4%	(585)	0	0	\$17.83
West Hollywood	266	2,062,564	120,215	127,015	6.2%	(15,451)	0	0	\$35.71
West Los Angeles	217	1,120,702	49,232	49,232	4.4%	16,139	0	0	\$24.41
Western SFV	231	1,649,326	92,218	93,078	5.6%	26,611	0	0	\$18.15
Western SGV	503	3,699,463	249,573	250,173	6.8%	(27,606)	0	0	\$21.26
Westwood	96	1,347,292	24,847	24,847	1.8%	(6,199)	0	0	\$22.71
Woodland Hills/Warner Ctr	93	1,254,598	101,186	101,186	8.1%	4,559	0	0	\$21.47
<b>Totals</b>	<b>10,908</b>	<b>87,436,705</b>	<b>4,648,732</b>	<b>4,748,022</b>	<b>5.4%</b>	<b>(206,063)</b>	<b>0</b>	<b>0</b>	<b>\$22.74</b>

Source: CoStar Property®



## LOS ANGELES OFFICE MARKET

FIGURES AT A GLANCE

## TOTAL OFFICE SUBMARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
190th Street Corridor	73	5,161,686	754,898	767,870	14.9%	(9,592)	0	0	\$23.51
Antelope Valley	357	3,783,402	391,674	391,674	10.4%	2,040	0	0	\$21.53
Beach Cities/Palos Verdes	453	6,873,918	837,133	846,139	12.3%	(29,908)	0	0	\$28.79
Beverly Hills	320	10,998,885	1,323,197	1,414,171	12.9%	80,724	10,104	0	\$43.42
Brentwood	71	4,370,267	588,803	609,192	13.9%	45,218	0	0	\$37.88
Burbank	587	13,750,657	1,394,372	1,464,507	10.7%	23,583	0	0	\$31.32
Calabasas/Westlake Vill	210	7,397,116	1,201,761	1,229,266	16.6%	32,300	0	23,000	\$24.24
Camarillo/Point Mugu	143	3,064,296	690,514	690,514	22.5%	87,717	0	0	\$20.71
Century City	38	11,550,214	1,697,369	1,875,622	16.2%	126,332	0	0	\$47.27
Culver City	457	8,136,496	945,801	1,024,454	12.6%	94,800	0	0	\$28.72
Eastern SFV	588	8,209,189	763,910	774,051	9.4%	16,972	7,000	125,000	\$21.14
Eastern SGV	1,155	17,730,344	1,975,230	2,026,208	11.4%	114,529	176,475	0	\$21.50
El Segundo	172	14,701,615	1,864,447	1,878,762	12.8%	95,141	0	0	\$29.31
Encino	80	4,644,833	515,258	531,629	11.4%	81,693	0	0	\$27.57
Fillmore/NE County	33	91,666	0	0	0.0%	0	0	0	\$0.00
Glendale	710	12,203,717	1,599,525	1,640,193	13.4%	125,961	0	0	\$28.43
Greater Downtown	678	69,095,758	8,357,899	8,516,405	12.3%	(259,522)	298,352	0	\$31.01
Hawthorne/Gardena	289	3,897,728	643,000	643,486	16.5%	(11,618)	0	16,924	\$19.21
Hollywood/Silver Lake	689	10,877,951	708,135	753,278	6.9%	51,182	40,661	47,400	\$32.43
LAX	249	6,670,312	1,861,424	1,861,424	27.9%	(70,428)	0	0	\$18.51
Long Beach: Downtown	266	7,391,882	1,244,501	1,251,967	16.9%	(47,003)	45,858	545,000	\$22.82
Long Beach: Suburban	421	9,007,064	1,139,755	1,155,911	12.8%	3,764	11,257	28,738	\$22.71
Marina Del Rey/Venice	345	8,789,569	1,697,998	2,092,790	23.8%	39,819	33,195	10,000	\$33.62
Mid-Cities	969	10,002,043	770,572	778,745	7.8%	35,716	86,045	20,507	\$21.31
Mid-Wilshire	312	14,043,885	2,415,430	2,429,330	17.3%	(301,599)	27,000	0	\$19.91
Miracle Mile	97	5,835,418	656,723	711,606	12.2%	64,227	0	0	\$30.04
Moorpark/Simi Valley	165	2,671,161	272,617	272,617	10.2%	160,682	0	0	\$22.16
North Hollywood	340	3,599,808	211,645	217,220	6.0%	110,283	0	0	\$26.98
Ojai/NW County	98	378,749	12,382	12,882	3.4%	4,210	0	0	\$18.20
Olympic Corridor	106	3,987,059	282,757	303,728	7.6%	76,333	0	0	\$32.85
Oxnard/Port Hueneme	329	3,540,782	330,290	330,290	9.3%	560	0	254,912	\$23.25
Pacific Palisades/Malibu	47	741,094	103,507	113,220	15.3%	(13,939)	0	0	\$43.46
Park Mile	87	1,951,360	274,522	335,783	17.2%	(49,989)	0	0	\$22.04
Pasadena/Arcadia/Monrovi	1,114	21,613,609	2,188,662	2,204,545	10.2%	54,865	0	45,887	\$27.80
Santa Clarita Valley	208	4,792,192	871,690	871,690	18.2%	126,187	118,052	0	\$28.50
Santa Monica	555	15,201,577	1,287,759	1,330,399	8.8%	(203,553)	8,467	0	\$44.68
Santa Monica Mountains	44	704,817	87,914	87,914	12.5%	14,191	0	0	\$33.48
Santa Paula/Somis	75	280,050	24,667	24,667	8.8%	(2,377)	0	0	\$15.58
Sherman Oaks	129	3,734,669	427,939	430,862	11.5%	(39,921)	0	0	\$26.42
Southeast Los Angeles	537	8,178,228	645,593	653,190	8.0%	(1,743)	0	0	\$21.14
Studio/Universal Cities	288	4,222,221	466,290	473,542	11.2%	(5,152)	0	0	\$26.55
Tarzana	78	1,664,037	156,833	162,013	9.7%	24,666	0	0	\$24.67
Thousand Oaks/SE County	310	7,161,853	1,233,978	1,245,278	17.4%	67,368	0	0	\$24.05
Torrance	408	8,581,808	964,713	970,649	11.3%	89,396	0	321,450	\$24.23
Ventura	443	4,123,119	338,513	346,557	8.4%	(14,942)	0	0	\$20.93
West Hollywood	402	7,270,917	418,299	432,672	6.0%	46,004	50,000	513,617	\$34.91
West Los Angeles	287	2,805,514	265,910	265,910	9.5%	41,680	0	0	\$27.14
Western SFV	394	7,212,631	1,381,399	1,393,210	19.3%	54,916	0	9,000	\$22.78
Western SGV	740	11,974,405	602,131	643,683	5.4%	(90,173)	2,518	130,000	\$22.53
Westwood	177	8,184,761	807,760	849,099	10.4%	57,965	0	0	\$35.50
Woodland Hills/Warner Ctr	206	10,100,289	1,572,303	1,605,205	15.9%	63,092	0	0	\$23.97
<b>Totals</b>	<b>17,329</b>	<b>422,956,621</b>	<b>51,269,402</b>	<b>52,936,019</b>	<b>12.5%</b>	<b>962,657</b>	<b>914,984</b>	<b>2,091,435</b>	<b>\$27.81</b>

Source: CoStar Property®

## LOS ANGELES OFFICE MARKET



FIGURES AT A GLANCE

## CLASS A MARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	76	37,900,445	5,433,210	5,563,792	14.7%	(171,794)	0	0	\$34.43
Suburban	920	143,592,677	22,598,660	23,603,211	16.4%	968,581	179,113	1,598,416	\$30.05
<b>Totals</b>	<b>996</b>	<b>181,493,122</b>	<b>28,031,870</b>	<b>29,167,003</b>	<b>16.1%</b>	<b>796,787</b>	<b>179,113</b>	<b>1,598,416</b>	<b>\$30.97</b>

Source: CoStar Property®

## CLASS B MARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	203	20,238,188	2,452,216	2,474,988	12.2%	(74,543)	298,352	0	\$22.59
Suburban	5,222	133,788,606	16,136,584	16,546,006	12.4%	446,476	437,519	493,019	\$24.95
<b>Totals</b>	<b>5,425</b>	<b>154,026,794</b>	<b>18,588,800</b>	<b>19,020,994</b>	<b>12.3%</b>	<b>371,933</b>	<b>735,871</b>	<b>493,019</b>	<b>\$24.73</b>

Source: CoStar Property®

## CLASS C MARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	399	10,957,125	472,473	477,625	4.4%	(13,185)	0	0	\$18.81
Suburban	10,509	76,479,580	4,176,259	4,270,397	5.6%	(192,878)	0	0	\$23.03
<b>Totals</b>	<b>10,908</b>	<b>87,436,705</b>	<b>4,648,732</b>	<b>4,748,022</b>	<b>5.4%</b>	<b>(206,063)</b>	<b>0</b>	<b>0</b>	<b>\$22.74</b>

Source: CoStar Property®

## CLASS A &amp; B MARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	279	58,138,633	7,885,426	8,038,780	13.8%	(246,337)	298,352	0	\$31.59
Suburban	6,142	277,381,283	38,735,244	40,149,217	14.5%	1,415,057	616,632	2,091,435	\$27.75
<b>Totals</b>	<b>6,421</b>	<b>335,519,916</b>	<b>46,620,670</b>	<b>48,187,997</b>	<b>14.4%</b>	<b>1,168,720</b>	<b>914,984</b>	<b>2,091,435</b>	<b>\$28.37</b>

Source: CoStar Property®

## TOTAL OFFICE MARKET STATISTICS

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	678	69,095,758	8,357,899	8,516,405	12.3%	(259,522)	298,352	0	\$31.01
Suburban	16,651	353,860,863	42,911,503	44,419,614	12.6%	1,222,179	616,632	2,091,435	\$27.23
<b>Totals</b>	<b>17,329</b>	<b>422,956,621</b>	<b>51,269,402</b>	<b>52,936,019</b>	<b>12.5%</b>	<b>962,657</b>	<b>914,984</b>	<b>2,091,435</b>	<b>\$27.81</b>

Source: CoStar Property®



# LOS ANGELES OFFICE MARKET

**FIGURES AT A GLANCE**

## CLASS A MARKET STATISTICS

**Third Quarter 2012**

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2012 3q	996	181,493,122	28,031,870	29,167,003	16.1%	304,031	1	102,113	11	1,598,416	\$30.97
2012 2q	995	181,391,009	28,156,262	29,368,921	16.2%	(177,039)	0	0	11	1,605,529	\$30.98
2012 1q	995	181,391,009	28,001,169	29,191,882	16.1%	669,795	2	77,000	11	1,605,529	\$30.59
2011 4q	994	181,474,009	28,550,427	29,944,677	16.5%	(362,300)	3	203,112	11	1,539,529	\$30.97
2011 3q	991	181,270,897	27,774,910	29,379,265	16.2%	(200,150)	1	123,060	13	1,197,641	\$30.66
2011 2q	990	181,147,837	27,517,205	29,056,055	16.0%	496,187	1	47,415	12	1,165,814	\$30.30
2011 1q	989	181,100,422	27,600,962	29,504,827	16.3%	(65,803)	0	0	13	1,213,229	\$30.19
2010	989	181,100,422	27,413,817	29,439,024	16.3%	(1,468,937)	7	774,225	11	1,038,229	\$30.44
2009	982	180,326,197	24,353,760	27,195,862	15.1%	(3,875,481)	16	2,432,652	14	1,564,979	\$32.00
2008	967	178,140,445	18,767,330	21,134,629	11.9%	(2,728,212)	13	1,094,548	25	3,496,439	\$35.25
2007	954	177,045,897	15,548,606	17,311,869	9.8%	1,426,254	16	2,406,710	21	3,213,050	\$34.40
2006	940	175,118,574	15,333,162	16,810,800	9.6%	2,908,212	9	820,406	24	3,102,594	\$29.77
2005	933	174,466,176	17,459,103	19,066,614	10.9%	6,309,705	8	1,134,733	10	1,687,072	\$27.28
2004	925	173,331,443	21,640,272	24,241,586	14.0%	4,657,816	5	1,285,373	10	2,006,348	\$25.92
2003	921	172,376,070	24,800,852	27,944,029	16.2%	1,948,260	6	1,542,511	6	1,326,081	\$25.97
2002	916	171,183,494	24,254,061	28,699,713	16.8%	(247,435)	16	2,815,111	10	2,747,884	\$25.84

Source: CoStar Property®

## CLASS B MARKET STATISTICS

**Third Quarter 2012**

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2012 3q	5,425	154,026,794	18,588,800	19,020,994	12.3%	1,785	6	232,637	13	493,019	\$24.73
2012 2q	5,419	153,794,157	18,348,403	18,790,142	12.2%	(24,955)	3	87,431	17	715,656	\$24.69
2012 1q	5,417	153,800,509	18,262,305	18,771,539	12.2%	395,103	6	415,803	19	785,087	\$24.26
2011 4q	5,413	153,536,211	18,208,894	18,902,344	12.3%	425,511	3	78,372	20	1,118,574	\$24.44
2011 3q	5,410	153,457,839	18,534,211	19,249,483	12.5%	219,677	5	143,450	18	1,068,736	\$24.22
2011 2q	5,406	153,466,516	18,721,340	19,477,837	12.7%	(613,490)	4	33,156	21	850,075	\$24.31
2011 1q	5,403	153,470,060	18,155,004	18,867,891	12.3%	234,536	9	295,757	19	629,350	\$24.29
2010	5,397	153,286,296	18,271,930	18,918,663	12.3%	(848,467)	27	356,551	20	766,607	\$24.56
2009	5,373	153,291,596	17,098,081	18,075,496	11.8%	(1,501,629)	93	1,080,023	29	595,721	\$25.29
2008	5,282	152,391,401	14,336,168	15,673,672	10.3%	(2,604,698)	176	2,410,459	90	1,101,137	\$27.60
2007	5,110	150,310,420	10,095,486	10,987,993	7.3%	240,376	87	1,232,557	187	2,484,216	\$27.44
2006	5,031	149,778,123	9,944,684	10,696,072	7.1%	1,303,489	63	1,190,512	108	1,442,760	\$25.30
2005	4,971	148,725,259	10,048,126	10,946,697	7.4%	3,188,742	58	1,064,927	62	1,266,509	\$23.11
2004	4,919	147,925,800	12,300,516	13,335,980	9.0%	1,234,990	40	851,268	56	1,196,821	\$21.87
2003	4,883	147,212,239	12,773,731	13,857,409	9.4%	1,452,568	47	1,008,751	41	881,886	\$22.02
2002	4,841	146,734,874	13,411,308	14,832,612	10.1%	1,807,647	59	2,075,512	32	850,610	\$22.42

Source: CoStar Property®

## TOTAL OFFICE MARKET STATISTICS

**Third Quarter 2012**

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2012 3q	17,329	422,956,621	51,269,402	52,936,019	12.5%	94,915	7	334,750	24	2,091,435	\$27.81
2012 2q	17,324	422,639,871	50,988,878	52,714,184	12.5%	(186,152)	3	87,431	28	2,321,185	\$27.77
2012 1q	17,322	422,646,223	50,762,275	52,534,384	12.4%	1,053,894	8	492,803	30	2,390,616	\$27.37
2011 4q	17,319	422,470,715	51,255,882	53,412,770	12.6%	145,998	6	281,484	31	2,658,103	\$27.91
2011 3q	17,314	422,196,931	50,876,041	53,284,984	12.6%	139,071	6	266,510	31	2,266,377	\$27.33
2011 2q	17,309	422,082,548	50,927,320	53,309,672	12.6%	(137,844)	5	80,571	33	2,015,889	\$27.17
2011 1q	17,305	422,038,677	50,436,521	53,127,957	12.6%	87,012	9	295,757	32	1,842,579	\$27.24
2010	17,302	421,899,792	50,301,341	53,076,084	12.6%	(2,619,719)	34	1,130,776	31	1,804,836	\$27.72
2009	17,279	421,283,676	45,953,442	49,840,249	11.8%	(5,966,507)	112	3,527,455	43	2,160,700	\$28.61
2008	17,177	418,260,661	36,857,925	40,850,727	9.8%	(6,411,788)	194	3,560,772	117	4,606,960	\$31.23
2007	17,003	415,469,185	28,838,362	31,647,463	7.6%	941,631	109	3,696,977	213	5,753,031	\$31.05
2006	16,925	413,324,415	28,071,671	30,444,324	7.4%	3,767,953	82	2,113,671	138	4,620,001	\$27.79
2005	16,864	412,194,177	30,550,338	33,082,039	8.0%	9,801,114	81	2,299,257	82	3,075,563	\$25.50
2004	16,796	410,232,024	37,170,850	40,921,000	10.0%	6,223,343	70	2,419,193	79	3,285,745	\$24.12
2003	16,743	408,577,810	41,076,952	45,490,129	11.1%	4,105,356	77	2,763,822	70	2,483,099	\$24.41
2002	16,676	406,776,867	41,782,337	47,794,542	11.7%	2,678,066	96	5,100,228	64	3,790,214	\$24.29

Source: CoStar Property®

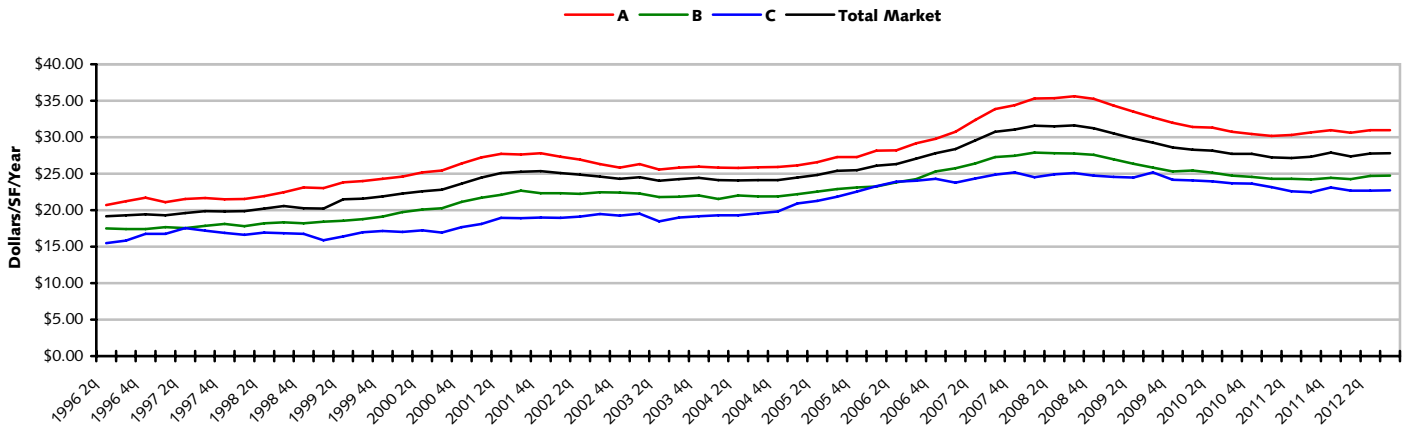
# LOS ANGELES OFFICE MARKET



## LEASING ACTIVITY

### HISTORICAL RENTAL RATES

Based on Full-Service Equivalent Rental Rates



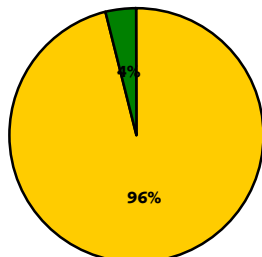
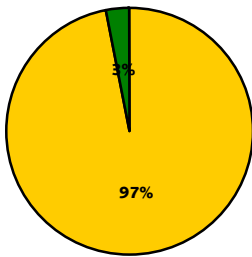
Source: CoStar Property®

### VACANCY BY AVAILABLE SPACE TYPE

Percent of All Vacant Space in Direct vs. Sublet

Los Angeles

United States



Direct Sublet

Direct Sublet

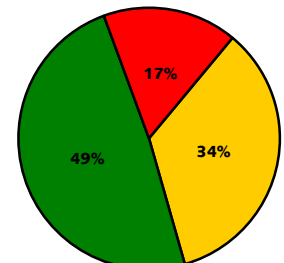
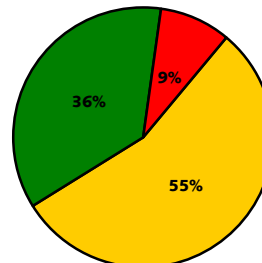
Source: CoStar Property®

### VACANCY BY CLASS

Percent of All Vacant Space by Class

Los Angeles

United States



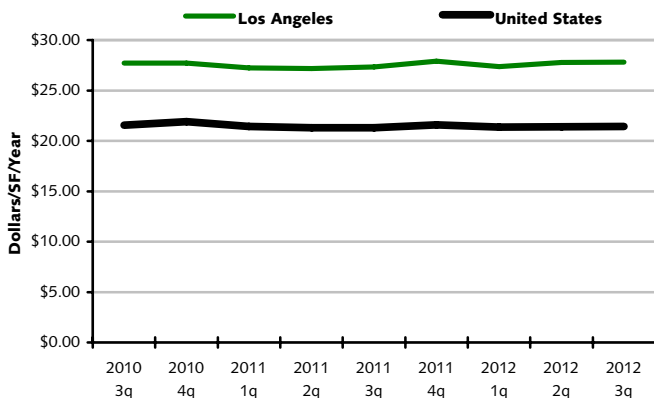
Class A Class B Class C

Class A Class B Class C

Source: CoStar Property®

### U.S. RENTAL RATE COMPARISON

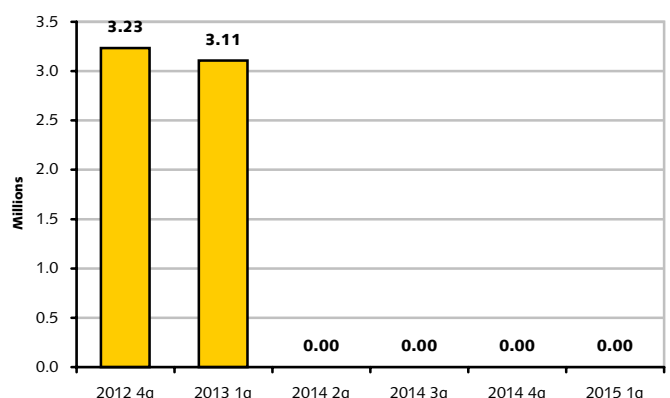
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

### FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy\*



\* Includes Under Construction Spaces Source: CoStar Property®



# LOS ANGELES OFFICE MARKET

## LEASING ACTIVITY

### SELECT TOP OFFICE LEASES Based on Leased Square Footage For Deals Signed in 2012

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 Wells Fargo Center*	Greater Downtown	328,829	3rd	Wells Fargo Bank	N/A	N/A
2 Western Asset Plaza*	Pasadena/Arcadia/Monrovia	180,000	1st	Western Asset Management Company	CBRE	Worthe Real Estate Group
3 Figueroa Plaza North Tower*	Greater Downtown	160,415	2nd	Lewis Brisbois Bisgaard & Smith LLP	Grubb & Ellis	N/A
4 3501 Sepulveda Blvd*	Torrance	141,702	1st	Saatchi & Saatchi LA	N/A	N/A
5 611 N Brand Blvd*	Glendale	132,000	2nd	Yellow Pages	CBRE	N/A
6 2400 Empire Ave*	Burbank	130,302	2nd	Deluxe Digital Studios	Studley	CBRE
7 1100 Towncenter Dr	Oxnard/Port Hueneme	120,000	2nd	N/A	N/A	CBRE
8 2300 W Empire Ave	Burbank	102,000	2nd	Playboy Plus	N/A	CBRE
9 Bank Of America Plaza*	Greater Downtown	101,412	1st	Kirkland & Ellis LLP	Cresa	Brookfield Office Properties, Inc.
10 2500 Broadway	Santa Monica	95,113	2nd	N/A	N/A	LA Realty Partners
11 Ernst & Young Plaza*	Greater Downtown	94,100	3rd	United States Secret Service	Colliers International	Brookfield Office Properties, Inc.
12 UTA Plaza	Beverly Hills	88,211	1st	United Talent Agency	N/A	Tishman Speyer
13 1055 E Colorado Blvd	Pasadena/Arcadia/Monrovia	86,790	3rd	Guidance Software, Inc.	CRESA Partners	CBRE
14 2015 Manhattan Beach Blvd*	Beach Cities/Palos Verdes	86,400	2nd	Comerica - Bancard Division	N/A	N/A
15 Aon Center	Greater Downtown	77,300	2nd	Morrison & Foerster LLP	Jones Lang LaSalle	Jones Lang LaSalle
16 2560 Teller Rd	Thousand Oaks/SE County	71,250	1st	Sage Publications	Cushman & Wakefield, Inc.	CBRE
17 20221 Hamilton Ave*	190th Street Corridor	66,824	3rd	LA County Child Support Services Department	N/A	Jones Lang LaSalle
18 601 S Figueroa St*	Greater Downtown	60,000	1st	Cushman & Wakefield, Inc.	N/A	N/A
19 Ernst & Young Plaza*	Greater Downtown	54,000	3rd	Jackson Lewis LLP	N/A	Brookfield Office Properties, Inc.
20 1655 26th St	Santa Monica	53,512	3rd	Demand Media	N/A	Industry Partners
21 17777 Center Court Dr*	Mid-Cities	52,506	3rd	Time Warner Cable, Inc.	Jones Lang LaSalle	Transwestern
22 Times Mirror Square	Greater Downtown	51,486	3rd	VXI Global Solutions, Inc.	N/A	CBRE
23 26601 W Agoura Rd*	Calabasas/Westlake Vill	50,000	2nd	Ixia	Cushman & Wakefield, Inc.	CBRE
24 221 S Figueroa St*	Greater Downtown	50,000	1st	OneLegacy	Charles Dunn Company, Inc.	Charles Dunn Company, Inc.
25 Encino Terrace Center*	Encino	49,696	2nd	Cap Management Systems	UGL Services	Douglas Emmett Management LLC
26 621 Hawaii St*	El Segundo	47,561	1st	Hewlett Packward	CBRE	Jones Lang LaSalle
27 604 Arizona Ave	Santa Monica	45,760	2nd	Real Office Centers	Studley	Lee & Associates
28 655 N Central Ave	Glendale	45,404	3rd	N/A	N/A	CBRE
29 27770 N Entertainment Dr	Santa Clarita Valley	44,104	1st	Precision Dynamics Corporation	N/A	CBRE
30 21255 Burbank Blvd	Woodland Hills/Wamer Ctr	43,779	3rd	N/A	N/A	Jones Lang LaSalle
31 4811 Airport Plaza Dr*	Long Beach: Suburban	42,528	3rd	Verizon	Jones Lang LaSalle	Lee & Associates
32 5250 Lankershim Plaza	North Hollywood	40,332	1st	Kaiser	N/A	CBRE
33 3402 Pico Blvd	Santa Monica	39,128	3rd	N/A	N/A	Direct Deal
34 155 N Lake Ave	Pasadena/Arcadia/Monrovia	38,526	3rd	N/A	N/A	CBRE
35 3760 Calle Tecate*	Camarillo/Point Mugu	37,700	1st	Communications & Power Industries, Inc.	N/A	N/A
36 8550 Balboa Blvd	Eastern SFV	36,835	1st	N/A	N/A	CBRE
37 2535 W Hillcrest Dr	Thousand Oaks/SE County	35,500	1st	N/A	N/A	CBRE
38 11766 Wilshire Blvd	Brentwood	34,546	2nd	RBZ LLC	Newmark Knight Frank	Direct Deal
39 9536 Wilshire Blvd	Beverly Hills	34,046	2nd	N/A	N/A	Cushman & Wakefield, Inc.
40 13031 W Jefferson Blvd	Marina Del Rey/Venice	34,000	1st	TMZ	CBRE	Jones Lang LaSalle

Source: CoStar Property®

\* Renewal

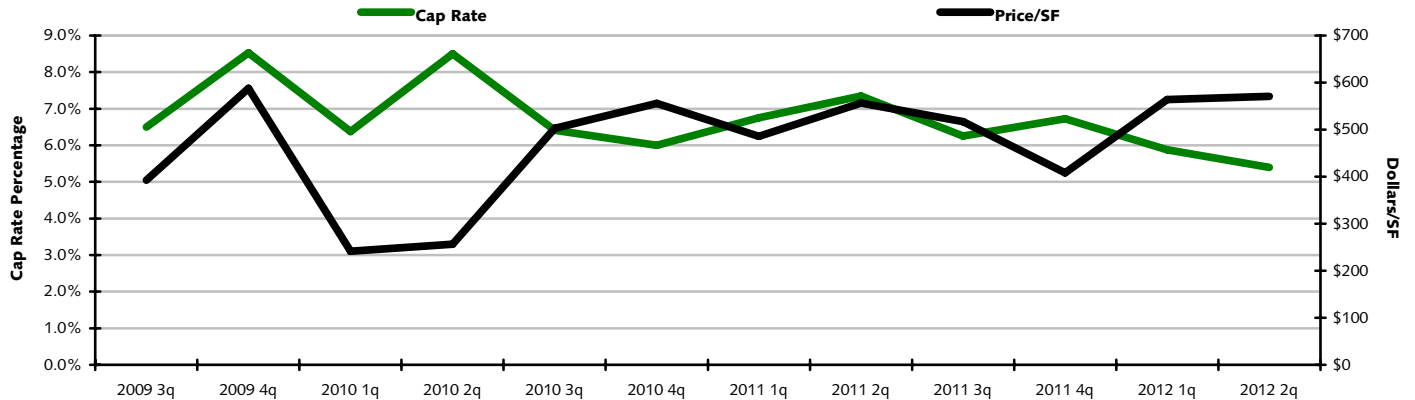
# LOS ANGELES OFFICE MARKET



## SALES ACTIVITY

### THE OPTIMIST SALES INDEX

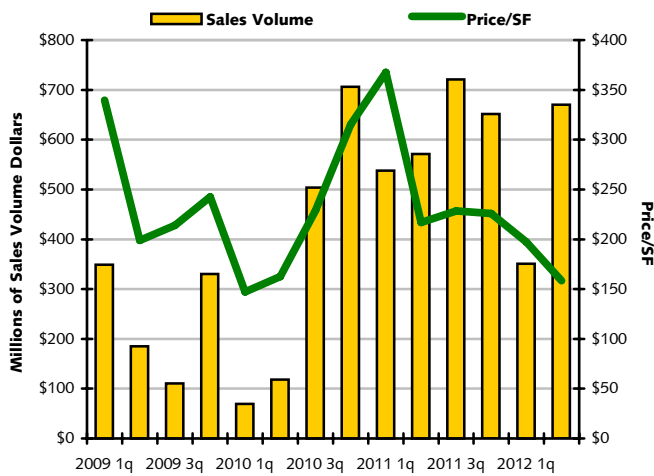
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

### SALES VOLUME & PRICE

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

### SALES ANALYSIS BY BUILDING SIZE

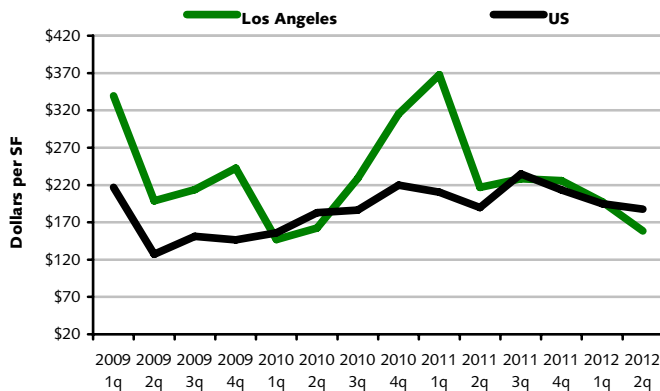
Based on Office Building Sales From July 2011 - June 2012

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	307	3,184,861	\$ 748,677,408	\$ 235.07	7.00%
50K-249K SF	45	4,970,652	\$ 978,726,345	\$ 196.90	7.50%
250K-499K SF	8	3,080,314	\$ 626,967,000	\$ 203.54	8.50%
>500K SF	3	2,239,064	\$ 394,439,959	\$ 176.16	8.63%

Source: CoStar COMPS®

### U.S. PRICE/SF COMPARISON

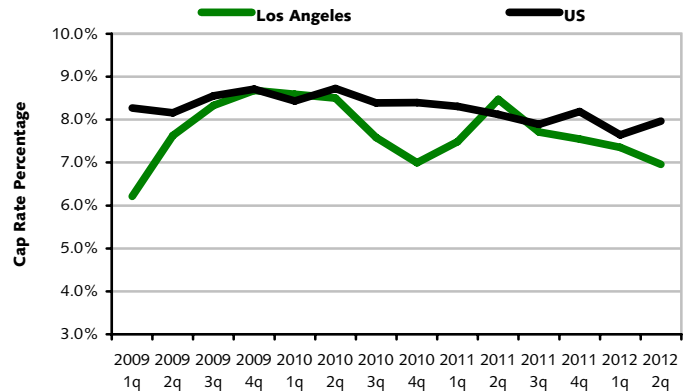
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

### U.S. CAP RATE COMPARISON

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®



# LOS ANGELES OFFICE MARKET

## SALES ACTIVITY

### SELECT TOP SALES

Based on Sales from July 2011 Through September 2012

#### 1. Parsons Campus



Pasadena

Price: **\$319,939,744**  
 Price/SF: **\$343.28**  
 Cap Rate: **7.25%**  
 RBA: **932,000**  
 Date: **7/5/2011**  
 Year Built: **1982**  
 Buyer: **Morgan Stanley Real Estate**  
 Seller: **Parsons Corporation**

#### 2. 400 S Hope St



Los Angeles

Price: **\$238,000,000**  
 Price/SF: **\$339.37**  
 Cap Rate: **N/A**  
 RBA: **701,294**  
 Date: **7/5/2012**  
 Year Built: **1982**  
 Buyer: **CBRE Global Investors**  
 Seller: **Tishman Speyer**

#### 3. Western Asset Plaza



Pasadena

Price: **\$144,500,000**  
 Price/SF: **\$562.91**  
 Cap Rate: **4.9%**  
 RBA: **256,703**  
 Date: **7/25/2012**  
 Year Built: **2003**  
 Buyer: **The Irvine Company**  
 Seller: **Centurion Real Estate Partners**

#### 4. 300 Oceangate



Long Beach

Price: **\$81,000,000**  
 Price/SF: **\$175.60**  
 Cap Rate: **N/A**  
 RBA: **461,263**  
 Date: **12/8/2011**  
 Year Built: **1983**  
 Buyer: **Molina Healthcare, Inc.**  
 Seller: **The Swig Company**

#### 5. 6255 W Sunset Blvd



Los Angeles

Price: **\$76,000,000**  
 Price/SF: **\$236.83**  
 Cap Rate: **5%**  
 RBA: **320,905**  
 Date: **8/1/2012**  
 Year Built: **1972**  
 Buyer: **Kilroy Realty Corporation**  
 Seller: **CBRE Global Investors**

#### 6. 900-940 Westwood Blvd



Los Angeles

Price: **\$72,000,000**  
 Price/SF: **\$502.17**  
 Cap Rate: **N/A**  
 RBA: **143,377**  
 Date: **6/29/2012**  
 Year Built: **1971**  
 Buyer: **University of California**  
 Seller: **CalSTRS**

#### 7. 1500 Hughes Way



Long Beach

Price: **\$69,000,000**  
 Price/SF: **\$140.80**  
 Cap Rate: **6.8%**  
 RBA: **490,055**  
 Date: **6/4/2012**  
 Year Built: **1982**  
 Buyer: **Omninet Capital**  
 Seller: **Lexington Realty Trust**

#### 8. 1933 S Broadway



Los Angeles

Price: **\$53,000,000**  
 Price/SF: **\$66.82**  
 Cap Rate: **10%**  
 RBA: **793,158**  
 Date: **6/22/2012**  
 Year Built: **1958**  
 Buyer: **PHR LA Mart LLC**  
 Seller: **Vornado Realty Trust**

#### 9. 800 W 6th St



Los Angeles

Price: **\$49,500,000**  
 Price/SF: **\$407.22**  
 Cap Rate: **6%**  
 RBA: **121,557**  
 Date: **9/2/2011**  
 Year Built: **1973**  
 Buyer: **Walter Conn**  
 Seller: **Equity One, Inc.**

Source: CoStar COMPS®

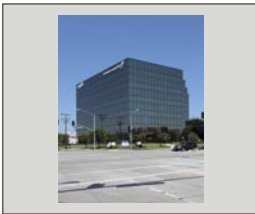
## LOS ANGELES OFFICE MARKET



## SALES ACTIVITY

## SELECT SAME BUILDING SALES

Based On Recent Building Sales Compared to Prior Sale

**2401 E El Segundo**

Address: 2401 E El Segundo Blvd  
 City: El Segundo  
 RBA: 106,597  
 Year Built: 1982  
 Tot \$ Return: \$3,500,000  
 Tot % Return: 14%  
 Ann.Return: 4%  
 Months Held: 48

**Most Recent Sale**

Price: \$27,700,000  
 Price/SF: \$259.86  
 Cap Rate: 7.75%  
 Date: 7/20/2012  
 Buyer: Peregrine Realty Partners  
 Seller: TA Associates Realty  
 Brokers: HFF

**Sale Prior to Most Recent Sale**

Price: \$24,200,000  
 Price/SF: \$227.02  
 Cap Rate: 6.8%  
 Date: 7/10/2008  
 Buyer: TA Associates Realty  
 Seller: Trio Pacific LLC  
 Brokers: Colliers International

**5737 Mesmer Ave**

Address: 5737 Mesmer Ave  
 City: Culver City  
 RBA: 6,108  
 Year Built: 1992  
 Tot \$ Return: -\$600,000  
 Tot % Return: -20%  
 Ann.Return: -5%  
 Months Held: 52

**Most Recent Sale**

Price: \$2,400,000  
 Price/SF: \$392.93  
 Cap Rate: N/A  
 Date: 7/26/2012  
 Buyer: The Reason Foundation  
 Seller: STEELE Studios, Inc.  
 Brokers: Madison Partners  
 Newmark Knight Frank

**Sale Prior to Most Recent Sale**

Price: \$3,000,000  
 Price/SF: \$491.16  
 Cap Rate: N/A  
 Date: 4/7/2008  
 Buyer: STEELE Studios, Inc.  
 Seller: Shinano Kenshi Corp  
 Brokers: Commercial Prop. Grp, Inc.

**1200 Artesia Blvd**

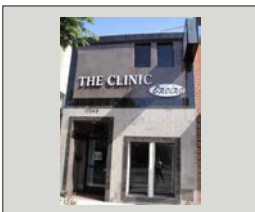
Address: 1200 Artesia Blvd  
 City: Redondo Beach  
 RBA: 5,661  
 Year Built: 1991  
 Tot \$ Return: \$62,500  
 Tot % Return: 3%  
 Ann.Return: 1%  
 Months Held: 55

**Most Recent Sale**

Price: \$2,400,000  
 Price/SF: \$423.95  
 Cap Rate: 4.91%  
 Date: 7/6/2012  
 Buyer: Sandler Partners  
 Seller: W. Coast Sports Med. Found.  
 Brokers: Palm Realty  
 Vintage Real Estate

**Sale Prior to Most Recent Sale**

Price: \$2,337,500  
 Price/SF: \$412.91  
 Cap Rate: 4.63%  
 Date: 12/6/2007  
 Buyer: W. Coast Sports Med. Found.  
 Seller: Alexander Lovi  
 Brokers: Re/Max Marquee Partners, Inc  
 Shorewood Realtors

**17049 Ventura Blvd**

Address: 17049 Ventura Blvd  
 City: Encino  
 RBA: 3,400  
 Year Built: 1945  
 Tot \$ Return: \$395,500  
 Tot % Return: 50%  
 Ann.Return: 26%  
 Months Held: 23

**Most Recent Sale**

Price: \$1,185,500  
 Price/SF: \$348.68  
 Cap Rate: N/A  
 Date: 7/20/2012  
 Buyer: Michele L Gibson Law Offices  
 Seller: Siamak Nematollahi  
 Brokers: Sperry Van Ness  
 Lee & Associates

**Sale Prior to Most Recent Sale**

Price: \$790,000  
 Price/SF: \$232.35  
 Cap Rate: N/A  
 Date: 8/25/2010  
 Buyer: Siamak Nematollahi  
 Seller: GBC International Bank  
 Brokers: RE/MAX Commercial

## SELECT LAND SALES

Based on Commercially Zoned Land Sales Occurring From July 2011 - Sept. 2012

**11811 San Vicente Blvd, Los Angeles**

Sale Price: \$3,000,000  
 Acres: 0.19  
 Price/SF: \$362.49  
 Closing Date: 07/29/2011  
 Zoning: C1.5  
 Intended Use: Office  
 Buyer: Thomas Safran & Associates  
 Seller: Krantz Family Trust

**901 N Catalina Ave, Redondo Beach**

Sale Price: \$2,850,000  
 Acres: 1.57  
 Price/SF: \$41.77  
 Closing Date: 09/01/2011  
 Zoning: C5  
 Intended Use: Mixed Use, Office with Retail  
 Buyer: Greenstreet Development LLC  
 Seller: Combined Realty

**828 Silver Spur Rd, Rolling Hills Estates**

Sale Price: \$2,850,000  
 Acres: 0.67  
 Price/SF: \$98.39  
 Closing Date: 07/14/2011  
 Zoning: CG  
 Intended Use: Medical Office, Mixed Use  
 Buyer: Robert M Jonas  
 Seller: R E Silver Lining, Inc.

**3301-3331 N Broadway, Los Angeles**

Sale Price: \$2,085,000  
 Acres: 1.12  
 Price/SF: \$42.69  
 Closing Date: 01/06/2012  
 Zoning: C2-1VL-CDO  
 Intended Use: Medical Office  
 Buyer: Charles Company  
 Seller: Las Villas, Inc.

**16227 Lakewood Blvd, Bellflower**

Sale Price: \$1,350,000  
 Acres: 1.16  
 Price/SF: \$26.76  
 Closing Date: 08/05/2011  
 Zoning: CN  
 Intended Use: Medical Office  
 Buyer: Bio Design Development LLC  
 Seller: Lone Oak Industries, Inc.

**15106 Hawthorne Blvd, Lawndale**

Sale Price: \$870,000  
 Acres: 0.35  
 Price/SF: \$57.29  
 Closing Date: 01/06/2012  
 Zoning: LNC3  
 Intended Use: Medical Office  
 Buyer: Samani-Mirtorabi Family Trust  
 Seller: Kaufman Family Trust



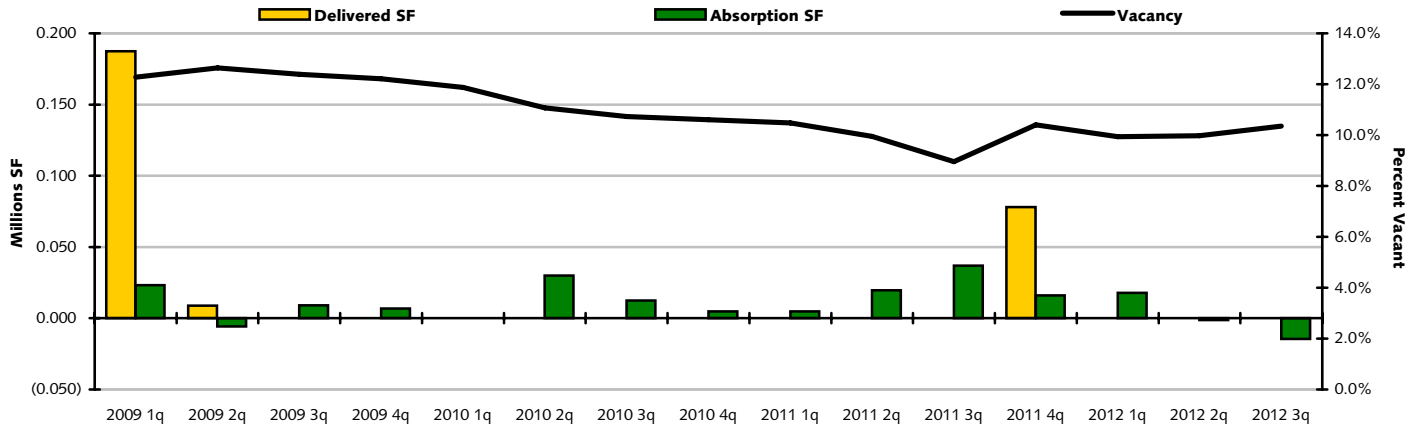


# LOS ANGELES OFFICE MARKET

## ANTELOPE VALLEY MARKET

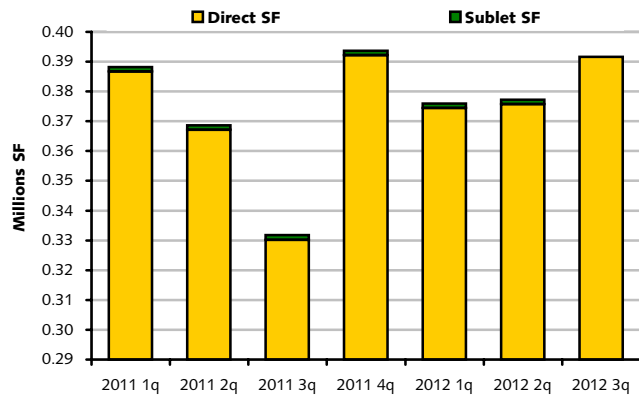
MARKET HIGHLIGHTS – CLASS "A, B & C"

### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



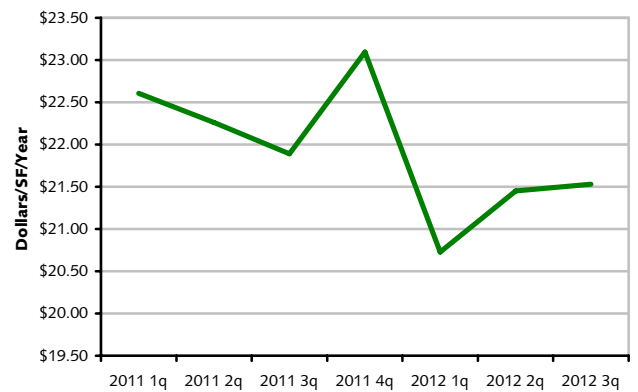
Source: CoStar Property®

### VACANT SPACE Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	357	3,783,402	391,674	10.4%	(14,443)	0	0	0	0	\$21.53
2012 2q	357	3,783,402	377,231	10.0%	(1,268)	0	0	0	0	\$21.45
2012 1q	357	3,783,402	375,963	9.9%	17,751	0	0	0	0	\$20.73
2011 4q	357	3,783,402	393,714	10.4%	16,040	1	78,000	0	0	\$23.09
2011 3q	356	3,705,402	331,754	9.0%	36,872	0	0	1	78,000	\$21.89
2011 2q	356	3,705,402	368,626	9.9%	19,571	0	0	1	78,000	\$22.26
2011 1q	356	3,705,402	388,197	10.5%	4,818	0	0	1	78,000	\$22.61
2010 4q	356	3,705,402	393,015	10.6%	4,751	0	0	1	78,000	\$24.42
2010 3q	356	3,705,402	397,766	10.7%	12,419	0	0	1	78,000	\$24.06
2010 2q	356	3,705,402	410,185	11.1%	29,908	0	0	1	78,000	\$25.04
2010 1q	356	3,705,402	440,093	11.9%	80	0	0	1	78,000	\$25.66
2009 4q	357	3,719,500	454,271	12.2%	6,764	0	0	1	78,000	\$25.94
2009 3q	357	3,719,500	461,035	12.4%	9,072	0	0	1	78,000	\$26.03
2009 2q	357	3,719,500	470,107	12.6%	(5,759)	1	8,961	0	0	\$26.26
2009 1q	356	3,710,539	455,387	12.3%	23,216	18	187,429	1	8,961	\$25.94
2008 4q	338	3,523,110	291,174	8.3%	33,336	1	20,919	19	196,390	\$25.96

Source: CoStar Property®

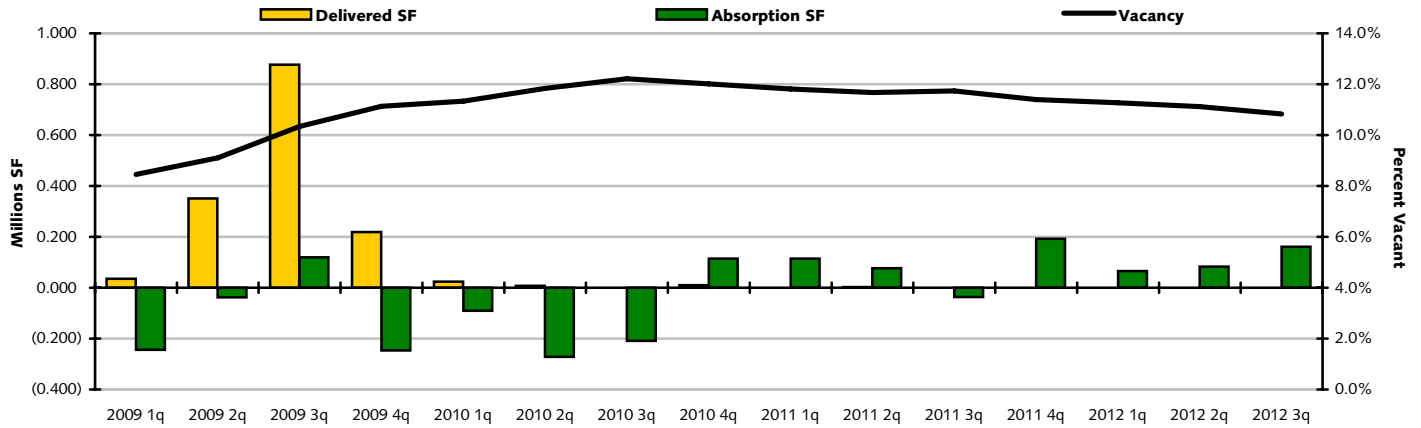
# LOS ANGELES OFFICE MARKET



## BURBANK / GLENDALE / PASADENA MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

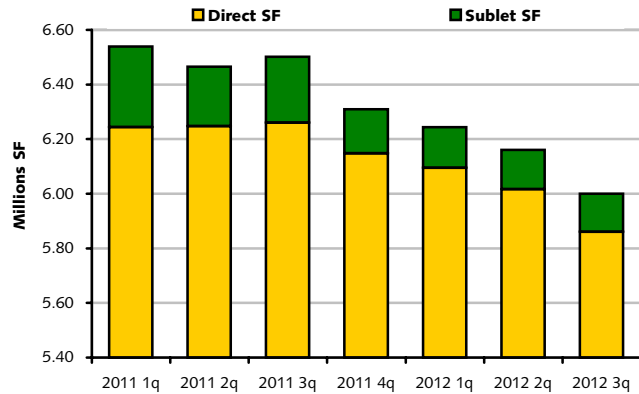
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

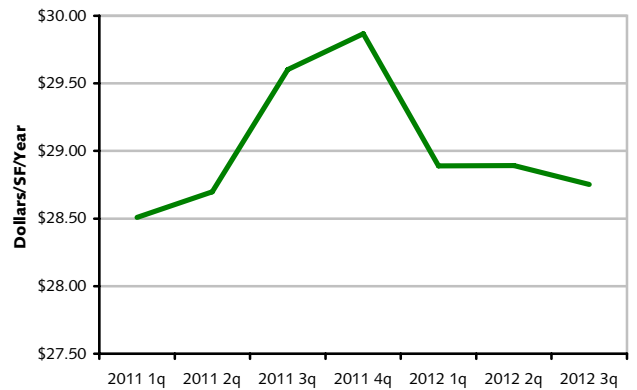
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	3,039	55,390,012	6,000,007	10.8%	161,083	0	0	2	45,887	\$28.75
2012 2q	3,039	55,390,012	6,161,090	11.1%	83,036	0	0	2	45,887	\$28.89
2012 1q	3,039	55,390,012	6,244,126	11.3%	65,421	0	0	2	45,887	\$28.89
2011 4q	3,039	55,390,012	6,309,547	11.4%	191,969	0	0	1	24,887	\$29.87
2011 3q	3,039	55,390,012	6,501,516	11.7%	(35,933)	0	0	1	24,887	\$29.60
2011 2q	3,039	55,390,012	6,465,583	11.7%	76,102	1	2,425	0	0	\$28.70
2011 1q	3,038	55,387,587	6,539,260	11.8%	115,039	0	0	1	2,425	\$28.51
2010 4q	3,038	55,387,587	6,654,299	12.0%	114,111	1	10,400	1	2,425	\$29.91
2010 3q	3,038	55,384,939	6,765,762	12.2%	(209,313)	0	0	2	12,825	\$29.18
2010 2q	3,038	55,384,939	6,556,449	11.8%	(271,815)	1	7,500	2	12,825	\$29.59
2010 1q	3,037	55,377,439	6,277,134	11.3%	(90,372)	2	23,668	3	20,325	\$29.90
2009 4q	3,035	55,353,771	6,163,094	11.1%	(246,304)	3	218,857	4	41,568	\$29.65
2009 3q	3,032	55,134,914	5,697,933	10.3%	119,277	5	876,176	7	260,425	\$30.09
2009 2q	3,028	54,261,434	4,943,730	9.1%	(37,288)	1	351,300	12	1,136,601	\$30.94
2009 1q	3,027	53,910,134	4,555,142	8.4%	(243,711)	1	34,704	11	1,466,733	\$31.58
2008 4q	3,027	53,879,743	4,281,040	7.9%	(189,606)	3	120,390	9	1,477,796	\$32.55

Source: CoStar Property®

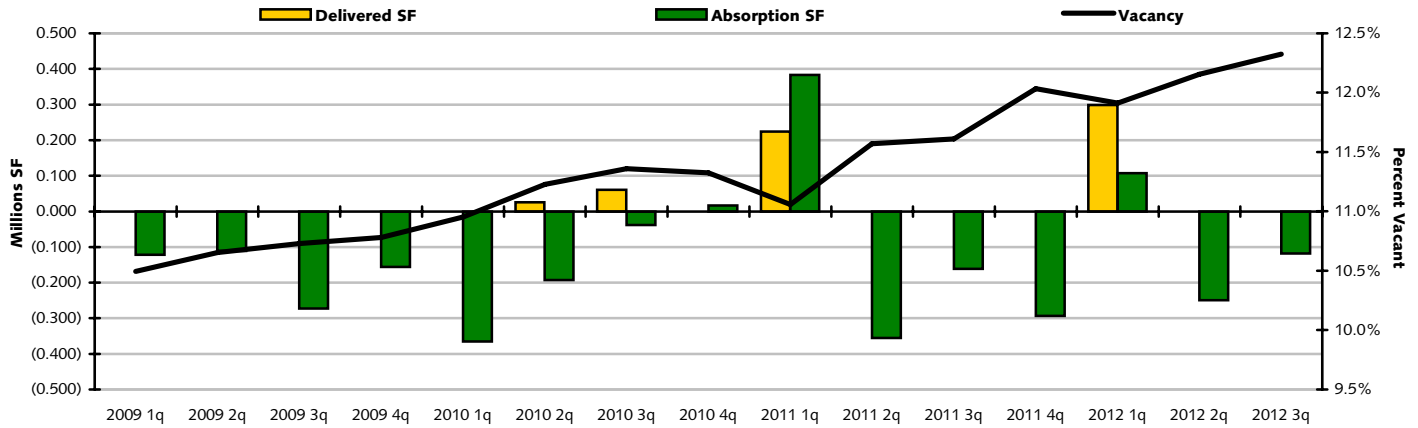


# LOS ANGELES OFFICE MARKET

## DOWNTOWN LOS ANGELES MARKET

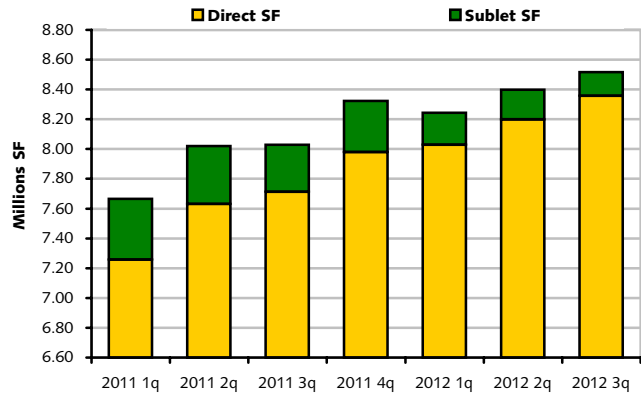
MARKET HIGHLIGHTS – CLASS "A, B & C"

### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



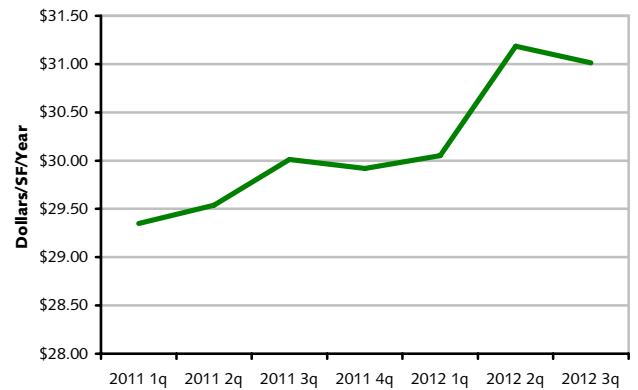
Source: CoStar Property®

### VACANT SPACE Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	678	69,095,758	8,516,405	12.3%	(117,701)	0	0	0	0	\$31.01
2012 2q	678	69,095,758	8,398,704	12.2%	(249,610)	0	0	0	0	\$31.19
2012 1q	679	69,189,541	8,242,877	11.9%	107,789	2	298,352	0	0	\$30.05
2011 4q	679	69,161,373	8,322,498	12.0%	(293,241)	0	0	2	298,352	\$29.92
2011 3q	679	69,161,373	8,029,257	11.6%	(161,483)	0	0	2	298,352	\$30.01
2011 2q	680	69,313,500	8,019,901	11.6%	(355,123)	0	0	2	298,352	\$29.54
2011 1q	680	69,313,500	7,664,778	11.1%	383,114	2	224,013	1	252,352	\$29.35
2010 4q	678	69,089,487	7,823,879	11.3%	16,304	0	0	3	476,365	\$28.75
2010 3q	679	69,099,487	7,850,183	11.4%	(38,111)	1	61,064	3	476,365	\$28.30
2010 2q	678	69,038,423	7,751,008	11.2%	(192,667)	1	25,189	3	285,077	\$28.92
2010 1q	678	69,042,402	7,562,320	11.0%	(365,247)	0	0	3	307,366	\$29.34
2009 4q	679	69,318,167	7,472,838	10.8%	(155,990)	0	0	3	307,366	\$29.54
2009 3q	680	69,452,895	7,451,576	10.7%	(272,741)	0	0	2	86,253	\$30.16
2009 2q	681	69,699,795	7,425,735	10.7%	(111,288)	0	0	1	61,064	\$30.19
2009 1q	681	69,699,795	7,314,447	10.5%	(121,574)	0	0	0	0	\$30.72
2008 4q	682	69,705,939	7,199,017	10.3%	(254,219)	0	0	0	0	\$30.99

Source: CoStar Property®

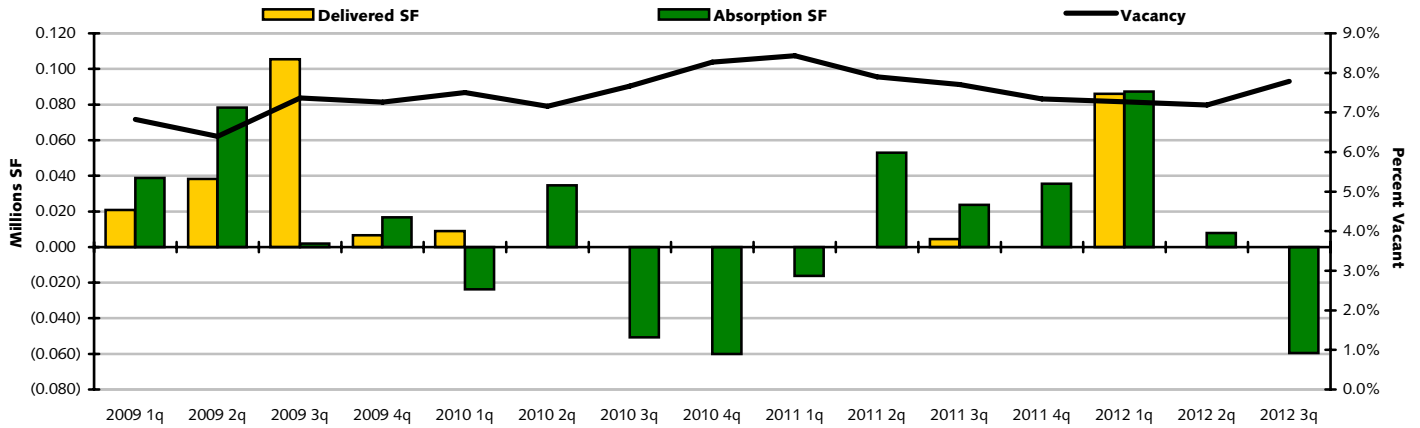
# LOS ANGELES OFFICE MARKET



## MID-CITIES MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

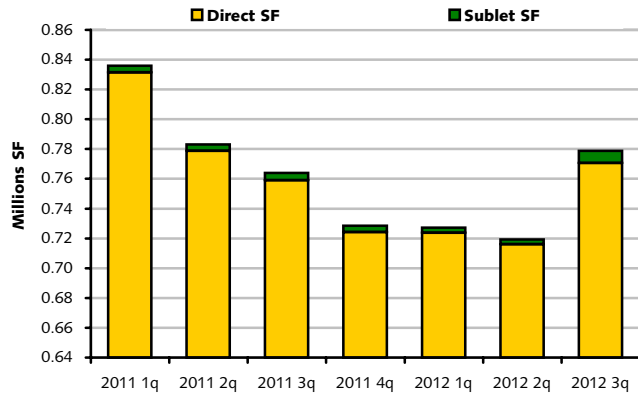
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

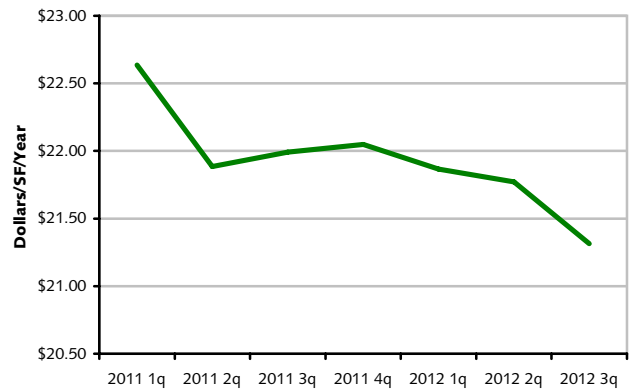
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	969	10,002,043	778,745	7.8%	(59,439)	0	0	2	20,507	\$21.31
2012 2q	969	10,002,043	719,306	7.2%	7,819	0	0	2	20,507	\$21.77
2012 1q	969	10,002,043	727,125	7.3%	87,336	1	86,045	2	20,507	\$21.87
2011 4q	968	9,915,998	728,416	7.3%	35,504	0	0	2	90,898	\$22.05
2011 3q	968	9,915,998	763,920	7.7%	23,647	1	4,500	2	90,898	\$21.99
2011 2q	967	9,911,498	783,067	7.9%	52,922	0	0	3	95,398	\$21.88
2011 1q	967	9,911,498	835,989	8.4%	(16,298)	0	0	3	95,398	\$22.63
2010 4q	967	9,911,498	819,691	8.3%	(60,015)	0	0	0	0	\$23.03
2010 3q	967	9,911,498	759,676	7.7%	(50,719)	0	0	0	0	\$23.54
2010 2q	967	9,911,498	708,957	7.2%	34,619	0	0	0	0	\$22.97
2010 1q	967	9,911,498	743,576	7.5%	(23,740)	1	9,000	0	0	\$22.88
2009 4q	967	9,911,740	720,078	7.3%	16,647	2	6,700	1	9,000	\$22.95
2009 3q	965	9,905,040	730,025	7.4%	2,005	1	105,454	3	15,700	\$22.91
2009 2q	964	9,799,586	626,576	6.4%	78,239	2	38,324	4	121,154	\$23.72
2009 1q	962	9,761,262	666,491	6.8%	38,764	3	20,720	5	150,478	\$23.71
2008 4q	959	9,740,542	684,535	7.0%	6,203	0	0	7	166,748	\$24.40

Source: CoStar Property®

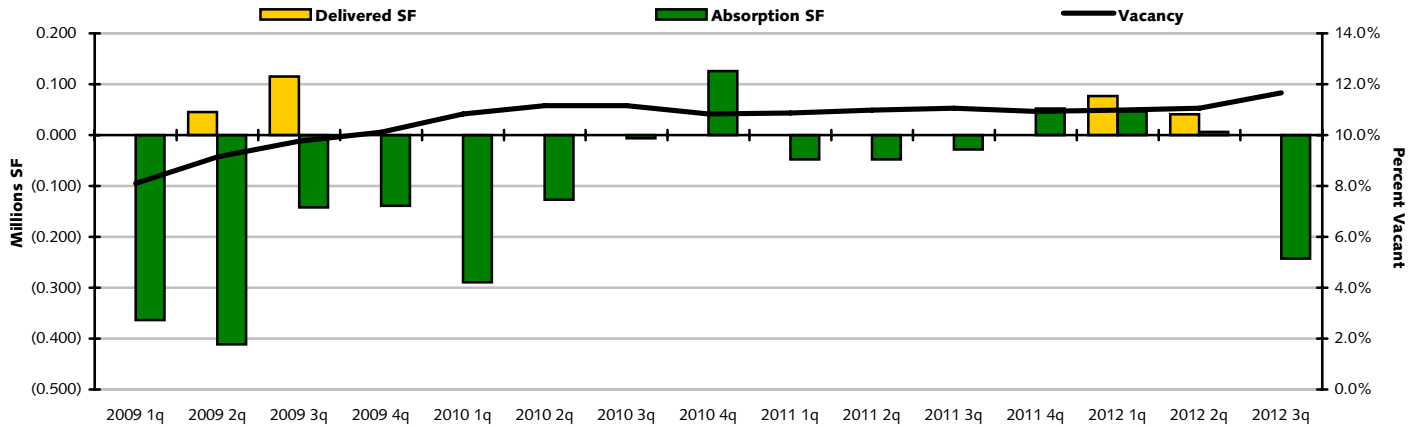


# LOS ANGELES OFFICE MARKET

## MID-WILSHIRE MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

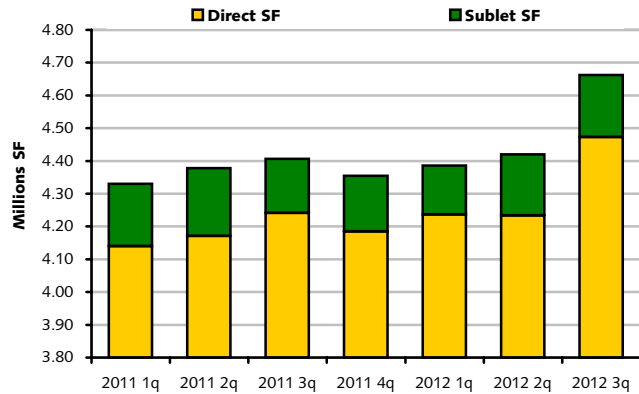
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

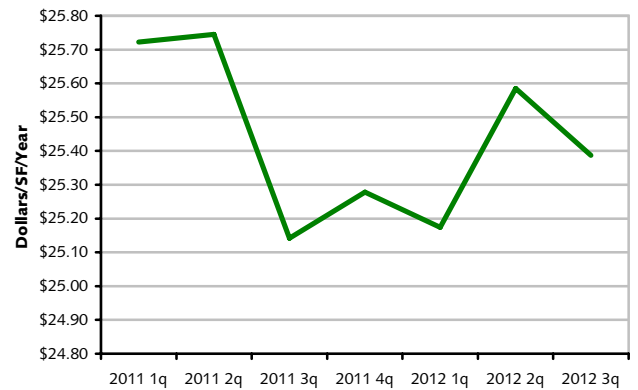
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	1,587	39,979,531	4,662,669	11.7%	(242,719)	0	0	5	561,017	\$25.39
2012 2q	1,587	39,979,531	4,419,950	11.1%	6,246	1	40,661	4	466,017	\$25.59
2012 1q	1,586	39,938,870	4,385,535	11.0%	46,298	2	77,000	5	506,678	\$25.17
2011 4q	1,584	39,861,870	4,354,833	10.9%	51,993	0	0	7	583,678	\$25.28
2011 3q	1,584	39,861,870	4,406,826	11.1%	(28,508)	0	0	6	545,778	\$25.14
2011 2q	1,584	39,861,870	4,378,318	11.0%	(47,973)	0	0	5	505,117	\$25.75
2011 1q	1,584	39,861,870	4,330,345	10.9%	(48,107)	0	0	5	505,117	\$25.72
2010 4q	1,585	39,903,770	4,324,138	10.8%	125,961	0	0	3	445,617	\$25.79
2010 3q	1,585	39,903,770	4,450,099	11.2%	(6,327)	0	0	2	418,617	\$26.46
2010 2q	1,586	39,910,723	4,450,725	11.2%	(127,096)	0	0	2	418,617	\$26.68
2010 1q	1,586	39,910,723	4,323,629	10.8%	(289,386)	0	0	2	418,617	\$26.82
2009 4q	1,586	39,910,723	4,034,243	10.1%	(139,307)	0	0	2	418,617	\$28.03
2009 3q	1,587	39,911,302	3,895,515	9.8%	(142,331)	1	114,958	2	418,617	\$29.74
2009 2q	1,586	39,796,344	3,638,226	9.1%	(411,630)	1	45,000	3	533,575	\$30.58
2009 1q	1,586	39,794,844	3,225,096	8.1%	(363,757)	0	0	4	578,575	\$31.34
2008 4q	1,586	39,794,844	2,861,339	7.2%	(214,591)	0	0	4	578,575	\$31.21

Source: CoStar Property®

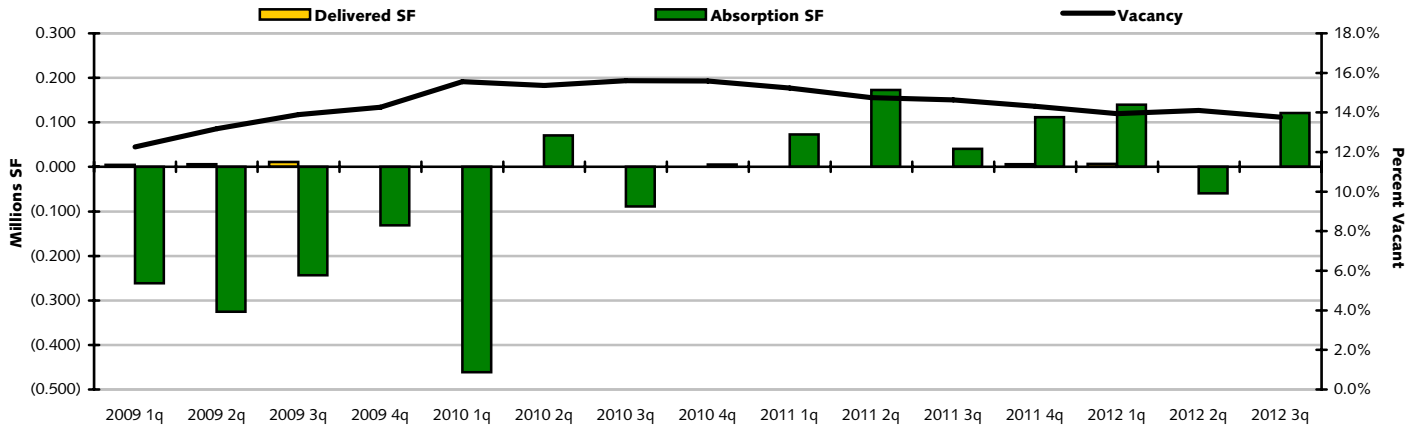
# LOS ANGELES OFFICE MARKET

## SAN FERNANDO VALLEY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"



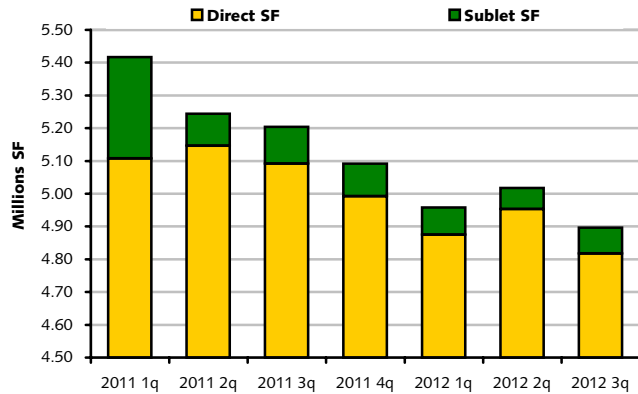
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

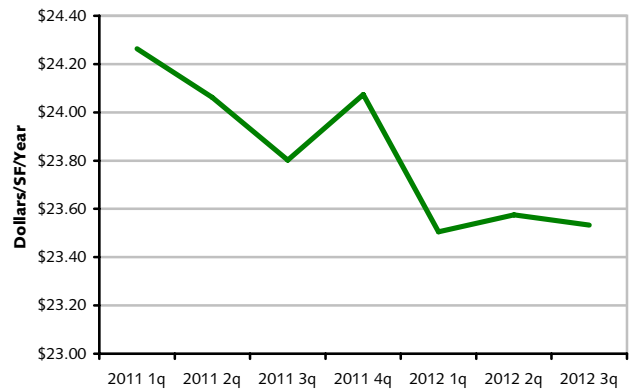
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	1,475	35,565,648	4,896,970	13.8%	120,797	0	0	2	134,000	\$23.53
2012 2q	1,475	35,565,648	5,017,767	14.1%	(59,389)	0	0	2	134,000	\$23.57
2012 1q	1,475	35,565,648	4,958,378	13.9%	140,010	1	7,000	2	134,000	\$23.50
2011 4q	1,474	35,558,648	5,091,388	14.3%	111,398	1	6,080	3	141,000	\$24.07
2011 3q	1,474	35,560,268	5,204,406	14.6%	40,202	0	0	4	147,080	\$23.80
2011 2q	1,474	35,560,268	5,244,608	14.7%	172,570	0	0	4	147,080	\$24.06
2011 1q	1,474	35,560,268	5,417,178	15.2%	73,033	0	0	3	140,080	\$24.26
2010 4q	1,475	35,625,268	5,555,211	15.6%	5,514	0	0	1	9,000	\$24.62
2010 3q	1,475	35,625,268	5,560,725	15.6%	(89,060)	0	0	1	9,000	\$24.46
2010 2q	1,475	35,625,268	5,471,665	15.4%	70,748	0	0	1	9,000	\$24.42
2010 1q	1,475	35,625,268	5,542,413	15.6%	(461,477)	0	0	1	9,000	\$24.60
2009 4q	1,475	35,625,268	5,080,936	14.3%	(131,146)	0	0	0	0	\$25.41
2009 3q	1,475	35,625,268	4,949,790	13.9%	(243,414)	1	11,000	0	0	\$26.15
2009 2q	1,474	35,614,268	4,695,376	13.2%	(325,637)	1	6,300	1	11,000	\$26.51
2009 1q	1,473	35,607,968	4,363,439	12.3%	(261,053)	1	4,568	2	17,300	\$27.44
2008 4q	1,472	35,603,400	4,097,818	11.5%	(291,630)	1	60,215	2	15,568	\$28.03

Source: CoStar Property®



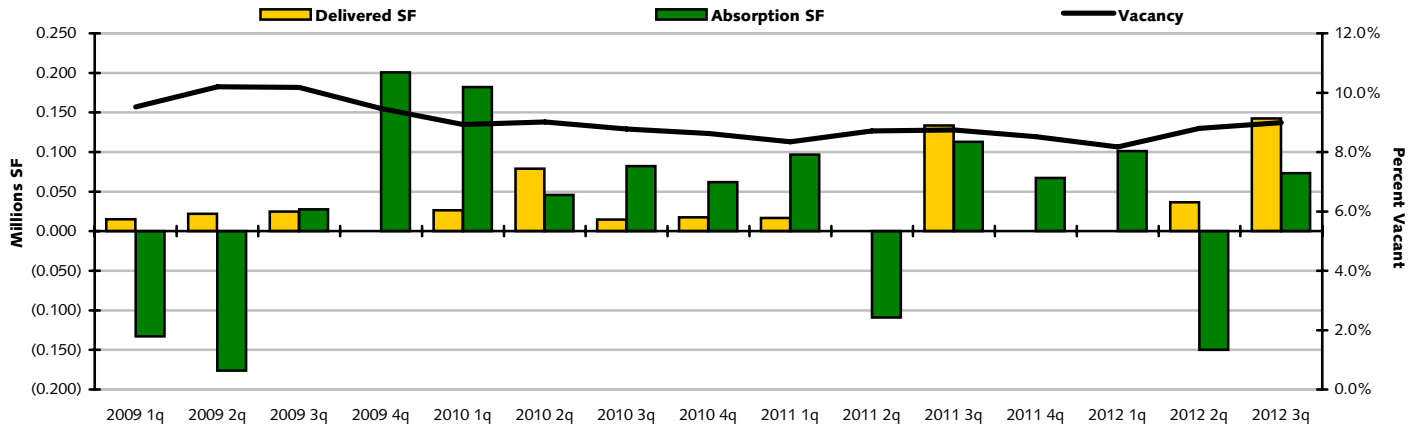


# LOS ANGELES OFFICE MARKET

## SAN GABRIEL VALLEY MARKET

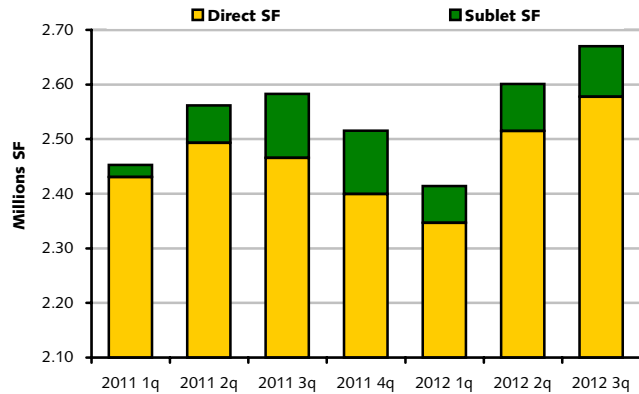
MARKET HIGHLIGHTS - CLASS "A, B & C"

### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



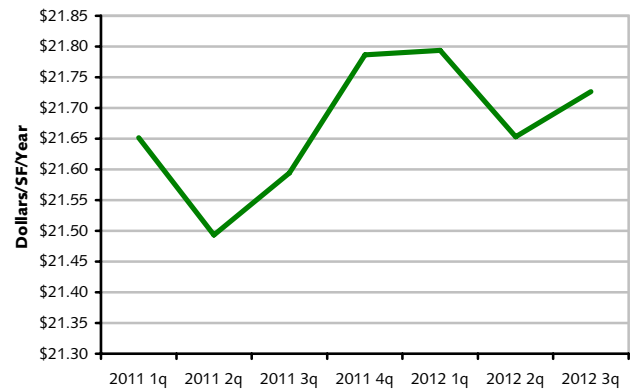
Source: CoStar Property®

### VACANT SPACE Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	1,895	29,704,749	2,669,891	9.0%	73,221	2	142,327	1	130,000	\$21.73
2012 2q	1,893	29,562,422	2,600,785	8.8%	(149,944)	1	36,666	3	272,327	\$21.65
2012 1q	1,892	29,525,756	2,414,175	8.2%	101,079	0	0	4	308,993	\$21.79
2011 4q	1,892	29,525,756	2,515,254	8.5%	67,311	0	0	4	308,993	\$21.79
2011 3q	1,892	29,525,756	2,582,565	8.7%	112,744	2	133,654	4	308,993	\$21.59
2011 2q	1,890	29,392,102	2,561,655	8.7%	(108,849)	0	0	5	312,647	\$21.49
2011 1q	1,890	29,392,102	2,452,806	8.3%	96,663	3	16,598	3	136,172	\$21.65
2010 4q	1,887	29,375,504	2,532,871	8.6%	62,134	2	17,606	5	150,252	\$22.61
2010 3q	1,885	29,357,898	2,577,399	8.8%	82,235	2	14,669	7	167,858	\$22.58
2010 2q	1,883	29,343,229	2,644,965	9.0%	46,017	2	79,000	7	166,765	\$22.81
2010 1q	1,881	29,264,229	2,611,982	8.9%	181,980	5	26,423	9	245,765	\$23.03
2009 4q	1,876	29,237,806	2,767,539	9.5%	200,595	0	0	12	136,690	\$23.33
2009 3q	1,877	29,245,729	2,976,057	10.2%	27,812	3	24,692	10	125,021	\$23.52
2009 2q	1,874	29,221,037	2,979,177	10.2%	(176,097)	2	21,827	11	130,121	\$23.67
2009 1q	1,872	29,199,210	2,781,253	9.5%	(132,727)	2	15,260	5	46,519	\$24.12
2008 4q	1,870	29,183,950	2,633,266	9.0%	(302,858)	3	155,315	6	48,387	\$24.41

Source: CoStar Property®

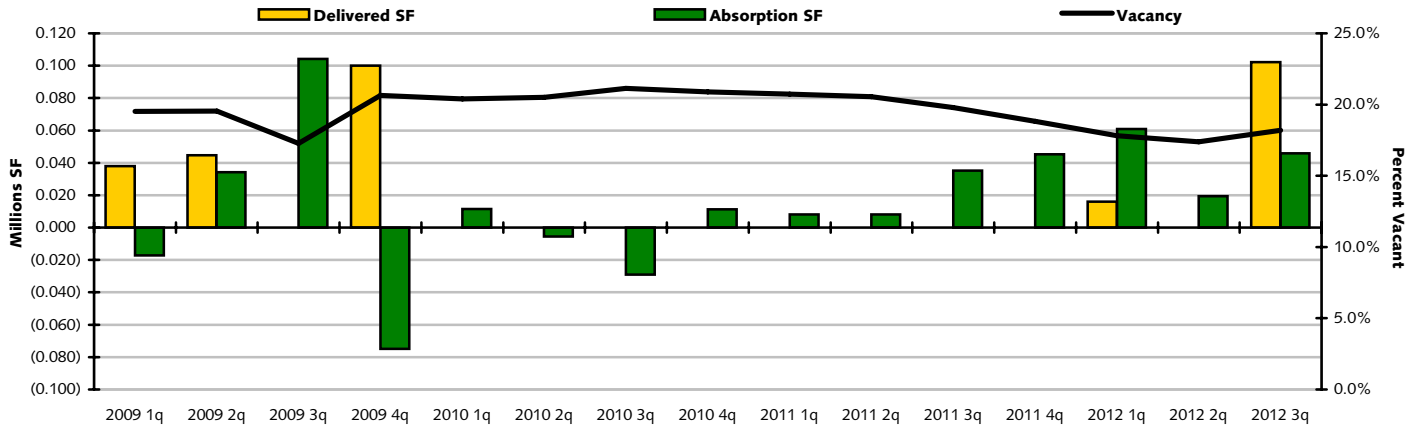
# LOS ANGELES OFFICE MARKET

## SANTA CLARITA VALLEY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"



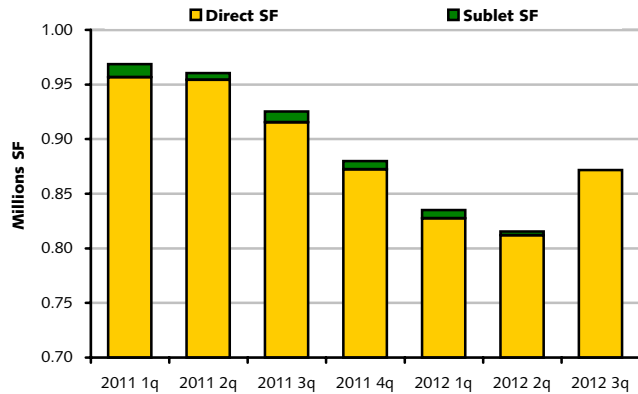
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

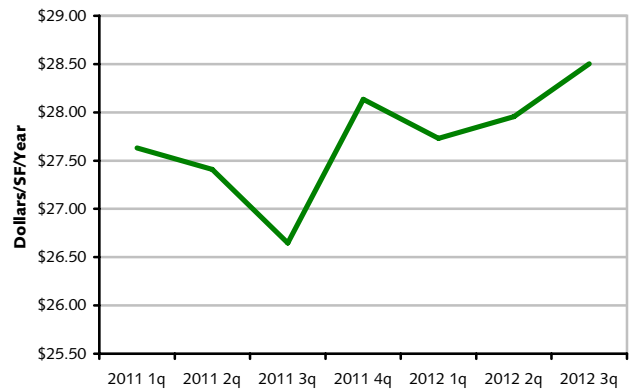
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	208	4,792,192	871,690	18.2%	45,960	1	102,113	0	0	\$28.50
2012 2q	207	4,690,079	815,537	17.4%	19,414	0	0	1	102,113	\$27.96
2012 1q	207	4,690,079	834,951	17.8%	60,813	1	15,939	1	102,113	\$27.73
2011 4q	206	4,674,140	879,825	18.8%	45,342	0	0	2	118,052	\$28.14
2011 3q	206	4,674,140	925,167	19.8%	35,281	0	0	2	118,052	\$26.65
2011 2q	206	4,674,140	960,448	20.5%	8,113	0	0	2	118,052	\$27.41
2011 1q	206	4,674,140	968,561	20.7%	8,135	0	0	1	102,113	\$27.63
2010 4q	206	4,674,140	976,696	20.9%	11,306	0	0	1	102,113	\$28.77
2010 3q	206	4,674,140	988,002	21.1%	(28,941)	0	0	1	102,113	\$28.47
2010 2q	206	4,674,140	959,061	20.5%	(5,586)	0	0	1	102,113	\$28.83
2010 1q	206	4,674,140	953,475	20.4%	11,513	0	0	1	102,113	\$29.69
2009 4q	206	4,674,140	964,988	20.6%	(74,970)	1	100,000	1	102,113	\$30.23
2009 3q	205	4,574,140	790,018	17.3%	104,218	0	0	2	202,113	\$30.27
2009 2q	205	4,574,140	894,236	19.5%	34,273	1	44,650	2	202,113	\$30.69
2009 1q	204	4,529,490	883,859	19.5%	(17,266)	1	38,023	3	246,763	\$31.05
2008 4q	203	4,491,467	828,570	18.4%	(2,770)	5	48,458	4	284,786	\$31.64

Source: CoStar Property®

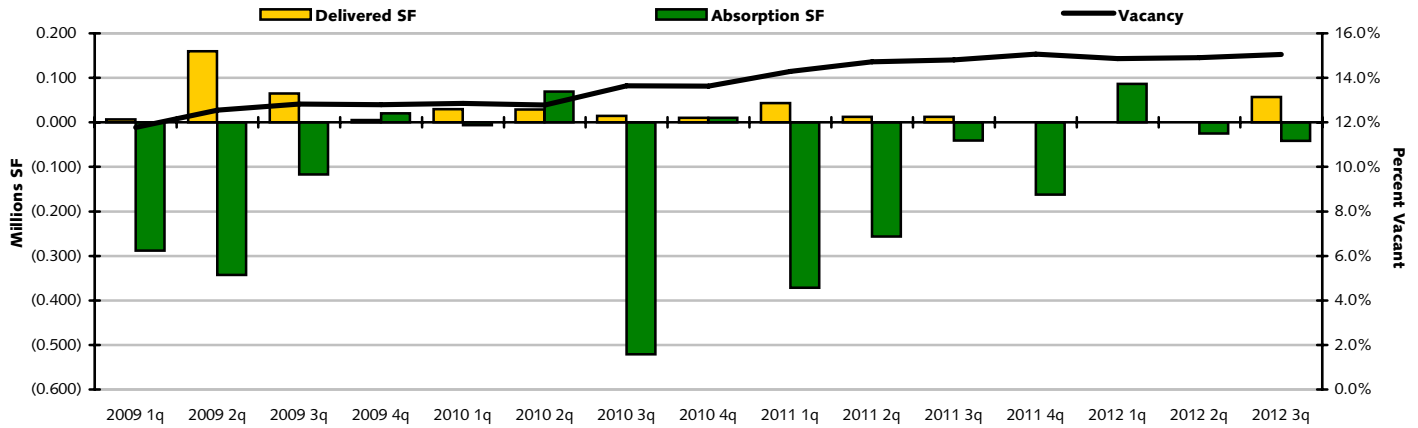


# LOS ANGELES OFFICE MARKET

## SOUTH BAY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

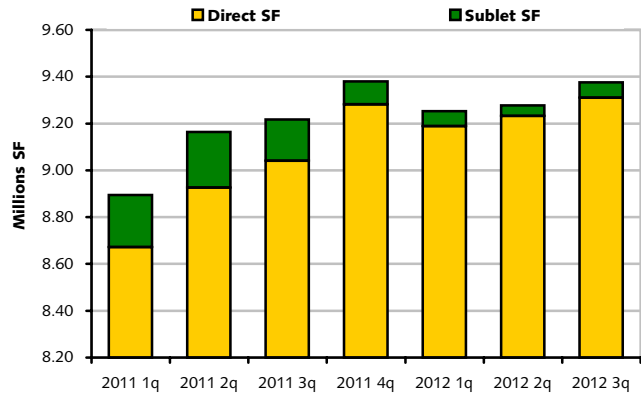
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

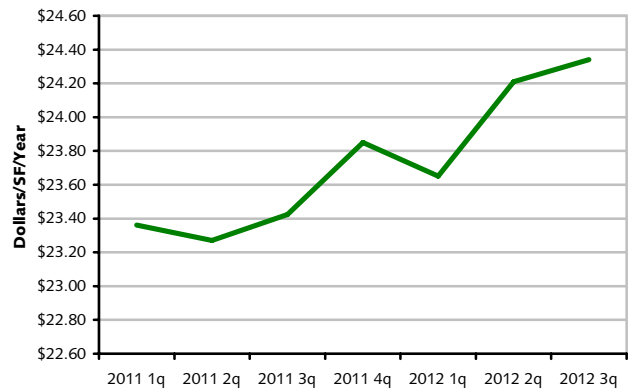
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	2,331	62,286,013	9,376,208	15.1%	(41,398)	2	57,115	5	912,112	\$24.34
2012 2q	2,329	62,228,898	9,277,695	14.9%	(25,135)	0	0	7	969,227	\$24.21
2012 1q	2,329	62,228,898	9,252,560	14.9%	86,285	0	0	7	969,227	\$23.65
2011 4q	2,330	62,270,219	9,380,166	15.1%	(162,383)	0	0	4	923,565	\$23.85
2011 3q	2,330	62,270,219	9,217,783	14.8%	(40,768)	1	12,741	1	321,450	\$23.42
2011 2q	2,329	62,257,478	9,164,274	14.7%	(256,578)	2	12,499	1	12,741	\$23.27
2011 1q	2,327	62,244,979	8,895,197	14.3%	(371,479)	3	43,146	3	25,240	\$23.36
2010 4q	2,324	62,201,833	8,480,572	13.6%	10,133	1	10,497	6	68,386	\$23.65
2010 3q	2,323	62,191,336	8,480,208	13.6%	(520,726)	2	14,411	7	78,883	\$23.67
2010 2q	2,321	62,176,925	7,945,071	12.8%	69,428	1	28,880	8	91,134	\$23.86
2010 1q	2,320	62,148,045	7,985,619	12.8%	(6,636)	2	29,482	7	79,675	\$23.91
2009 4q	2,319	62,119,824	7,950,762	12.8%	20,228	1	5,150	6	85,514	\$23.91
2009 3q	2,318	62,114,674	7,965,840	12.8%	(116,776)	4	64,585	7	90,664	\$24.02
2009 2q	2,314	62,050,089	7,784,479	12.5%	(342,445)	8	159,681	10	126,369	\$24.19
2009 1q	2,306	61,890,408	7,282,353	11.8%	(287,956)	1	6,700	16	255,071	\$24.59
2008 4q	2,305	61,883,708	6,987,697	11.3%	(58,604)	0	0	13	230,966	\$24.86

Source: CoStar Property®

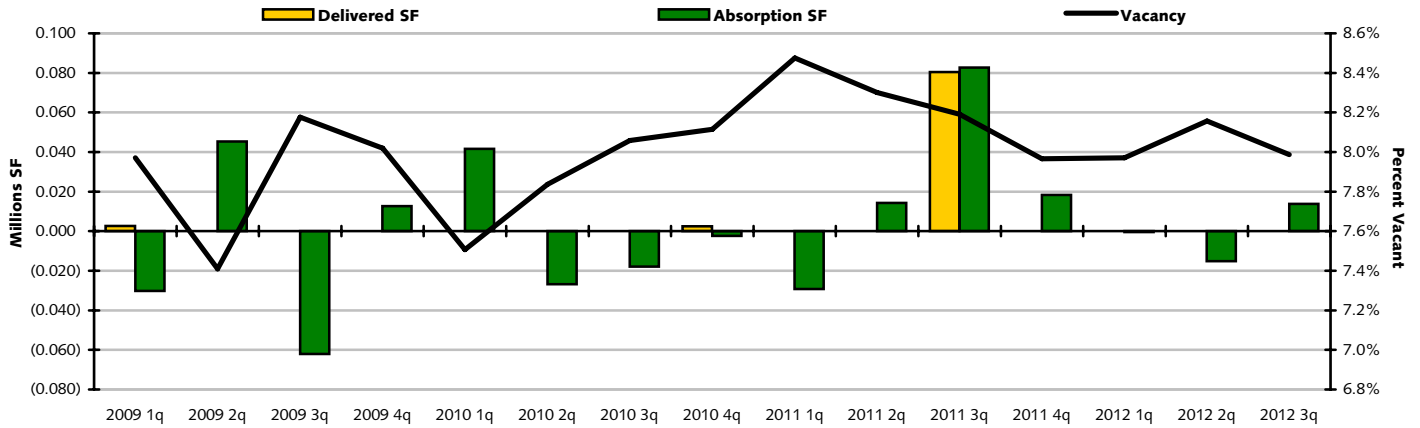
# LOS ANGELES OFFICE MARKET

## SOUTHEAST LOS ANGELES MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"



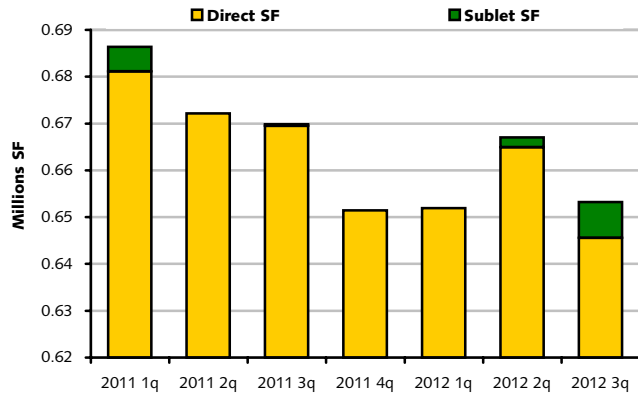
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

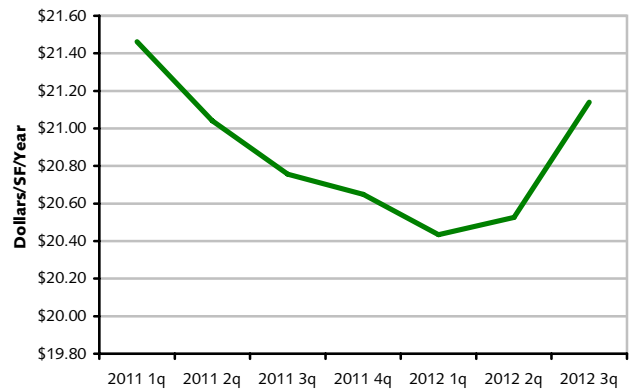
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	537	8,178,228	653,190	8.0%	13,865	0	0	0	0	\$21.14
2012 2q	537	8,178,228	667,055	8.2%	(15,151)	0	0	0	0	\$20.53
2012 1q	537	8,178,228	651,904	8.0%	(457)	0	0	0	0	\$20.43
2011 4q	537	8,178,228	651,447	8.0%	18,404	0	0	0	0	\$20.65
2011 3q	537	8,178,228	669,851	8.2%	82,703	1	80,394	0	0	\$20.76
2011 2q	536	8,097,834	672,160	8.3%	14,205	0	0	1	80,394	\$21.04
2011 1q	536	8,097,834	686,365	8.5%	(29,237)	0	0	1	80,394	\$21.46
2010 4q	536	8,097,834	657,128	8.1%	(2,342)	1	2,400	1	80,394	\$21.42
2010 3q	535	8,095,434	652,386	8.1%	(17,915)	0	0	2	82,794	\$21.16
2010 2q	535	8,095,434	634,471	7.8%	(26,824)	0	0	2	82,794	\$21.36
2010 1q	535	8,095,434	607,647	7.5%	41,546	0	0	1	2,400	\$22.08
2009 4q	535	8,095,434	649,193	8.0%	12,677	0	0	0	0	\$22.30
2009 3q	535	8,095,434	661,870	8.2%	(61,989)	0	0	0	0	\$23.23
2009 2q	535	8,095,434	599,881	7.4%	45,402	0	0	0	0	\$23.64
2009 1q	535	8,095,434	645,283	8.0%	(30,189)	1	2,643	0	0	\$23.58
2008 4q	534	8,092,791	612,451	7.6%	(1,516)	0	0	1	2,643	\$23.75

Source: CoStar Property®

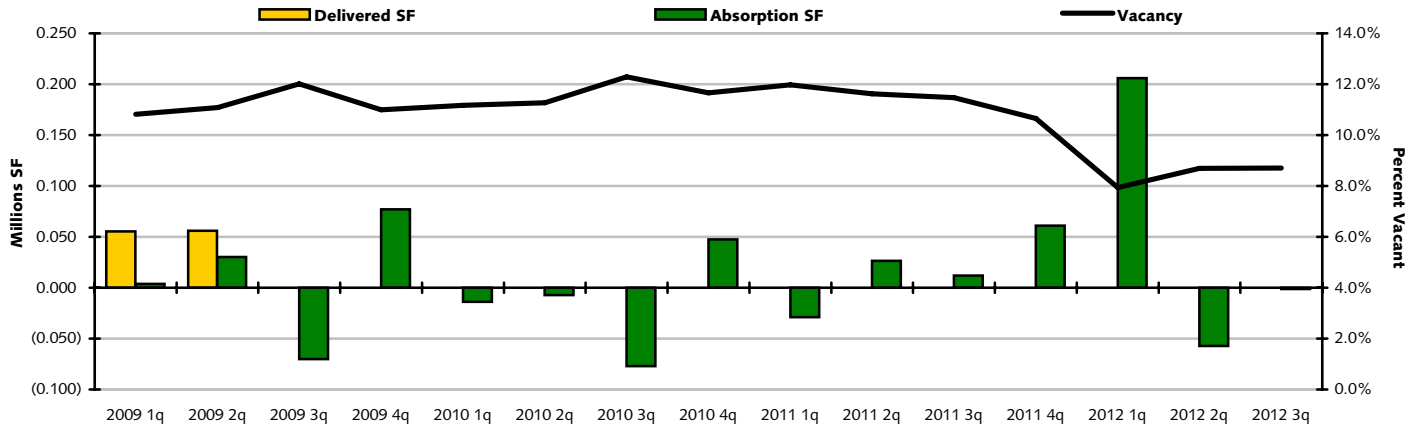


# LOS ANGELES OFFICE MARKET

## VENTURA NORTH MARKET

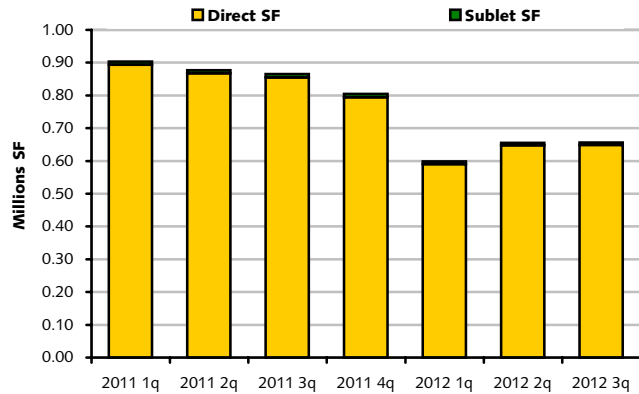
MARKET HIGHLIGHTS – CLASS "A, B & C"

### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



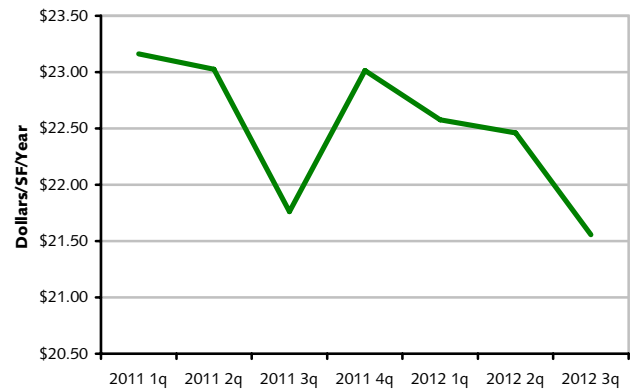
Source: CoStar Property®

### VACANT SPACE Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	814	7,544,745	656,723	8.7%	(1,129)	0	0	0	0	\$21.56
2012 2q	814	7,544,745	655,594	8.7%	(57,233)	0	0	0	0	\$22.46
2012 1q	814	7,544,745	598,361	7.9%	205,935	0	0	0	0	\$22.58
2011 4q	814	7,544,745	804,296	10.7%	60,903	0	0	0	0	\$23.01
2011 3q	814	7,544,745	865,199	11.5%	12,018	0	0	0	0	\$21.76
2011 2q	814	7,544,745	877,217	11.6%	26,384	0	0	0	0	\$23.03
2011 1q	814	7,544,745	903,601	12.0%	(28,808)	0	0	0	0	\$23.16
2010 4q	815	7,549,838	879,886	11.7%	47,639	0	0	0	0	\$24.09
2010 3q	815	7,549,838	927,525	12.3%	(77,096)	0	0	0	0	\$23.37
2010 2q	815	7,549,838	850,429	11.3%	(7,109)	0	0	0	0	\$24.15
2010 1q	815	7,549,838	843,320	11.2%	(13,695)	0	0	0	0	\$24.17
2009 4q	815	7,549,838	829,625	11.0%	76,964	0	0	0	0	\$24.07
2009 3q	815	7,549,838	906,589	12.0%	(70,041)	0	0	0	0	\$23.54
2009 2q	815	7,549,838	836,548	11.1%	30,123	6	56,008	0	0	\$23.83
2009 1q	809	7,493,830	810,663	10.8%	3,830	24	55,339	6	56,008	\$24.36
2008 4q	785	7,438,491	759,154	10.2%	(19,395)	1	19,709	30	111,347	\$24.75

Source: CoStar Property®

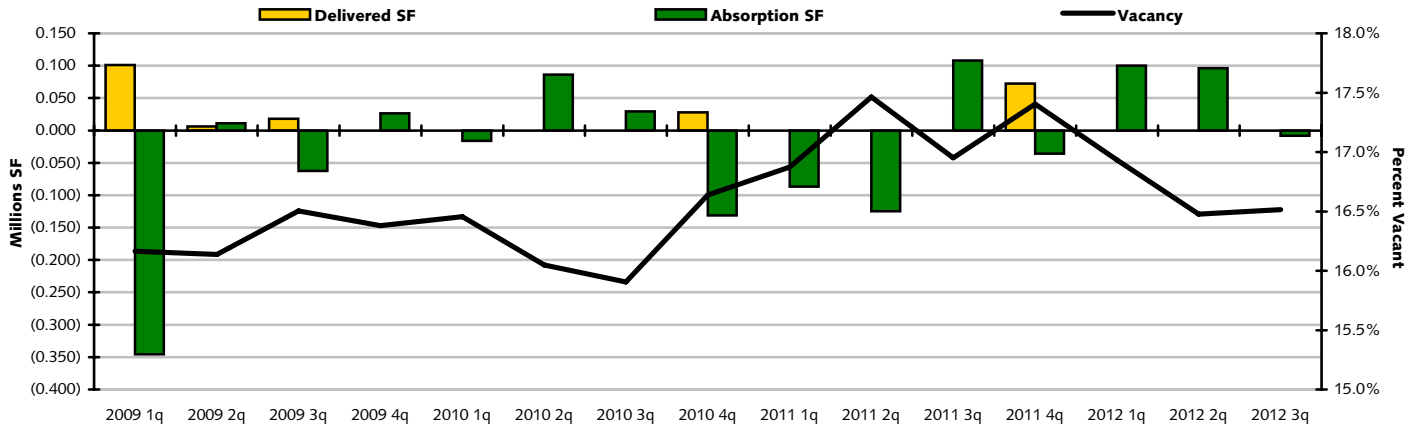
# LOS ANGELES OFFICE MARKET

## VENTURA SOUTH MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"



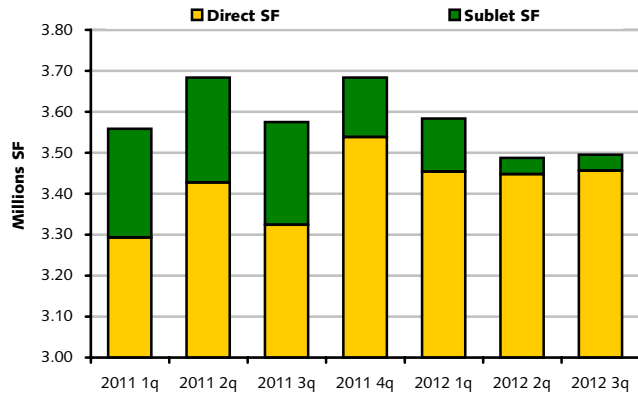
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

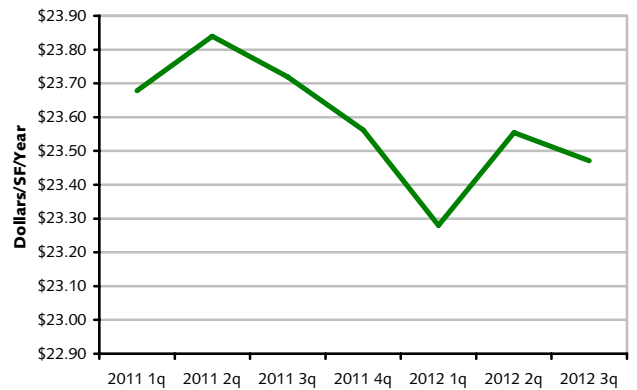
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	992	21,164,047	3,495,348	16.5%	(8,235)	0	0	5	277,912	\$23.47
2012 2q	992	21,164,047	3,487,113	16.5%	96,255	0	0	5	277,912	\$23.55
2012 1q	992	21,164,047	3,583,368	16.9%	99,925	0	0	4	259,912	\$23.28
2011 4q	992	21,164,047	3,683,293	17.4%	(35,613)	2	72,292	2	116,912	\$23.56
2011 3q	990	21,091,755	3,575,388	17.0%	107,919	0	0	4	189,204	\$23.72
2011 2q	990	21,091,755	3,683,307	17.5%	(124,570)	0	0	4	189,204	\$23.84
2011 1q	990	21,091,755	3,558,737	16.9%	(86,794)	0	0	4	189,204	\$23.68
2010 4q	993	21,136,634	3,516,822	16.6%	(131,106)	1	28,000	3	154,304	\$23.84
2010 3q	992	21,108,634	3,357,716	15.9%	29,639	0	0	4	182,304	\$24.31
2010 2q	992	21,108,634	3,387,355	16.0%	86,032	0	0	3	144,912	\$24.87
2010 1q	992	21,108,634	3,473,387	16.5%	(15,929)	0	0	3	144,912	\$24.83
2009 4q	992	21,108,634	3,457,458	16.4%	26,552	0	0	2	116,912	\$24.73
2009 3q	992	21,108,634	3,484,010	16.5%	(62,408)	1	18,268	2	116,912	\$25.38
2009 2q	991	21,090,366	3,403,334	16.1%	11,275	1	6,392	3	135,180	\$25.89
2009 1q	990	21,083,974	3,408,217	16.2%	(345,454)	4	100,857	4	141,572	\$26.59
2008 4q	986	20,983,117	2,961,906	14.1%	48,041	15	235,960	8	242,429	\$27.93

Source: CoStar Property®

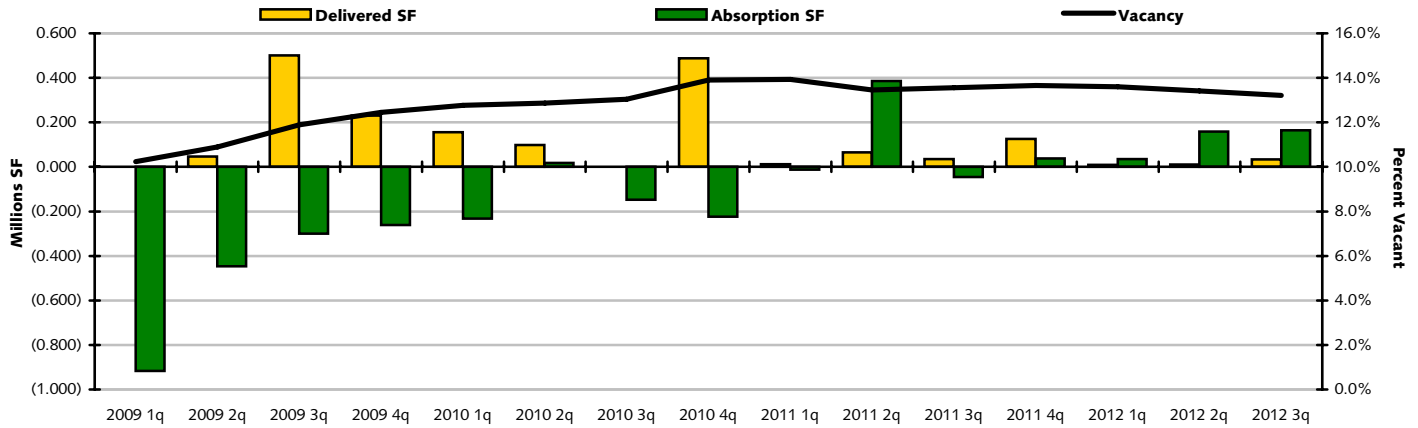


# LOS ANGELES OFFICE MARKET

## WEST LOS ANGELES MARKET

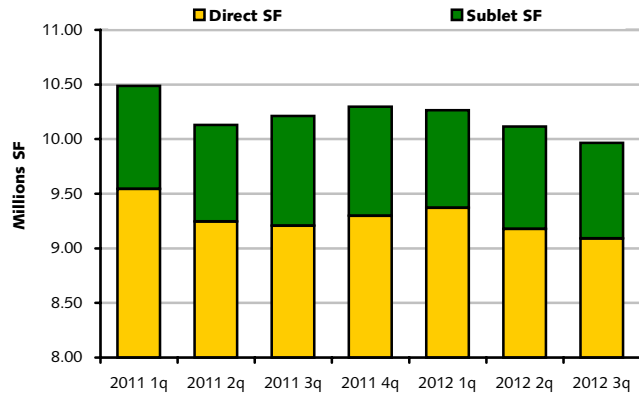
MARKET HIGHLIGHTS – CLASS "A, B & C"

### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



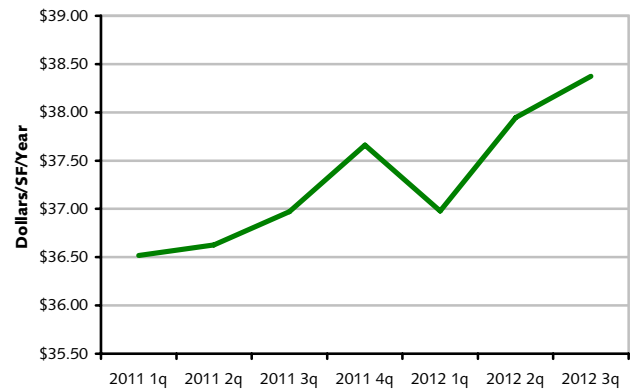
Source: CoStar Property®

### VACANT SPACE Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 3q	2,447	75,470,253	9,966,499	13.2%	165,053	2	33,195	2	10,000	\$38.37
2012 2q	2,447	75,455,058	10,116,357	13.4%	158,808	1	10,104	2	33,195	\$37.94
2012 1q	2,446	75,444,954	10,265,061	13.6%	35,709	1	8,467	3	43,299	\$36.98
2011 4q	2,447	75,442,277	10,298,093	13.7%	38,371	2	125,112	4	51,766	\$37.66
2011 3q	2,445	75,317,165	10,211,352	13.6%	(45,623)	1	35,221	4	143,683	\$36.97
2011 2q	2,444	75,281,944	10,130,508	13.5%	385,382	2	65,647	5	178,904	\$36.63
2011 1q	2,443	75,252,997	10,486,943	13.9%	(13,067)	1	12,000	6	236,084	\$36.52
2010 4q	2,442	75,240,997	10,461,876	13.9%	(223,754)	3	488,375	6	237,980	\$36.74
2010 3q	2,439	74,752,622	9,749,747	13.0%	(146,838)	0	0	9	726,355	\$37.47
2010 2q	2,440	74,763,587	9,613,874	12.9%	18,302	3	98,611	8	678,940	\$38.18
2010 1q	2,437	74,664,976	9,533,565	12.8%	(232,196)	2	155,601	10	727,551	\$38.28
2009 4q	2,437	74,658,831	9,295,224	12.5%	(260,595)	5	229,986	11	864,920	\$38.69
2009 3q	2,433	74,473,945	8,849,743	11.9%	(300,336)	2	500,943	16	1,094,906	\$40.13
2009 2q	2,432	73,985,559	8,061,021	10.9%	(446,269)	2	46,000	17	1,584,849	\$41.13
2009 1q	2,430	73,939,559	7,568,752	10.2%	(915,992)	0	0	19	1,630,849	\$42.29
2008 4q	2,430	73,939,559	6,652,760	9.0%	(817,071)	4	61,789	14	1,251,325	\$44.67

Source: CoStar Property®