

OFFICE

Metro: Los Angeles



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OFFICE



# Reis Observer



## THE ECONOMY

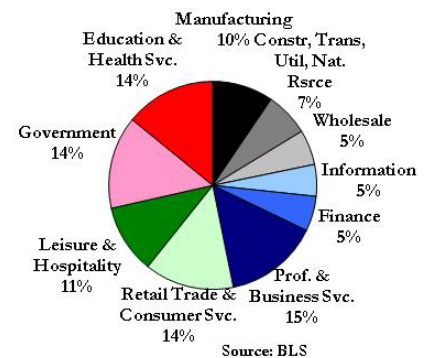
With 2013 now well under way, Los Angeles is trying to find out where it stands economically. Some people aren't quite sure. According to a study conducted by the *Los Angeles Times* at the end of April, Southern California businesses were "split" on the state of the economy. "About 42% said the economy was recovering, and 48% said the nation was still in a recession, according to the U.S. Bank Small Business Annual Survey. More than two-thirds of the business owners said they were unlikely to make a capital expenditure in the next year. In Southern California, 64% of respondents characterized their financial health as 'good,' and 46% said they expect higher revenues in the next year." According to this source, about 54% of respondents said they don't expect higher revenues next year, according to the study. The survey polled about 3,200 owners of small businesses, including 201 in Southern California that pulled in \$10 million or less in annual revenue during the first quarter of 2013.

The latest data from the U.S. Department of Labor, Bureau of Labor Statistics (BLS) show the region has held on through the beginning of the year. As of February 2013, Current Employment Survey (CES) data from the BLS show a gain of 87,200 jobs (2.3%) over 12 months. Given that this metro sustained serious losses arising from the Great Recession in 2009 and 2010, the current increase is good news. According to CES data, total private employment increased by 97,200 jobs (3.0%) in that February-to-February time span. The employment picture, then, is picking up. According to the UCLA Anderson Forecast, "the forecast for California for 2013 and 2014 is not much different than December's prognostication, total employment growth for 2013, '14 and '15 is expected to be 1.6%, 2.2%, and 2.3% respectively; non-farm payroll employment will grow more slowly at 1.4%, 2.1%, and 2.3% for the same three," the study stated in its first quarterly report of 2013. In addition to the forecast reports, Anderson research notes that economist William Yu reports "Los Angeles has fallen behind other cities in terms of income and employment growth for several decades. Yu concludes that the low level of human capital is the main reason for Los Angeles's lag. He suggests that investing in early childhood education for disadvantaged children would be the most effective way to improve Los Angeles's competitiveness in the long run." Los Angeles is certainly a world competitor with its active ports and airport. According to the Kyser Center for Economic Research, "international trade continues to play an important role in the local economy, but activity levels depend on the health of both the national and global economies. The San Pedro Bay

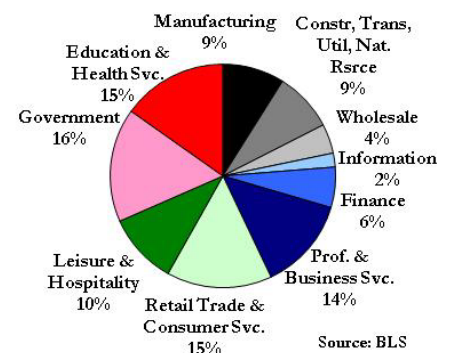
## Employment:

- *The BLS reports a seasonally unadjusted unemployment rate of 10.3% in February for the Los Angeles Metropolitan Division, down from 11.6% one year earlier.*
- *Total non-farm employment in Los Angeles was up 2.3% year-over-year in February, according to the BLS.*
- *Moody's Economy.com reports a first quarter 2013 average household income of \$133,245 for Los Angeles. Average household incomes of \$125,227 and \$128,537 are reported for the top metros in the nation and West region, respectively.*

**Los Angeles Employment by Sector**



**United States Employment by Sector**

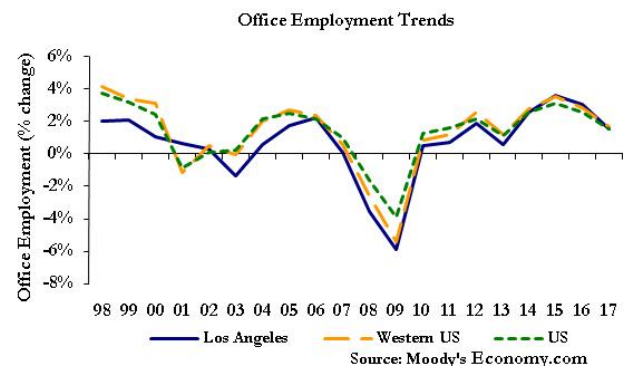
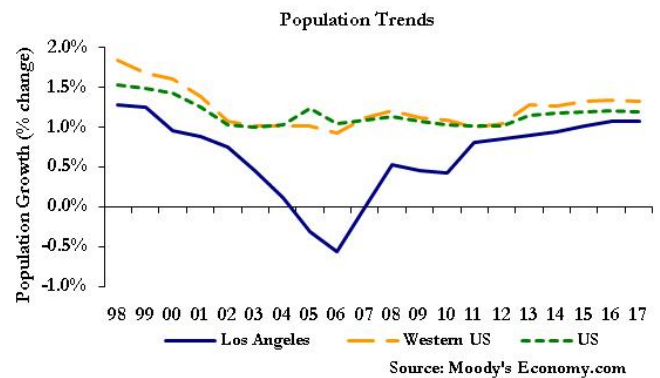
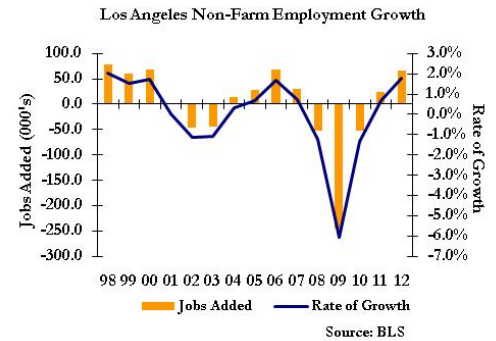


ports of Los Angeles and Long Beach are the two largest container ports in the nation. Much of the nation's imported consumer goods are from Asia and the Pacific.”

CES data indicate that Wholesale and Retail Trade, employing 210,900 and 392,300, respectively, both posted employment gains of 3,700 through February 2013. The ever-important Motion Picture and Sound Recording Industries added 7,300 jobs (6.4%) through February. As the home of the American entertainment industry, this sector employs 122,000, according to CES data. Los Angeles is also a financial center, and Financial Activities employment increased by 5,900 (2.8%). Professional and Business Services employment increased by 25,400 (4.6%), indicating that the white collar sectors are doing well. The included Employment Services industry, which includes temporary employment, added 10,700 jobs (11.9%). The substantially government-funded Education and Health Services sector added 16,400 jobs (3.0%). It should be noted that Sequestration, a series of automatic budget cuts enacted with the failure of Congress and the President of the United States to reach a spending plan, is in effect as of this report date. Los Angeles has a sizeable government employment cohort, which can range from civilians working in regional military bases to employees at public colleges. Overall Government employment fell by 10,000 (1.8%) through February, a notable decline but more or less in keeping with this metro's great size; many markets are seeing drops in Government employment. Also, so far, Sequestration has not had a major impact on the Los Angeles economy.

## OUTLOOK

Moody's Economy.com reports that total employment, as defined by this source, increased by 81,370 from 2011 to 2012 and is forecast to increase by 44,310 in 2013. Office employment grew by 21,067 (1.9%) in 2012 and is forecast to grow by a smaller 6,453 (0.6%) in 2013. Population increased by 0.9% in 2012 and is forecast to increase by the same in 2013. All in all, while the national economy may be struggling, the Los Angeles economy has done fairly well so far in 2013.



## THE REAL ESTATE MARKET

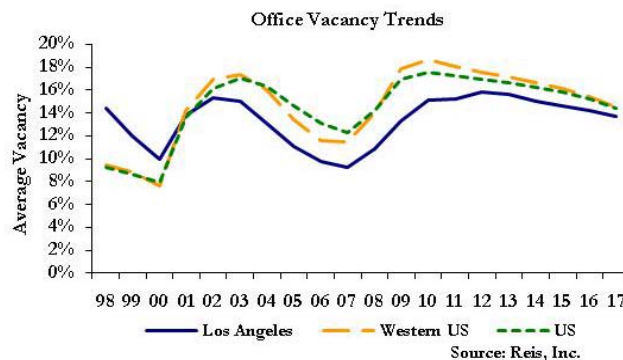
The 198-million-square-foot Los Angeles general purpose, multi-tenant office market had an uneventful first quarter of 2013. Vacancy remained unchanged from the year-end 2012 rate. Rents posted slight quarterly gains. Net absorption was positive, if only slightly, by Reis's measure. Newmark Grubb Knight Frank notes 2013 began "by posting the fourth straight quarter of negative net absorption."

## OCCUPANCY

Reis reports a first quarter 2013 vacancy rate of 15.8%, unchanged from the prior quarter. The rate is up 20 basis points from the first quarter of 2012. As noted in prior *Observer* coverage, vacancy has remained above the

15.0% mark since 2010. This is not a favorable performance, but a steady one, at least. The Class A rate of 15.1% is unchanged from year-end 2012 but down 10 basis points over 12 months. The Class B/C rate of 16.6% is down 10 basis points over the quarter and up 50 over 12 months.

Reporting on the Greater Los Angeles area, Studley, Inc. gives an "overall availability" rate of 19.3%, up 20 basis points over the quarter but down 20 basis points from one year ago. The Class A availability rate of 20.6%, according to this source, increased 30 basis points "on a quarterly comparison" but recorded no annual change. Newmark Grubb Knight Frank reports that "vacancy in Los Angeles increased 20 basis points to 16.9% from the previous quarter, and hovers just below the peak of 17.0% reached in the fourth quarter of 2011." According to Transwestern, "The total vacancy rate increased 40 basis points from 18.3% reported at year-end 2012 to 18.7% at the end of the first quarter." "Large space givebacks from Northrop Grumman, Raytheon, and Disney largely contributed to the increase in office vacancy," Transwestern reports, adding that "the new delivery of the Pacific Design Center's Red Building in West Hollywood added to the amount of vacant office space currently on the market." Reis forecasts vacancy to finish 2013 at 15.6%.



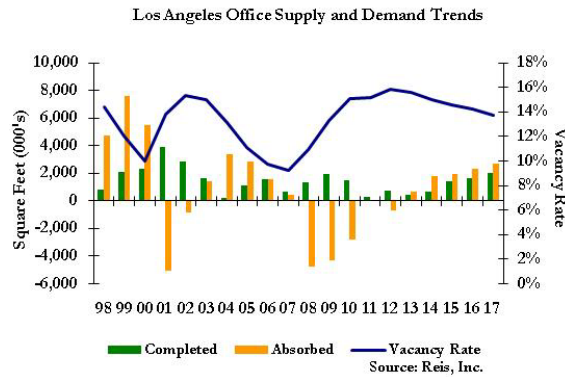
## Special Real Estate Factors:

- According to Cassidy Turley, "demand for creating office space in Los Angeles has been strongest within submarket that have existing tech, media and entertainment presence or proximity to the beaches, such as: Hollywood, Santa Monica, Venice, Culver City, Playa Vista, and Marina Del Rey. But this trend is not isolated to these areas alone. Both the South Bay (El Segundo specifically) and Downtown Los Angeles (Financial District, Arts District, South Park, and Fashion District) have substantial proposed creative office product in the pipeline for new development. As technology and media incubate, collaborate, and mature on the Westside, the natural progression in order to find suitable new space for expansion will be a migration trend occurring from Silicon Beach to the Lower Westside and east to Downtown Los Angeles where future stock is being planned. This is already occurring to some degree," this source reported in their first quarter 2013 analysis.
- According to Daum Commercial Real Estate Services, "the Los Angeles County office market witnessed vacancy rates increase during the quarter, moving from 16.6% to 16.9%. Average rents increased 1.7%, year-over-year, moving from \$2.38 to \$2.42 Full Service Gross." These figures represent respective rates of \$28.56 psf and \$29.04 psf. "Gross absorption finished the quarter

## SUPPLY AND DEMAND

After a negative year in 2012, net absorption has begun 2013 with a positive quarterly total of 28,000 square feet. For a market the size of Los Angeles, this is not exactly cause for celebration. However, negative net absorption has been such a persistent problem here that landlords welcome any sign of positive demand. For the first quarter, Class A net absorption was negative 8,000 square feet, while Class B/C space saw positive 35,000. The year 2012, after some quarterly fluctuations, finished with a negative net absorption total of 659,000 square feet. In fact, from 2003 to 2012, net absorption totaled negative 2.8 million square feet, or negative 281,000 square feet per year on average. This poor performance has resulted in a heavy load of nearly 32 million square feet of vacant space. This market has a lot of work to do. The Los Angeles dilemma is that of poor net absorption that does not seem to discourage developers. From 2003 to 2012, 11 million square feet of new construction was added at an average of 1.1 million per year. Granted, Los Angeles is a premier market in a major city, but this market's demonstrated lack of appetite for office space does not seem to deter builders. So far in 2013, 140,760 square feet of space has been completed, according to Reis's latest construction data. For all of 2013, Reis forecasts new construction to add 470,000 square feet while net absorption will total 677,000. This will be the first time in many years that demand will outpace construction, if the prediction holds up.

Reporting on 191 million square feet of office space, Newmark Grubb Knight Frank notes first quarter 2013 net absorption at negative 416,143 square feet, with 495,000 square feet under construction. "Major corporations such as Disney in Burbank, and Northrop Grumman and Raytheon in El Segundo moved out of nearly 900,000 square feet of space in efforts to consolidate costs" this source notes. According to Studley, Inc., the "creative sector" industries like media, entertainment, and technology have seen a demand for their goods and services while more traditional users of office space like banks and law firms have reduced payroll and the amount of space per employee.



*Continued*

with 3.1 million square feet of activity, while net absorption posted a loss of 660,000 square feet. Under construction activity was unchanged during the quarter with 967,000 square feet currently under way. The over-all economy continues to experience recovery and growth as we move into the first half of 2013," according to Daum. "The market still remains more tenant-controlled, as vacancy rates have remained relatively flat over the past couple of years. Job creation will remain the key to increased office demand," Daum reports.

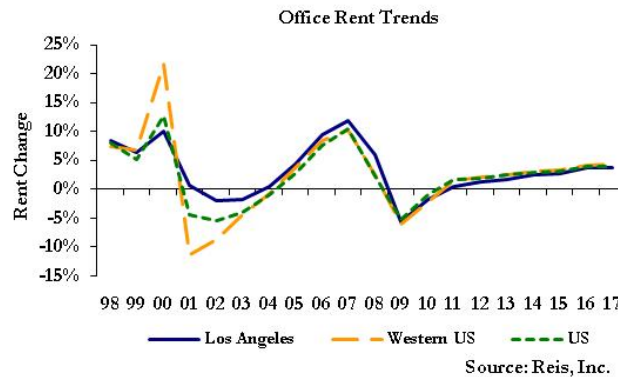
- "Los Angeles loses ground during the first quarter," stated Jones Lang LaSalle in their first report for 2013. "Los Angeles office vacancy lost a bit of ground during the first quarter as tenants gave back space. However, we continued to see solid performance in the media and educational sectors. Katz Media signed a new lease for 45,000 square feet at 5700 Wilshire Boulevard in the Miracle Mile district. Additionally, Green Dot Public Schools, a charter school operator, signed a full building lease at 5456 McConnell Avenue in Marina del Rey and is set to occupy the 24,000-square-foot, Class C office building at the start of the second quarter. Renewals continued play an important stabilizing role in the market. International law firm Gibson, Dunn & Crutcher signed a five-year, 268,000-square-foot extension at the Wells Fargo Tower, in downtown Los Angeles." Jones Lang LaSalle reports a Class A

## RENTS

After asking and effective rent gains of 1.4% and 1.5% in 2012, the first quarter of 2013 saw some slight increases. The average asking rent and the average effective rent both rose 0.2%, to \$32.59 psf and \$26.46 psf, respectively. The

asking and effective averages are up 1.4% and 1.5% from 12 months earlier. The Class A asking average of \$37.84 psf, is up 0.1% for the quarter and 1.4% over 12 months. The Class B/C asking average is up 0.2% for the quarter and 1.2% over 12 months to \$25.80 psf. Office rents have posted desultory gains the past few years, after the large losses incurred during the Great Recession in 2009. Smaller losses were recorded again in 2010 with minimal increases (below 1.0%) for both asking and effective rates in 2011. The current quarterly gains are too small to indicate a rental recovery, but they are gains nonetheless.

According to Studley, Inc., “overall asking rent in Greater Los Angeles, \$28.69 psf, dropped by 0.4% from last quarter but grew by 1.1% compared to one year ago. Class A asking rent, \$30.04 psf, declined by 0.8% quarter-on-quarter but ticked up by 0.9% year-over-year.” According to this source, “asking rents have flattened.” Landlords, according to Studley, Inc., “are accommodating tenants by locking leases at today’s lower rents.” Newmark Grubb Knight Frank reports that “asking rents in Los Angeles are inching up from a bottom at a very slow pace of 1% over the previous year to \$2.60 psf.” This equals \$31.20 psf by Reis’s measure. According to Transwestern, “overall average asking rental rates remained flat at \$30.88 psf per year in the first quarter. However, in certain office submarkets such as Santa Monica, Beverly Hills, and Sherman Oaks, rents have been increasing, especially for Class A space.” With vacancy in the Los Angeles office market still high, “it will be some time before the overall market sees the average asking rental rate rise, but for certain office submarkets around the region, it is already happening,” this source observers. Reis forecasts annual gains of 1.7% and 2.2%, asking and effective, in 2013, with stronger annual gains to follow.



## Special Real Estate Factors:

*Continued*

overall asking rent of \$34.76 psf, a Class B overall asking rent of \$27.06 psf, and a total vacancy rate of 17.5%.

- In their February wrap up of Downtown development, the Downtown News reported that “Architect and building owner David Gray is undertaking a \$7.5 million renovation of the property at 351 S. Broadway. Plans call for turning the structure into an office building for creative use tenants. Completion is scheduled for the first quarter of 2014 for the project that also calls for the addition of a sixth floor and the creation of a ground-floor bar. On Jan. 9, crews unveiled the original façade, which had been covered for about 60 years. A mural that had covered the façade since the early 1990s called ‘Calle de la Eternidad’ was removed but will be reproduced on the building’s south facing wall. The structure also has a 12-foot ficus tree growing out of the wall near the top of the building. Gray said it will be removed.”



## SUBMARKETS

Los Angeles is one of the nation's largest office markets, with estimates of office stock ranging from 190 to 250 million square feet depending on what types of buildings are included. It is also one of the most decentralized markets in the US, with less than 20% of its office stock in Downtown. Other main submarkets of Los Angeles include the Westside, the San Fernando Valley, and the Tri-Cities (Burbank/Glendale/Pasadena).

### Westside

Based on their high average asking rents, the Westside submarkets, strung out along Wilshire Boulevard, are Los Angeles County's premier office markets. They add up to 52 million square feet of space, according to Reis.

- The 10.4-million-square-foot Century City submarket has a 10.5% first quarter 2013 vacancy rate, Reis reports. The average asking rent is \$48.40 psf, the highest among 21 submarkets in Los Angeles County.
- The vacancy rate fell 200 basis points during the quarter and is down 240 basis points from one year earlier. The average asking rent rose 0.3% during the quarter, while the average effective rent rose 0.4% to \$42.70 psf. These rates both up 0.2% over 12 months.
- In the 11.6-million-square-foot West LA submarket, Reis reports a first quarter vacancy rate of 15.2%, and an average asking rent of \$40.05 psf.
- The vacancy rate rose 110 basis points during the quarter on 127,000 square feet of negative net absorption, and is 200 basis points higher than one year earlier. The average asking rent and the average effective rent were flat during the quarter, the latter at \$32.39 psf. The year-over-year gains are 0.5% and 0.6%.
- According to Reis, the 7.7-million-square-foot Santa Monica submarket has a vacancy rate of 8.4%, second lowest among the submarkets, and an average asking rent of \$47.39 psf, also the second lowest.

- Santa Monica's vacancy rate fell 160 basis points in the first quarter on 123,000 square feet of positive net absorption, and it is down 190 basis points year-over-year. The average asking and the average effective rent increased 0.5% and 0.6% during the quarter, the latter to \$38.22 psf. The increases over 12 months are 3.4% and 3.3%, respectively.
- The 7.4-million-square-foot Beverly Hills submarket has the lowest vacancy rate countywide at 7.2%, with an asking rent of \$46.32 psf.
- The vacancy rate fell 60 basis points in the first quarter on 44,000 square feet of positive net absorption. It is down 150 basis points from one year earlier. In the first quarter the average asking rent fell 0.5% and the average effective rent fell 0.4%, the latter to \$38.56 psf. These rates are up 0.5% and 0.6%, respectively, over 12 months.
- The 15.1-million-square-foot Mid-Wilshire/Miracle Mile/Park Mile submarket has a vacancy rate of 14.4%, and an average asking rent of \$28.61 psf, according to Reis.
- The vacancy rate rose 40 basis points during the quarter on 62,000 square feet of negative net absorption, and is down 20 basis points from a year earlier. The average asking increased 0.3% during the quarter, as did the average effective rent, to \$23.38 psf. The year-over-year gains are 2.7% and 2.8%, asking and effective.
- The 400,000-square-foot Red Pacific Design Center is in this submarket. Reis predicts a 13.9% vacancy rate here at year-end.
- For 44.2 million square feet in West Los Angeles, Transwestern reports a total vacancy rate of 16.4% in the first quarter. The average rental rate is \$41.16 psf. Net absorption is recorded at 1,952 square feet.
- "Net absorption was basically flat in the first quarter," reports Transwestern, "but with Westside tenants Riot Games, Red Bull, Microsoft, and Amazon.com all either in expansion mode or new to the market, vacancy levels are expected to decrease in 2013."

### Downtown

- For the 36-million-square-foot Downtown submarket, Reis reports a 16.1% vacancy rate and an average asking rent of \$31.92 psf. There was 351,000 square feet of negative net absorption in the first quarter, and the vacancy rate rose 100 basis points for the quarter and is up 60 over 12 months..
- The average effective rent, at \$25.19 psf, is unchanged from the prior quarter. The asking average is also unchanged. Asking and effective rents are up 2.5% and 2.9%, respectively, over the year.
- “Downtown Los Angeles ended the first quarter with positive net absorption of 57,909 square feet. Most of the absorption occurred in the Financial District, with only limited gains seen in Bunker Hill and South Park,” according to Transwestern. This source reports total Downtown vacancy at 18.2% and an average rental rate of \$34.94 psf.
- “The first quarter also saw the recent news that US Bank Tower at 633 W 5th St., the tallest building on the West Coast, is under contract to Singapore-based Overseas Union Enterprise Limited for \$367.5 million or \$256 per square foot. With the possibility that new ownership groups are looking at entering the Downtown LA office market, landlords might become even more aggressive at seeking out office tenants over the next two years,” according to Transwestern.

### “Tri-Cities” (Glendale/Burbank/Pasadena)

The Tri-Cities submarkets, home to a concentration of entertainment industry businesses, are collectively home to 23.6 million square feet of multi-tenant office space, according to Reis data.

- In the 6.8-million-square-foot Glendale submarket, Reis reports the vacancy rate at 21.7%, and the average asking rent at \$30.46 psf.
- The vacancy rate rose 170 basis points during the first quarter and is up 140 from a year earlier. The average asking rent rose 0.2% during the quarter, the average effective rent rose 0.1%, to \$24.40 psf. Asking rents rose 1.0% over 12 months while effective rents rose 1.2%.
- The 8.6-million-square-foot Burbank submarket has a first quarter vacancy rate of 15.6%, and an average asking rent of \$33.29 psf, according to Reis.

- The vacancy rate fell 30 basis points from the prior quarter and the average asking rent was flat. The average effective rent was up 0.1% over the quarter to \$27.96 psf. These rates are unchanged and up 0.3% year-over-year.
- For the 8.2-million-square-foot Pasadena submarket, Reis reports a vacancy rate of 13.4%, and an average asking rent of \$34.12 psf.
- The vacancy rate was down 30 basis points from the prior quarter on 24,000 square feet of positive net absorption. Asking and effective rents rose 1.0% and 1.2%, respectively, during the quarter, the latter to \$26.66 psf. These rates are up 1.8% and 1.9% over 12 months.
- The 338,000-square-foot Grand Central Creative Campus completed in Glendale in November 2012. The Fair Oak Executive Building, at 23,000 square feet, and the Fair Oaks Professional Building, at 18,000 square feet, both completed in Pasadena in April of 2013, according to Reis.
- According to Transwestern, “after a strong second half of 2012 which saw office vacancy in the Tri-Cities decrease to a 3-year low, vacancy jumped again in the first quarter to 19.9% after Disney vacated 3900 W. Alameda Ave in Burbank. This large moveout accounted for approximately 477,000 square feet of vacancy. Overall market fundamentals in the Tri-Cities continued to be mixed with a small amount of positive net absorption reported in both Glendale and Pasadena.”
- Transwestern reports “the market-wide direct average asking rental rate has increased slightly to \$32.77 psf, mostly due to the amount of higher-priced Class A office space that remains available on the market” in the Tri-Cities submarket.

### San Fernando Valley

The San Fernando Valley submarkets sum to 27.5 million square feet of multi-tenant space, according to the Reis database.

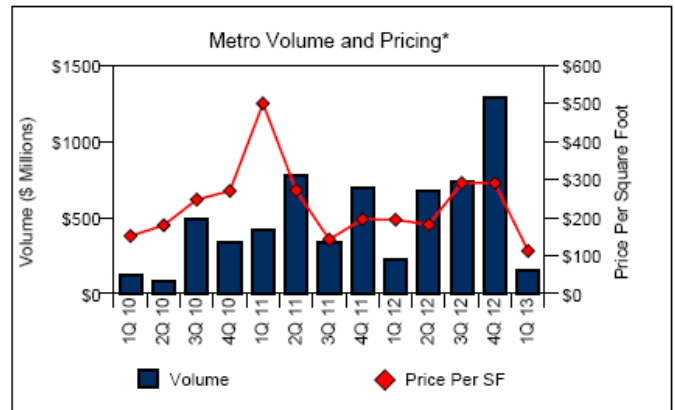
- The 14.7-million-square-foot San Fernando Valley West submarket has a first quarter vacancy rate of 14.8%, and an average asking rent of \$26.85 psf, Reis reports.

- The vacancy rate fell 140 basis points in the first quarter on 202,000 square feet of net absorption, and is down 80 from a year earlier. The average asking rent and the effective rent were up 0.2% and 0.3% over the quarter, the latter at \$20.98 psf. The year-over-year increases are 1.2% asking and 1.4% effective.
- In the 9.4-million-square-foot San Fernando Valley Central submarket, the vacancy rate is 12.4% and the average asking rent is \$28.20 psf, according to Reis.
- The vacancy rate decreased 40 basis points over the quarter and is down 50 from a year earlier. The asking and effective averages were flat during the quarter with the effective average at \$22.25 psf. Asking and effective rents are up 0.6% from a year earlier.
- For the 3.3-million-square-foot San Fernando Valley East submarket, Reis reports a vacancy rate of 17.5%, and an average asking rent of \$31.48 psf.
- The vacancy rate rose 70 basis points during the first quarter on 23,000 square feet of negative net absorption. Asking and effective rents increased 1.2% over the quarter, the latter to \$27.85 psf. Asking and effective rents are up 2.1% and 1.9% over 12 months.
- “The San Fernando Valley surprisingly saw a strong positive 220,324 square feet net absorption in the first quarter. Activity came from existing office tenants expanding and new startup companies emerging. Regal Medical Group renewed and expanded to 96,000 square feet, and Child and Family Guidance Clinic (CFGC) signed a new lease for 34,000 sq. ft., both in Northridge. Not all San Fernando Valley tenants have grown—AIG renewed/downsized from 182,000 square feet to 138,000 square feet in Woodland Hills,” according to Transwestern. “The average asking rental rate increased slightly to \$29.27 psf, spurred by Sherman Oaks office vacancy decreasing to just 7.8% in the first quarter,” according to this source.

## TRANSACTION ANALYTICS

### Metro Volume and Pricing

Los Angeles single property office investment sales had a quiet first quarter of 2013. Reis reports only seven qualifying deals for \$154 million at a mean price of \$113 psf.\* For 2012, the average was 35.5 deals per quarter, so 2013 is off to a slow start. The mean sales price for first quarter deals was \$22 million. In January, Reis reports the \$92 million sale (\$93 psf) of Corporate Pointe at West Hills, at 987,428 square feet. The buyer was the Brookfield Opportunity Fund.



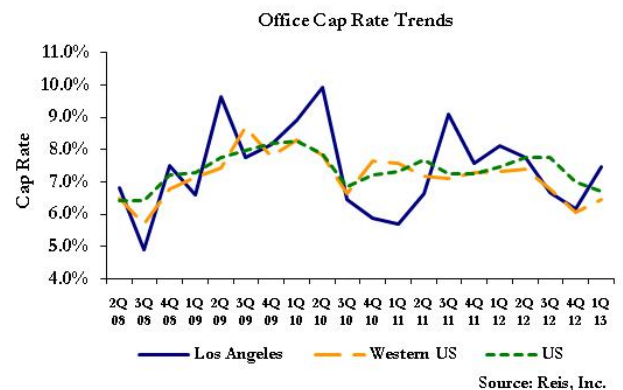
### Top Submarkets

Downtown was ahead of all the submarkets in square feet sold, at 2.4 million, and transaction volume, at \$556 million. The price per-square-foot here is low at \$225. The highest price per-square-foot was Burbank submarket, at \$488 psf, followed by Santa Monica, at \$447 psf.

Submarket Name	Square Feet Sold	Trans Volume (\$ millions)	Price Per SF
Downtown	2,471,050	\$556	\$225
Mid-Wilshire	1,217,698	\$521	\$428
Burbank	478,323	\$234	\$488
West LA	831,175	\$233	\$281
Santa Monica	410,636	\$183	\$447
Beverly Hills	504,447	\$163	\$322
SFV - West	1,365,928	\$147	\$108

### Cap Rate Comparisons and Forecasts

The mean cap rate for first quarter sales in Los Angeles is 7.5%, up 130 basis points from the prior quarter. The mean cap rate reached 8.1% in first quarter 2012 and 9.1% in third quarter 2011. The first quarter rate is down 60 basis points from the one recorded 12 months earlier. The 12-month rolling cap rate, at 7.2%, is down 10 basis points over the quarter and down 70 basis points year-over-year. The 12-month rolling cap rate is forecast to remain about the same through 2016.



Source: Reis, Inc.

**OUTLOOK**

Transwestern notes “cautious optimism” at the beginning of 2013 as fundamentals differ widely from market to market. “With growth in professional services, leisure and hospitality, and healthcare and educational services comprising the bulk of the area’s job growth expect office market fundamentals to recover gradually as the overall national economy gains ground, especially in the second half of the year,” according to Transwestern. Reis forecasts gradual improvement in occupancy and rents, as noted, with substantial gains taking place after 2013.

For additional metro and submarket level information on the top 82 markets for the four principal property types, visit [www.reis.com](http://www.reis.com) or call Reis at: (800) 366-REIS.

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# Metro Trend Futures





## Section 2 - Current Metro Rent Details

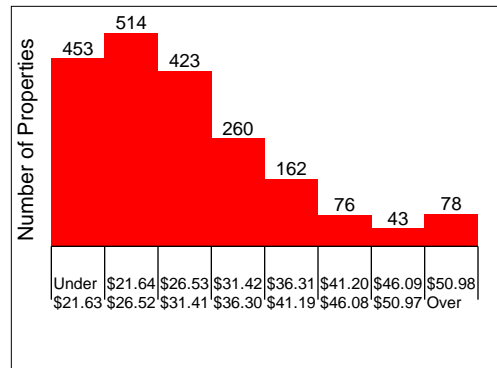
Asking Rent by Age

Year Built	Rent
Before 1970	\$29.08
1970-1979	\$33.27
1980-1989	\$30.99
1990-1999	\$35.66
2000-2009	\$39.02
After 2009	\$43.42
All	\$32.59

As of 03/31/13

Asking Rent Distribution

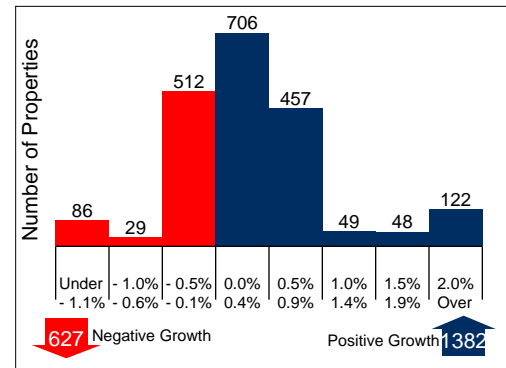
Low	25%	Mean	Median	75%	High
\$16.74	\$25.29	\$32.59	\$31.03	\$37.67	\$55.89



As of 03/31/13

Asking Rent Growth Rate Distribution

Low	25%	Mean	Median	75%	High
- 1.4%	- 0.1%	0.2%	0.0%	0.4%	2.3%

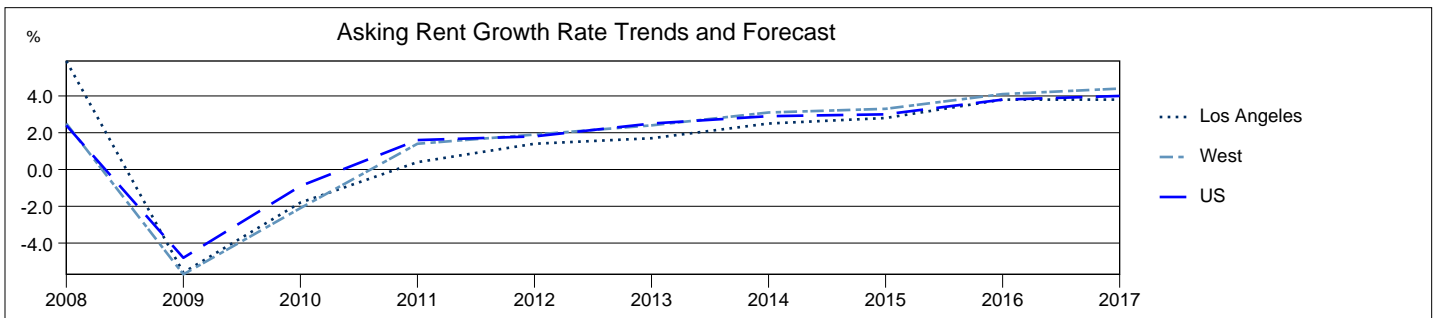


Qtr Ending 03/31/13

## Section 3 - Rent Growth Comparisons

	Asking Rent Growth						
	Quarterly			Annualized			
	1Q13	4Q12	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Los Angeles	0.2%	0.9%	0.2%	1.4%	0.0%	0.0%	2.9%
West	0.5%	1.0%	0.5%	1.9%	0.4%	- 0.4%	3.4%
United States	0.7%	0.8%	0.7%	1.8%	0.8%	0.0%	3.2%
Period Ending:	03/31/13	12/31/12	03/31/13	12/31/12	12/31/12	12/31/12	12/31/17

Metro Rank Compared to:	Total Metros	Metro Ranks						
		1Q13	4Q12	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
West	19	11	3	11	7	7	5	8
United States	82	54	11	54	20	57	57	19



Period ending 12/31/17

## Section 4 - Current Metro Vacancy Details

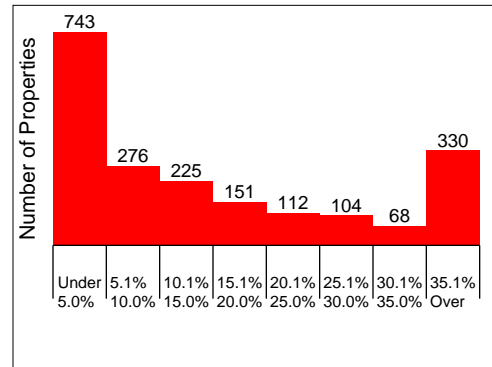
Vacancy Rate By Age

Year Built	Vac. Rate
Before 1970	15.8%
1970-1979	16.3%
1980-1989	18.2%
1990-1999	19.0%
2000-2009	18.9%
After 2009	44.8%
All	15.8%

As of 03/31/13

Vacancy Rate Distribution

Low	25%	Mean	Median	75%	High
0.0%	3.6%	15.8%	11.7%	24.6%	76.5%

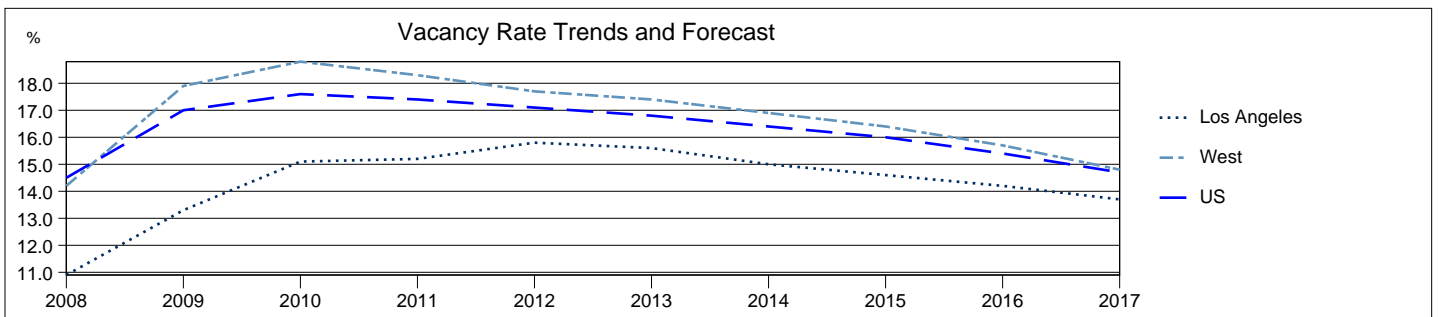


As of 03/31/13

## Section 5 - Vacancy Rate Comparisons

	Vacancy Rates						
	Quarterly			Annualized			
	1Q13	4Q12	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Los Angeles	15.8%	15.8%	15.8%	15.5%	14.8%	13.2%	14.6%
West	17.7%	17.8%	17.7%	18.0%	18.2%	16.4%	16.2%
United States	17.0%	17.1%	17.0%	17.3%	17.3%	16.1%	15.8%
Period Ending:	03/31/13	12/31/12	03/31/13	12/31/12	12/31/12	12/31/12	12/31/17

Metro Rank Compared to:	Total Metros	Metro Ranks						
		1Q13	4Q12	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
West	19	4	5	4	5	2	1	4
United States	82	24	28	24	22	13	8	22



Period ending 12/31/17

## Section 6 - Metro Inventory Details

### Inventory By Building Age

Year Built	Percent
Before 1970	18.0%
1970-1979	18.0%
1980-1989	43.0%
1990-1999	11.0%
2000-2009	9.0%
After 2009	1.0%
All	100.0%

As of 03/31/13

### Office Stock Traits

	Metro			
	Low	Mean	Median	High
Year Built	1927	1979	1982	2012
Size (sq. ft.)	10,000	99,386	48,000	2,248,000
Distance to Highway (miles)	0	0.5	0.3	2.1
Distance to CBD (miles)	0.4	12.9	11.9	30.6
Distance to Landmark (miles)	0.5	10.2	9.3	24.2

As of 03/31/13 Landmark =Coast

### Average Metro Lease Terms

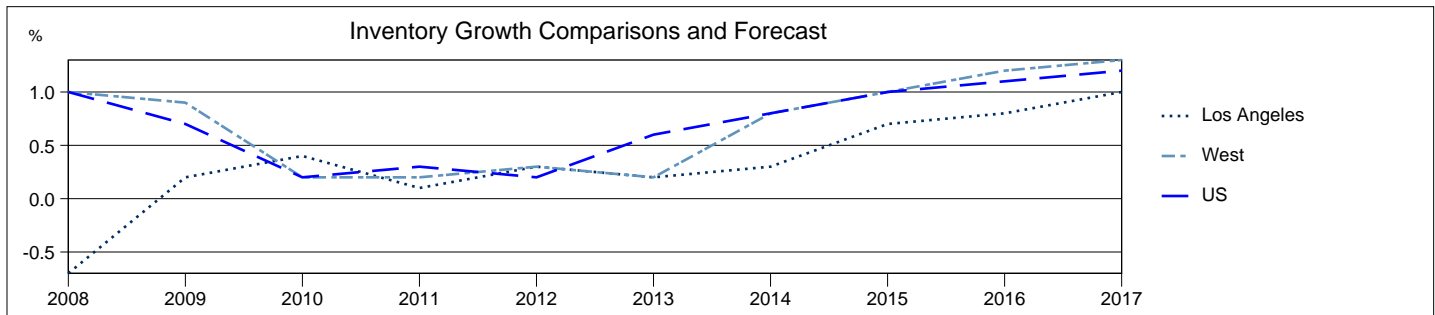
CRD %	Free Rent (mos)	Expenses \$ (Commercial)	Lease Term (yrs)	Leasing Commission %	Tenant Improvements \$
- 5.6%	2.5	\$11.10	3.7	6.3%	\$31.00

As of 03/31/13

## Section 7 - Inventory Growth Comparisons

	Inventory Growth Rates						
	Quarterly			Annualized			
	1Q13	4Q12	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Los Angeles	0.0%	0.4%	0.0%	0.3%	0.3%	0.1%	0.6%
West	- 0.1%	0.1%	- 0.1%	0.3%	0.2%	0.5%	0.9%
United States	0.0%	0.0%	0.0%	0.2%	0.2%	0.4%	0.9%
Period Ending:	03/31/13	12/31/12	03/31/13	12/31/12	12/31/12	12/31/12	12/31/17

Metro Rank Compared to:	Total Metros	Metro Ranks						
		1Q13	4Q12	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
West	19	3	3	3	6	5	14	14
United States	82	16	8	16	28	23	56	60



Period ending 12/31/17

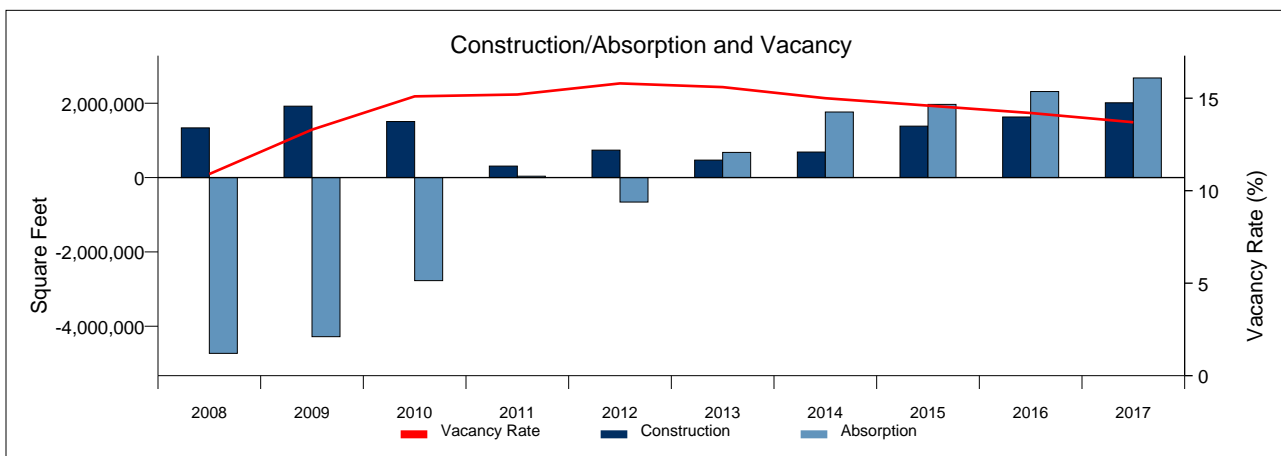
## Section 8 - Construction/Absorption Change

### Construction and Absorption

	Quarterly								
	1Q13			4Q12			YTD Avg		
	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio
Los Angeles	0	28,000	0.0	738,000	599,000	1.2	0	28,000	0.0
West	341,000	-335,000	-1.0	1,354,000	2,082,000	0.7	341,000	-335,000	-1.0
Average over period ending:	03/31/13	03/31/13	03/31/13	12/31/12	12/31/12	12/31/12	03/31/13	03/31/13	03/31/13

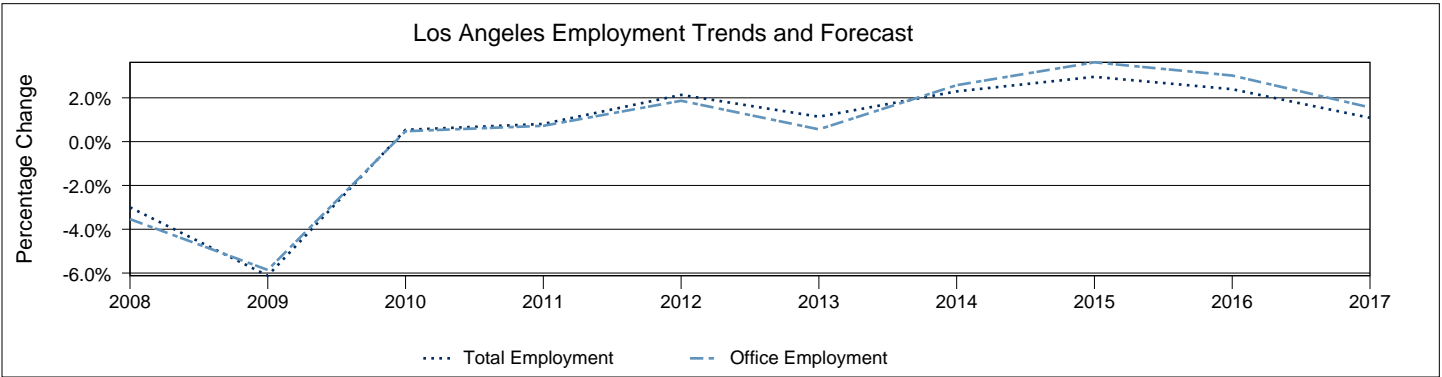
	Annualized								
	1 Year History			3 Year History			5 Year History		
	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio
Los Angeles	738,000	-659,000	-1.1	852,000	-1,132,000	-0.8	1,163,000	-2,481,000	-0.5
West	3,235,000	7,675,000	0.4	3,794,000	2,092,000	1.8	9,088,000	-8,056,000	-1.1
Average over period ending:	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12

	Annualized		
	5 Year Forecast		
	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio
Los Angeles	1,236,600	1,881,000	0.7
West	9,282,400	13,448,000	0.7
Average over period ending:	12/31/17	12/31/17	12/31/17

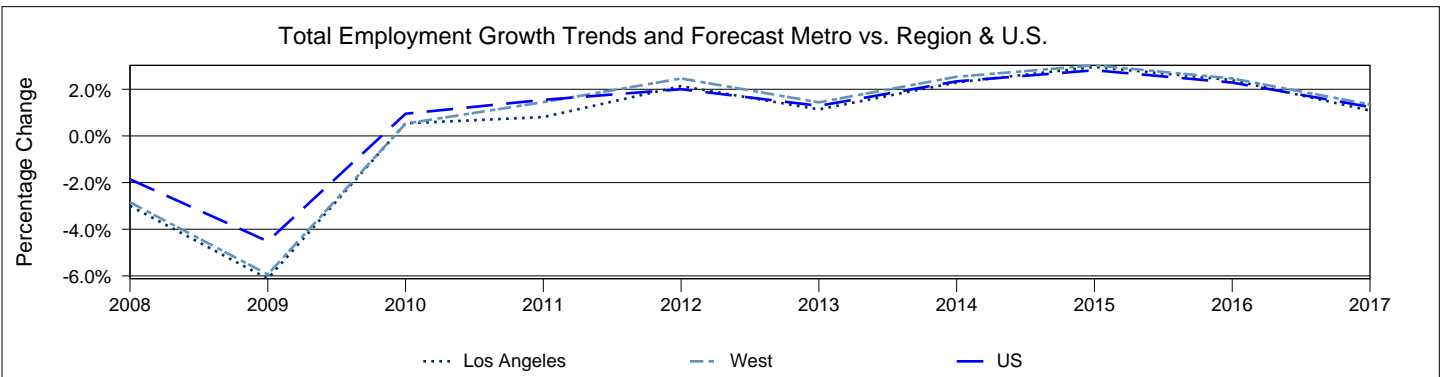


Period ending 12/31/17

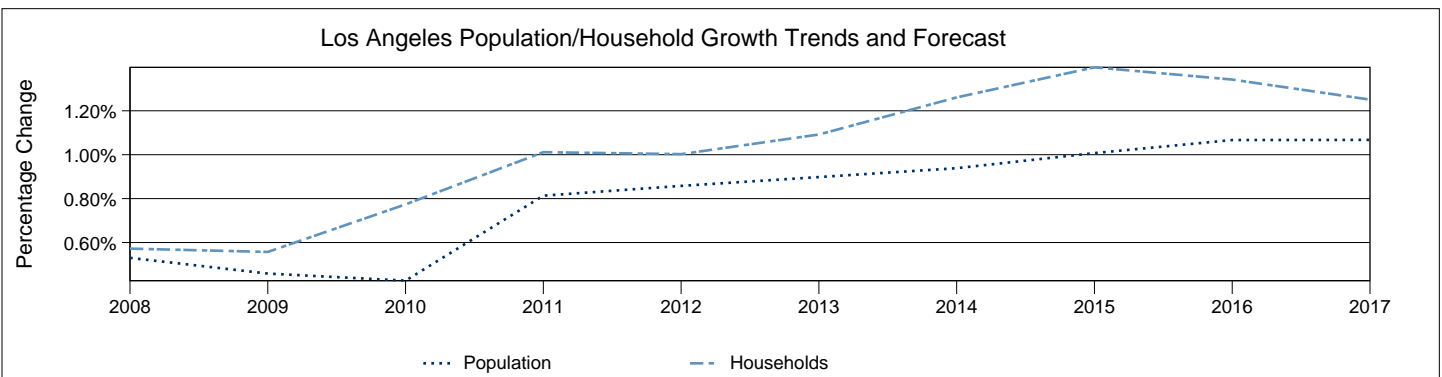
## Section 9 - Economic and Demographic Trends



Provided by Moody's Economy.com, Period ending 12/31/17

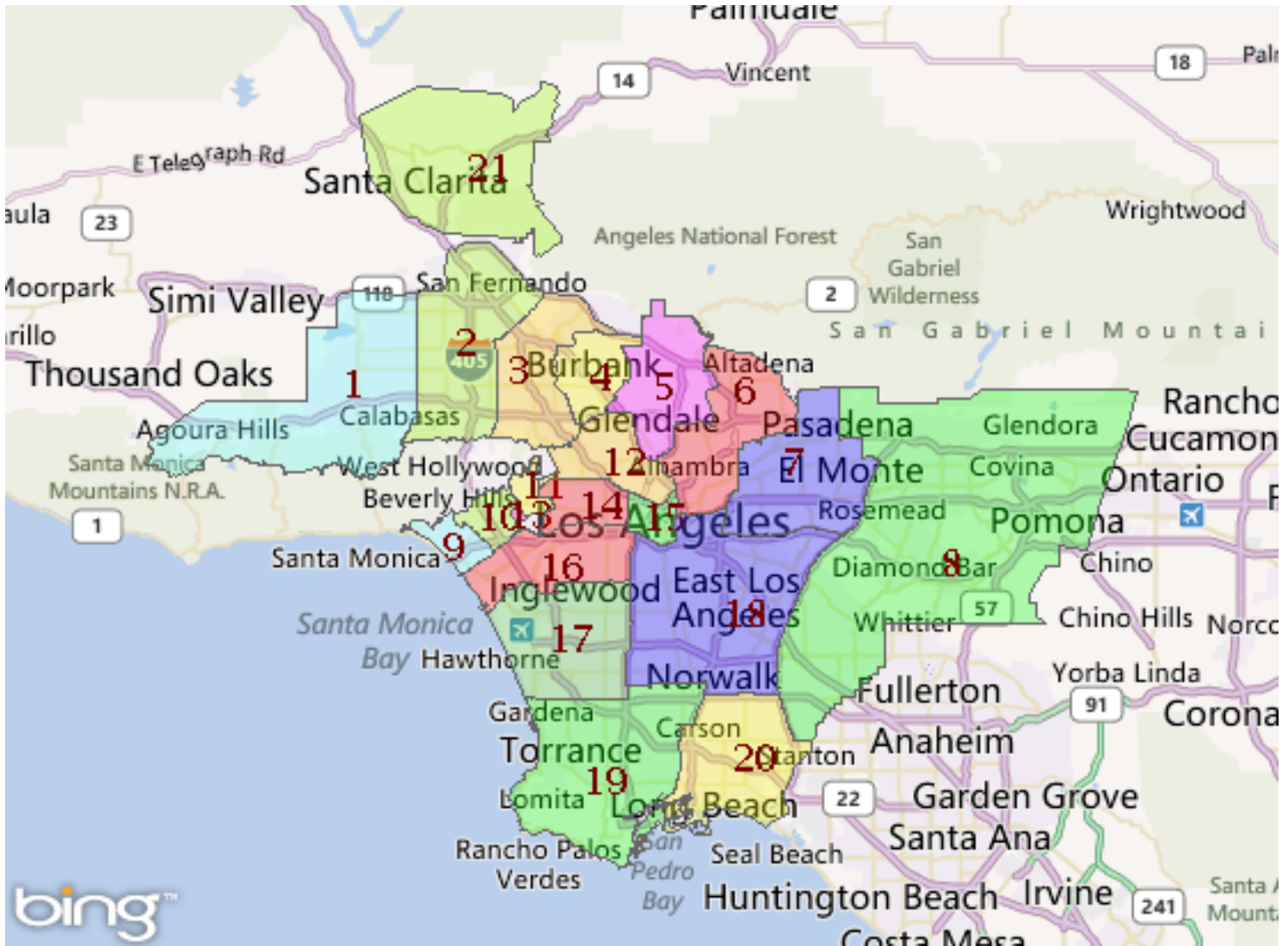


Provided by Moody's Economy.com, Period ending 12/31/17



Provided by Moody's Economy.com, Period ending 12/31/17

Section 10 - Metro Area Map: Los Angeles



Los Angeles Submarkets

1	SFV - West	2	SFV - Central	3	SFV - East
4	Burbank	5	Glendale	6	Pasadena
7	West San Gabriel Valley	8	East County	9	Santa Monica
10	West LA	11	Beverly Hills	12	Hollywood/Sunset
13	Century City	14	Mid-Wilshire/Miracle Mile/Park Mile	15	Downtown
16	Marina/Culver City	17	LAX/El Segundo	18	Mid-Cities
19	South Bay	20	Long Beach	21	Santa Clarita Valley

## Section 11 - Metro Data

Year	Qtr	Inventory SF/Units	Completions	Inventory Growth%	Vacant Stock	Vacancy Rate	Vacancy Change(BPS)	Occupied Stock	Net Absorption	Asking Rent	Ask Rent % Chg
2008	Y	195,655,000	1,337,000	- 0.7%	21,359,000	10.9%	170	174,296,000	-4,730,000	\$34.47	5.9%
2009	Y	196,111,000	1,921,000	0.2%	26,096,000	13.3%	240	170,015,000	-4,281,000	\$32.54	- 5.6%
2010	Y	196,885,000	1,508,000	0.4%	29,643,000	15.1%	180	167,242,000	-2,773,000	\$31.96	- 1.8%
2011	2	197,078,000	193,000	0.1%	29,461,000	14.9%	-10	167,617,000	191,000	\$31.98	0.3%
2011	3	197,113,000	35,000	0.0%	29,626,000	15.0%	10	167,487,000	-130,000	\$32.04	0.2%
2011	4	197,174,000	81,000	0.0%	29,895,000	15.2%	20	167,279,000	-208,000	\$32.09	0.2%
2011	Y	197,174,000	309,000	0.1%	29,895,000	15.2%	10	167,279,000	37,000	\$32.09	0.4%
2012	1	197,174,000	0	0.0%	30,762,000	15.6%	40	166,412,000	-867,000	\$32.14	0.2%
2012	2	197,174,000	0	0.0%	30,653,000	15.5%	-10	166,521,000	109,000	\$32.20	0.2%
2012	3	197,098,000	0	0.0%	31,077,000	15.8%	30	166,021,000	-500,000	\$32.23	0.1%
2012	4	197,836,000	738,000	0.4%	31,216,000	15.8%	0	166,620,000	599,000	\$32.53	0.9%
2012	Y	197,836,000	738,000	0.3%	31,216,000	15.8%	60	166,620,000	-659,000	\$32.53	1.4%
2013	1	197,836,000	0	0.0%	31,188,000	15.8%	0	166,648,000	28,000	\$32.59	0.2%
2013	Y	198,306,000	470,000	0.2%	31,009,000	15.6%	-20	167,297,000	677,000	\$33.08	1.7%
2014	Y	198,993,000	687,000	0.3%	29,932,000	15.0%	-60	169,061,000	1,764,000	\$33.92	2.5%
2015	Y	200,377,000	1,384,000	0.7%	29,347,000	14.6%	-40	171,030,000	1,969,000	\$34.87	2.8%
2016	Y	202,007,000	1,630,000	0.8%	28,662,000	14.2%	-50	173,345,000	2,315,000	\$36.20	3.8%
2017	Y	204,019,000	2,012,000	1.0%	27,994,000	13.7%	-50	176,025,000	2,680,000	\$37.59	3.8%

Year	Qtr	Effective Rent	Eff Rent % Chg	Cons/Abs	Abs/Occ Stock%	Population	Pop% Chg	Employment	Emp% Chg	Off Emp	Off Emp Pct Chg	Avg HH Income	AHHI% Chg
2008	Y	\$29.30	3.5%	-0.3	- 2.7%	9,762,540	0.5%	4,007,000	- 3.0%	1,184,802	- 3.5%	\$127,957	0.6%
2009	Y	\$26.63	- 9.1%	-0.4	- 2.5%	9,807,320	0.5%	3,761,800	- 6.1%	1,115,393	- 5.9%	\$120,215	- 6.1%
2010	Y	\$25.82	- 3.0%	-0.5	- 1.7%	9,849,130	0.4%	3,782,100	0.5%	1,120,684	0.5%	\$125,562	4.4%
2011	2	\$25.88	0.3%	1.0	0.1%	9,886,960	0.2%	3,789,670	0.0%	1,120,110	0.0%	\$128,290	- 0.1%
2011	3	\$25.95	0.3%	-0.3	- 0.1%	9,907,680	0.2%	3,800,370	0.3%	1,123,565	0.3%	\$127,918	- 0.3%
2011	4	\$26.02	0.3%	-0.4	- 0.1%	9,929,250	0.2%	3,812,630	0.3%	1,128,774	0.5%	\$127,501	- 0.3%
2011	Y	\$26.02	0.8%	8.4	0.0%	9,929,250	0.8%	3,812,630	0.8%	1,128,774	0.7%	\$127,501	1.5%
2012	1	\$26.07	0.2%	0.0	- 0.5%	9,950,940	0.2%	3,829,700	0.4%	1,133,570	0.4%	\$130,762	2.6%
2012	2	\$26.12	0.2%	0.0	0.1%	9,972,930	0.2%	3,857,530	0.7%	1,142,658	0.8%	\$131,798	0.8%
2012	3	\$26.15	0.1%	0.0	- 0.3%	9,994,390	0.2%	3,878,670	0.5%	1,149,048	0.6%	\$132,566	0.6%
2012	4	\$26.41	1.0%	1.2	0.4%	10,014,440	0.2%	3,894,000	0.4%	1,149,841	0.1%	\$134,369	1.4%
2012	Y	\$26.41	1.5%	-1.1	- 0.4%	10,014,440	0.9%	3,894,000	2.1%	1,149,841	1.9%	\$134,369	5.4%
2013	1	\$26.46	0.2%	0.0	0.0%	10,034,410	0.2%	3,910,920	0.4%	1,151,005	0.1%	\$133,245	- 0.8%
2013	Y	\$26.98	2.2%	0.7	0.4%	10,104,380	0.9%	3,938,310	1.1%	1,156,294	0.6%	\$137,760	2.5%
2014	Y	\$27.83	3.2%	0.4	1.0%	10,199,220	0.9%	4,028,660	2.3%	1,186,097	2.6%	\$145,134	5.4%
2015	Y	\$28.84	3.6%	0.7	1.2%	10,301,960	1.0%	4,147,860	3.0%	1,229,038	3.6%	\$152,853	5.3%
2016	Y	\$30.08	4.3%	0.7	1.3%	10,411,860	1.1%	4,247,150	2.4%	1,266,126	3.0%	\$159,657	4.5%
2017	Y	\$31.49	4.7%	0.8	1.5%	10,523,010	1.1%	4,293,280	1.1%	1,285,892	1.6%	\$164,844	3.2%

OFFICE



# Metro Class Cut





## Section 12 - Market Data by Building Class - Class A Properties

Year	Quarter	Inventory (Sq Ft)	Completions	Vac %	Vacant Stock	Occupied Stock	Net Abs	Asking Rent(\$)	Rent Change	Constr/ Abs	Abs/Occ Stock %	Gr Rev. Unit (\$)
1990	Y	89,993,000	6,528,000	16.9%	15,239,000	74,754,000	3,078,000	\$27.65	1.3%	2.1	4.1	\$22.97
1991	Y	95,602,000	5,609,000	19.0%	18,207,000	77,395,000	2,641,000	\$27.66	0.0%	2.1	3.4	\$22.39
1992	Y	97,391,000	1,789,000	19.0%	18,527,000	78,864,000	1,469,000	\$26.28	-5.0%	1.2	1.9	\$21.28
1993	Y	97,580,000	189,000	18.0%	17,551,000	80,029,000	1,165,000	\$24.95	-5.1%	0.2	1.5	\$20.46
1994	Y	97,482,000	0	16.6%	16,184,000	81,298,000	1,269,000	\$23.73	-4.9%	0.0	1.6	\$19.79
1995	Y	97,698,000	216,000	15.6%	15,215,000	82,483,000	1,185,000	\$23.49	-1.0%	0.2	1.4	\$19.83
1996	Y	97,698,000	0	14.6%	14,268,000	83,430,000	947,000	\$23.57	0.3%	0.0	1.1	\$20.13
1997	Y	98,032,000	236,000	13.1%	12,853,000	85,179,000	1,749,000	\$24.03	2.0%	0.1	2.1	\$20.88
1998	Y	98,629,000	597,000	11.1%	10,918,000	87,711,000	2,532,000	\$26.47	10.2%	0.2	2.9	\$23.54
1999	Y	100,620,000	1,991,000	9.9%	9,921,000	90,699,000	2,988,000	\$27.94	5.6%	0.7	3.3	\$25.19
2000	Y	102,595,000	2,044,000	7.1%	7,256,000	95,339,000	4,640,000	\$31.01	11.0%	0.4	4.9	\$28.82
2001	Y	104,478,000	2,084,000	12.9%	13,499,000	90,979,000	-4,360,000	\$31.15	0.5%	-0.5	-4.8	\$27.13
2002	Y	106,188,000	1,710,000	14.7%	15,634,000	90,554,000	-425,000	\$30.22	-3.0%	-4.0	-0.5	\$25.77
2003	Y	107,465,000	1,627,000	14.6%	15,685,000	91,780,000	1,226,000	\$29.37	-2.8%	1.3	1.3	\$25.08
2004	Y	107,351,000	103,000	12.1%	13,008,000	94,343,000	2,563,000	\$29.31	-0.2%	0.0	2.7	\$25.76
2005	Y	108,316,000	1,072,000	10.4%	11,293,000	97,023,000	2,680,000	\$30.59	4.4%	0.4	2.8	\$27.40
2006	Y	109,129,000	1,401,000	9.2%	10,053,000	99,076,000	2,053,000	\$33.52	9.6%	0.7	2.1	\$30.43
2007	Y	108,887,000	50,000	8.5%	9,226,000	99,661,000	573,000	\$38.01	13.4%	0.1	0.6	\$34.79
2008	Y	108,262,000	754,000	9.9%	10,676,000	97,586,000	-2,077,000	\$40.51	6.6%	-0.4	-2.1	\$36.52
2009	1	107,971,000	350,000	10.6%	11,404,000	96,567,000	-1,019,000	\$40.03	-1.2%	-0.3	-1.1	\$35.80
2009	2	108,548,000	667,000	11.7%	12,656,000	95,892,000	-675,000	\$39.10	-2.3%	-1.0	-0.7	\$34.54
2009	3	108,319,000	0	12.4%	13,454,000	94,865,000	-1,027,000	\$38.51	-1.5%	0.0	-1.1	\$33.73
2009	4	108,289,000	75,000	12.9%	14,024,000	94,265,000	-600,000	\$38.00	-1.3%	-0.1	-0.6	\$33.08
2009	Y	109,118,000	1,921,000	13.6%	14,853,000	94,265,000	-3,321,000	\$37.97	-6.3%	-0.6	-3.5	\$32.80
2010	1	109,149,000	31,000	13.5%	14,706,000	94,443,000	178,000	\$37.83	-0.4%	0.2	0.2	\$32.73
2010	2	109,991,000	842,000	14.4%	15,832,000	94,159,000	-284,000	\$37.60	-0.6%	-3.0	-0.3	\$32.19
2010	3	109,991,000	0	14.6%	16,090,000	93,901,000	-258,000	\$37.51	-0.2%	0.0	-0.3	\$32.02
2010	4	110,626,000	635,000	14.9%	16,479,000	94,147,000	246,000	\$37.15	-1.0%	2.6	0.3	\$31.62
2010	Y	110,626,000	1,508,000	14.9%	16,479,000	94,147,000	-118,000	\$37.15	-2.2%	-12.8	-0.1	\$31.62
2011	1	110,626,000	0	14.7%	16,227,000	94,399,000	252,000	\$37.02	-0.3%	0.0	0.3	\$31.59
2011	2	110,819,000	193,000	14.6%	16,127,000	94,692,000	293,000	\$37.10	0.2%	0.7	0.3	\$31.70
2011	3	110,767,000	35,000	14.8%	16,413,000	94,354,000	-338,000	\$37.18	0.2%	-0.1	-0.4	\$31.67
2011	4	110,806,000	81,000	15.0%	16,660,000	94,146,000	-208,000	\$37.25	0.2%	-0.4	-0.2	\$31.65
2011	Y	110,806,000	309,000	15.0%	16,660,000	94,146,000	-1,000	\$37.25	0.3%	-309.0	0.0	\$31.65
2012	1	110,806,000	0	15.2%	16,887,000	93,919,000	-227,000	\$37.33	0.2%	0.0	-0.2	\$31.64
2012	2	110,806,000	0	14.8%	16,437,000	94,369,000	450,000	\$37.39	0.2%	0.0	0.5	\$31.84
2012	3	110,806,000	0	15.0%	16,595,000	94,211,000	-158,000	\$37.44	0.1%	0.0	-0.2	\$31.83
2012	4	111,544,000	738,000	15.1%	16,846,000	94,698,000	487,000	\$37.80	1.0%	1.5	0.5	\$32.09
2012	Y	111,544,000	738,000	15.1%	16,846,000	94,698,000	552,000	\$37.80	1.5%	1.3	0.6	\$32.09
2013	1	111,544,000	0	15.1%	16,854,000	94,690,000	-8,000	\$37.84	0.1%	0.0	0.0	\$32.12

## Section 13 - Market Data by Building Class - Class B/C Properties

Year	Quarter	Inventory (Sq Ft)	Completions	Vac %	Vacant Stock	Occupied Stock	Net Abs	Asking Rent(\$)	Rent Change	Constr/ Abs	Abs/Occ Stock %	Gr Rev. Unit (\$)
1990	Y	94,831,000	2,244,000	19.6%	18,592,000	76,239,000	209,000	\$20.52	1.7%	10.7	0.3	\$16.50
1991	Y	96,025,000	2,027,000	21.5%	20,687,000	75,338,000	-901,000	\$20.20	-1.6%	-2.2	-1.2	\$15.85
1992	Y	95,962,000	437,000	21.9%	21,043,000	74,919,000	-419,000	\$19.45	-3.7%	-1.0	-0.6	\$15.18
1993	Y	95,636,000	73,000	21.8%	20,842,000	74,794,000	-125,000	\$18.26	-6.1%	-0.6	-0.2	\$14.28
1994	Y	92,349,000	0	22.0%	20,348,000	72,001,000	-2,793,000	\$17.49	-4.2%	0.0	-3.9	\$13.64
1995	Y	91,782,000	0	22.5%	20,692,000	71,090,000	-911,000	\$17.29	-1.1%	0.0	-1.3	\$13.39
1996	Y	91,624,000	64,000	22.4%	20,552,000	71,072,000	-18,000	\$16.88	-2.4%	-3.6	0.0	\$13.09
1997	Y	90,977,000	76,000	20.4%	18,577,000	72,400,000	1,328,000	\$16.79	-0.5%	0.1	1.8	\$13.36
1998	Y	91,004,000	237,000	18.0%	16,426,000	74,578,000	2,178,000	\$17.77	5.8%	0.1	2.9	\$14.56
1999	Y	91,452,000	642,000	14.3%	13,043,000	78,409,000	3,831,000	\$18.51	4.2%	0.2	4.9	\$15.87
2000	Y	91,597,000	524,000	13.0%	11,923,000	79,674,000	1,265,000	\$20.22	9.2%	0.4	1.6	\$17.59
2001	Y	93,111,000	1,823,000	14.8%	13,790,000	79,321,000	-353,000	\$20.84	3.1%	-5.2	-0.4	\$17.75
2002	Y	93,829,000	1,129,000	15.9%	14,953,000	78,876,000	-445,000	\$20.79	-0.2%	-2.5	-0.6	\$17.48
2003	Y	93,499,000	42,000	15.4%	14,429,000	79,070,000	194,000	\$20.72	-0.3%	0.2	0.2	\$17.52
2004	Y	93,153,000	114,000	14.2%	13,250,000	79,903,000	833,000	\$20.99	1.3%	0.1	1.0	\$18.00
2005	Y	90,911,000	44,000	11.9%	10,857,000	80,054,000	151,000	\$21.72	3.5%	0.3	0.2	\$19.13
2006	Y	88,742,000	158,000	10.4%	9,198,000	79,544,000	-510,000	\$23.57	8.5%	-0.3	-0.6	\$21.13
2007	Y	88,246,000	609,000	10.1%	8,881,000	79,365,000	-165,000	\$25.81	9.5%	-3.7	-0.2	\$23.21
2008	Y	87,393,000	583,000	12.2%	10,683,000	76,710,000	-2,654,000	\$26.98	4.5%	-0.2	-3.5	\$23.68
2009	1	87,129,000	0	12.6%	11,014,000	76,115,000	-595,000	\$26.90	-0.3%	0.0	-0.8	\$23.50
2009	2	87,018,000	0	13.4%	11,676,000	75,342,000	-773,000	\$26.33	-2.1%	0.0	-1.0	\$22.80
2009	3	87,100,000	0	14.1%	12,253,000	74,847,000	-495,000	\$25.97	-1.4%	0.0	-0.7	\$22.32
2009	4	86,993,000	0	13.9%	12,073,000	74,920,000	73,000	\$25.77	-0.8%	0.0	0.1	\$22.19
2009	Y	86,993,000	0	13.9%	12,073,000	74,920,000	-1,790,000	\$25.74	-4.6%	0.0	-2.4	\$22.17
2010	1	86,896,000	0	14.5%	12,575,000	74,321,000	-599,000	\$25.66	-0.3%	0.0	-0.8	\$21.95
2010	2	86,858,000	0	14.8%	12,838,000	74,020,000	-301,000	\$25.53	-0.5%	0.0	-0.4	\$21.76
2010	3	86,588,000	0	15.3%	13,265,000	73,323,000	-697,000	\$25.46	-0.3%	0.0	-1.0	\$21.56
2010	4	86,259,000	0	15.3%	13,166,000	73,093,000	-230,000	\$25.32	-0.5%	0.0	-0.3	\$21.46
2010	Y	86,259,000	0	15.3%	13,166,000	73,093,000	-1,827,000	\$25.32	-1.6%	0.0	-2.5	\$21.46
2011	1	86,259,000	0	15.3%	13,233,000	73,026,000	-67,000	\$25.31	0.0%	0.0	-0.1	\$21.43
2011	2	86,259,000	0	15.5%	13,335,000	72,924,000	-102,000	\$25.41	0.4%	0.0	-0.1	\$21.48
2011	3	86,346,000	0	15.3%	13,214,000	73,132,000	208,000	\$25.46	0.2%	0.0	0.3	\$21.56
2011	4	86,368,000	0	15.3%	13,234,000	73,134,000	2,000	\$25.48	0.1%	0.0	0.0	\$21.58
2011	Y	86,368,000	0	15.3%	13,234,000	73,134,000	41,000	\$25.48	0.6%	0.0	0.1	\$21.58
2012	1	86,368,000	0	16.1%	13,875,000	72,493,000	-641,000	\$25.50	0.1%	0.0	-0.9	\$21.40
2012	2	86,368,000	0	16.5%	14,211,000	72,157,000	-336,000	\$25.55	0.2%	0.0	-0.5	\$21.35
2012	3	86,292,000	0	16.8%	14,484,000	71,808,000	-349,000	\$25.55	0.0%	0.0	-0.5	\$21.26
2012	4	86,292,000	0	16.7%	14,368,000	71,924,000	116,000	\$25.74	0.7%	0.0	0.2	\$21.45
2012	Y	86,292,000	0	16.7%	14,368,000	71,924,000	-1,210,000	\$25.74	1.0%	0.0	-1.7	\$21.45
2013	1	86,292,000	0	16.6%	14,333,000	71,959,000	35,000	\$25.80	0.2%	0.0	0.0	\$21.51

OFFICE



# Submarket Overview



## Section 14 - Submarket Overview

Submarket	Inventory (Buildings)	Inventory (Sq Ft)	Asking Rent \$	CRD %	Vac %	Free Rent (mos)	Expenses \$ (Commercial)	Lease Term (yrs)	Leasing Commission %	Tenant Improvements \$
SFV - West	206	14,743,000	\$26.85	- 5.2%	14.8%	1.8	\$ 9.80	3.7	8.4%	\$30.92
SFV - Central	153	9,432,000	\$28.20	- 5.5%	12.4%	2.7	\$ 7.20	3.7	8.3%	\$27.17
SFV - East	55	3,285,000	\$31.48	- 3.1%	17.5%	2.3	\$11.01	3.0	5.6%	\$31.00
Burbank	105	8,608,000	\$33.29	- 4.2%	15.6%	0.4	\$10.10	3.5	5.6%	\$31.69
Glendale	77	6,796,000	\$30.46	- 8.2%	21.7%	3.6	\$11.20	3.9	9.1%	\$35.19
Pasadena	110	8,156,000	\$34.12	- 5.4%	13.4%	2.1	\$11.10	2.3	6.6%	\$33.99
W San Gabriel Vly	65	4,638,000	\$25.39	- 2.1%	16.5%	1.9	\$ 6.70	3.0	5.3%	\$22.49
East County	146	9,053,000	\$26.78	- 6.8%	15.3%	2.6	\$ 8.40	3.6	8.1%	\$21.83
Santa Monica	114	7,678,000	\$47.39	- 4.7%	8.4%	1.6	\$13.40	2.7	5.8%	\$37.91
West LA	99	11,551,000	\$40.05	- 6.5%	15.2%	5.8	\$12.86	4.6	9.6%	\$31.71
Beverly Hills	99	7,389,000	\$46.32	- 2.6%	7.2%	3.4	\$14.65	3.4	4.5%	\$27.59
Hollywood/Sunset	59	3,928,000	\$37.80	- 6.6%	18.9%	3.0	\$ 9.69	2.6	4.6%	\$35.89
Century City	25	10,443,000	\$48.40	- 3.6%	10.5%	1.8	\$17.29	5.1	4.4%	\$48.32
Mid-Wilshire	128	15,146,000	\$28.61	- 5.0%	14.4%	1.9	\$10.40	2.1	5.3%	\$18.61
Downtown	134	35,795,000	\$31.92	- 6.4%	16.1%	2.5	\$13.64	4.2	4.9%	\$32.95
Marina/Culver City	65	5,419,000	\$31.94	- 6.9%	16.3%	1.7	\$ 8.20	3.0	5.7%	\$34.59
LAX/El Segundo	118	14,981,000	\$28.04	- 9.2%	29.6%	3.4	\$ 9.50	6.0	7.6%	\$33.22
Mid-Cities	40	1,772,000	\$24.47	- 8.6%	18.5%	3.9	\$ 9.62	3.2	6.9%	\$30.09
South Bay	123	8,103,000	\$25.87	- 3.2%	15.0%	1.8	\$ 7.50	3.0	4.9%	\$21.15
Long Beach	99	8,745,000	\$27.05	- 3.0%	14.3%	1.6	\$ 9.10	2.7	4.1%	\$31.43
Santa Clarita Vly	37	2,175,000	\$31.88	- 7.8%	17.3%	3.9	\$10.69	3.5	7.6%	\$38.72

OFFICE



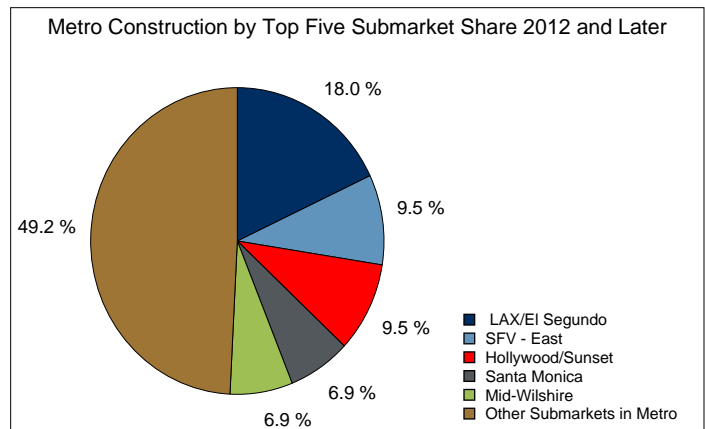
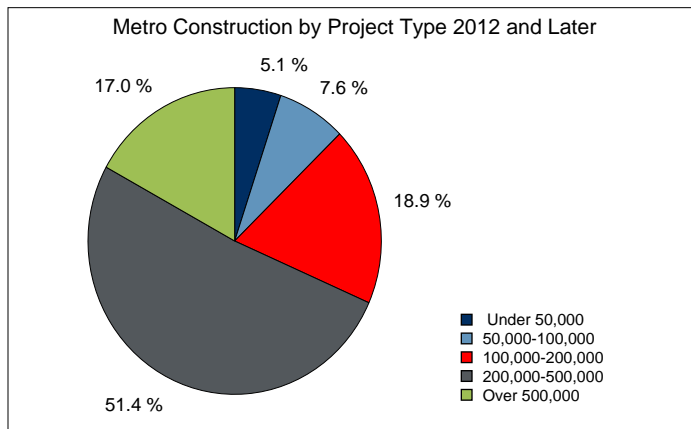
# New Construction Listing



## Section 15 - Construction Deliveries

	Completed SF		SF Under Construction		Totals	Planned	Proposed	Totals
	2012	YTD 2013	2013	2014 and Later	2012 and Later			
Multi and Single Tenant	738,000	120,760	296,800	530,000	1,685,560	5,357,946	4,892,127	10,250,073
Other Office	105,500	131,225	66,000	100,000	402,725	1,051,953	41,493	1,093,446
Totals	843,500	251,985	362,800	630,000	2,088,285	6,409,899	4,933,620	11,343,519

## Section 16 - Metro Construction Breakdown



Includes all recently completed, under construction, planned, and proposed properties from the table above. Note that some verified listings for planned and proposed properties do not yet have a firm completion date.

## Section 17 - Submarket New Construction Project Tally

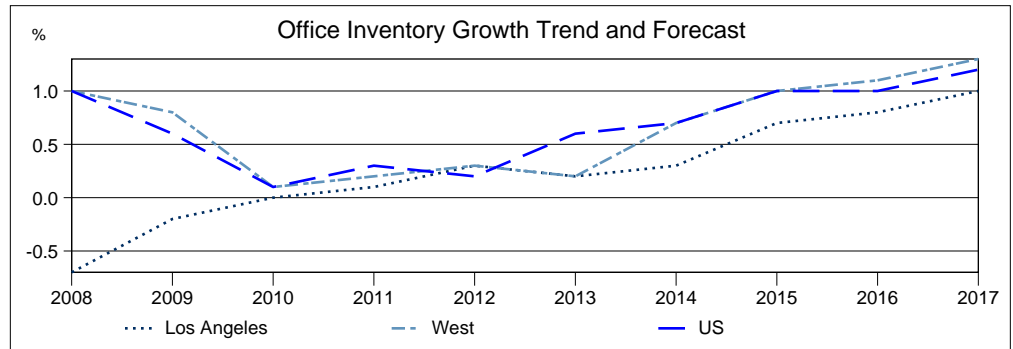
Submarket	1. Completed		2. Under Construction		3. Planned/Proposed		Grand Total
	Multi/Single Tenant	Other Office	Multi/Single Tenant	Other Office	Multi/Single Tenant	Other Office	
SFV - West	0	24,000	0	0	360,000	13,200	397,200
SFV - Central	0	0	0	0	15,000	473,578	488,578
SFV - East	0	0	0	0	1,249,200	31,000	1,280,200
Burbank	0	110,000	0	0	543,576	0	653,576
Glendale	338,000	0	0	0	250,000	0	588,000
Pasadena	0	21,225	0	66,000	240,410	140,493	468,128
W San Gabriel Vly	0	24,000	0	0	0	0	24,000
East County	0	0	0	0	0	11,549	11,549
Santa Monica	0	45,000	0	0	887,119	0	932,119
Beverly Hills	0	0	0	0	0	32,450	32,450
Hollywood/Sunset	0	0	120,000	0	1,152,610	0	1,272,610
Century City	0	0	0	0	700,000	0	700,000
Mid-Wilshire	400,000	0	0	0	528,568	0	928,568
Downtown	0	0	0	0	694,641	0	694,641
Marina/Culver City	21,000	0	126,800	0	251,960	0	399,760
LAX/EI Segundo	0	0	530,000	0	1,881,000	0	2,411,000
Mid-Cities	0	12,500	50,000	0	800,000	0	862,500
South Bay	0	0	0	0	59,960	158,182	218,142
Long Beach	0	0	0	0	300,000	32,994	332,994
Santa Clarita Vly	99,760	0	0	0	100,000	200,000	399,760
Non-Submarketed Areas	0	0	0	100,000	236,029	0	336,029

## Section 18 - Metro Inventory Details

Inventory By Building Age

Year Built	Percent
Before 1970	18.0%
1970-1979	18.0%
1980-1989	43.0%
1990-1999	11.0%
2000-2009	9.0%
After 2009	1.0%
All	100.0%

As of 03/31/13



## Section 19 - Inventory Growth Rankings Forecast

West Region Cumulative Inventory Growth Forecast Ranking 2013 and Later

Metro	Cumulative Growth Forecast	Rank
San Jose	14.4%	1
Orange County	3.2%	12
Denver	3.2%	13
Los Angeles	3.1%	14
Oakland-East Bay	2.9%	15
Albuquerque	2.6%	16
Colorado Springs	1.2%	19

National Cumulative Inventory Growth Forecast Ranking 2013 and Later

Metro	Cumulative Growth Forecast	Rank
San Jose	14.4%	1
Philadelphia	3.2%	58
Denver	3.2%	59
Los Angeles	3.1%	60
Chattanooga	2.9%	61
Miami	2.9%	62
New Orleans	0.0%	82

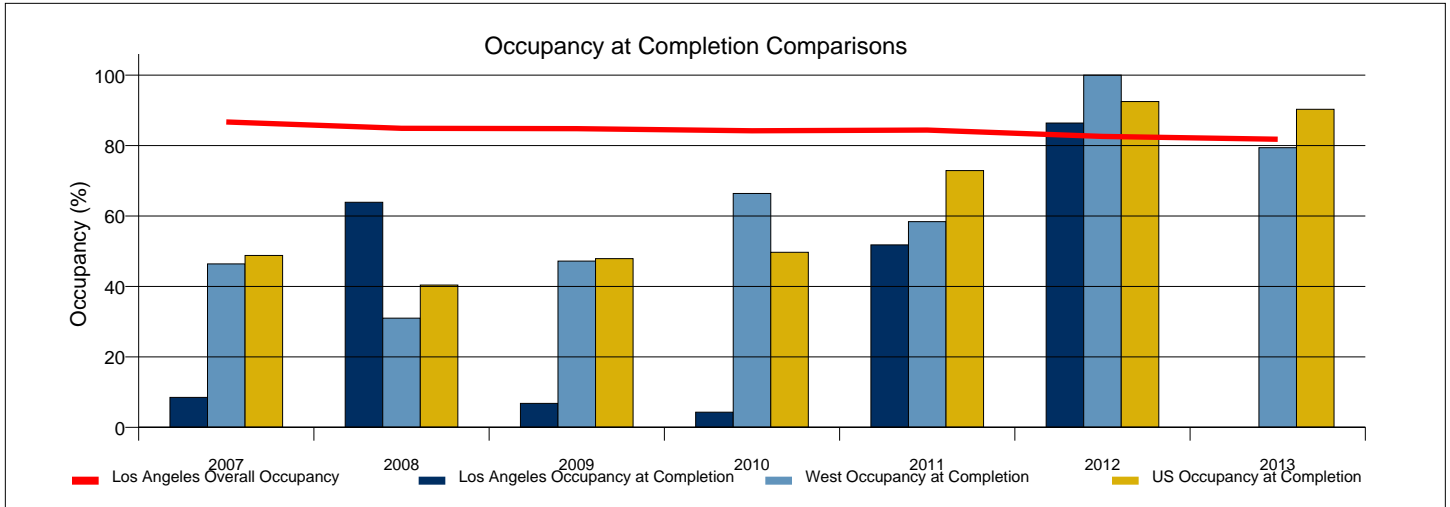
## Section 20 - Construction/Absorption Change

### Construction and Absorption

	Quarterly								
	1Q13			4Q12			YTD Avg		
	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio
Los Angeles	0	30,000	0.0	738,000	684,000	1.1	0	30,000	0.0
West	341,000	-333,000	-1.0	1,354,000	2,167,000	0.6	341,000	-333,000	-1.0
Average over period ending:	03/31/13	03/31/13	03/31/13	12/31/12	12/31/12	12/31/12	03/31/13	03/31/13	03/31/13

	Annualized								
	1 Year History			3 Year History			5 Year History		
	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio	Sq Ft Built	Sq Ft Absorbed	Con/Abs Ratio
Los Angeles	738,000	-418,000	-1.8	575,000	-1,272,000	-0.5	831,000	-2,731,000	-0.3
West	3,235,000	7,916,000	0.4	3,518,000	1,952,000	1.8	8,756,000	-8,305,000	-1.1
Average over period ending:	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12

## Section 21 - Occupancy at Completion

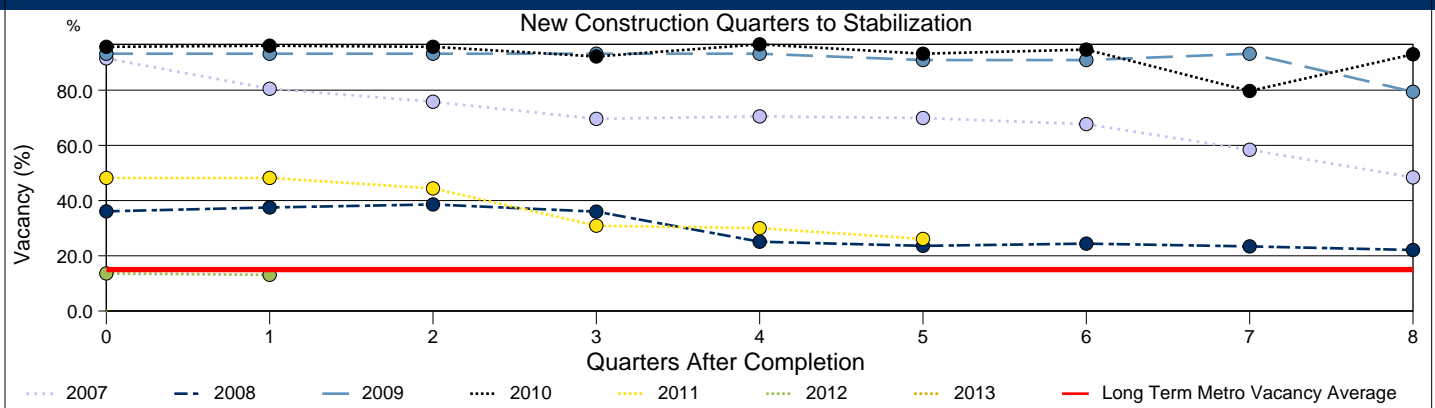


### Occupancy at Completion Comparisons

Properties Built in:	2007	2008	2009	2010	2011	2012	2013
Los Angeles	8.5%	63.9%	6.8%	4.3%	51.8%	86.4%	n/a
West	46.4%	31.0%	47.2%	66.4%	58.4%	100.0%	79.4%
United States	48.8%	40.4%	47.9%	49.7%	72.9%	92.5%	90.3%

\*Occupation at completion is calculated for all properties completed during each individual calendar year

## Section 22 - Stabilization Data



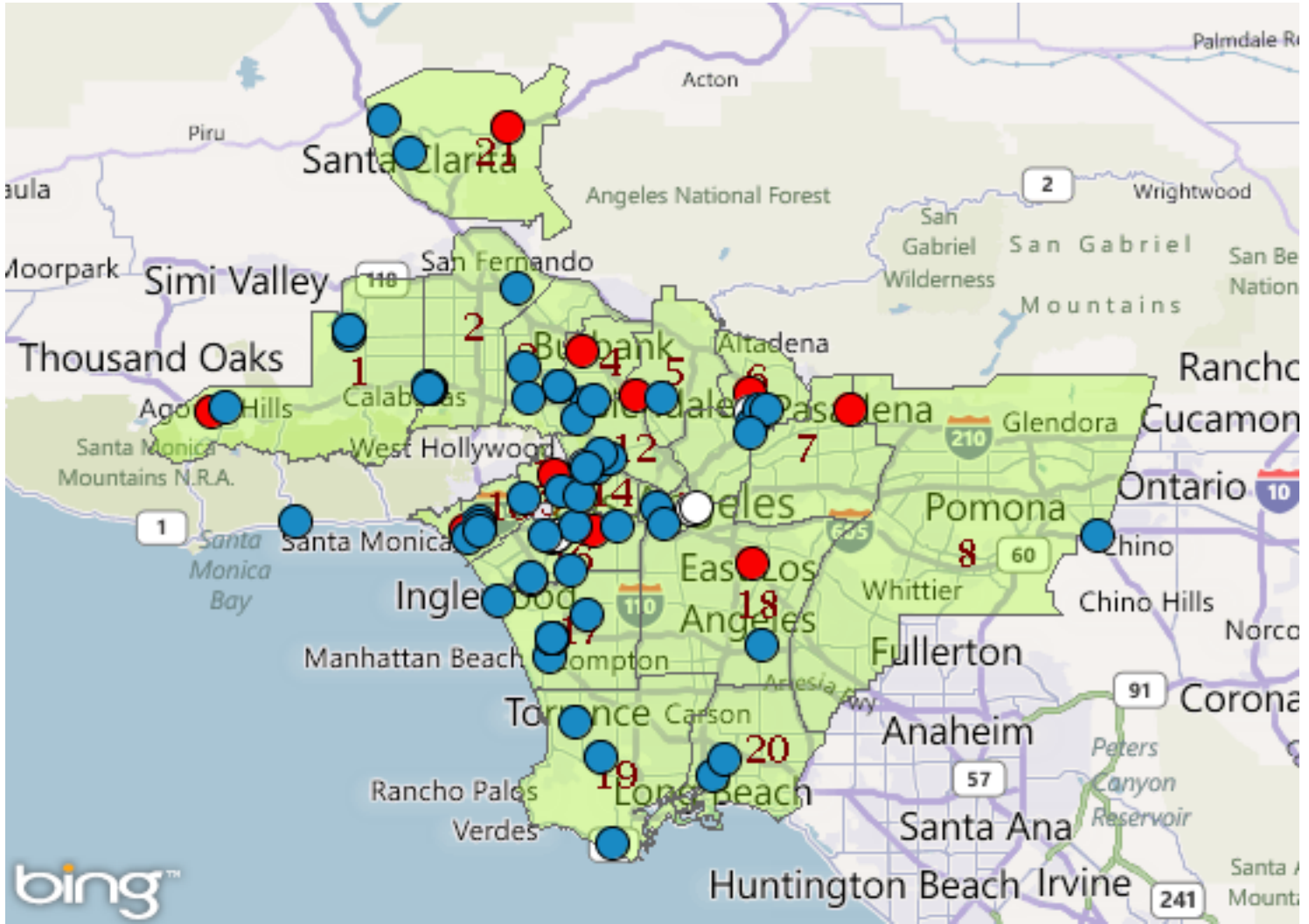
### Stabilization Data

Construction Year:	2007	2008	2009	2010	2011	2012	2013 YTD
No. of Properties Tracked	10	21	4	5	3	2	1
Properties Stabilized 0-4 Quarters After Completion	1	6	1	1	2	1	0
Properties Stabilized 5-8 Quarters After Completion	2	8	0	1	0	0	0
Properties Stabilized 9-12 Quarters After Completion	1	0	0	0	0	0	0
Properties Stabilized 13+ Quarters After Completion	1	1	0	0	0	0	0
Properties That Have Not Yet Stabilized	5	6	3	3	1	1	1

Stabilization is reached when the average vacancy of the properties built in any given year equals or is less than the metro's average overall vacancy for the last five years. "0" in the Quarters After Completion chart above represents the vacancy at completion.



Section 23 - Metro Area Map: Los Angeles



● Completed Projects    
 ○ Under Construction    
 ● Planned/Proposed

Los Angeles Submarkets

1	SFV - West	2	SFV - Central	3	SFV - East
4	Burbank	5	Glendale	6	Pasadena
7	West San Gabriel Valley	8	East County	9	Santa Monica
10	West LA	11	Beverly Hills	12	Hollywood/Sunset
13	Century City	14	Mid-Wilshire/Miracle Mile/Park Mile	15	Downtown
16	Marina/Culver City	17	LAX/El Segundo	18	Mid-Cities
19	South Bay	20	Long Beach	21	Santa Clarita Valley

## Section 24 - New Construction Listing

No.	Property Name and Address	Date As Of	Secondary Type	County	Size (Sq Ft)	Est. Groundbreak	Est. Completion	Status
<b>Submarket: Beverly Hills</b>								
1	119-123 SAN VICENTE BLVD @ W 6TH ST BEVERLY HILLS, CA 90209	03-14-2013	Medical Office	LOS ANGELES	32,450			Planned
<b>Submarket: Burbank</b>								
2	<b>NEW WORLD DEVOPMENT OFFICE BUILDING</b> 4001-4007 RIVERSIDE DR @ N MAPLE ST BURBANK, CA 91505	04-26-2013	Office	LOS ANGELES	43,576			Planned
3	<b>ARDWIN FREIGHT</b> 2940 N HOLLYWOOD WAY @ TULARE AVE BURBANK, CA 91505	04-25-2013	Office--Owner Occ.	LOS ANGELES	110,000	11/2011	4/2013	Complete
4	<b>THE POINTE PH II</b> 3000 W ALAMEDA AVE @ W OLIVE AVE BURBANK, CA 91505	02-21-2013	Office	LOS ANGELES	500,000			Proposed
<b>Submarket: Century City</b>								
5	<b>CENTURY CITY CENTER</b> 1950 AVE OF THE STARS @ CONSTELLATION BLVD LOS ANGELES, CA 90067	04-19-2013	Office	LOS ANGELES	700,000			Planned
<b>Submarket: Downtown</b>								
6	<b>WILSHIRE GRAND OFFICE</b> 930 WILSHIRE BLVD @ S FIGUEROA ST LOS ANGELES, CA 90001	04-17-2013	Office	LOS ANGELES	400,000			Planned
7	<b>CITY MARKET OFFICE</b> 1057 S SAN PEDRO ST @ E 11TH ST LOS ANGELES, CA 90015	02-25-2013	Office	LOS ANGELES	294,641			Planned
<b>Submarket: East County</b>								
8	<b>POMONA MEDICAL BLDG</b> 2707 S TOWNE AVE @ I-60 POMONA, CA 91766	05-16-2013	Medical Office	LOS ANGELES	11,549			Planned
<b>Submarket: Glendale</b>								
9	<b>GRAND CENTRAL CREATIVE CAMPUS PH II</b> GRANDVIEW AVE @ FLOWER ST GLENDALE, CA 91201	09-28-2012	Office	LOS ANGELES	338,000		11/2012	Complete
10	<b>GLENDALE CENTER SOUTH</b> 1 OLD CROCIDILE CAFE @ BRAND BLVD/S 134 FRWY GLENDALE, CA 91203	05-17-2012	Office	LOS ANGELES	250,000			Proposed
<b>Submarket: Hollywood/Sunset</b>								
11	<b>COLUMBIA SQUARE OFFICE</b> 6101-6125 W SUNSET BLVD @ N GOWER ST LOS ANGELES, CA 90028	12-06-2012	Office	LOS ANGELES	442,610			Planned
12	<b>MILLENNIUM HOLLYWOOD - OFFICE</b> 1749 N VINE ST @ HOLLYWOOD BLVD LOS ANGELES, CA 90028	06-04-2013	Office	LOS ANGELES	250,000			Planned
13	<b>VINE ST TOWER</b> 1601 VINE ST @ SELMA AVE LOS ANGELES, CA 90023	05-28-2013	Office	LOS ANGELES	120,000			Planned
14	5939 W SUNSET BLVD @ GORDON ST LOS ANGELES, CA 90028	04-09-2013	Office	LOS ANGELES	40,000			Planned

No.	Property Name and Address	Date As Of	Secondary Type	County	Size (Sq Ft)	Est. Groundbreak	Est. Completion	Status
15	<b>KTLA STUDIO</b> 5800 SUNSET BLVD @ N VAN NESS AVE LOS ANGELES, CA 90028	02-22-2013	Office	LOS ANGELES	300,000			Planned
16	<b>FORMOSA SOUTH AT THE LOT</b> 1041 N FORMOSA AVE @ SANTA MONICA BLVD WEST HOLLYWOOD, CA 90046	01-02-2013	Office	LOS ANGELES	120,000	12/2012	12/2013	Under Constr.

**Submarket:LAX/EI Segundo**

17	<b>HERCULES CAMPUS</b> 5600 CAMPUS CENTER DR @ MILLENNIUM DR LOS ANGELES, CA 90094	11-19-2012	Office	LOS ANGELES	530,000			Under Constr.
18	<b>CAMPUS EL SEGUNDO PH VII BLDG #11</b> E MARIPOSA AVE @ N DOUGLAS ST/E MAPLE A EL SEGUNDO, CA 90245	10-16-2012	Office	LOS ANGELES	289,000			Proposed
19	<b>CAMPUS EL SEGUNDO PH X BLDG #1,2,3,A,L,M</b> E MARIPOSA AVE @ M DOUGLAS ST/E MAPLE A EL SEGUNDO, CA 90245	10-16-2012	Office	LOS ANGELES	187,000			Proposed
20	<b>CAMPUS EL SEGUNDO PH VIII BLDG #9,G,I</b> E MARIPOSA AVE @ N DOUGLAS ST/E MAPLE A EL SEGUNDO, CA 90245	10-16-2012	Office	LOS ANGELES	172,000			Proposed
21	<b>CAMPUS EL SEGUNDO PH VI BLDG #5,B</b> E MARIPOSA AVE @ N DOUGLAS ST/E MAPLE A EL SEGUNDO, CA 90245	10-15-2012	Office	LOS ANGELES	279,000			Proposed
22	<b>CAMPUS EL SEGUNDO PH I BLDG #7,7A</b> E MARIPOSA AVE @ N DOUGLAS ST/E MAPLE A EL SEGUNDO, CA 90245	10-15-2012	Office	LOS ANGELES	165,000			Planned
23	<b>CAMPUS EL SEGUNDO PH II BLDG #8</b> E MARIPOSA AVE @ N DOUGLAS ST/E MAPLE A EL SEGUNDO, CA 90245	10-15-2012	Office	LOS ANGELES	145,000			Proposed
24	<b>CAMPUS EL SEGUNDO PH V BLDG #4</b> E MARIPOSA AVE @ N DOUGLAS ST/E MAPLE A EL SEGUNDO, CA 90245	10-15-2012	Office	LOS ANGELES	109,000			Proposed
25	<b>CAMPUS EL SEGUNDO PH III BLDG #6</b> E MARIPOSA AVE @ N DOUGLAS ST/E MAPLE A EL SEGUNDO, CA 90245	10-15-2012	Office	LOS ANGELES	215,000			Proposed
26	<b>HOLLYWOOD PARK TOMORROW OFFICE</b> CENTURY BLVD @ PRAIRIE AVE INGLEWOOD, CA 90302	07-16-2013	Office	LOS ANGELES	75,000			Planned
27	<b>MURAD</b> 2121 PARK PL @ APOLLO ST EL SEGUNDO, CA 90245	05-29-2013	Office	LOS ANGELES	45,000			Planned
28	<b>HORIZON AT PLAYA VISTA PH III</b> 12181 BLUFF CREEK DR @ S CENTINELA AVE LOS ANGELES, CA 90066	02-21-2013	Office	LOS ANGELES	200,000			Planned

**Submarket:Long Beach**

29	<b>TIERRA LUNA</b> LA LAKEWOOD BLVD @ IMPERIAL HWY DOWNEY, CA 90242	12-13-2012	Office	LOS ANGELES	300,000			Proposed
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No.	Property Name and Address	Date As Of	Secondary Type	County	Size (Sq Ft)	Est. Groundbreak	Est. Completion	Status
30	<b>WILLOW STREET MEDICAL OFFICE</b> 845 WILLOW ST @ MYRTLE AVE SIGNAL HILL, CA 90755	05-15-2013	Medical Office	LOS ANGELES	18,994			Planned
31	<b>1740 PACIFIC AVE MED BLDG</b> 1740 PACIFIC AVE MED @ W 17TH ST/ PACIFIC CST LONG BEACH, CA 90813	02-04-2013	Medical Office	LOS ANGELES	14,000			Planned

**Submarket:Marina/Culver City**

32	<b>WORKSCAPES AT THE HAYDEN TRACT</b> 8550 HIGUERA ST @ HAYDEN AVE CULVER CITY, CA 90232	12-17-2012	Office	LOS ANGELES	77,000	12/2012	12/2013	Under Constr.
33	<b>WORKSCAPES AT THE HAYDEN TRACT</b> 8600 HAYDEN PL @ HIGUERA ST CULVER CITY, CA 90232	12-17-2012	Office	LOS ANGELES	32,000	12/2012	12/2013	Under Constr.
34	<b>WORKSCAPES AT THE HAYDEN TRACT</b> 3644 EASTHAM DR @ HIGUERA ST CULVER CITY, CA 90232	12-17-2012	Office	LOS ANGELES	17,800	12/2012	12/2013	Under Constr.
35	<b>THE STRAND OFFICES AT PLAYA DEL REY</b> 311 & 315 CULVER BLVD @ PERSHING DR PLAYA DEL REY, CA 90293	06-17-2013	Office	LOS ANGELES	10,000			Planned
36	<b>WEST ANGELES PLAZA</b> 3060 CRENSHAW BLVD @ W JEFFERSON BLVD LOS ANGELES, CA 90016	05-29-2013	Office	LOS ANGELES	21,000		6/2013	Complete
37	2500 S WESTERN AVE @ W ADAMS BLVD LOS ANGELES, CA 90018	05-13-2013	Office	LOS ANGELES	56,960			Planned
38	<b>PARCEL B</b> 9300 CULVER BLVD @ MAIN ST CULVER CITY, CA 90232	05-02-2013	Office	LOS ANGELES	74,000			Proposed
39	<b>WATERIDGE PH III</b> 5130 W GOLDFLEAF CIR @ W SLAUSON AVE LOS ANGELES, CA 90056	03-14-2013	Office	LOS ANGELES	100,000			Proposed
40	<b>ADAMS COMMERCIAL BUILDING</b> 5244 1/2 W ADAMS BLVD @ S REDONDO BLVD LOS ANGELES, CA 90016	02-13-2013	Office	LOS ANGELES	11,000			Planned

**Submarket:Mid-Cities**

41	1ST ST @ BOYLE AVE LOS ANGELES, CA 90033	11-15-2012	Office	LOS ANGELES	50,000		7/2013	Under Constr.
42	<b>CORPORATE POINT WEST BLDG 2</b> 8401 N FALLBROOK AVE @ ROSCOE BLVD LOS ANGELES, CA 90001	06-13-2013	Office	LOS ANGELES	250,000			Proposed
43	<b>CLIVE WILKINSON ARCHITECTS</b> 6116 E WASHINGTON BLVD @ FIDELIA AVE CULVER CITY, CA 90040	04-26-2012	Office--Owner Occ.	LOS ANGELES	12,500		5/2012	Complete
44	<b>VICTORY BLVD - OFFICE</b> 13075 VICTORY BLVD @ ETHEL AVE LOS ANGELES, CA 90001	02-14-2013	Office	LOS ANGELES	550,000			Planned

No.	Property Name and Address	Date As Of	Secondary Type	County	Size (Sq Ft)	Est. Groundbreak	Est. Completion	Status
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**Submarket:Mid-Wilshire**

45	960 N LA BREA @ ROMAINE ST LOS ANGELES, CA 90038	12-19-2012	Office	LOS ANGELES	33,000			Proposed
46	<b>RED-PACIFIC DESIGN CENTER</b> 8687 MELROSE AVE WEST HOLLYWOOD, CA 90069	11-01-2012	Office	LOS ANGELES	400,000		12/2012	Complete
47	WILSHIRE BLVD @ MASSELIN AVE LOS ANGELES, CA 90036	07-11-2013	Office	LOS ANGELES	254,000			Planned
48	<b>959 SEWARD ST</b> 959 SEWARD ST @ ROMAINE ST LOS ANGELES, CA 90038	05-07-2012	Office	LOS ANGELES	241,568			Planned

**Submarket:Not in a Reis Submarket**

49	<b>PALMDALE CORPORATE CENTER PH II</b> TRADE CENTER DR @ AUTO CENTER DR PALMDALE, CA 93551	11-28-2012	Office	LOS ANGELES	60,000			Planned
50	<b>PALMDALE CORPORATE CENTER PH III</b> TRADE CENTER DR @ AUTO CENTER DR PALMDALE, CA 93551	11-28-2012	Office	LOS ANGELES	60,000			Planned
51	<b>PALMDALE CORPORATE CENTER PH IV</b> TRADE CENTER DR @ AUTO CENTER DR PALMDALE, CA 93551	11-28-2012	Office	LOS ANGELES	60,000			Planned
52	<b>MALIBU LA PAZ RANCH (OFFICE)</b> 3700 LA PAZ LANE @ CIVIC CENTER WAY MALIBU, CA 90265	05-23-2013	Office	LOS ANGELES	56,029			Planned
53	<b>KAISER PERMANENTE</b> AVE L @ 5TH ST LANCASTER, CA 93534	02-14-2013	Medical Office	LOS ANGELES	100,000	11/2012	6/2014	Under Constr.

**Submarket:Pasadena**

54	<b>CONSTANCE HOTEL - OFFICE</b> 880-940 E COLORADO BLVD @ S LAKE AVE PASADENA, CA 91106	12-13-2012	Office	LOS ANGELES	103,410			Planned
55	<b>WHITE MEMORIAL MEDICAL CENTER</b> N STATE ST @ E CESAR E CHAVEZ AVE LOS ANGELES, CA 90033	12-11-2012	Medical Office	LOS ANGELES	41,000		9/2013	Under Constr.
56	<b>CONGRESS MEDICAL ASSOCIATES</b> 780 S RAYMOND AVE @ FILLMORE ST PASADENA, CA 91105	08-29-2012	Medical Office	LOS ANGELES	30,000			Planned
57	<b>THE PASADENA COLLECTION</b> 1 GREEN ST @ FAIR OAKS AVE PASADENA, CA 91105	07-31-2012	Office Condominiums	LOS ANGELES	25,000		8/2013	Under Constr.
58	<b>CROWN MEDICAL PLAZA</b> 556 E COLORADO BLVD @ N MADISON AVE PASADENA, CA 91161	05-13-2013	Medical Office	LOS ANGELES	100,000			Planned
59	<b>867 N FAIR OAKS AVENUE</b> 867 N FAIR OAKS AVE @ E MOUNTAIN ST PASADENA, CA 91104	04-15-2013	Medical Office	LOS ANGELES	21,225	4/2012	4/2013	Complete

No.	Property Name and Address	Date As Of	Secondary Type	County	Size (Sq Ft)	Est. Groundbreak	Est. Completion	Status
60	<b>PLAYHOUSE PLAZA</b> 680 E COLORADO BLVD @ E MOLINO AVE PASADENA, CA 91101	04-02-2013	Office	LOS ANGELES	137,000			Planned
61	<b>FAIR OAKS MEDICAL OFFICE</b> 245 FAIR OAKS AVE @ COLUMBIA ST SOUTH PASADENA, CA 91030	02-05-2013	Medical Office	LOS ANGELES	10,493			Proposed

**Submarket:SFV - Central**

62	18117-18133 W VENTURA BLVD @ CHIMINEAS AVE TARZANA, CA 91356	09-26-2012	Medical Office	LOS ANGELES	126,734			Planned
63	13420 W VAN NUYS BLVD @ TELFAIR AVE PACOIMA, CA 91331	06-06-2013	Office	LOS ANGELES	15,000			Planned
64	18117-18133 W VENTURA BLVD @ GARDEN GROVE AVE TARZANA, CA 91356	04-19-2013	Medical Office	LOS ANGELES	126,734			Planned
65	<b>THE VENTANA</b> 18131 W VENTURA BLVD @ LINDLEY AVE LOS ANGELES, CA 91356	03-27-2013	Medical Office	LOS ANGELES	126,734			Planned
66	<b>TARZANA MEDICAL ATRIUM</b> 5411 ETIWANDA AVE @ CLARK ST LOS ANGELES, CA 90012	02-05-2013	Medical Office	LOS ANGELES	93,376			Planned

**Submarket:SFV - East**

67	<b>NOHO ART WAVE PH II (OFFICE)</b> LANKERSHIM BLVD @ CHANDLER BLVD NORTH HOLLYWOOD, CA 91601	05-30-2013	Office	LOS ANGELES	459,000			Proposed
68	<b>NOHO ART WAVE PH III (OFFICE)</b> LANKERSHIM BLVD @ CHANDLER BLVD NORTH HOLLYWOOD, CA 91601	05-30-2013	Office	LOS ANGELES	270,100			Proposed
69	<b>NOHO ART WAVE PH IV (OFFICE)</b> LANKERSHIM BLVD @ CHANDLER BLVD NORTH HOLLYWOOD, CA 91601	05-30-2013	Office	LOS ANGELES	270,100			Proposed
70	<b>VILLAGE MEDICAL CENTER</b> 12828 RIVERSIDE DR @ COLDWATER CANYON AVE VALLEY VILLAGE, CA 91607	04-02-2013	Medical Office	LOS ANGELES	31,000			Proposed
71	<b>UNIVERSAL STUDIOS</b> 100 UNIVERSAL CITY PLAZA @ UNIVERSAL STUDIOS BLVD LOS ANGELES, CA 91608	03-07-2013	Office	LOS ANGELES	250,000			Planned

**Submarket:SFV - West**

72	<b>CONRAD N HILTON FOUNDATION CAMPUS</b> 30440-30500 AGOURA RD @ REYES ADOBE RD AGOURA HILLS, CA 91301	11-05-2012	Office--Owner Occ.	LOS ANGELES	24,000		10/2012	Complete
73	<b>CANWOOD MEDICAL OFFICE</b> 29541-29555 CANWOOD ST @ STRAWBERRY HILL DR AGOURA HILLS, CA 91301	03-15-2013	Medical Office	LOS ANGELES	13,200			Planned
74	<b>CORPORATE POINTE BLDG 22951</b> 8501-8531 FALLBROOK AVE @ ECCLES ST CANOGA PARK, CA 91304	02-20-2013	Office	LOS ANGELES	110,000			Proposed

No.	Property Name and Address	Date As Of	Secondary Type	County	Size (Sq Ft)	Est. Groundbreak	Est. Completion	Status
75	<b>CORPORATE POINTE BLDG 8405</b> 8501-8531 FALLBROOK AVE @ ECCLES ST CANOGA PARK, CA 91304	02-20-2013	Office	LOS ANGELES	250,000			Proposed

**Submarket: Santa Clarita Vly**

76	<b>HENRY MAYO NEWHALL MEMORIAL EXP</b> 23803 MCBEAN PKWY @ ORCHARD VILLAGE RD SANTA CLARITA, CA 91355	11-28-2012	Medical Office	LOS ANGELES	200,000			Planned
77	<b>ENTRADA I BUILDING 2</b> MAGIC MOUNTAIN PKWY @ THE OLD RD VALENCIA, CA 91355	06-04-2013	Office	LOS ANGELES	100,000			Planned
78	<b>SANTA CLARITA PROFESSIONAL CENTER</b> 17901 SOLEDAD CANYON RD @ SARITA AVE CANYON COUNTRY, CA 91387	04-26-2013	Office	LOS ANGELES	99,760	5/2007	3/2013	Complete

**Submarket: Santa Monica**

79	<b>SIXTEENTH ST MEDICAL CENTER</b> 1225 16TH ST @ WILSHIRE & ARIZONA SANTA MONICA, CA 90404	12-05-2012	Medical Office	LOS ANGELES	45,000	10/2010	12/2012	Complete
80	3008 SANTA MONICA BLVD @ STANFORD ST SANTA MONICA, CA 90404	05-29-2013	Office	LOS ANGELES	25,210			Planned
81	1645 EUCLID ST @ OLYMPIC BLVD SANTA MONICA, CA 90404	05-29-2013	Office	LOS ANGELES	40,000			Planned
82	<b>BERGAMOT TRANSIT VILLAGE OFFICE</b> OLYMPIC BLVD @ 26TH ST SANTA MONICA, CA 90404	03-22-2013	Office	LOS ANGELES	494,927			Proposed
83	<b>ROBERTS CENTER OFFICE</b> 2848-2912 COLORADO AVE @ STEWART ST LOS ANGELES, CA 90404	03-11-2013	Office	LOS ANGELES	135,000			Proposed
84	<b>SANTA MONICA GATEWAY SOUTH BLDG</b> 2834 COLORADO AVE @ STEWART ST SANTA MONICA, CA 90404	01-08-2013	Office	LOS ANGELES	50,104			Planned
85	<b>SANTA MONICA GATEWAY NORTH BLDG</b> 2834 COLORADO AVE @ STEWART ST SANTA MONICA, CA 90404	01-08-2013	Office	LOS ANGELES	141,878			Planned

**Submarket: South Bay**

86	<b>LITTLE COMPANY OF MARY MEDICAL OFFICE</b> 20905-20911 EARL ST @ MARICOPA ST TORRANCE, CA 90503	05-21-2013	Office--Owner Occ.	LOS ANGELES	92,000			Planned
87	<b>ROCKEFELLER GROUP PROFESSIONAL CENTER</b> LOMITA BLVD @ CRENSHAW BLVD TORRANCE, CA 90505	04-04-2013	Medical Office	LOS ANGELES	66,182			Planned
88	<b>SOUTH CENTRAL LOS ANGELES REGIONAL</b> 2500 S WESTERN AVE @ W 25TH ST SAN PEDRO, CA 90731	03-14-2013	Office	LOS ANGELES	59,960			Planned

**Submarket: W San Gabriel Vly**

89	<b>ANGELES NATIONAL FOREST</b> 701 N ANITA AVE @ E NEWMAN AVE ARCADIA, CA 91006	12-13-2012	Office--Owner Occ.	LOS ANGELES	24,000		12/2012	Complete
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OFFICE



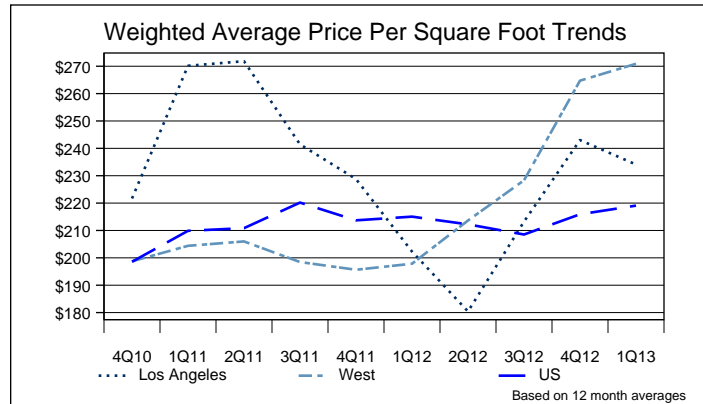
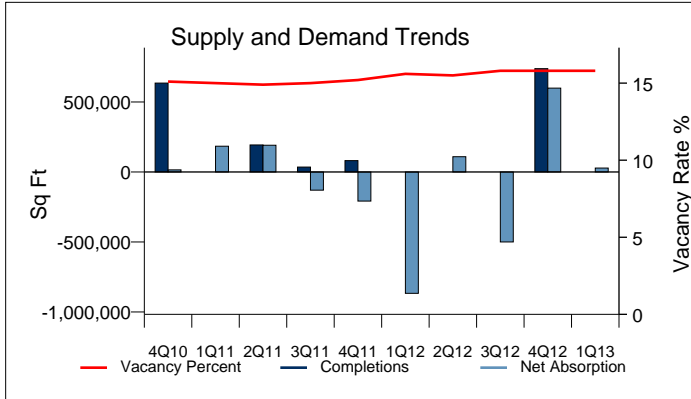
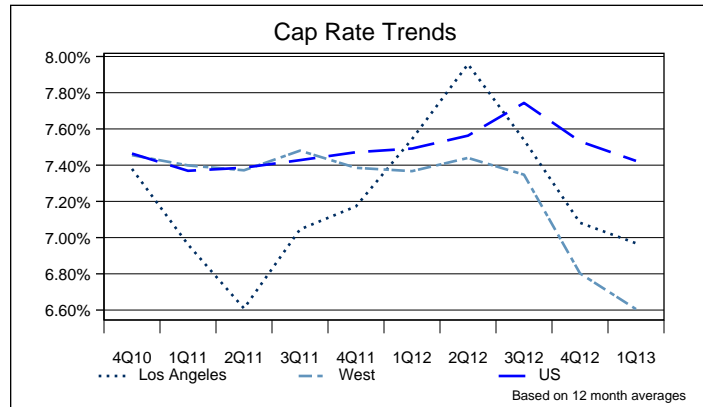
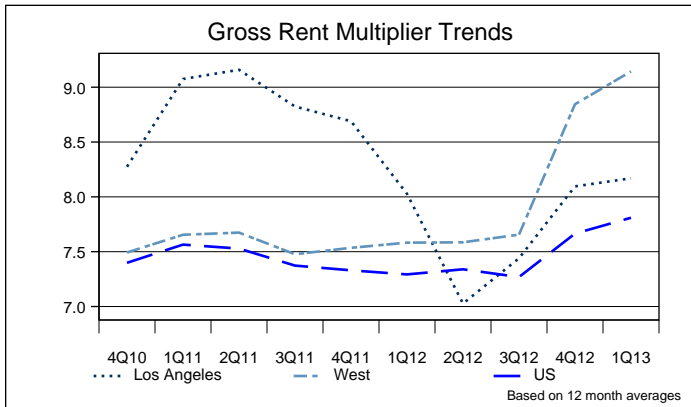
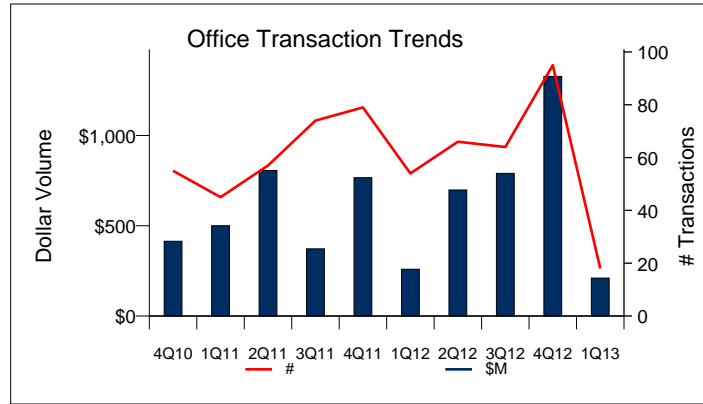
## Sales Trend





	1Q 2013 Metro Statistics			Metro Statistics - 12 Month Rolling		
	Mean	Median	25th Percentile	Mean	Median	75th Percentile
Cap Rate	8.2%	7.0%	5.1%	7.0%	6.5%	7.7%
Size	92,505	10,958	3,989	53,334	8,745	37,641
Sale Price	\$11,692,944	\$2,027,500	\$713,500	\$12,507,521	\$2,150,000	\$6,602,250
Price/SF	\$126	\$200	\$140	\$235	\$231	\$349
Number of Floors	3	2	1	3	2	2
Year Built	1967	1978	1952	1972	1969	1984

	Dollar Volume (M)	Square Feet (TH)	# Transactions
San Francisco	\$601	1,219,499	10
Seattle	\$458	1,516,966	18
San Jose	\$282	895,209	16
Denver	\$219	1,406,268	15
<b>Los Angeles</b>	<b>\$210</b>	<b>1,665,094</b>	<b>18</b>
Orange County	\$114	520,876	6
San Diego	\$91	465,620	9
Phoenix	\$54	695,624	16
San Bernardino/Riverside	\$50	550,849	7
Las Vegas	\$26	254,999	6
Other West	\$45	612,387	23
<b>West Total</b>	<b>\$2,149</b>	<b>9,803,391</b>	<b>144</b>



Key Submarket and Pricing Activity					
	# Transactions	Square Feet (TH)	Dollar Volume (M)	Price Per Sq Ft	
Downtown	15	2,526	\$565	\$224	
Mid-Wilshire	8	1,219	\$522	\$428	
West LA	6	924	\$260	\$282	
Burbank	13	505	\$239	\$473	
SFV - West	15	1,636	\$194	\$119	
Santa Monica	13	425	\$191	\$449	
Beverly Hills	14	524	\$169	\$322	

Based on 12 month averages

For details on individual transactions, please go to the sales comparables section of the Reiss website. [www.reiss.com](http://www.reiss.com)



### Submarkets

1. SFV - West
2. SFV - Central
3. SFV - East
4. Burbank
5. Glendale
6. Pasadena
7. West San Gabriel Valley
8. East County
9. Santa Monica
10. West LA
11. Beverly Hills
12. Hollywood/Sunset
13. Century City
14. Mid-Wilshire/Miracle Mile/Park Mile
15. Downtown
16. Marina/Culver City
17. LAX/El Segundo
18. Mid-Cities
19. South Bay
20. Long Beach
21. Santa Clarita Valley

## Most Recent Transactions

City, State	Submarket	Year Built	Floors	Price Per Sq Ft Range	Sale Date	Reis Sales Comparables Number
1. Los Angeles, CA	West LA	1984	3	\$250 - \$299	Q2 2013	<a href="#">442368</a>
2. Santa Monica, CA	Santa Monica	1982	2	\$450 - \$524	Q1 2013	<a href="#">442561</a>
3. Glendora, CA	East County	1990	2	\$75 - \$99	Q1 2013	<a href="#">444844</a>
4. Woodland Hills, CA	SFV - West	1989	3	\$150 - \$199	Q1 2013	<a href="#">444486</a>
5. Burbank, CA	Burbank	1981	2	\$150 - \$199	Q1 2013	<a href="#">443274</a>
6. Covina, CA	East County	1956	1	\$200 - \$249	Q1 2013	<a href="#">438927</a>
7. Woodland Hills, CA	SFV - West	1984	1	\$250 - \$299	Q1 2013	<a href="#">438966</a>
8. Pasadena, CA	Pasadena	2009	1	\$300 - \$374	Q1 2013	<a href="#">442106</a>
9. Rolling Hills Estates, CA	South Bay	1961	2	\$250 - \$299	Q1 2013	<a href="#">435855</a>
10. Sherman Oaks, CA	SFV - Central	1970	3	n/a	Q1 2013	<a href="#">430517</a>
11. Los Angeles, CA	Marina/Culver City	1940	2	\$50 - \$74	Q1 2013	<a href="#">435001</a>
12. Beverly Hills, CA	Beverly Hills	1974	8	\$250 - \$299	Q1 2013	<a href="#">432318</a>
13. South Gate, CA	Mid-Cities	1946	1	\$525 - \$599	Q1 2013	<a href="#">433388</a>
14. Burbank, CA	Burbank	1956	1	\$150 - \$199	Q1 2013	<a href="#">443454</a>
15. San Dimas, CA	East County	1983	1	\$200 - \$249	Q1 2013	<a href="#">436351</a>
16. City Of Industry, CA	East County	1987	1	\$100 - \$124	Q1 2013	<a href="#">439427</a>
17. Culver City, CA	Marina/Culver City	1985	4	\$200 - \$249	Q1 2013	<a href="#">437147</a>
18. Agoura Hills, CA	SFV - West	2008	2	\$125 - \$149	Q1 2013	<a href="#">437151</a>
19. Claremont, CA	East County	2008	2	\$375 - \$449	Q1 2013	<a href="#">430560</a>
20. West Hills, CA	SFV - West	1959	3	\$75 - \$99	Q1 2013	<a href="#">430576</a>

For details on the transactions listed above, click on the Sales Comparables number link. For historical transactions or transactions in another Reis market, please go to the Sales Comparables section of the Reis website. [www.Reis.com](http://www.Reis.com)

## Property Location and Physical Characteristics

<b>Property Name</b>	Bank of America Building	<b>Property Type</b>	Multi-Tenant
<b>Address</b>	9440 Santa Monica Blvd	<b>Building Area (SF)</b>	87,596 <sup>NRA</sup>
<b>City</b>	Beverly Hills	<b>No. of Bldgs./Floors</b>	1 / 8
<b>State/ZIP/County</b>	CA / 90210 / Los Angeles	<b>Year Built/Renovated</b>	1974 / 2001
<b>Metro (Submarket)</b>	Los Angeles (Beverly Hills)	<b>Asset Class</b>	A

Comments

## Sale Details and Analysis

<b>Sale Date</b>	Feb 2013	<b>Reis Cap Rate Analysis Proforma</b>	
<b>Sale Price</b>	\$23,000,000	<i>All per square foot figures are on an annual basis</i>	
<b>Sale Price PSF</b>	\$263 <sup>NRA</sup>	<b>Rentable Area Assumption</b>	--
<b>Vacancy at Sale</b>		<b>Potential Rent Revenue</b>	--
		<b>Vacancy Loss/Rate</b>	--
<b>Seller</b>	1. Real Estate Capital Partners / (212) 221-0863 / 114 W 47th St, New York, NY 10036	<b>Effective Rent Revenue</b>	--
		<b>Expense Reimbursements</b>	--
<b>Buyer</b>	1. Maxxam Enterprises / (310) 246-6500 / 9595 Wilshire Blvd, Ste 501, Beverly Hills CA 90212	<b>Free Rent Concessions</b>	--
		<b>Credit Loss</b>	--
		<b>Additional Income</b>	--
<b>Comments</b>		<b>Effective Gross Revenue</b>	--
		<b>Operating Expenses</b>	--
		<b>Capital Reserve</b>	--
		<b>Net Operating Income</b>	--
		<b>Estimated Going-in Cap Rate</b>	--
		<b>12-Month Rolling Metro Cap Rate</b>	7.2% (Q1 2013)
		<b>Reported Cap Rate, This Sale</b>	None

## Additional Details When Available

<b>Seller's Broker</b>		<b>Buyer's Broker</b>	
<b>Other Broker</b>	1. Madison Partners, Los Angeles, CA, (310) 820-5959	<b>Lot Size</b>	
<b>Interest Purchased</b>		<b>Time on Market</b>	
<b>Key Tenants</b>	Bank of America		
<b>Parcel Number</b>			
<b>Deed Reference</b>			
<b>Financing Details</b>	Buyer obtained \$18.5 million of financing for the acquisition from Jefferies LoanCore.		
<b>Other:</b>	Previously sold in December, 2004; see Reis Sales Comparables ID 104285.		

## Property Location and Physical Characteristics

<b>Property Name</b>		<b>Property Type</b>	Medical Office
<b>Address</b>	1601 Monte Vista Ave	<b>Building Area (SF)</b>	50,274
<b>City</b>	Claremont	<b>No. of Bldgs./Floors</b>	1 / 2
<b>State/ZIP/County</b>	CA / 91711 / Los Angeles	<b>Year Built/Renovated</b>	2008 / --
<b>Metro (Submarket)</b>	Los Angeles (East County)	<b>Asset Class</b>	BC

Comments

## Sale Details and Analysis

<b>Sale Date</b>	17 Jan 2013 <sup>Rec</sup>	<b>Reis Cap Rate Analysis Proforma</b>	
<b>Sale Price</b>	\$19,800,000	<i>All per square foot figures are on an annual basis</i>	
<b>Sale Price PSF</b>	\$394	<b>Rentable Area Assumption</b>	50,274 SF
<b>Vacancy at Sale</b>	11.0% (excludes sublease)	<b>Potential Rent Revenue</b>	<b>\$1,303,996</b>
<b>Seller</b>	1. StoneCreek Company / (949) 709-8080 / 30212 Tomas, Rancho Santa Margarita, CA 92688	<b>Vacancy Loss/Rate</b>	(\$128,175) [ 9.9%] <i>\$25.75 Market Rent x 4977 SF</i>
<b>Buyer</b>	1. CNL Healthcare Properties / (407) 650-1000 / 450 S Orange Ave, Orlando, FL 32801 2. Montecito Medical Operating Company / (805) 403 8862 / Corona, CA	<b>Effective Rent Revenue</b>	<b>\$1,175,821</b> <i>\$25.96 In Place Rent x 45297 SF</i>
<b>Comments</b>		<b>Expense Reimbursements</b>	\$0 [\$0.00 PSF] <i>(\$7.67 PSF Exp. - Avg. Stop @ \$7.67) x 45297 SF</i>
		<b>Free Rent Concessions</b>	(\$11,837) [\$0.24 PSF]
		<b>Credit Loss</b>	(\$13,040) [1.0%]
		<b>Additional Income</b>	\$0 [\$0.00 PSF]
		<b>Effective Gross Revenue</b>	<b>\$1,150,944</b>
		<b>Operating Expenses</b>	(\$385,769) [\$7.67 PSF]
		<b>Capital Reserve</b>	(\$5,027) [\$0.10 PSF]
		<b>Net Operating Income</b>	<b>\$760,148</b>
		<b>Estimated Going-in Cap Rate</b>	3.8%
		<b>12-Month Rolling Metro Cap Rate</b>	7.2% (Q1 2013)
		<b>Reported Cap Rate, This Sale</b>	None

## Additional Details When Available

<b>Seller's Broker</b>		<b>Buyer's Broker</b>	
<b>Other Broker</b>		<b>Lot Size</b>	164,220 SF / 3.77 Acres
<b>Interest Purchased</b>		<b>Time on Market</b>	
<b>Key Tenants</b>			
<b>Parcel Number</b>	8307-021-004		
<b>Deed Reference</b>			
<b>Financing Details</b>			
<b>Other:</b>			

## Property Location and Physical Characteristics

<b>Property Name</b>	Corporate Pointe at West Hills	<b>Property Type</b>	Multi-Tenant
<b>Address</b>	8401 Fallbrook Ave	<b>Building Area (SF)</b>	987,428
<b>City</b>	West Hills	<b>No. of Bldgs./Floors</b>	10 / 3
<b>State/ZIP/County</b>	CA / 91304 / Los Angeles	<b>Year Built/Renovated</b>	1959 / 2007
<b>Metro (Submarket)</b>	Los Angeles (SFV - West)	<b>Asset Class</b>	BC
<b>Comments</b>			

## Sale Details and Analysis

<b>Sale Date</b>	17 Jan 2013 <sup>Rec</sup>	<b>Reis Cap Rate Analysis Proforma</b> <i>All per square foot figures are on an annual basis</i>
<b>Sale Price</b>	\$92,000,000 <sup>APX</sup>	
<b>Sale Price PSF</b>	\$93	
<b>Vacancy at Sale</b>		
<b>Seller</b>	1. Bentall Kennedy / (206) 623-4739 / 1215 Fourth Ave, Seattle, WA 98161	
<b>Buyer</b>	1. Brookfield Opportunity Fund / (416) 363-9491 / 181 Bay St, Toronto, ON M5J 2T3	
<b>Comments</b>		
		<b>12-Month Rolling Metro Cap Rate</b> 7.2% (Q1 2013) <b>Reported Cap Rate, This Sale</b> None

### Additional Details When Available

<b>Seller's Broker</b>	Tom Bohlinger, CBRE, Los Angeles, CA, (213) 613-3305	<b>Buyer's Broker</b>	
<b>Other Broker</b>		<b>Lot Size</b>	
<b>Interest Purchased</b>		<b>Time on Market</b>	
<b>Key Tenants</b>			
<b>Parcel Number</b>	2005-002-009		
<b>Deed Reference</b>			
<b>Financing Details</b>			
<b>Other:</b>			