



Office Market Report

Los Angeles Market

PREPARED BY



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OFFICE MARKET REPORT

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12 Mo Deliveries in SF

1.5 M

12 Mo Net Absorption in SF

2 M

Vacancy Rate

10.0%

12 Mo Rent Growth

2.9%

The Los Angeles office market remained stable in 2018, though rent growth continues to slow. Absorption accelerated after a weak start to the year, helping keep vacancies largely unchanged over the course of the year. Annual rent gains were less than half of the cyclical highs posted in 2015, though the rate of growth in Los Angeles continues to outpace the nation as a whole.

New construction proceeded at a measured pace earlier in the recovery, but the peak of this cycle's development wave has arrived. Roughly 2 million SF of new office product delivered in 2018, much of it speculative, and almost 5 million SF more is expected to deliver before the end of the decade. Vacancies may rise slightly in the near term as a result of these supply pressures, but Los Angeles' massive, diverse economy can generate

sufficient demand to keep pace with development.

The Westside has captured most of the leasing momentum of late, especially in properties catering to the entertainment, tech, and sundry creative industries. Conversions and redevelopment are increasing in response, as aging office and industrial product is repurposed into modern creative office space. Office properties traded at around \$350/SF on average in 2018, a figure that has trended downward somewhat since peaking near \$400/SF in 2016. After more than \$10 billion in office sales were recorded in Los Angeles County in both 2016 and 2017, overall volume was down noticeably last year. Roughly \$6.5 billion in trades took place in 2018, well below recent record-setting totals.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Gross Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	157,030,148	13.4%	\$45.87	18.2%	(123,323)	0	5,977,205
3 Star	152,123,883	9.2%	\$37.23	11.9%	(103,258)	0	537,210
1 & 2 Star	108,446,937	6.0%	\$32.27	8.1%	(71,271)	0	0
Market	417,600,968	10.0%	\$39.28	13.3%	(297,852)	0	6,514,415

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.3%	10.8%	10.0%	13.0%	1996 Q2	7.0%	2007 Q3
Net Absorption SF	2 M	1,887,455	1,633,964	12,706,106	2000 Q1	(8,063,134)	2009 Q2
Deliveries SF	1.5 M	2,320,849	2,793,861	4,688,296	2000 Q4	557,166	1997 Q1
Rent Growth	2.9%	3.5%	0.9%	14.7%	2007 Q3	-11.1%	2009 Q3
Sales Volume	\$7.4 B	\$5.1B	N/A	\$11.7B	2017 Q3	\$809.0M	2009 Q4

The office vacancy rate has largely held stable as construction accelerates, and remains slightly below LA's historical average. Net absorption picked up over the second half of 2018 after a sluggish start to the year, helping to mitigate supply pressures. Given the relatively heavy supply pipeline in coming years, which includes an increasing amount of speculative development, the market will need to maintain the absorption momentum of the past few years.

West LA has been the star of the show this cycle, with the region's tech and entertainment tenants absorbing disproportionate gains. The submarkets with the strongest demand cater to the entertainment, tech, wealth management, and health-care industries in West LA. One of the major drivers of office demand this cycle has been a push by tech titans like Facebook, Google, Amazon, Apple, AT&T/HBO, and Netflix to develop original content and programming for distribution on their networks. These giants of the US economy are expanding their footprints in LA as they seek to harness the expertise of the metro's entertainment industry. Demand growth has spilled over from the core submarkets of Santa Monica, Beverly Hills, and Hollywood, and into burgeoning "Silicon Beach" areas like Marina Del Rey/Venice and Culver City. Amazon Entertainment and Apple both recently inked deals for more than 250,000 SF in Culver City, Netflix has gobbled up more than 1 million SF of office and studio space in Hollywood in recent years, and Google announced a lease for more than 550,000 SF at the soon-to-be-converted Westside Pavilion Shopping Center shortly after taking occupancy of more than 300,000 SF at the converted Spruce Goose Hangar in Playa Vista.

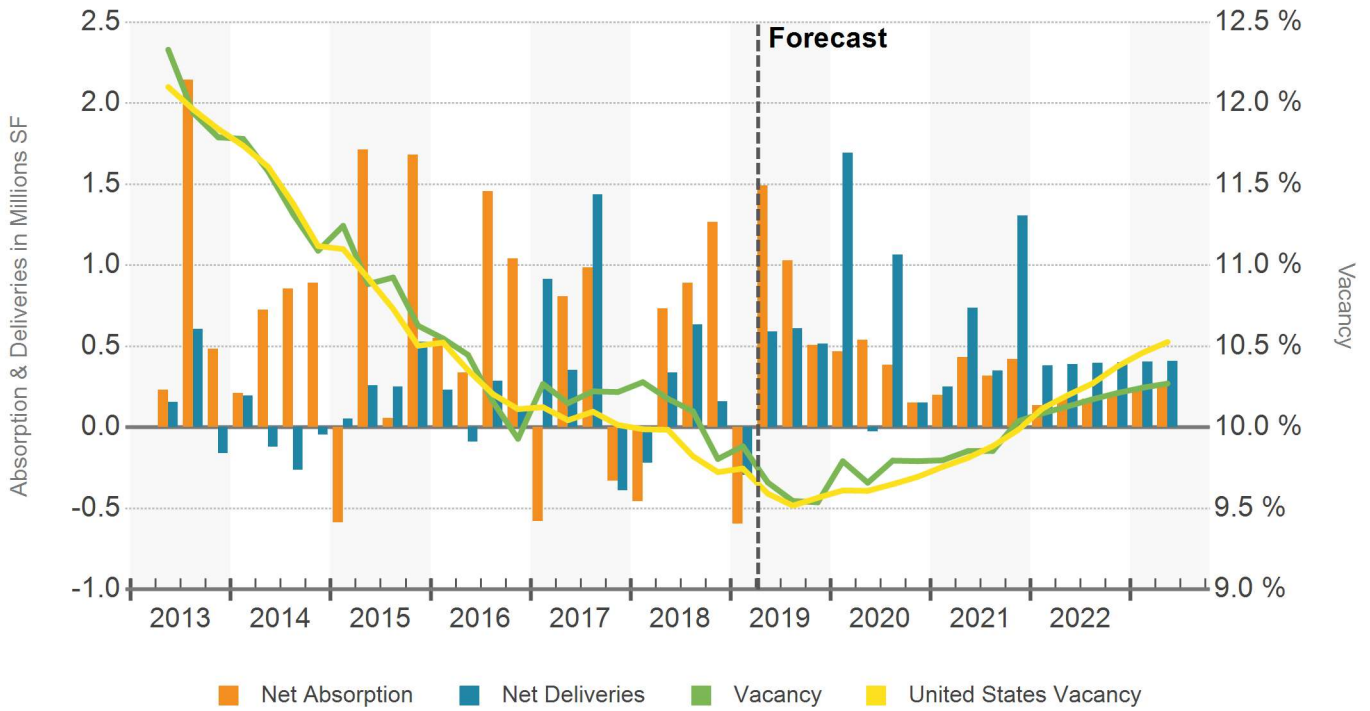
Downtown LA is also benefiting from this momentum, especially in the Arts District, with a wealth of old warehouse product is ripe for creative office conversion.

Indeed, Warner Music's 257,000 SF lease of the retrofitted former Ford Factory in the Arts District was one of the largest of this cycle. Streaming music company Spotify and online coupon provider Honey followed suit in 2018 with 100,000+ SF leases of their own. Recent evidence shows this phenomenon may be extending even further south into the South Bay and submarkets surrounding LAX. Those submarkets posted some of LA's strongest rental gains in recent quarters.

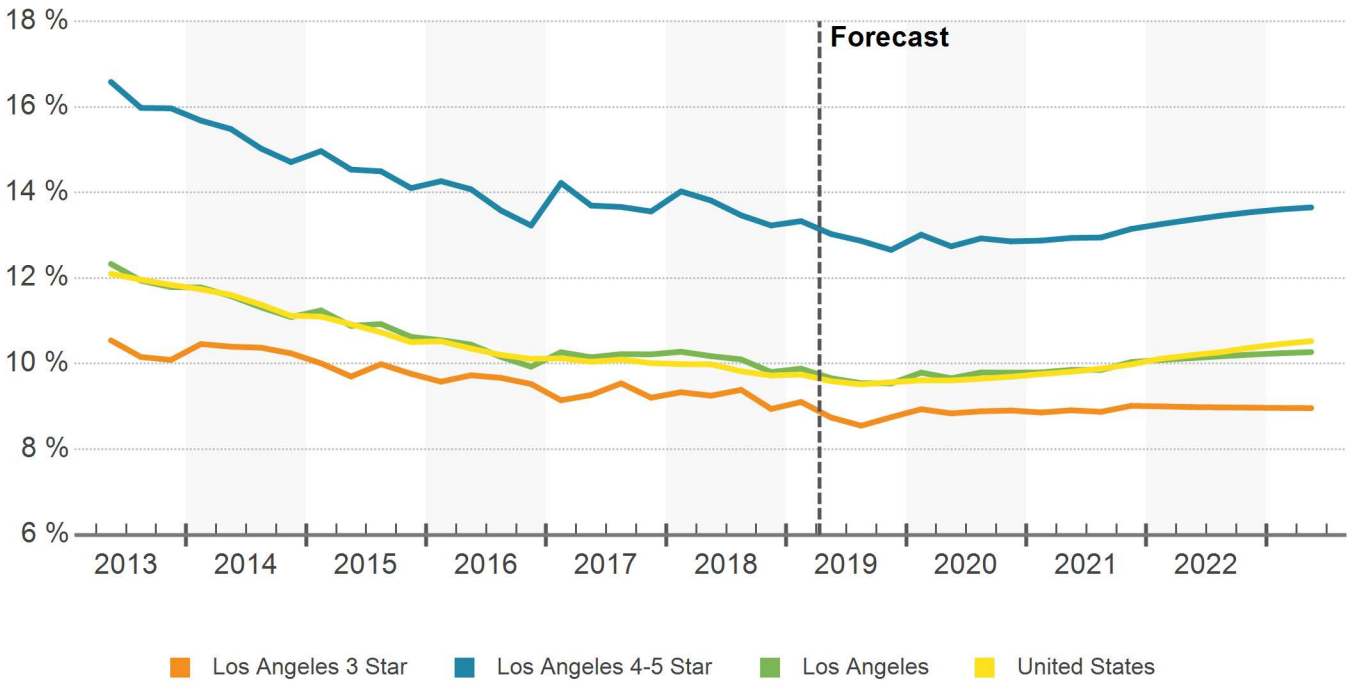
LA's main office demand driver is the media & entertainment industry. Employment in these fields is typically more volatile than in traditional office-using industries, as jobs are often tied to specific projects and work is not guaranteed once that project wraps up. This dynamic drives a persistent need flexible, collaborative space, and co-working companies are expanding rapidly in Los Angeles to meet that need. WeWork alone has leased more than 1 million SF of office space in LA since the start of 2015, and competitors like Industrious, Regus/Spaces, Convene and others have also been busy. In some cases, these companies are entering into agreements to provide property management services and/or co-tenant amenities as well, providing an appealing value-proposition for office owners.

Plenty of high-quality space still sits on the sidelines. Unlike in most U.S. office markets, LA's 4 & 5 Star segment is not leading the recovery. Vacancies in this inventory slice remain elevated, and an uptick in speculative development in coming quarters will put further upward pressure on the top of the market. The entertainment and tech tenants that help drive the office recovery favor unconventional creative office space over more traditional assets like office towers. Vacant tower space is plentiful in submarkets like Greater Downtown and the Miracle Mile. This overhang of space may limit construction in the near term in some employment hubs.

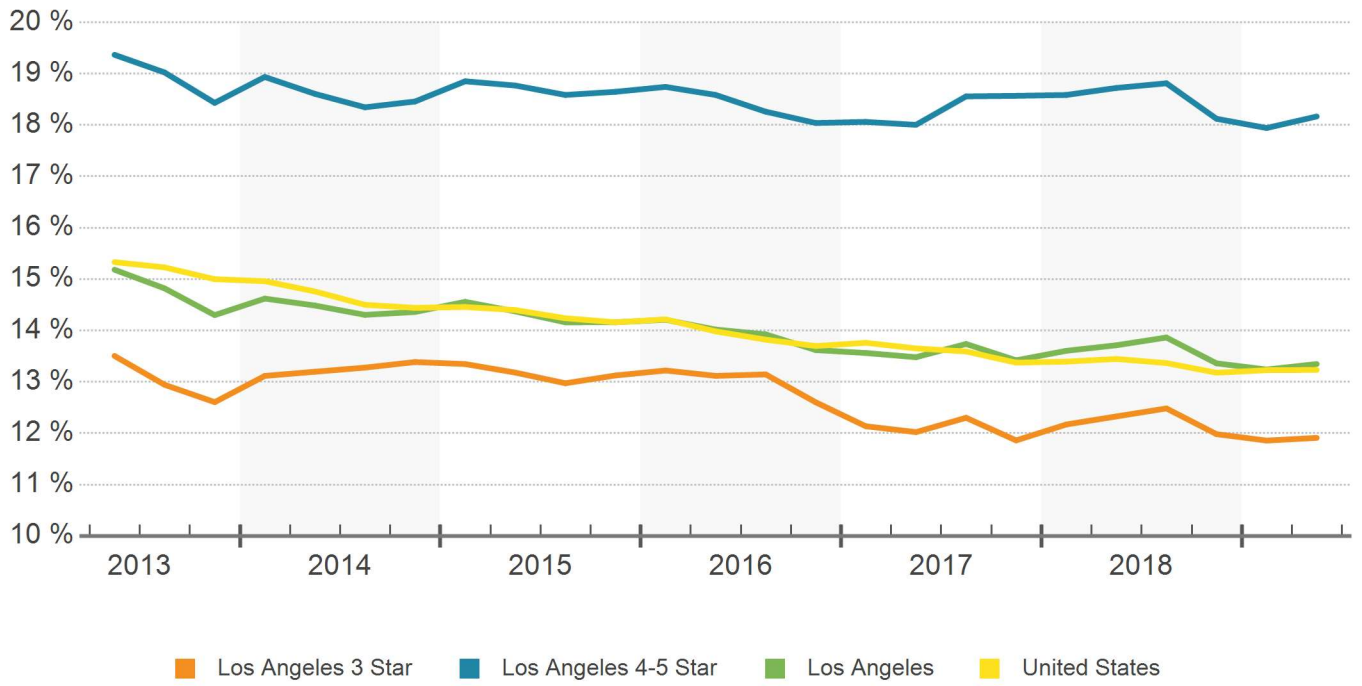
NET ABSORPTION, NET DELIVERIES & VACANCY



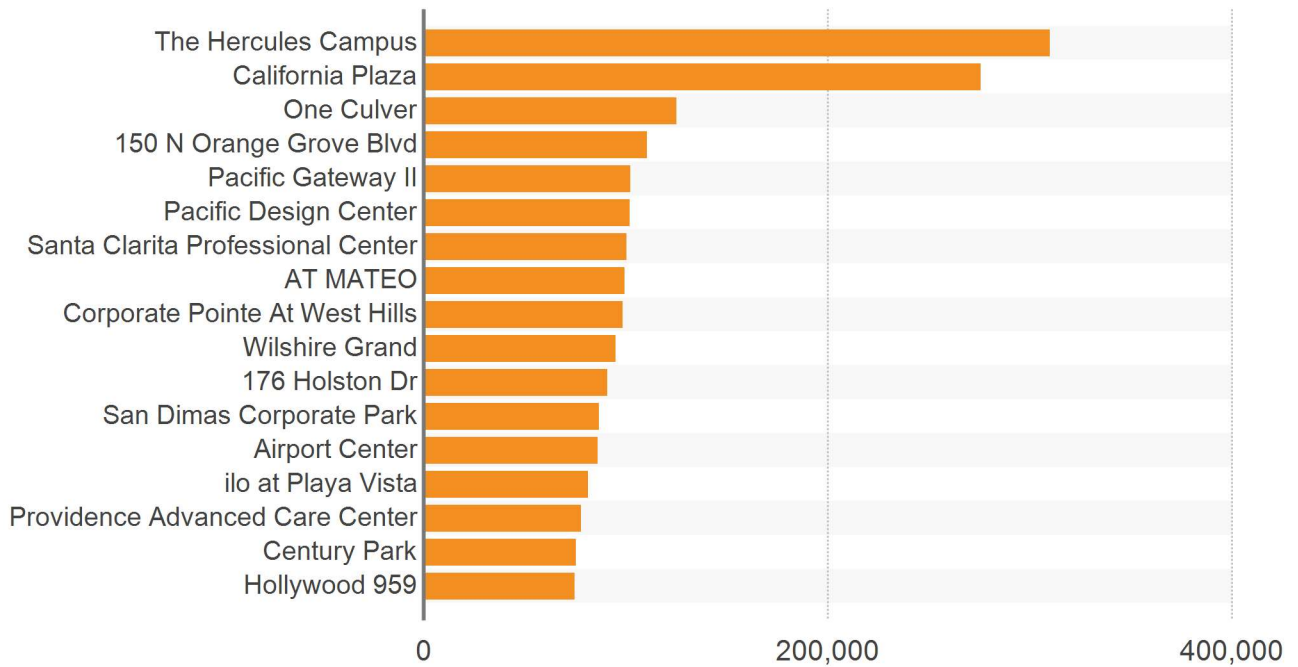
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
The Hercules Campus	Marina Del Rey/Venice	310,000	0	0	0	0	0	310,000
California Plaza	Downtown Los Angeles	1,332,773	212,969	102,912	0	0	0	275,652
One Culver	Culver City	363,548	115,933	0	0	0	0	125,065
150 N Orange Grove Blvd	Pasadena/Arcadia/M...	115,000	0	0	0	0	0	110,456
Pacific Gateway II	190th Street Corridor	237,145	72,310	4,871	0	0	0	102,374
Pacific Design Center	West Hollywood	450,000	104,590	10,000	0	0	0	102,008
Santa Clarita Professional Center	Santa Clarita Valley	102,712	0	0	0	0	0	100,327
AT MATEO	Downtown Los Angeles	185,554	39,233	109,706	0	0	0	99,360
Corporate Pointe At West Hills	Western SFV	98,397	0	0	0	0	0	98,397
Wilshire Grand	Downtown Los Angeles	372,775	167,942	(916)	0	0	0	95,001
176 Holston Dr	Antelope Valley	101,265	0	0	0	0	0	90,934
San Dimas Corporate Park	Eastern SGV	98,505	0	0	0	0	0	86,597
Airport Center	LAX	306,243	30,284	(1,706)	0	0	0	86,001
ilo at Playa Vista	Marina Del Rey/Venice	193,806	0	0	0	0	0	81,395
Providence Advanced Care Center	Beach Cities/Palos V...	92,625	14,907	0	(2,785)	0	0	77,718
Century Park	Century City	1,210,730	87,490	(17,826)	62,776	0	0	75,438
Hollywood 959	Hollywood/Silver Lake	138,000	14,580	1,256	0	0	0	74,556
Subtotal Primary Competitors		5,709,078	860,238	208,297	59,991	0	0	1,991,279
Remaining Los Angeles Market		411,891,890	40,705,650	(801,660)	(357,843)	0	0	(81,196)
Total Los Angeles Market		417,600,968	41,565,888	(593,363)	(297,852)	0	0	1,910,083

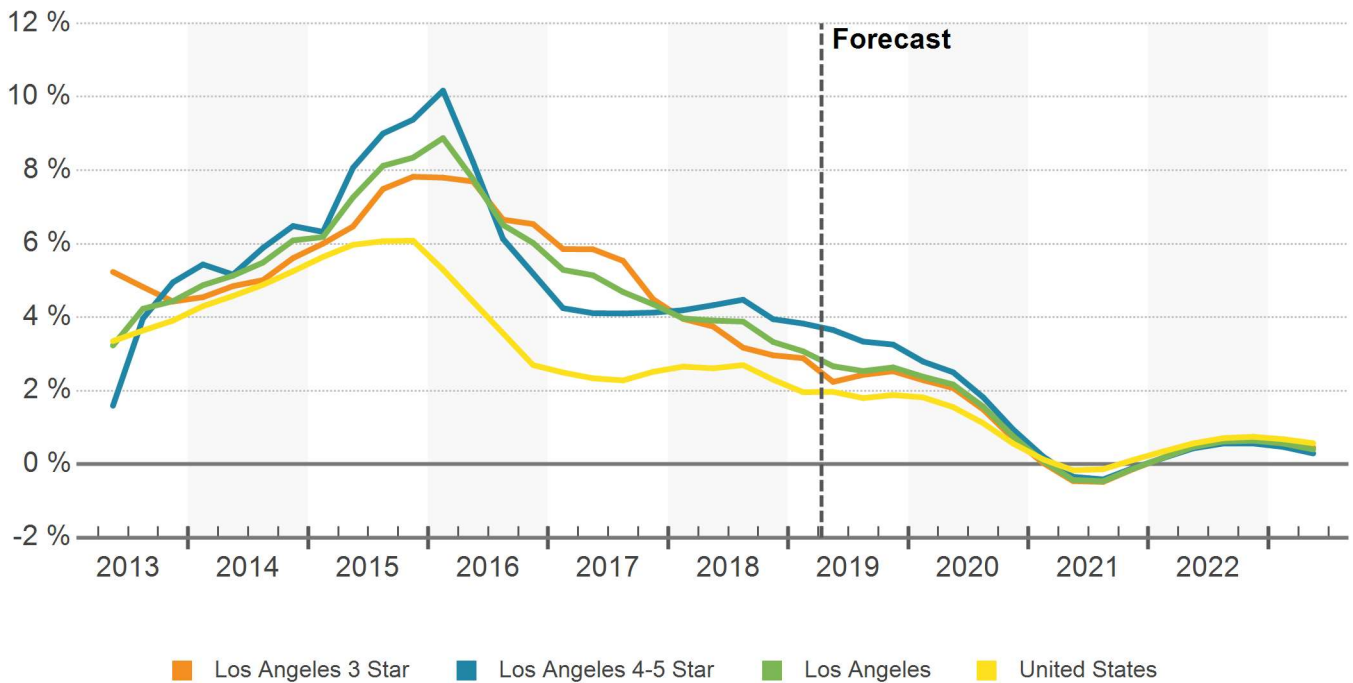
Rent growth has slowed significantly since the cyclical highs of 2015. Given the large amount of new product currently under development, supply pressures could continue to weigh on rent growth in coming years.

Trendy Westside submarkets captured the lion's share of growth earlier this cycle, and in places like Beverly Hills, Marina Del Rey/Venice, and Santa Monica, rents exceed their 2010 nadir by more than 30%.

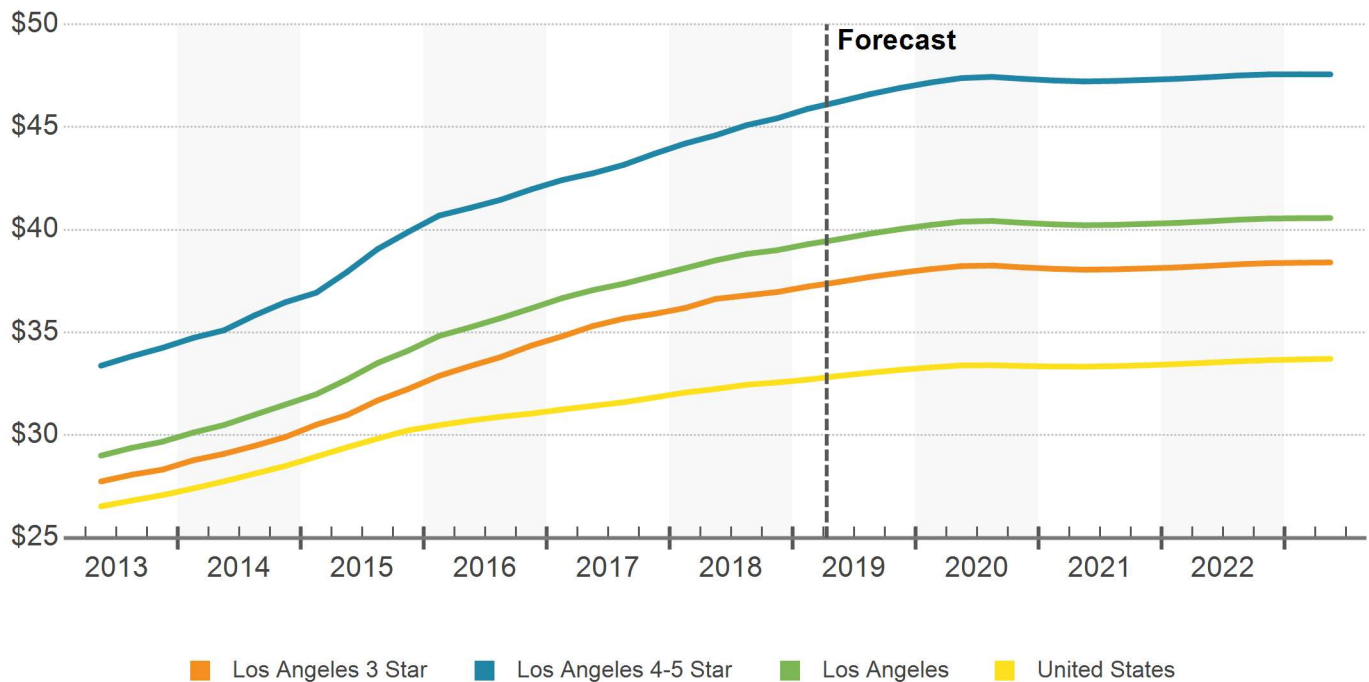
That dynamic has shifted as the cycle matured though. There is evidence that Westside submarkets may be approaching an affordability plateau, as rent gains have declined significantly in LA's premiere office nodes where

average rents are north of \$50/SF. South Bay submarkets on the southern periphery of Silicon Beach appear to be the main beneficiaries. These areas offer proximity to the tech workers concentrated in and around Silicon Beach, with rents that are on average \$15-20/SF cheaper. The South Bay is not the automotive research & development hub it once was before Toyota and other manufacturers departed for more business-friendly climates. However, there is still a dense concentration of skilled, well-educated residents living in the area and its abundance of aging industrial product is ripe for creative office conversion.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FOOT



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Los Angeles	\$0.76	\$1.53	\$1.03	\$4.01	\$7.21	\$14.54
Antelope Valley	\$0.56	\$1.19	\$0.78	\$4.03	\$5.05	\$11.61
Burbank/Glendale/Pasadena	\$0.97	\$1.54	\$1.00	\$4.47	\$5.52	\$13.50
Downtown Los Angeles	\$0.97	\$1.84	\$0.67	\$4.01	\$11.63	\$19.12
Mid-Cities	\$0.55	\$0.79	\$0.46	\$3.16	\$4.33	\$9.29
Mid-Wilshire	\$0.63	\$1.62	\$0.92	\$3.50	\$7.97	\$14.64
San Fernando Valley	\$0.68	\$1.38	\$0.98	\$2.81	\$5.98	\$11.83
San Gabriel Valley	\$0.83	\$1.65	\$0.92	\$2.39	\$4.86	\$10.65
Santa Clarita Valley	\$0.69	\$1.22	\$0.69	\$3.94	\$4.01	\$10.55
South Bay	\$0.62	\$1.28	\$0.86	\$3.33	\$6.18	\$12.27
Southeast Los Angeles	\$0.71	\$1.75	\$0.91	\$3.38	\$5.71	\$12.46
Ventura South	\$0.89	\$1.27	\$0.78	\$3.34	\$5.42	\$11.70
West Los Angeles	\$0.75	\$1.60	\$1.49	\$5.11	\$7.94	\$16.89

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Los Angeles	\$0.64	\$1.26	\$0.55	\$3.25	\$4.01	\$9.71
Antelope Valley	\$0.51	\$0.88	\$0.64	\$2.76	\$2.80	\$7.59
Burbank/Glendale/Pasadena	\$0.69	\$1.36	\$0.51	\$2.93	\$4.07	\$9.56
Downtown Los Angeles	\$0.90	\$1.71	\$0.55	\$2.15	\$7.84	\$13.15
East LA County Outlying	\$0.74	\$1.58	\$0.55	\$2.20	\$3.43	\$8.50
Mid-Cities	\$0.53	\$0.79	\$0.39	\$2.65	\$2.91	\$7.27
Mid-Wilshire	\$0.59	\$1.51	\$0.62	\$3.33	\$4.45	\$10.50
NE LA County Outlying	\$0.64	\$1.25	\$0.60	\$1.37	\$4.28	\$8.14
NW LA County Outlying	\$0.54	\$0.93	\$0.68	\$1.41	\$2.93	\$6.49
San Fernando Valley	\$0.58	\$0.98	\$0.78	\$3.01	\$3.68	\$9.03
San Gabriel Valley	\$0.74	\$1.55	\$0.52	\$3.23	\$2.40	\$8.44
Santa Clarita Valley	\$0.59	\$0.76	\$0.47	\$3.35	\$2.15	\$7.32
South Bay	\$0.56	\$1.16	\$0.35	\$3.15	\$4.12	\$9.34
Southeast Los Angeles	\$0.63	\$1.46	\$0.40	\$2.62	\$3.30	\$8.41
Ventura South	\$0.60	\$0.93	\$0.64	\$2.85	\$2.65	\$7.67
West Los Angeles	\$0.68	\$1.24	\$0.68	\$4.37	\$5.15	\$12.12

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Los Angeles	\$0.58	\$0.97	\$0.38	\$3.20	\$2.21	\$7.34
Antelope Valley	\$0.50	\$0.70	\$0.16	\$2.36	\$2.36	\$6.08
Burbank/Glendale/Pasadena	\$0.67	\$1.16	\$0.45	\$3.14	\$1.69	\$7.11
Downtown Los Angeles	\$0.53	\$0.74	\$0.35	\$2.26	\$5.44	\$9.32
East LA County Outlying	\$0.67	\$1.12	\$0.36	\$1.53	\$1.93	\$5.61
Mid-Cities	\$0.49	\$0.68	\$0.27	\$2.69	\$2.75	\$6.88
Mid-Wilshire	\$0.53	\$1.17	\$0.50	\$3.64	\$2.56	\$8.40
NE LA County Outlying	\$0.71	\$1.21	\$0.48	\$0.97	\$1.73	\$5.10
San Fernando Valley	\$0.45	\$0.67	\$0.34	\$2.81	\$1.94	\$6.21
San Gabriel Valley	\$0.69	\$1.05	\$0.38	\$2.98	\$1.61	\$6.71
Santa Clarita Valley	\$0.60	\$0.71	\$0.32	\$4.02	\$2.11	\$7.76
South Bay	\$0.53	\$0.80	\$0.18	\$2.84	\$2.06	\$6.41
Southeast Los Angeles	\$0.56	\$0.68	\$0.18	\$2.39	\$2.70	\$6.51
Ventura South	\$0.55	\$0.81	\$0.50	\$3.42	\$2.31	\$7.59
West Los Angeles	\$0.57	\$1.12	\$0.55	\$4.39	\$2.71	\$9.34

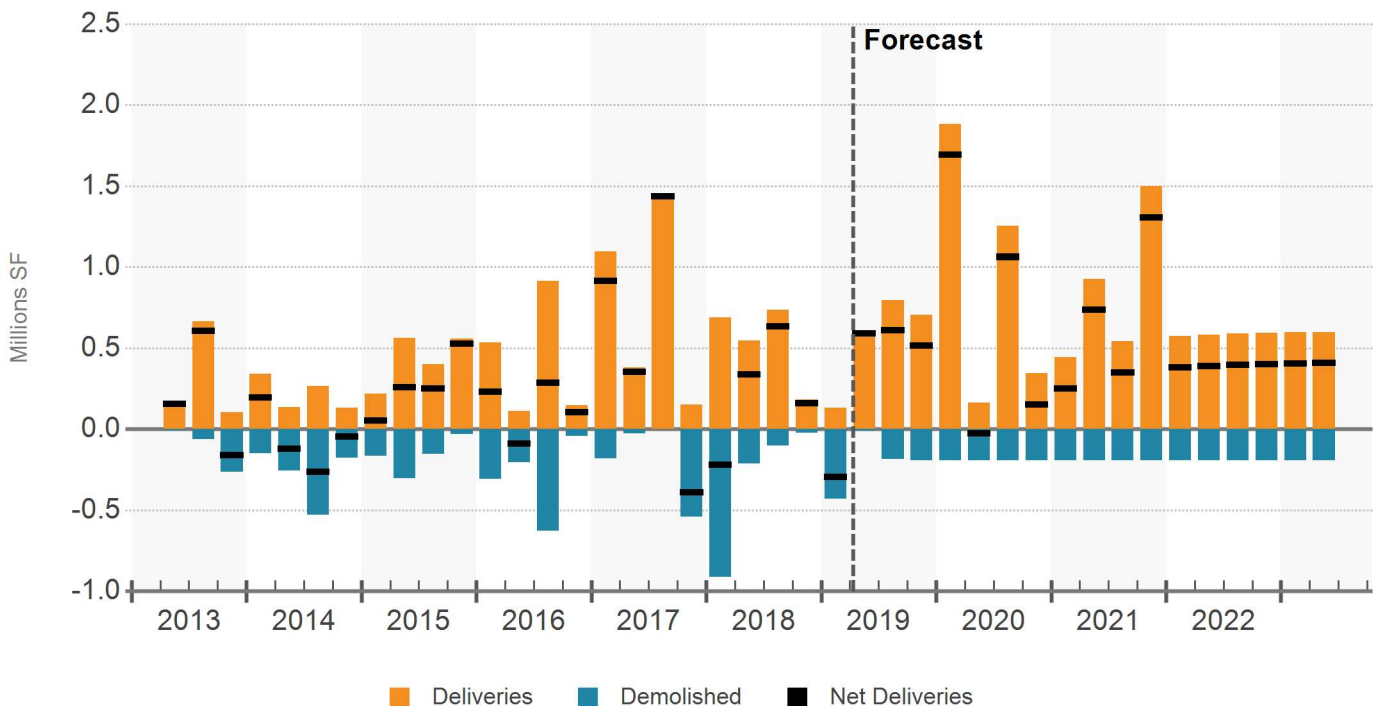
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Ground-up speculative development is increasing, while conversions remain a major source of new office supply. In particular, Downtown, West LA, and Hollywood are hotbeds of conversions this cycle. Downtown, Waterbridge Capital is transforming the Broadway Trade Center into almost 600,000 SF of office space, while Shorenstein's converted Ford manufacturing plant conversion landed Warner Music Group in LA's largest office lease of 2016. In West LA and the South Bay, office conversions continue to gain momentum, highlighted by Google's lease and conversion of the airplane hangar where Howard Hughes built the Spruce Goose, and their recent commitment to lease close to 600,000 SF of creative office space following the conversion of the Westside Pavilion Shopping Center. In Hollywood, Hudson Pacific Properties is finding great success converting aging recording studio lots to modern creative office/production facilities, having inked Netflix to deals totaling more than 1 million SF of office and studio space in the past few years. Hackman Capital Partners is finding success with a similar strategy. After purchasing the historic Culver Studios, Hackman

announced plans to more than double the existing office and production square footage at the property and inked Amazon to deals totaling more than 550,000 SF. Hackman acquired CBS's Television City studio lot near the end of 2018, and will likely embark on a similar redevelopment plan.

Creative office construction and conversion continues to drive development in LA. Creative office is a nebulous term, but it generally involves open layouts, high ceilings, unconventional amenities, and a work environment that cannot be easily duplicated in existing high-rise and mid-rise buildings. Tenants throughout the metro are demonstrating an increasing affinity for creative product at the expense of the metro's more traditional stock. That helps explain the contradictory nature of office construction in submarkets with high vacancy, like Downtown and Culver City. The new office product being developed in these areas differs significantly from the aging buildings that represent the bulk of inventory, and should help draw the kind of tenants that have typically favored LA's premiere Westside locales.

DELIVERIES & DEMOLITIONS



Under Construction Properties

Los Angeles Office

Properties

46

Square Feet

6,514,415

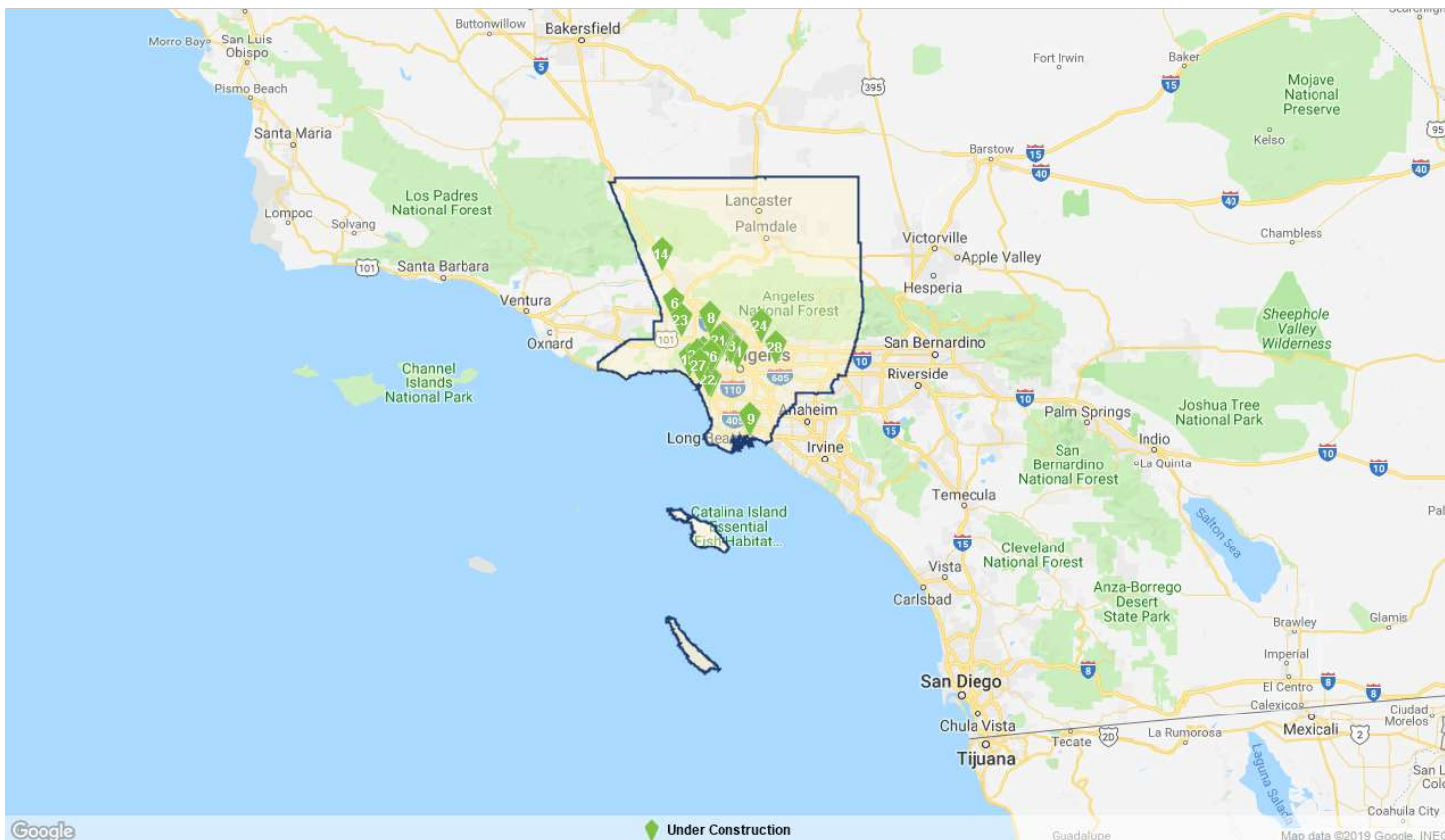
Percent of Inventory

1.6%

Released

57.1%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Broadway Trade Center 801 S Broadway	★★★★☆	936,101	10	Sep-2016	Feb-2020	Waterbridge Capital, LLC Waterbridge Capital, LLC
2 LA County Department... 550 S Vermont Ave	★★★★☆	468,000	20	Oct-2018	Oct-2021	Trammell Crow Company L A County Capital Asset Leasing...
3 Vermont Corridor Count... 510 S Vermont Ave	★★★★★	468,000	21	Sep-2018	Oct-2021	Trammell Crow Company County of Los Angeles
4 EPIC 5901 W Sunset Blvd	★★★★★	327,914	13	Oct-2017	Jan-2020	Hudson Pacific Properties, Inc. Hudson Pacific Properties, Inc.
5 City Hall 441 W Ocean Blvd	★★★★☆	270,000	11	Jan-2017	Jun-2019	Clark Construction The Redevelopment Agency of th...
6 24 20000 Prairie St	★★★★☆	255,815	2	Dec-2017	Jun-2020	- MGA Entertainment, Inc.
7 Ivy Station 8830-8840 National Blvd	★★★★★	241,205	5	Jan-2018	Apr-2021	Lowe Enterprises Investment Ma... Low Enterprises Investment Ma...



Under Construction Properties

Los Angeles Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 NOHO West Office Portion 6150 Laurel Canyon Blvd	★★★★★	240,000	4	Apr-2017	Oct-2019	Merlone Geier Management, Inc. Goldstein Planting Investments
9 Port 441 W Ocean Blvd	★★★★☆	237,000	11	Jan-2017	May-2019	Clark Construction City of Long Beach
10 10730 W Pico Blvd	★★★★☆	230,208	3	Jan-2019	Jun-2020	- -
11 9336 Washington Blvd	★★★★☆	200,000	1	Dec-2018	Jul-2020	- Hackman Capital Partners
12 Academy South 1355 Vine St	★★★★☆	183,129	5	Jan-2018	Jun-2020	Kilroy Realty Corporation Kilroy Realty Corporation
13 (W)rapper 5790 W Jefferson Blvd	★★★☆☆	180,550	16	Sep-2018	Mar-2021	- Samitaur Constructs
14 27918 Franklin Pky	★★★★☆	170,000	3	Oct-2016	Jul-2019	NewGround International Logix Federal Credit Union
15 Academy North 1375 Vine St	★★★★☆	159,236	6	Jan-2018	Jun-2020	Kilroy Realty Corporation Kilroy Realty Corporation
16 Harlow 1001 N Seward St	★★★★☆	128,725	-	May-2018	May-2020	Hudson Pacific Properties, Inc. -
17 8777 Washington 8777 Washington Blvd	★★★★☆	128,000	4	Aug-2018	Jan-2020	Lincoln Property Company Clarion Partners
18 Culver Steps 9300 Culver Blvd	★★★★☆	116,356	4	Sep-2017	May-2019	Combined Properties, Inc. -
19 The Mark 302 302 Colorado Ave	★★★★★	110,800	3	Sep-2018	Oct-2019	- Seritage Growth Properties
20 South Building 2155 Campus Dr	★★★★☆	109,961	5	Dec-2018	Nov-2019	- -
21 Courtyard at The Lot 1041 N Formosa Ave	★★★★☆	97,742	6	Mar-2018	Feb-2020	- CIM Group LP
22 S50 West - Boeing 1700 E Imperial Ave	★★★★☆	97,000	3	Jan-2018	May-2019	Gray Construction The Boeing Company
23 Tarzana Medical Atrium 5411 Etiwanda Ave	★★★★☆	89,158	3	Oct-2017	Oct-2019	Medical Asset Management Medical Asset Management
24 380 E Union St	★★★★☆	82,000	5	Apr-2018	Dec-2019	- Alexandria Real Estate Equities, I...
25 Expo Station 12414 Exposition Blvd	★★★★☆	80,340	5	Sep-2017	Jun-2019	The Luzzatto Company The Luzzatto Company
26 Phase III 8888 Washington Blvd	★★★★☆	66,000	4	Jun-2018	Jan-2020	Runyon Group Runyon Group
27 INclave Creative Office 4065 Glencoe Ave	★★★★☆	65,170	3	Dec-2017	Jun-2019	- Steaven Jones Development Co...
28 Garvey Media Center 9133 Garvey Ave	★★★★☆	62,000	5	Nov-2015	Jun-2019	- Asia-Pacific California Inc



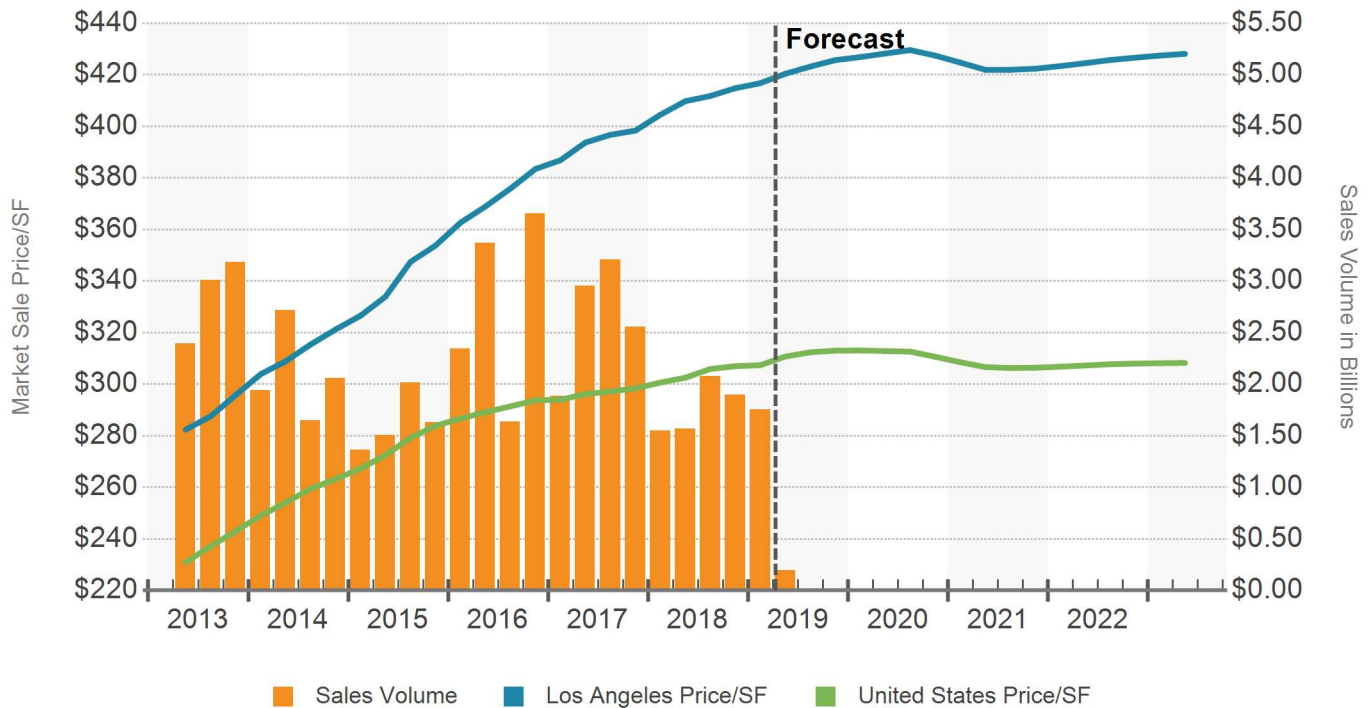
After new LA sales volume records were established in 2016 and 2017, with more than \$10 billion in office trades in each year, the pace of trading subsided noticeably in 2018. Slightly more than \$6.5 billion in office trades were recorded last year. Average pricing and the overall number of deals also declined from peaks established earlier this cycle. Average cap rates remain largely unchanged, around 5.5%.

Tech and media remain the true core buys in LA. The tech- and media-friendly segments of West LA are commanding previously unheard-of prices. Santa Monica, Beverly Hills, Marina del Rey, Century City, and even Downtown all have recorded sales exceeding \$1,000/SF this cycle. Areas and assets that attract these types of industries continue to dominate investment throughout the metro. Indeed, the year's largest trade was the July acquisition of the Santa Monica Business

Park for \$627.5 million by a joint venture between Boston Properties and the Canadian Pension Plan Investment Board. The campus is one of the premiere office locations in trendy Santa Monica, and is home to tenants including steaming service Pandora Media, video game maker Activision Blizzard and Snap, Inc., the parent company of messaging app Snapchat.

The complex deal, finalized in July, saw the joint venture acquire rights via a mix of leasehold and fee simple ownership. Much of the campus remains encumbered by a ground lease held by Transpacific Development Co., but the joint venture has the option to purchase the land in or around 2028. CPPIB contributed \$147 million for a 45-percent ownership stake in the deal. Boston Properties, which will operate the 1.2 million-square-foot-campus and handle leasing in-house, will invest \$180 million into the joint venture.

SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

Los Angeles Office

Sale Comparables

1,109

Avg. Cap Rate

5.5%

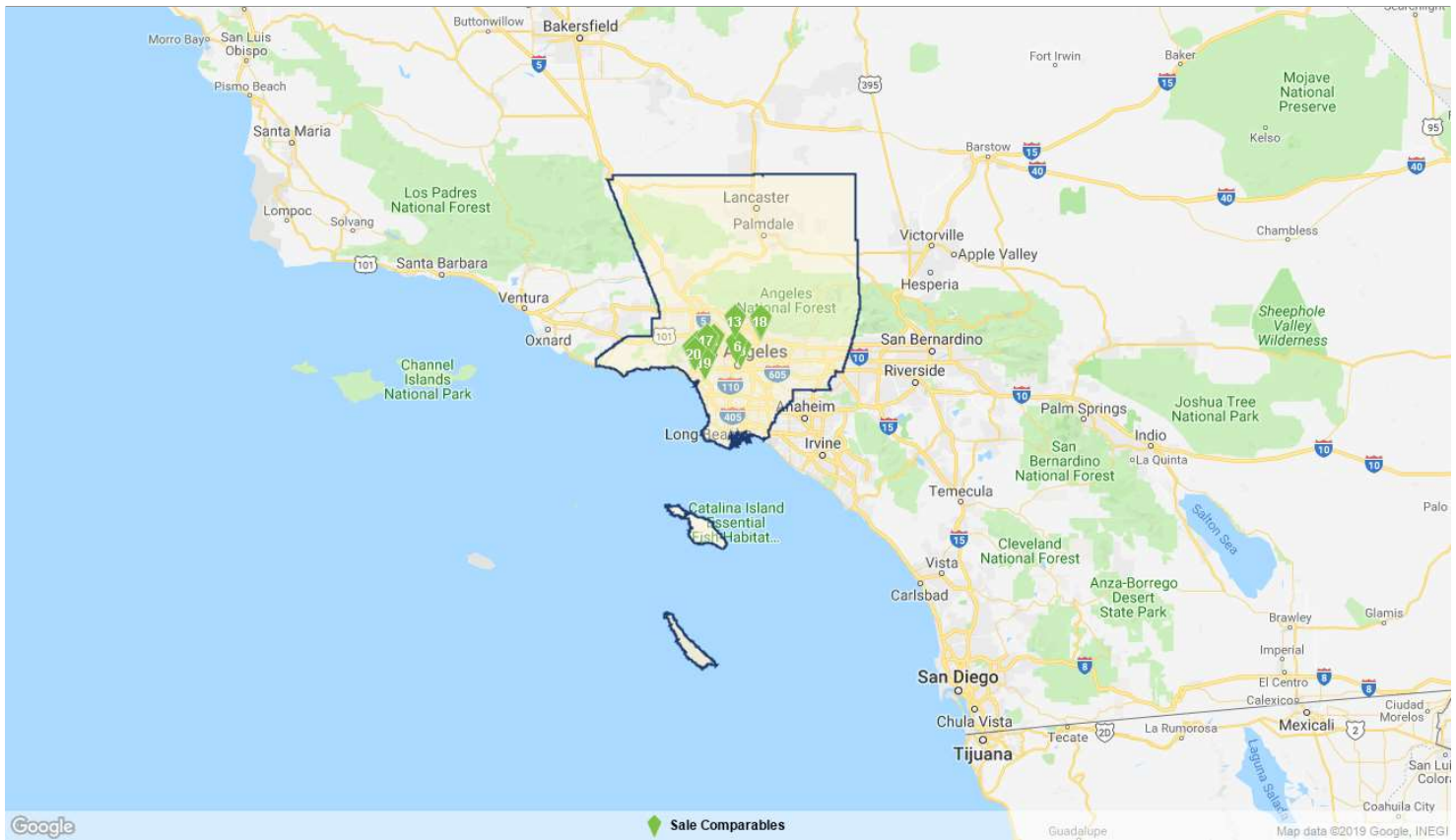
Avg. Price/SF

\$391

Avg. Vacancy At Sale

13.3%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$101,500	\$11,137,419	\$2,400,000	\$575,442,634
Price Per SF	\$5.68	\$391	\$333	\$3,182
Cap Rate	0.9%	5.5%	5.6%	10.8%
Time Since Sale in Months	0.0	6.1	6.2	12.0
Property Attributes	Low	Average	Median	High
Building SF	360	22,938	5,596	581,384
Stories	1	2	1	24
Typical Floor SF	360	8,187	4,000	171,844
Vacancy Rate At Sale	0%	13.3%	0%	100%
Year Built	1887	1964	1962	2019
Star Rating	★☆☆☆☆	★★★☆☆ 2.2	★★★☆☆	★★★★★



Sales Past 12 Months

Los Angeles Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale				
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate	
1 7800 Beverly Blvd	★★★★★	1952	515,531	0%	2/1/2019	\$575,442,634	\$1,116	-	
2 Lantana Center 3000 W Olympic Blvd	★★★★★	1959	211,500	53.0%	3/15/2019	\$229,129,146	\$1,083	-	
3 Ford Factory 777 S Santa Fe Ave	★★★★★	2017	257,028	100%	3/29/2019	\$195,000,000	\$759	-	
4 Wells Fargo Bldg 433 N Camden Dr	★★★★★	1972	207,432	13.3%	8/30/2018	\$193,000,000	\$930	3.0%	
5 800 N Brand Blvd	★★★★★	1990	527,336	49.8%	11/29/2018	\$160,000,000	\$303	-	
6 The CalEdison Building 601 W 5th St	★★★★★	1930	287,615	18.3%	12/10/2018	\$135,000,000	\$469	4.0%	
7 UTA Plaza 9336 Civic Center Dr	★★★★★	1985	102,000	0%	12/18/2018	\$117,364,675	\$1,151	4.6%	
8 La Peer Building 8942 Wilshire Blvd	★★★★★	1989	82,886	0%	4/2/2019	\$110,480,578	\$1,333	4.0%	
9 Corporate Center 225 S Lake Ave	★★★★★	1982	254,523	23.8%	5/23/2018	\$103,648,685	\$407	-	
10 UTA Plaza 9346 Civic Center Dr	★★★★★	1985	87,500	0%	12/18/2018	\$102,435,325	\$1,171	4.6%	
11 Bldg 2 - Phase I 12035 Waterfront Dr	★★★★★	2009	101,000	0%	11/8/2018	\$94,721,810	\$938	-	
12 Bldg 1 - Phase I 12045 Waterfront Dr	★★★★★	2009	82,467	5.5%	11/8/2018	\$94,053,902	\$1,141	-	
13 HSBC BUILDING 505 N Brand Blvd	★★★★★	1986	319,865	13.5%	8/31/2018	\$93,500,000	\$292	5.6%	
14 Westwood Terrace Bldg 1640 S Sepulveda Blvd	★★★★★	1987	164,682	30.0%	8/30/2018	\$92,500,000	\$562	4.0%	
15 Lantana West 2900 W Olympic Blvd	★★★★★	2000	67,187	20.7%	3/15/2019	\$91,870,854	\$1,367	-	
16 251 S Lake Ave	★★★★★	1966	208,272	20.2%	5/23/2018	\$83,048,343	\$399	-	
17 331 N Maple Dr	★★★★★	2000	89,642	38.1%	6/20/2018	\$82,200,000	\$917	-	
18 Lake Corson 301 N Lake Ave	★★★★★	1989	227,067	5.9%	12/6/2018	\$82,000,000	\$361	-	
19 Bldg 3 - Phase I 12025 Waterfront Dr	★★★★★	2010	82,112	3.9%	11/8/2018	\$76,284,940	\$929	-	
20 SMBP 3100 Ocean Park Blvd	★★★★★	1980	139,085	0%	7/27/2018	\$73,182,724	\$526	-	



LA's labor market has been extremely tight since mid-2016, with the unemployment rate currently standing near 4.5%—creating challenges for many firms trying to expand. The prohibitive cost of housing is a chronic problem for the metro and it's driving lower-income households east, to places like the Inland Empire and Phoenix. Yet LA remains an entry point for international migration, which helps offset the domestic population loss. The steady flow of international arrivals coupled with natural population growth is enough to keep Los Angeles growing, albeit very slowly. The metro averaged 0.5% annual population growth rate over the last ten years. LA is also an attractive destination for younger tech, entertainment, and professional workers—which often fall into the HENRY category (high earners, not rich yet)—a demographic that reliably drives apartment demand.

After years of subpar wage growth from 2010 to 2014 (average 1.8%), LA County's wages began to accelerate in 2015 and continued to expand in 2018, with average four-quarter wage growing by 3.8% in 18Q2 from 17Q2, compared to 2.6% in the nation. Competition for a dwindling pool of skilled workers should boost wages as well. Businesses in the cities of LA, Santa Monica, Pasadena, and unincorporated portions of the county will see an increase in the minimum wage over the next three years that will outpace the statewide mandate. Wage growth has been translating into income growth, as the annual median household income is about \$65,200. While income has hardly kept up with the growth of home prices, it has spurred growth in online spending, at dining establishments and, to a lesser extent, at traditional retail stores.

The population's rate of educational attainment may make it more challenging for businesses looking for highly skilled, tech-savvy workers. Only 30% of residents hold a bachelor's degree, compared to 40% in the largest 10 metros across the nation. But this proportion is growing. While recent job growth has favored many lower-paying sectors, such as health services and leisure and hospitality, businesses across many sectors have been transitioning to a higher proportion of high-skilled occupations. Computer and mathematical occupations, such as software developers and engineers, are among the most in-demand occupations based on both employment and wage growth in recent years. Much of the hiring for these workers is happening in the Westside submarkets synonymous with Silicon Beach, where companies like Hulu, Snapchat, and Electronic Arts have major operations and startup activity is prevalent.

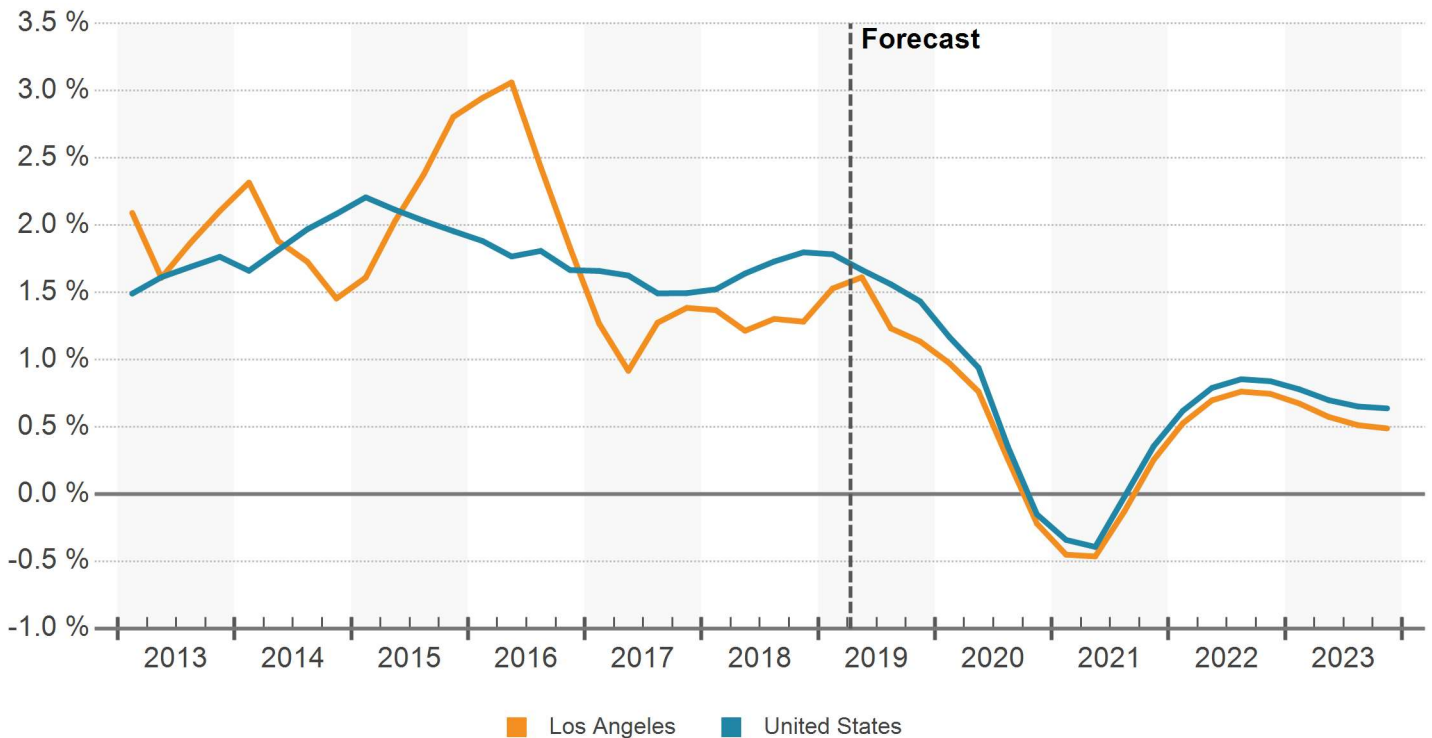
Logistics and transportation companies are not exempt from difficulties in finding highly skilled workers. In LA County, where warehouse space is generally more expensive than in neighboring Inland Empire, stacking is much more important and that encourages newer high-tech capital like robotics and skilled workers that can utilize warehouse management systems. Furthermore, demand for these workers and warehouse space will continue to rise as the rate of goods entering and exiting through the twin ports of LA continues to grow. Loaded TEU's reached an all-time high in 2018. However, uncertainty in trade negotiations between the United States and its major trading partners could negatively impact trade flows.

LOS ANGELES EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	350	908.0	0.21%	1.67%	-1.56%	0.39%	-1.39%	-1.45%
Trade, Transportation and Utilities	844	1005.5	0.46%	1.10%	1.04%	0.99%	0.08%	0.15%
Retail Trade	421	880.8	0.14%	0.21%	0.66%	0.77%	0.13%	0.19%
Financial Activities	224	861.3	1.14%	1.39%	0.04%	0.83%	0.61%	0.64%
Government	585	863.3	0.21%	0.52%	-0.33%	-0.03%	0.52%	0.55%
Natural Resources, Mining and Construction	145	593.2	0.73%	4.32%	1.25%	1.31%	1.06%	1.04%
Education and Health Services	818	1131.8	1.52%	2.17%	2.11%	2.10%	0.96%	0.97%
Professional and Business Services	640	994.3	2.93%	2.72%	1.77%	2.36%	0.85%	1.20%
Information	218	2558.6	2.48%	0.31%	1.15%	-0.15%	-0.09%	0.00%
Leisure and Hospitality	559	1115.4	3.42%	2.42%	3.67%	2.36%	0.75%	1.02%
Other Services	157	886.2	3.41%	1.33%	1.14%	0.86%	0.11%	0.20%
Total Employment	4,541	1.0	1.54%	1.77%	1.14%	1.25%	0.43%	0.56%

Source: Moody's Analytics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



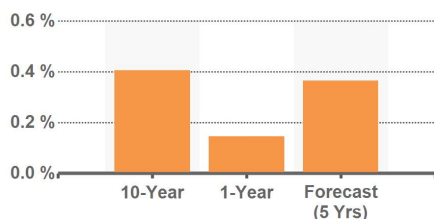
Source: Moody's Analytics

DEMOGRAPHIC TRENDS

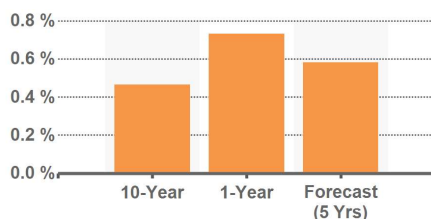
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	10,180,149	328,729,875	0.1%	0.6%	0.4%	0.7%	0.4%	0.6%
Households	3,456,014	126,750,609	0.8%	1.1%	0.6%	0.8%	0.9%	1.0%
Median Household Income	\$68,961	\$64,320	3.5%	3.7%	2.0%	2.3%	3.4%	2.8%
Labor Force	5,180,658	163,304	0.7%	1.1%	0.5%	0.6%	0.6%	0.8%
Unemployment	4.7%	3.8%	0.2%	-0.2%	-0.6%	-0.5%	-	-

Source: Moody's Analytics

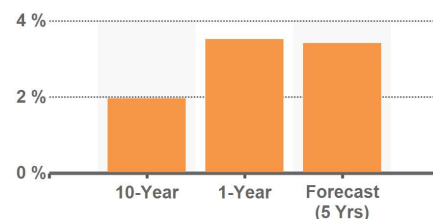
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Moody's Analytics

Submarkets

Los Angeles Office

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	190th Street Corridor	76	5,291	1.3%	29	0	0	0%	-	0	-	-	-
2	Antelope Valley	377	4,216	1.0%	34	0	0	0%	-	0	-	-	-
3	Beach Cities/Palos Verdes	504	6,004	1.4%	27	3	121	2.0%	6	0	-	-	-
4	Beverly Hills	317	11,158	2.7%	12	2	131	1.2%	4	0	-	-	-
5	Brentwood	67	4,299	1.0%	33	0	0	0%	-	1	10	0.2%	19
6	Burbank	631	14,565	3.5%	7	1	6	0%	19	0	-	-	-
7	Calabasas/Westlake Vill	217	7,446	1.8%	23	3	31	0.4%	12	0	-	-	-
8	Century City	37	11,067	2.7%	13	0	0	0%	-	0	-	-	-
9	Chinatown	39	2,340	0.6%	40	0	0	0%	-	0	-	-	-
10	Culver City	546	8,991	2.2%	19	4	107	1.2%	7	7	988	11.0%	2
11	Downtown Los Angeles	364	62,779	15.0%	1	2	126	0.2%	5	4	1,043	1.7%	1
12	East LA County Outlying	9	81	0%	45	0	0	0%	-	0	-	-	-
13	Eastern SFV	630	8,647	2.1%	20	0	0	0%	-	0	-	-	-
14	Eastern SGV	1,260	18,419	4.4%	3	2	25	0.1%	14	0	-	-	-
15	El Segundo	247	17,698	4.2%	4	3	145	0.8%	3	3	258	1.5%	7
16	Encino	86	4,907	1.2%	30	0	0	0%	-	0	-	-	-
17	Glendale	808	13,287	3.2%	8	0	0	0%	-	2	87	0.7%	15
18	Hawthorne/Gardena	322	3,455	0.8%	37	1	11	0.3%	17	0	-	-	-
19	Hollywood/Silver Lake	815	13,173	3.2%	9	1	19	0.1%	15	6	875	6.6%	4
20	LAX	264	6,083	1.5%	26	0	0	0%	-	0	-	-	-
21	Long Beach: Downtown	267	7,771	1.9%	22	0	0	0%	-	2	507	6.5%	5
22	Long Beach: Suburban	502	9,925	2.4%	16	2	50	0.5%	11	0	-	-	-
23	Marina Del Rey/Venice	446	10,107	2.4%	14	3	337	3.3%	1	4	227	2.2%	11
24	Mid-Cities	1,093	12,666	3.0%	10	2	14	0.1%	16	0	-	-	-
25	Mid-Wilshire	404	16,133	3.9%	5	1	53	0.3%	10	2	936	5.8%	3
26	Miracle Mile	115	5,872	1.4%	28	0	0	0%	-	0	-	-	-
27	NE LA County Outlying	2	6	0%	46	0	0	0%	-	0	-	-	-
28	North Hollywood	323	3,362	0.8%	38	1	11	0.3%	18	1	240	7.1%	9
29	NW LA County Outlying	1	1	0%	47	0	0	0%	-	0	-	-	-
30	Olympic Corridor	126	4,557	1.1%	32	0	0	0%	-	1	80	1.8%	17
31	Pacific Palisades/Malibu	55	800	0.2%	44	0	0	0%	-	0	-	-	-
32	Park Mile	108	2,123	0.5%	41	0	0	0%	-	0	-	-	-
33	Pasadena/Arcadia/Monro...	1,191	22,296	5.3%	2	0	0	0%	-	1	82	0.4%	16
34	Santa Clarita Valley	226	4,795	1.1%	31	0	0	0%	-	3	265	5.5%	6
35	Santa Monica	590	16,062	3.8%	6	2	176	1.1%	2	3	176	1.1%	12
36	Santa Monica Mountains	48	896	0.2%	43	0	0	0%	-	0	-	-	-
37	Sherman Oaks	125	3,862	0.9%	36	0	0	0%	-	0	-	-	-
38	Southeast Los Angeles	735	9,733	2.3%	17	1	68	0.7%	9	0	-	-	-
39	Studio/Universal Cities	296	4,038	1.0%	35	0	0	0%	-	0	-	-	-
40	Tarzana	75	1,756	0.4%	42	0	0	0%	-	2	94	5.4%	14
41	Torrance	465	9,171	2.2%	18	0	0	0%	-	0	-	-	-
42	West Hollywood	380	7,411	1.8%	24	2	75	1.0%	8	1	98	1.3%	13



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
43	West Los Angeles	290	2,649	0.6%	39	0	0	0%	-	1	230	8.7%	10
44	Western SFV	384	6,897	1.7%	25	0	0	0%	-	1	256	3.7%	8
45	Western SGV	792	12,152	2.9%	11	2	26	0.2%	13	1	62	0.5%	18
46	Westwood	177	8,305	2.0%	21	0	0	0%	-	0	-	-	-
47	Woodland Hills/Warner Ctr	209	10,029	2.4%	15	0	0	0%	-	0	-	-	-

SUBMARKET RENT

No.	Submarket	Gross Asking Rent		12 Month Asking Rent		Annualized Quarterly Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	190th Street Corridor	\$31.71	34	6.1%	2	4.2%	5
2	Antelope Valley	\$28.14	42	2.3%	25	-3.0%	34
3	Beach Cities/Palos Verdes	\$37.04	23	4.0%	13	-4.7%	43
4	Beverly Hills	\$66.17	1	2.7%	22	3.5%	6
5	Brentwood	\$50.96	9	2.1%	27	-1.5%	19
6	Burbank	\$38.22	20	3.1%	16	1.2%	8
7	Calabasas/Westlake Vill	\$37.84	21	1.5%	38	-2.1%	23
8	Century City	\$59.59	4	1.0%	43	-3.6%	38
9	Chinatown	\$38.33	19	2.9%	21	-3.0%	32
10	Culver City	\$47.93	12	1.6%	34	-0.6%	12
11	Downtown Los Angeles	\$39.72	17	2.6%	23	-0.9%	15
12	East LA County Outlying	\$24.59	47	2.3%	26	-1.9%	21
13	Eastern SFV	\$28.52	39	1.6%	33	-1.6%	20
14	Eastern SGV	\$25.36	46	3.2%	14	-2.3%	24
15	El Segundo	\$43.68	15	7.8%	1	-2.4%	25
16	Encino	\$33.59	28	1.2%	42	4.8%	3
17	Glendale	\$33.63	27	3.1%	15	2.1%	7
18	Hawthorne/Gardena	\$28.31	41	4.2%	11	-3.0%	33
19	Hollywood/Silver Lake	\$47.89	13	4.9%	9	-3.4%	37
20	LAX	\$28.97	38	6.0%	3	-2.7%	29
21	Long Beach: Downtown	\$32.51	31	5.7%	4	-1.9%	22
22	Long Beach: Suburban	\$30.73	36	5.2%	7	-5.2%	47
23	Marina Del Rey/Venice	\$54.28	7	0.5%	45	-0.8%	13
24	Mid-Cities	\$26.56	44	1.9%	30	-0.8%	14
25	Mid-Wilshire	\$31.51	35	5.6%	6	-3.4%	36
26	Miracle Mile	\$48.85	11	5.6%	5	-1.2%	17
27	NE LA County Outlying	\$34.43	25	2.0%	29	-3.6%	39
28	North Hollywood	\$33.57	29	2.1%	28	0.2%	10
29	NW LA County Outlying	\$38.42	18	2.6%	24	-2.9%	31
30	Olympic Corridor	\$49.84	10	1.6%	36	-5.0%	46
31	Pacific Palisades/Malibu	\$62.03	3	0.8%	44	9.3%	1
32	Park Mile	\$37.60	22	5.1%	8	-4.5%	41
33	Pasadena/Arcadia/Monro...	\$33.95	26	1.8%	31	4.7%	4
34	Santa Clarita Valley	\$36.22	24	3.0%	20	-4.8%	44
35	Santa Monica	\$63.41	2	1.5%	37	-0.2%	11
36	Santa Monica Mountains	\$56.03	6	1.8%	32	-4.7%	42
37	Sherman Oaks	\$32.57	30	1.2%	41	-1.4%	18
38	Southeast Los Angeles	\$25.55	45	3.1%	17	-5.0%	45
39	Studio/Universal Cities	\$39.91	16	3.0%	19	-3.2%	35
40	Tarzana	\$31.89	33	1.3%	39	-2.7%	28
41	Torrance	\$32.23	32	4.2%	12	-4.5%	40
42	West Hollywood	\$56.08	5	4.4%	10	-2.8%	30



SUBMARKET RENT

No.	Submarket	Gross Asking Rent		12 Month Asking Rent		Annualized Quarterly Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
43	West Los Angeles	\$45.71	14	1.3%	40	5.6%	2
44	Western SFV	\$28.44	40	1.6%	35	-2.4%	26
45	Western SGV	\$27.51	43	3.1%	18	-2.5%	27
46	Westwood	\$52.24	8	0.3%	46	0.3%	9
47	Woodland Hills/Warner Ctr	\$30.23	37	0.2%	47	-1.1%	16

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	190th Street Corridor	915,346	17.3%	44	45,664	0.9%	18	-
2	Antelope Valley	340,781	8.1%	19	178,564	4.2%	5	-
3	Beach Cities/Palos Verdes	400,420	6.7%	10	137,429	2.3%	7	0.9
4	Beverly Hills	1,180,352	10.6%	32	(64,630)	-0.6%	41	-
5	Brentwood	488,346	11.4%	33	(124,518)	-2.9%	46	-
6	Burbank	977,684	6.7%	12	114,302	0.8%	13	0.1
7	Calabasas/Westlake Vill	854,681	11.5%	34	55,655	0.7%	17	-
8	Century City	635,566	5.7%	7	206,105	1.9%	3	-
9	Chinatown	79,698	3.4%	1	(70,614)	-3.0%	42	-
10	Culver City	1,037,677	11.5%	35	162,213	1.8%	6	0.6
11	Downtown Los Angeles	9,165,459	14.6%	41	(105,778)	-0.2%	45	-
12	East LA County Outlying	8,401	10.4%	31	4,607	5.7%	25	-
13	Eastern SFV	507,355	5.9%	8	(9,138)	-0.1%	33	-
14	Eastern SGV	1,381,933	7.5%	16	492,565	2.7%	1	0.1
15	El Segundo	1,741,909	9.8%	30	(168,174)	-1.0%	47	-
16	Encino	455,928	9.3%	27	13,907	0.3%	23	-
17	Glendale	1,305,052	9.8%	29	4,307	0%	27	-
18	Hawthorne/Gardena	164,724	4.8%	2	123,337	3.6%	9	0.1
19	Hollywood/Silver Lake	953,794	7.2%	14	(24,287)	-0.2%	34	-
20	LAX	1,409,959	23.2%	45	114,530	1.9%	12	-
21	Long Beach: Downtown	962,655	12.4%	37	(59,968)	-0.8%	39	-
22	Long Beach: Suburban	589,677	5.9%	9	19,031	0.2%	21	2.6
23	Marina Del Rey/Venice	1,514,738	15.0%	42	403,865	4.0%	2	0.8
24	Mid-Cities	1,010,702	8.0%	18	(5,183)	0%	31	-
25	Mid-Wilshire	2,146,343	13.3%	38	(81,879)	-0.5%	43	-
26	Miracle Mile	953,118	16.2%	43	(62,408)	-1.1%	40	-
27	NE LA County Outlying	-	-	-	0	0%	-	-
28	North Hollywood	288,935	8.6%	22	(57,159)	-1.7%	38	-
29	NW LA County Outlying	1,440	100%	46	(1,440)	-100.0%	29	-
30	Olympic Corridor	335,488	7.4%	15	(2,892)	-0.1%	30	-
31	Pacific Palisades/Malibu	114,018	14.3%	39	5,719	0.7%	24	-
32	Park Mile	260,175	12.3%	36	40,062	1.9%	19	-
33	Pasadena/Arcadia/Monro...	1,845,358	8.3%	21	84,655	0.4%	15	-
34	Santa Clarita Valley	431,156	9.0%	25	111,205	2.3%	14	-
35	Santa Monica	1,439,238	9.0%	24	(41,597)	-0.3%	37	-
36	Santa Monica Mountains	128,123	14.3%	40	(35,931)	-4.0%	36	-
37	Sherman Oaks	316,264	8.2%	20	59,413	1.5%	16	-
38	Southeast Los Angeles	539,351	5.5%	6	17,101	0.2%	22	0.1
39	Studio/Universal Cities	204,426	5.1%	3	(32,782)	-0.8%	35	-
40	Tarzana	121,516	6.9%	13	4,543	0.3%	26	-
41	Torrance	692,696	7.6%	17	(86,107)	-0.9%	44	-
42	West Hollywood	384,358	5.2%	4	115,001	1.6%	11	-



SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
43	West Los Angeles	177,544	6.7%	11	(7,165)	-0.3%	32	-
44	Western SFV	601,699	8.7%	23	134,071	1.9%	8	-
45	Western SGV	653,805	5.4%	5	118,530	1.0%	10	-
46	Westwood	810,622	9.8%	28	33,416	0.4%	20	-
47	Woodland Hills/Warner Ctr	919,415	9.2%	26	183,506	1.8%	4	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	428,047,795	1,630,622	0.4%	1,363,610	0.3%	1.2
2022	426,417,173	1,570,216	0.4%	683,871	0.2%	2.3
2021	424,846,957	2,642,301	0.6%	1,370,619	0.3%	1.9
2020	422,204,656	2,881,677	0.7%	1,542,415	0.4%	1.9
2019	419,322,979	1,421,742	0.3%	2,433,949	0.6%	0.6
YTD	417,600,968	(300,269)	-0.1%	(891,215)	-0.2%	-
2018	417,901,237	913,753	0.2%	2,434,848	0.6%	0.4
2017	416,987,484	2,316,922	0.6%	882,929	0.2%	2.6
2016	414,670,562	528,226	0.1%	3,385,823	0.8%	0.2
2015	414,142,336	1,088,967	0.3%	2,865,542	0.7%	0.4
2014	413,053,369	(231,577)	-0.1%	2,683,358	0.6%	-
2013	413,284,946	1,137,418	0.3%	1,811,180	0.4%	0.6
2012	412,147,528	810,175	0.2%	1,808,134	0.4%	0.4
2011	411,337,353	464,188	0.1%	167,451	0%	2.8
2010	410,873,165	850,333	0.2%	(2,399,312)	-0.6%	-
2009	410,022,832	2,912,494	0.7%	(5,779,369)	-1.4%	-
2008	407,110,338	2,154,154	0.5%	(6,174,975)	-1.5%	-
2007	404,956,184	745,015	0.2%	626,618	0.2%	1.2

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	170,384,471	2,391,278	1.4%	2,077,039	1.2%	1.2
2022	167,993,193	2,340,946	1.4%	1,371,524	0.8%	1.7
2021	165,652,247	3,231,193	2.0%	2,344,400	1.4%	1.4
2020	162,421,054	3,458,224	2.2%	2,683,243	1.7%	1.3
2019	158,962,830	1,718,453	1.1%	2,398,820	1.5%	0.7
YTD	157,030,148	(214,229)	-0.1%	(468,432)	-0.3%	-
2018	157,244,377	1,488,468	1.0%	1,801,878	1.1%	0.8
2017	155,755,909	2,097,326	1.4%	1,307,936	0.8%	1.6
2016	153,658,583	369,763	0.2%	1,660,642	1.1%	0.2
2015	153,288,820	870,431	0.6%	1,674,727	1.1%	0.5
2014	152,418,389	(18,293)	0%	1,897,470	1.2%	-
2013	152,436,682	885,480	0.6%	561,807	0.4%	1.6
2012	151,551,202	555,390	0.4%	1,692,648	1.1%	0.3
2011	150,995,812	171,207	0.1%	(296,747)	-0.2%	-
2010	150,824,605	764,113	0.5%	(2,259,192)	-1.5%	-
2009	150,060,492	2,234,710	1.5%	(2,069,086)	-1.4%	-
2008	147,825,782	1,149,105	0.8%	(1,750,552)	-1.2%	-
2007	146,676,677	1,150,978	0.8%	1,024,368	0.7%	1.1



Supply & Demand Trends

Los Angeles Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	152,661,093	0	0%	33,546	0%	0
2022	152,661,093	0	0%	65,173	0%	0
2021	152,661,093	180,550	0.1%	(1,858)	0%	-
2020	152,480,543	189,957	0.1%	(66,669)	0%	-
2019	152,290,586	179,536	0.1%	476,324	0.3%	0.4
YTD	152,123,883	12,833	0%	(342,517)	-0.2%	-
2018	152,111,050	462,534	0.3%	821,055	0.5%	0.6
2017	151,648,516	277,403	0.2%	735,737	0.5%	0.4
2016	151,371,113	506,517	0.3%	818,257	0.5%	0.6
2015	150,864,596	347,099	0.2%	1,030,571	0.7%	0.3
2014	150,517,497	177,350	0.1%	(70,315)	0%	-
2013	150,340,147	201,098	0.1%	411,329	0.3%	0.5
2012	150,139,049	371,064	0.2%	528,075	0.4%	0.7
2011	149,767,985	594,905	0.4%	1,035,309	0.7%	0.6
2010	149,173,080	308,335	0.2%	561,668	0.4%	0.5
2009	148,864,745	800,445	0.5%	(2,305,979)	-1.5%	-
2008	148,064,300	1,016,984	0.7%	(2,307,884)	-1.6%	-
2007	147,047,316	424,087	0.3%	485,917	0.3%	0.9

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	105,002,231	(760,656)	-0.7%	(746,975)	-0.7%	-
2022	105,762,887	(770,730)	-0.7%	(752,826)	-0.7%	-
2021	106,533,617	(769,442)	-0.7%	(971,923)	-0.9%	-
2020	107,303,059	(766,504)	-0.7%	(1,074,159)	-1.0%	-
2019	108,069,563	(476,247)	-0.4%	(441,195)	-0.4%	-
YTD	108,446,937	(98,873)	-0.1%	(80,266)	-0.1%	-
2018	108,545,810	(1,037,249)	-0.9%	(188,085)	-0.2%	-
2017	109,583,059	(57,807)	-0.1%	(1,160,744)	-1.1%	-
2016	109,640,866	(348,054)	-0.3%	906,924	0.8%	-
2015	109,988,920	(128,563)	-0.1%	160,244	0.1%	-
2014	110,117,483	(390,634)	-0.4%	856,203	0.8%	-
2013	110,508,117	50,840	0%	838,044	0.8%	0.1
2012	110,457,277	(116,279)	-0.1%	(412,589)	-0.4%	-
2011	110,573,556	(301,924)	-0.3%	(571,111)	-0.5%	-
2010	110,875,480	(222,115)	-0.2%	(701,788)	-0.6%	-
2009	111,097,595	(122,661)	-0.1%	(1,404,304)	-1.3%	-
2008	111,220,256	(11,935)	0%	(2,116,539)	-1.9%	-
2007	111,232,191	(830,050)	-0.7%	(883,667)	-0.8%	-



OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$40.58	124	0.1%	4.0%	43,835,228	10.2%	0%
2022	\$40.54	124	0.6%	3.9%	43,549,575	10.2%	0.2%
2021	\$40.29	124	-0.1%	3.3%	42,644,281	10.0%	0.2%
2020	\$40.34	124	0.8%	3.4%	41,342,407	9.8%	0.3%
2019	\$40.03	123	2.6%	2.6%	39,994,820	9.5%	-0.3%
YTD	\$39.28	121	0.7%	0.7%	41,565,888	10.0%	0.1%
2018	\$39.00	120	3.3%	0%	40,976,975	9.8%	-0.4%
2017	\$37.75	116	4.4%	-3.2%	42,609,795	10.2%	0.3%
2016	\$36.17	111	6.0%	-7.3%	41,176,255	9.9%	-0.7%
2015	\$34.12	105	8.3%	-12.5%	44,013,501	10.6%	-0.5%
2014	\$31.49	97	6.1%	-19.3%	45,810,427	11.1%	-0.7%
2013	\$29.68	91	4.4%	-23.9%	48,726,914	11.8%	-0.2%
2012	\$28.42	87	2.5%	-27.1%	49,400,676	12.0%	-0.3%
2011	\$27.73	85	0.3%	-28.9%	50,398,635	12.3%	0.1%
2010	\$27.65	85	-4.8%	-29.1%	50,101,898	12.2%	0.8%
2009	\$29.06	89	-10.9%	-25.5%	46,852,253	11.4%	2.1%
2008	\$32.60	100	-0.8%	-16.4%	38,160,390	9.4%	2.0%
2007	\$32.86	101	13.7%	-15.8%	29,831,261	7.4%	0%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$47.55	127	0%	4.7%	23,061,603	13.5%	0%
2022	\$47.56	127	0.6%	4.7%	22,748,796	13.5%	0.4%
2021	\$47.29	127	-0.1%	4.1%	21,780,795	13.1%	0.3%
2020	\$47.34	127	0.9%	4.2%	20,884,093	12.9%	0.2%
2019	\$46.90	126	3.3%	3.3%	20,121,436	12.7%	-0.6%
YTD	\$45.87	123	1.0%	1.0%	21,057,021	13.4%	0.2%
2018	\$45.42	122	3.9%	0%	20,802,818	13.2%	-0.3%
2017	\$43.70	117	4.1%	-3.8%	21,116,228	13.6%	0.3%
2016	\$41.97	112	5.2%	-7.6%	20,326,838	13.2%	-0.9%
2015	\$39.89	107	9.4%	-12.2%	21,617,717	14.1%	-0.6%
2014	\$36.47	98	6.5%	-19.7%	22,422,013	14.7%	-1.3%
2013	\$34.25	92	5.0%	-24.6%	24,337,776	16.0%	0.1%
2012	\$32.64	87	0.7%	-28.1%	24,014,103	15.8%	-0.8%
2011	\$32.42	87	1.1%	-28.6%	25,151,361	16.7%	0.3%
2010	\$32.07	86	-3.5%	-29.4%	24,683,407	16.4%	1.9%
2009	\$33.22	89	-11.1%	-26.9%	21,660,102	14.4%	2.7%
2008	\$37.36	100	-0.9%	-17.7%	17,356,306	11.7%	1.9%
2007	\$37.71	101	16.9%	-17.0%	14,456,649	9.9%	0%



3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$38.44	123	0.2%	4.0%	13,664,458	9.0%	0%
2022	\$38.37	123	0.7%	3.8%	13,698,004	9.0%	0%
2021	\$38.12	122	-0.1%	3.1%	13,763,177	9.0%	0.1%
2020	\$38.17	122	0.7%	3.2%	13,580,769	8.9%	0.2%
2019	\$37.90	121	2.5%	2.5%	13,324,143	8.7%	-0.2%
YTD	\$37.23	119	0.7%	0.7%	13,955,928	9.2%	0.2%
2018	\$36.97	118	3.0%	0%	13,602,611	8.9%	-0.3%
2017	\$35.90	115	4.5%	-2.9%	13,960,968	9.2%	-0.3%
2016	\$34.36	110	6.5%	-7.1%	14,419,466	9.5%	-0.2%
2015	\$32.25	103	7.8%	-12.8%	14,731,206	9.8%	-0.5%
2014	\$29.91	96	5.6%	-19.1%	15,414,678	10.2%	0.2%
2013	\$28.32	90	4.4%	-23.4%	15,167,013	10.1%	-0.2%
2012	\$27.12	87	3.9%	-26.6%	15,377,244	10.2%	-0.1%
2011	\$26.11	83	0%	-29.4%	15,534,255	10.4%	-0.3%
2010	\$26.10	83	-6.3%	-29.4%	15,974,659	10.7%	-0.2%
2009	\$27.86	89	-11.0%	-24.6%	16,227,992	10.9%	2.0%
2008	\$31.31	100	0.5%	-15.3%	13,121,568	8.9%	2.2%
2007	\$31.14	99	12.2%	-15.8%	9,796,700	6.7%	-0.1%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$33.13	122	0.3%	2.8%	7,109,167	6.8%	0.1%
2022	\$33.05	121	0.7%	2.6%	7,102,775	6.7%	0.1%
2021	\$32.80	120	-0.1%	1.8%	7,100,309	6.7%	0.3%
2020	\$32.85	121	0.5%	2.0%	6,877,545	6.4%	0.3%
2019	\$32.70	120	1.5%	1.5%	6,549,241	6.1%	0%
YTD	\$32.27	118	0.2%	0.2%	6,552,939	6.0%	0%
2018	\$32.22	118	2.6%	0%	6,571,546	6.1%	-0.8%
2017	\$31.40	115	4.6%	-2.5%	7,532,599	6.9%	1.0%
2016	\$30.02	110	7.0%	-6.8%	6,429,951	5.9%	-1.1%
2015	\$28.06	103	7.0%	-12.9%	7,664,578	7.0%	-0.3%
2014	\$26.22	96	6.0%	-18.6%	7,973,736	7.2%	-1.1%
2013	\$24.73	91	3.4%	-23.3%	9,222,125	8.3%	-0.7%
2012	\$23.91	88	4.1%	-25.8%	10,009,329	9.1%	0.3%
2011	\$22.97	84	-1.0%	-28.7%	9,713,019	8.8%	0.3%
2010	\$23.19	85	-5.3%	-28.0%	9,443,832	8.5%	0.4%
2009	\$24.48	90	-10.2%	-24.0%	8,964,159	8.1%	1.2%
2008	\$27.26	100	-2.5%	-15.4%	7,682,516	6.9%	1.9%
2007	\$27.97	103	10.1%	-13.2%	5,577,912	5.0%	0.1%



OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$430.20	175	5.9%
2022	-	-	-	-	-	-	\$426.65	174	5.9%
2021	-	-	-	-	-	-	\$422.37	172	5.8%
2020	-	-	-	-	-	-	\$427.48	174	5.6%
2019	-	-	-	-	-	-	\$425.70	174	5.4%
YTD	267	\$1,950 M	1.1%	\$12,776,818	\$490.65	5.7%	\$417.03	170	5.4%
2018	1,042	\$7,087 M	5.8%	\$10,585,694	\$362.96	5.5%	\$414.81	169	5.4%
2017	1,225	\$10,601 M	8.0%	\$15,087,889	\$359.10	5.6%	\$398.36	162	5.4%
2016	1,026	\$11,005 M	7.4%	\$15,174,653	\$386.01	5.5%	\$383.49	156	5.4%
2015	1,086	\$6,510 M	5.7%	\$9,069,091	\$303.18	5.7%	\$353.79	144	5.6%
2014	974	\$8,363 M	6.9%	\$11,964,508	\$311.81	6.2%	\$321.25	131	5.7%
2013	857	\$9,193 M	8.3%	\$14,745,878	\$286.61	6.2%	\$295.77	121	6.0%
2012	842	\$3,865 M	4.9%	\$8,637,634	\$237.91	7.1%	\$275.42	112	6.2%
2011	638	\$2,912 M	3.4%	\$7,408,761	\$242.25	7.9%	\$264.71	108	6.4%
2010	400	\$1,454 M	2.0%	\$5,283,564	\$214.99	7.3%	\$237.39	97	6.9%
2009	346	\$809.0 M	1.4%	\$3,404,111	\$220.24	7.8%	\$208.55	85	7.6%
2008	530	\$3,490 M	3.4%	\$9,303,478	\$287.37	6.0%	\$245.17	100	7.1%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$486.14	174	5.8%
2022	-	-	-	-	-	-	\$482.76	172	5.7%
2021	-	-	-	-	-	-	\$478.39	171	5.7%
2020	-	-	-	-	-	-	\$484.40	173	5.5%
2019	-	-	-	-	-	-	\$482.09	172	5.3%
YTD	4	\$270.0 M	0.4%	\$90,008,470	\$602.80	5.3%	\$471.34	168	5.2%
2018	61	\$2,875 M	5.9%	\$55,580,177	\$383.78	5.4%	\$468.75	167	5.2%
2017	77	\$6,261 M	10.0%	\$85,745,251	\$410.28	5.5%	\$452.77	162	5.2%
2016	90	\$7,110 M	10.9%	\$87,655,396	\$446.61	4.9%	\$439.90	157	5.2%
2015	67	\$2,759 M	5.2%	\$50,048,433	\$364.40	5.6%	\$406.21	145	5.4%
2014	59	\$5,353 M	9.7%	\$95,400,873	\$362.77	6.0%	\$369.90	132	5.5%
2013	70	\$6,504 M	13.6%	\$103,198,208	\$326.90	5.7%	\$343.89	123	5.7%
2012	49	\$2,398 M	6.6%	\$66,617,964	\$277.03	6.1%	\$321.07	115	5.9%
2011	26	\$1,373 M	3.2%	\$54,847,342	\$283.68	7.5%	\$308.57	110	6.1%
2010	16	\$641.6 M	2.0%	\$53,301,669	\$253.73	6.4%	\$275.90	99	6.6%
2009	15	\$205.4 M	1.1%	\$51,345,320	\$276.65	8.9%	\$241.15	86	7.3%
2008	24	\$1,211 M	3.3%	\$55,032,422	\$267.90	6.3%	\$280.01	100	6.8%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.



3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$394.86	175	6.0%
2022	-	-	-	-	-	-	\$391.37	173	6.0%
2021	-	-	-	-	-	-	\$387.31	172	5.9%
2020	-	-	-	-	-	-	\$391.88	174	5.8%
2019	-	-	-	-	-	-	\$390.31	173	5.6%
YTD	84	\$1,436 M	2.0%	\$29,804,219	\$510.40	5.8%	\$382.79	170	5.5%
2018	252	\$2,908 M	6.2%	\$15,607,861	\$354.73	5.6%	\$381.25	169	5.5%
2017	295	\$2,732 M	7.2%	\$13,997,866	\$288.72	6.0%	\$364.82	162	5.5%
2016	226	\$2,283 M	4.9%	\$14,159,218	\$332.04	5.7%	\$351.32	156	5.5%
2015	267	\$2,449 M	6.6%	\$12,318,385	\$260.37	6.2%	\$325.12	144	5.7%
2014	248	\$1,706 M	5.1%	\$9,942,102	\$253.77	6.0%	\$295.27	131	5.9%
2013	219	\$1,756 M	5.5%	\$11,500,691	\$223.04	6.1%	\$270.92	120	6.1%
2012	246	\$912.2 M	4.1%	\$8,145,152	\$187.33	7.9%	\$252.26	112	6.3%
2011	175	\$1,085 M	3.7%	\$9,566,588	\$231.26	8.5%	\$242.85	108	6.5%
2010	137	\$538.9 M	2.2%	\$7,032,827	\$187.03	8.4%	\$217.94	97	7.0%
2009	114	\$377.2 M	1.7%	\$5,817,715	\$201.70	8.2%	\$191.55	85	7.8%
2008	172	\$1,672 M	4.0%	\$18,360,990	\$323.23	5.9%	\$225.65	100	7.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$395.85	180	6.0%
2022	-	-	-	-	-	-	\$391.94	178	5.9%
2021	-	-	-	-	-	-	\$387.50	176	5.9%
2020	-	-	-	-	-	-	\$391.98	178	5.7%
2019	-	-	-	-	-	-	\$390.75	177	5.5%
YTD	179	\$244.0 M	0.9%	\$2,390,579	\$342.24	5.5%	\$383.57	174	5.4%
2018	729	\$1,304 M	5.1%	\$3,035,765	\$339.91	5.4%	\$380.96	173	5.4%
2017	853	\$1,608 M	6.1%	\$3,687,859	\$335.15	5.3%	\$363.75	165	5.5%
2016	710	\$1,612 M	6.1%	\$3,320,819	\$282.12	5.6%	\$343.94	156	5.5%
2015	752	\$1,301 M	5.1%	\$2,791,489	\$289.63	5.3%	\$315.33	143	5.7%
2014	667	\$1,304 M	5.5%	\$2,746,057	\$244.08	6.5%	\$284.65	129	5.9%
2013	568	\$933.9 M	4.6%	\$2,272,928	\$216.73	6.6%	\$258.39	117	6.2%
2012	547	\$554.7 M	3.8%	\$1,832,964	\$203.96	7.0%	\$239.39	109	6.4%
2011	437	\$454.0 M	3.1%	\$1,765,911	\$182.42	7.1%	\$229.52	104	6.6%
2010	247	\$273.8 M	1.6%	\$1,459,716	\$202.15	6.4%	\$206.85	94	7.1%
2009	217	\$226.4 M	1.4%	\$1,347,434	\$213.44	6.9%	\$183.45	83	7.9%
2008	334	\$607.2 M	2.7%	\$2,298,814	\$247.56	6.0%	\$220.27	100	7.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

