



Office Market Report

Los Angeles Market

PREPARED BY



Jeffery Turek
Vice President



OFFICE MARKET REPORT

Market Key Statistics	2
Leasing	3
Rent	8
Construction	11
Under Construction Properties	13
Sales	15
Sales Past 12 Months	16
Economy	18
Market Submarkets	21
Supply & Demand Trends	25
Rent & Vacancy	27
Sale Trends	29



12 Mo Deliveries in SF

1.4 M

12 Mo Net Absorption in SF

1.5 M

Vacancy Rate

9.8%

12 Mo Rent Growth

2.8%

The Los Angeles office market has been defined by stability in recent years. Vacancies stood at roughly 10% at the end of 19Q1, and have remained within 50 basis points of that figure since 2015. Absorption is healthy, buoyed by major tech company leases and the expansion of co-working providers. Annual rent growth continues a steady, years-long decline however, with annual gains less than half of the cyclical highs posted in 2015. After significantly outperforming the national office market for the majority of the cycle, L.A. rent growth is now in line with average national gains.

New construction proceeded at a measured pace earlier in the recovery, but the peak of this cycle's development wave has arrived. More than 2 million SF of new office product delivered last year, much of it speculative, and

more than 6 million SF of additional development is now underway. Vacancies may rise slightly in the near term as a result of these supply pressures, but Los Angeles' massive, diverse economy is capable of generating sufficient demand to keep pace with development.

Office properties traded at around \$360/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 \$7 billion in trades took place in 2018, well below recent record-setting totals. Roughly \$2 billion in trades took place in 19Q1, and the sale of high profile assets in Santa Monica and Downtown LA pushed average pricing higher.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	158,081,089	13.2%	\$45.72	17.9%	(13,108)	131,180	6,721,532
3 Star	152,490,110	8.7%	\$37.58	11.8%	23,100	59,545	681,428
1 & 2 Star	108,067,137	6.4%	\$32.57	8.3%	(119,189)	0	0
Market	418,638,336	9.8%	\$39.46	13.3%	(109,197)	190,725	7,402,960

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.3%	10.7%	10.0%	13.0%	1999 Q1	7.0%	2007 Q3
Net Absorption SF	1.5 M	1,857,518	1,756,927	12,586,345	2000 Q1	(8,073,404)	2009 Q2
Deliveries SF	1.4 M	2,292,258	3,128,222	4,411,739	2002 Q3	563,761	1997 Q1
Rent Growth	2.8%	3.4%	1.6%	14.8%	2007 Q3	-11.1%	2009 Q3
Sales Volume	\$7.9 B	\$5.1B	N/A	\$11.4B	2017 Q3	\$807.9M	2009 Q4

The office vacancy rate remains stable despite the accelerating pace of construction, holding 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 office hubs absorbing disproportionate gains. 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, Apple, and HBO have all inked deals for more than 200,000 SF in Culver City in recent months, 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 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.

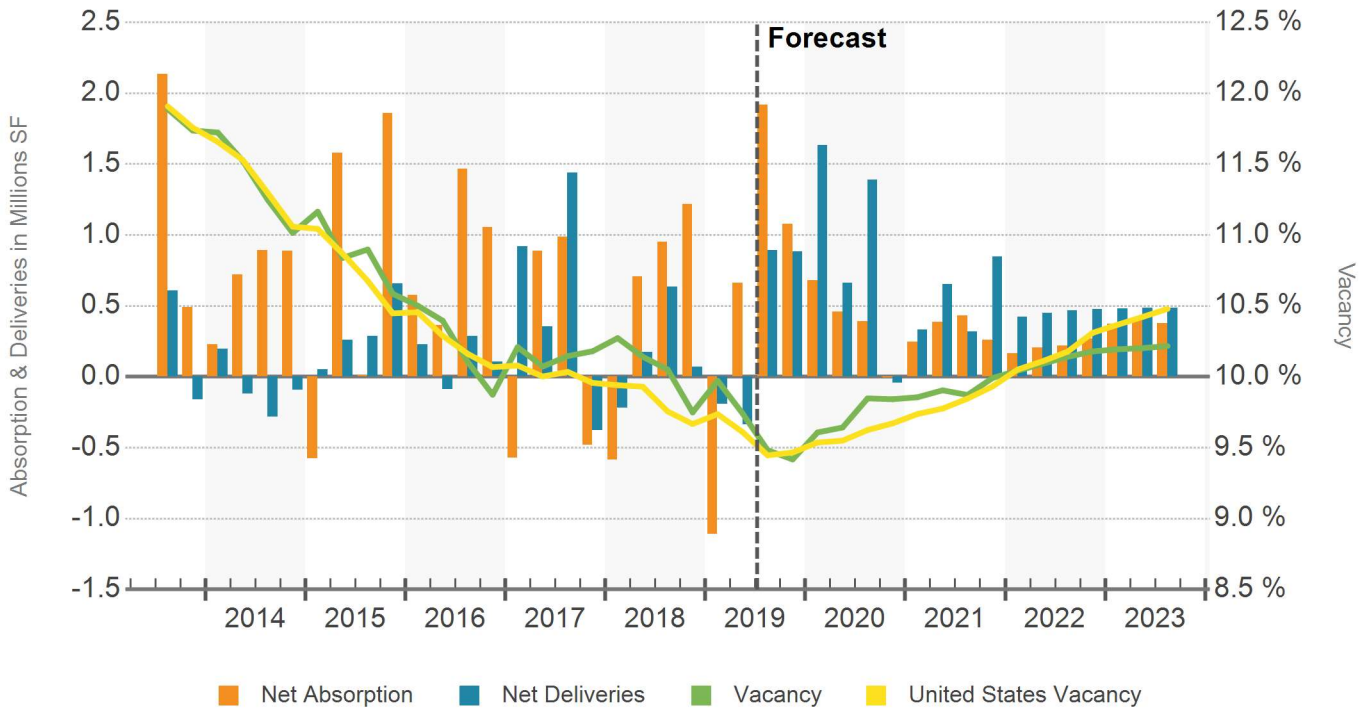
Downtown LA is also benefiting from this momentum, especially in the Arts District, with a wealth of old warehouse product is ripe for creative office conversion. Indeed, Warner Music's 257,000 SF lease of the

retrofitted former Ford Factory in the Arts District was one of the largest of this cycle. Streaming music company Spotify, online coupon provider Honey, and social media content creator TubeScience followed suit in recent quarters with 100,000+ SF Arts District leases of their own. The office market is hot even in traditionally industrial/R&D centered communities in the South Bay. Submarkets like El Segundo and LAX posted some of LA's strongest rent growth in recent quarters.

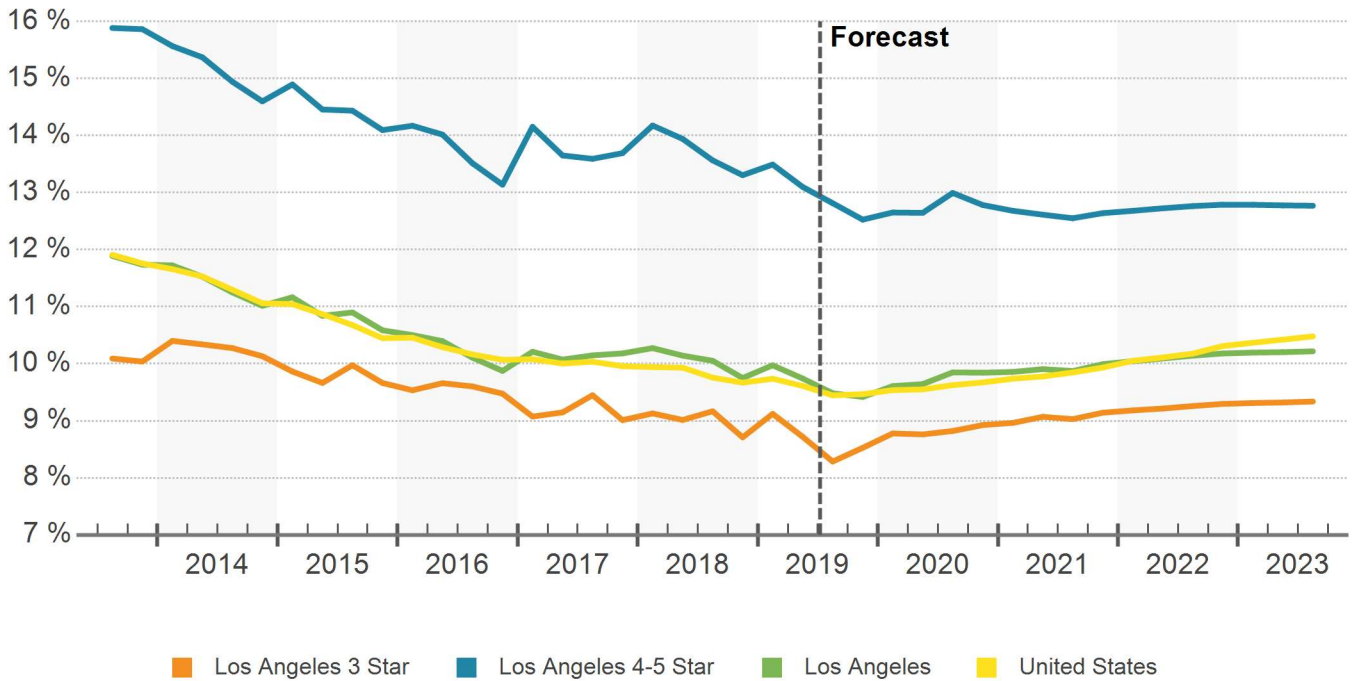
LA's main office demand driver is the media & entertainment industry. Employment in these fields is typically more volatile than in traditional office-using industries, as jobs are often tied to specific projects and work is not guaranteed once that project wraps up. This dynamic drives a persistent 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. Vacancies in the 4&5 Star 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 are helping drive the office recovery typically 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 weigh on growth in the near term in some employment hubs.

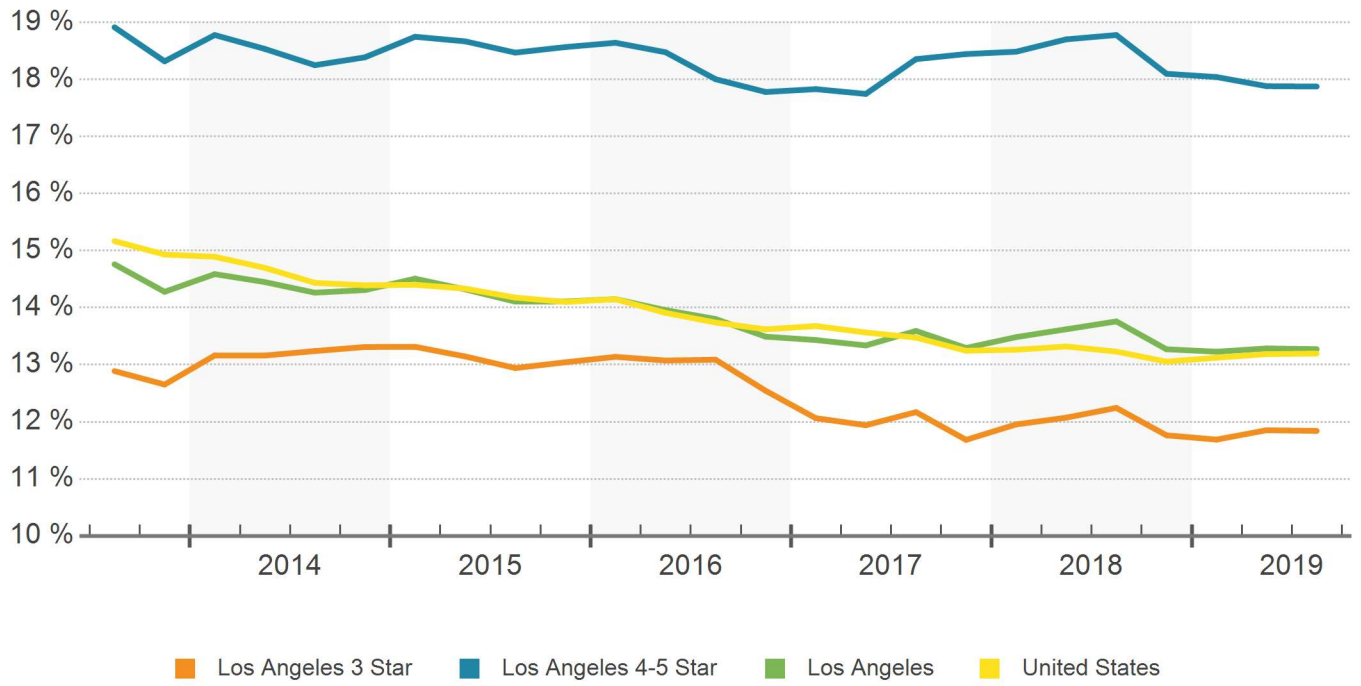
NET ABSORPTION, NET DELIVERIES & VACANCY



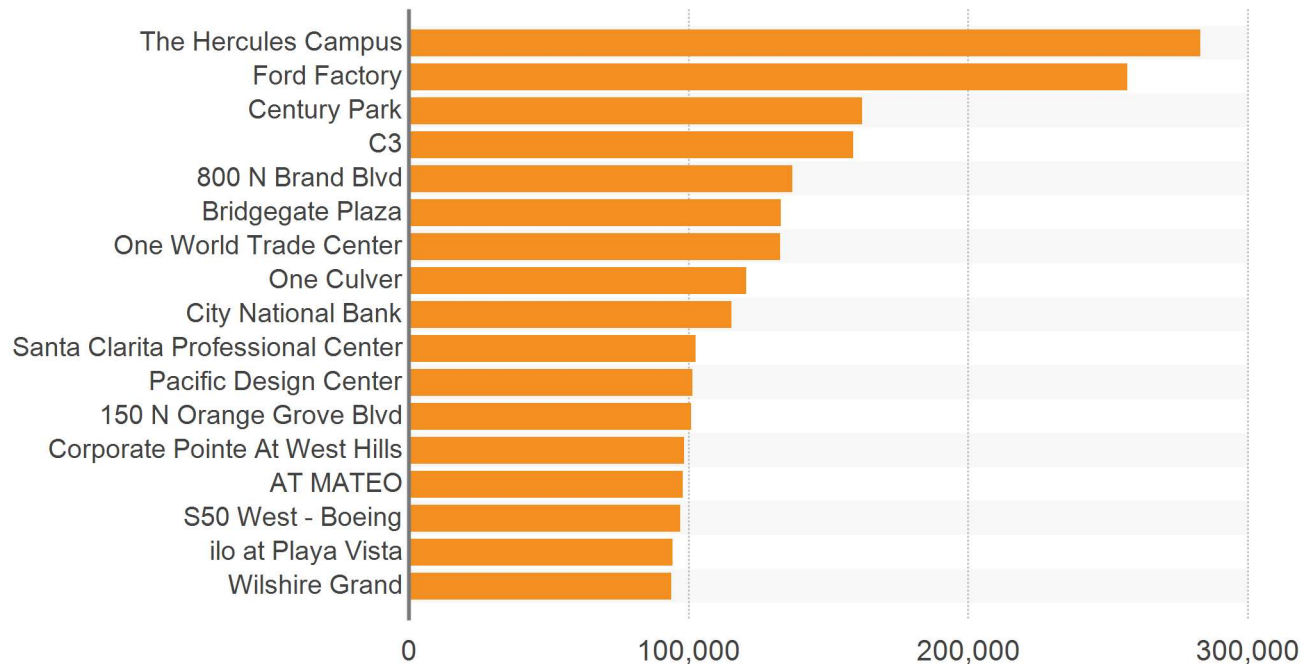
VACANCY RATE



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	283,043
Ford Factory	Downtown Los Angeles	257,028	0	0	257,028	0	0	257,028
Century Park	Century City	1,210,730	0	(17,826)	150,266	0	0	162,141
C3	Culver City	310,985	0	24,405	8,144	118,975	0	158,916
800 N Brand Blvd	Glendale	527,336	209,668	292	52,490	0	0	137,182
Bridgegate Plaza	Eastern SGV	134,858	0	0	0	0	0	132,957
One World Trade Center	Long Beach: Downto...	574,981	108,499	16,703	19,622	80,207	0	132,804
One Culver	Culver City	363,548	119,825	0	(3,892)	0	0	120,723
City National Bank	Downtown Los Angeles	1,332,773	422,358	102,912	0	0	0	115,360
Santa Clarita Professional Center	Santa Clarita Valley	102,712	0	0	0	0	0	102,476
Pacific Design Center	West Hollywood	468,154	81,211	10,000	28,054	(4,675)	0	101,420
150 N Orange Grove Blvd	Pasadena/Arcadia/M...	115,000	0	0	0	0	0	100,851
Corporate Pointe At West Hills	Western SFV	98,397	0	0	0	0	0	98,397
AT MATEO	Downtown Los Angeles	185,554	39,233	109,706	0	0	0	97,851
S50 West - Boeing	El Segundo	97,000	0	0	97,000	0	0	97,000
ilo at Playa Vista	Marina Del Rey/Venice	193,806	0	0	0	0	0	94,277
Wilshire Grand	Downtown Los Angeles	372,775	166,442	(916)	67,700	0	0	93,916
Subtotal Primary Competitors		6,655,637	1,147,236	245,276	676,412	194,507	0	2,286,342
Remaining Los Angeles Market		411,982,699	39,912,981	(1,355,481)	(14,202)	(303,704)	0	(758,416)
Total Los Angeles Market		418,638,336	41,060,217	(1,110,205)	662,210	(109,197)	0	1,527,926



TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
One Westside	West Los Angeles	584,000	Q1 19	Google, Inc.	-	-
Sunset Bronson Studios *	Hollywood/Silver Lake	323,273	Q4 18	Netflix, Inc.	-	CBRE
EPIC	Hollywood/Silver Lake	297,400	Q4 18	Netflix, Inc.	-	CBRE
Culver Studios	Culver City	247,000	Q4 18	Amazon	-	-
Ivy Station	Culver City	241,205	Q1 19	HBO	-	CBRE
West 7 Center	Downtown Los Angeles	212,335	Q2 19	L.A. Care Health Plan	CBRE	JLL
Academy on Vine	Hollywood/Silver Lake	176,273	Q4 18	Netflix	-	JLL
LNR Warner Center IV	Woodland Hills/Warner Ctr	169,320	Q3 18	Anthem Blue Cross	Savills	JLL
Academy on Vine	Hollywood/Silver Lake	159,236	Q4 18	Netflix	-	JLL
Brickyard	Marina Del Rey/Venice	140,248	Q4 18	Facebook	Cushman & Wakefield	Tishman Speyer
Fourth & Traction	Downtown Los Angeles	130,397	Q3 18	Honey Science Corporation	Savills	CBRE
The Pinnacle	Burbank	123,998	Q2 19	Warner Brothers	-	Cresa
Brickyard	Marina Del Rey/Venice	122,043	Q4 18	Facebook	Cushman & Wakefield	Tishman Speyer
C3	Culver City	118,975	Q4 18	Bytedance	JLL	JLL
ROW DTLA / 767 S Alameda	Downtown Los Angeles	114,939	Q2 19	Ghost Management Group	Newmark Knight Frank	CBRE
Lantana Entertainment Media Campus	Santa Monica	112,000	Q1 19	WeWork	-	CBRE
800 N Brand Blvd	Glendale	103,966	Q1 19	Service Titan	Cushman & Wakefield	JLL
655 S Santa Fe Ave	Downtown Los Angeles	103,796	Q2 19	TubeScience	Lee & Associates	Cushman & Wakefield
The Post	Beverly Hills	100,000	Q4 18	Live Nation	Newmark Knight Frank	CBRE
University Corporate Ctr	Eastern SGV	96,365	Q1 19	Lereta	-	Newmark Knight Frank
Sunset Bronson Studios *	Hollywood/Silver Lake	91,953	Q4 18	Netflix	-	CBRE
Continental Park	El Segundo	89,091	Q2 19	WeWork	-	Madison Partners
The Herald Examiner Bldg	Downtown Los Angeles	85,118	Q3 18	Arizona State University	-	JLL
The Western Pacific	Downtown Los Angeles	80,000	Q1 19	WeWork	-	Cushman & Wakefield
City National Bank *	Downtown Los Angeles	77,450	Q4 18	Chubb Group of Insurance...	-	-
Figuroa at Wilshire *	Downtown Los Angeles	75,530	Q4 18	Dentons	-	-
Wilshire Catalina Plaza	Mid-Wilshire	72,837	Q1 19	-	-	Jamison Services, Inc.
Wells Fargo Center - South Tower *	Downtown Los Angeles	72,582	Q4 18	Capital One Bank	-	-
Century Park *	Century City	72,465	Q4 18	Canyon Partners Real Est...	Savills	CBRE
777 Tower	Downtown Los Angeles	72,127	Q4 18	Lockton Companies	JLL	Brookfield Office Proper...
Park Del Amo *	Torrance	71,000	Q1 19	Keenan & Associates	-	CBRE
Corporate Center - Calabasas	Calabasas/Westlake Vill	69,726	Q2 19	Harbor Freight	Cresa	CBRE
9830 Wilshire Blvd	Beverly Hills	69,036	Q1 19	WeWork	-	Cushman & Wakefield
The Hollywood Creative	Hollywood/Silver Lake	68,834	Q2 19	Netflix	-	Newmark Knight Frank
One World Trade Center	Long Beach: Downtown	68,203	Q4 18	CRC	-	JLL
Univision Television	Marina Del Rey/Venice	67,688	Q3 18	Spaces	CBRE;Lincoln Prope...	CBRE;Lincoln Property...
South Park Center *	Downtown Los Angeles	67,047	Q3 18	USC School of Social Wor...	JLL	-
Utah Campus	El Segundo	63,820	Q4 18	Radiology Partners	-	JLL
800 N Brand Blvd	Glendale	62,768	Q3 18	-	-	CBRE
Century Park *	Century City	61,560	Q4 18	Katten Muchin Rosenman...	-	-

*Renewal

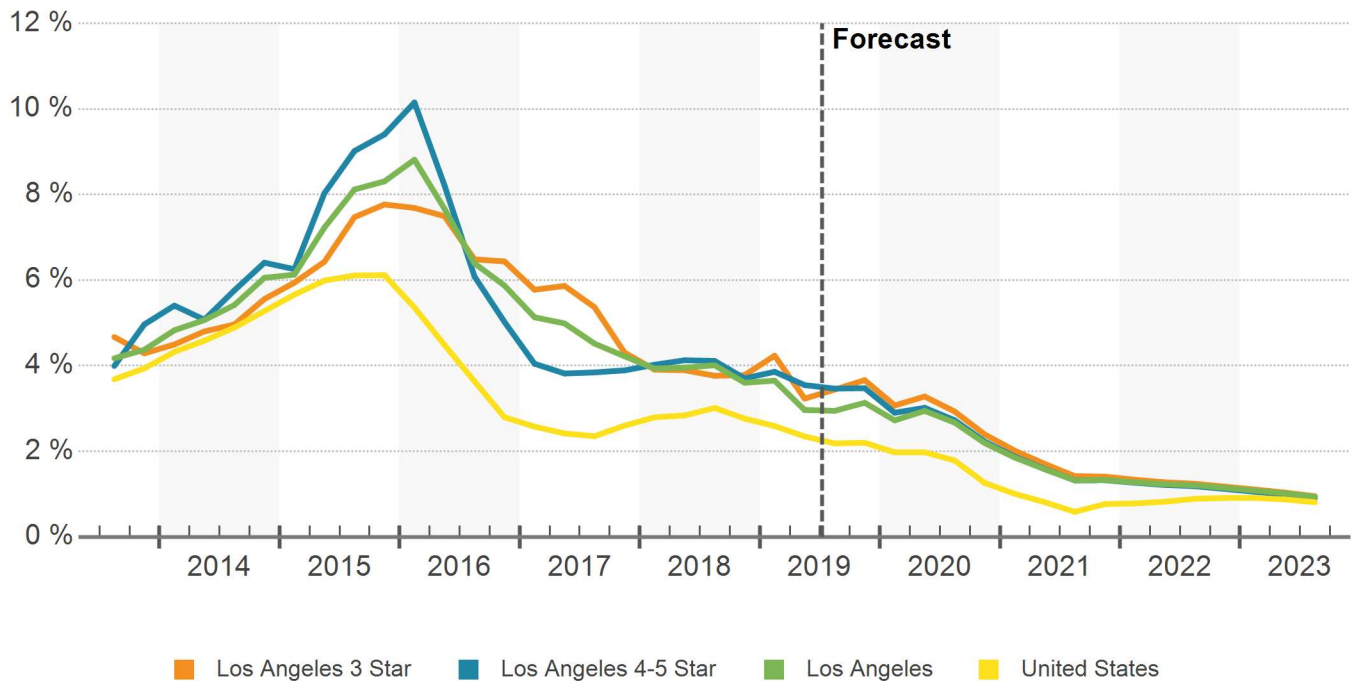


Rent growth continues a years-long slowing trend since reaching cyclical highs around 8% in 2015. Given the large amount of new product currently under development, supply pressures could continue to weigh on rent growth in the coming years. Trendy Westside submarkets captured the lion's share of growth 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%.

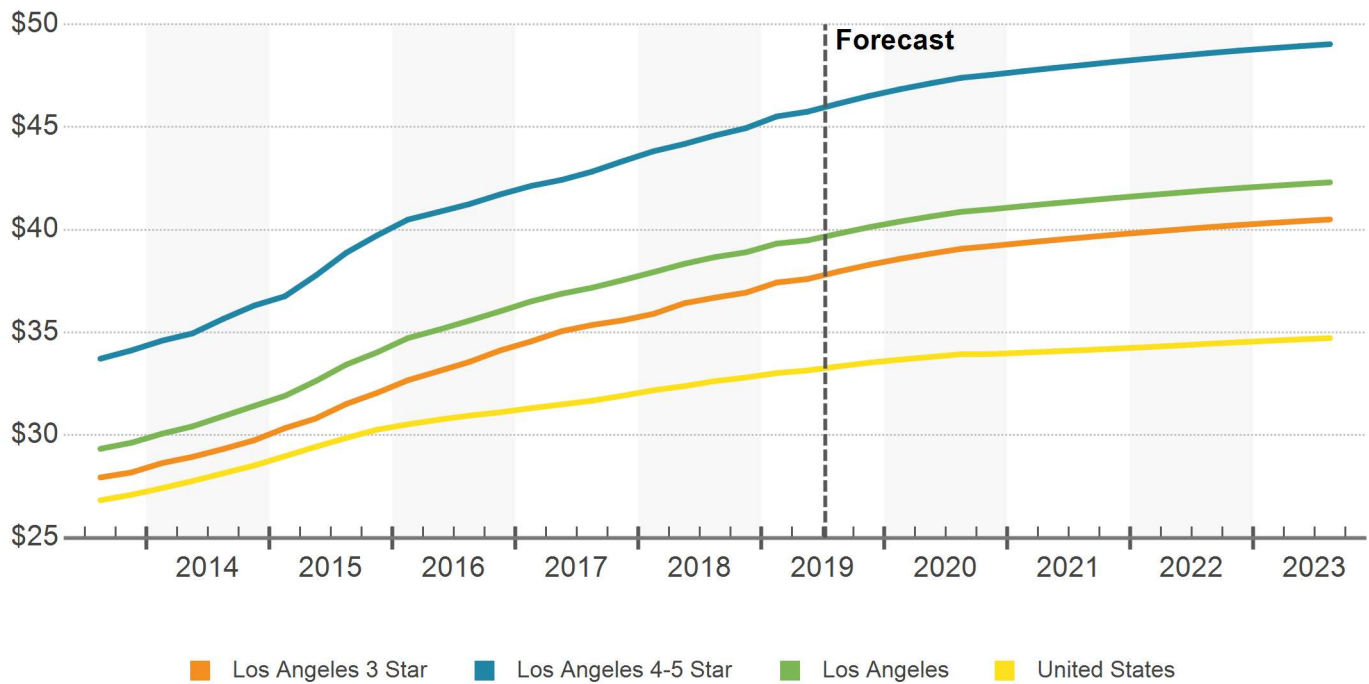
That dynamic has shifted as the cycle matured though. There is evidence that Westside submarkets may be approaching an affordability plateau, as rent gains have declined significantly in LA's premiere office nodes where

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. Rents in submarkets like El Segundo and the 190th Street Corridor, where Toyota used to be located, are growing faster than anywhere else in LA.

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	\$0.77	\$1.54	\$1.04	\$4.04	\$7.26	\$14.65
Antelope Valley	\$0.57	\$1.20	\$0.79	\$4.06	\$5.09	\$11.71
Burbank/Glendale/Pasadena	\$0.97	\$1.55	\$1.01	\$4.50	\$5.55	\$13.58
Downtown Los Angeles	\$0.98	\$1.85	\$0.67	\$4.01	\$11.71	\$19.22
Mid-Cities	\$0.55	\$0.79	\$0.47	\$3.19	\$4.36	\$9.36
Mid-Wilshire	\$0.63	\$1.64	\$0.93	\$3.56	\$8.03	\$14.79
San Fernando Valley	\$0.69	\$1.38	\$0.98	\$3.19	\$5.95	\$12.19
San Gabriel Valley	\$0.83	\$1.66	\$0.93	\$2.42	\$4.90	\$10.74
Santa Clarita Valley	\$0.70	\$1.22	\$0.70	\$3.97	\$4.04	\$10.63
South Bay	\$0.62	\$1.29	\$0.87	\$3.37	\$6.22	\$12.37
Southeast Los Angeles	\$0.72	\$1.76	\$0.92	\$3.40	\$5.75	\$12.55
Ventura South	\$0.76	\$1.25	\$0.79	\$3.31	\$5.35	\$11.46
West Los Angeles	\$0.76	\$1.61	\$1.49	\$5.03	\$7.93	\$16.82

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	\$0.65	\$1.27	\$0.55	\$3.28	\$4.03	\$9.78
Antelope Valley	\$0.51	\$0.89	\$0.65	\$2.78	\$2.82	\$7.65
Burbank/Glendale/Pasadena	\$0.70	\$1.37	\$0.52	\$2.96	\$4.10	\$9.65
Downtown Los Angeles	\$0.91	\$1.73	\$0.55	\$2.17	\$7.89	\$13.25
East LA County Outlying	\$0.75	\$1.60	\$0.56	\$2.21	\$3.45	\$8.57
Mid-Cities	\$0.54	\$0.80	\$0.40	\$2.63	\$2.93	\$7.30
Mid-Wilshire	\$0.60	\$1.52	\$0.62	\$3.36	\$4.48	\$10.58
NE LA County Outlying	\$0.65	\$1.26	\$0.61	\$1.38	\$4.31	\$8.21
NW LA County Outlying	\$0.54	\$0.94	\$0.68	\$1.43	\$2.96	\$6.55
San Fernando Valley	\$0.58	\$0.99	\$0.78	\$2.97	\$3.68	\$9.00
San Gabriel Valley	\$0.74	\$1.56	\$0.52	\$3.25	\$2.41	\$8.48
Santa Clarita Valley	\$0.59	\$0.77	\$0.47	\$3.38	\$2.18	\$7.39
South Bay	\$0.56	\$1.16	\$0.35	\$3.20	\$4.14	\$9.41
Southeast Los Angeles	\$0.63	\$1.47	\$0.40	\$2.66	\$3.35	\$8.51
Ventura South	\$0.60	\$0.93	\$0.65	\$2.89	\$2.69	\$7.76
West Los Angeles	\$0.68	\$1.25	\$0.69	\$4.45	\$5.17	\$12.24

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	\$3.23	\$2.22	\$7.38
Antelope Valley	\$0.50	\$0.70	\$0.16	\$2.39	\$2.38	\$6.13
Burbank/Glendale/Pasadena	\$0.67	\$1.17	\$0.45	\$3.16	\$1.70	\$7.15
Downtown Los Angeles	\$0.54	\$0.74	\$0.35	\$2.28	\$5.47	\$9.38
East LA County Outlying	\$0.67	\$1.13	\$0.37	\$1.54	\$1.94	\$5.65
Mid-Cities	\$0.49	\$0.69	\$0.27	\$2.70	\$2.77	\$6.92
Mid-Wilshire	\$0.54	\$1.18	\$0.51	\$3.68	\$2.57	\$8.48
NE LA County Outlying	\$0.71	\$1.22	\$0.48	\$0.97	\$1.75	\$5.13
San Fernando Valley	\$0.45	\$0.67	\$0.34	\$2.82	\$1.96	\$6.24
San Gabriel Valley	\$0.70	\$1.06	\$0.38	\$3.00	\$1.63	\$6.77
Santa Clarita Valley	\$0.61	\$0.71	\$0.32	\$4.05	\$2.12	\$7.81
South Bay	\$0.54	\$0.81	\$0.18	\$2.86	\$2.07	\$6.46
Southeast Los Angeles	\$0.57	\$0.69	\$0.19	\$2.41	\$2.72	\$6.58
Ventura South	\$0.56	\$0.82	\$0.51	\$3.53	\$2.38	\$7.80
West Los Angeles	\$0.57	\$1.13	\$0.56	\$4.42	\$2.72	\$9.40

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

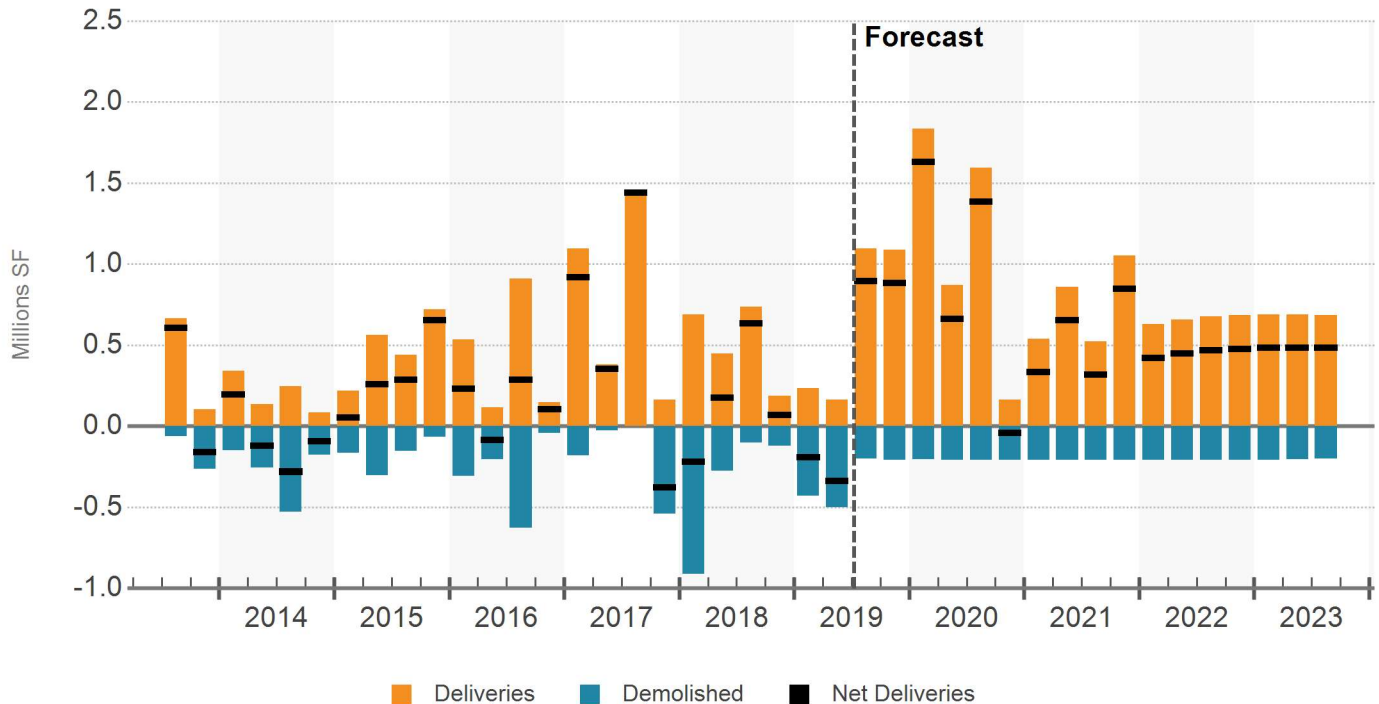
Ground-up speculative development is increasing, while conversions remain a major source of new office supply. In particular, Downtown, West LA, and Hollywood are hotbeds of conversions this cycle. Downtown, Waterbridge Capital is transforming the Broadway Trade Center into almost 600,000 SF of office space, perhaps hoping to mirror the success of Shorenstein Properties Ford Factory project. After acquiring the former Model T assembly plant for \$37 million in 2014, Shorenstein invested roughly \$50 million to convert the asset to creative office use while preserving its historic exterior. The investment was rewarded in 2016 when Warner Music Group inked a deal to relocate its headquarters from Burbank to the Ford Factory, and again in early 2019 when Shorenstein sold the asset to the parent company of Warner Music for \$195 million.

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 pursuing 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.

Tenants and developers continue to show a preference for creative office assets. 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 vacancies, 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 premier Westside locales.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Hollywood/Silver Lake	9	989	805	81.3%	5	16,135	109,934	8
2	Culver City	7	988	566	57.3%	7	16,535	141,159	7
3	Downtown Los Angeles	3	826	149	18.1%	9	172,288	275,188	3
4	El Segundo	3	711	625	87.9%	4	71,461	236,966	5
5	190th Street Corridor	1	540	520	96.3%	3	69,890	540,000	1
6	Long Beach: Downtown	2	507	507	100%	1	28,908	253,500	4
7	Mid-Wilshire	1	468	468	100%	1	39,978	468,000	2
8	Marina Del Rey/Venice	5	333	0	0%	10	22,699	66,673	10
9	Santa Clarita Valley	4	306	207	67.7%	6	21,605	76,450	9
10	Pasadena/Arcadia/Monro...	2	301	82	27.2%	8	18,688	150,500	6
	All Other	19	1,434	539	37.6%		19,896	75,464	
Totals		56	7,403	4,468	60.4%		24,495	132,196	

Under Construction Properties

Los Angeles Office

Properties

56

Square Feet

7,402,960

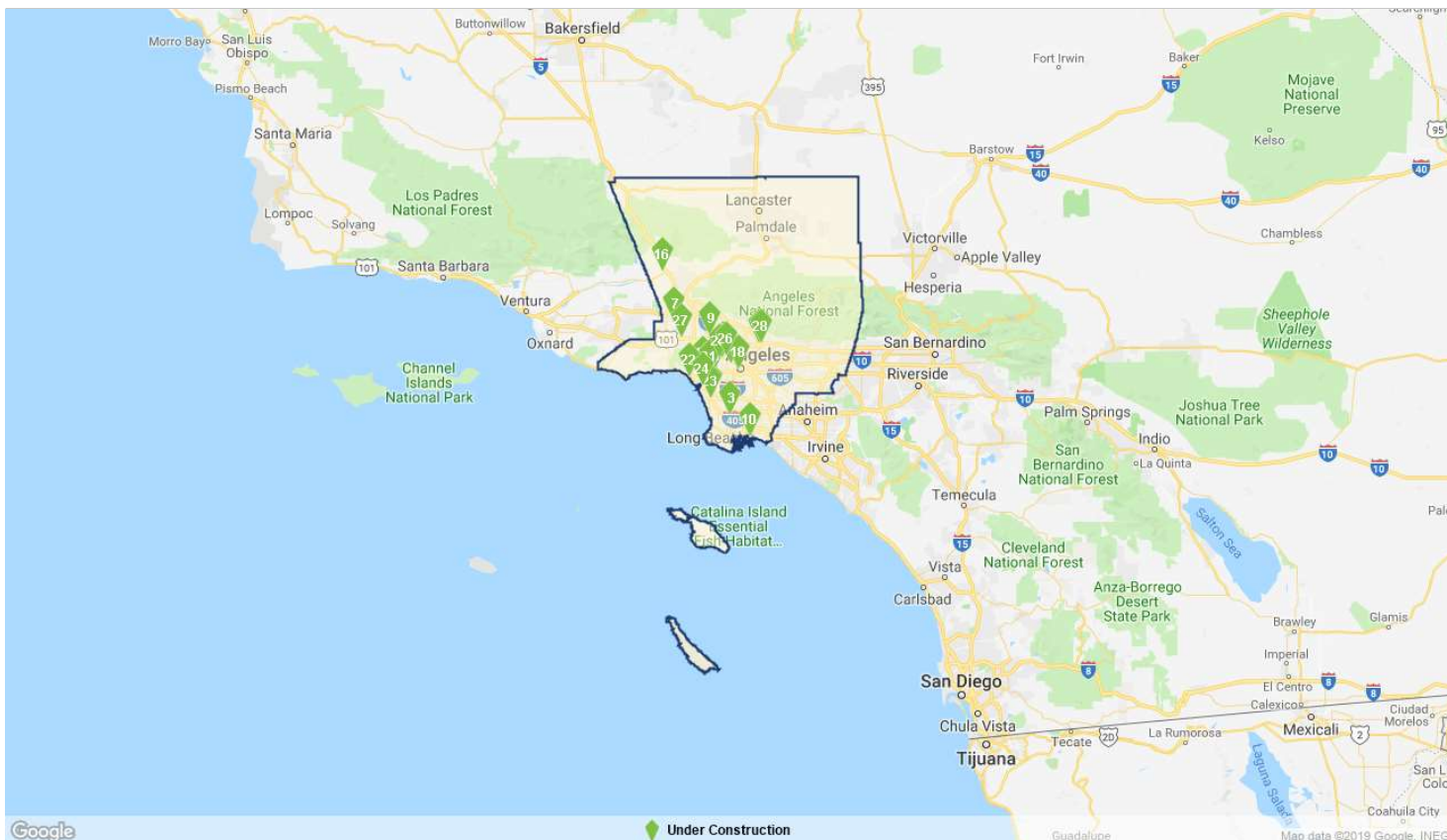
Percent of Inventory

1.8%

Released

60.4%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Broadway Trade Center 801 S Broadway	★★★★☆	627,564	10	Sep-2016	Feb-2020	Waterbridge Capital, LLC Waterbridge Capital, LLC
2 888 N Douglas St	★★★★☆	550,000	-	Jun-2019	Jun-2020	Hackman Capital Partners Northrop Grumman Corporation
3 980 W 190th St	★★★★☆	540,000	1	Mar-2019	Mar-2020	-
4 LA County Department... 510-550 S Vermont Ave	★★★★☆	468,000	20	Oct-2018	Oct-2021	Trammell Crow Company L A County Capital Asset Leasing...
5 EPIC 5901 W Sunset Blvd	★★★★★	302,102	13	Oct-2017	Jan-2020	Hudson Pacific Properties, Inc. Hudson Pacific Properties, Inc.
6 Long Beach Civic Center 441 W Ocean Blvd	★★★★☆	270,000	11	Jan-2017	Oct-2019	Clark Construction The Redevelopment Agency of th...
7 24 20000 Prairie St	★★★★☆	255,815	2	Dec-2017	Jun-2020	- MGA Entertainment, Inc.



Under Construction Properties

Los Angeles Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 Ivy Station 8830-8840 National Blvd	★★★★★	241,205	5	Jan-2018	Apr-2021	Lowe Enterprises Investment Ma... Low Enterprises Investment Ma...
9 NOHO West Office Portion 6150 Laurel Canyon Blvd	★★★★★	240,000	4	Apr-2017	Oct-2019	Merlone Geier Management, Inc. Goldstein Planting Investments
10 Port 441 W Ocean Blvd	★★★★☆	237,000	11	Jan-2017	Aug-2019	Clark Construction City of Long Beach
11 10730 W Pico Blvd	★★★★☆	230,208	3	Jan-2019	Jun-2020	- Goldstein Planting Investments
12 10 West 10 W Walnut St	★★★★☆	219,000	5	Dec-2018	Jan-2021	Lincoln Property Company -
13 9336 Washington Blvd	★★★★☆	200,000	1	Dec-2018	Jul-2020	- Hackman Capital Partners
14 Academy South 1355 Vine St	★★★★☆	183,129	5	Jan-2018	Jun-2020	Kilroy Realty Corporation Kilroy Realty Corporation
15 (W)rapper 5790 W Jefferson Blvd	★★★★☆	180,550	16	Sep-2018	Mar-2021	- Samitaur Constructs
16 27918 Franklin Pky	★★★★☆	170,000	3	Oct-2016	Aug-2019	NewGround International Logix Federal Credit Union
17 Academy North 1375 Vine St	★★★★☆	159,236	6	Jan-2018	Jun-2020	Kilroy Realty Corporation Kilroy Realty Corporation
18 700 S Main St	★★★★☆	138,000	4	Apr-2019	Feb-2020	Urban Offerings -
19 Harlow 1001 N Seward St	★★★★☆	128,725	4	May-2018	May-2020	Hudson Pacific Properties, Inc. Hudson Pacific Properties, Inc.
20 8777 Washington 8777 Washington Blvd	★★★★☆	128,000	4	Aug-2018	Jan-2020	Lincoln Property Company Clarion Partners
21 Culver Steps 9300 Culver Blvd	★★★★☆	116,356	4	Sep-2017	Aug-2019	Combined Properties, Inc. Hackman Capital Partners
22 The Mark 302 302 Colorado Ave	★★★★★	110,800	3	Sep-2018	Oct-2019	- Seritage Growth Properties
23 South Building 2155 Campus Dr	★★★★☆	109,961	5	Dec-2018	Sep-2019	Messori Development Los Angeles Lakers
24 WE3 5533 EA Way	★★★★☆	106,166	3	May-2018	Apr-2020	MPG Office Trust, Inc. Rockwood Capital LLC
25 Courtyard at The Lot 1041 N Formosa Ave	★★★★☆	97,742	6	Mar-2018	Feb-2020	- CIM Group LP
26 Second Home Hollywood 1370 N St Andrews Pl	★★★★☆	90,000	2	Dec-2018	Aug-2019	- Klaff Realty, LP
27 Tarzana Medical Atrium 5411 Etiwanda Ave	★★★★☆	89,158	3	Oct-2017	Oct-2019	Medical Asset Management Medical Asset Management
28 380 E Union St	★★★★☆	82,000	5	Apr-2018	Dec-2019	- Alexandria Real Estate Equities, I...

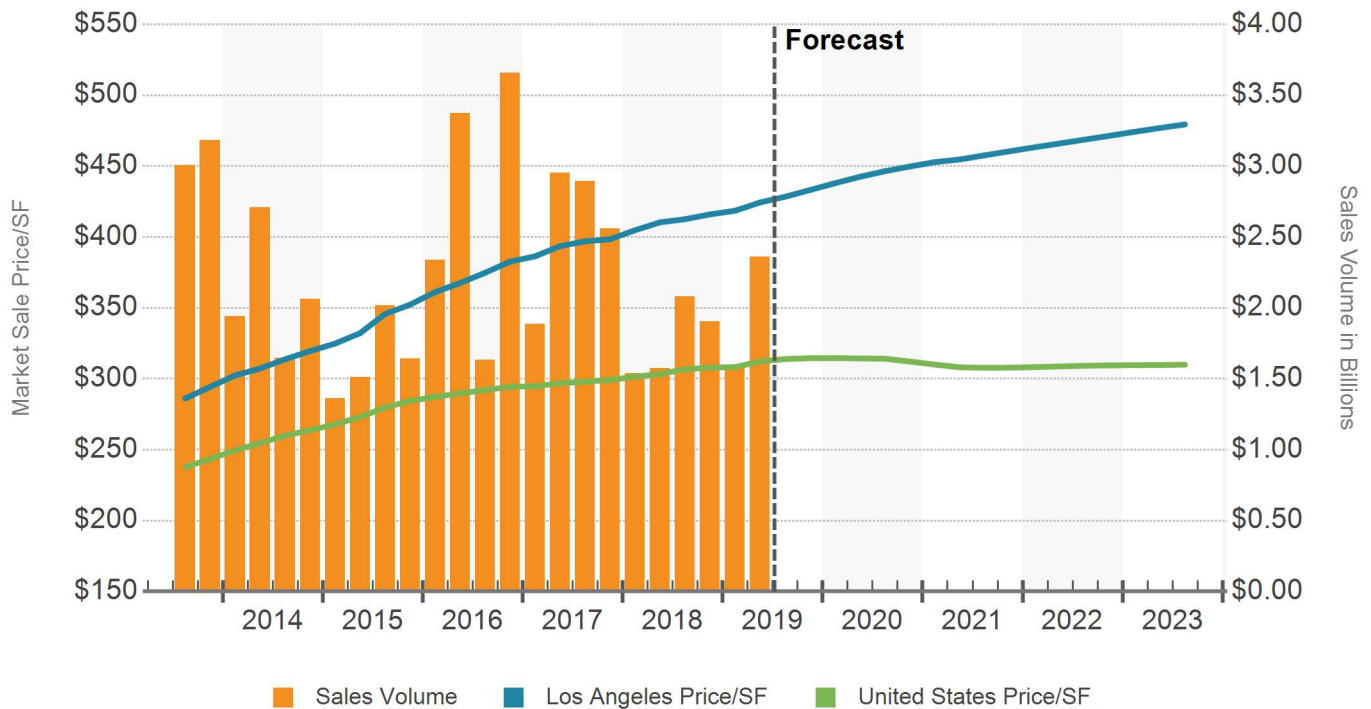


Roughly \$2 billion in office trades were recorded over the first quarter of 2019. The sale of several high-profile assets, including the office portion of CBS's Television City and the previously mentioned Ford Factory in Downtown LA, pushed average pricing significantly higher. After new LA sales volume records were established in 2016 and 2017, with more than \$10 billion in office trades in each year, the pace of trading subsided noticeably last year. Slightly more than \$7 billion in office trades were recorded in 2018, with average cap rates holding near 5.5%, as they have for several years.

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. CBS's Television City, the Lantana Media Center in Santa Monica, and the Ford Factory in Downtown LA all cater to media and entertainment tenants and were among the most notable sales in 19Q1. Last 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 premier office locations in trendy Santa Monica and is home to tenants including streaming service Pandora Media, video game maker Activision Blizzard and Snap, Inc., the parent company of messaging app Snapchat.

SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

Los Angeles Office

Sale Comparables

1,020

Avg. Cap Rate

5.4%

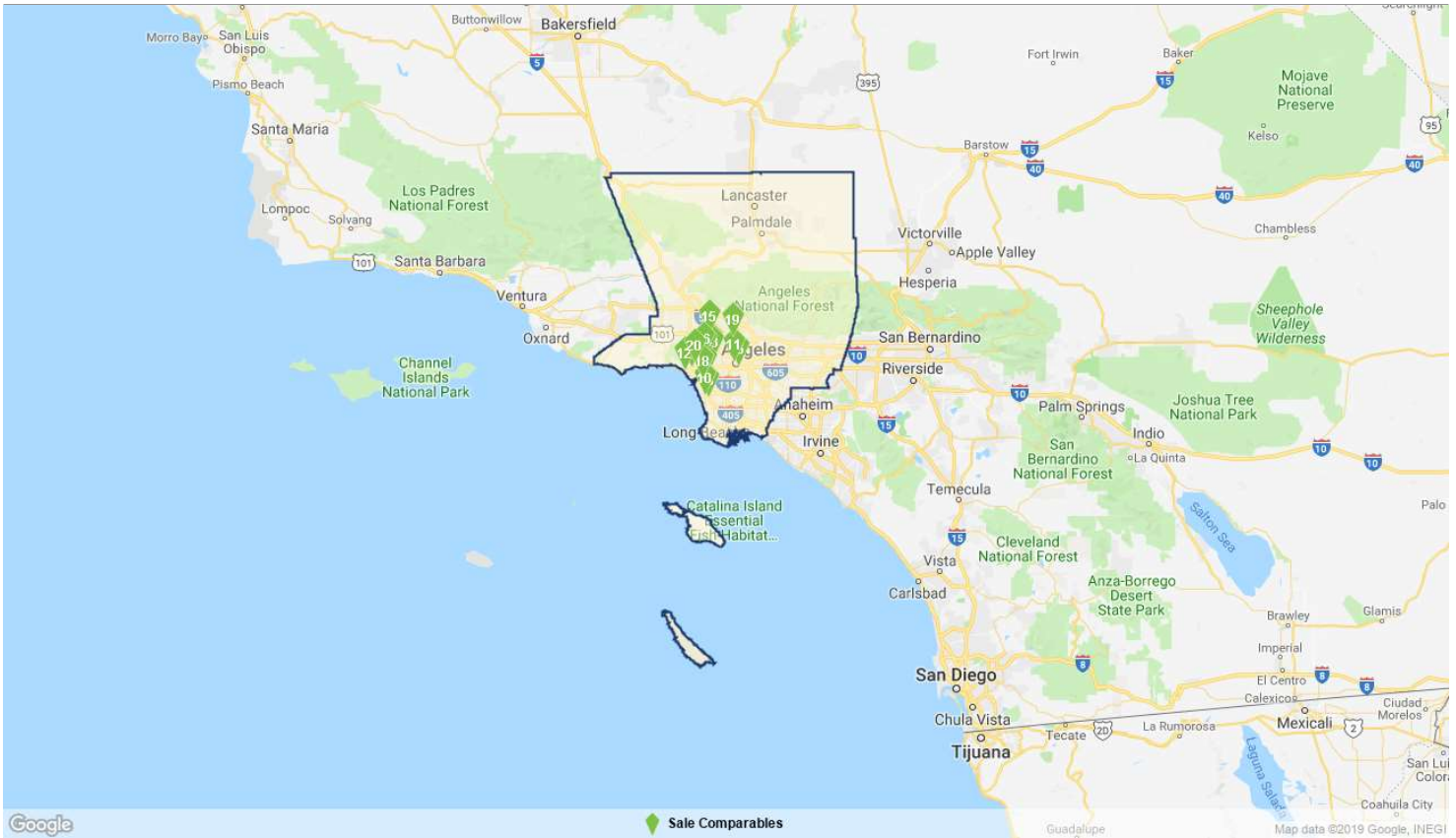
Avg. Price/SF

\$433

Avg. Vacancy At Sale

14.8%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$101,500	\$12,449,049	\$2,400,000	\$575,442,634
Price Per SF	\$16	\$433	\$345	\$2,800
Cap Rate	0.9%	5.4%	5.5%	10.0%
Time Since Sale in Months	0.2	6.6	6.8	12.0
Property Attributes	Low	Average	Median	High
Building SF	360	23,869	5,500	583,083
Stories	1	2	1	24
Typical Floor SF	360	8,330	4,000	171,844
Vacancy Rate At Sale	0%	14.8%	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 Television City 7800 Beverly Blvd	★★★★★	1952	515,531	0%	2/1/2019	\$575,442,634	\$1,116	-	
2 Wilshire Courtyard East 5700 Wilshire Blvd	★★★★★	1987	540,391	22.9%	6/19/2019	\$353,096,107	\$653	2.9%	
3 Wilshire Courtyard West 5750 Wilshire Blvd	★★★★★	1987	462,375	70.1%	6/19/2019	\$276,903,893	\$599	2.9%	
4 C3 5800 Bristol Pky	★★★★★	2017	310,985	38.3%	5/31/2019	\$260,000,000	\$836	4.6%	
5 Lantana Center 3000 W Olympic Blvd	★★★★★	1959	232,000	48.3%	3/15/2019	\$239,112,370	\$1,031	-	
6 Ford Factory 777 S Santa Fe Ave	★★★★★	2017	257,028	0%	4/1/2019	\$193,500,000	\$753	-	
7 Wells Fargo Bldg 433 N Camden Dr	★★★★★	1972	207,432	13.3%	8/30/2018	\$193,000,000	\$930	3.0%	
8 777 Aviation 777 S Aviation Blvd	★★★★★	1968	318,182	27.9%	6/25/2019	\$170,000,000	\$534	3.5%	
9 800 N Brand Blvd	★★★★★	1990	527,336	49.8%	11/29/2018	\$160,000,000	\$303	-	
10 Continental Tower 101 Continental Blvd	★★★★★	1972	346,168	100%	5/2/2019	\$138,500,000	\$400	-	
11 The CalEdison Building 601 W 5th St	★★★★★	1930	287,615	18.3%	12/10/2018	\$135,000,000	\$469	4.0%	
12 520 Broadway	★★★★★	1981	112,987	36.5%	6/12/2019	\$119,225,000	\$1,055	5.0%	
13 UTA Plaza 9336 Civic Center Dr	★★★★★	1985	102,000	0%	12/18/2018	\$117,364,675	\$1,151	4.6%	
14 La Peer Building 8942 Wilshire Blvd	★★★★★	1989	82,886	0%	4/1/2019	\$107,500,000	\$1,297	4.0%	
15 5161 Lankershim Blvd	★★★★★	1984	205,286	0%	5/29/2019	\$102,470,000	\$499	5.7%	
16 UTA Plaza 9346 Civic Center Dr	★★★★★	1985	87,500	0%	12/18/2018	\$102,435,325	\$1,171	4.6%	
17 Bldg 2 - Phase I 12035 Waterfront Dr	★★★★★	2009	101,000	0%	11/8/2018	\$94,721,810	\$938	-	
18 Bldg 1 - Phase I 12045 Waterfront Dr	★★★★★	2009	82,467	5.5%	11/8/2018	\$94,053,902	\$1,141	-	
19 HSBC BUILDING 505 N Brand Blvd	★★★★★	1986	319,865	13.5%	8/31/2018	\$93,500,000	\$292	5.6%	
20 Westwood Terrace Bldg 1640 S Sepulveda Blvd	★★★★★	1987	164,682	30.0%	8/30/2018	\$92,500,000	\$562	4.0%	



LA's labor market has been extremely tight since mid-2016 and the unemployment rate reached 4.6% in March 2019—creating challenges for many firms trying to expand. The pace of job growth in LA has been slightly below the national rate for much of this cycle, with the health care, leisure and hospitality, and construction sectors expanding the most over the past five years. Over the same period, manufacturing jobs have continued to decrease and payrolls in retail trade have hardly changed.

Expectations for job growth in LA could be curbed because the prohibitive cost of housing has been driving lower-income households east, to places like the Inland Empire, Arizona, and Texas. The U.S. Census estimates that LA experienced slight population losses in 2017 and 2018, and altogether has averaged only 0.4% annual population growth over the last ten years. Still, LA remains an entry point for international migration and also an attractive destination for younger tech, entertainment, and professional workers—which often fall into the HENRY category (high earners, not rich yet). These two demographics help to reliably drive 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 4.2% in 18Q3 year-over-year, compared to 3.6% 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 was about \$69,000 in 2018. 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 brick and mortar 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.

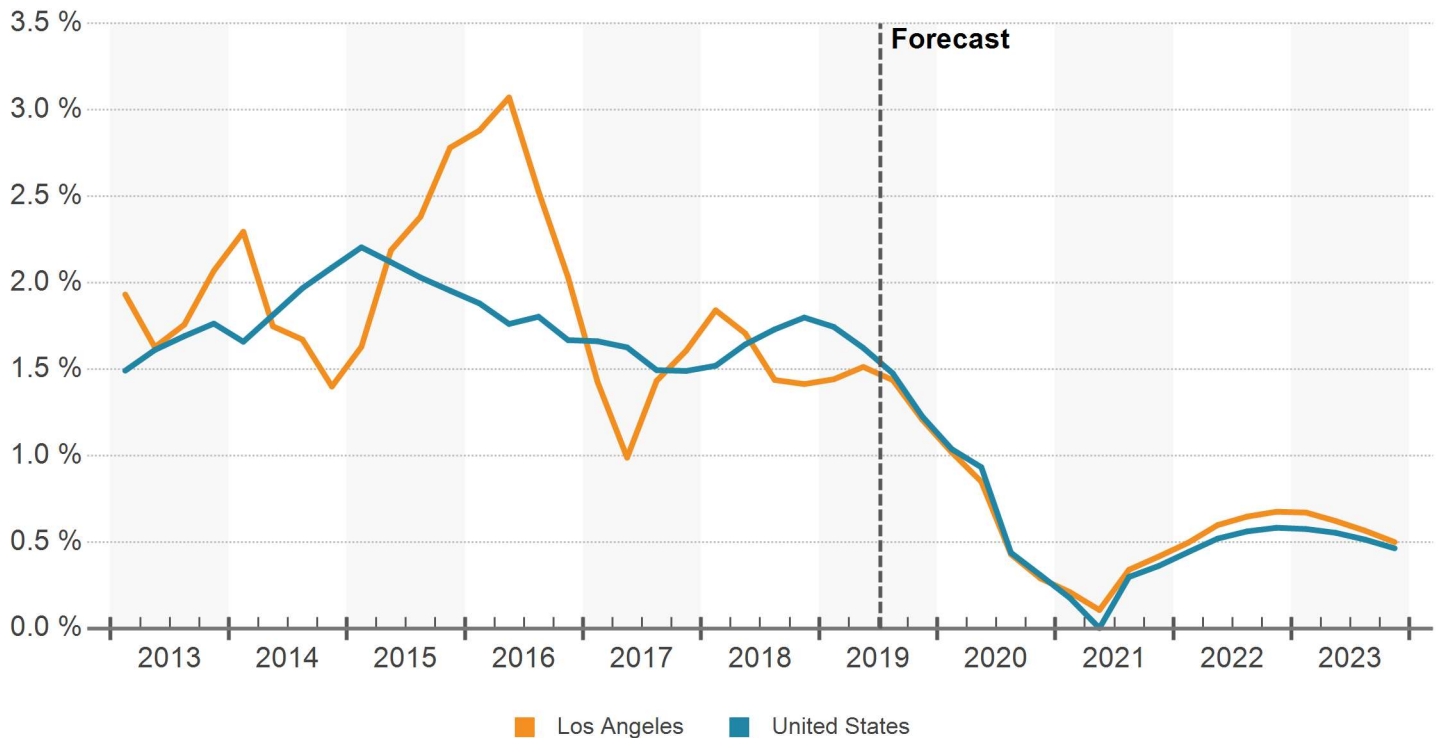
Logistics and transportation companies are not exempt from difficulties in finding highly skilled workers. Furthermore, demand for these workers and warehouse space will continue to rise as the rate of goods entering and exiting through the twin ports of LA continues to grow. Loaded TEU's reached an all-time high in 2018 and have not slowed so far through 2019. 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	344	0.9	-0.37%	1.39%	-1.49%	0.80%	-0.33%	0.13%
Trade, Transportation and Utilities	859	1.0	1.13%	1.20%	1.36%	1.17%	0.65%	0.42%
Retail Trade	425	0.9	-0.32%	0.14%	0.91%	0.87%	0.58%	0.31%
Financial Activities	227	0.9	0.73%	1.27%	0.24%	1.01%	0.06%	0.40%
Government	589	0.9	1.26%	0.55%	-0.10%	-0.02%	0.67%	0.76%
Natural Resources, Mining and Construction	155	0.6	4.17%	3.27%	2.39%	2.02%	0.37%	0.26%
Education and Health Services	838	1.2	1.57%	1.93%	2.26%	2.08%	0.72%	0.32%
Professional and Business Services	635	1.0	2.12%	2.47%	2.01%	2.62%	0.59%	0.86%
Information	218	2.6	3.55%	-0.10%	1.29%	0.07%	0.55%	0.43%
Leisure and Hospitality	548	1.1	1.48%	2.24%	3.54%	2.46%	0.60%	0.39%
Other Services	164	0.9	1.74%	0.99%	1.51%	0.95%	-0.11%	0.21%
Total Employment	4,577	1.0	1.51%	1.61%	1.36%	1.42%	0.51%	0.47%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



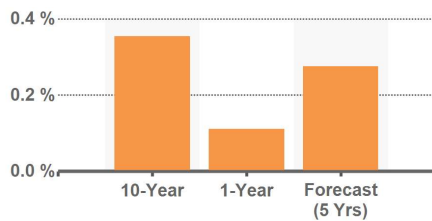
Source: Oxford Economics

DEMOGRAPHIC TRENDS

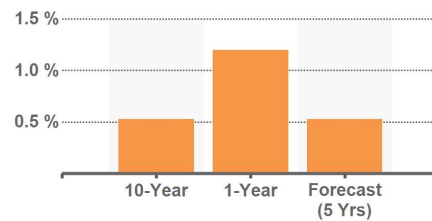
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	10,136,452	329,292,031	0.1%	0.7%	0.4%	0.7%	0.3%	0.7%
Households	3,294,498	121,278,906	0%	0.6%	0.4%	0.7%	0.2%	0.6%
Median Household Income	\$70,146	\$64,028	4.6%	3.6%	2.4%	2.3%	4.8%	4.3%
Labor Force	5,218,984	163,710,063	1.2%	1.2%	0.5%	0.6%	0.5%	0.5%
Unemployment	4.7%	3.8%	0.2%	-0.1%	-0.7%	-0.6%	-	-

Source: Oxford Economics

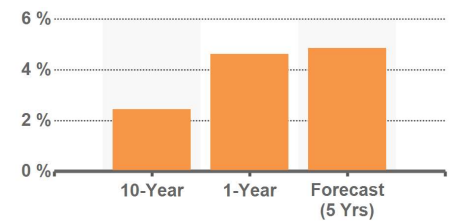
POPULATION GROWTH



LABOR FORCE GROWTH

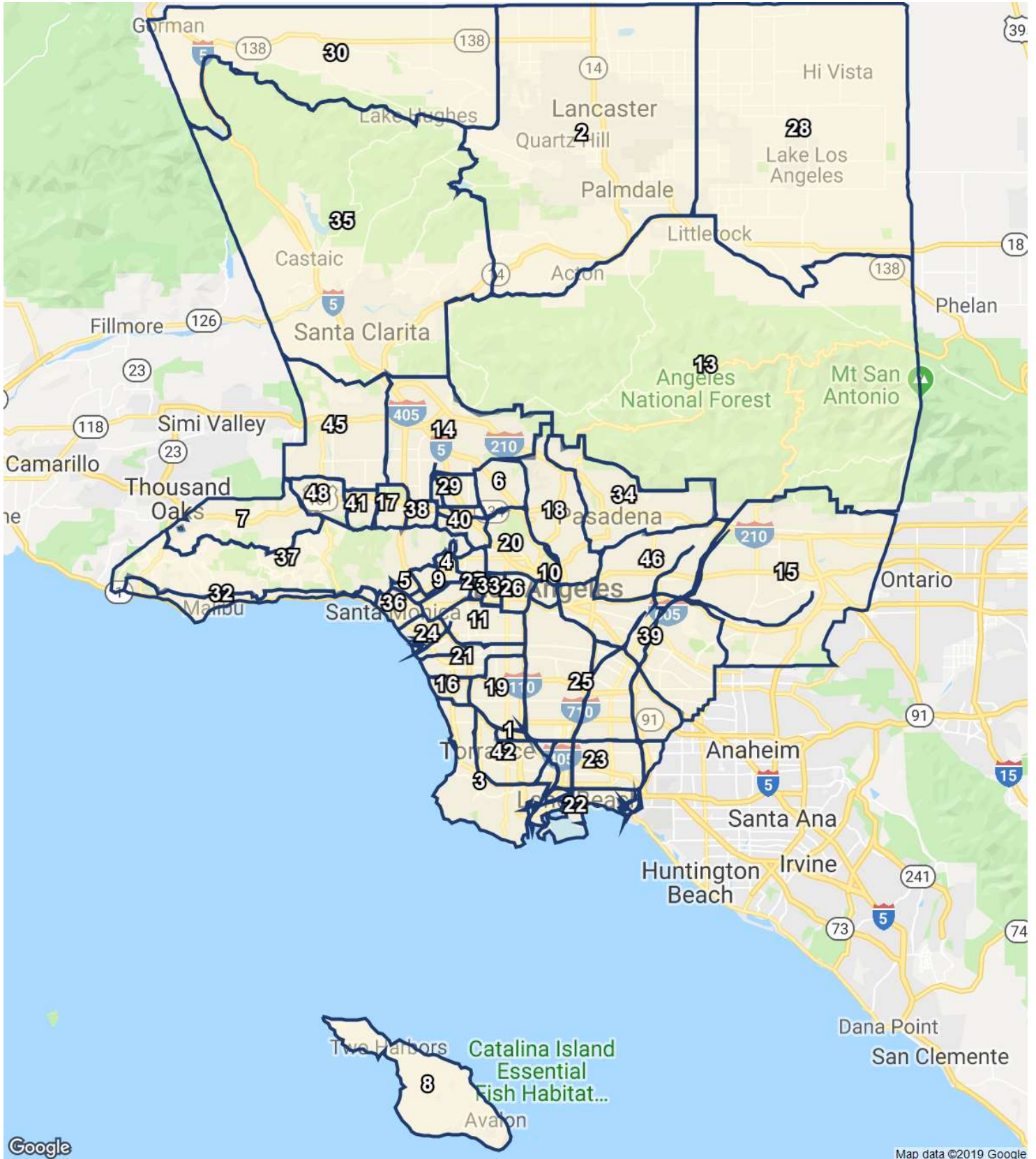


INCOME GROWTH



Source: Oxford Economics

LOS ANGELES SUBMARKETS



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	Beverly Hills	315	11,200	1.3%	23	1	100	0.9%	4	0	-	-	-
2	Burbank	633	14,601	1.7%	13	1	6	0%	13	0	-	-	-
3	Calabasas/Westlake Vill	215	7,422	0.9%	45	0	0	0%	-	0	-	-	-
4	Century City	37	11,116	1.3%	25	0	0	0%	-	0	-	-	-
5	Culver City	554	9,161	1.1%	35	3	90	1.0%	5	7	988	10.8%	2
6	Downtown Los Angeles	368	63,402	7.6%	1	5	228	0.4%	3	3	826	1.3%	3
7	Eastern SFV	632	8,668	1.0%	39	0	0	0%	-	0	-	-	-
8	Eastern SGV	1,264	18,490	2.2%	5	3	28	0.2%	10	1	33	0.2%	13
9	El Segundo	250	17,865	2.1%	7	4	235	1.3%	2	3	711	4.0%	4
10	Glendale	810	13,216	1.6%	15	0	0	0%	-	2	87	0.7%	11
11	Hollywood/Silver Lake	814	13,134	1.6%	17	2	77	0.6%	6	9	989	7.5%	1
12	Long Beach: Downtown	269	7,776	0.9%	43	0	0	0%	-	2	507	6.5%	5
13	Long Beach: Suburban	503	9,916	1.2%	31	2	45	0.5%	8	0	-	-	-
14	Marina Del Rey/Venice	446	10,124	1.2%	27	3	308	3.0%	1	5	333	3.3%	7
15	Mid-Cities	1,096	12,766	1.5%	19	1	11	0.1%	12	0	-	-	-
16	Mid-Wilshire	403	16,111	1.9%	9	0	0	0%	-	1	468	2.9%	6
17	Pasadena/Arcadia/Monro...	1,197	22,369	2.7%	3	0	0	0%	-	2	301	1.3%	8
18	Santa Monica	590	15,971	1.9%	11	1	31	0.2%	9	2	139	0.9%	9
19	Southeast Los Angeles	733	9,743	1.2%	33	0	0	0%	-	0	-	-	-
20	Torrance	465	9,146	1.1%	37	0	0	0%	-	0	-	-	-
21	West Hollywood	380	7,343	0.9%	47	1	68	0.9%	7	1	98	1.3%	10
22	Western SGV	794	12,127	1.4%	21	2	24	0.2%	11	1	62	0.5%	12
23	Westwood	178	8,461	1.0%	41	0	0	0%	-	0	-	-	-
24	Woodland Hills/Warner Ctr	209	10,044	1.2%	29	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	Beverly Hills	\$66.10	1	1.7%	16	-0.3%	4
2	Burbank	\$38.59	11	3.6%	9	-7.2%	23
3	Calabasas/Westlake Vill	\$36.43	12	1.2%	19	-3.8%	17
4	Century City	\$59.39	3	-0.3%	24	-0.4%	5
5	Culver City	\$49.03	7	1.2%	20	-1.4%	9
6	Downtown Los Angeles	\$39.15	10	3.4%	10	0.1%	2
7	Eastern SFV	\$28.29	20	3.6%	8	-2.6%	13
8	Eastern SGV	\$26.43	23	1.5%	17	-3.5%	15
9	El Segundo	\$44.12	9	7.0%	1	-9.9%	24
10	Glendale	\$34.16	14	2.9%	11	-2.3%	12
11	Hollywood/Silver Lake	\$48.48	8	5.1%	5	-4.6%	21
12	Long Beach: Downtown	\$32.72	15	5.5%	2	0%	3
13	Long Beach: Suburban	\$30.81	18	5.3%	4	-4.6%	20
14	Marina Del Rey/Venice	\$54.34	5	0%	22	-1.3%	8
15	Mid-Cities	\$27.63	22	2.0%	13	-3.5%	16
16	Mid-Wilshire	\$31.87	17	5.3%	3	-4.0%	18
17	Pasadena/Arcadia/Monro...	\$34.23	13	2.1%	12	-1.7%	10
18	Santa Monica	\$63.23	2	0.8%	21	-1.1%	6
19	Southeast Los Angeles	\$25.81	24	1.9%	14	-2.7%	14
20	Torrance	\$32.34	16	4.6%	6	-5.4%	22
21	West Hollywood	\$56.59	4	4.5%	7	-4.1%	19
22	Western SGV	\$28.20	21	1.4%	18	-2.2%	11
23	Westwood	\$51.63	6	-0.2%	23	0.7%	1
24	Woodland Hills/Warner Ctr	\$30.08	19	1.9%	15	-1.1%	7

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	Beverly Hills	1,103,312	9.9%	16	10,371	0.1%	13	9.6
2	Burbank	872,019	6.0%	5	147,011	1.0%	8	-
3	Calabasas/Westlake Vill	941,665	12.7%	22	(55,782)	-0.8%	19	-
4	Century City	527,060	4.7%	2	200,769	1.8%	6	-
5	Culver City	916,460	10.0%	17	304,820	3.3%	2	0.1
6	Downtown Los Angeles	8,694,900	13.7%	24	259,033	0.4%	3	-
7	Eastern SFV	621,890	7.2%	8	(163,293)	-1.9%	23	-
8	Eastern SGV	1,477,323	8.0%	11	239,464	1.3%	4	0.1
9	El Segundo	2,214,552	12.4%	21	(413,629)	-2.3%	24	-
10	Glendale	1,372,360	10.4%	18	(107,148)	-0.8%	21	-
11	Hollywood/Silver Lake	1,126,674	8.6%	13	(109,758)	-0.8%	22	-
12	Long Beach: Downtown	860,502	11.1%	19	3,059	0%	15	-
13	Long Beach: Suburban	596,764	6.0%	6	(8,374)	-0.1%	16	-
14	Marina Del Rey/Venice	1,233,789	12.2%	20	591,328	5.8%	1	-
15	Mid-Cities	1,056,197	8.3%	12	(55,543)	-0.4%	18	-
16	Mid-Wilshire	2,167,018	13.5%	23	(99,866)	-0.6%	20	-
17	Pasadena/Arcadia/Monro...	1,737,281	7.8%	10	165,272	0.7%	7	-
18	Santa Monica	1,229,854	7.7%	9	214,361	1.3%	5	-
19	Southeast Los Angeles	563,866	5.8%	4	(52,738)	-0.5%	17	-
20	Torrance	650,247	7.1%	7	61,022	0.7%	11	-
21	West Hollywood	345,640	4.7%	1	56,010	0.8%	12	-
22	Western SGV	653,984	5.4%	3	76,641	0.6%	10	-
23	Westwood	781,976	9.2%	14	8,876	0.1%	14	-
24	Woodland Hills/Warner Ctr	940,418	9.4%	15	89,003	0.9%	9	0.2

Supply & Demand Trends

Los Angeles Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	429,752,520	1,928,487	0.5%	1,673,745	0.4%	1.2
2022	427,824,033	1,814,954	0.4%	852,855	0.2%	2.1
2021	426,009,079	2,149,326	0.5%	1,321,585	0.3%	1.6
2020	423,859,753	3,635,682	0.9%	1,514,807	0.4%	2.4
2019	420,224,071	1,268,389	0.3%	2,547,944	0.6%	0.5
YTD	418,638,336	(317,346)	-0.1%	(557,192)	-0.1%	-
2018	418,955,682	655,728	0.2%	2,284,801	0.5%	0.3
2017	418,299,954	2,334,439	0.6%	820,400	0.2%	2.8
2016	415,965,515	531,088	0.1%	3,456,550	0.8%	0.2
2015	415,434,427	1,252,161	0.3%	2,875,369	0.7%	0.4
2014	414,182,266	(297,463)	-0.1%	2,725,677	0.7%	-
2013	414,479,729	1,134,893	0.3%	1,923,611	0.5%	0.6
2012	413,344,836	809,754	0.2%	1,831,779	0.4%	0.4
2011	412,535,082	464,188	0.1%	168,991	0%	2.7
2010	412,070,894	865,607	0.2%	(2,401,217)	-0.6%	-
2009	411,205,287	2,923,777	0.7%	(5,773,310)	-1.4%	-
2008	408,281,510	2,151,940	0.5%	(6,194,914)	-1.5%	-
2007	406,129,570	820,356	0.2%	703,512	0.2%	1.2

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	172,232,398	2,744,695	1.6%	2,491,508	1.4%	1.1
2022	169,487,703	2,649,535	1.6%	2,062,806	1.2%	1.3
2021	166,838,168	2,798,443	1.7%	2,676,252	1.6%	1.0
2020	164,039,725	4,078,195	2.5%	3,147,331	1.9%	1.3
2019	159,961,530	1,999,884	1.3%	2,979,733	1.9%	0.7
YTD	158,081,089	119,443	0.1%	302,152	0.2%	0.4
2018	157,961,646	1,289,892	0.8%	1,723,572	1.1%	0.7
2017	156,671,754	2,097,910	1.4%	955,846	0.6%	2.2
2016	154,573,844	369,763	0.2%	1,796,861	1.2%	0.2
2015	154,204,081	870,431	0.6%	1,519,580	1.0%	0.6
2014	153,333,650	(68,988)	0%	1,881,366	1.2%	-
2013	153,402,638	896,111	0.6%	630,673	0.4%	1.4
2012	152,506,527	555,390	0.4%	1,631,609	1.1%	0.3
2011	151,951,137	171,207	0.1%	(287,402)	-0.2%	-
2010	151,779,930	764,113	0.5%	(2,242,599)	-1.5%	-
2009	151,015,817	2,234,710	1.5%	(2,068,975)	-1.4%	-
2008	148,781,107	1,148,544	0.8%	(1,764,937)	-1.2%	-
2007	147,632,563	1,150,978	0.8%	941,787	0.6%	1.2



Supply & Demand Trends

Los Angeles Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	153,171,510	(6)	0%	(38,403)	0%	-
2022	153,171,516	(7)	0%	(236,302)	-0.2%	-
2021	153,171,523	180,544	0.1%	(167,238)	-0.1%	-
2020	152,990,979	387,025	0.3%	(256,340)	-0.2%	-
2019	152,603,954	(195,073)	-0.1%	89,720	0.1%	-
YTD	152,490,110	(308,917)	-0.2%	(341,194)	-0.2%	-
2018	152,799,027	467,509	0.3%	887,304	0.6%	0.5
2017	152,331,518	282,836	0.2%	961,118	0.6%	0.3
2016	152,048,682	505,055	0.3%	740,925	0.5%	0.7
2015	151,543,627	510,293	0.3%	1,169,284	0.8%	0.4
2014	151,033,334	180,659	0.1%	21,362	0%	8.5
2013	150,852,675	187,942	0.1%	472,952	0.3%	0.4
2012	150,664,733	370,643	0.2%	637,752	0.4%	0.6
2011	150,294,090	594,905	0.4%	994,134	0.7%	0.6
2010	149,699,185	309,753	0.2%	510,378	0.3%	0.6
2009	149,389,432	800,445	0.5%	(2,295,868)	-1.5%	-
2008	148,588,987	1,038,084	0.7%	(2,309,800)	-1.6%	-
2007	147,550,903	519,276	0.4%	659,790	0.4%	0.8

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	104,348,612	(816,202)	-0.8%	(779,360)	-0.7%	-
2022	105,164,814	(834,574)	-0.8%	(973,649)	-0.9%	-
2021	105,999,388	(829,661)	-0.8%	(1,187,429)	-1.1%	-
2020	106,829,049	(829,538)	-0.8%	(1,376,184)	-1.3%	-
2019	107,658,587	(536,422)	-0.5%	(521,509)	-0.5%	-
YTD	108,067,137	(127,872)	-0.1%	(518,150)	-0.5%	-
2018	108,195,009	(1,101,673)	-1.0%	(326,075)	-0.3%	-
2017	109,296,682	(46,307)	0%	(1,096,564)	-1.0%	-
2016	109,342,989	(343,730)	-0.3%	918,764	0.8%	-
2015	109,686,719	(128,563)	-0.1%	186,505	0.2%	-
2014	109,815,282	(409,134)	-0.4%	822,949	0.7%	-
2013	110,224,416	50,840	0%	819,986	0.7%	0.1
2012	110,173,576	(116,279)	-0.1%	(437,582)	-0.4%	-
2011	110,289,855	(301,924)	-0.3%	(537,741)	-0.5%	-
2010	110,591,779	(208,259)	-0.2%	(668,996)	-0.6%	-
2009	110,800,038	(111,378)	-0.1%	(1,408,467)	-1.3%	-
2008	110,911,416	(34,688)	0%	(2,120,177)	-1.9%	-
2007	110,946,104	(849,898)	-0.8%	(898,065)	-0.8%	-



OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$42.38	130	0.9%	8.9%	43,823,746	10.2%	0%
2022	\$42.02	129	1.1%	8.0%	43,548,568	10.2%	0.2%
2021	\$41.55	128	1.3%	6.8%	42,565,652	10.0%	0.1%
2020	\$41.00	126	2.2%	5.4%	41,717,077	9.8%	0.4%
2019	\$40.12	123	3.1%	3.1%	39,573,819	9.4%	-0.3%
YTD	\$39.46	121	1.4%	1.4%	41,060,217	9.8%	0.1%
2018	\$38.90	119	3.6%	0%	40,844,073	9.7%	-0.4%
2017	\$37.55	115	4.2%	-3.5%	42,584,871	10.2%	0.3%
2016	\$36.03	111	5.9%	-7.4%	41,071,285	9.9%	-0.7%
2015	\$34.03	104	8.3%	-12.5%	43,976,396	10.6%	-0.4%
2014	\$31.42	96	6.1%	-19.2%	45,619,955	11.0%	-0.7%
2013	\$29.63	91	4.4%	-23.8%	48,644,647	11.7%	-0.2%
2012	\$28.39	87	2.4%	-27.0%	49,433,365	12.0%	-0.3%
2011	\$27.71	85	0.3%	-28.8%	50,455,390	12.2%	0.1%
2010	\$27.64	85	-4.8%	-29.0%	50,160,193	12.2%	0.8%
2009	\$29.04	89	-10.9%	-25.4%	46,893,369	11.4%	2.0%
2008	\$32.58	100	-0.8%	-16.3%	38,196,282	9.4%	2.0%
2007	\$32.83	101	13.7%	-15.6%	29,849,428	7.3%	0%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$49.12	132	0.8%	9.3%	21,922,450	12.7%	-0.1%
2022	\$48.71	131	1.1%	8.4%	21,670,743	12.8%	0.1%
2021	\$48.17	129	1.3%	7.2%	21,085,459	12.6%	-0.1%
2020	\$47.54	128	2.2%	5.8%	20,964,729	12.8%	0.3%
2019	\$46.51	125	3.5%	3.5%	20,034,225	12.5%	-0.8%
YTD	\$45.72	123	1.7%	1.7%	20,831,388	13.2%	-0.1%
2018	\$44.95	121	3.7%	0%	21,014,097	13.3%	-0.4%
2017	\$43.34	116	3.9%	-3.6%	21,447,777	13.7%	0.6%
2016	\$41.72	112	5.0%	-7.2%	20,305,713	13.1%	-1.0%
2015	\$39.72	107	9.4%	-11.6%	21,732,811	14.1%	-0.5%
2014	\$36.31	97	6.4%	-19.2%	22,381,960	14.6%	-1.3%
2013	\$34.12	92	5.0%	-24.1%	24,332,314	15.9%	0.1%
2012	\$32.51	87	0.6%	-27.7%	24,066,876	15.8%	-0.8%
2011	\$32.30	87	1.0%	-28.1%	25,143,095	16.5%	0.3%
2010	\$31.99	86	-3.4%	-28.8%	24,684,486	16.3%	1.9%
2009	\$33.12	89	-11.1%	-26.3%	21,677,774	14.4%	2.7%
2008	\$37.26	100	-0.8%	-17.1%	17,374,089	11.7%	1.9%
2007	\$37.57	101	16.8%	-16.4%	14,460,608	9.8%	0.1%



3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$40.57	130	0.9%	9.8%	14,276,343	9.3%	0%
2022	\$40.23	129	1.2%	8.9%	14,237,945	9.3%	0.2%
2021	\$39.76	127	1.4%	7.6%	14,001,647	9.1%	0.2%
2020	\$39.21	126	2.4%	6.1%	13,653,863	8.9%	0.4%
2019	\$38.29	123	3.7%	3.7%	13,010,497	8.5%	-0.2%
YTD	\$37.58	120	1.7%	1.7%	13,327,596	8.7%	0%
2018	\$36.94	118	3.8%	0%	13,308,389	8.7%	-0.3%
2017	\$35.59	114	4.3%	-3.6%	13,728,020	9.0%	-0.5%
2016	\$34.12	109	6.4%	-7.6%	14,406,466	9.5%	-0.2%
2015	\$32.06	103	7.8%	-13.2%	14,642,336	9.7%	-0.5%
2014	\$29.75	95	5.6%	-19.5%	15,301,327	10.1%	0.1%
2013	\$28.18	90	4.3%	-23.7%	15,142,030	10.0%	-0.2%
2012	\$27.02	87	3.8%	-26.8%	15,427,040	10.2%	-0.2%
2011	\$26.05	83	0.1%	-29.5%	15,694,149	10.4%	-0.3%
2010	\$26.02	83	-6.3%	-29.6%	16,093,378	10.8%	-0.2%
2009	\$27.78	89	-11.0%	-24.8%	16,294,003	10.9%	2.0%
2008	\$31.21	100	0.5%	-15.5%	13,197,690	8.9%	2.2%
2007	\$31.07	100	12.3%	-15.9%	9,849,806	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	\$34.68	127	0.9%	6.8%	7,624,953	7.3%	0%
2022	\$34.37	126	1.2%	5.8%	7,639,880	7.3%	0.2%
2021	\$33.97	124	1.2%	4.6%	7,478,546	7.1%	0.4%
2020	\$33.56	123	1.8%	3.4%	7,098,485	6.6%	0.6%
2019	\$32.98	120	1.6%	1.6%	6,529,097	6.1%	0%
YTD	\$32.57	119	0.3%	0.3%	6,901,233	6.4%	0.4%
2018	\$32.47	119	3.1%	0%	6,521,587	6.0%	-0.8%
2017	\$31.49	115	4.8%	-3.0%	7,409,074	6.8%	1.0%
2016	\$30.06	110	6.8%	-7.4%	6,359,106	5.8%	-1.1%
2015	\$28.15	103	6.9%	-13.3%	7,601,249	6.9%	-0.3%
2014	\$26.34	96	6.1%	-18.9%	7,936,668	7.2%	-1.1%
2013	\$24.82	91	3.3%	-23.6%	9,170,303	8.3%	-0.7%
2012	\$24.03	88	4.2%	-26.0%	9,939,449	9.0%	0.3%
2011	\$23.07	84	-0.9%	-29.0%	9,618,146	8.7%	0.2%
2010	\$23.29	85	-5.3%	-28.3%	9,382,329	8.5%	0.4%
2009	\$24.60	90	-10.1%	-24.3%	8,921,592	8.1%	1.2%
2008	\$27.37	100	-2.6%	-15.7%	7,624,503	6.9%	1.9%
2007	\$28.11	103	10.0%	-13.4%	5,539,014	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	-	-	-	-	-	-	\$481.76	197	5.5%
2022	-	-	-	-	-	-	\$471.41	193	5.5%
2021	-	-	-	-	-	-	\$460.47	188	5.4%
2020	-	-	-	-	-	-	\$449.73	184	5.4%
2019	-	-	-	-	-	-	\$433.12	177	5.3%
YTD	438	\$3,947 M	2.0%	\$14,406,443	\$512.79	5.4%	\$421.49	173	5.3%
2018	1,044	\$7,098 M	5.8%	\$10,583,787	\$363.54	5.5%	\$415.94	170	5.3%
2017	1,226	\$10,288 M	7.8%	\$14,637,023	\$355.16	5.6%	\$398.44	163	5.3%
2016	1,025	\$11,000 M	7.4%	\$15,188,924	\$385.55	5.5%	\$382.66	157	5.4%
2015	1,089	\$6,530 M	5.7%	\$9,045,903	\$302.38	5.7%	\$352.31	144	5.6%
2014	973	\$8,356 M	6.9%	\$11,954,401	\$311.45	6.2%	\$319.60	131	5.7%
2013	856	\$9,191 M	8.3%	\$14,813,371	\$286.17	6.2%	\$294.30	120	6.0%
2012	840	\$3,895 M	4.9%	\$8,666,953	\$238.50	7.1%	\$274.28	112	6.2%
2011	634	\$2,907 M	3.3%	\$7,472,842	\$242.58	7.9%	\$263.62	108	6.4%
2010	398	\$1,439 M	1.9%	\$5,247,836	\$219.86	7.3%	\$236.46	97	6.9%
2009	345	\$807.9 M	1.4%	\$3,414,259	\$219.31	7.8%	\$207.80	85	7.6%
2008	531	\$3,493 M	3.4%	\$9,286,378	\$286.35	6.0%	\$244.29	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	-	-	-	-	-	-	\$545.52	195	5.3%
2022	-	-	-	-	-	-	\$534.26	191	5.3%
2021	-	-	-	-	-	-	\$522.05	187	5.3%
2020	-	-	-	-	-	-	\$510.24	183	5.2%
2019	-	-	-	-	-	-	\$490.52	176	5.2%
YTD	15	\$1,662 M	1.7%	\$127,072,640	\$607.81	4.8%	\$476.04	171	5.2%
2018	61	\$2,876 M	5.9%	\$55,598,855	\$383.34	5.4%	\$469.71	168	5.2%
2017	78	\$5,970 M	9.6%	\$80,657,383	\$406.65	5.5%	\$452.76	162	5.2%
2016	90	\$7,076 M	10.7%	\$87,668,309	\$451.42	4.9%	\$438.98	157	5.2%
2015	68	\$2,776 M	5.2%	\$49,444,890	\$362.04	5.6%	\$404.59	145	5.4%
2014	59	\$5,353 M	9.7%	\$95,400,873	\$362.41	6.0%	\$368.02	132	5.5%
2013	70	\$6,496 M	13.5%	\$103,076,460	\$326.17	5.7%	\$342.18	123	5.7%
2012	67	\$2,418 M	6.6%	\$66,617,964	\$279.02	6.1%	\$319.84	115	5.9%
2011	26	\$1,373 M	3.2%	\$54,847,346	\$283.28	7.5%	\$307.46	110	6.1%
2010	16	\$630.6 M	2.0%	\$57,149,708	\$260.87	6.4%	\$274.97	98	6.6%
2009	15	\$205.4 M	1.2%	\$51,345,320	\$271.51	8.9%	\$240.41	86	7.3%
2008	24	\$1,189 M	3.3%	\$54,034,543	\$262.02	6.3%	\$279.17	100	6.8%

(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.



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	-	-	-	-	-	-	\$442.61	197	5.6%
2022	-	-	-	-	-	-	\$432.94	193	5.6%
2021	-	-	-	-	-	-	\$422.76	188	5.6%
2020	-	-	-	-	-	-	\$412.53	184	5.5%
2019	-	-	-	-	-	-	\$397.17	177	5.5%
YTD	120	\$1,772 M	2.6%	\$25,122,536	\$482.33	5.8%	\$386.18	172	5.4%
2018	257	\$2,909 M	6.2%	\$15,444,008	\$353.56	5.6%	\$382.02	170	5.4%
2017	299	\$2,737 M	7.3%	\$13,938,276	\$283.86	6.0%	\$364.76	162	5.5%
2016	228	\$2,315 M	5.1%	\$14,424,792	\$323.37	5.7%	\$350.55	156	5.5%
2015	268	\$2,451 M	6.6%	\$12,262,736	\$260.38	6.2%	\$323.71	144	5.7%
2014	247	\$1,702 M	5.1%	\$9,974,095	\$253.63	6.0%	\$293.63	131	5.9%
2013	221	\$1,769 M	5.5%	\$11,591,853	\$223.81	6.1%	\$269.50	120	6.1%
2012	228	\$912.6 M	4.1%	\$8,253,300	\$185.76	7.9%	\$251.11	112	6.3%
2011	173	\$1,083 M	3.7%	\$9,717,276	\$231.67	8.5%	\$241.75	108	6.5%
2010	136	\$537.9 M	2.2%	\$7,019,219	\$191.59	8.4%	\$216.98	97	7.0%
2009	114	\$377.2 M	1.7%	\$5,817,715	\$201.30	8.2%	\$190.79	85	7.8%
2008	173	\$1,702 M	4.0%	\$18,488,378	\$326.14	5.9%	\$224.71	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	-	-	-	-	-	-	\$441.30	201	5.5%
2022	-	-	-	-	-	-	\$431.39	196	5.5%
2021	-	-	-	-	-	-	\$421.26	192	5.5%
2020	-	-	-	-	-	-	\$411.43	187	5.4%
2019	-	-	-	-	-	-	\$397.74	181	5.4%
YTD	303	\$513.2 M	1.6%	\$2,687,994	\$398.02	5.1%	\$389.15	177	5.4%
2018	726	\$1,314 M	5.0%	\$3,061,182	\$346.02	5.4%	\$383.10	174	5.4%
2017	849	\$1,581 M	6.0%	\$3,641,769	\$340.40	5.3%	\$364.44	166	5.4%
2016	707	\$1,609 M	6.1%	\$3,335,859	\$282.45	5.6%	\$343.43	156	5.5%
2015	753	\$1,303 M	5.1%	\$2,783,967	\$288.62	5.3%	\$314.17	143	5.7%
2014	667	\$1,301 M	5.6%	\$2,735,099	\$243.27	6.5%	\$283.54	129	5.9%
2013	565	\$925.4 M	4.7%	\$2,268,758	\$215.47	6.6%	\$257.41	117	6.2%
2012	545	\$565.2 M	3.8%	\$1,861,747	\$205.11	7.0%	\$238.54	109	6.4%
2011	435	\$451.7 M	3.1%	\$1,770,650	\$183.27	7.1%	\$228.64	104	6.6%
2010	246	\$270.8 M	1.6%	\$1,443,651	\$204.91	6.4%	\$206.09	94	7.1%
2009	216	\$225.3 M	1.4%	\$1,349,177	\$213.87	6.9%	\$182.82	83	7.9%
2008	334	\$602.1 M	2.7%	\$2,279,294	\$246.52	6.0%	\$219.54	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.

