

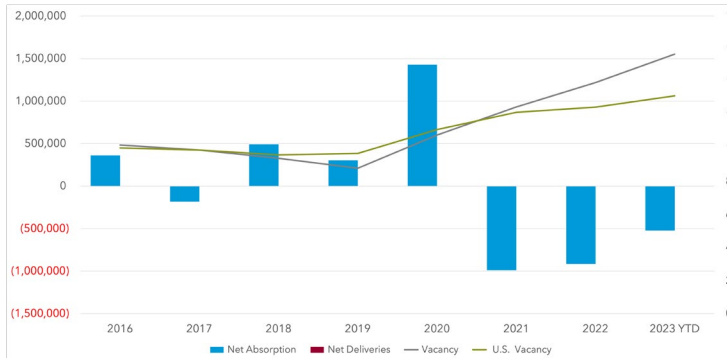
OFFICE MARKET OVERVIEW

MIKE TINGUS, *President*

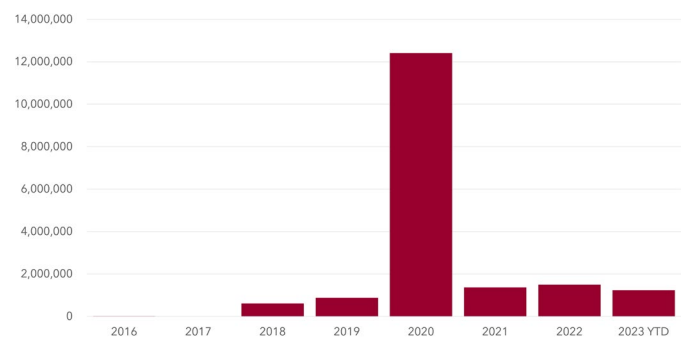
The market experienced a decrease in leasing with 837,665 SF leased in Q3. Consequently, vacancy rates continue to reach levels not seen since the previous decade, increasing by two basis points from last quarter to reach 15.9%. The trend of negative net absorption persists, with the market reporting 243,670 SF and bringing the total amount of unoccupied space to 545,481 SF to date. The West San Fernando Valley submarket continues to lead the market in positive net absorption, reporting 81,020 SF of space leased. 445,000 SF of new construction was delivered in the Burbank Media Center this quarter and 788,000 SF is still planned by the end of 2023 in Universal/Studio City, Tarzana/Woodland Hills.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	(404,185)	(38,150)	(161,189)	(916,235)	(633,740)
▲ Vacancy Rate	13.79%	13.55%	13.35%	13.98%	12.49%
▼ Avg NNN Asking Rate PSF	\$2.87	\$2.89	\$2.90	\$2.99	\$3.03
▼ SF Under Construction	1,017,295	1,462,295	1,431,661	1,495,971	1,322,921
▲ Inventory SF	98,460,971	97,810,069	97,436,608	104,774,621	99,925,965

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
-----------------------------	------	------------	----------------	----------------

NONE TO REPORT

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
------------------------------	------	----------	--------	-----------------

19510 Ventura Blvd Ste 100, 175, 200 Tarzana, CA	20,327 SF	Tarzana Health Systems, LLC	United Medical Doctors	Medical Center
21031 Ventura Boulevard, Ste 800 Woodland Hills, CA	12,477 SF	Somerset West WHCC LLC	Hanger, Steinberg, Shapiro & Ash	Law Corporation
7800 Woodley Avenue Van Nuys, CA	11,522 SF	7800 Woodley LLC	Logistix People, Inc.	Logistics Company

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com