



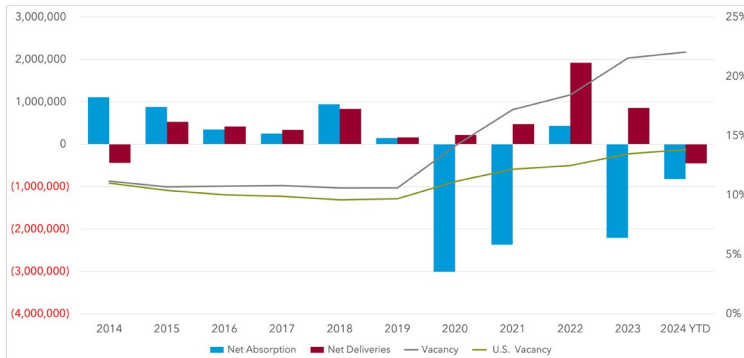
OFFICE MARKET OVERVIEW

ALEKS TRIFUNOVIC, SIOR, *President*

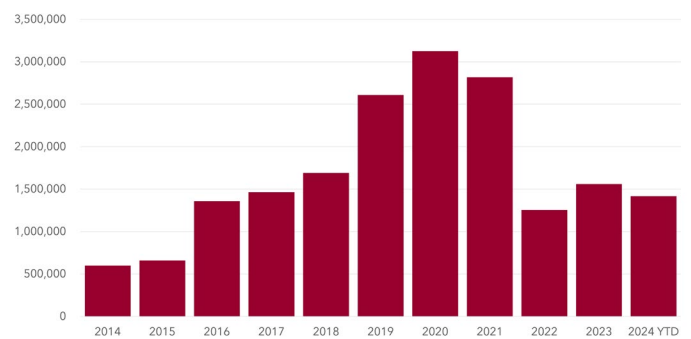
The office market on the West side is seeing a thaw in the leasing market with smaller leases taking place and medium companies understanding that WFH is over. The residue from the SAG strike and writers' strike is still within the market as media tenants look to reactivate requirements. There have been leases struck with Activision for 40,000 SF in Playa Vista for offices and production space. Apple broke ground on their 500,000 SF campus in DT Culver City and this looks to be under construction for 24 months. The sale market continues to be frozen with the capital markets steering away from office especially properties with vacancy risk. As more leasing takes place the expectation in the market is that the pricing will adjust to new values.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	(649,505)	(1,040,342)	(760,863)	(116,408)	(44,252)
▲ Vacancy Rate	19.5%	19.2%	18%	17.1%	17.0%
▲ Avg FSG Asking Rate PSF	\$4.56	\$4.47	\$4.44	\$4.52	\$4.51
▼ SF Under Construction	1,417,204	1,560,494	1,409,998	1,465,265	1,442,807
▼ Inventory SF	93,144,129	93,591,742	93,488,747	93,433,480	93,417,149

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
604 Arizona Avenue Santa Monica, CA	46,707 SF	\$32,494,900 \$694.72 PSF	604 Arizona LLC Hudson 604 Arizona LLC	Class B
1630-1638 12th Street Santa Monica, CA	19,335 SF	\$20,200,000 \$1,044.74 PSF	1630 12th LLC 12th Street Entertainment Assoc LLC	Class C
1663-1669 Euclid Street Santa Monica, CA	8,227 SF	\$15,000,000 \$1,823.26 PSF	Indian Paintbrush Productions LLC 1663 Euclid LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5880 W. Jefferson Blvd., A & D 5890 W. Jefferson Blvd., A, D, E, F, J, K Los Angeles, CA	67,375 SF	CLPF Jefferson Campus, LP	Spin Master, Inc.	Toy Retailer
12530-12540 Beatrice Street Los Angeles, CA	35,332 SF	FNL/Westlawn Partners LLC	WePlay Esports Media, Inc.	Arts, Entertainment, and Recreation
200 Corporate Pointe #150 & #350 Culver City, CA	16,011 SF	Culver Pointe LLC	Emperor's College of Traditional Oriental Medicine	Educational Services

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