



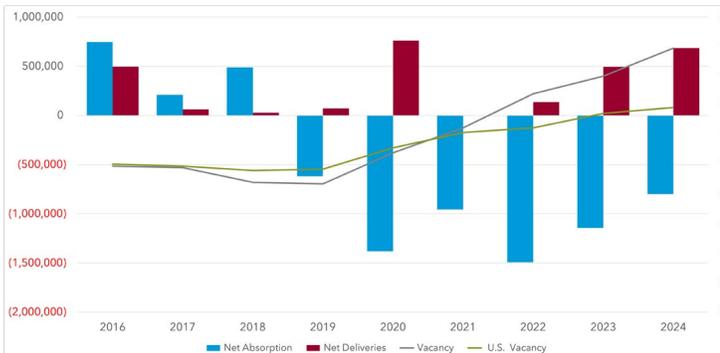
OFFICE MARKET OVERVIEW

MICHAEL GUDMUNDSON, *Operations Manager*

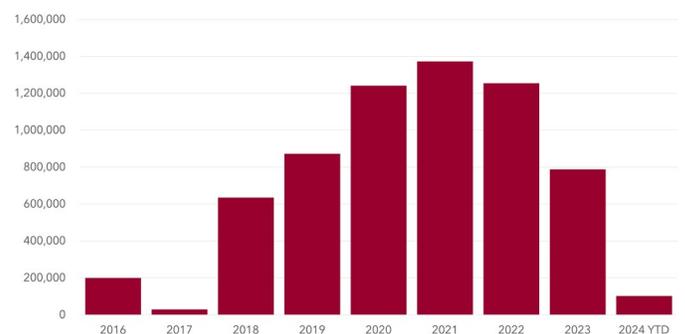
The LA North office market faced continued challenges in Q4 2024. Net absorption over the past 12 months was negative, with a decline of 798,097 square feet, following a downward trend from earlier in the year. Vacancy rates increased slightly to 17.9%, up from 17.6% in Q3 and 16% in Q4 2023. The average NNN asking rate rose modestly to \$2.94 per square foot, despite higher vacancy. Sales prices fell to \$219 per square foot, down from \$233 in Q3, signaling softened investor demand. Cap rates remained stable at 6.36%. Construction activity slowed, with only 102,000 square feet under development, indicating ongoing headwinds for the market.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▲ 12 Mo. Net Absorption SF	(798,097)	(899,675)	(1,095,838)	(1,098,291)	(1,143,061)
▲ Vacancy Rate	17.9%	17.6%	17.5%	17.2%	16.0%
▲ Avg NNN Asking Rent PSF	\$2.94	\$2.87	\$3.29	\$3.17	\$3.16
▼ Sale Price PSF	\$219	\$233	\$305	\$297	\$159
▼ Cap Rate	6.36%	7.00%	6.10%	7.20%	11.40%
◀ ▶ Under Construction	102,000	102,000	433,000	433,000	788,000
▼ Inventory	76,431,538	76,628,009	76,628,009	76,628,009	76,273,009

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5200 Lankershim Boulevard* North Hollywood, CA	179,989 SF	\$35,000,000 \$194.46 PSF	Uncommon Developers LLC Rockwood Capital	Class A
16200 Ventura Boulevard Encino, CA	55,000 SF	\$12,600,000 \$229.09 PSF	Tiferet LLC Soma Capital Partners	Class B
220 N. Glendale Avenue* Glendale, CA	22,161 SF	\$10,508,515 \$474.19 PSF	Gateways Hospital & Mental Health Kimberly Greitzer	Class B

*Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
450 N. Brand Boulevard Glendale, CA	23,680 SF	Central Brand LLC	Undisclosed	Law Firm
3900 W. Alameda Avenue* Burank, CA	22,700 SF	Worthe Real Estate Group	Miller Kaplan	Accounting
5990 Sepulveda Boulevard Sherman Oaks, CA	21,111 SF	Ascentris, LLC	LA Metro	Construction

*Lee & Associates Deal

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