

MIDQUARTER SNAPSHOT

Office Q4 2020 Los Angeles County



MARKET ACTIVITY

KEY TAKE AWAYS

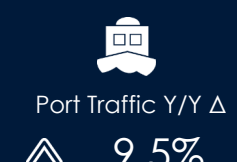
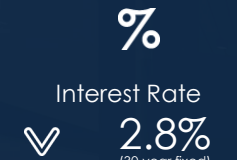
ECONOMIC OUTLOOK

MARKET

- **Vacancy Rate:** Increased by 90 BPS to 16.3% in Q4.
- **Net Absorption:** Up from the end of Q3, but still just under -1.8M SF halfway through Q4.
- **Office Supply:** Construction activity continues to rise with now over 8M SF under construction.
- **Sales:** The \$166M Colorado Campus is the largest sale so far in Q4.
- **Trends:** The impact of COVID-19 has already begun to transpire. This market will face challenges when companies begin to reduce their space requirements due to permanent work from home policies.

ECONOMIC OUTLOOK

- **GDP:** Q3 finished at a historic growth rate of 33.1%.
- **Employment:** The unemployment rate continues to decline, but the employment situation is bleak for millions of Americans as thousands of business are permanently closing due to governmental mandated closures.
- **Economic Relief:** Is looking unlikely that another round of relief will pass in 2020. Congress will likely pass some sort of stimulus after the new administration & congress are sworn in January 2021.
- **Stability:** The completion of the Presidential election will likely add economic stability to the commercial real estate market.



EXPERIENCE IN A CHANGING MARKET

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