

MIDQUARTER SNAPSHOT

Office Q1 2021 Los Angeles Central/ Southeast



MARKET ACTIVITY

KEY TAKE AWAYS

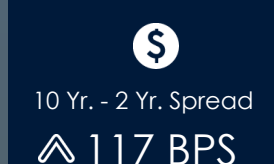
ECONOMIC OUTLOOK

MARKET

- **Vacancy Rate:** Has increased by 10 BPS from Q4 to 20.1%.
- **Net Absorption:** Has totaled just above -87K SF halfway through Q1.
- **Sales:** Only three sales have occurred in Q1.
- **Trends to Watch:** Due to COVID-19, most companies have been forced to implement work from home policies for their employees. If companies & employees find this arrangement successful, we could see a reduction in the amount of office space needed in the future.

ECONOMIC OUTLOOK

- **GDP:** Q4 estimates show a growth rate of 4.0%.
- **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:** Congress and the new administration have proposed a \$1.9T stimulus package. Analyst predict some stimulus will be passed in March.
- **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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