

MIDQUARTER SNAPSHOT

Office Q1 2021 Los Angeles West/South



MARKET ACTIVITY

KEY TAKE AWAYS

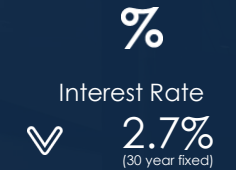
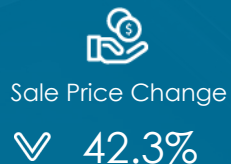
ECONOMIC OUTLOOK

MARKET

- **Vacancy Rate:** Increased by 100 BPS from Q4.
- **Net Absorption:** Already over -1.1M SF halfway through Q1.
- **Sales:** Only 2 sales have occurred in Q1. The \$165M sale of the Sony Pictures Animation Campus in Culver City. And the \$24M sale of the Linq creative office building in Redondo Beach.
- **Trends:** This market will face challenges if technology & entertainment companies begin to reduce their space requirements due to permanent work from home policies.

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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