

# MIDQUARTER SNAPSHOT

## Office Q3 2021 Los Angeles County



### MARKET ACTIVITY

### KEY TAKE AWAYS

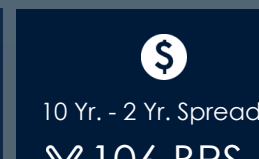
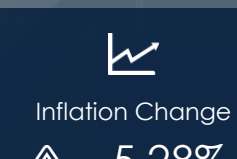
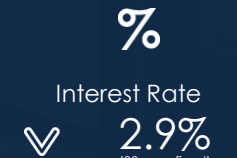
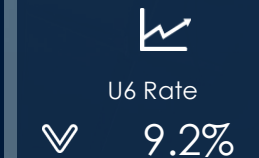
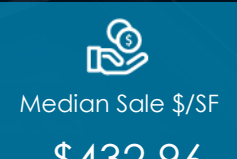
### ECONOMIC OUTLOOK

#### MARKET

- **Vacancy Rate:** Increased by 50 BPS to 19.0%.
- **Net Absorption:** Has totaled -1.33M SF so far in Q3.
- **Office Supply:** Construction activity revised down slightly with now 5.9M SF under construction.
- **Sales:** Volume halfway through Q3 has totaled \$394.3M. Surpassing Q2 totals already.
- **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:** The U.S. economy grew at a rate of 6.5% in Q2. Concerns over the "delta" variant have slightly weakened the growth trajectory, with forecasted increase of 6.0% in Q3.
- **Inflation:** Concerns over inflation grow louder as the latest CPI showed an increase of 5.28%. Due to this, the FOMC indicated rate hikes are likely to occur sooner than previously anticipated.
- **Infrastructure:** The Senate has passed a \$1T infrastructure package. The timeline of this legislation passing in the House is uncertain.



EXPERIENCE IN A CHANGING MARKET

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