

MIDQUARTER SNAPSHOT

Office Q3 2021 Los Angeles North



MARKET ACTIVITY

KEY TAKE AWAYS

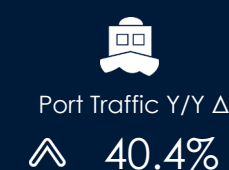
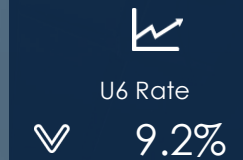
ECONOMIC OUTLOOK

MARKET

- **Vacancy Rate:** Increased by 40 BPS to 14.9%.
- **Net Absorption:** Has totaled -256K SF in Q3.
- **Office Supply:** Construction activity currently stands at 1.2M SF.
- **Sales:** Total volume so far in Q3 has already exceeded the volume of Q2. The median sale price of the transactions was \$409.93 PSF.
- **Asking Rents:** Declined by \$0.03 PSF since Q2, with the average asking rate of \$3.02 PSF.

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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