

MIDQUARTER SNAPSHOT

Office Q3 2021 San Gabriel Valley



MARKET ACTIVITY

KEY TAKE AWAYS

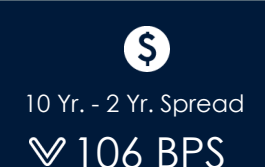
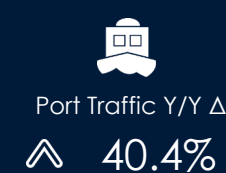
ECONOMIC OUTLOOK

MARKET

- **Vacancy Rate:** Declined by 40 BPS since Q2 to 10.7%.
- **Net Absorption:** Signs of improvement thus far in Q3, totaling over 47K SF.
- **Gross Absorption:** Has totaled 124K SF already in Q3.
- **Sales:** No sale transactions so far in Q3.
- **Asking Rents:** The average asking rent PSF declined by \$0.02 since Q2 to \$2.39.

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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