

# MIDQUARTER SNAPSHOT

## Office Q1 2022 Los Angeles North



### MARKET ACTIVITY



### KEY TAKE AWAYS

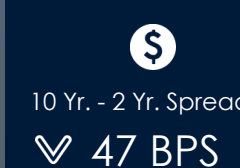
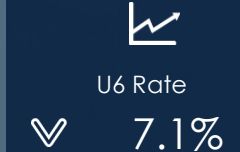
#### MARKET

- **Vacancy Rate:** Increased by 20 BPS since Q4.
- **Net Absorption:** Has declined, totaling -140K SF in Q1.
- **Office Supply:** Construction activity currently stands at over 1.5M SF.
- **Sales:** Only 2 sales so far in Q1, totaling \$33.5M in volume. The median sale price of the transactions was \$255.35 PSF.
- **Asking Rents:** Increased by \$0.01 PSF since Q4, with the average asking rate of \$3.07 PSF.

#### ECONOMIC OUTLOOK

- **GDP:** The U.S. economy in Q4 grew at a rate of 6.9%.
- **Inflation:** The latest January CPI showed an increase of 7.53%. This represents the highest inflation rate since 1982.
- **Interest Rates:** The 10-Year Treasury has increased 53 BPS since the end of 2021. The 10 Yr. - 2 Yr. spread has fallen to the lowest level since Aug. 2020.
- **Supply Chain:** The historic backlog off the Ports of LA & Long Beach continues to ease in Q1. Since the close of Q4, shipping rates have increased 8% according to the Freightos Baltic Index. The cost to ship a container from China/East Asia to North America West Coast is now \$15,218 per container.

### ECONOMIC OUTLOOK



EXPERIENCE IN A CHANGING MARKET

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