

MIDQUARTER SNAPSHOT

Office Q4 2022 Los Angeles West/South



MARKET ACTIVITY

KEY TAKE AWAYS

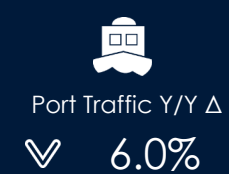
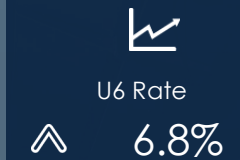
ECONOMIC OUTLOOK

MARKET

- **Vacancy Rate:** Increased by 50 BPS from Q3.
- **Net Absorption:** Has been negative in the first half of Q4, totaling -447K SF.
- **Sales:** Only one (1) sale thus far into Q4.
- **Trends:** This market will face challenges if technology & entertainment companies begin to reduce their space requirements due to permanent work from home policies & changing business climate.

ECONOMIC OUTLOOK

- **Interest Rates:** At their November meeting, the FOMC decided to increase interest rates by another 75 bps to a range of 3.75%-4.0%. Projections of an additional increase of 50 bps before the end of the year with the fed funds rate ending 2022 at a mid-point of 4.4%.
- **Inflation:** The latest CPI shows slight signs of moderation from peak inflation.
- **Supply Chain:** According to the Freightos Baltic Index, the cost to ship a container from China/East Asia to North America West Coast declined 13% since Q3, at \$2,563 per container. Since the start of 2022, these rate have declined over 81%.



EXPERIENCE IN A CHANGING MARKET

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