



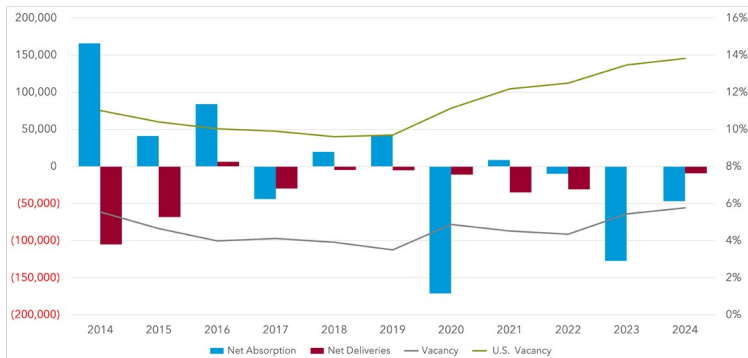
OFFICE MARKET OVERVIEW

CHRISTOPHER LARIMORE, *Founding Principal*

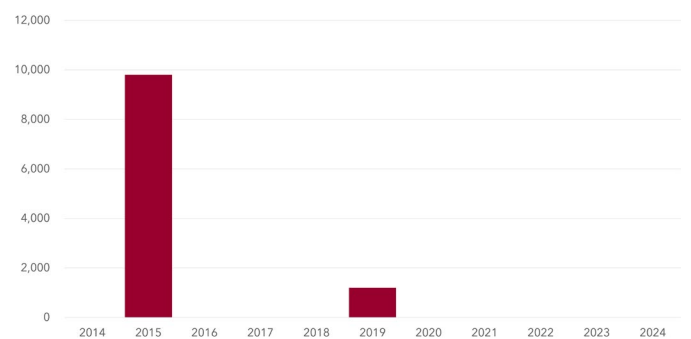
Tenants in the Tri-Cities Class A office submarket are downsizing, vacating upon lease expirations, and adding space to the sublease market. This resulted in a Q4 2024 net absorption loss of 379,599 SF. High vacancy and sublet levels hinder market recovery, while hybrid work trends suggest further space reductions. Vacancy rates are expected to rise through 2027. Class A office sales also remain weak, with only one notable transaction: 801 N Brand Blvd in Glendale, sold for \$42.8 million (\$152.43/PSF).

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	(379,599)	40,917	(309,237)	(41,864)	(592,582)
▲ Vacancy Rate	28.2%	26.4%	26.5%	25.0%	23.4%
▼ Avg NNN Asking Rent PSF	\$43.56	\$43.81	\$43.91	\$42.07	\$42.29
▲ Sale Price PSF	\$152.43	\$129.00	-	-	\$132
◀▶ Cap Rate	0.00%	0.00%	0.00%	0.00%	0.00%
◀▶ Under Construction	100,000	100,000	100,000	100,000	455,000
◀▶ Inventory	20,190,431	20,190,431	20,166,786	20,166,786	19,811,786

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
801 N. Brand Boulevard Glendale, CA	280,778 SF	42,800,000 \$152.43 PSF	East Arden LLC CBRE Investment Management	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
450 N.Brand Boulevard Glendale, CA	23,680 SF	Central Brand LLC	Undisclosed	Undisclosed
3900 W. Alameda Avenue Burbank, CA	18,685 SF	Worthe Real Estate Group	Undisclosed	Undisclosed
251 S. Lake Avenue Pasadena, CA	17,542 SF	Heitman	Charles Schwab	Public

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2025 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com