

LOS ANGELES BUSINESS JOURNAL
**REAL ESTATE
TRENDS
2023**



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CBRE's **Barbara Perrier, Val Achtemeier and Darla Longo** (left to right) have become the first all-female team to win City of Hope's Spirit of Life® Award. This prestigious award recognizes individuals who exemplify the professional and humanitarian ideals that have guided City of Hope for a century.

Barbara, Val and Darla, your friends and colleagues at CBRE are proud of all you have accomplished in the industry and in the LA community. This award is another accolade in your storied careers. Cheers and congratulations!

Barbara Perrier

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Val Achtemeier

Vice Chair
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Darla Longo

Vice Chair
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CBRE



Real Estate Trends 2023: Event Recap

The challenging-to-predict pros and cons of the economic climate over the past few years has forced companies to make changes to the way they do business and to the way they approach their workspace and real estate needs.

On August 30th from 3:00 to 6:00pm at the Biltmore Los Angeles, the Los Angeles Business Journal hosted a special multi-panel event titled “Real Estate Trends 2023.” The event featured four panel discussions featuring of some of the region’s leading authorities, thought leaders and experts.

The discussions, “THE OFFICE CONUNDRUM,” exploring the changes to office space based on market conditions and where trends are heading; “THE INDUSTRIAL COMPLEX,” examining what opportunities exist today for businesses looking to lease, buy or sell industrial space; “TO BUILD OR NOT TO BUILD?,” a look at new construction in-progress and on the horizon; and “LOCATION, LOCATION, LOCATION,” looking at the trends of decentralization continuing in the post-COVID era.

The panels, dedicated to helping C-suite leaders, business owners, managers, and professionals get a pulse on all issues impacting our workspace environments, included the following speakers:

THE OFFICE CONUNDRUM

Jim Kruse, President of Brokerage, Greater LA, Kidder Mathews
Carl Muhlstein, Executive Managing Director, Los Angeles Region, JLL
Bobby Peddicord, Executive Managing Director, Greater Los Angeles, CBRE
Jodie Poirier, Executive Managing Director & Greater Los Angeles Market Leader, Colliers
Laura Stumm, Vice Chairman, Newmark

THE INDUSTRIAL COMPLEX

Ian Britton, Senior Managing Director; Leader, Industrial and Logistics Practice for Southern California, CBRE
Kenneth S. Fields, Partner, Real Estate, Greenberg Glusker LLP
Alon Kraft, COO, Dedeaux Properties
Luke Staubitz, SIOR, Executive Vice President, Kidder Mathews

TO BUILD OR NOT TO BUILD?

David Damus, Chief Executive Officer, System Property Development Company, Inc.
Bradford G. Hughes, Member, Clark Hill PLC
Sarah Jacobson, AIA, LEED AP, President, Lamar Johnson Collaborative
John Parker, Co-Founder and Executive Officer, Parker Brown
Jarred Walker, Managing Principal, GCX

LOCATION, LOCATION, LOCATION

Stephen Cheung, President and Chief Executive Officer, LAEDC
Jennifer McLain Hiramoto, Economic Development Agency Executive Director, City of Ontario
Holly Schroeder, President & CEO, Santa Clarita Valley Economic Development Corporation
Anita Sokolsky, Senior Manager, Infrastructure Advisory, CBIZ & MHM
Quiana Williams, Economic Development Manager, City of Inglewood

View the complete Real Estate Trends event recap at:
labusinessjournal.com/category/business-journal-events/event-recaps



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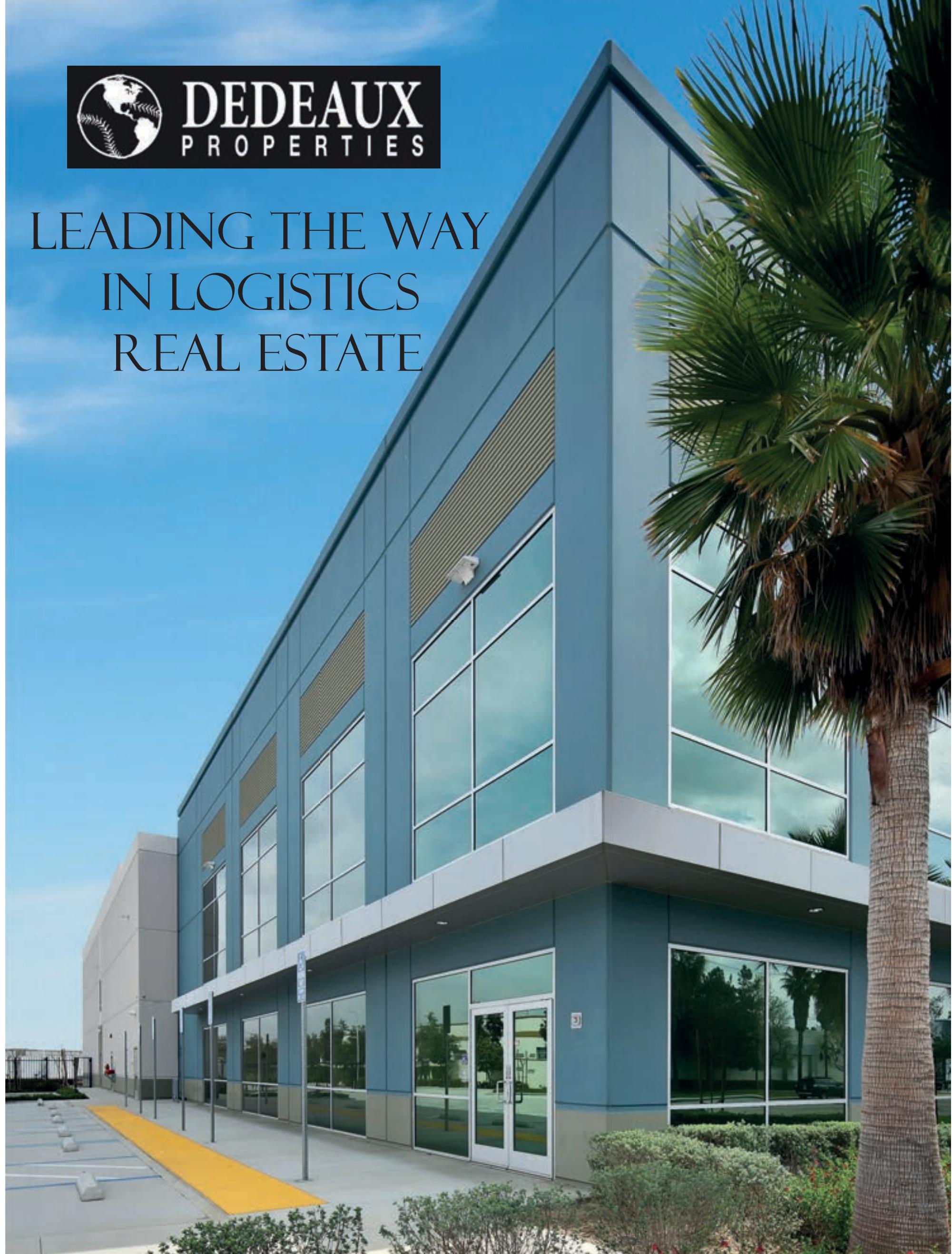


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AT THE EVENT

1. 'To Build or Not to Build' panelists: **Bradford G. Hughes** (Clark Hill, Platinum Sponsor), **David Damus** (System Property Development Company), **Sarah Jacobson** (Lamar Johnson Collaborative), **John Parker** (Parker Brown, Platinum Sponsor), and **Jarred Walker** (GCX).

2. **Ian Britton** (CBRE, Diamond Sponsor) and **Kenneth S. Fields** (Greenberg Glusker LLP, Platinum Sponsor) discussing 'The Industrial Complex'.

3. Platinum Sponsors **Christian Deindoerfer** and **John Parker** (Parker Brown) with attendee, **Harpal Odienne** (Advantage CDC).

4. Platinum Sponsors: **Jessica Pisula**, **Andres Meave**, **Brandon Bank**, **Ryan Gautereaux**, **Ted Evans** and **Viktor Simco** and panelist, **Alon Kraft** (Dedeaux Properties LLC).

5. 'The Office Conundrum' moderator, **Bobby Peddicord** (CBRE, Diamond Sponsor) and panelist **Jim Kruse** (Kidder Mathews, Platinum Sponsor).

6. Diamond Sponsors **Paul Ayoob** and **Patrick Amos** with CBRE.

7. 'The Office Conundrum' discussion featuring: **Bobby Peddicord** (CBRE, Diamond Sponsor), **Jim Kruse** (Kidder Mathews, Platinum Sponsor), **Carl Muhlstein** (JLL), **Jodie Poirier** (Colliers), and **Laura Stumm** (Newmark, Gold Sponsor).

8. Panelist, **Jarred Walker** (GCX) discussing 'To Build or Not to Build'.

9. **Josh Schimmels**, Publisher & CEO of the Los Angeles Business Journal welcoming the audience.

10. 'Location, Location, Location' panelists: **Stephen Cheung** (Los Angeles County Economic Development Corporation), **Jennifer McLain Hiramoto** (City of Ontario, Platinum Sponsor), **Holly Schroeder** (Santa Clarita Valley Economic Development Corporation, Gold Sponsor), **Anita Sokolsky** (CBIZ MHM, Gold Sponsor), and **Quiana Williams** (City of Inglewood, Gold Sponsor).

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AT THE EVENT

1. 'To Build or Not to Build' panelists: **Bradford G. Hughes** (Clark Hill, Platinum Sponsor), **Sarah Jacobson** (Lamar Johnson Collaborative), **David Damus** (System Property Development Company), **Jared Walker** (GCX), and **John Parker** (Parker Brown, Platinum Sponsor).

2. Panelists **Anita Sokolsky** (CBIZ MHM, Gold Sponsor) and **Quiana Williams** (City of Inglewood, Gold Sponsor) discussing 'Location, Location, Location'.

3. Carl Muhlstein (JLL) and **Matt Muniz** (Los Angeles Business Journal) networking post event.

4. 'The Industrial Complex' panelists: **Ian Britton** (CBRE, Diamond Sponsor), **Kenneth S. Fields** (Greenberg Glusker LLP, Platinum Sponsor), **Alon Kraft** (Dedeaux Properties, Platinum Sponsor), and **Luke Staubitz** (Kidder Mathews, Platinum Sponsor).

5. **Lewis Horne**, President, Greater Los Angeles, Orange County & Inland Empire, CBRE (Diamond Sponsor) presenting welcome remarks.

6. **Lanna Solnit** (Los Angeles Business Journal), **Nick Lara** (MGAC), and **Ellen Mazen** (Los Angeles Business Journal) networking post event.

7. 'The Office Conundrum' panelists: **Bobby Peddicord** (CBRE, Diamond Sponsor), **Carl Muhlstein** (JLL), **Jodie Poirier** (Colliers), **Laura Stumm** (Newmark, Gold Sponsor), and **Jim Kruse** (Kidder Mathews, Platinum Sponsor).

8. Kidder Mathews (Platinum Sponsor) enjoying panel conversations.

9. Panelists **Holly Schroeder** (Santa Clarita Valley Economic Development Corporation, Platinum Sponsor) and **Ian Britton** (CBRE, Diamond Sponsor) with **Lewis Horne** (CBRE, Diamond Sponsor).

10. 'The Industrial Complex' panelists featuring: **Ian Britton** (CBRE, Diamond Sponsor), **Kenneth S. Fields** (Greenberg Glusker LLP, Platinum Sponsor), **Alon Kraft** (Dedeaux Properties, Platinum Sponsor), and **Luke Staubitz** (Kidder Mathews, Platinum Sponsor).

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Closed Mar-23



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Northridge
Closed Mar-23



Union Bank
Los Angeles
Closed Mar-23



Beverlywest
Century City
Closed Mar-23



801 Grand
Los Angeles
Closed Mar-23



Taft Building
Hollywood
Closed Mar-23



Del Amo Village
Torrance
Closed Apr-23



Exposition Point
Los Angeles
Closed Jan-23



2777 Ontario
Burbank
Closed Dec-22



Ontario Airport Towers
Ontario
Closed Dec-22



2020 Santa Monica
Santa Monica
Closed Dec-22



3130 Wilshire
Santa Monica
Closed Aug-22



3900 Indian
Perris
Closed Aug-22



Open El Segundo
El Segundo
Closed Jun-22

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CRE Spotlight: Continued Success and Innovation in Industrial Real Estate

Dedeaux Properties continues to be one of the most active developers and investors in logistics-oriented facilities in Southern California. Its mission remains consistent: to create property value for the aligned benefit of the community, investors, partners, shareholders, tenants, and team members.

Following two years of record transactional activity with over \$1 billion in total budgeted project costs, Dedeaux has turned its attention to delivering more than one million square feet of best-in-class warehouse/distribution, truck terminals, trailer yards, and cold storage facilities. The new development adds to the firm's existing portfolio of approximately seven million square feet of industrial and logistics space located throughout California, primarily Empire, Los Angeles County and the Bay area. Despite the high interest-rate environment, the firm continues to see increasing tenant interest and great feedback from the brokerage community. Dedeaux continues to look closely at opportunities to add value, thoughtfully pursuing new acquisition opportunities that meet our corporate core objectives.

In February, Dedeaux, in partnership with Basis Investment Group, invested in a 3.9-acre site, in an infill pocket of Rialto for the development of Rialto Village, an 83,000-square-foot warehouse and distribution facility located at 1505 Willow Ave. in Rialto. With attractive construction financing secured in December 2022, the Dedeaux-led joint venture plans to complete building, with 32-foot clear ceiling heights, 18 docks, 5,490 square feet of office, an ESFR sprinkler system and 66 parking spaces later this year. Rialto Village is accessed by the I-10, which feeds directly into Downtown Los Angeles and connects to various freeways leading south to the Port of Long Beach. Walls are scheduled to be tilted this week!

In March, Dedeaux completed and leased its brand new 35,000 square foot facility in the City of Industry to a multi-national technology company focusing on e-commerce.

Other projects reaching completion in the near term include high velocity truck terminals in the averaging 50,000 square foot range in Perris and San Bernardino as well as distribution warehouses as small as 50,000 to as large as 300,000+ in the Inland Empire as well as Lebec, as part of a master planned business park off the 5 Freeway.

Dedeaux Properties also recognizes its commitment to the communities in which they build. Director of marketing, Jessica Pisula, has led efforts in engagement with community organizations – ranging from park clean ups to community garden sponsorships, to awarding scholarships for Inland Empire kids and young adults, as well as Feeding America volunteering days.

"It's important to build more than just real estate. We recognize the impact we have in the community and welcome the opportunity to integrate at the local level," said Pisula.

Dedeaux has also continued to grow its team, welcoming three new members during 2023. Ryan Gautereaux and Viktor Simco have joined the ranks this year as assistant development manager and acquisitions manager,

1505 S Willow Avenue, Rialto: 83,272 square foot warehouse building. Includes over 5K square feet of two-story offices. 17 dock high doors. Estimated completion March, 2024.



respectively, and Jordan Monsour has joined as in-house counsel. Gautereaux and Simco combined bring about 20 years of experience in real estate development, finance, and construction, while Monsour adds an additional 20 years of legal experience in real estate. Their positive attitude and go-getter mentality fit nicely with the Dedeaux company culture.

As the company has grown, Dedeaux has also been looking to grow its footprint and has now firmed up its plans to expand its corporate headquarters. Dedeaux recently acquired an 11,000 square foot office building in Santa Monica and is actively repositioning it with plans to move in early 2024. The new state-of-the-art office space is situated on the west side and will offer the growing team space it needs but also include amenities that suite the interests of the team, including a gym wellness space, golf simulator, and outdoor entertainment area.

"The incredible momentum of the last few years has weakened but not dissipated" said principal and managing manager Brett Dedeaux. "As the market matures, tenant demands shift but best in class facilities remain desirable."

With Southern California markets and port-oriented facilities fulfilling the locational needs of users and on the development side, Dedeaux has taken the opportunity to elevate its assets with the equipment and technology that meet the fast pace and demanding needs of users.

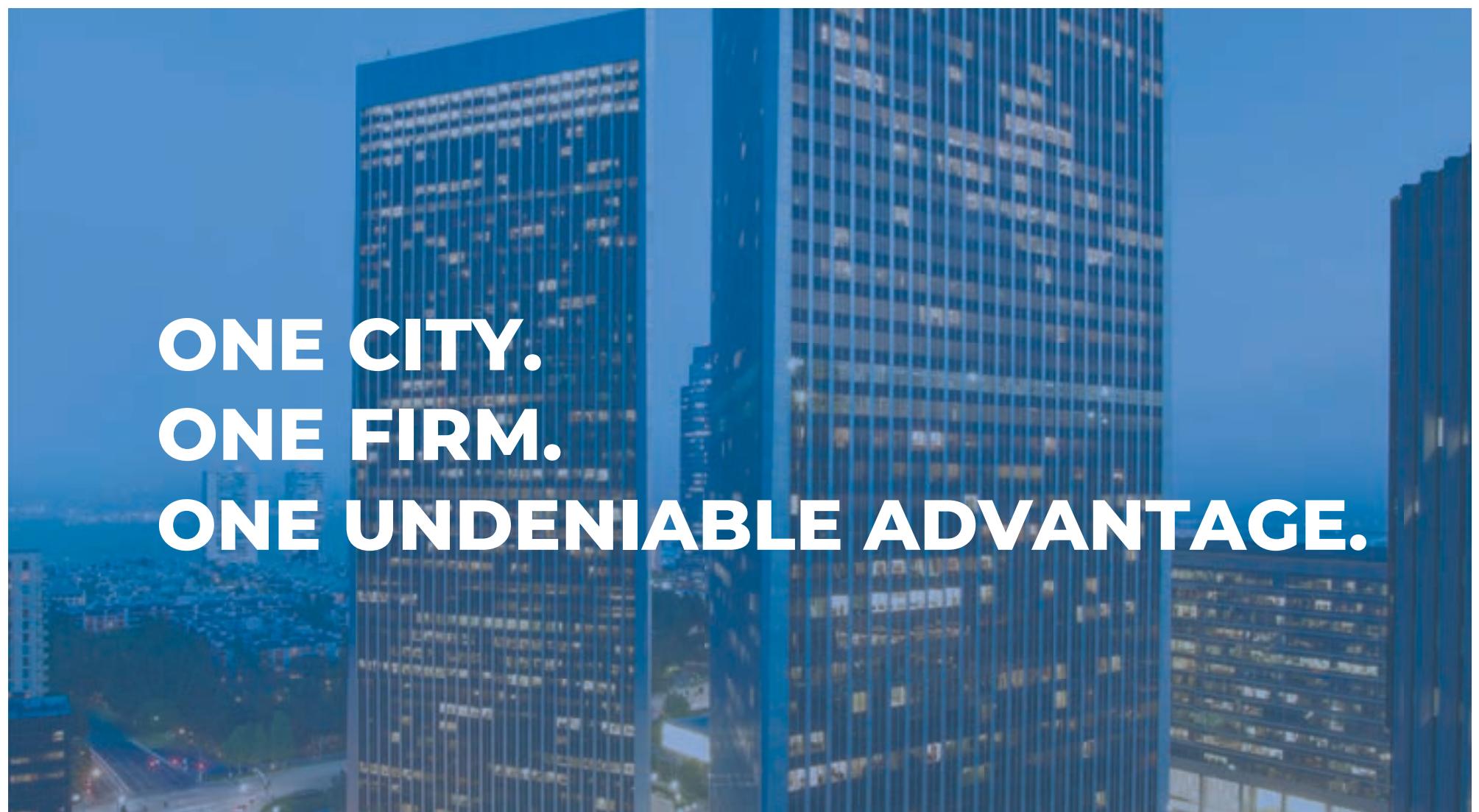
Brett Dedeaux, who has been on the LA500 four years and counting, also manages the Rod Dedeaux Foundation, a nonprofit established in honor of his late grandfather – legendary baseball coach, Rod Dedeaux, which serves under privileged communities by funding scholarships, programs, and services in the greater Los Angeles area using baseball as a platform to cultivate success. The Dedeaux Properties team is committed to its industry and its community and continues to see the opportunity when others may not, adding to the longevity of the company.

Learn more at dedeauxproperties.com.

15120 Valley Blvd. City of Industry: 34,089 SF warehouse, 60 dock high positions on 6.6 +/- acres. Over 5,000 SF 2-Story office. 103 trailer parking positions. 65 parking stalls. Completed and leased March, 2023.



19885 Harvill Avenue, County of Riverside: 53,275 +/- Sq. Ft. Cross-Dock on over 10.57 Acres land with 5,000 Sq. Ft. of office. 99 dock doors, 161 trailer parking spots, potential to expand. 215 Fwy adjacent. Estimated delivery November, 2023.



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\$362 Million Acquisition Land Loan Signals the ‘Ag as a Covered Land Play’ Trend

A major recent deal may be an example of a significant new trend – viewing agriculture property as a covered land play.

Beverly Hills based PACT Capital recently announced it secured the financing for a \$362 million acquisition land loan for 1,600+ acres of one of the most coveted masterplan communities in Northern California’s San Joaquin County. The property is entitled for 5,500 residential units and 263+ acres of variously entitled multifamily, mixed-use, industrial, and general commercial real estate located less than 60 miles from San Francisco.

PACT Capital’s advisory team was led by Co-Founders and Managing Partners Adam Mortanian and Tyler Shegerian; Associate Connor Haubursin; and Paul Monsen. The acquisition financing was provided through a real estate investment banking syndicate.

The buyer, a private family office located in Northern California, with holdings in agriculture and commercial real estate, prefers to remain anonymous. The sponsorship engaged PACT Capital and its principals for their particular asset class expertise in managing and underwriting credit for both agriculture and commercial real estate.



In a region where city boundaries continue to expand, the rezoning and conversion of once-productive farmland into future single-family tract, commercial and industrial real estate developments has been trending. The sale of this portion of the master planned

community is the culmination of that evolution.

“Many of our clients have used agriculture and farming as a covered land play for decades,” said PACT Capital’s president and CEO Adam Mortanian. “That strategy

is proving to be profitable as the speed at which suburbanization is converting farmland to housing has accelerated in the new-era remote work economy.”

Originally planned in the 1990s and now largely considered a residential and commercial real estate crown jewel, the master planned community’s remaining assets, left uncompleted since the 2007/2008 financial crisis, have become a blazing hot commodity in the post-pandemic environment. The community is ideally suited to a hybrid work week in the greater San Francisco Bay Area, with the added allure of a top local school district, larger home and lot sizes, and more affordable home prices.

“Our clients are seeking a relationship that can provide guidance, constructive feedback and a certainty of execution, which is what we deliver,” said Tyler Shegerian, PACT Capital’s chief operating officer. “This transaction is a testament to our mission and unique position in the market of managing and underwriting real estate credit for both agriculture and commercial real estate.”

Learn more at pactcap.com.

BOMA and BOMI Reunite to Create New Future in Education and Training

After operating independently of each other for many years, BOMA and BOMI announced at the beginning of this year that they now share a vision to partner individuals in the commercial real estate industry who choose to maximize value for their careers, organizations, and building assets.

Leaders of the two international organizations said that with intense focus on workforce development, coordinating their efforts to provide education and training, while enhancing the close working relationship that has existed for over 50 years, will enhance quality, expand offerings, and make them even more responsive to marketplace needs.

“This is a unique opportunity to bring the two organizations together as one synergistic business to capitalize on our respective strengths, leverage staff competencies, better serve our shared customers, and enhance product offerings,” said BOMA international chair Randal L. Froebelius, a BOMA fellow and P.Eng. “By coming together, we elevate our effectiveness at being the preferred provider of career-long education and training.”

Tim O’Donald, RPA, BOMI International’s chair of the Board of Trustees, agreed. “BOMI is dedicated to improving the skills of professionals with property, facilities and systems responsibilities,” O’Donald said. “This partnership will enhance our capabilities in

‘This is a unique opportunity to bring the two organizations together as one synergistic business to capitalize on our respective strengths, leverage staff competencies, better serve our shared customers, and enhance product offerings. By coming together, we elevate our effectiveness at being the preferred provider of career-long education and training.’

RANDAL L. FROEBELIUS
BOMA

education and training for management professionals and related disciplines. I want to thank BOMA Georgia chief executive officer Gabriel Eckert, FASAE, CAE, for all his work this fall that helped bring us together.”

The two organizations have signed a letter of intent to achieve shared management and governance structures, pending a due diligence period expected to conclude early this year and be approved by BOMA, BOMI, and the BOMA Foundation. Under the plan, BOMI International will become BOMA International’s nonprofit 501(c)(3) arm, combining with

the BOMA Foundation.

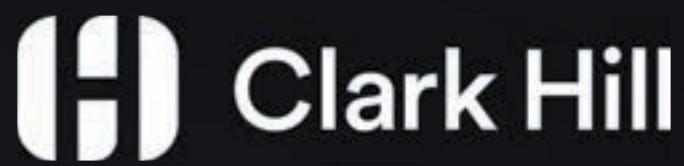
BOMA International president and chief operating officer Henry Chamberlain, APR, FASAE, CAE, will take on the added duty of BOMI’s volunteer president. BOMI’s retiring chief executive officer Jeffrey Horn will assist with the transition.

“During the last several years we have come together to create some valuable joint programs, and BOMI’s designations have set the standard in the industry for many years,” Chamberlain said. “It is incredibly exciting to be coming together now in this powerful

way that will both enhance the quality of our offerings and expand our capacity and speed to market as we produce new education and training to meet workforce needs.”

BOMA International, a 501 (c)(6) organization, has been the leading trade association for commercial real estate professionals since 1907. Through its 85 local associations in the United States and 17 international affiliates it represents the owners, managers, service providers and other property professionals of all commercial building types, including office, industrial/warehouse, medical and healthcare real estate, corporate facilities, and mixed-use properties.

BOMI International, a nonprofit educational organization founded in 1970, provides critical education and expertise to industry professionals with property, facility, and building systems management responsibilities. As the Independent Institute for Property and Facility Management Education, BOMI delivers courses, certificate programs, and industry-standard designations—Real Property Administrator (RPA), Facilities Management Administrator (FMA), Systems Maintenance Administrator (SMA), Systems Maintenance Technician (SMT), and the High-Performance Sustainable Building designation program (BOMI-HP)—with a proven record of increasing job performance and company efficiency.



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Hybrid Work and the Future of the Office

As companies and employees absorb the lasting changes in work patterns brought by the pandemic, office occupiers are seeking out well-located buildings with amenities that lower the burden of commuting to work, according to a new report, *Hybrid Work and the Future of the Office*, published by the NAIOP Research Foundation in conjunction with CBRE.

Newer office buildings are generally outperforming commodity buildings as a result, but not all older buildings are struggling to the same degree, with the largest increases in vacancy concentrated in poorly located buildings with few amenities.

Occupier surveys suggest that hybrid work arrangements remain in flux, and many expect office attendance to increase, supporting demand for space in both newer and older buildings. Although high interest rates and construction costs are deterring building owners from making significant renovations in the near term, older buildings in convenient, safe locations with access to adjacent amenities should be attractive to more cost-conscious occupiers as office utilization rises.

Among the report's additional key findings:

- Although the expansion of hybrid work schedules has accelerated a decline in the

amount of occupied office space per worker, there is greater demand for shared meeting and coworking space that allows occupiers flexibility to accommodate more employees on busier days. Many are willing to pay for these spaces on a per-use basis or through a provision in their leases.

- Many occupiers are trading quantity for quality, preferring smaller office footprints in conveniently located modern buildings with amenities that will draw workers to the office and improve productivity.

- Occupiers are looking for buildings that make commuting easier, with ample parking, access to public transit and on-site amenities. They also increasingly prioritize sustainable design features and access to outdoor space.

- Office use is likely to grow, with 38% of occupiers indicating they expect utilization to increase and 60% indicating that utilization has stabilized.

- One tenth of U.S. office buildings account for 80% of the overall increase in vacancy since the first quarter of 2020. These commodity buildings tend to be in high-crime areas, lack access to amenities, and are concentrated in markets that have been slower to return to the office. Other commodity office buildings are per-

forming better than the average vacancy rates would suggest.

- Only a small proportion of the most functionally obsolete office buildings are good candidates for extensive renovation or conversion to new uses.

Current tight lending standards, higher

interest rates and higher construction costs have made many rehabilitation and conversion projects cost-prohibitive, absent public subsidies.

“The report finds that occupiers expect office utilization to increase, which should help to stabilize demand for office space. Companies are refining their work

from home vs. in-office policies; at the same time, office space must meet the needs of employees in terms of location, flexibility and amenities to remain viable,” said Marc Selvitelli, CAE, president CEO of NAIOP.



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Please support our friends at Hawaii Business Magazine in collecting donations to help the victims of the one of the deadliest wildfires in U.S. history.

Maui Strong is a nonprofit fund that quickly deploys food, medicine, housing and other essentials to the survivors of the devastating wildfires on Maui and those left jobless.

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Maui's 'ohana is grateful for your support!

ROOM TO GROW IN THE SANTA CLARITA VALLEY

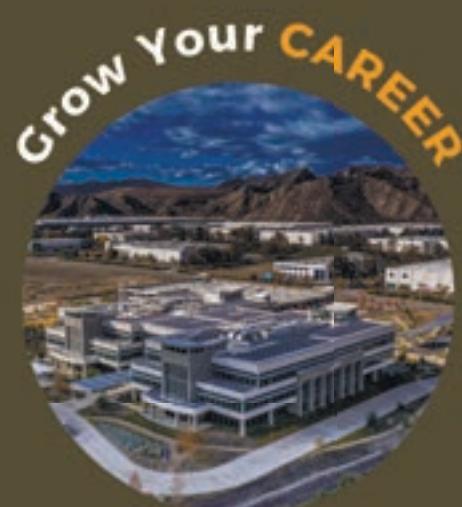
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Largest City in Los Angeles County



15th Happiest City in US

3rd Safest Mid-Sized City in US

13th Fastest Growing City in US

4th Most Ambitious Business City in US



Over 25,000 ACRES OF OPEN SPACE



100 miles of trails

Over 50 public parks



\$114k
Median Household Income

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City of Champions



GLORIA GRAY
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DISTRICT 1

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COUNCILMEMBER
DISTRICT 2

LOCATION, LOCATION, LOCATION

Inglewood is adjacent to Los Angeles International Airport and Hawthorne Municipal Airport, major highways and city thoroughfares, and is connected by Metro rail to all of greater Los Angeles including easy routes to Union Station's Amtrak and Metrolink.

FOR INFORMATION ABOUT INVESTING IN INGLEWOOD:

Contact Inglewood City Manager Artie Fields (310) 412-5301 or via email: afields@cityofinglewood.org

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DIONNE FAULK
COUNCILMEMBER
DISTRICT 4

ELOY MORALES
COUNCILMEMBER
DISTRICT 3

EXCELLENT HOUSING

Over 3,000 new homes under construction or entitled for development including luxury town house condominiums, upscale apartments, mixed use developments, affordable apartment units, and housing for at-risk populations. Upscale traditional single-family neighborhoods and desirable workforce apartment communities.

NATIONAL DESTINATIONS

We are the home of: The Los Angeles Rams and the Los Angeles Chargers at SoFi stadium (the most technologically sophisticated venue in the world); the iconic Forum; the Girl Scouts of Greater Los Angeles; and Youth Orchestra Los Angeles. Soon to be built is the Inglewood Basketball and Entertainment Center, and the just completed NFL Media Building at Hollywood Park. Over the coming years Inglewood will host 2 Superbowls, Wrestlemania, The Summer World Olympic Games, and the NCCA Championship Bowl Game.