



**Valbridge**  
PROPERTY ADVISORS



# QUARTERLY MARKET UPDATE

## LOS ANGELES - INLAND EMPIRE 2Q23

**Industrial properties continued to perform strongly in Q2, with the Inland Empire outpacing the greater Los Angeles area. The future of office space remains an open question, as defaults are on the rise and further rate hikes from the Federal Reserve are predicted before the end of the year.**

The post-pandemic recovery in employment levels for the Los Angeles area has been slow relative to the nation, and, depending on their duration, the combined effects of the WGA and SAG-AFTRA strikes may adversely impact the LA economy. In Los Angeles, transportation firms have grown payrolls by nearly 10% since February 2020, while accommodations payrolls are 13.5% lower. Heavy traffic through the ports of Long Beach and Los Angeles, combined with the demands of e-commerce, continue to drive demand for logistics solutions in the industrial sector. However, a slow down in Asian imports combined with ongoing labor disputes between the International Longshore and Warehouse Union and the Pacific Maritime Association is beginning to cool an over-performing sector.

*In the following pages, we outline the major market trends in the Los Angeles and Inland Empire market sectors, along with key indicators. In today's quickly changing environment, we remain ready to assist you with your commercial real estate valuation needs at any time.*

**VALBRIDGE PROPERTY ADVISORS | LOS ANGELES-INLAND EMPIRE**

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## INDUSTRIAL SECTOR HIGHLIGHTS

### LOS ANGELES TRENDS

- Asian imports have slowed: loaded inbound containers declined by 30% through April of 2023 compared to the previous year.
- Consequently, the vacancy rate has risen from 2.2% (a year ago) to 3.7%, and rents have remained flat over the past quarter.
- The L.A. metro average market price is \$340/SF, with cap rates among the lowest in the nation.

### INLAND EMPIRE TRENDS

- As a wave of new construction is reaching completion, demand has dissipated: of the 30+ million square feet of industrial space completed since the beginning of 2022, roughly 20% remains vacant today. Vacancy rates have risen over the past four quarters to reach 4.0%.
- Rent growth is at 11% for Q2, easily outpacing the national average, but less than in previous quarters.
- Cap rates are averaging 5.0% so far in 2023 (to date).

## OFFICE SECTOR HIGHLIGHTS

### LOS ANGELES TRENDS

- Investors seem cautious about infusing capital into a sector whose future is uncertain; several recent sales have reflected substantial discounts for buyers.
- Vacancy rates remain at record levels, but rents are holding steady with a 0.3% gain in Q2.
- Although the overall sector is continuing to deteriorate, some locations (notably Century City) are seeing success, and latest-generation spaces are in demand.

### INLAND EMPIRE TRENDS

- Office rents in the Inland Empire currently average \$26.00/SF gross, and have increased 2.9% over the past 12 months.
- Rents are low compared to neighboring areas, and consequently, development activity is minimal.
- Cap rates have increased to 8.0% and are projected to rise higher through 2023, plateauing in the 9% range as investors face higher borrowing costs.

## RETAIL SECTOR HIGHLIGHTS

### LOS ANGELES TRENDS

- Average asking rates are up 1.3% over the past 12 months, trailing the national average of +3.5%.
- Tight availability and growing demand for space have resulted in stronger rent growth for neighborhood centers relative to the wider retail market.
- The implementation of a new and substantial transfer tax on April 1 within the city of Los Angeles prompted a flurry of transactions to beat the deadline.

### INLAND EMPIRE TRENDS

- Strong demand has pushed the vacancy rate down to 5.9% and rents have grown by 5.2% over the past 12 months, outperforming the national average.
- Leasing activity has been driven by food services, fitness centers, grocery stores, and discount retailers.
- The current market cap rate of 5.8% is forecast to hit a peak cycle cap rate of 6.7% by the end of 2025 as yields adjust to higher costs of capital.

## MULTIFAMILY HOUSING SECTOR HIGHLIGHTS

### LOS ANGELES TRENDS

- Rising interest rates have cooled transactions, with Q2 seeing only \$807M in sales volume. Sellers in Los Angeles now also face a 4% transfer tax for any sale above \$5 million (5.5% for any sale above \$10 million). In Santa Monica, any transaction above \$8 million faces a 5.7% transfer tax.
- Modest demand from renters has pushed the vacancy rate up to 4.9%, and rents grew minimally (+0.8%) in Q2.

### INLAND EMPIRE TRENDS

- Performance is split across levels: rents in 1 & 2 Star properties have grown by 3.6% over the past 12 months; conversely, rents in 4 & 5 Star properties, have declined by -2.4% over the past 12 months.
- Net absorption has been negative 4 quarters in a row.
- Cap rates have increased from 4.1% to 4.6% and are predicted to reach 5.2% by the end of 2024, but are likely to improve thereafter.

## HOSPITALITY SECTOR HIGHLIGHTS

### LOS ANGELES TRENDS

- In the short term, the growth rate is likely to cool as the result of inflation; however, long-term prospects (including the 2026 FIFA World Cup and the 2028 Olympics) are strong.
- Hotels in the Los Angeles market maintain one of the highest occupancy and ADR levels nationally.
- In 2023, ADR is forecast to grow by 3.7%.

### INLAND EMPIRE TRENDS

- Bucking national trends, hotel rooms under construction are up in the IE (2,400 rooms currently under construction), representing a 4.5% increase in inventory.
- The Talus development in La Quinta (including 2 hotels, a conference center, housing, and 18-hole Arnold Palmer golf course) is expected to deliver in 2024 after 20 years in active development.

# LOS ANGELES INDUSTRIAL TRENDS

## OVERVIEW

### LOS ANGELES INDUSTRIAL

12 Mo Deliveries in SF: **3.2M** | 12 Mo Net Absorption in SF: **(14.6M)** | Vacancy Rate: **3.7%** | 12 Mo Rent Growth: **8.0%**

#### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	641,924,596	3.9%	\$19.04	6.0%	(731,166)	0	7,540,281
Specialized Industrial	253,052,053	3.2%	\$17.92	4.0%	(445,877)	0	36,041
Flex	56,487,174	4.8%	\$25.98	6.4%	(154,722)	0	90,000
<b>Market</b>	<b>951,473,823</b>	<b>3.7%</b>	<b>\$19.15</b>	<b>5.5%</b>	<b>(1,331,765)</b>	<b>0</b>	<b>7,666,322</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.8%	3.7%	3.5%	5.6%	2010 Q1	1.7%	2022 Q1
Net Absorption SF	(14.6M)	2,114,784	222,654	13,647,317	2021 Q4	(13,914,833)	2009 Q2
Deliveries SF	3.2M	5,381,201	4,061,444	13,579,368	2002 Q1	702,637	2011 Q1
Rent Growth	8.0%	4.9%	6.0%	14.7%	2022 Q2	-4.4%	2009 Q4
Sales Volume	\$7.5B	\$3.8B	N/A	\$9.6B	2022 Q2	\$976.1M	2009 Q3

# INLAND EMPIRE INDUSTRIAL TRENDS

## OVERVIEW

### INLAND EMPIRE INDUSTRIAL

12 Mo Deliveries in SF: **21M** | 12 Mo Net Absorption in SF: **1.2M** | Vacancy Rate: **4.0%** | 12 Mo Rent Growth: **11.0%**

#### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	615,764,836	4.2%	\$13.79	9.2%	(2,562,583)	0	37,788,056
Specialized Industrial	100,684,381	2.5%	\$14.54	4.6%	(128,597)	0	849,246
Flex	15,684,811	4.7%	\$18.23	5.5%	(16,761)	0	22,500
<b>Market</b>	<b>732,134,028</b>	<b>4.0%</b>	<b>\$13.98</b>	<b>8.5%</b>	<b>(2,707,841)</b>	<b>0</b>	<b>38,669,802</b>

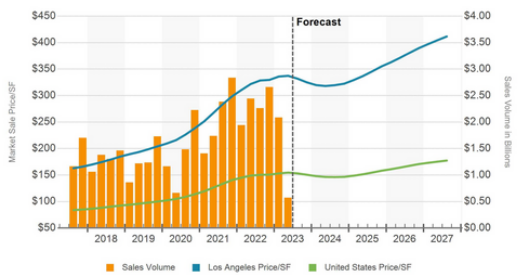
  

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.7%	6.0%	4.3%	12.3%	2009 Q3	1.3%	2022 Q2
Net Absorption SF	1.2M	17,967,670	18,521,796	33,254,135	2021 Q4	(479,702)	2009 Q1
Deliveries SF	21M	18,865,370	21,442,786	33,721,197	2008 Q4	1,345,120	2011 Q3
Rent Growth	11.0%	5.2%	6.2%	17.3%	2022 Q2	-8.4%	2009 Q4
Sales Volume	\$8.7B	\$2.4B	N/A	\$10.1B	2023 Q1	\$486.4M	2001 Q2

## SALES

### LOS ANGELES INDUSTRIAL

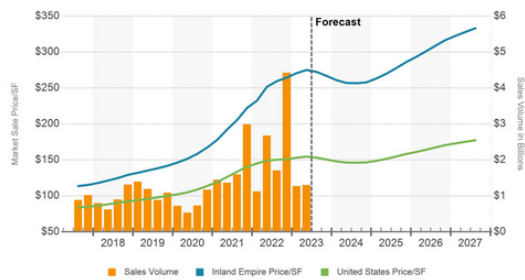
#### SALES VOLUME & MARKET SALE PRICE PER SF



## SALES

### INLAND EMPIRE INDUSTRIAL

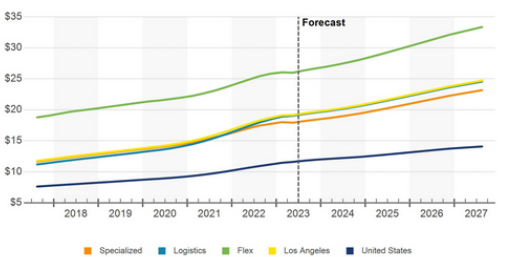
#### SALES VOLUME & MARKET SALE PRICE PER SF



## RENT

### LOS ANGELES INDUSTRIAL

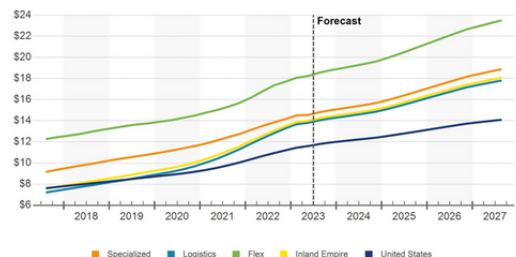
#### MARKET RENT PER SQUARE FEET



## RENT

### INLAND EMPIRE INDUSTRIAL

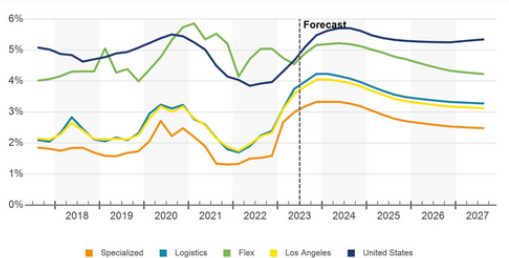
#### MARKET RENT PER SQUARE FEET



## VACANCY

### LOS ANGELES INDUSTRIAL

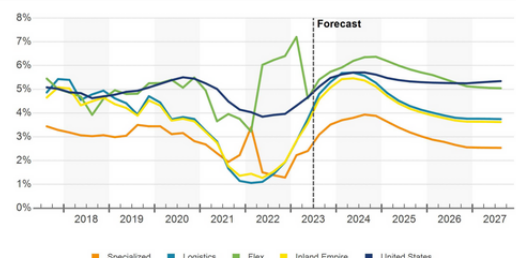
#### VACANCY RATE



## VACANCY

### INLAND EMPIRE INDUSTRIAL

#### VACANCY RATE



# LOS ANGELES OFFICE TRENDS

# INLAND EMPIRE OFFICE TRENDS

## OVERVIEW

LOS ANGELES OFFICE

12 Mo Deliveries in SF: **2.5M**  
 12 Mo Net Absorption in SF: **(4.9M)**  
 Vacancy Rate: **15.2%**  
 12 Mo Rent Growth: **0.3%**

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	174,217,071	21.2%	\$48	25.6%	(476,988)	0	3,768,718
3 Star	160,575,822	13.1%	\$40.15	15.7%	(127,141)	0	362,472
1 & 2 Star	102,453,714	8.1%	\$34.96	9.2%	(76,882)	0	44,475
Market	437,246,607	15.2%	\$42.11	18.2%	(681,011)	0	4,175,665

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.5%	10.9%	20.0%	15.2%	2023 Q3	6.8%	2007 Q3
Net Absorption SF	(4,944)	730,714	(6,269,822)	13,265,966	3000 Q1	(10,017,558)	2021 Q1
Deliveries SF	2.5M	2,457,221	990,489	4,760,059	3002 Q3	626,975	1997 Q1
Rent Growth	0.3%	3.1%	-2.9%	14.9%	2007 Q3	-11.2%	2009 Q3
Sales Volume	\$3B	\$5.1B	N/A	\$11.5B	2017 Q3	\$774.8M	2009 Q4

## OVERVIEW

INLAND EMPIRE OFFICE

12 Mo Deliveries in SF: **163K**  
 12 Mo Net Absorption in SF: **87K**  
 Vacancy Rate: **5.9%**  
 12 Mo Rent Growth: **2.9%**

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	8,690,422	5.2%	\$32.22	8.5%	(2,914)	0	52,630
3 Star	37,229,738	6.5%	\$26.31	9.3%	(60,753)	0	187,829
1 & 2 Star	31,565,756	5.4%	\$23.67	6.8%	(19,244)	0	0
Market	77,485,916	5.9%	\$25.90	8.2%	(88,911)	0	240,459

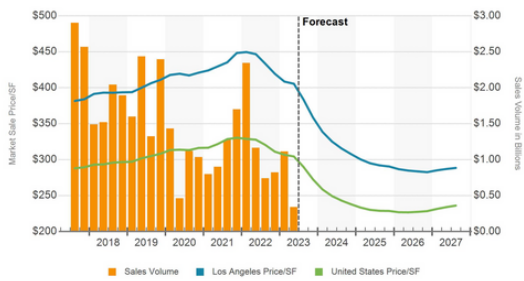
  

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	9.3%	8.0%	15.9%	2009 Q3	5.6%	2023 Q1
Net Absorption SF	87K	1,005,507	(317,033)	4,833,996	2008 Q2	42,969	2009 Q4
Deliveries SF	163K	1,095,286	226,229	4,644,770	2007 Q4	121,072	2017 Q2
Rent Growth	2.9%	2.8%	-0.4%	10.6%	2011 Q2	-12.1%	2009 Q4
Sales Volume	\$566M	\$415.2M	N/A	\$784.7M	2022 Q4	\$102.9M	2009 Q4

## SALES

LOS ANGELES OFFICE

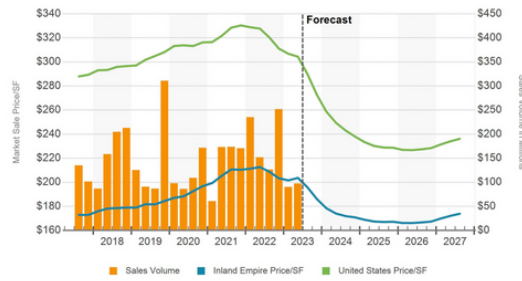
### SALES VOLUME & MARKET SALE PRICE PER SF



## SALES

INLAND EMPIRE OFFICE

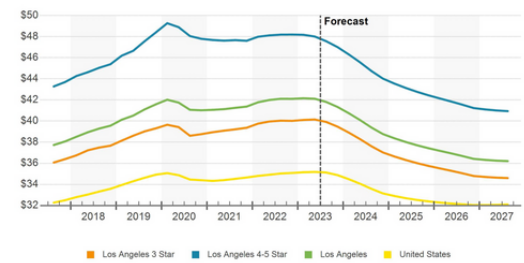
### SALES VOLUME & MARKET SALE PRICE PER SF



## RENT

LOS ANGELES OFFICE

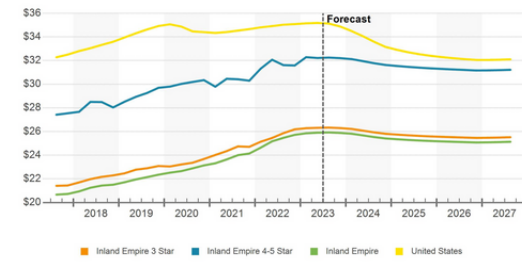
### MARKET RENT PER SQUARE FEET



## RENT

INLAND EMPIRE OFFICE

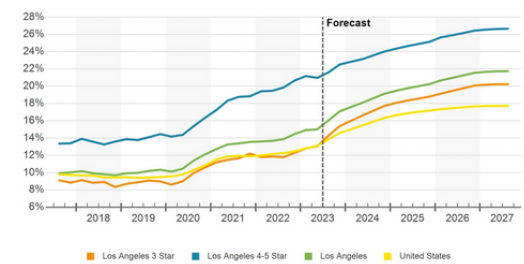
### MARKET RENT PER SQUARE FEET



## VACANCY

LOS ANGELES OFFICE

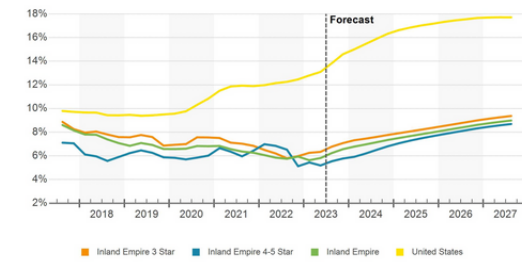
### VACANCY RATE



## VACANCY

INLAND EMPIRE OFFICE

### VACANCY RATE





# LOS ANGELES RETAIL TRENDS

# INLAND EMPIRE RETAIL TRENDS

## OVERVIEW

### LOS ANGELES RETAIL

12 Mo Deliveries in SF: **846K** | 12 Mo Net Absorption in SF: **(574K)** | Vacancy Rate: **5.3%** | 12 Mo Rent Growth: **1.3%**

#### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	41,245,276	11.7%	\$44.39	8.9%	(21,047)	0	421,069
Power Center	22,418,307	4.6%	\$35.36	6.6%	(3,610)	0	0
Neighborhood Center	104,213,413	6.4%	\$33.99	7.3%	81,655	0	78,893
Strip Center	35,852,789	5.3%	\$31.79	5.9%	(4,355)	0	21,327
General Retail	243,573,524	3.0%	\$35.32	4.7%	(68,738)	0	1,276,935
Other	2,423,871	7.8%	\$41.62	8.6%	(8,859)	0	0
<b>Market</b>	<b>449,827,580</b>	<b>5.3%</b>	<b>\$35.60</b>	<b>5.9%</b>	<b>(91,154)</b>	<b>0</b>	<b>1,788,224</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.2%	4.7%	5.6%	5.6%	2010 Q1	3.0%	2007 Q3
Net Absorption SF	(574K)	756,651	(279,476)	6,899,176	2007 Q3	(4,119,144)	2009 Q3
Deliveries SF	846K	2,186,206	833,424	6,493,649	2008 Q3	711,877	2023 Q1
Rent Growth	1.3%	1.5%	1.0%	5.1%	2007 Q2	-5.0%	2009 Q4
Sales Volume	\$4.9B	\$3.7B	N/A	\$7.2B	2022 Q3	\$980.3M	2009 Q4

## OVERVIEW

### INLAND EMPIRE RETAIL

12 Mo Deliveries in SF: **833K** | 12 Mo Net Absorption in SF: **1M** | Vacancy Rate: **5.9%** | 12 Mo Rent Growth: **5.2%**

#### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	15,149,854	14.0%	\$33.02	5.3%	(30,562)	0	0
Power Center	19,858,017	4.3%	\$29.69	5.0%	0	0	48,913
Neighborhood Center	79,025,478	7.0%	\$25.74	8.3%	211	0	637,667
Strip Center	15,312,256	4.9%	\$23.02	6.0%	(10,641)	0	189,082
General Retail	68,651,218	3.2%	\$23.12	4.0%	12,196	0	582,112
Other	3,099,782	13.5%	\$24.86	13.6%	0	0	0
<b>Market</b>	<b>201,096,605</b>	<b>5.9%</b>	<b>\$25.55</b>	<b>6.2%</b>	<b>(28,796)</b>	<b>0</b>	<b>1,455,774</b>

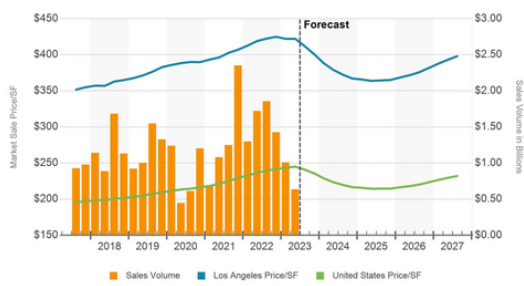
  

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.1%	7.4%	6.6%	9.5%	2011 Q2	4.9%	2007 Q3
Net Absorption SF	1M	1,578,536	558,247	8,248,382	2007 Q1	(1,890,778)	2009 Q4
Deliveries SF	833K	2,036,245	1,313,204	7,238,682	2007 Q1	406,659	2011 Q1
Rent Growth	5.2%	0.7%	1.4%	6.1%	2022 Q4	-9.7%	2009 Q4
Sales Volume	\$1.6B	\$1.2B	N/A	\$2.5B	2022 Q3	\$399.3M	2010 Q1

## SALES

### LOS ANGELES RETAIL

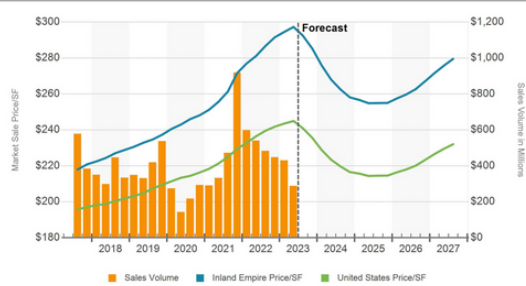
#### SALES VOLUME & MARKET SALE PRICE PER SF



## SALES

### INLAND EMPIRE RETAIL

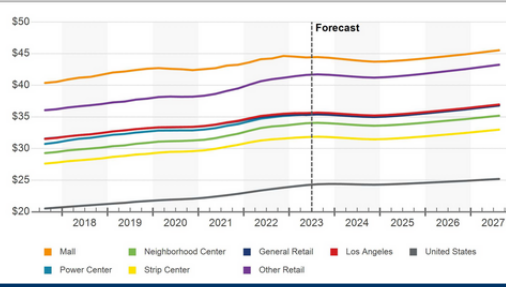
#### SALES VOLUME & MARKET SALE PRICE PER SF



## RENT

### LOS ANGELES RETAIL

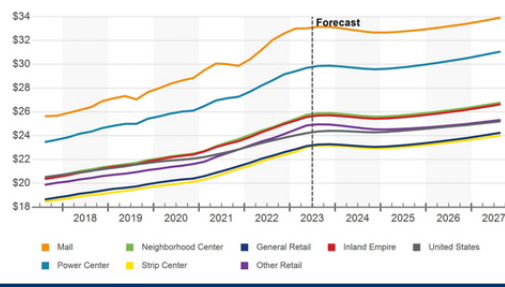
#### MARKET RENT PER SQUARE FEET



## RENT

### INLAND EMPIRE RETAIL

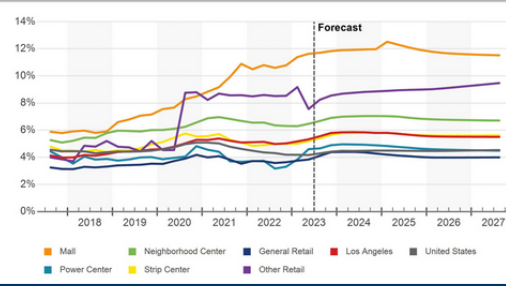
#### MARKET RENT PER SQUARE FEET



## VACANCY

### LOS ANGELES RETAIL

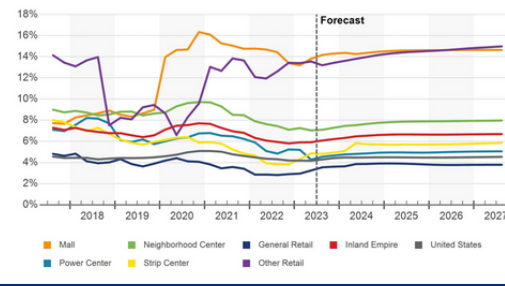
#### VACANCY RATE



## VACANCY

### INLAND EMPIRE RETAIL

#### VACANCY RATE



# LOS ANGELES MULTIFAMILY TRENDS

# INLAND EMPIRE MULTIFAMILY TRENDS

## OVERVIEW

LOS ANGELES MULTIFAMILY

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
<b>11,634</b>	<b>794</b>	<b>4.9%</b>	<b>0.8%</b>

### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	146,540	9.6%	\$3,288	\$3,247	38	0	20,129
3 Star	218,826	4.5%	\$2,352	\$2,337	2	0	3,435
1 & 2 Star	648,030	4.0%	\$1,707	\$1,699	0	0	6
<b>Market</b>	<b>1,013,396</b>	<b>4.9%</b>	<b>\$2,225</b>	<b>\$2,208</b>	<b>40</b>	<b>0</b>	<b>23,570</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.0%	4.5%	5.0%	6.0%	2020 Q3	3.2%	2000 Q3
Absorption Units	794	4,835	5,348	\$1,685	2021 Q4	(\$219)	2000 Q1
Delivered Units	11,634	6,255	8,852	12,979	2021 Q1	877	2011 Q4
Demolished Units	153	648	577	1,556	2010 Q3	49	2002 Q2
Asking Rent Growth (YOY)	0.8%	2.5%	2.4%	8.1%	2001 Q1	-9.9%	2009 Q4
Effective Rent Growth (YOY)	0.6%	2.5%	2.3%	8.1%	2022 Q1	-9.9%	2009 Q4
Sales Volume	\$7.5B	\$6.6B	N/A	\$14.5B	2022 Q2	\$1.7B	2010 Q1

## OVERVIEW

INLAND EMPIRE MULTIFAMILY

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
<b>1,898</b>	<b>(1,809)</b>	<b>5.5%</b>	<b>0.3%</b>

### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	36,761	7.8%	\$2,568	\$2,549	8	0	4,248
3 Star	72,821	5.1%	\$2,048	\$2,035	0	0	2,206
1 & 2 Star	60,807	4.5%	\$1,368	\$1,361	0	0	9
<b>Market</b>	<b>170,189</b>	<b>5.5%</b>	<b>\$2,001</b>	<b>\$1,988</b>	<b>8</b>	<b>0</b>	<b>6,463</b>

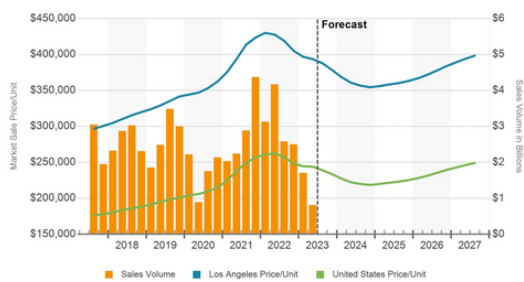
  

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.1%	5.4%	6.1%	8.0%	2009 Q1	2.0%	2021 Q2
Absorption Units	(1,809)	1,551	1,547	6,514	2021 Q1	(2,697)	2023 Q1
Delivered Units	1,898	1,765	1,815	3,927	2006 Q3	16	2011 Q4
Demolished Units	0	60	69	296	2013 Q4	0	2023 Q2
Asking Rent Growth (YOY)	0.3%	4.0%	3.2%	14.6%	2021 Q4	-4.8%	2009 Q2
Effective Rent Growth (YOY)	0%	3.9%	3.2%	15.1%	2021 Q3	-4.8%	2009 Q2
Sales Volume	\$559M	\$1.2B	N/A	\$3.9B	2022 Q2	\$66.3M	2009 Q3

## SALES

LOS ANGELES MULTIFAMILY

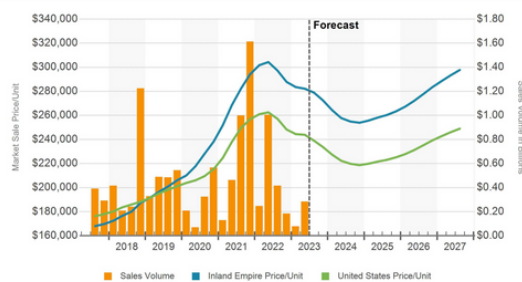
### SALES VOLUME & MARKET SALE PRICE PER UNIT



## SALES

INLAND EMPIRE MULTIFAMILY

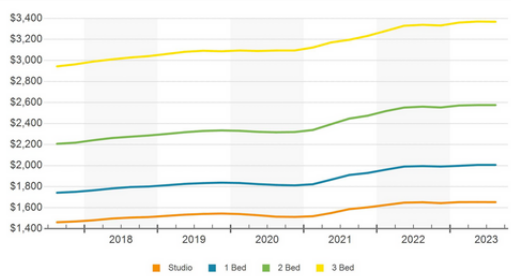
### SALES VOLUME & MARKET SALE PRICE PER UNIT



## RENT

LOS ANGELES MULTIFAMILY

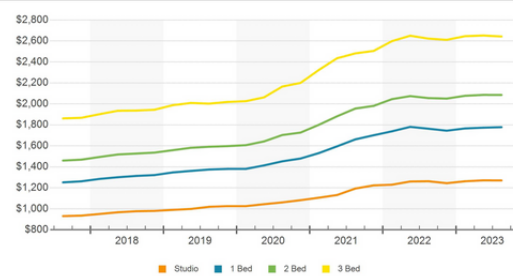
### MARKET RENT PER UNIT BY BEDROOM



## RENT

INLAND EMPIRE MULTIFAMILY

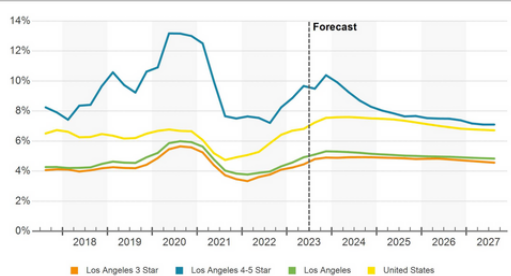
### MARKET RENT PER UNIT BY BEDROOM



## VACANCY

LOS ANGELES MULTIFAMILY

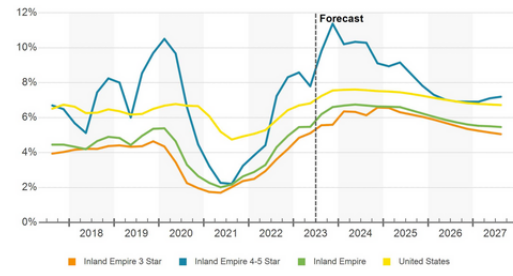
### VACANCY RATE



## VACANCY

INLAND EMPIRE MULTIFAMILY

### VACANCY RATE



# LOS ANGELES HOSPITALITY TRENDS

# INLAND EMPIRE HOSPITALITY TRENDS

## OVERVIEW

### LOS ANGELES HOSPITALITY

12 Mo Occupancy	12 Mo ADR	12 Mo RevPAR	12 Mo Supply	12 Mo Demand
<b>71.5%</b>	<b>\$197.76</b>	<b>\$141.36</b>	<b>41.6M</b>	<b>29.8M</b>

#### KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	43,921	73.6%	\$285.62	\$210.37	530	320
Upscale & Upper Midscale	34,891	75.1%	\$171.90	\$129.08	1,451	1,206
Midscale & Economy	37,278	65.7%	\$110.33	\$72.44	122	789
<b>Total</b>	<b>116,090</b>	<b>71.5%</b>	<b>\$197.76</b>	<b>\$141.36</b>	<b>2,103</b>	<b>2,315</b>

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	72.0%	73.4%	70.8%	71.5%	67.7%	77.9%
Occupancy Change	-0.4%	0.8%	3.9%	4.1%	-1.8%	2.0%
ADR	\$202.18	\$200.51	\$197.80	\$197.76	\$172.42	\$218.42
ADR Change	2.6%	3.9%	3.4%	8.7%	2.8%	3.1%
RevPAR	\$145.47	\$147.12	\$140.05	\$141.36	\$116.75	\$170.16
RevPAR Change	2.1%	4.7%	7.4%	13.1%	1.0%	5.2%

## OVERVIEW

### INLAND EMPIRE HOSPITALITY

12 Mo Occupancy	12 Mo ADR	12 Mo RevPAR	12 Mo Supply	12 Mo Demand
<b>66.1%</b>	<b>\$155.32</b>	<b>\$102.66</b>	<b>19M</b>	<b>12.6M</b>

#### KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	11,151	61.9%	\$279.10	\$172.03	75	\$70
Upscale & Upper Midscale	19,720	73.8%	\$151.30	\$111.62	913	1,193
Midscale & Economy	21,785	61.6%	\$96.34	\$59.31	255	724
<b>Total</b>	<b>52,656</b>	<b>66.1%</b>	<b>\$155.32</b>	<b>\$102.66</b>	<b>843</b>	<b>2,487</b>

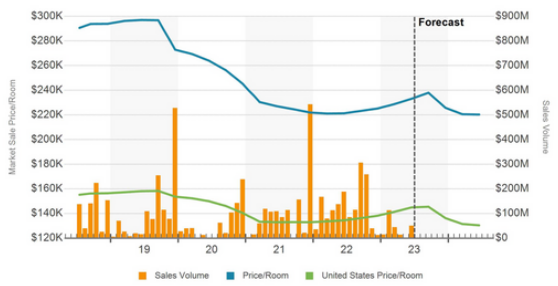
  

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	63.9%	69.8%	68.6%	66.1%	64.1%	64.6%
Occupancy Change	-3.9%	-1.7%	-0.2%	-1.8%	-0.2%	-0.2%
ADR	\$150.75	\$180.36	\$172.00	\$155.32	\$131.32	\$164.96
ADR Change	-2.4%	2.0%	2.8%	3.1%	5.7%	2.3%
RevPAR	\$96.29	\$125.93	\$118.06	\$102.66	\$84.23	\$106.55
RevPAR Change	-6.3%	0.3%	2.6%	1.2%	5.5%	2.1%

## SALES

### LOS ANGELES HOSPITALITY

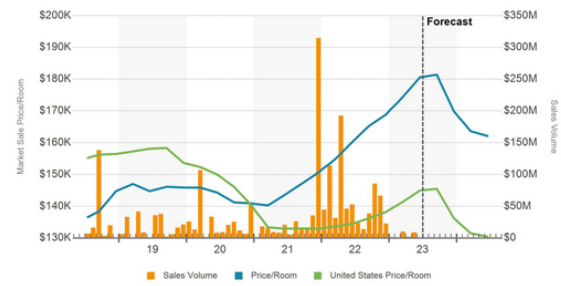
#### SALES VOLUME & MARKET SALE PRICE PER ROOM



## SALES

### INLAND EMPIRE HOSPITALITY

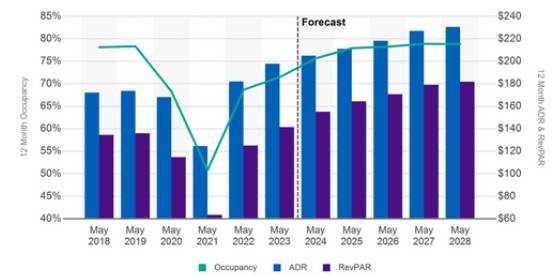
#### SALES VOLUME & MARKET SALE PRICE PER ROOM



## PERFORMANCE

### LOS ANGELES HOSPITALITY

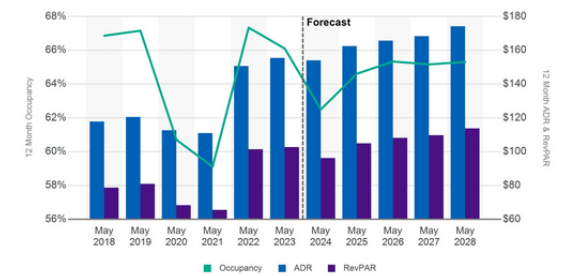
#### OCCUPANCY, ADR & REVPAR



## PERFORMANCE

### INLAND EMPIRE HOSPITALITY

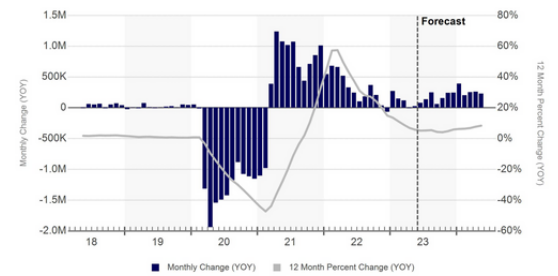
#### OCCUPANCY, ADR & REVPAR



## DEMAND CHANGE

### LOS ANGELES HOSPITALITY

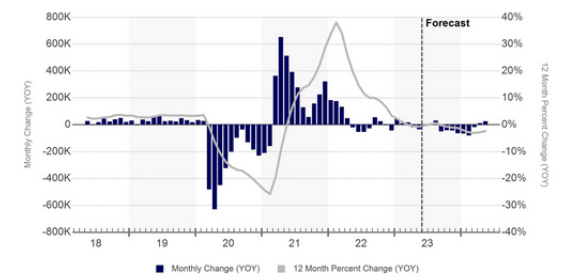
#### DEMAND CHANGE



## DEMAND CHANGE

### INLAND EMPIRE HOSPITALITY

#### DEMAND CHANGE





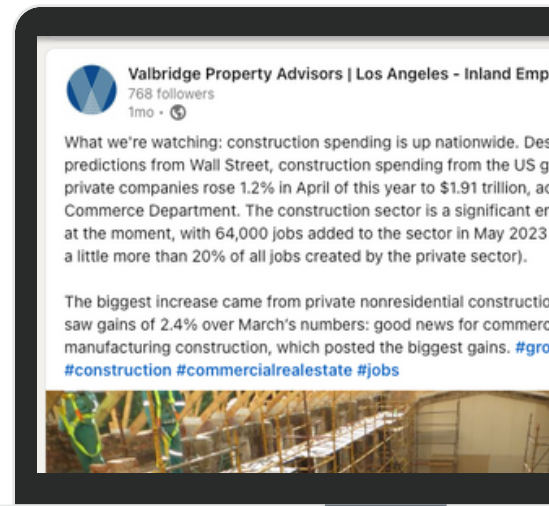


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