



## Office Submarket Report

# Howe Ave/Fulton Ave/Watt Ave

Sacramento - CA

### PREPARED BY



BACON Commercial  
Real Estate

Tom Bacon  
Broker/Owner



**OFFICE SUBMARKET REPORT**

Submarket Key Statistics	1
Leasing	2
Rent	5
Construction	7
Sales	9
Sales Past 12 Months	11
Supply & Demand Trends	13
Rent & Vacancy	15
Sale Trends	17

# Overview

Howe Ave/Fulton Ave/Watt Ave Office

12 Mo Deliveries in SF

0

12 Mo Net Absorption in SF

(78.5K)

Vacancy Rate

15.2%

12 Mo Rent Growth

1.7%

Vacancies in Howe Ave/Fulton Ave/Watt Ave remained stubbornly high at the start of 2021. A primarily residential area east of Downtown, government and healthcare, as in many parts of Sacramento, help steer demand here, but the vacancy rate typically sits well above the metro norm.

The submarket offers little high-end product, due in part to a lack of construction this past decade. But with annual net absorption often landing in the red, coupled

with some of the metro's cheapest rents, developers have had little incentive to build.

In contrast to many metro area's, deal flow in 2020 looked similar to most recent years, and investment volume soared to one of the highest marks on record. Still, investors typically focus on placing capital in other submarkets; annual sales volume historically averages only around \$37 million.

## KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	189,427	31.3%	\$2.21	31.3%	0	0	0
3 Star	2,231,758	15.3%	\$1.99	17.1%	3,133	0	0
1 & 2 Star	3,214,065	14.1%	\$1.61	13.6%	(620)	0	0
<b>Submarket</b>	<b>5,635,250</b>	<b>15.2%</b>	<b>\$1.79</b>	<b>15.6%</b>	<b>2,513</b>	<b>0</b>	<b>0</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.4%	13.2%	15.3%	19.7%	2015 Q2	6.4%	2002 Q4
Net Absorption SF	(78.5K)	(12,133)	2,644	263,144	2001 Q3	(207,690)	2003 Q4
Deliveries SF	0	9,429	0	82,598	2005 Q2	0	2021 Q2
Rent Growth	1.7%	1.6%	1.9%	7.2%	2016 Q1	-9.0%	2009 Q3
Sales Volume	\$12.8M	\$36.5M	N/A	\$120.1M	2007 Q3	\$6.4M	2009 Q3

A high vacancy rate in Howe Ave/Fulton Ave/Watt Ave is nothing new, and that trend continued in the early days of 2021; submarket vacancies were in the mid-teens and well above the metro average. Demand here is typically modest, including again in 2020. Net absorption landed in the red for a third consecutive year, and leasing activity came in at the lowest level on record.

While occupancy struggles persist, vacancies have notably decreased since soaring to an all-time peak of approximately 20% in 2015. Still, the recent compression is more due to a lack of supply-driven pressure as opposed to outsized demand. Just two properties have delivered since the end of the Great Recession, and moreover, a number of buildings have been demolished. Since 2010, inventory has actually decreased. But as the recession continues thanks to the coronavirus pandemic, it would not be a surprise to see vacancies again rise.

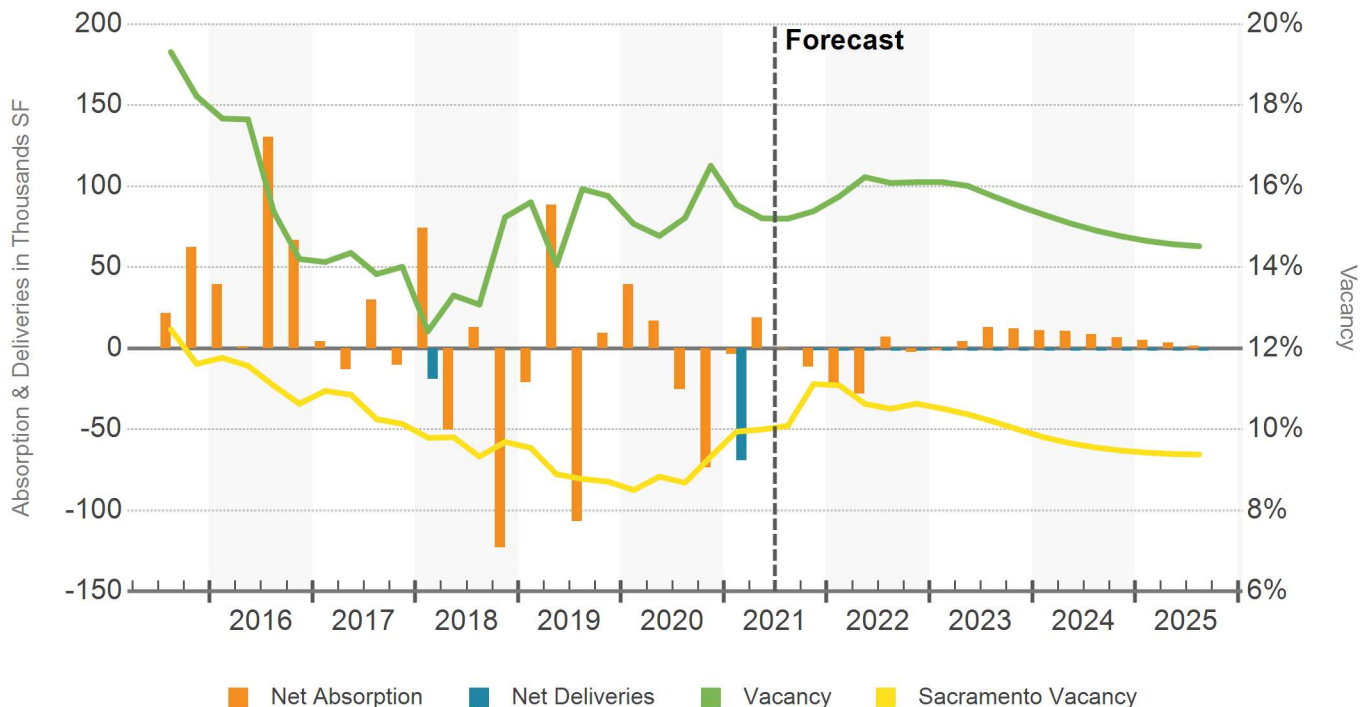
Government and healthcare, two sectors that have been inordinately impacted by the pandemic, drive much of the demand in this submarket. Several local and federal government entities have significant footprints, including the California Department of Water Resources, the Internal Revenue Service, and the Department of Human Assistance.

Kaiser Permanente is one of the most notable healthcare tenants, and the area is home to a number of local medical practices. Additionally, Kaiser Permanente Sacramento Medical Center is located here. As a result, medical office buildings represent more than 10% of submarket inventory, and the category has recently seen healthy demand. In 2020, the medical office vacancy rate fell below 10% for the first time in a decade, and vacancies virtually mirrored that figure as of 21Q1.

The submarket's historically inflated vacancy rate is due in part to The Landmark. One of the area's largest buildings, high vacancies have been the norm at The Landmark for many years. Located at 1750 Howe Ave., the vacancy rate topped 60% from 2014–18, and was at approximately 30% as of 21Q1. This is partly attributable to Liberty Mutual Insurance. In 2014, Liberty Mutual vacated around 80,000 SF as part of the company's relocation to Rocklin.

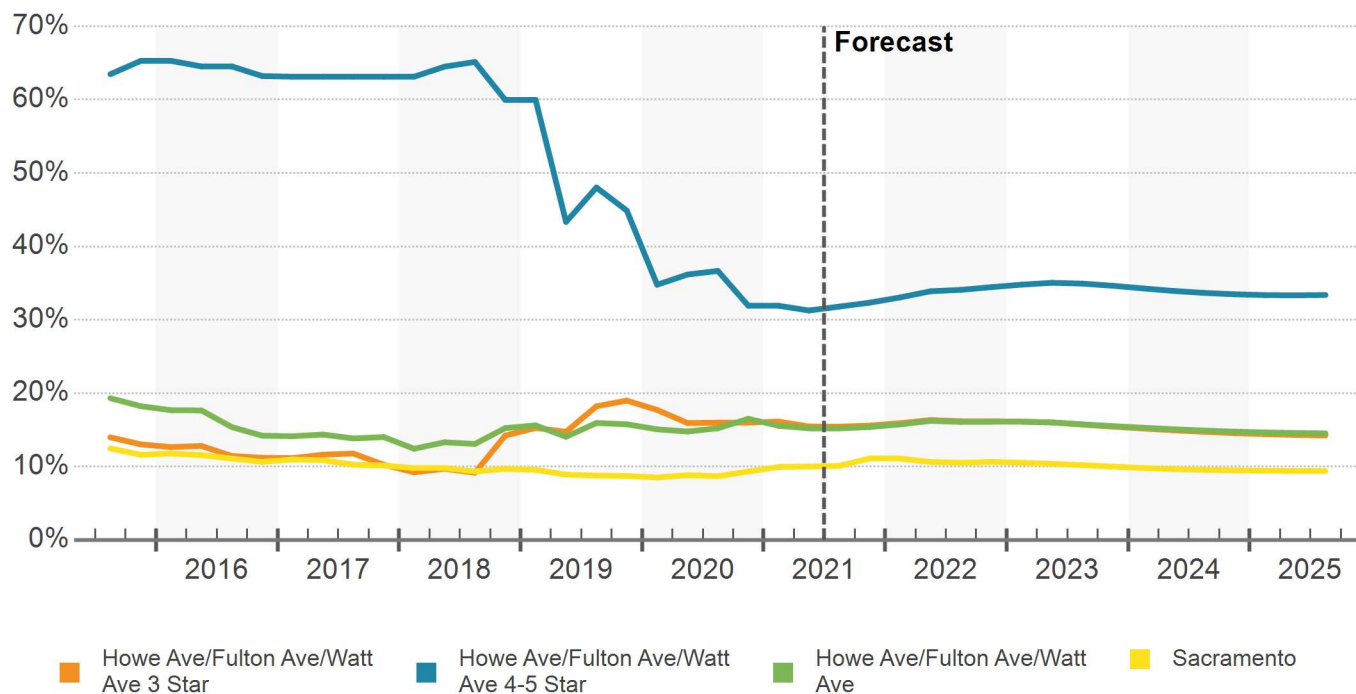
Outsized lease signings are rare; since the beginning of 2018, only a large handful of deals have been for at least 10,000 SF. However, a notable move-in was recently consummated by Summit Funding. In 2019, the mortgage company purchased 2135 Butano Dr., a 2 Star, 59,000-SF property, and in 20Q3, Summit took occupancy of approximately 70% of the building.

### NET ABSORPTION, NET DELIVERIES & VACANCY

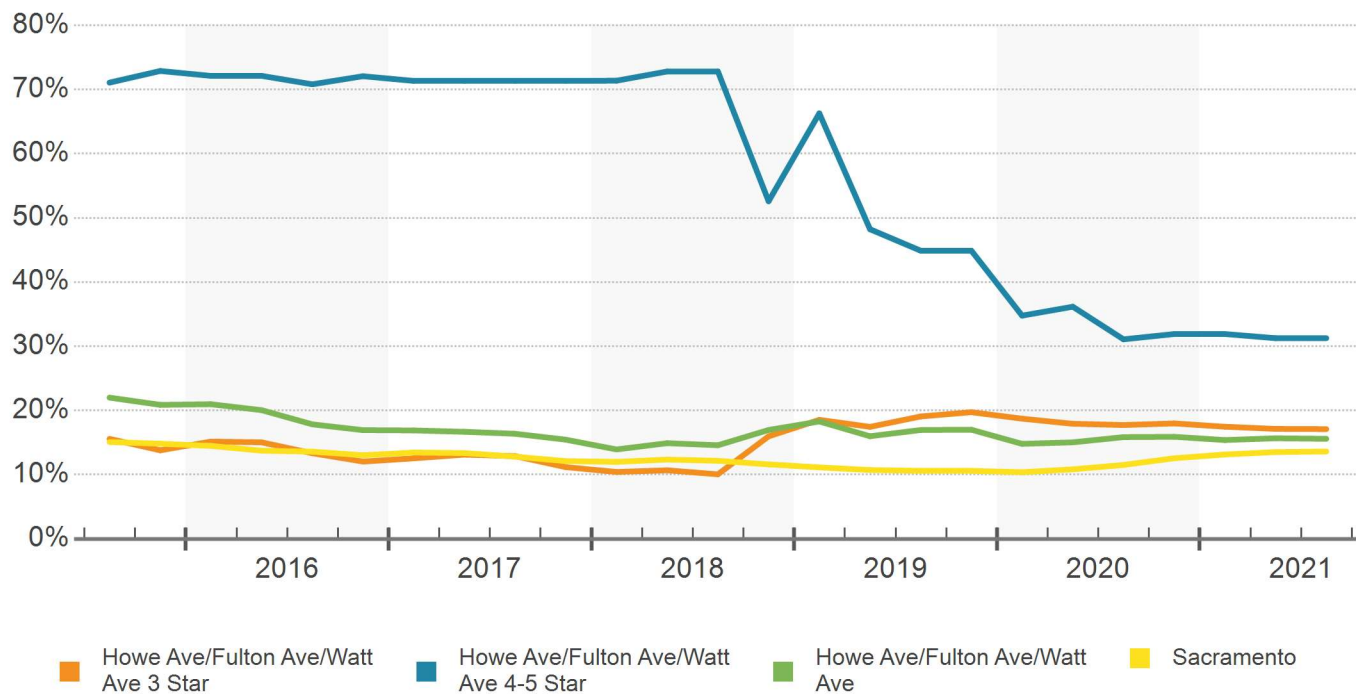




### VACANCY RATE



### AVAILABILITY RATE



### 4 & 5 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
<b>The Landmark</b> 1750 Howe Ave	★★★★★	189,427	2	11,766	32.6%	9,370

### 3 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
<b>Howe Ave Place</b> 1860 Howe Ave	★★★★★	100,000	2	20,388	9.1%	10,491
<b>Town &amp; Country Office</b> 2500 Marconi Ave	★★★★★	32,000	1	2,654	4.0%	6,442
<b>2775 Cottage Way</b>	★★★★★	35,463	9	4,650	19.1%	3,692
<b>Watt Ave Office</b> 2100-2114 Watt Ave	★★★★★	11,511	4	4,883	45.1%	3,653
<b>2143 Hurley Way</b>	★★★★★	28,485	1	2,310	18.3%	2,310
<b>2755 Cottage Way</b>	★★★★★	21,227	1	720	29.2%	1,376
<b>2255 Watt Ave</b>	★★★★★	33,752	4	3,686	44.1%	614
<b>2233 Watt Ave</b>	★★★★★	49,883	2	2,960	23.0%	72
<b>2045 Hallmark Dr</b>	★★★★★	8,978	2	3,500	0%	0
<b>Hallmark Ethan I</b> 1446 Ethan Way	★★★★★	10,343	1	2,362	4.6%	0
<b>Pasadena Place</b> 3807 Pasadena Ave	★★★★★	11,000	3	2,042	8.9%	(321)
<b>865 Howe Ave</b>	★★★★★	15,931	1	1,057	14.3%	(831)
<b>911-915 Howe Ave</b>	★★★★★	6,000	1	1,500	10.0%	(1,367)
<b>River City Bank</b> 900 Howe Ave	★★★★★	12,700	1	2,157	36.3%	(2,109)
<b>2020 Hurley</b> 2020 Hurley Way	★★★★★	60,133	2	950	23.0%	(7,072)
<b>950 Fulton Ave</b>	★★★★★	19,315	1	1,405	75.9%	(7,195)

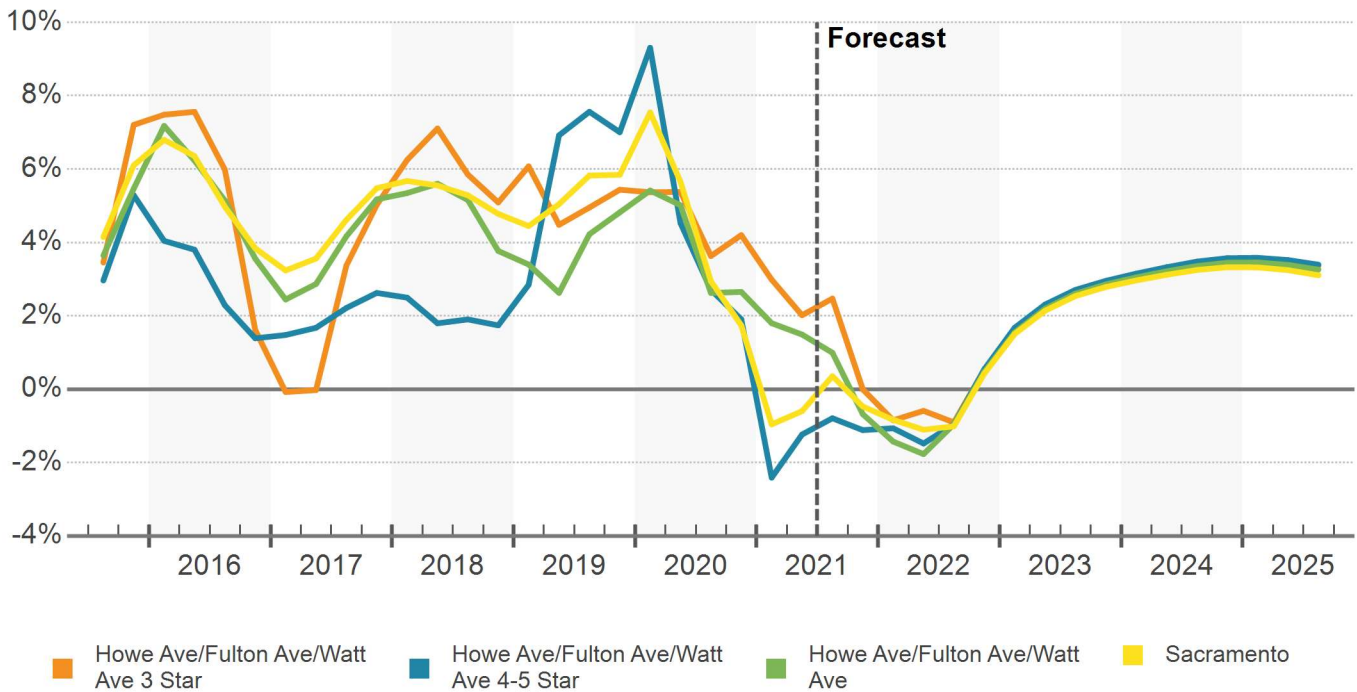
Given the lack of demand, rents in 2020 did not increase at the same pace as recent years. From 2016–19, annual rent growth averaged approximately 4%, but gains last year came in at about half of that figure. Still, rent growth was virtually on par with the metro average. Trailing 12-month rent growth is currently 1.7%.

The average asking rent sits at \$21.42/SF. This ranks in the bottom half of Sacramento and approximately 20%

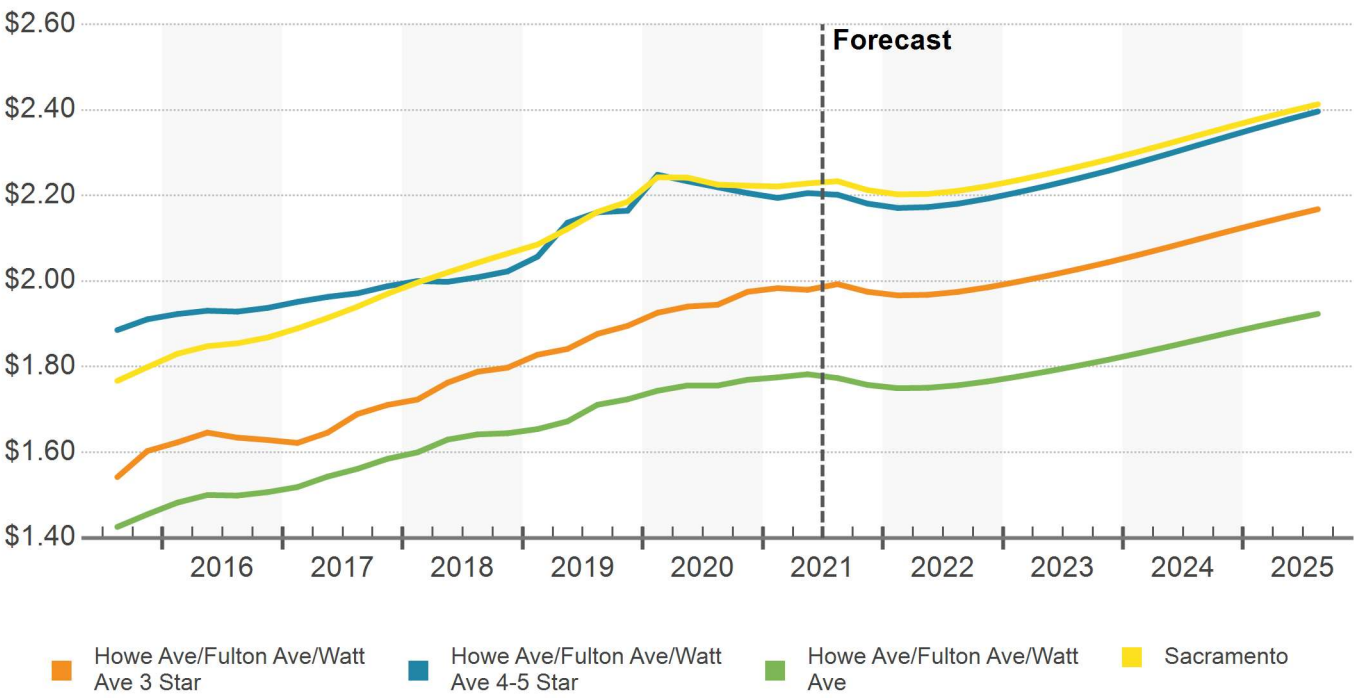
below the metro norm, principally because of the type of product here. The submarket is home to just one 4 & 5 Star project, and more than half of inventory is 1 & 2 Star.

Compared to nearby submarkets, rents outpace those in Carmichael/Fair Oaks by about 10%, but trail those of Campus Commons by roughly 20%.

### MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



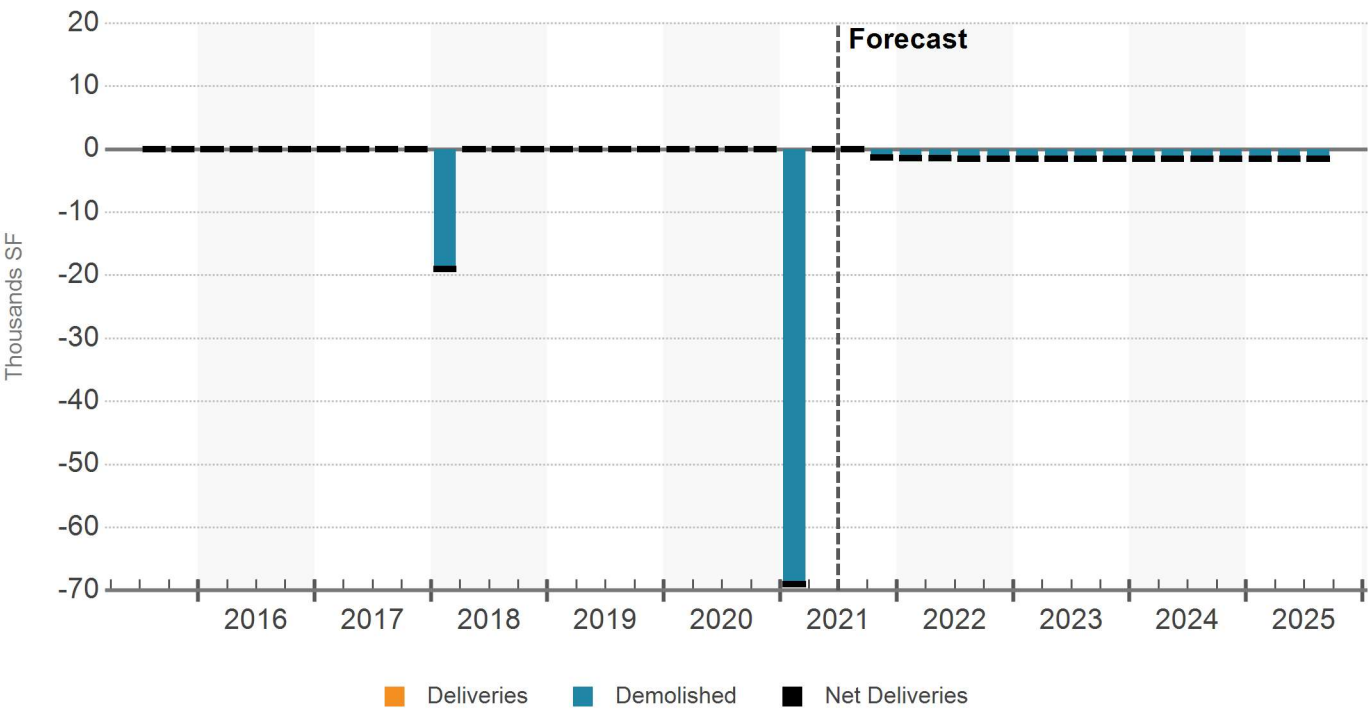


Office construction has been a rare sight in Howe Ave/Fulton Ave/Watt Ave for many years. One of the last deliveries came in 2013, when 950 Fulton Ave., a 19,300-SF asset, completed construction.

Developers have had little incentive to build in this

submarket, given that vacancies have been in the mid- to high-teens since 2010, plus the area's low rents. Moreover, this is a suburban area where developable land is scarce. And as the recession continues thanks to the pandemic, inventory gains are expected to remain limited for some time.

DELIVERIES & DEMOLITIONS



# Construction

Howe Ave/Fulton Ave/Watt Ave Office

All-Time Annual Avg. Square Feet

8,608

Delivered Square Feet Past 8 Qtrs

0

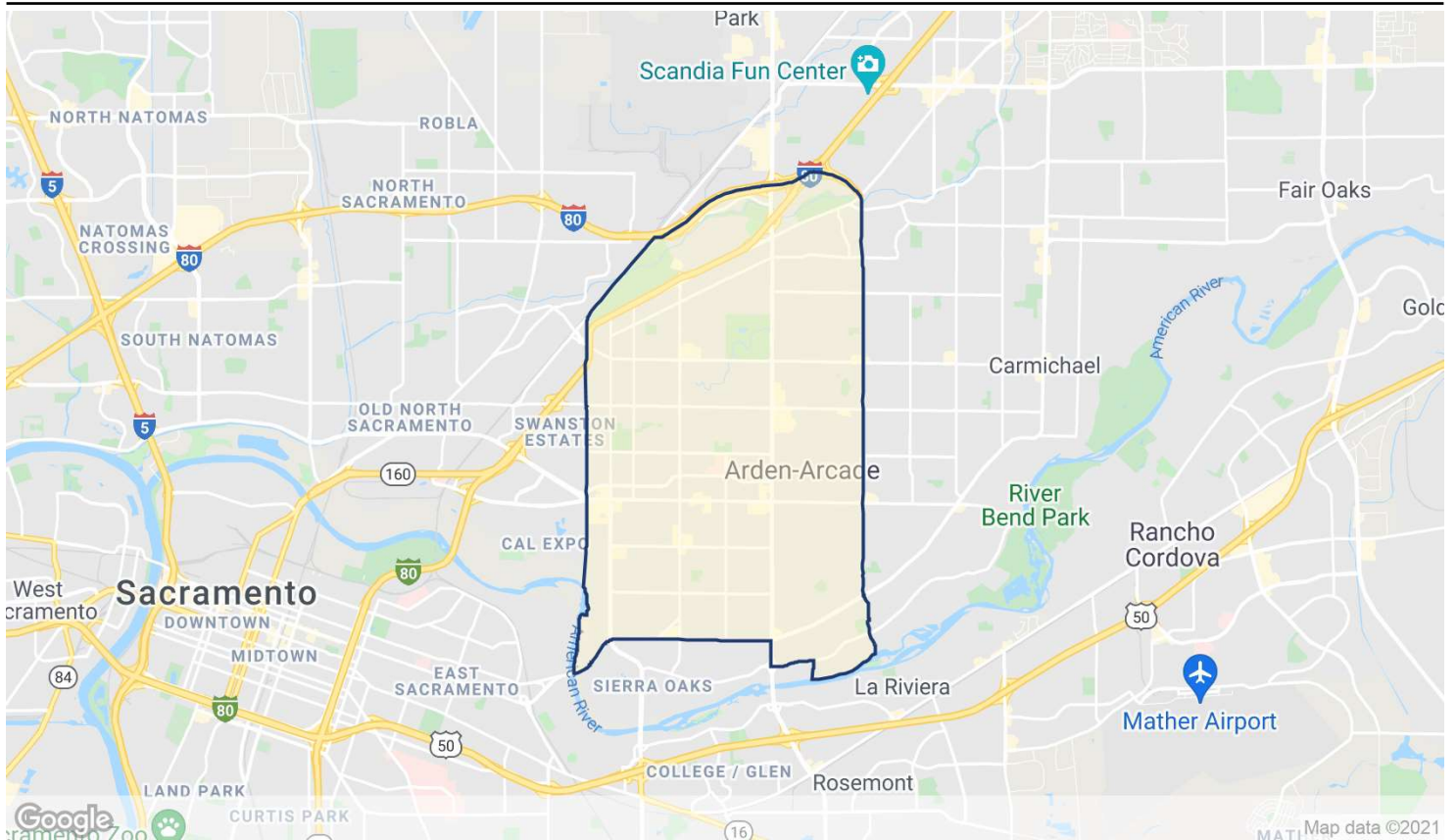
Delivered Square Feet Next 8 Qtrs

0

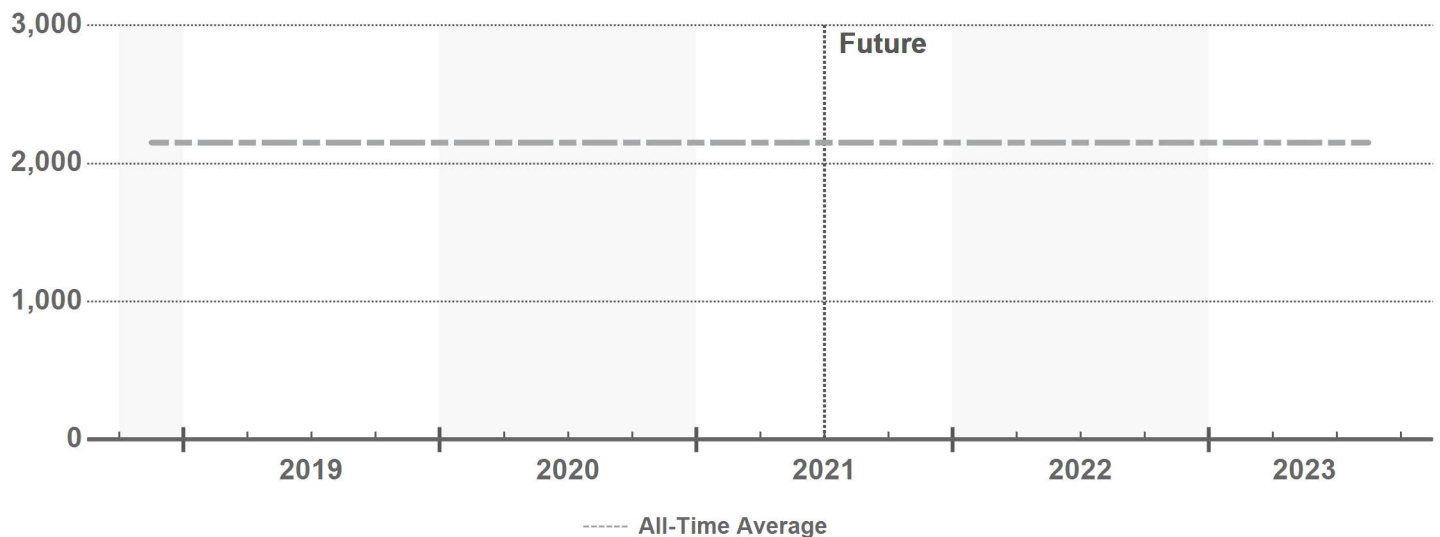
Proposed Square Feet Next 8 Qtrs

0

## PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



## PAST & FUTURE DELIVERIES IN SQUARE FEET



The local sales market notably outperformed in 2020. Several large deals were recorded, and investment volume soared to one of the highest annual marks on record. Still, outsized trades were not the only reason for the strong sales volume. In stark contrast to the wider metro, deal flow was on par with that of 2017–19.

The largest sale of 2020 was for Liberty Centre. Last May, a San Jose-based investor acquired the 3 Star, 128,300-SF building for \$17.7 million (\$138/SF) at a reported cap rate of 8%. The property was 100% leased at the time of sale to the State of California and the Bureau of Reclamation. The seller, Arcadia-based Positive Investments, originally picked up the asset in 2016 for \$13.6 million (\$106/SF).

Ethan Conrad Properties has been an active acquirer here in recent years, including again last year. Last January, Ethan Conrad purchased the aforementioned The Landmark from Los Angeles-based Colony Capital for \$16.1 million (\$85/SF). The company reportedly plans to carry out extensive renovations to the 189,000-SF asset. Colony Capital originally purchased the The Landmark in 2015 as part of an REO portfolio from Bank

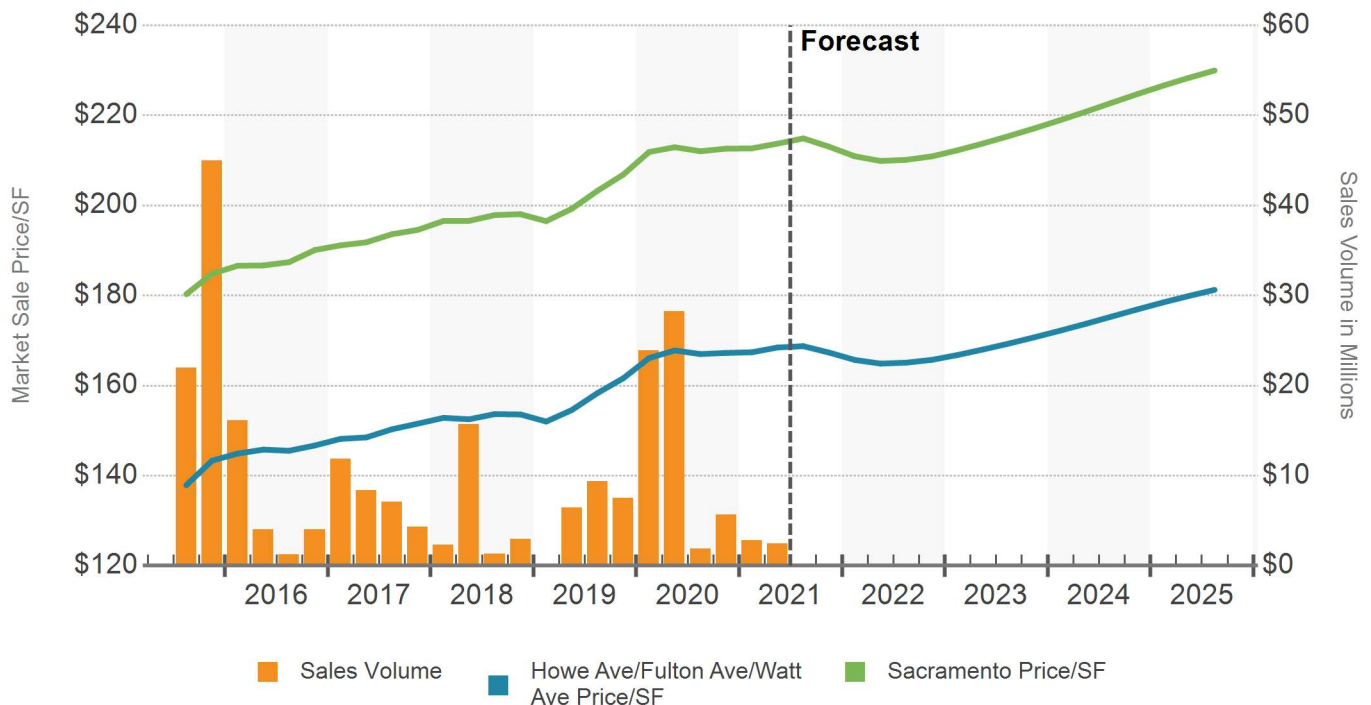
of America.

Moreover, in 2019, Ethan Conrad acquired AT&T's former campus for \$6.8 million (\$30/SF). The three buildings, located at 3540 Kings Way, 3707 Kings Way, and 3600 Marconi Ave., were sold by AT&T after the company deemed them non-core assets. Ethan Conrad planned to remodel the project and upgrade the mechanical systems, before either selling or releasing the properties.

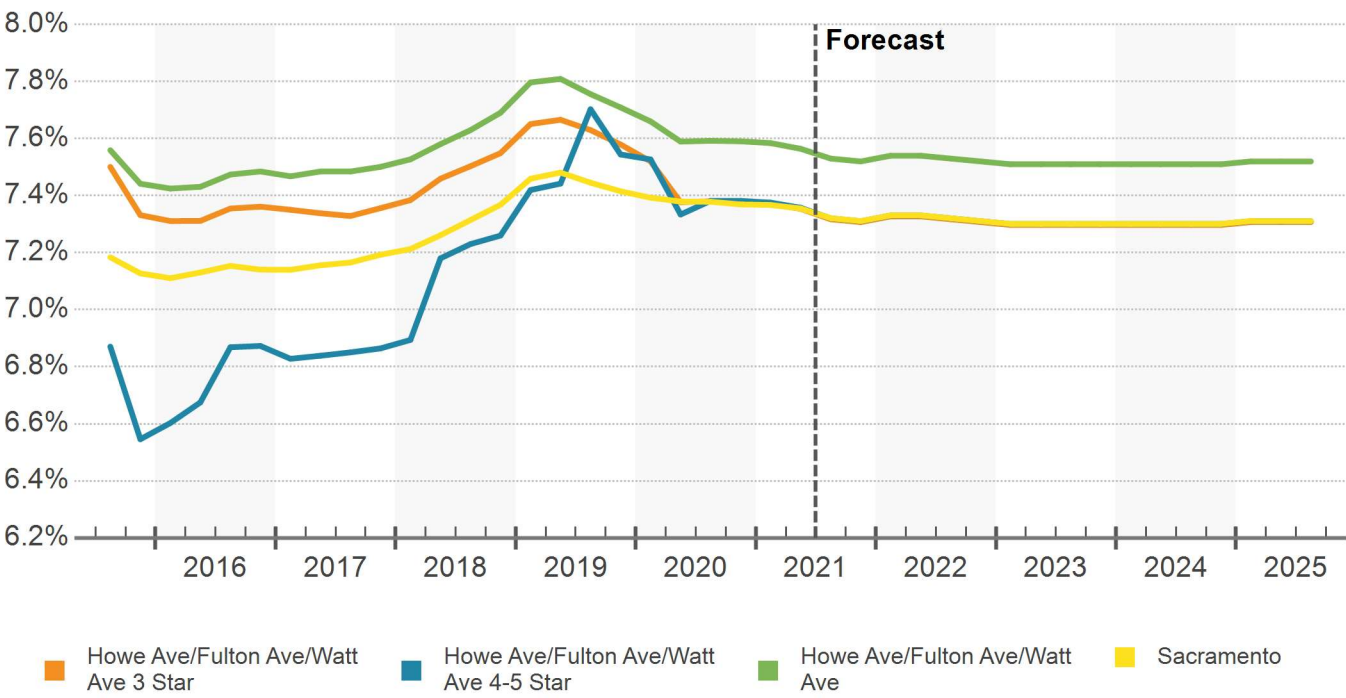
Also in 2019, Ethan Conrad picked up Watt Executive Plaza for \$4.6 million (\$70/SF) at a reported cap rate of 5.9%. Located at 3800 Watt Ave., the 2 Star, 65,600-SF property was 69% occupied at the time of sale. A significant amount of deferred maintenance reportedly affected the sale price. Fremont-based Glenmoor Realty was the seller.

The average transactional sale price in 2020 topped \$100/SF, and was more than double 2019's mark. By comparison, pricing reached a cyclical peak of approximately \$140/SF in 2015.

### SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



# Sales Past 12 Months

Howe Ave/Fulton Ave/Watt Ave Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

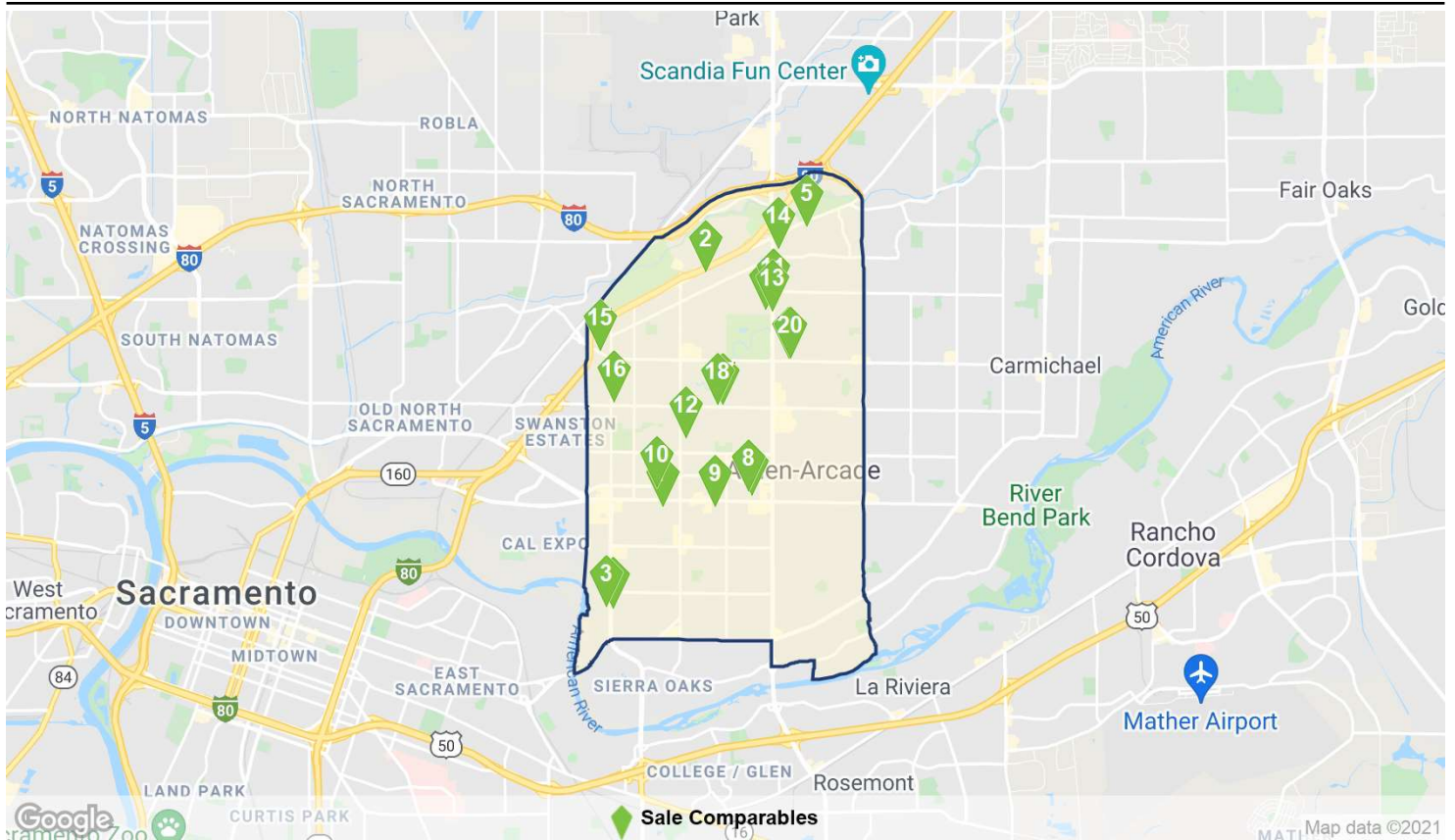
20

6.9%

\$151

18.0%

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$222,000	\$654,026	\$600,000	\$2,255,000
Price/SF	\$74	\$151	\$167	\$337
Cap Rate	6.8%	6.9%	6.9%	7.0%
Time Since Sale in Months	0.7	5.5	5.6	10.9
Property Attributes	Low	Average	Median	High
Building SF	1,100	4,312	2,958	16,220
Stories	1	1	1	1
Typical Floor SF	1,200	3,801	2,958	9,235
Vacancy Rate At Sale	0%	18.0%	0%	100%
Year Built	1940	1967	1970	1985
Star Rating	★★★★★	★★★★★ 2.0	★★★★★	★★★★★



# Sales Past 12 Months

Howe Ave/Fulton Ave/Watt Ave Office

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
<b>1</b> Blue Anchor Bldg 730 Howe Ave	★★★★★	1967	16,220	18.3%	12/31/2020	\$2,255,000	\$139	6.8%
<b>2</b> 2840 Auburn Blvd	★★★★★	1963	4,977	0%	10/19/2020	\$1,200,000	\$241	-
<b>3</b> Bldg A 701 Howe Ave	★★★★★	1972	5,997	0%	3/18/2021	\$899,000	\$150	-
<b>4</b> 1722 Professional Dr	★★★★★	1985	4,450	100%	12/18/2020	\$895,000	\$201	-
<b>5</b> Auburn/Pasadena 3808 Auburn Blvd	★★★★★	1980	8,676	0%	6/7/2021	\$840,000	\$97	7.0%
<b>6</b> 3311 Watt Ave	★★★★★	1972	2,375	0%	9/25/2020	\$800,000	\$337	-
<b>7</b> Building 300 East 2424 Arden Way	★★★★★	1974	9,235	0%	4/30/2021	\$687,000	\$74	-
<b>8</b> Sacramento Oral Surgery 1737 Professional Dr	★★★★★	1957	2,380	0%	3/12/2021	\$685,000	\$288	-
<b>9</b> 1621 Executive Ct	★★★★★	1976	3,024	41.3%	2/18/2021	\$600,000	\$198	-
<b>10</b> Alta-Wright Professional... 1750 Wright St	★★★★★	1978	7,425	0%	8/11/2020	\$600,000	\$81	-
<b>11</b> 3428 Watt Ave	★★★★★	1953	3,358	100%	6/11/2021	\$480,000	\$143	-
<b>12</b> 2230 Loma Vista Dr	★★★★★	1980	2,958	0%	8/18/2020	\$450,000	\$152	-
<b>13</b> 3300 Watt Ave	★★★★★	1960	2,400	62.5%	11/12/2020	\$435,000	\$181	-
<b>14</b> Building F 3838 Watt Ave	★★★★★	-	3,077	30.3%	11/3/2020	\$370,000	\$120	-
<b>15</b> 2105 Marconi Ave	★★★★★	1940	1,356	0%	2/5/2021	\$349,000	\$257	-
<b>16</b> 2213 El Camino Ave	★★★★★	-	1,440	0%	3/5/2021	\$290,000	\$201	-
<b>17</b> 3035 El Camino Ave	★★★★★	1963	1,860	0%	11/20/2020	\$282,500	\$152	-
<b>18</b> 3007 El Camino Ave	★★★★★	1973	1,500	0%	11/6/2020	\$229,500	\$153	-
<b>19</b> 3621 Marconi Ave	★★★★★	1953	1,100	0%	6/15/2021	\$227,500	\$207	-
<b>20</b> 3629 Marconi Ave	★★★★★	1953	1,200	0%	6/16/2021	\$222,000	\$185	-

# Supply & Demand Trends

Howe Ave/Fulton Ave/Watt Ave Office

## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	5,609,541	(6,139)	-0.1%	10,250	0.2%	-
2024	5,615,680	(6,127)	-0.1%	37,297	0.7%	-
2023	5,621,807	(6,128)	-0.1%	28,351	0.5%	-
2022	5,627,935	(5,968)	-0.1%	(44,803)	-0.8%	-
2021	5,633,903	(70,407)	-1.2%	4,455	0.1%	-
YTD	5,635,250	(69,060)	-1.2%	17,961	0.3%	-
2020	5,704,310	0	0%	(42,411)	-0.7%	-
2019	5,704,310	0	0%	(29,911)	-0.5%	-
2018	5,704,310	(19,065)	-0.3%	(86,207)	-1.5%	-
2017	5,723,375	0	0%	10,949	0.2%	0
2016	5,723,375	0	0%	238,080	4.2%	0
2015	5,723,375	0	0%	56,993	1.0%	0
2014	5,723,375	(16,800)	-0.3%	(109,001)	-1.9%	-
2013	5,740,175	(45,102)	-0.8%	(17,775)	-0.3%	-
2012	5,785,277	0	0%	20,261	0.4%	0
2011	5,785,277	4,000	0.1%	(204,622)	-3.5%	-
2010	5,781,277	0	0%	(92,746)	-1.6%	-
2009	5,781,277	(1,200)	0%	(31,844)	-0.6%	-

## 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	189,427	0	0%	(10)	0%	-
2024	189,427	0	0%	2,192	1.2%	0
2023	189,427	0	0%	(358)	-0.2%	-
2022	189,427	0	0%	(3,996)	-2.1%	-
2021	189,427	0	0%	(811)	-0.4%	-
YTD	189,427	0	0%	1,222	0.6%	0
2020	189,427	0	0%	24,583	13.0%	0
2019	189,427	0	0%	28,543	15.1%	0
2018	189,427	0	0%	6,012	3.2%	0
2017	189,427	0	0%	161	0.1%	0
2016	189,427	0	0%	3,926	2.1%	0
2015	189,427	0	0%	(6,717)	-3.5%	-
2014	189,427	0	0%	(73,057)	-38.6%	-
2013	189,427	0	0%	6,148	3.2%	0
2012	189,427	0	0%	5,985	3.2%	0
2011	189,427	0	0%	(5,646)	-3.0%	-
2010	189,427	0	0%	(13,797)	-7.3%	-
2009	189,427	0	0%	10,965	5.8%	0

# Supply & Demand Trends

Howe Ave/Fulton Ave/Watt Ave Office

## 3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	2,231,758	0	0%	8,643	0.4%	0
2024	2,231,758	0	0%	19,520	0.9%	0
2023	2,231,758	0	0%	16,270	0.7%	0
2022	2,231,758	0	0%	(12,888)	-0.6%	-
2021	2,231,758	0	0%	8,985	0.4%	0
YTD	2,231,758	0	0%	15,028	0.7%	0
2020	2,231,758	0	0%	66,962	3.0%	0
2019	2,231,758	0	0%	(106,310)	-4.8%	-
2018	2,231,758	0	0%	(88,650)	-4.0%	-
2017	2,231,758	0	0%	21,062	0.9%	0
2016	2,231,758	0	0%	48,869	2.2%	0
2015	2,231,758	0	0%	2,866	0.1%	0
2014	2,231,758	(16,800)	-0.7%	(5,096)	-0.2%	-
2013	2,248,558	12,046	0.5%	(29,169)	-1.3%	-
2012	2,236,512	0	0%	(8,561)	-0.4%	-
2011	2,236,512	4,000	0.2%	(40,755)	-1.8%	-
2010	2,232,512	0	0%	(31,469)	-1.4%	-
2009	2,232,512	0	0%	(3,229)	-0.1%	-

## 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	3,188,356	(6,139)	-0.2%	1,617	0.1%	-
2024	3,194,495	(6,127)	-0.2%	15,585	0.5%	-
2023	3,200,622	(6,128)	-0.2%	12,439	0.4%	-
2022	3,206,750	(5,968)	-0.2%	(27,919)	-0.9%	-
2021	3,212,718	(70,407)	-2.1%	(3,719)	-0.1%	-
YTD	3,214,065	(69,060)	-2.1%	1,711	0.1%	-
2020	3,283,125	0	0%	(133,956)	-4.1%	-
2019	3,283,125	0	0%	47,856	1.5%	0
2018	3,283,125	(19,065)	-0.6%	(3,569)	-0.1%	-
2017	3,302,190	0	0%	(10,274)	-0.3%	-
2016	3,302,190	0	0%	185,285	5.6%	0
2015	3,302,190	0	0%	60,844	1.8%	0
2014	3,302,190	0	0%	(30,848)	-0.9%	-
2013	3,302,190	(57,148)	-1.7%	5,246	0.2%	-
2012	3,359,338	0	0%	22,837	0.7%	0
2011	3,359,338	0	0%	(158,221)	-4.7%	-
2010	3,359,338	0	0%	(47,480)	-1.4%	-
2009	3,359,338	(1,200)	0%	(39,580)	-1.2%	-

# Rent & Vacancy

Howe Ave/Fulton Ave/Watt Ave Office

## OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$1.94	117	3.1%	9.5%	813,175	14.5%	-0.3%
2024	\$1.88	113	3.4%	6.2%	829,065	14.8%	-0.7%
2023	\$1.82	109	2.9%	2.6%	871,996	15.5%	-0.6%
2022	\$1.77	106	0.5%	-0.2%	906,239	16.1%	0.7%
2021	\$1.76	106	-0.7%	-0.7%	866,815	15.4%	-1.1%
YTD	\$1.79	107	0.9%	0.9%	854,573	15.2%	-1.3%
2020	\$1.77	106	2.7%	0%	941,594	16.5%	0.7%
2019	\$1.72	104	4.8%	-2.6%	899,183	15.8%	0.5%
2018	\$1.64	99	3.8%	-7.1%	869,272	15.2%	1.2%
2017	\$1.58	95	5.2%	-10.4%	802,130	14.0%	-0.2%
2016	\$1.51	91	3.6%	-14.8%	813,079	14.2%	-4.0%
2015	\$1.46	88	5.5%	-17.8%	1,043,159	18.2%	-1.0%
2014	\$1.38	83	2.2%	-22.0%	1,100,152	19.2%	1.7%
2013	\$1.35	81	0.5%	-23.7%	1,007,951	17.6%	-0.3%
2012	\$1.34	81	-1.1%	-24.0%	1,035,278	17.9%	-0.4%
2011	\$1.36	82	-4.8%	-23.2%	1,055,539	18.2%	3.6%
2010	\$1.43	86	-6.5%	-19.4%	846,917	14.6%	1.7%
2009	\$1.53	92	-8.2%	-13.8%	749,371	13.0%	0.5%

## 4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$2.41	118	3.2%	9.5%	63,429	33.5%	0%
2024	\$2.34	114	3.6%	6.0%	63,419	33.5%	-1.2%
2023	\$2.26	110	3.0%	2.4%	65,611	34.6%	0.2%
2022	\$2.19	107	0.5%	-0.6%	65,253	34.4%	2.1%
2021	\$2.18	107	-1.1%	-1.1%	61,257	32.3%	0.4%
YTD	\$2.21	108	0.3%	0.3%	59,225	31.3%	-0.6%
2020	\$2.21	108	1.9%	0%	60,447	31.9%	-13.0%
2019	\$2.16	106	7.0%	-1.9%	85,030	44.9%	-15.1%
2018	\$2.02	99	1.7%	-8.3%	113,573	60.0%	-3.2%
2017	\$1.99	97	2.6%	-9.9%	119,585	63.1%	-0.1%
2016	\$1.94	95	1.4%	-12.2%	119,746	63.2%	-2.1%
2015	\$1.91	93	5.3%	-13.4%	123,672	65.3%	3.5%
2014	\$1.81	89	0.3%	-17.7%	116,955	61.7%	38.6%
2013	\$1.81	89	6.6%	-17.9%	43,898	23.2%	-3.2%
2012	\$1.70	83	0.8%	-23.0%	50,046	26.4%	-3.2%
2011	\$1.69	82	-7.4%	-23.6%	56,031	29.6%	3.0%
2010	\$1.82	89	-1.4%	-17.5%	50,385	26.6%	7.3%
2009	\$1.85	90	-9.8%	-16.3%	36,588	19.3%	-5.8%

# Rent & Vacancy

Howe Ave/Fulton Ave/Watt Ave Office

## 3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$2.18	117	3.2%	10.6%	316,241	14.2%	-0.4%
2024	\$2.12	113	3.5%	7.1%	324,884	14.6%	-0.9%
2023	\$2.04	109	2.9%	3.5%	344,404	15.4%	-0.7%
2022	\$1.99	106	0.5%	0.5%	360,674	16.2%	0.6%
2021	\$1.97	106	0%	0%	347,786	15.6%	-0.4%
YTD	\$1.99	107	1.0%	1.0%	341,743	15.3%	-0.7%
2020	\$1.98	106	4.2%	0%	356,771	16.0%	-3.0%
2019	\$1.90	101	5.4%	-4.0%	423,733	19.0%	4.8%
2018	\$1.80	96	5.1%	-9.0%	317,423	14.2%	4.0%
2017	\$1.71	92	5.0%	-13.4%	228,773	10.3%	-0.9%
2016	\$1.63	87	1.6%	-17.5%	249,835	11.2%	-1.8%
2015	\$1.60	86	7.2%	-18.8%	290,704	13.0%	-0.1%
2014	\$1.50	80	1.1%	-24.3%	293,570	13.2%	-0.4%
2013	\$1.48	79	2.0%	-25.1%	305,274	13.6%	1.8%
2012	\$1.45	78	-3.9%	-26.6%	264,059	11.8%	0.4%
2011	\$1.51	81	-6.4%	-23.6%	255,498	11.4%	2.0%
2010	\$1.61	86	-6.4%	-18.5%	210,743	9.4%	1.4%
2009	\$1.72	92	-7.9%	-12.9%	179,274	8.0%	0.1%

## 1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$1.74	116	3.0%	8.5%	433,505	13.6%	-0.2%
2024	\$1.69	113	3.4%	5.4%	440,762	13.8%	-0.6%
2023	\$1.63	109	2.8%	1.9%	461,981	14.4%	-0.5%
2022	\$1.59	106	0.4%	-0.8%	480,312	15.0%	0.7%
2021	\$1.58	106	-1.2%	-1.2%	457,772	14.2%	-1.7%
YTD	\$1.61	108	0.9%	0.9%	453,605	14.1%	-1.9%
2020	\$1.60	107	1.4%	0%	524,376	16.0%	4.1%
2019	\$1.58	106	4.1%	-1.4%	390,420	11.9%	-1.5%
2018	\$1.52	101	2.9%	-5.3%	438,276	13.3%	-0.4%
2017	\$1.47	99	5.5%	-8.0%	453,772	13.7%	0.3%
2016	\$1.40	93	5.4%	-12.8%	443,498	13.4%	-5.6%
2015	\$1.33	89	4.1%	-17.2%	628,783	19.0%	-1.8%
2014	\$1.27	85	3.2%	-20.4%	689,627	20.9%	0.9%
2013	\$1.23	82	-1.3%	-22.9%	658,779	19.9%	-1.5%
2012	\$1.25	84	1.2%	-21.9%	721,173	21.5%	-0.7%
2011	\$1.24	83	-3.1%	-22.9%	744,010	22.1%	4.7%
2010	\$1.27	85	-7.0%	-20.4%	585,789	17.4%	1.6%
2009	\$1.37	92	-8.3%	-14.3%	533,509	15.9%	1.1%



# Sale Trends

Howe Ave/Fulton Ave/Watt Ave Office

## OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$182.52	147	7.5%
2024	-	-	-	-	-	-	\$176.94	143	7.5%
2023	-	-	-	-	-	-	\$170.74	138	7.5%
2022	-	-	-	-	-	-	\$165.72	134	7.5%
2021	-	-	-	-	-	-	\$167.34	135	7.5%
YTD	10	\$5.3M	0.7%	\$527,950	\$139.80	7.0%	\$169.57	137	7.5%
2020	29	\$59.7M	9.7%	\$2,361,510	\$111.72	7.4%	\$167.26	135	7.6%
2019	20	\$23.4M	7.9%	\$1,419,172	\$52.79	7.3%	\$161.64	131	7.7%
2018	24	\$22.2M	4.5%	\$1,575,209	\$105.22	8.0%	\$153.60	124	7.7%
2017	29	\$31.5M	7.3%	\$1,729,944	\$81.54	6.8%	\$151.55	122	7.5%
2016	40	\$25.4M	5.8%	\$1,305,816	\$105.70	8.3%	\$146.71	119	7.5%
2015	26	\$97.8M	13.0%	\$4,771,275	\$138.68	7.0%	\$143.34	116	7.4%
2014	21	\$36.8M	7.6%	\$1,983,970	\$84.42	7.2%	\$132.25	107	7.6%
2013	17	\$13.4M	3.0%	\$1,059,914	\$88.36	7.0%	\$128.24	104	7.7%
2012	25	\$14.2M	4.5%	\$1,000,242	\$86.94	10.7%	\$123.17	100	7.9%
2011	14	\$12.9M	4.1%	\$1,746,571	\$70.19	-	\$123.31	100	8.0%
2010	15	\$17.7M	3.2%	\$1,473,125	\$97.84	8.5%	\$116.46	94	8.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$224.56	140	7.3%
2024	-	-	-	-	-	-	\$217.37	135	7.3%
2023	-	-	-	-	-	-	\$209.49	130	7.3%
2022	-	-	-	-	-	-	\$203.12	126	7.3%
2021	-	-	-	-	-	-	\$204.96	127	7.3%
YTD	-	-	-	-	-	-	\$207.33	129	7.3%
2020	1	\$16.1M	100%	\$16,127,000	\$85.14	-	\$204.37	127	7.4%
2019	-	-	-	-	-	-	\$192.93	120	7.5%
2018	-	-	-	-	-	-	\$196.71	122	7.3%
2017	-	-	-	-	-	-	\$206.48	128	6.9%
2016	-	-	-	-	-	-	\$197.43	123	6.9%
2015	1	\$19.5M	100%	\$19,450,000	\$102.68	-	\$210.25	131	6.5%
2014	-	-	-	-	-	-	\$177.70	110	7.0%
2013	-	-	-	-	-	-	\$173.32	108	7.1%
2012	-	-	-	-	-	-	\$167.75	104	7.2%
2011	-	-	-	-	-	-	\$166.84	104	7.3%
2010	-	-	-	-	-	-	\$155.35	97	7.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

# Sale Trends

Howe Ave/Fulton Ave/Watt Ave Office

## 3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$188.36	150	7.3%
2024	-	-	-	-	-	-	\$182.41	145	7.3%
2023	-	-	-	-	-	-	\$175.86	140	7.3%
2022	-	-	-	-	-	-	\$170.54	136	7.3%
2021	-	-	-	-	-	-	\$172.10	137	7.3%
YTD	-	-	-	-	-	-	\$173.29	138	7.3%
2020	6	\$27.3M	9.8%	\$4,548,542	\$124.23	8.0%	\$170.62	136	7.4%
2019	5	\$9.3M	10.1%	\$2,163,687	\$41.40	7.0%	\$163.99	130	7.6%
2018	5	\$5.4M	2.7%	\$1,348,481	\$94.67	-	\$156.25	124	7.5%
2017	3	\$7.7M	3.5%	\$3,850,500	\$104.94	6.9%	\$154.48	123	7.4%
2016	8	\$20.2M	9.0%	\$3,774,600	\$105.96	8.8%	\$150.31	120	7.4%
2015	8	\$58.8M	14.9%	\$9,509,667	\$177.18	7.0%	\$146.28	116	7.3%
2014	2	\$808.1K	0.4%	\$405,000	\$94.87	-	\$134.18	107	7.5%
2013	3	\$8.6M	4.6%	\$2,850,000	\$82.27	7.0%	\$129.62	103	7.6%
2012	5	\$4.6M	3.6%	\$2,822,907	\$89.65	-	\$123.96	99	7.8%
2011	-	-	-	-	-	-	\$124.66	99	7.9%
2010	5	\$7.9M	2.6%	\$1,413,583	\$136.32	8.5%	\$118.29	94	8.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$175.99	146	7.7%
2024	-	-	-	-	-	-	\$170.76	142	7.7%
2023	-	-	-	-	-	-	\$164.90	137	7.7%
2022	-	-	-	-	-	-	\$160.17	133	7.7%
2021	-	-	-	-	-	-	\$161.83	135	7.7%
YTD	10	\$5.3M	1.2%	\$527,950	\$139.80	7.0%	\$164.77	137	7.7%
2020	22	\$16.3M	4.4%	\$867,750	\$129.99	6.8%	\$162.74	135	7.8%
2019	15	\$14.1M	6.8%	\$1,171,000	\$64.55	7.5%	\$158.17	132	7.8%
2018	19	\$16.8M	5.9%	\$1,665,900	\$109.11	8.0%	\$149.22	124	7.8%
2017	26	\$23.8M	10.3%	\$1,464,875	\$76.06	6.7%	\$146.28	122	7.6%
2016	32	\$5.2M	3.9%	\$356,284	\$104.69	7.3%	\$141.22	117	7.6%
2015	17	\$19.5M	6.7%	\$1,455,192	\$106.21	-	\$137.36	114	7.6%
2014	19	\$36M	12.9%	\$2,076,851	\$84.21	7.2%	\$128.24	107	7.7%
2013	14	\$4.9M	2.0%	\$463,219	\$101.52	-	\$124.62	104	7.8%
2012	20	\$9.6M	5.4%	\$834,545	\$85.70	10.7%	\$120	100	8.0%
2011	14	\$12.9M	7.0%	\$1,746,571	\$70.19	-	\$119.80	100	8.1%
2010	10	\$9.8M	3.8%	\$1,512,820	\$79.59	-	\$112.90	94	8.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.