



Fresno Office Market

Market Summary

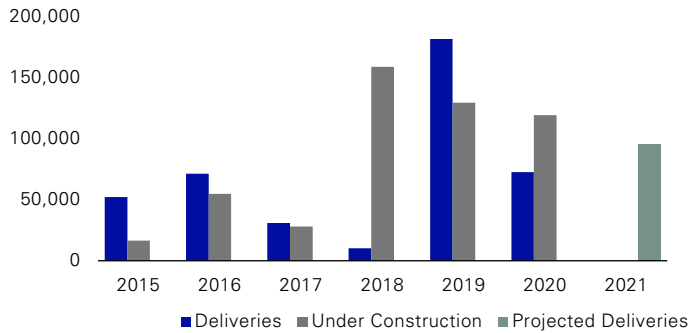
| | Current Quarter | Prior Quarter | Year Ago Period | 12-Month Forecast |
|-------------------------------|-----------------|---------------|-----------------|-------------------|
| Total Inventory (SF) | 20.0M | 20.0M | 19.9M | ↑ |
| Vacancy Rate | 10.4% | 10.3% | 9.9% | ↑ |
| Quarterly Net Absorption (SF) | 8,504 | 11,477 | 35,485 | ↓ |
| Average Asking Rent/SF | \$1.80 | \$1.80 | \$1.74 | ↔ |
| Under Construction (SF) | 119,243 | 111,477 | 129,426 | ↓ |

Current Conditions

- Slight positive net absorption for the quarter
- Negative absorption for the year
- Healthcare industry driving new construction in certain submarkets.
- Clovis submarket seeing increase in rates while overall Fresno rates remain stagnant
- Fresno Office Market finishes fourth quarter in better position than majority of metro areas

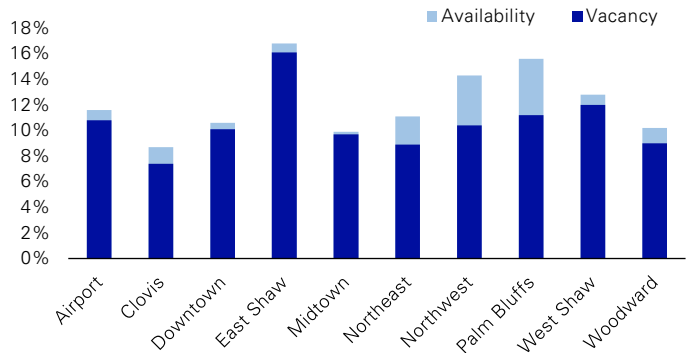
Construction and Deliveries

SQUARE FEET



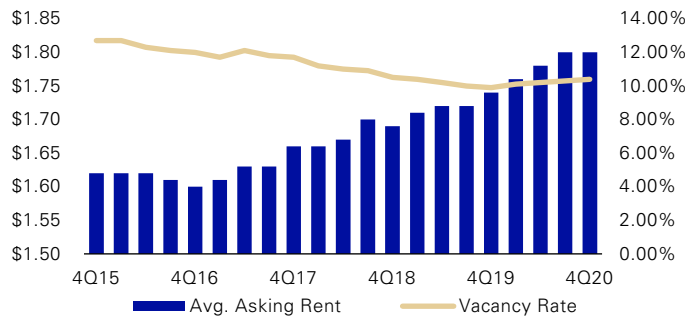
Vacancy and Availability By Submarket

Q4 2020, PERCENTAGE RATE

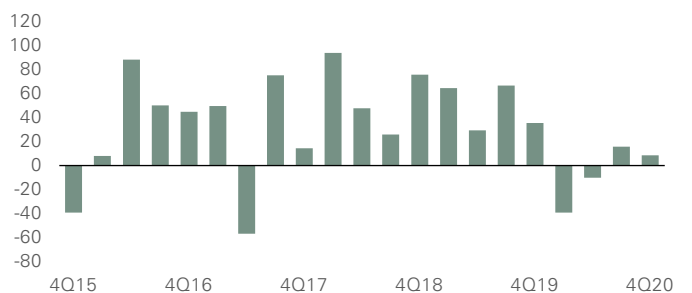


Market Analysis

ASKING RENT AND VACANCY RATE



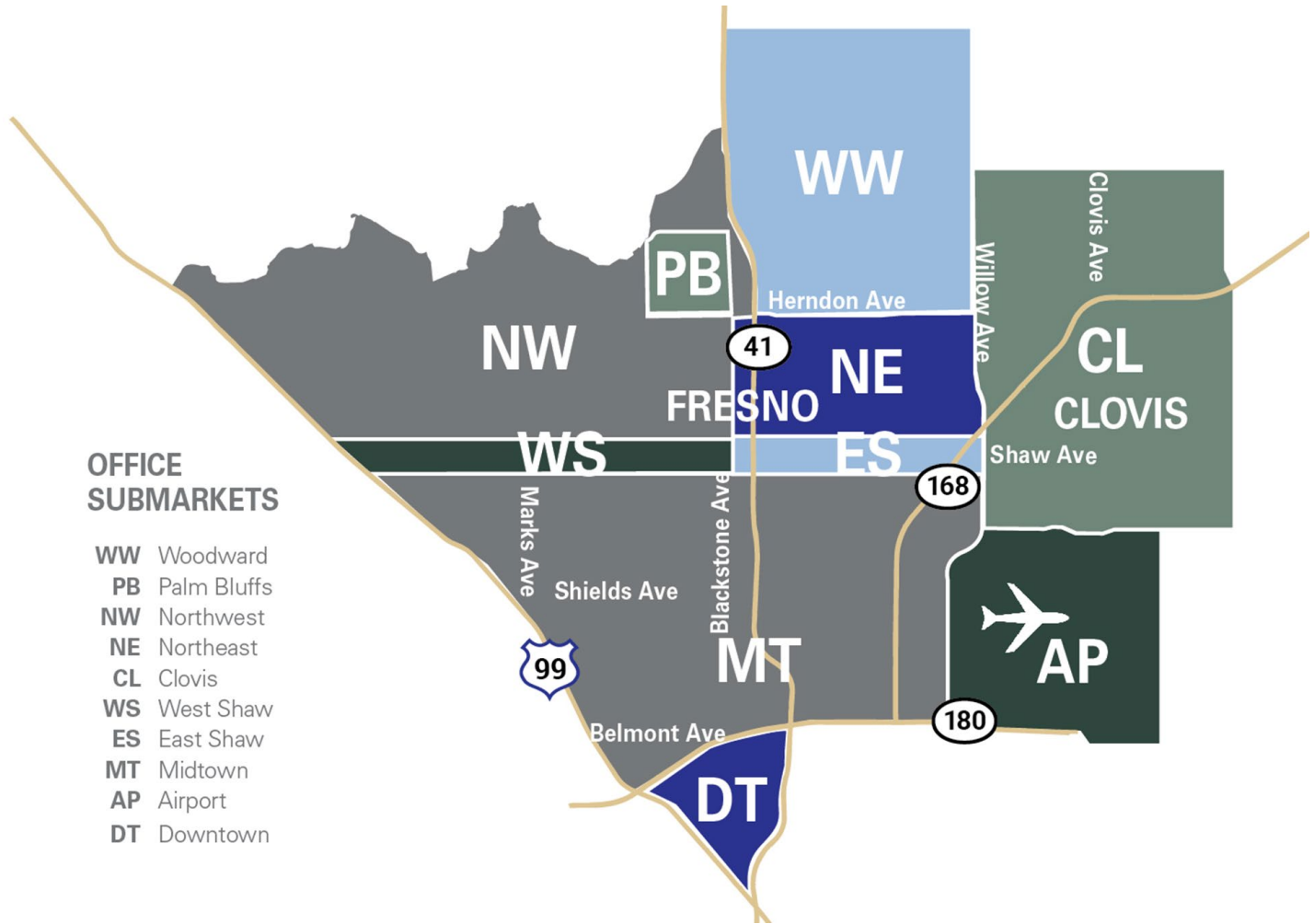
NET ABSORPTION (SF, THOUSANDS)



| Submarket Statistics | | | | | | | | |
|-----------------------|----------------------|-------------------------|-------------------------|---------------------|---------------------|--------------------------------|--------------------------------|------------------------------|
| | Total Inventory (SF) | Under Construction (SF) | Total Availability Rate | Qtr Absorption (SF) | YTD Absorption (SF) | Class A Asking Rent (Price/SF) | Class B Asking Rent (Price/SF) | Total Asking Rent (Price/SF) |
| Downtown/CBD | 3,311,117 | 67,000 | 10.6% | -5,004 | -18,131 | \$2.25 | \$1.04 | \$1.18 |
| Airport | 1,377,288 | - | 11.6% | 14,451 | 7,766 | - | \$1.46 | \$1.44 |
| Clovis | 1,089,372 | - | 8.7% | 8,212 | 14,075 | \$2.73 | \$2.22 | \$2.19 |
| East Shaw | 1,342,618 | - | 16.8% | 2,653 | 22,604 | - | \$1.55 | \$1.54 |
| Midtown | 2,442,822 | - | 9.9% | 849 | 618 | - | \$1.45 | \$1.47 |
| Northeast | 1,223,668 | - | 11.1% | 10,571 | 25,451 | \$2.15 | \$1.80 | \$1.83 |
| Northwest | 1,876,405 | - | 14.3% | 4,783 | -5,029 | \$2.55 | \$2.13 | \$2.18 |
| Palm Bluffs | 1,922,267 | 24,192 | 15.6% | -3,803 | 6,778 | \$2.81 | \$2.45 | \$2.47 |
| West Shaw | 1,732,077 | - | 12.8% | -12,831 | -26,138 | - | \$1.68 | \$1.56 |
| Woodward | 3,735,496 | 28,051 | 10.2% | -11,377 | -52,968 | \$2.37 | \$2.29 | \$2.33 |
| Suburban Total | 16,742,013 | 52,243 | 12.1% | 13,508 | -6,843 | \$2.43 | \$1.93 | \$1.91 |
| Market | 20,053,130 | 119,243 | 11.9% | 8,504 | -24,974 | \$2.39 | \$1.82 | \$1.80 |

| Notable 4Q 2020 Lease Transactions | | | | |
|-------------------------------------|-------------|------------------------|----------|-------------|
| Tenant | Market | Building | Type | Square Feet |
| N/A | Palm Bluffs | 970 W. Alluvial Avenue | Sublease | 12,744 |
| N/A | Downtown | 1221 Van Ness Avenue | Direct | 7,162 |
| Orange Coast Title Company | Palm Bluffs | 7580 N. Ingram Avenue | Renewal | 6,841 |
| Eaton & Eaton | Downtown | 2115 Kern Street | Direct | 6,500 |
| Turning Point of Central California | Midtown | 3636 N. First Street | Direct | 6,250 |

| Notable 4Q 2020 Sale Transactions | | | | |
|-----------------------------------|-------------|------------------------|-------------|-------------|
| Tenant | Market | Building | Price | Square Feet |
| AT&T Inc. | Airport | 5555 E. Olive Avenue | \$9,500,000 | 121,575 |
| 970 W. Alluvial Partners | Palm Bluffs | 970 W. Alluvial Avenue | \$4,100,000 | 12,744 |
| Ky Pain Associates LLC | Woodward | 7025 N. Maple Avenue | \$3,090,000 | 12,064 |
| Correia Family Living Trust | West Shaw | 1300 W. Shaw Avenue | \$2,200,000 | 20,483 |



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