

MARKET TRENDS

LOS ANGELES OFFICE

MARKET DRIVERS

The Los Angeles office market continued to face challenges in the first quarter of 2025, due in part to ongoing financial and regulatory issues, including uncertainty surrounding federal government tenancies and contracts. Some landlords are preparing for possible mass reductions in federal government employment which will impact office occupancy. Rent variations have been minimal as fewer companies are seeking to lease large spaces because of the significant number of staff cutbacks in the area.

However, many other private sector employers are continuing return to office initiatives which has contributed to a rise in office occupancy as well as tenant leasing activity in some suburban markets.

ECONOMIC REVIEW

Los Angeles prides itself on a diverse and dynamic economy, supporting a thriving creative sector and fostering a business environment across various racial and ethnic communities. Once a hallmark of the Los Angeles economy, the entertainment industry continues to experience a reduction in filming which has resulted in reduced office demand in the entertainment industry and supporting industries. The high cost of living in Los Angeles is causing labor uncertainty with some people choosing to relocate, resulting in slow population growth.

NEAR-TERM OUTLOOK

A gradual rise in Los Angeles office rents may occur as market conditions strengthen. Some initiatives are being put forth to foster more filming and entertainment activity, which would be a boon to some office submarkets such as Hollywood and Burbank. However, low gross leasing activity and widespread occupier downsizing indicate a weak Los Angeles office market expected to last at least in the medium term.

The changing market has caused institutional buyers to redistribute investments into comparable properties, thus changing the profile of active buyers to more privately held and family office investors.

Market Summary

	1Q25	4Q24	1Q24	YOY Change
Direct Vacancy Rate	15.6%	15.6%	15.1%	2.99%
Total Availability Rate	20.2%	19.6%	19.9%	1.53%
Direct Asking Lease Rate	\$3.52	\$3.51	\$3.54	-0.56%
	1Q25	4Q24	1Q24	YOY Change
Total Lease Transactions	1,881,101	4,608,406	4,953,487	-62.02%
Sale Transactions	1,246,374	3,139,805	738,813	68.70%
Direct Net Absorption	211,319	-186,602	-1,123,771	N/A

↓ **1.9M SF**
LEASING ACTIVITY

↑ **211K SF**
NET ABSORPTION

↑ **15.6%**
VACANCY RATE

↓ **\$3.52**
ASKING RENT (AVG)

↓ **0K SF**
NEW DELIVERIES

Year-Over-Year Trend

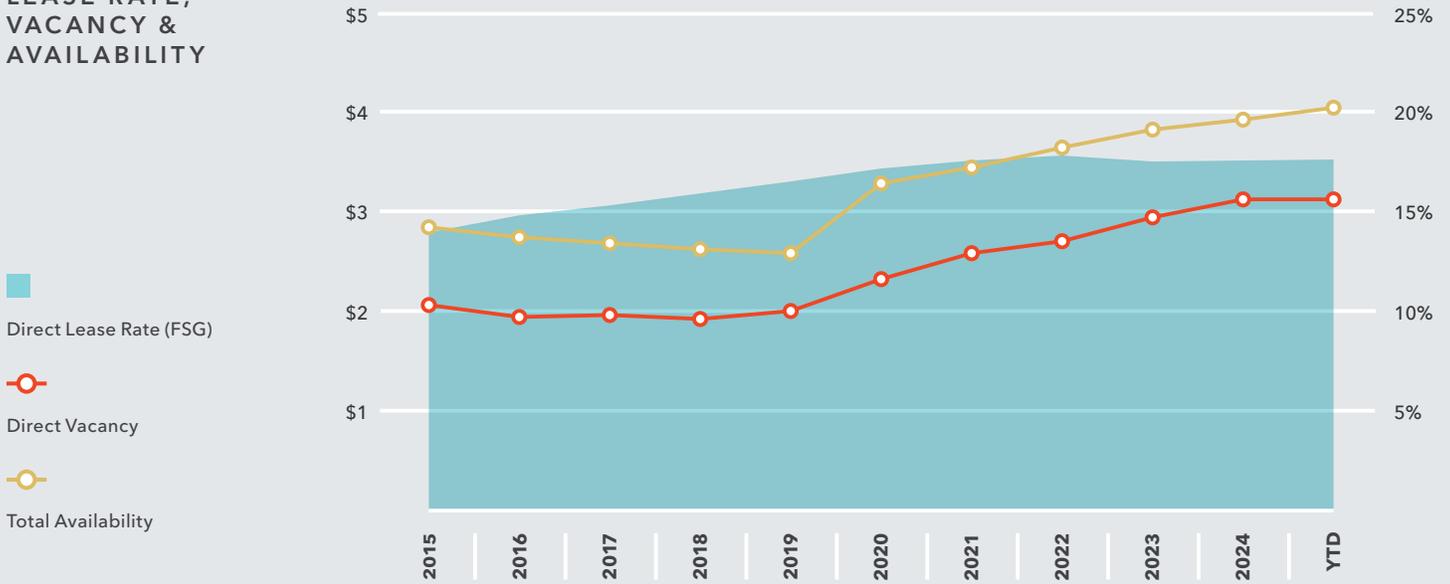
Market Highlights

THE DIRECT MARKET
vacancy rate was 15.6%

AVERAGE ASKING RATES
were \$3.52 PSF on a full-service basis

IN Q1 2025, 2.8M SF are still under development.

LEASE RATE, VACANCY & AVAILABILITY



BIGGEST SALE OF THE QUARTER

4500 Park Granada, Calabasas, CA



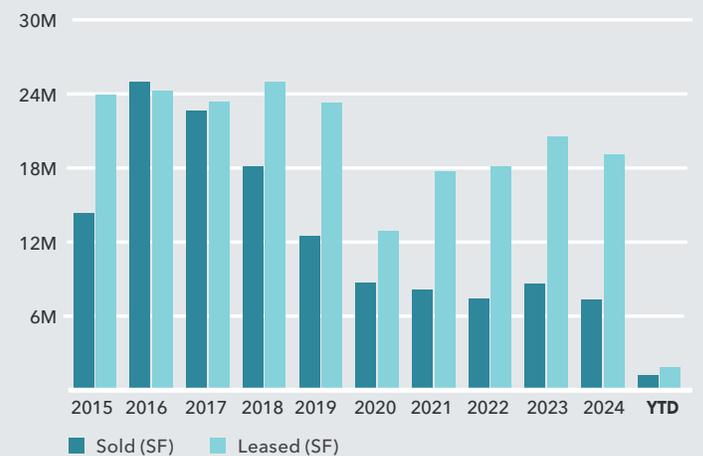
NET ABSORPTION & NEW DELIVERIES



AVERAGE SALES PRICE/SF & CAP RATE



SALE VOLUME & LEASING ACTIVITY



SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Sublet Vacancy Rate	Total Vacancy Rate	Total Availability Rate	4Q24 Total Net Absorption	YTD Total Net Absorption	4Q24 Leasing Activity	YTD Leasing Activity	Direct Rental Rate
Burbank	14,457,781	18.8%	3.5%	22.2%	25.8%	52,401	52,401	104,162	104,162	\$4.35
Glendale	12,431,119	17.9%	1.7%	19.7%	21.6%	-15,969	-15,969	79,968	79,968	\$3.26
Pasadena	17,169,917	13.8%	1.1%	14.9%	20.6%	-12,135	-12,135	145,561	145,561	\$3.54
Tri-Cities	44,058,817	16.6%	2.1%	18.6%	22.6%	24,297	24,297	329,691	329,691	\$3.79
Downtown Los Angeles	70,766,537	19.5%	1.4%	20.9%	20.7%	1,122,320	1,122,320	134,095	134,095	\$2.98
Mid-Cities	8,864,648	4.3%	0.1%	4.4%	6.5%	6,688	6,688	18,372	18,372	\$2.46
Mid-Wilshire	44,165,126	16.9%	1.1%	18.0%	20.5%	-125,485	-125,485	142,618	142,618	\$3.53
East Hollywood/Silver Lake	4,126,295	3.3%	0.0%	3.3%	22.2%	75,031	75,031	0	0	\$3.70
Hollywood	8,942,704	20.4%	1.6%	22.1%	25.3%	-170,255	-170,255	33,717	33,717	\$4.20
Mid-Wilshire	15,797,396	17.5%	0.5%	17.9%	16.0%	80,359	80,359	39,879	39,879	\$2.74
Miracle Mile	5,880,456	25.1%	1.3%	26.4%	31.3%	-72,068	-72,068	25,184	25,184	\$4.37
Park Mile	1,657,183	25.8%	0.5%	26.3%	18.0%	3,664	3,664	458	458	\$3.09
West Hollywood	7,761,092	10.9%	2.3%	13.2%	15.7%	-42,216	-42,216	43,380	43,380	\$4.62
San Fernando Valley	46,590,541	13.5%	2.0%	15.5%	18.6%	-207,652	-208,124	284,357	283,857	\$2.67
Calabasas/Westlake Village	7,359,840	14.4%	2.8%	17.2%	20.4%	-138,664	-138,664	48,642	48,642	\$2.53
Eastern SFV	5,493,973	8.3%	0.3%	8.6%	9.7%	14,902	14,902	11,639	11,639	\$2.38
Encino	4,964,680	15.5%	0.6%	16.1%	17.6%	13,728	13,728	24,242	24,242	\$2.77
North Hollywood	2,612,448	15.8%	3.2%	19.0%	17.1%	-19,655	-19,655	8,640	8,640	\$3.93
Sherman Oaks	3,404,049	12.6%	2.0%	14.6%	19.2%	8,381	6,039	75,352	75,352	\$2.65
Studio/Universal Cities	3,654,913	9.2%	0.9%	10.1%	12.1%	15,945	15,945	14,351	13,851	\$3.19
Tarzana	1,723,633	13.3%	0.2%	13.6%	14.7%	-53,910	-53,910	2,354	2,354	\$2.99
Western SFV	7,893,093	11.1%	0.5%	11.6%	14.4%	-56,322	-56,322	55,185	55,185	\$2.58
Woodland Hills/Warner City	9,483,912	18.1%	4.8%	22.9%	29.7%	7,943	9,813	43,952	43,952	\$2.48
San Gabriel Valley	30,039,009	6.0%	0.6%	6.6%	9.2%	-1,890	-1,890	90,438	90,438	\$2.73
South Bay	59,252,488	14.4%	1.9%	16.2%	18.6%	-113,604	-113,604	234,316	234,316	\$3.19
190th Street Corridor	4,124,063	14.4%	2.0%	16.4%	12.7%	1,797	1,797	5,055	5,055	\$2.96
Beach Cities/Palos Verdes	4,836,213	10.0%	0.0%	10.1%	8.8%	4,085	4,085	9,967	9,967	\$3.45
El Segundo	18,713,199	14.3%	2.7%	17.0%	24.3%	-11,999	-11,999	50,559	50,559	\$4.09
Hawthorne/Gardena	2,294,614	5.6%	0.0%	5.6%	5.5%	18,806	18,806	6,483	6,483	\$2.51
LAX	4,397,599	38.6%	0.2%	38.8%	32.3%	-96,712	-96,712	10,683	10,683	\$2.35
Downtown Long Beach	8,013,685	16.6%	2.0%	18.6%	21.6%	-25,358	-25,358	45,730	45,730	\$2.66
Suburban Long Beach	9,090,595	9.9%	1.2%	11.1%	12.5%	66,760	66,760	49,797	49,797	\$2.82
Torrance	7,782,520	9.1%	3.0%	12.0%	14.2%	-70,983	-70,983	56,042	56,042	\$3.07
Southeast Los Angeles	7,920,715	6.3%	0.2%	6.4%	6.8%	5,672	5,672	38,801	38,801	\$2.51
West Los Angeles	77,347,102	18.6%	3.2%	21.8%	27.6%	-499,027	-499,027	608,413	608,413	\$5.11
Los Angeles Total	389,004,983	15.6%	1.8%	17.4%	20.2%	211,319	210,847	1,881,101	1,880,601	\$3.52
Class A	184,532,649	20.2%	2.7%	22.9%	26.7%	549,897	549,897	800,581	800,581	\$3.74
Class B	157,797,713	12.6%	1.2%	13.8%	16.4%	-297,854	-298,326	933,123	932,623	\$3.25
Class C	46,582,634	7.2%	0.4%	7.6%	7.4%	-40,724	-40,724	147,397	147,397	\$2.99
Class Total	389,004,983	15.6%	1.8%	17.4%	20.2%	211,319	210,847	1,881,101	1,880,601	\$3.52

SIGNIFICANT SALE TRANSACTIONS 1Q 2025

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
4500 Park Granada - The Park Calabasas	San Fernando Valley	222,667	\$69,400,000	\$311.68	Cross Ocean Partners	Gemdale USA
101 N Brand Blvd (1031 Exchange)	Burbank/Glendale/Pasadena	410,000	\$58,759,500	\$143.32	Shomof Group	Beacon Capital Partners
801 N Brand Blvd - Glendale Gateway	Burbank/Glendale/Pasadena	293,193	\$42,800,000	\$145.98	East Arden LLC	Spus8 Glendale LP
Maxwell Office Portfolio	Downtown Los Angeles	102,177	\$46,000,000	\$450.20	MidFirst Bank	Hudson Pacific Properties, Inc.
2501 N Sepulveda Blvd - Marine Plaza	South Bay	19,671	\$11,075,000	\$563.01	Parameter Corporation	Marine Plaza LLC
12131 Telegraph Rd	Southeast Los Angeles	42,170	\$9,500,000	\$225.28	City Of Santa Fe Springs	The National Tool (LA Chapter)
400-420 Boyd St	Downtown Los Angeles	56,000	\$7,000,000	\$125.00	1458 San Pedro Inv. Inc	Legendary Group

SIGNIFICANT LEASE TRANSACTIONS 1Q 2025

Property	Submarket	SF	Transaction Date	Landlord	Tenant
9242 Beverly Blvd	West Los Angeles	40,185	January 2025	Faring	Mercedes-Benz of Beverly Hills (Renewal)
2000 Avenue of the Stars	West Los Angeles	39,976	January 2025	Hines	Undisclosed
3880 Kilroy Airport Way	South Bay	37,758	January 2025	Kilroy Realty Corporation	Undisclosed (Sublease)
540 W Woodbury Rd	Burbank/Glendale/Pasadena	35,640	February 2025	Malik Bros LLC	Undisclosed
75 N Fair Oaks Ave	Burbank/Glendale/Pasadena	33,520	January 2025	Morgan Stanley & Co. LLC	Undisclosed
1820 S Grand Ave	Downtown Los Angeles	29,650	January 2025	The Mulholland Drive Co.	Liberty Behavioral & Community Services
800 N Brand Blvd	Burbank/Glendale/Pasadena	26,409	January 2025	Beacon Capital Partners	Stewart Title (Sublease)

SIGNIFICANT UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery
Century City Center	1950 Avenue of the Stars	West Los Angeles	825,000	JMB Financial Advisors LLC	January 2026
Echelon Studios	5601 Santa Monica Blvd	Mid-Wilshire	606,740	BARDAS Investment Group	October 2026
Impact At Nash	200 S Nash St	South Bay	324,000	Continental Development Corporation	February 2025
Habitat	3401 S La Cienega Blvd	West Los Angeles	253,491	Lendlease Corporation	January 2026
Echelon at 1200 Cahuenga Park	1200 N Cahuenga Blvd	Mid-Wilshire	101,300	BARDAS Investment Group	October 2025
1320 E Franklin Ave	1320 E Franklin Ave	South Bay	100,000	Smoky Hollow Industries LLC	June 2025

Data Source: EDD, CoStar



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COMMERCIAL BROKERAGE	\$9B AVERAGE ANNUAL TRANSACTION VOLUME	26.2M ANNUAL SALES SF	36.7M ANNUAL LEASING SF
ASSET SERVICES	58M SF MANAGEMENT PORTFOLIO SIZE	850+ ASSETS UNDER MANAGEMENT	250+ CLIENTS SERVED
VALUATION ADVISORY	2,400+ AVERAGE ANNUAL ASSIGNMENTS	39 TOTAL APPRAISERS	24 WITH MAI DESIGNATIONS

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