

MARKET TRENDS

LOS ANGELES OFFICE

MARKET DRIVERS

The Los Angeles office market remains challenged by weak demand and headwinds within the local and macro economies. However, professional services firms, such as law firms and financial institutions, are helping to stabilize occupancy, driven by return-to-office mandates. This has offset some of the demand decline from technology and entertainment companies, particularly in the Mid-Cities and Downtown LA submarkets. Both areas posted modestly positive net absorption in the first half of the year. Most leasing activity was driven by renewals, as companies continue to downsize and adopt hybrid work models.

ECONOMIC REVIEW

Los Angeles's diverse population supports a broad labor force, helping sustain economic activity across key industries despite ongoing market challenges. Overall, the office market remains soft. Landlords are also bracing for potential federal government employment reductions, which could further impact occupancy. These policy changes carry both risks and potential upside, depending on how enforcement plays out and whether displaced workers transition into private sector roles.

NEAR-TERM OUTLOOK

New office towers are struggling to attract tenants. However, demand for top-tier Class A properties remains steady, driven by tenant demand for competitive offerings such as desirable onsite amenities, walkability to restaurants and retailers, economic concessions, and flexible lease terms. Landlords must continue to evaluate their strategies, such as redesigning spaces for hybrid work, renovating floor plans, and constructing move-in ready suites. Prime central submarkets show strong resilience, with year-over-year asking rents remaining mostly flat or rising slightly, and stable rental premiums. Downtown Los Angeles is showing early signs of recovery, though high vacancy rates and ongoing demolition of obsolete buildings continue to dampen broader momentum and development activity.

Market Summary

	2Q25	1Q25	2Q24	YOY Change
Direct Vacancy Rate	15.8%	15.5%	15.1%	4.60%
Total Availability Rate	20.2%	19.8%	19.7%	2.60%
Direct Asking Lease Rate	\$3.52	\$3.53	\$3.55	-0.85%
	2Q25	1Q25	2Q24	YOY Change
Total Lease Transactions	2,958,416	4,897,200	4,969,692	-40.47%
Sale Transactions	3,008,788	1,497,145	1,523,474	97.50%
Direct Net Absorption	-1,169,436	127,102	-477,373	N/A

2Q 2025

↓ **3.0M SF**
LEASING ACTIVITY

↓ **-1.2M SF**
NET ABSORPTION

↑ **15.8%**
VACANCY RATE

↓ **\$3.52**
ASKING RENT (AVG)

↓ **19K SF**
NEW DELIVERIES

Year-Over-Year Trend

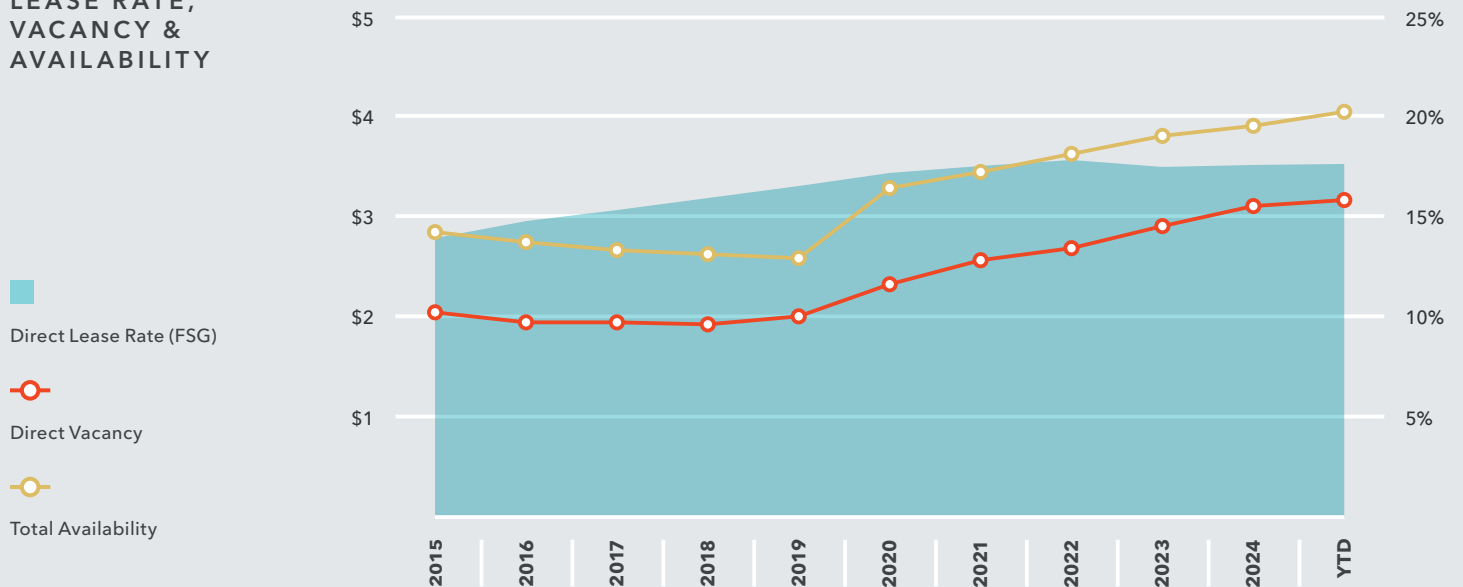
Market Highlights

THE DIRECT MARKET
vacancy rate was 15.8%

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

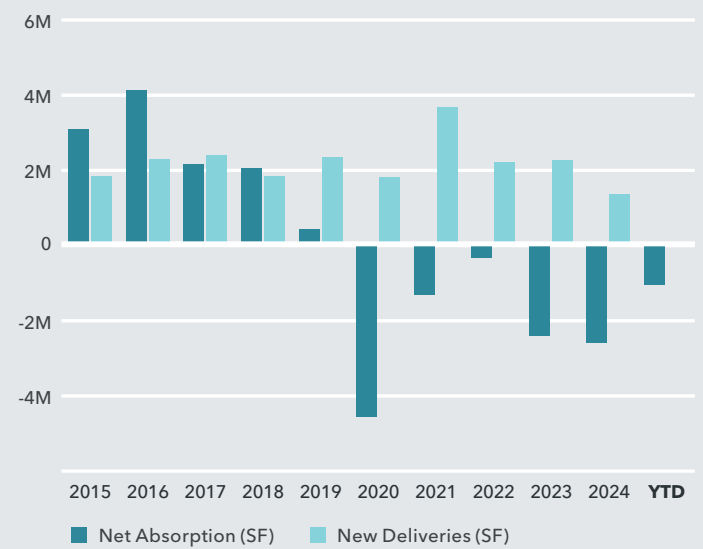
IN Q2 2025, 2.8M SF are still
under development.

LEASE RATE, VACANCY & AVAILABILITY

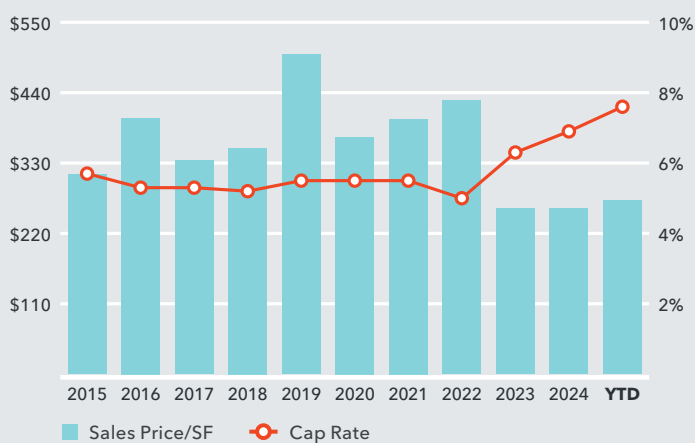


BIGGEST SALE OF THE QUARTER
Figueroa at Wilshire

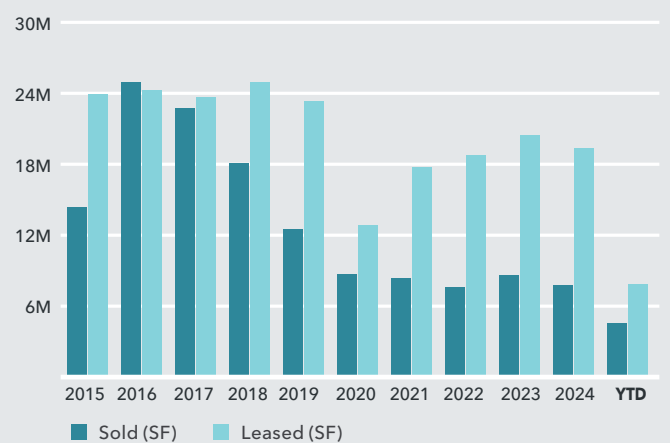
NET ABSORPTION & NEW DELIVERIES



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	QTR Direct Net Absorption	YTD Direct Net Absorption	QTR Total Leasing Activity	YTD Total Leasing Activity	Average Direct Rental Rate
Burbank	14,489,977	18.0%	3.8%	21.8%	25.8%	59,552	154,211	70,625	284,318	\$4.36
Glendale	12,544,583	17.4%	1.4%	18.9%	20.0%	-44,616	25,441	175,658	350,003	\$3.25
Pasadena	17,281,503	13.8%	1.2%	15.0%	20.5%	-13,711	-35,910	53,971	364,172	\$3.64
Tri-Cities	44,316,063	16.2%	2.1%	18.3%	22.1%	1,225	143,742	300,254	998,493	\$3.83
Downtown Los Angeles	69,697,774	20.8%	1.4%	22.2%	22.0%	-629,937	99,278	237,172	1,016,455	\$2.95
Mid-Cities	8,864,567	4.4%	0.1%	4.6%	6.9%	-23,068	-2,531	55,536	93,382	\$2.50
Mid-Wilshire	44,383,054	17.1%	1.0%	18.2%	20.7%	-244,429	-431,904	245,575	505,837	\$3.51
East Hollywood/Silver Lake	4,139,536	4.2%	0.1%	4.3%	22.1%	-19,121	51,591	6,127	6,677	\$3.69
Hollywood	8,905,561	20.5%	1.6%	22.1%	24.3%	23,788	-172,061	80,382	139,936	\$4.45
Mid-Wilshire	15,943,081	17.3%	0.3%	17.5%	16.7%	-96,063	-112,654	32,056	81,613	\$2.74
Miracle Mile	5,891,335	27.4%	1.3%	28.6%	33.6%	-133,180	-207,786	28,009	84,786	\$4.17
Park Mile	1,663,627	28.0%	0.5%	28.5%	20.4%	-15,914	-34,573	15,237	17,569	\$3.07
West Hollywood	7,839,914	9.7%	2.4%	12.2%	14.3%	-3,939	43,579	83,764	175,256	\$4.72
San Fernando Valley	46,957,417	13.4%	2.0%	15.4%	18.6%	-152,089	-241,145	514,168	1,152,810	\$2.76
Calabasas/Westlake Village	7,361,797	14.7%	3.4%	18.1%	22.1%	-52,556	-159,092	92,007	163,030	\$2.59
Eastern SFV	5,550,871	8.0%	0.5%	8.5%	9.4%	36,758	28,603	8,801	34,767	\$2.35
Encino	5,130,714	12.9%	0.5%	13.4%	14.6%	-14,365	34,375	71,839	125,916	\$2.77
North Hollywood	2,612,448	17.1%	3.0%	20.2%	21.2%	10,872	6,043	1,081	13,260	\$3.64
Sherman Oaks	3,404,991	13.5%	1.2%	14.7%	19.1%	-18,880	-25,820	63,416	151,438	\$2.99
Studio/Universal Cities	3,815,806	8.9%	0.8%	9.7%	14.6%	-13,581	25,956	29,084	57,191	\$3.31
Tarzana	1,740,555	13.6%	0.2%	13.9%	13.9%	-37,169	-61,755	14,633	32,099	\$3.28
Western SFV	7,921,481	11.4%	0.2%	11.6%	12.9%	-24,814	-85,548	88,267	338,368	\$2.66
Woodland Hills/Warner City	9,418,754	18.3%	5.0%	23.3%	29.8%	-38,354	-3,907	145,040	236,741	\$2.45
San Gabriel Valley	30,139,047	6.0%	0.6%	6.6%	8.5%	-74,705	-6,484	114,799	324,400	\$2.74
South Bay	59,034,313	14.5%	2.1%	16.6%	18.6%	20,863	-153,571	634,286	1,144,419	\$3.21
190th Street Corridor	3,919,624	15.6%	2.1%	17.7%	13.4%	5,191	-18,163	24,336	59,184	\$3.02
Beach Cities/Palos Verdes	4,744,413	10.5%	0.0%	10.6%	9.3%	-48,786	-11,036	32,238	79,263	\$3.28
El Segundo	18,702,561	14.7%	2.8%	17.5%	23.1%	-21,804	-86,908	375,627	478,237	\$4.01
Hawthorne/Gardena	2,294,614	6.2%	0.0%	6.2%	6.0%	-27,966	4,562	3,345	25,735	\$2.50
LAX	4,426,761	33.7%	0.2%	33.9%	28.4%	213,291	108,924	22,946	47,260	\$2.32
Downtown Long Beach	8,070,031	17.7%	2.8%	20.5%	22.8%	-66,614	-120,873	41,779	111,521	\$2.66
Suburban Long Beach	9,095,322	10.2%	1.6%	11.7%	14.5%	6,117	43,068	86,245	210,578	\$2.93
Torrance	7,780,987	9.1%	3.0%	12.1%	14.9%	-38,566	-73,145	47,770	132,641	\$3.04
Southeast Los Angeles	7,926,938	6.3%	0.2%	6.5%	6.0%	-17,640	-7,839	25,909	384,481	\$2.53
West Los Angeles	77,380,203	18.8%	2.9%	21.8%	27.0%	-49,656	-441,880	830,717	2,235,339	\$5.13
Los Angeles Total	388,699,376	15.8%	1.8%	17.6%	20.2%	-1,169,436	-1,042,334	2,958,416	7,855,616	\$3.52
Class A	181,414,108	20.5%	2.7%	23.1%	26.8%	-467,146	-298,428	1,612,917	4,069,386	\$3.76
Class B	160,794,218	13.1%	1.3%	14.4%	16.6%	-713,530	-782,492	1,171,571	3,363,869	\$3.23
Class C	46,327,509	6.9%	0.3%	7.2%	7.1%	17,240	44,586	173,928	422,361	\$3.13

SIGNIFICANT SALE TRANSACTIONS 2Q 2025

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
Figueroa at Wilshire	Downtown Los Angeles	1,042,332	\$210,000,000	\$201.47	Uncommon Developers LLC	Brookfield Properties
ilo at Playa Vista Portfolio	West Los Angeles	294,491	\$150,700,000	\$511.73	Barings	Clarion Partners
Entrada	West Los Angeles	314,951	\$130,000,000	\$412.76	Fenway Capital Advisors	Goldman Sachs Asset Management
Vine Street Tower	Mid-Wilshire	115,589	\$105,000,000	\$908.39	Kingsbarn Realty Capital	J.H. Snyder Company
ML Stern Bldg	West Los Angeles	36,805	\$26,365,000	\$716.34	8350 Wilshire LLC	North American Realty Management
707 S Garfield Ave	San Gabriel Valley	90,851	\$23,500,000	\$258.67	Allied Pacific IPA	George Y Lin
Glendale Gateway	Burbank/Glendale/Pasadena	136,576	\$20,000,000	\$146.44	Wilshire Royale Hotel Inc	Harbor Associates

SIGNIFICANT LEASE TRANSACTIONS 2Q 2025

Property	Submarket	SF	Transaction Date	Landlord	Tenant
888 North Douglas	South Bay	220,000	May 2025	Hackman Capital Partners	Beyond Meat (Renewal)
The Sunset Landmark	Mid-Wilshire	55,598	April 2025	Stephan S Nourmand	Undisclosed
Pasadena Corporate Park	Burbank/Glendale/Pasadena	50,951	May 2025	CFT NV Developments	BYD
611 North Brand	Burbank/Glendale/Pasadena	50,836	June 2025	Onni Group	Frank D. Lanterman Reg. Ctr. (Exp.)
Norwalk Government Center	Southeast Los Angeles	38,000	April 2025	Sonnenblick-Del Rio Dev., Inc.	Undisclosed (Renewal)
Entrada	West Los Angeles	36,701	April 2025	Lincoln Property Company	Equinox
The Plaza - Century Park Center	West Los Angeles	35,766	May 2025	CalSTRS	Undisclosed (Sublease)
Campus 2100	South Bay	34,793	April 2025	DWS Group	Square Enix
Media Studios Phase III	Burbank/Glendale/Pasadena	34,000	April 2025	Blackstone Inc.	Kinetic Content
Pasadena Corporate Park	Burbank/Glendale/Pasadena	28,072	June 2025	CFT NV Developments	Tetra Tech

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	June 2026
Echelon Studios	5601 Santa Monica Blvd	Mid-Wilshire	606,740	BARDAS Investment Group	October 2026
Apple LA Campus	8825 National Blvd	West Los Angeles	536,000	Apple Inc.	June 2027
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
590 S Fair Oaks Ave	590 S Fair Oaks Ave	Burbank/Glendale/Pasadena	100,000	Genesis FO Partners LLC	July 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 SFASSET
SERVICES

58M SF

MANAGEMENT
PORTFOLIO SIZE

850+

ASSETS UNDER
MANAGEMENT

250+

CLIENTS
SERVEDVALUATION
ADVISORY

2,400+

AVERAGE ANNUAL
ASSIGNMENTS

39

TOTAL
APPRAISERS

24

WITH MAI
DESIGNATIONS