

Market Report

The Los Angeles office leasing market experienced a slight uptick in activity during Q3, 2021. Most of the activity was generated by large enterprise companies in technology and entertainment. Gaming companies led the charge with Riot Games expanding in Santa Monica and Activision leasing office space in Santa Monica and Playa Vista. Technicolor, Apple, and Amazon continue to remain very active in Culver City. Visibility for a full recovery remains murky. Many companies will continue to implement work-from-home policies and shedding office space to “right size”, stunting a rapid recovery. Vaccination rates continue to creep up, and the Los Angeles economy is starting to recover. These fundamentals will be closely watched as we enter the new year.



Vacancy
16.7%



Average Rent
\$3.85/SF



Net Absorption
-1,030,236 SF

Rental and Vacancy Rates

Avg. Rental Rent
(gross rent/mo)

\$3.38

\$5.02

\$5.14

\$3.67

\$3.30

\$3.68

\$3.11

Total Vacancy Rate

Downtown | Class A 16.2%

West Los Angeles | Class A 15.7%

Hollywood | Class A 19.2%

Tri-Cities | Class A 13.4%

San Fernando Valley | Class A 19.8%

South Bay | Class A 14.8%

Wilshire District | Class A 23.6%

Vacancy Rate Change from Q2

0.3%

1.6%

0.6%

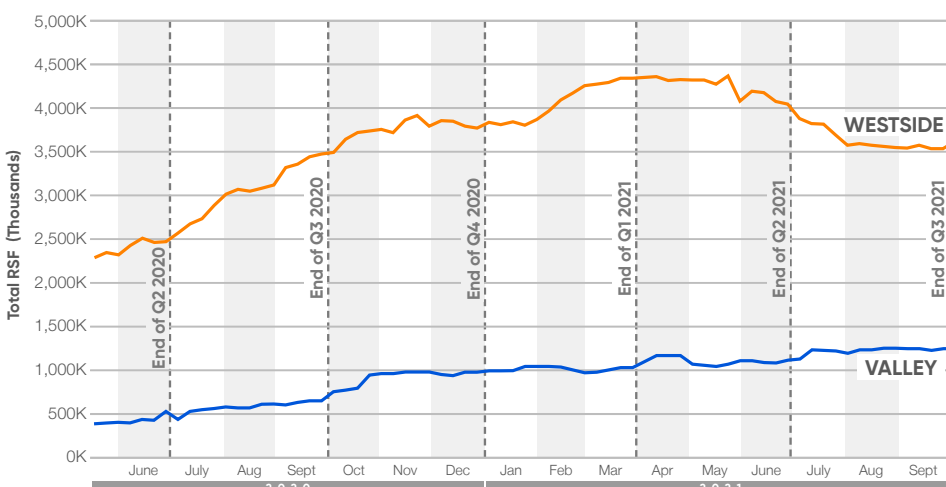
-0.2%

2.9%

0.5%

-1.5%

Trends in Available Sublease Space



Occupier's Perspective



Vacancy rate increased slightly.



Average asking rental rates remained the same.



Net absorption increased slightly.

Market Trends

Construction costs are increasing, creating demand for second generation space and subleases.

Recovery will be slow for office space as companies continue WFH policies and “right-sizing” their office footprint.

Asking rates continue to remain unchanged, but Landlords are offering more competitive concessions.

Recent Transactions

Tenant	Size
Activision	87,500 SF
Apple	82,600 SF
US ICE	77,700 SF
Alo Yoga	73,000 SF
Technicolor	60,900 SF
FabFitFun	53,400 SF
MedPoint Management	50,800 SF
Agency for the Performing Arts	48,200 SF
Anonymous Content	44,900 SF
Fremantle	43,000 SF
Kayne Anderson Rudnick	42,900 SF
Move Sales	32,400 SF
Mother	26,900 SF
Unbroken Studios	15,900 SF