

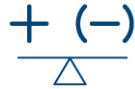
LOS ANGELES

OFFICE MARKET | Q2 2025



240.7M

Inventory SF



(223.1K)

Net Absorption SF



17.7%

Direct Vacant Available Rate



26.3%

Total Availability



1.7M

Under Construction SF



\$3.71

Asking Rent PSF

Vacancy Elevated, Leasing and Rents Diverge

Market Observations

- Direct vacant available rate reached 17.7% in Q2 2025, up from 17.6% last quarter and 16.9% year-over-year. Tri-Cities posted the highest rate at 22.6% with 5.17M SF direct vacant, while San Gabriel Valley recorded the lowest at 3.8% and 368K SF vacant.
- Net absorption in Los Angeles office dipped again in Q2 2025 with -223K SF of absorption across all classes, pushing the YTD figure to -810K SF. There were no new deliveries during the quarter, further reflecting muted expansion activity.
- Full-service rents averaged \$44.46 per SF in Q2 2025, down from \$45.07 per SF last quarter and \$45.12 per SF year-over-year. West Los Angeles commanded the highest rates at \$63.13 per SF, led by Century City at \$88.94 per SF and Beverly Hills at \$68.59 per SF.
- Construction pipeline totals 1.7M SF in Q2 2025, up from 1.6M SF last quarter and down from 2.49M SF year-over-year. West Los Angeles led with 1.08M SF underway—825K SF in Century City and 253K SF in Culver City—while Hollywood/Wilshire added 535K SF, including 185K SF in Hollywood.
- Q2 marked a sharp rise in average office sale pricing with strong institutional and private participation. The average price was \$387 per SF compared to the the trailing 12-month average of \$192 per SF. Five assets posted sale prices in excess of \$150 per SF, led by Vine Street Tower's \$908/SF, ilo at Playa Vista at \$548/SF, and 4777 Irwindale Ave at \$218/SF.

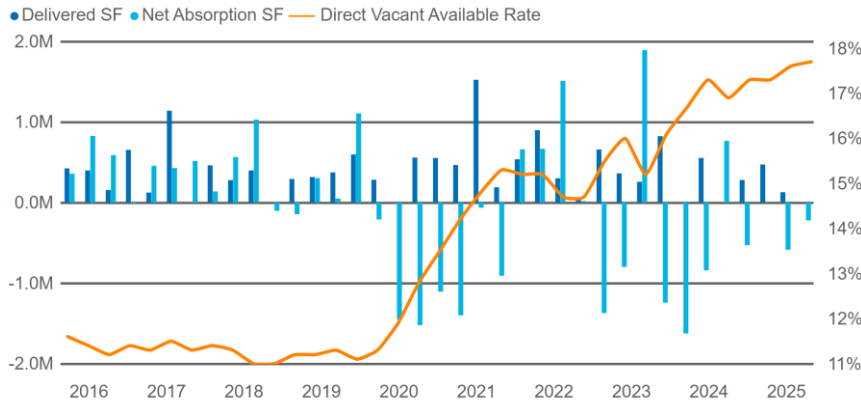




LOS ANGELES OFFICE MARKET | Q2 2025

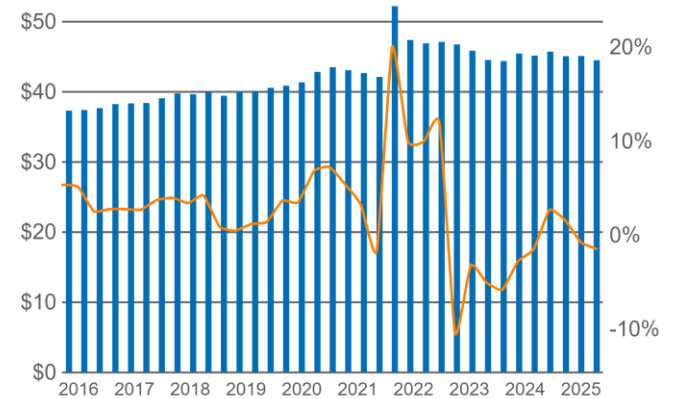
- The **direct vacant available rate** reached 17.7% in Q2 2025, up 10 basis-points from the prior quarter and 70 basis-points higher than one year ago. Total availability stands at 26.3%, ticking down -0.2% QoQ but still up 0.3% YoY, and the metro continues to run 4.0 points above the national vacancy rate.
- Net absorption** dipped again in Q2 2025 with -223K SF across all classes, pushing the YTD figure to -810K SF. Class A outperformed, posting a modest +35K SF positive absorption while Class B fell by -258K SF. Submarket performance split sharply: Downtown Los Angeles marked the largest quarterly contraction at -232K SF, while San Fernando Valley, Hollywood/Wilshire Corridor, and Tri-Cities posted gains of +158K, +127K, and +102K SF respectively.
- Full-service office asking rents** continued to ease this quarter, with the metro average at \$40.48 per SF, reflecting a -0.33% decline from last quarter and -2% below this time last year. Prime submarkets like Santa Monica bucked the softening trend, climbing +3.93% QoQ, indicating ongoing polarization, with established trophy submarkets seeing sustained demand even as broad metro averages edge lower.
- Total of 12 office **property transactions** closed this quarter with the aggregate sales volume reaching \$331.1 million and 1.65 million SF traded, marking a double-digit increase in both total value and floor area from the prior period. The average price per SF rose steeply to \$387 for Q2, significantly above the trailing 12-month average of \$192 per SF. Investment activity concentrated in West Los Angeles and Hollywood/Wilshire Corridor, accounting for 53% and 23% of total sales volume, respectively,

DELIVERY IMPACT ON KEY INDICATORS

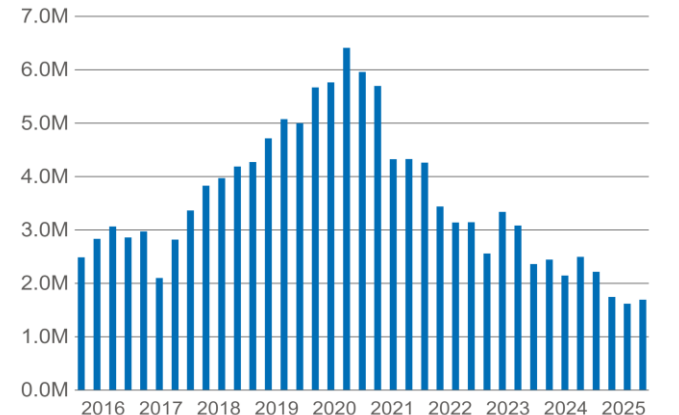


ASKING RENT

● Asking Rent PSF, Full Service — Y-O-Y % Change



UNDER CONSTRUCTION





LOS ANGELES OFFICE MARKET | Q2 2025

OFFICE MARKET INDICATORS - ALL SPACE

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	12-MONTH NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
Tri-Cities	25,128,634	5,673,006	22.6%	32.1%		102,233	(137,553)	\$3.83
West Los Angeles	52,479,315	10,312,109	19.6%	30.0%	1,078,491	(108,924)	(104,065)	\$5.26
South Bay	39,142,081	6,174,341	15.8%	24.9%	75,000	(128,211)	23,660	\$3.32
San Fernando Valley	21,152,134	2,824,627	13.4%	23.1%		158,039	41,967	\$2.83
San Gabriel Valley	13,574,621	521,133	3.8%	8.5%		(41,982)	254,118	\$2.58
Mid Cities/Eastern Los Angeles	4,517,271	296,231	6.6%	10.7%		(12,628)	55,674	\$2.33
Hollywood/Wilshire Corridor	25,141,489	5,247,366	20.9%	29.2%	534,800	126,649	(119,253)	\$3.46
Downtown Los Angeles	51,505,002	10,279,061	20.0%	27.0%		(232,195)	(1,098,033)	\$3.41
Calabassas/Thousand Oaks	8,039,565	1,160,930	14.4%	23.8%		(86,049)	(248,741)	\$2.73
Total	240,680,112	42,488,804	17.7%	26.3%	1,688,291	(223,068)	(1,332,226)	\$3.71



Research Methodology

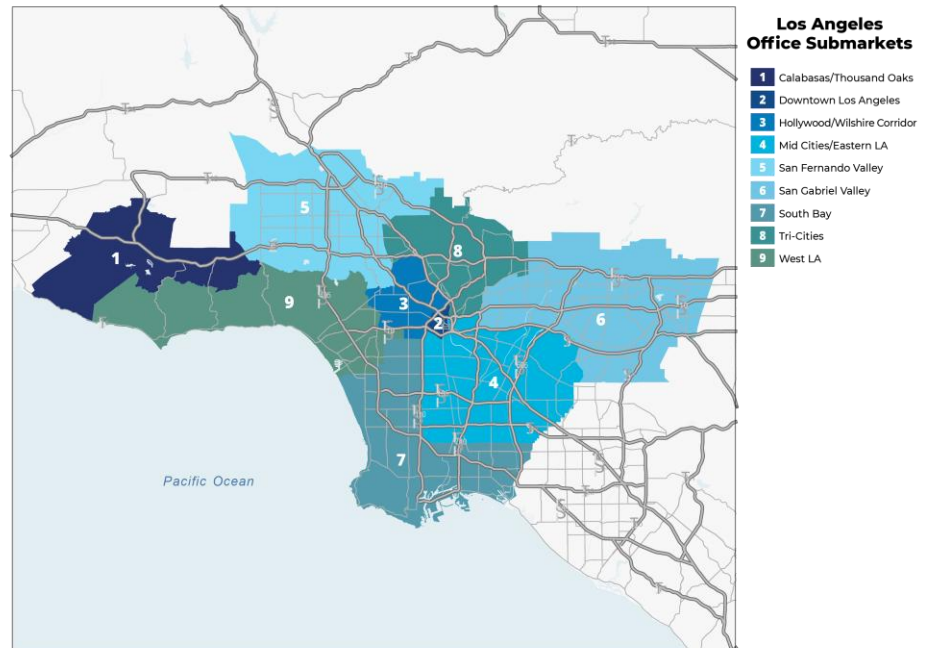
The information in this report is a compilation of single- and multi-tenant office properties 10,000 SF and larger in Los Angeles. Medical offices and government-owned buildings are excluded from analysis. To continually improve the content provided to our clients, starting at Q1 2025, Transwestern Research has revised its office methodology which may shift current and historical data in our market reporting. Please reach out to the research contact(s) noted in this report with any questions

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and [@Transwestern](https://www.instagram.com/transwestern).

For more information

Ian Wolfe
Senior Research Analyst
ian.wolfe@transwestern.com
213.314.5056



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