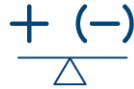




240.2M

Inventory SF



(801K)

Net Absorption SF



18.0%

Direct Vacant Available Rate



26.4%

Total Availability



1.7M

Under Construction SF



\$3.68

Asking Rent PSF

Vacancy Elevated, Leasing and Rents Diverge

Market Observations

- The direct vacancy rate reached 18.0% in Q3 2025, a 30-basis-point decline from Q2 2025 and a new all-time high. This quarter's increase was driven by some large move-outs and sublease listings converting to direct availability
- Net absorption totaled -801K SF metro-wide in Q3, marking the fifth consecutive negative quarter. The Tri-Cities submarket led gains with +198K SF, driven by new leasing in Burbank, while Downtown posted a -440K SF loss.
- Full-service rents averaged \$3.68 PSF in Q3 2025, down from \$3.71 PSF last quarter and \$3.81 PSF this time last year. West LA continues to command the highest average rates at \$5.25 PSF, while Downtown rates are 9% lower year-over-year, averaging \$3.28 PSF with notable Class A declines.
- No new office deliveries occurred in Q3, leaving 1.7M SF actively under construction. West LA leads activity with 1.1M SF underway, highlighted by the 825K SF project at 1950 Avenue of the Stars in Century City, slated for completion in Q2 2026. In the Hollywood/Wilshire Corridor, Bardas Investment Group's 530K SF office and studio development is targeting completion in Q4 2026.
- Office sales volume fell to just over \$817M in Q3, down 20% from the previous quarter. Kilroy Realty recorded the largest purchase of the period with its \$205M acquisition of a 293K SF Class B office property in Beverly Hills (\$701/SF). Pasadena led all submarkets by total square footage traded, with 675K SF across five deals totaling \$161M and an average sale price of \$234/SF.





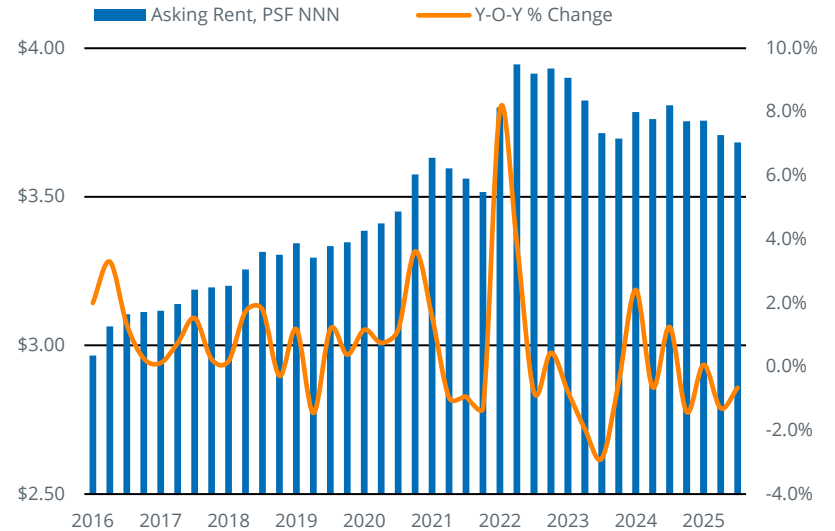
LOS ANGELES OFFICE MARKET | Q3 2025

Direct vacancy reached 18.0% in Q3 2025, up from 17.3% one year earlier. Total availability rose only 10 basis points to 26.4%, driven by a 1M SF reduction in sublease availability which is now at 4.1%. Submarket shifts were led by Tri-Cities posting the largest decline in total availability and North Hollywood registering the sharpest drop in direct vacancy quarter-over-quarter.

Net absorption totaled -801K SF in Q3 2025 with both Class A (-540K SF) and Class B (-261K SF) space posting notable losses and maintaining negative YTD figures. Oaktree Capital's move from Wells Fargo Center added over 210K sf of vacancy to Downtown after they signed a lease earlier this year to move to 515 S. Flower St. Leasing activity remained regionally diverse, highlighted by ADP's 150K SF renewal (San Gabriel Valley), LA County's 89K SF new lease (South Bay), and Google's 68K SF renewal at the Class A, Binoculars Building in Venice.

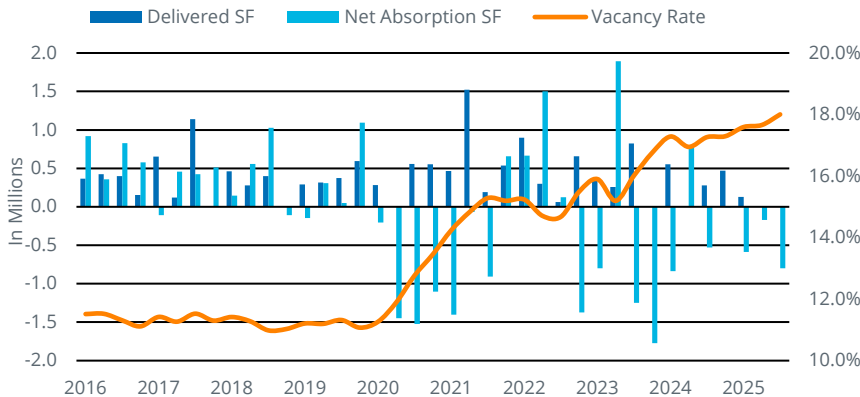
Full-service asking rents averaged \$3.68 PSF in Q3 2025, representing a -1.5% decrease from the prior quarter and a -3.3% decline year-over-year. Several submarkets featured notable streaks in rent movement; Downtown Los Angeles and Culver City saw four consecutive quarters of rent decline, while Calabasas/Westlake Village registered four straight quarters of increases.

ASKING RENT



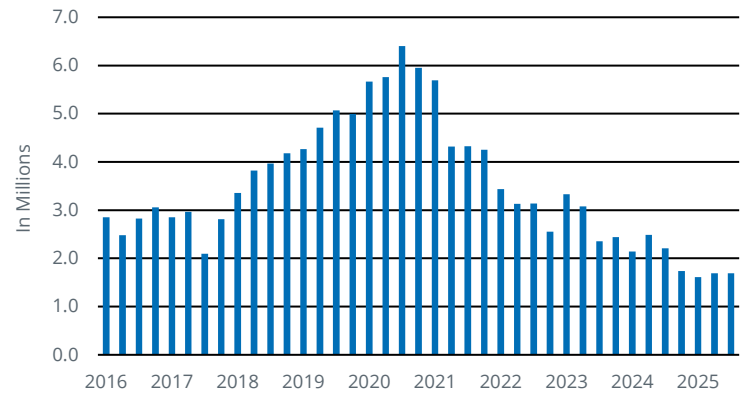
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



LOS ANGELES OFFICE MARKET | Q3 2025

OFFICE MARKET INDICATORS - CLASS A & B

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	5,475,122	21.8%	30.7%		197,884	31,218	\$3.83
West Los Angeles	52,389,560	10,710,087	20.4%	30.4%	1,078,491	(397,978)	(735,821)	\$5.25
South Bay	38,849,541	5,991,300	15.4%	24.7%	75,000	128,773	19,592	\$3.32
San Fernando Valley	21,005,624	2,872,628	13.7%	23.1%		(48,001)	93,385	\$2.91
San Gabriel Valley	13,574,621	640,692	4.7%	9.2%		(119,559)	108,409	\$2.61
Mid Cities/East Los Angeles	4,517,271	394,053	8.7%	10.9%		(97,822)	(76,006)	\$2.40
Hollywood/Wilshire Corridor	25,141,489	5,263,000	20.9%	30.1%	534,800	(15,634)	(125,276)	\$3.48
Downtown Los Angeles	51,507,176	10,719,293	20.9%	27.7%		(440,232)	(650,216)	\$3.28
Calabassas/Thousand Oaks	8,039,565	1,169,356	14.5%	21.9%		(8,426)	(234,456)	\$2.77
Total	240,153,481	43,235,531	18.0%	26.4%	1,688,291	(800,995)	(1,569,171)	\$3.68



Research Methodology

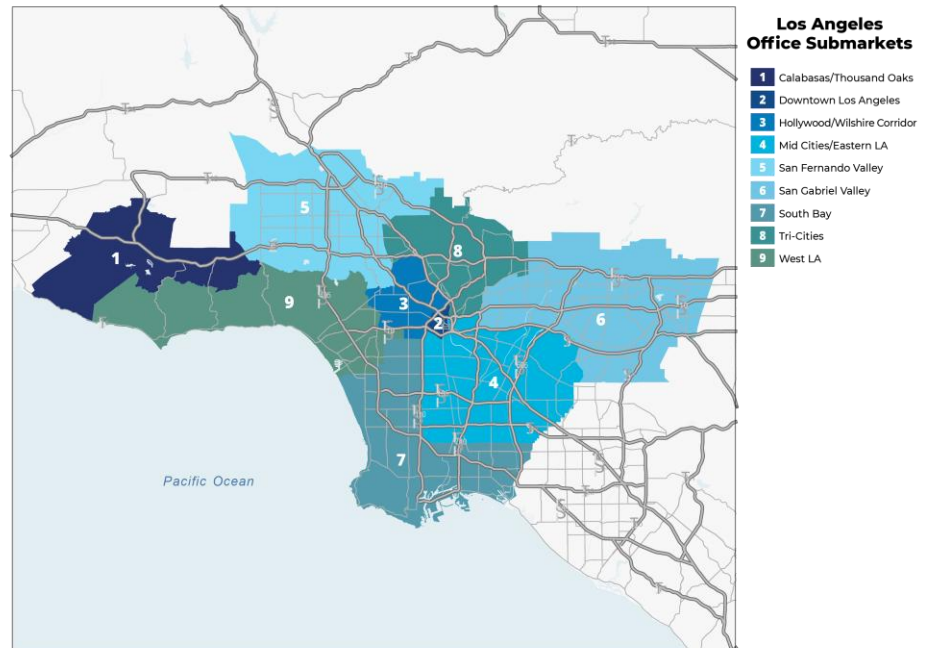
The information in this report is a compilation of single- and multi-tenant office properties 10,000 SF and larger in Los Angeles. Medical offices and government-owned buildings are excluded from analysis.

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://twitter.com/Transwestern).

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