

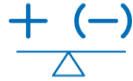
# LOS ANGELES

## OFFICE MARKET | Q4 2025



**240.6M**

Inventory SF



**(320.8K)**

Net Absorption SF



**18.1%**

Direct Vacant Available Rate



**25.9%**

Total Availability



**1.9M**

Under Construction SF



**\$3.70**

Full Service Rent PSF

## Vacancy Edges Up, Rents Ease

### Market Observations

- The direct vacancy rate reached 18.1% in Q4 2025, up from 18.0% last quarter and 17.3% year-over-year. Highest rates were in Hollywood/Wilshire Corridor and Tri-Cities at 21.9%, contrasted with San Gabriel Valley at 4.9%. The largest direct vacancy remains in Downtown Los Angeles at 10.92M SF.
- Net absorption totaled -321K SF in Q4 2025, an improvement from -800K SF last quarter. Notable moves included LA County MTA taking 106K SF at The Switchyard in Downtown LA, which was offset by Paypal exercising an early termination on their 122K SF lease in the Arts District. Also adding to negative absorption was NeueHouse exiting their 93K SF lease in Hollywood after filing for bankruptcy as well as Warner Music Group vacating 66K SF in Burbank.
- Full-service rents averaged \$3.70 PSF in Q4 2025, down from \$3.71 PSF last quarter and \$3.76 PSF year-over-year. West Los Angeles remains the highest, averaging \$5.25 PSF in Q4 while Downtown averaged just \$3.31 PSF to end the year.
- The construction pipeline totaled 1.91M SF in Q4 2025, unchanged from last quarter and down from 2M SF year-over-year. Availability in projects underway is 60% (~1.14M SF) and there were no deliveries posted in Q4. Activity is concentrated in West Los Angeles (1.08M SF), Hollywood/Wilshire Corridor (791K SF) and Century City (825K SF).

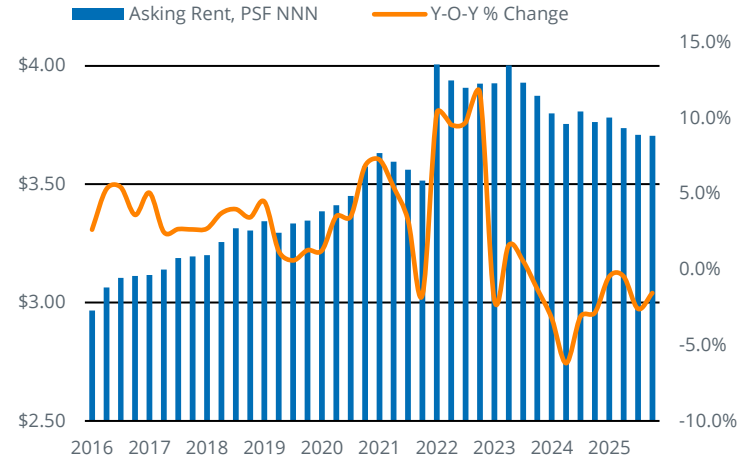




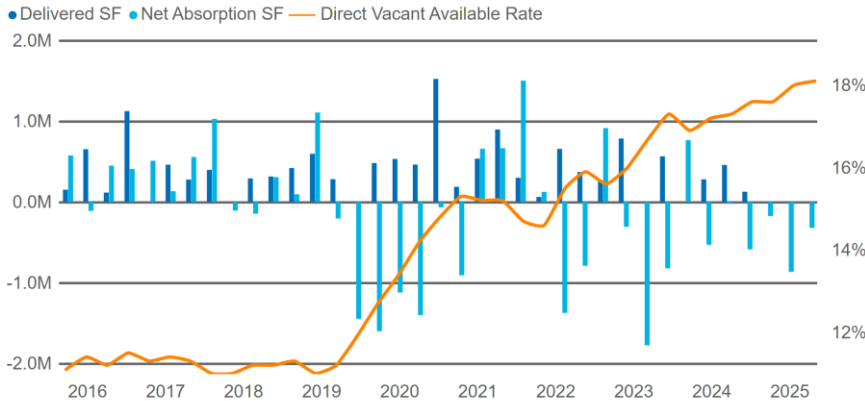
# LOS ANGELES OFFICE MARKET | Q4 2025

- The metro closed 14 office trades totaling \$496.6M in Q4 2025, up from 9 deals in Q3 2025 but down from 28 in Q4 2024. Q4's largest trades were all Westside assets: Element LA at \$131.5M (156K SF), La Peer Building at \$90M (83K SF), and Beverly Hills Gateway at \$82M (131K SF). Owner-user activity led the quarter: 7 of 12 sales (58%) were owner-user, 3 were investment, and 2 were unspecified. By quality, 8 of 12 were Class B and 4 were Class A and the buyers ranged from institutional names like Riot Games and Omega Law Group to private capital such as Alo and Take-Two Interactive.
- Submarkets saw notable rate moves: San Gabriel Valley total availability fell -1.8% QoQ to 7.5% (lowest), and San Fernando Valley declined -2.9% YoY to 21.7%. Downtown logged 28.0% total availability (+0.4% QoQ, +0.8% YoY) and a 21.1% Direct Vacant Available Rate (+0.2% QoQ, +0.9% YoY), while Burbank's direct vacant available rate rose +2.6% QoQ to 23.3% and Sherman Oaks dipped -2.3% QoQ to 10.3%.
- Century City led submarkets with +85K SF quarterly absorption; Thousand Oaks/SE County posted +63K SF with no deliveries. Burbank had the largest submarket decline at -242K SF, and Downtown Los Angeles was -134K SF.

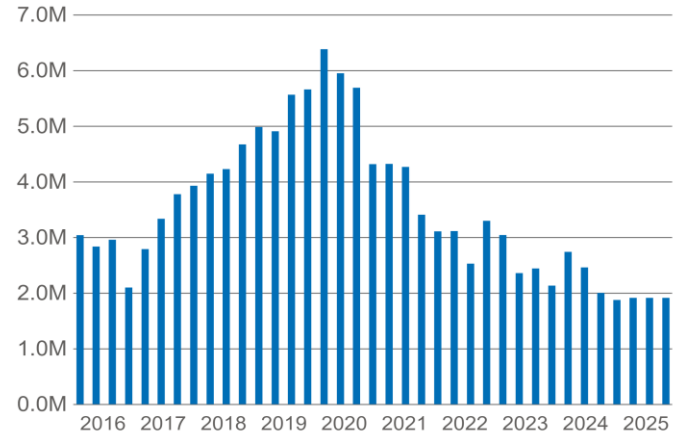
## ASKING RENT



## DELIVERY IMPACT ON KEY INDICATORS



## UNDER CONSTRUCTION





# LOS ANGELES OFFICE MARKET | Q4 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	25,565,301	5,590,890	21.9%	29.6%		(115,768)	202,378	\$3.80
West Los Angeles	52,094,835	10,478,938	20.1%	30.1%	1,081,391	231,149	(781,548)	\$5.25
South Bay	38,848,126	5,998,888	15.4%	23.5%	37,879	(7,588)	(132,394)	\$3.36
San Fernando Valley	21,148,375	2,917,059	13.8%	21.7%		(44,431)	99,338	\$2.91
San Gabriel Valley	13,568,691	667,847	4.9%	7.5%		(27,155)	(162,398)	\$2.74
Mid Cities/East Los Angeles	4,532,196	425,059	9.4%	11.1%		(31,006)	(126,490)	\$2.33
Hollywood/Wilshire Corridor	25,236,681	5,515,750	21.9%	29.7%	791,540	(252,750)	(396,199)	\$3.57
Downtown Los Angeles	51,647,654	10,917,724	21.1%	28.0%		(134,395)	(503,757)	\$3.31
Calabassas/Thousand Oaks	7,921,686	1,108,192	14.0%	22.1%		61,164	(146,019)	\$2.79
<b>Total</b>	<b>240,563,545</b>	<b>43,620,347</b>	<b>18.1%</b>	<b>25.9%</b>	<b>1,910,810</b>	<b>(320,780)</b>	<b>(1,947,089)</b>	<b>\$3.70</b>



## Research Methodology

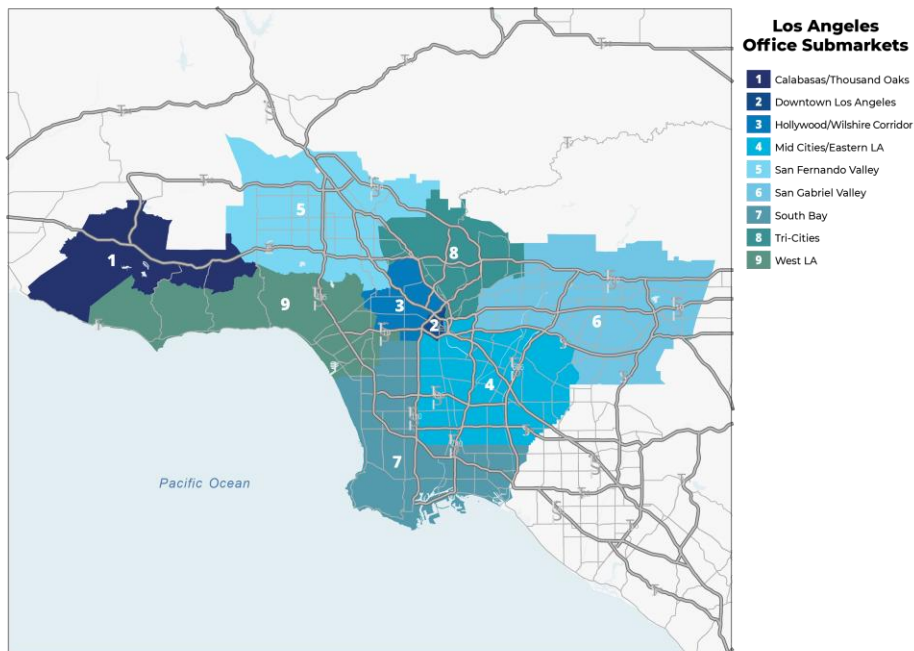
The information in this report is a compilation of single- and multi-tenant office properties 10,000 SF and larger in Los Angeles. Medical offices and government-owned buildings are excluded from analysis.

## 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](https://transwestern.com) and [@Transwestern](https://twitter.com/Transwestern).

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