Los Angeles

Office Market | Q1 2026

Downtown Leasing Supports Positive Q1

Market Observations

- Direct vacancy improved modestly in Q1 2026, declining to 18.0% from 18.1% in the prior quarter after six consecutive quarterly increases. Total availability fell 20 basis points QoQ to 25.6%, down from 26.4% one year ago, while sublease availability also decreased 20 basis points from the prior quarter to 3.6%.
- Metro absorption rebounded sharply in Q1 2026, posting 377K SF of positive net absorption following -321K SF in Q4 2025. West Los Angeles continued to lead all submarkets, recording more than 450K SF of positive absorption, while Downtown Los Angeles posted its first quarter of positive absorption since 2023, supported by a pickup in new leasing activity
- Los Angeles' office construction pipeline totaled 1.8M SF in Q1, with new deliveries concentrated in Hollywood, where a 73K SF creative/production office building at 717 Seward came online as part of the broader Echelon redevelopment. The remaining pipeline is heavily concentrated in West Los Angeles, highlighted by the 825K SF Century City Center development at 1950 Avenue of the Stars, which is expected to deliver in Q2 2026 and is already 88% preleased.

240.8 MSF
Inventory

377K SF
Net Absorption

18.0%
Direct Vacancy

25.6%
Total Availability

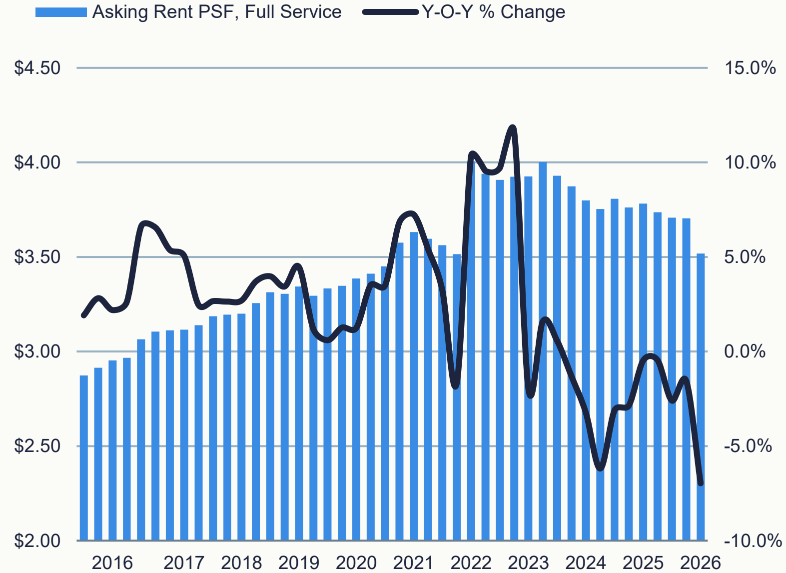
1.8 MSF
Under Construction

$3.52 PSF
Full Service Asking Rent

Los Angeles

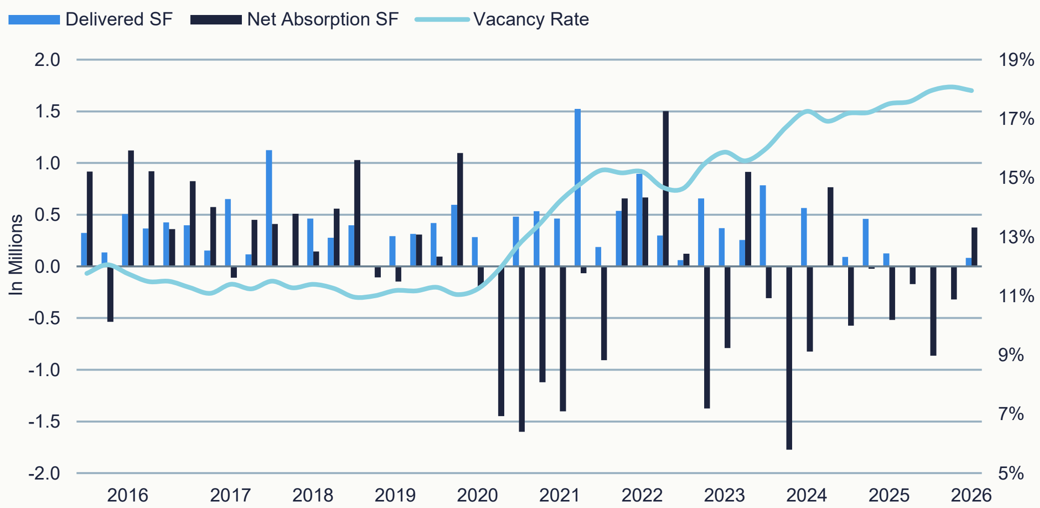
- Average full-service asking rents fell to $3.52 PSF in Q1 2026, down 4% QoQ and 7% YoY, marking four straight quarterly declines. Select value corridors buck the downtrend with Mid-Cities averaging $2.77 PSF, up 15% YoY with five years of gains. These gains reflect continued pricing strength in pockets where demand remains resilient despite broader metro-wide declines.
- Downtown saw the largest new office lease since 2024, with hospitality company, On Location, signing for 108K sf to serve as it's LA HQ ahead of the 2028 Olympic games. Also downtown, GSA moved the Federal Public Defenders office into 74K sf in the former LA Times HQ and two law firms combined for 50K sf of new leasing. On the Westside, Faraday Future signed on for 99K sf in El Segundo, and in Hollywood, media production company, The Field, signed a 93K sf, full building lease at Columbia Square.
- Class A office led leasing activity in Q1, recording 446K SF of positive net absorption. Despite this momentum, direct vacancy in Class A assets remains elevated at more than 19%, compared with just 14.7% for Class B office.

Asking Rent



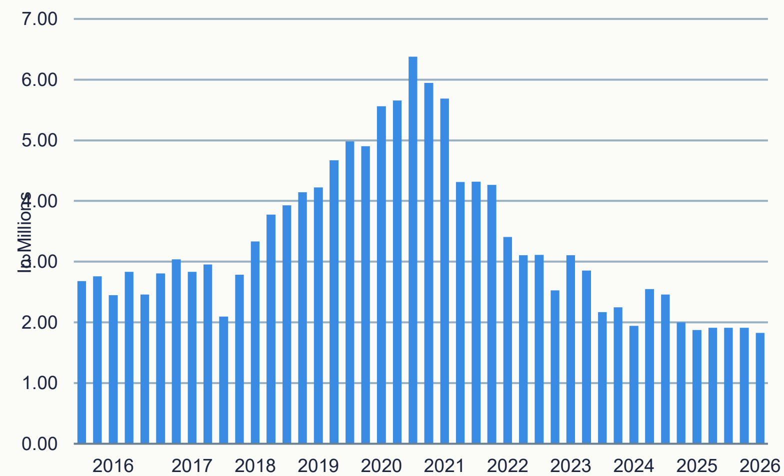
Source: CoStar, Transwestern

Delivery Impact On Key Indicators



Source: CoStar, Transwestern

Under Construction



Source: CoStar, Transwestern

Market Indicators Table

All Classes of Space | Q1 2026

Submarket	Inventory SF	Direct Vacant SF	Direct Vacancy Rate	Overall Availability Rate	Under Construction SF	Net Absorption SF	Rolling 12-Mo Net Absorption	Asking Rent PSF, Full Service
Calabassas/Thousand Oaks	7,923,384	1,236,021	15.6%	23.2%		(127,829)	(161,140)	$3.81
Downtown Los Angeles	51,649,828	10,912,045	21.1%	28.1%		5,679	(863,005)	$2.77
Hollywood/Wilshire Corridor	25,320,181	5,454,501	21.5%	28.8%	708,040	144,749	3,014	$2.71
Mid-Cities/Eastern Los Angeles	4,536,502	475,479	10.5%	14.9%		(50,420)	(191,876)	$3.03
San Fernando Valley	21,148,375	2,718,131	12.9%	20.8%		198,928	264,535	$2.69
San Gabriel Valley	13,568,691	657,562	4.8%	7.2%		10,285	(178,411)	$3.20
South Bay	38,881,261	6,028,234	15.5%	23.3%	37,879	(29,346)	12,528	$2.71
Tri-Cities	25,438,443	5,664,931	22.3%	30.4%		(220,369)	(36,020)	$3.34
West Los Angeles	52,155,952	10,047,985	19.3%	29.0%	1,081,391	445,381	169,628	$4.93
Total	**240,622,617**	**43,194,889**	**18.0%**	**25.6%**	**1,827,310**	**377,058**	**(980,747)**	**$3.52**

Source: CoStar, Transwestern

Research Methodology

The information in this report is the result of a compilation of information on office properties located in the Los Angeles. This report includes single tenant, multi-tenant and owner-user properties 10,000 SF and larger, excluding properties owned by a government agency and medical outpatient buildings.

About Transwestern

Transwestern is a vertically integrated commercial real estate firm dedicated to serving investors, partners and clients through expertise in investment, development, brokerage and property management. We own, lease and operate $64 billion(1) in assets. Our experience spans diverse property types, including logistics, multifamily, retail, mixed-use, healthcare, office, data centers, hotel, and life sciences. Across 33 offices nationwide, our team is united by a culture that cultivates agility, mutual trust and high performance. Learn more at transwestern.com.

(1) Includes all Transwestern enterprise assets and its RAUM as of April 1, 2026

For More Information

Ian Wolfe
Senior Research Analyst
Research & Investment Analytics
Ian.Wolfe@transwestern.com
213.314.5056