

Greater Los Angeles

Office market snapshot | Q3 2024

The Greater Los Angeles office market continues to remain stagnant as work from home policies remain the norm for most office occupiers. Leasing activity has been down for the last 3 quarters with only 3.5 million total square feet leased in Q3, and total availabilities have reached 21.69% overall. We see owners struggling to find new tenants to fill empty units, especially as occupiers continue to downsize their office footprints.

-674k sf

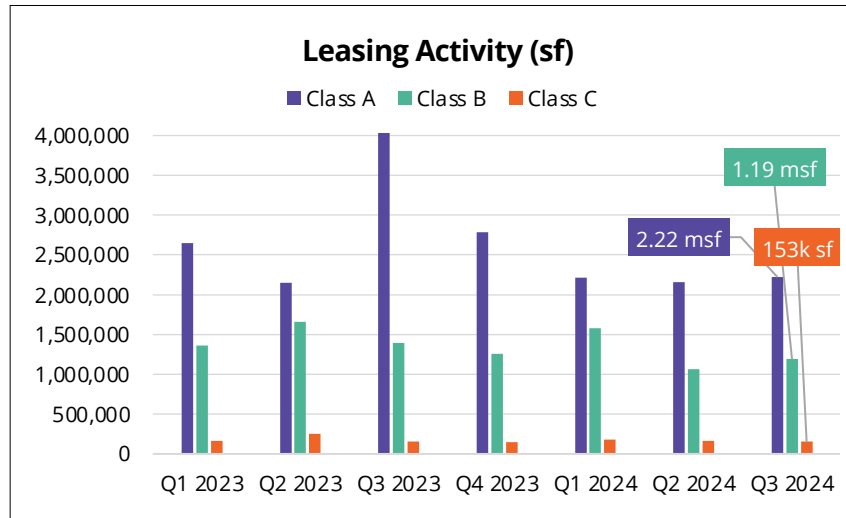
The Greater Los Angeles office market experienced a 1.5 million square foot improvement in absorption in Q3 2024 at -674k square feet, an increase from Q2's negative 2.0 million square feet.

\$43.35

The average full service asking rent in the greater Los Angeles area sat at \$43.35, the lowest average since Q4 2020. As vacancies remain high, owners have offered lower rents to entice new tenants to sign leases.

21.69%

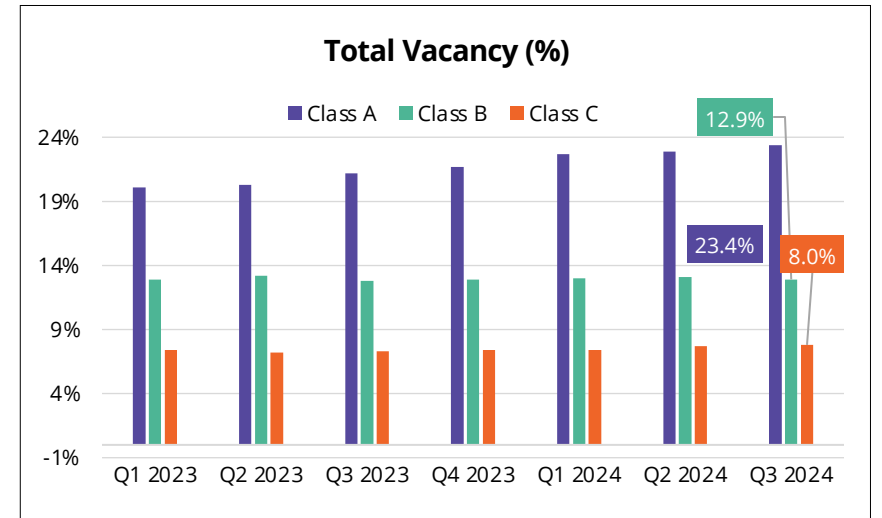
Total availabilities have dropped in Q3 2024, with almost 21.69% of office space being available in Q3 2024. This is nearly a 2% drop from the previous quarter.



Office leasing activity in the Greater Los Angeles marketplace has maintained a low volume, with a total of about 3.5 million square feet of leases signed. This marks the third straight quarter of about 2 million square feet of Class A spaced leased as owners continue to struggle to fill their vacant units.

Survey based on office buildings 20,000 sf+

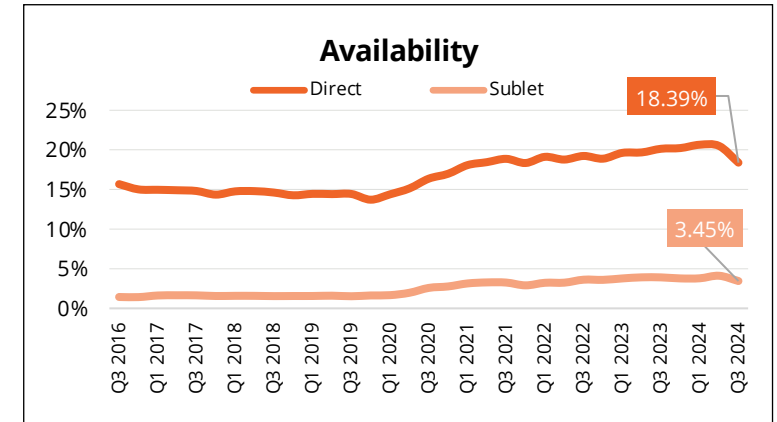
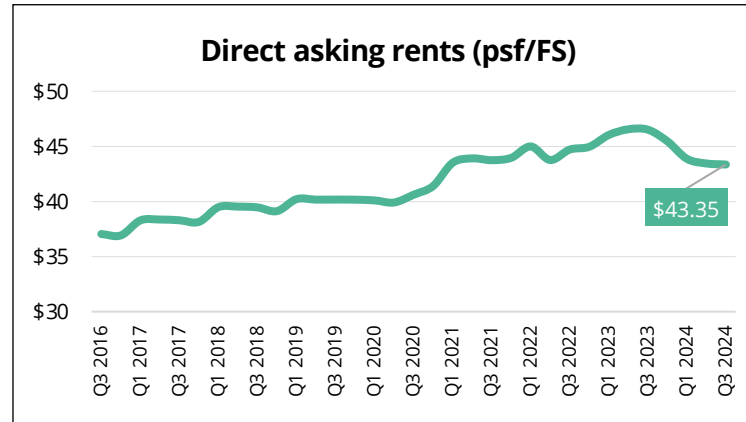
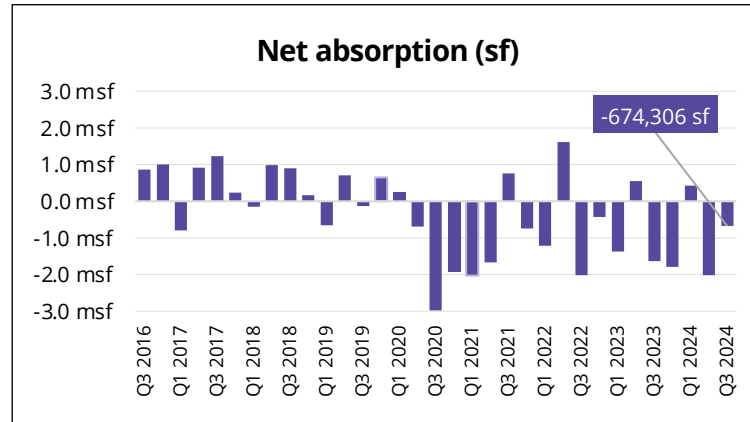
Source: ThoughtSpot, AVANT, CoStar



Total vacancy throughout the Greater Los Angeles office market is currently at a record high, with an overall average of 18% vacancy, and a Class A average of 23.4%. As we continue to move away from the Covid-19 pandemic era, office occupiers have been shedding unused space as work from home policies have proven to be the norm.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
SoCal Gas	350 S Grand Ave, Los Angeles	198,553	New Lease	Direct
Herbalife Nutrition	950 W 190 th St, Torrance	188,544	Renewal	Direct
City of Hope	4920 Rivergrade Rd, Irwindale	170,512	Renewal	Direct
Amazon Studios	9300 Culver Blvd, Culver City	75,178	Renewal	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Fashion Nova	407 N Maple Dr, Beverly Hills	\$118,273,500	\$676.44	Tishman Speyer
Meiloon Investment and Development	801 S Figueroa St, Los Angeles	\$60,000,000	\$128.97	Barings
Mattel	2160 E Grand Ave, El Segundo	\$59,200,000	\$360.19	New York Life
Rexford Industrial	950 W 190 th St, Torrance	\$41,290,000	\$218.99	Herbalife

Note: All tracked office buildings are 20k+ sf

Source: ThoughtSpot by Avison Young, CoStar

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Get in touch

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Submarket	Existing inventory sf	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption sf (QTD)	Annual direct asking rent psf FS
Downtown	52,307,867	105,000	21.58%	1.96%	23.53%	(891,987)	\$39.41
East Los Angeles	4,228,445	0	8.03%	0.53%	8.55%	1,034	\$29.34
San Fernando Valley	32,345,299	331,000	18.20%	5.51%	23.05%	(22,563)	\$34.21
Mid-Cities	6,127,273	0	9.35%	0.31%	9.66%	43,071	\$30.73
Mid Wilshire	34,786,186	0	19.89%	2.47%	22.37%	13,194	\$43.36
San Gabriel Valley	17,707,799	0	10.71%	0.39%	11.10%	(20,592)	\$31.44
South Bay	39,488,974	0	19.92%	5.43%	25.23%	155,853	\$38.16
Tri Cities	30,151,614	286,308	26.60%	4.83%	31.15%	(48,068)	\$45.05
West LA	64,789,660	988,597	23.19%	5.52%	28.63%	86,740	\$60.24
Santa Clarita Valley	2,677,669	0	21.01%	12.24%	33.24%	(42,256)	\$34.61
Ventura	1,891,880	0	30.75%	0.87%	31.62%	45,556	\$27.92
Market total	287,870,362	1,710,905	18.32%	3.45%	21.69%	(674,306)	\$43.35

	Existing inventory sf	Deliveries sf (QTD)	Under development sf	Direct availability (%)	Sublet availability (%)	Total availability (%)	Net absorption sf (QTD)	Annual direct asking rent psf FS
Trophy	26,850,151	0	730,000	21.88%	3.57%	25.45%	(430,066)	\$49.52
Class A	138,125,171	184,228	738,824	25.20%	5.45%	30.41%	(304,007)	\$45.87
Class B	104,722,050	15,500	242,081	17.29%	2.80%	20.00%	54081	\$37.18
Class C	18,172,990	0	0	8.91%	2.00%	10.91%	5686	\$37.21
Market total	287,870,362	199,728	1,710,905	18.32%	3.45%	21.69%	(674,306)	\$43.35

Note: All tracked office buildings are 20k+ sf

Source: ThoughtSpot by Avison Young, CoStar