Office Market Outlook

Los Angeles County Q3 2025

NAI Capital
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

MARKET STATISTICS*

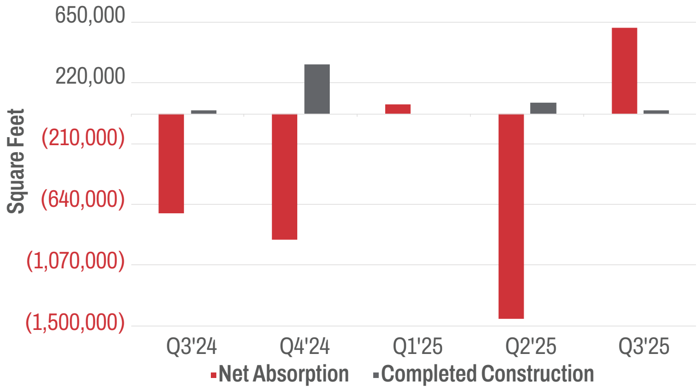
Submarket	Existing Total RBA (SF)	Under Construction (SF)	Total Available (%)	Total Vacancy (%)	Leasing Volume (SF)	YTD Leasing Volume (SF)	Sales Volume (SF)	YTD Sales Volume (SF)	Average Asking Rent ($/SF FSG)	Average Sale Price ($/SF)
Central	66,779,140	0	20.6%	21.1%	397,686	1,817,247	748,323	1,961,689	$2.94	$175
Mid-Wilshire	16,385,491	0	18.0%	19.2%	89,197	197,048	18,622	102,175	$2.84	$277
LA North	62,404,572	0	17.1%	14.4%	656,328	2,461,460	646,420	1,726,761	$2.80	$178
San Gabriel Valley	35,847,856	53,626	7.3%	6.0%	162,860	837,791	105,086	506,790	$2.57	$490
South Bay	67,053,223	185,095	18.2%	15.9%	749,360	2,162,191	114,332	385,245	$3.16	$453
Tri-Cities	44,404,116	100,000	19.7%	16.6%	430,546	1,509,754	796,142	1,380,022	$3.78	$250
LA West	106,486,272	2,152,540	23.8%	18.9%	1,463,002	4,360,942	784,269	4,072,865	$4.83	$521
Los Angeles County	**399,360,670**	**2,491,261**	**19.1%**	**16.7%**	**3,948,979**	**13,346,433**	**3,213,194**	**10,135,547**	**$3.45**	**$314**

** RBA includes office buildings of all sizes and classes. Rents reflect buildings of 20,000 square feet or greater.*

LEASING TRENDS

After three of the past five quarters saw significant negative net absorption, Q3 2025 marked a turnaround with 609,792 square feet of positive net absorption. Newly completed construction totaled 481,048 square feet, signaling a turning tide in demand relative to supply.

Net Absorption vs. Completed Construction



Select Lease Transactions

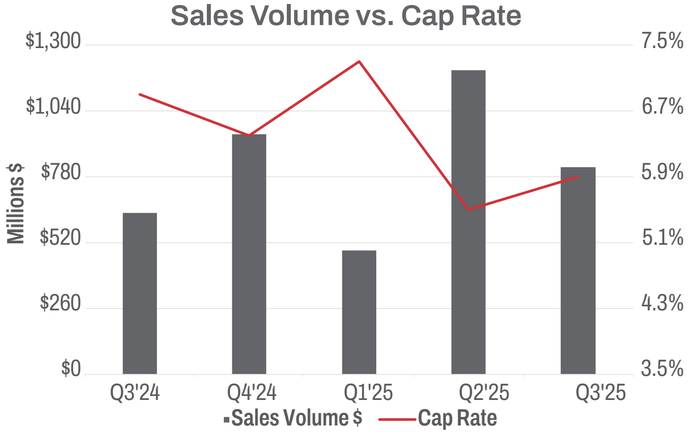
Tenant	Address	City	Submarket	SF
Canvas Worldwide	2330 Utah Av	El Segundo	South Bay	68,301
U.S. Securities and Exchange Commission*	444 S Flower S	Los Angeles	Central	57,903
Varda Space**	888 N Douglas S	El Segundo	South Bay	54,749
KPMG LLP	2041 Rosecrans Ave	El Segundo	South Bay	50,000
Sullivan & Cromwell LLP*	1888 Century Park E	Los Angeles	LA West	48,050

** Renewal ** Sublease*

SALES TRENDS

In Q3 2025, following an investor rally in Q2 aimed at capitalizing on market opportunities amidst uncertainty, sales volume dipped, closing the quarter down 31.7% from the previous quarter. However, it increased 28.8% compared to the same period last year, despite elevated borrowing costs and ongoing price adjustments between sellers and buyers. The average cap rate rose 40 basis points from the prior quarter but remained 100 basis points below Q3 2024, averaging 5.9%.

Sales Volume vs. Cap Rate



Select Sales Transactions

Tenant	Address	City	Submarket	SF
Kilroy Realty Corporation	345 N Maple Dr	Beverly Hills	LA West	293,000
Harbor Associates	800 E Colorado Blvd	Pasadena	Tri-Cities	255,411
Harbor Associates	55 S Lake Ave	Pasadena	Tri-Cities	232,989
Oaks Christian School	1 Dole Dr	Westlake Village	LA North	178,357
RCB Equities LLC	7060 Hollywood Blvd	Los Angeles	LA West	177,888