LA NORTH OFFICE MARKET REPORT

Market Indicators

VACANCY

Q2 2026	Q1 2026	Q4 2025	Q3 2025
17.7%	18.2%	17.8%	17.0%

ABSORPTION

Q2 2026	Q1 2026	Q4 2025	Q3 2025
301,560 SF	(256,587) SF	(517,232) SF	475,063 SF

DIRECT LEASE RATE

Q2 2026	Q1 2026	Q4 2025	Q3 2025
$3.18 PSF	$3.16 PSF	$3.17 PSF	$3.15 PSF

Q2 Trends at a Glance

- Leading Activity: **741,348 SF**
- Under Construction: **0 SF**
- Completed Construction: **0 SF**
- Sale Transactions: **7**
- Median Sale Price: **$258**

Unemployment Rate

	LA County	California	US
Jun 2026	5.5%	5.2%	4.2%
Jan 2026	5.5%	5.4%	4.3%

Continuing Recovery with Strong Leasing and Positive Absorption

The LA North office market gained momentum during the second quarter as occupancy trends improved and tenant demand remained steady. The market recorded 301,560 square feet of positive net absorption, more than offsetting the losses from the first quarter and pushing year-to-date absorption into positive territory. Vacancy declined to 17.7%, a modest improvement from 18.2% in the previous quarter, indicating that available space is gradually being absorbed despite ongoing challenges in the broader office sector.

Leasing activity remained active, totaling more than 741,000 square feet during the quarter. Burbank and Glendale continued to account for many of the market's largest transactions, reinforcing their role as key demand drivers due to their concentration of media, entertainment, and creative office users. Several submarkets posted occupancy gains, including Warner Center, Universal/Studio City, Northridge/Reseda, and Newbury/Thousand Oaks. Softness persisted in portions of Burbank, Tarzana, Glendale, and Chatsworth.

Average full-service asking rents increased slightly to $3.18 per square foot per month, reflecting continued pricing stability even as landlords compete for tenants in a high-vacancy environment. Construction activity remains effectively nonexistent, with no projects currently underway or completed during the quarter. The lack of new supply is allowing existing vacancies to be absorbed without additional competitive pressure entering the market.

Investment sales activity remained selective, with pricing varying by asset quality and location. While the market continues to face elevated vacancy compared with historical norms, improving absorption, resilient leasing activity, stable rental rates, and a limited development pipeline point to gradually strengthening fundamentals as the market continues its recovery.

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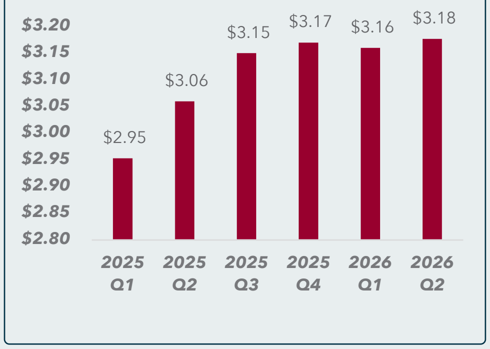
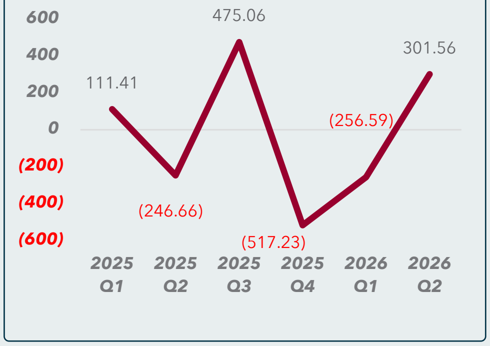
RENTAL RATES



AVERAGE PER SF, PER MONTH

ABSORPTION

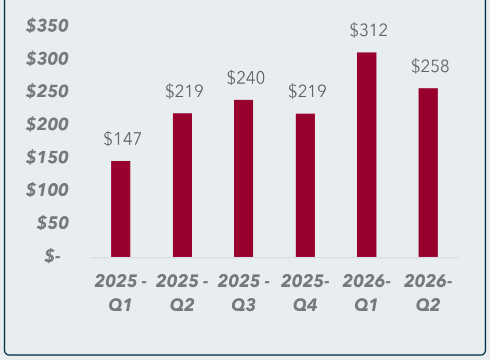


IN THOUSANDS OF SF

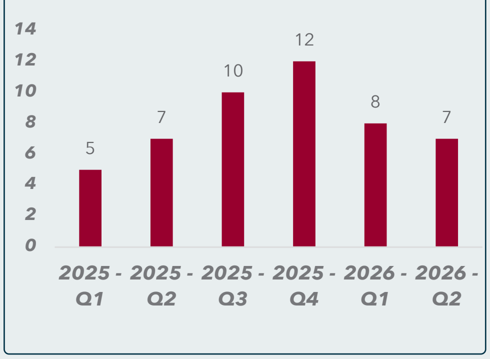
LEASING ACTIVITY

MILLIONS OF SF LEASED

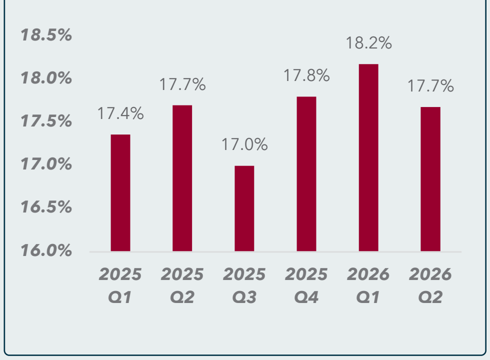
MEDIAN SALE PRICE



SALE TRANSACTIONS



VACANCY



Median sale price excludes distressed sales and those where no price information was recorded.

TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER/SELLER	BUILDING CLASS
6265 San Fernando Rd Glendale, CA	56,873 SF	$9,800,000 $172.31 PSF	John Dolmayan Diego Rico	Class A
5535-5551 Balboa Blvd Encino, CA	43,103 SF	$9,000,000 $208.80 PSF	Yosef Shaliyehsabou Erika Easter	Class B
21155 Califa St* Woodland Hills, CA	35,080 SF	Undisclosed	Capstone Equities Zenith	Class B

**Lee & Associates LA North Transaction*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3333 W. Empire Ave Burbank, CA	78,064 SF	Blackstone	MSG Entertainment	Entertainment
3400 W. Riverside Dr Burbank, CA	53,668 SF	Douglas Emmett	Funko	Hobby, Toy, and Game Retailers
207 N. Goode Ave Glendale, CA	26,970 SF	Credit Suisse	Sega	Gaming

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SUBMARKETS	TOTAL INVENTORY	TOTAL VACANCY		NET ABSORPTION		CONSTRUCTION			ASKING RATE
							COMPLETED		
		TOTAL SF	%	Q2 2026	YTD 2026	UNDERWAY	Q2 2026	YTD 2026	
Agoura Hills	1,989,959	471,607	23.7%	29,973	21,328	0	0	0	$2.47
Burbank City Center	2,355,648	815,156	34.6%	(35,956)	(36,551)	0	0	0	$4.40
Burbank Media Center	1,785,860	434,057	24.3%	13,861	(5,219)	0	0	0	$3.41
Burbank (Misc.)	7,036,705	1,896,362	26.9%	(55,215)	(168,158)	0	0	0	$4.49
Calabasas	2,819,754	320,721	11.4%	14,541	(19,304)	0	0	0	$2.77
Central Valley	6,037,020	378,021	6.3%	14,275	31,240	0	0	0	$2.53
Chatsworth	2,587,420	117,071	4.5%	(22,713)	(27,549)	0	0	0	$2.48
East SF Valley	3,996,748	628,608	15.7%	10,093	(121,657)	0	0	0	$2.51
Encino	5,176,557	1,081,518	20.9%	11,805	153,621	0	0	0	$3.00
Glendale	323,315	37,292	11.5%	(27,786)	(15,121)	0	0	0	$3.03
Newbury / Thousand Oaks	4,850,745	660,046	13.6%	42,974	72,859	0	0	0	$2.73
Northridge / Reseda	10,890,727	1,889,493	17.3%	90,516	6,249	0	0	0	$3.24
North Hollywood	2,987,985	673,358	22.5%	1,477	(7,649)	0	0	0	$3.25
Santa Clarita Valley	2,225,782	207,111	9.3%	15,294	12,993	0	0	0	$2.83
Sherman Oaks	236,755	38,211	16.1%	2,592	3,102	0	0	0	$2.53
Tarzana	4,031,873	575,684	14.3%	(40,214)	(58,501)	0	0	0	$2.69
Universal / Studio City	1,572,686	144,601	9.2%	105,438	110,961	0	0	0	$2.88
Warner Center	3,669,368	831,435	22.7%	110,851	110,407	0	0	0	$2.35
Westlake Village	2,463,292	161,235	6.5%	3,098	(22,850)	0	0	0	$3.49
Woodland Hills	7,742,187	1,859,447	24.0%	16,656	4,772	0	0	0	$2.65
Total	74,780,386	13,221,034	17.7%	301,560	44,973	0	0	0	$3.18

Source: CoStar and Lee & Associates

MARKET DEFINITIONS

RENTABLE AREA

Includes all Class A, B and C multi-tenant and single-tenant office buildings of 10,000 square feet and greater. Excludes buildings under construction, planned or under renovation.

DIRECT VACANCY

Space in existing buildings that is not occupied and is available for direct lease.

TOTAL VACANCY

Space in existing buildings that is not occupied and is available for direct lease and/or sub-lease.

TOTAL NET ABSORPTION

The square feet leased after deducting space vacated.

DIRECT ASKING LEASE RATE

Calculated for direct available space using asking rents. Rents are weighted by total square feet available for direct lease.

UNDER CONSTRUCTION

Buildings in the process of construction. A building is considered complete when issued a certificate of occupancy.

MEDIAN SALE PRICE

Based on actual prices of sold buildings as reported in public records and by CoStar. Includes all office buildings 10,000 SF and more sold at $500,000 or more.

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***Lee & Associates-LA North/Ventura, Inc.** is a full-service commercial brokerage company serving the San Fernando Valley, Conejo Valley, Simi Valley/Moorpark and Ventura County markets. Founded in 1994, Lee & Associates-LA North/Ventura has grown to become one of the largest commercial brokerage companies in the Los Angeles North and Ventura regions with four offices and 48 agents.*

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LA NORTH OFFICE SUBMARKETS

Agoura Hills
Agoura Hills, Oak Park

Burbank
Includes Burbank Airport submarket and the area East of Buena Vista and West of I-5; North to the city border and Vanowen on the South

City Center
Downtown Burbank

Media District
Burbank Media District

Central Valley
Arleta, Granada Hills, Mission Hills, Pacoima, Panorama City, San Fernando, Sun Valley, Sylmar, Van Nuys

Calabasas

Chatsworth

Conejo Valley
Newbury Park
Thousand Oaks
Westlake Village

East SFV
La Crescenta, Montrose, Sunland, Tujunga

Encino

Glendale

North Hollywood

Northridge/Reseda

Sherman Oaks

Santa Clarita Valley
Canyon Country
Newhall

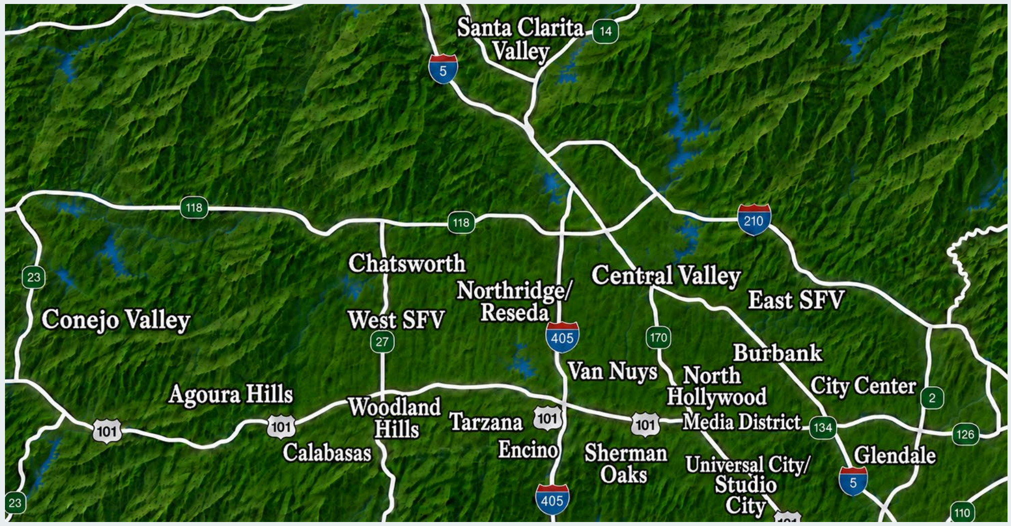
Warner Center

Woodland Hills

Tarzana

West SFV
Canoga Park
West Hills
Winnetka

Universal City/Studio City



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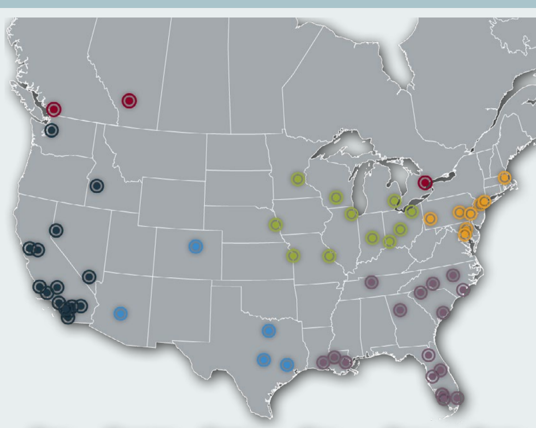

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