

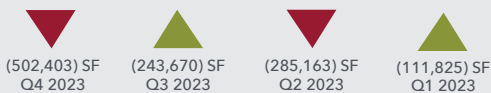


MARKET INDICATORS

VACANCY



ABSORPTION



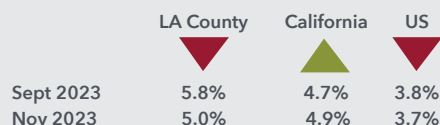
DIRECT LEASE RATE



Q4 TRENDS AT A GLANCE



UNEMPLOYMENT RATE



Los Angeles North Office Market Concludes 2023 With Sluggish Leasing Activity, Record-High Vacancies

In the Los Angeles North office market, a persistent shift is underway as leasing activity slows and vacancy rates increase, painting a picture reminiscent of the previous decade's post-recession trends.

The landscape of the Los Angeles North office market is undergoing a notable transformation, mirroring trends reminiscent of the post-recession era from the previous decade, with a discernible slowdown in leasing activity and a surge in vacancy rates.

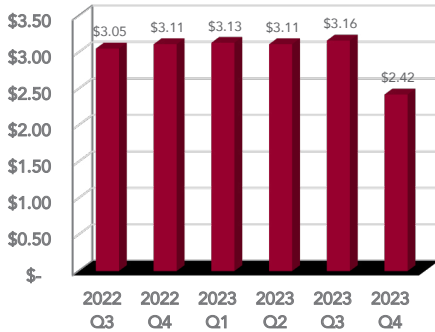
As we bid farewell to 2023, the leasing activity paints a sobering picture, with a mere 608,075 square feet of space leased in the final quarter—the second lowest in the market's history. In the fourth quarter, a total of 13 assets changed hands, including three distressed sales, with an average price of \$160 per square foot.

Simultaneously, vacancy rates persistently climb, approaching percentages not witnessed since the economic recession of 2009, settling at an even 16 percent. Direct-ask lease rates, while remaining unchanged, stand at an all-time high, stabilizing at \$3.16. In the fourth quarter, a total of 13 assets changed hands, including three distressed sales, with an average price of \$160 per square foot.

No new construction was delivered in the recent quarter; however, there are plans for 788,000 square feet to be introduced in the first and second quarters of the upcoming year. These construction plans include two notable projects in Burbank Media Center and Universal/Studio City for over 300,000 square feet, and another comparatively smaller scale development in Tarzana/Woodland Hills for 102,000 square feet.

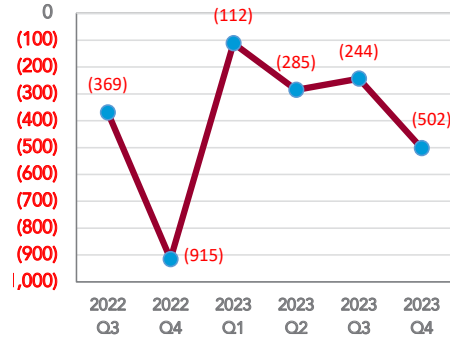
RENTAL RATES

average per SF, per month



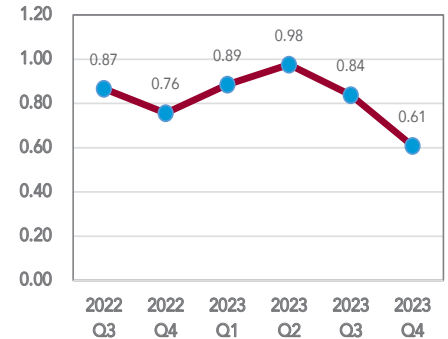
ABSORPTION

in thousands of SF

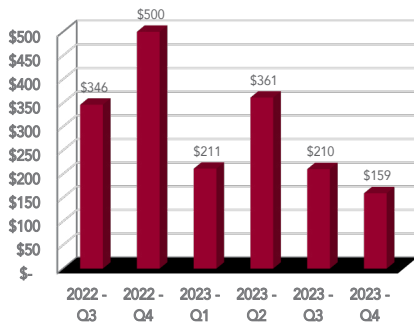


LEASING ACTIVITY

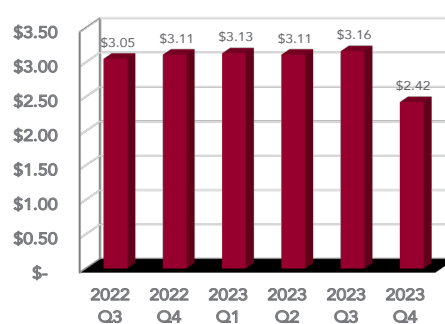
millions of SF leased



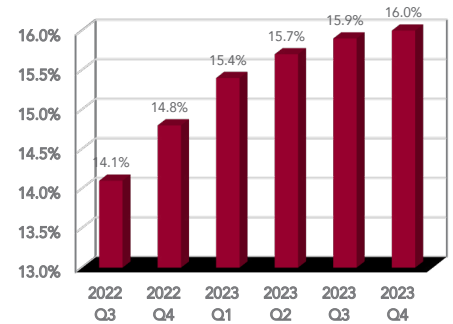
MEDIAN SALE PRICE



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
30300 Agoura Rd, Ste 250/260 Agoura Hills, CA	3,843 SF	\$1,850,000 \$481.39 PSF	Brisbois/Mehrazarin-Brisbois/ Roschke & Wall Investment Fund LLC	Class A
30423 Canwood St, Ste 209, 210, 213 Agoura Hills, CA	2,528 SF	\$960,000 \$379.75 PSF	Shlomo Frankel Patrick Barmasse	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7800 Woodley Ave Van Nuys, CA	11,522 SF	7800 Woodley LLC	Logistix People, Inc.	Transportation Services
3415 S Sepulveda Blvd Los Angeles, CA	9,292 SF	SIC-Sepulveda Center	PHP Agency	Financial Services
7800 Woodley Ave, Ste 2 Van Nuys, CA	6,920 SF	7800 Woodley LLC	Empower Recovery Center	Rehabilitation Center

Source: CoStar and Lee & Associates

SUBMARKETS	TOTAL INVENTORY	TOTAL VACANCY		NET ABSORPTION		CONSTRUCTION			ASKING RATE
		Total SF	%	Q4 2023	YE 2023	Underway	COMPLETED		
							Q4 2023	YE 2023	
Agoura Hills	1,995,165	31,325	1.6%	(24,696)	(128,606)	0	0	0	\$2.29
Burbank (Misc.)	2,674,781	569,710	21.3%	46,423	(120,264)	0	0	0	\$4.14
Burbank City Center	1,846,463	225,176	12.2%	(14,837)	(18,728)	0	0	0	\$3.49
Burbank Media Center	7,050,969	1,145,002	16.2%	(499,493)	20,052	355,000	0	445,000	\$4.64
Calabasas	2,805,276	317,130	11.3%	32,370	75,851	0	0	0	\$2.74
Central Valley	6,153,848	540,360	8.8%	17,780	3,117	0	0	0	\$2.37
Chatsworth	2,362,725	269,436	11.4%	(15,048)	(96,954)	0	0	0	\$2.50
Conejo Valley	9,478,843	1,660,066	17.5%	(13,418)	15,446	0	0	0	\$2.51
East SF Valley	287,404	9,001	3.1%	(2,001)	6,844	0	0	0	\$3.08
Encino	4,951,585	825,708	16.7%	14,397	(115,607)	0	0	0	\$2.90
Glendale	11,460,813	2,139,022	18.7%	58,086	(189,226)	0	0	0	\$3.28
North Hollywood	2,973,060	495,002	16.6%	(46,239)	(29,284)	0	0	0	\$3.67
Northridge / Reseda	2,202,850	215,582	9.8%	(3,093)	3,567	0	0	0	\$2.62
Santa Clarita Valley	222,832	43,460	19.5%	3,400	7,800	0	0	0	\$2.19
Sherman Oaks	3,980,947	588,639	14.8%	(28,567)	(6,931)	0	0	0	\$3.00
Tarzana /Woodland Hills	3,628,168	725,283	20.0%	21,370	26,866	102,000	0	0	\$2.54
Universal / Studio City	2,324,517	131,928	5.7%	2,889	8,101	331,000	0	21,391	\$3.53
West SF Valley	2,273,294	377,703	16.6%	(1,353)	(50,162)	0	0	0	\$2.29
Warner Center	7,859,059	1,929,473	24.6%	(50,373)	(252,648)	0	0	0	\$2.65
Total	76,532,599	12,239,006	16.0%	(502,403)	(840,766)	788,000	0	466,391	\$3.16

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 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, Monroese, Sunland, Tujunga

Encino

Glendale

North Hollywood

Northridge/Reseda

Sherman Oaks

Tarzana/Woodland Hills

Santa Clarita Valley

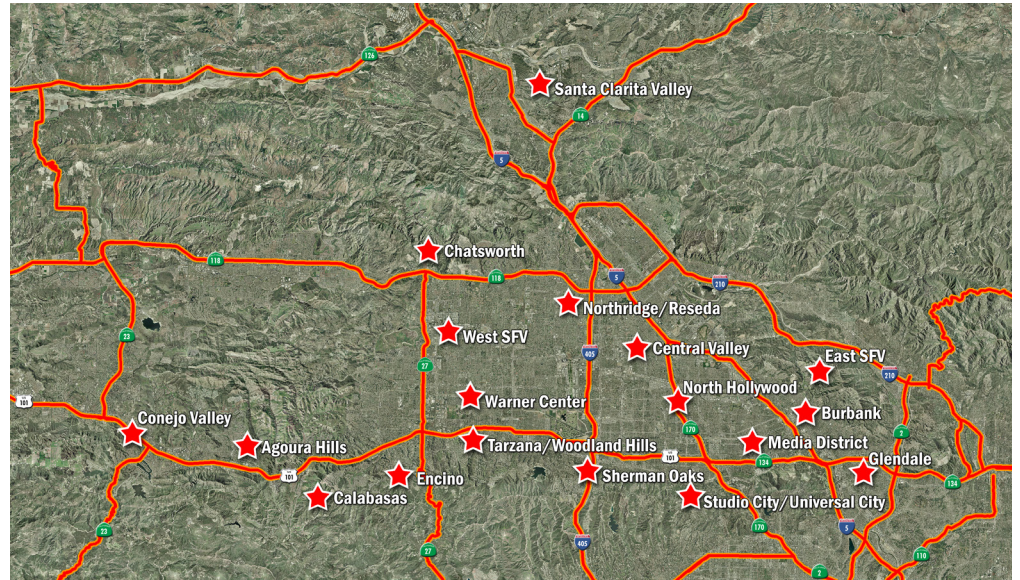
Canyon Country
Newhall

West SFV

Canoga Park
West Hills
Winnetka

Warner Center

Universal City/Studio City



LA NORTH/VENTURA TEAM

Erica Balin, Industrial

818.444.4912

John Battle, SIOR, Investment

818.444.4908

Matt Benwitt, Investment

818.444.4964

Deena Benz, Industrial

805.626.1277

Warren Berzack, Investment

818.933.0350

Cheri Blessing, Retail

805.626.1240

Jonathan Bruce, Office

818.444.4916

Paul Capra, Retail

805.626.1264

Darren Casamassima, Office

818.933.0303

Scott Caswell, Industrial

818.444.4911

Clyde Clifford, Industrial

818.444.4910

Justin Cusumano, Investment

818.933.0312

Jennifer Donaldson, Office

818.933.0347

Cody Eickhoff, Industrial

818.444.4917

Sydney Fraser, Office

818.933.0320

Grant Fulkerson, SIOR, Industrial

818.449.4401

Teresa Ernest, Industrial

818.444.4917

Aaron Guerrero, Office/Retail

818.444.4929

Grant Harris, Industrial

805.626.1212

Joe Jusko, Industrial, Office

818.223.4397

Drew Kaser, Industrial

818.444.4922

David Kaufman, Office

818.223.4397

David Kim, Office

805.626.1234

Eugene Kim, Office

818.444.4919

Mark Leonard, Office

818.449.4414

Cole Martens, Investment

818.444.4909

Chris McKenzie, Industrial

818.933.0337

Bruce Milton, Retail

805.626.1281

Eric Nishimoto, Investment

818.444.4984

John Ochoa, SIOR, Industrial

805.626.1208

Ryan O'Connor, Investment

818.444.4965

Peter Padden, Industrial

805.626.1283

Ryan Pelino, Industrial

818.444.4991

Anthony F. Pondella, Industrial

818.444.4918

Anthony Price, Industrial

818.444.4928

Patrick Reddy, Industrial

818.933.0348

**Scott Romick
Managing Director, Office**

818.933.0305

Jay Rubin, Office

818.223.4385

Brett Saunders, Office

818.444.4926

Jared Smits, Office

818.444.4986

Tom Specker, Office

818.223.4381

Cory Stehr, Investment

818.933.0304

**Mike Tingus, Industrial
President**

818.223.4380

Frank Tesoro, Office

818.444.4930

**Stacy Vierheilg-Fraser
Office, Industrial, Retail**

818.933.0313

Brett Warner, Industrial

818.933.0302

Hunter Warner, Industrial

818.933.0349

Todd Wuschnig, Office

818.933.0301

Nanette Yoshimi

Vice President

818.223.4395

Slavic Zlatkin, Investment

818.933.0325



LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Lee & Associates LA North/Ventura
A Member of the Lee & Associates Group of Companies

Sherman Oaks
Office: 818.986.9800 | Fax: 818.783.9260

Westlake Village
Office: 818.223.4388 | Fax: 818.591.1450

Ventura County
Office: 805.626.1200 | Fax: 805.413.7000

Antelope Valley
Office: 818.223.4388 | Fax: 818.591.1450

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