LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES



Q3

LA NORTH OFFICE MARKET REPORT

Market Indicators

	Q3 2026	Q2 2026	Q1 2026	Q4 2025
VACANCY	17.3%	17.7%	18.2%	17.8%
ABSORPTION	377,816 SF	301,560 SF	(256,587) SF	(517,232) SF
DIRECT LEASE RATE	$3.17 PSF	$3.18 PSF	$3.16 PSF	$3.17 PSF

Q3 Trends at a Glance

- Leasing Activity **819,825 SF**
- Under Construction **0 SF**
- Completed Construction **0 SF**
- Sale Transactions **6**
- Median Sale Price **$247**

Unemployment Rate

	LA County	California	US
Sept 2026	4.5%	5.1%	4.2%
Jun 2026	5.5%	5.2%	4.2%

Market Gains Selective Momentum in Q3

LA North's office market gained momentum in Q3, with tenants taking more space and vacancy easing to 17.3%. The improvement was selective. Encino, Sherman Oaks and several Burbank submarkets recorded positive absorption, while Glendale and other areas continued to give back space. Glendale had the quarter's highest leasing activity, but still posted negative absorption, a reminder that new deals do not always offset move-outs and space givebacks.

With no new office construction underway, existing buildings will compete for tenants as companies weigh how much space they need and where they want to be. Asking rents held near $3.17 per square foot per month across the market, though pricing varied considerably by submarket. Burbank Media Center remained among the higher-priced areas, while Woodland Hills was more affordable.

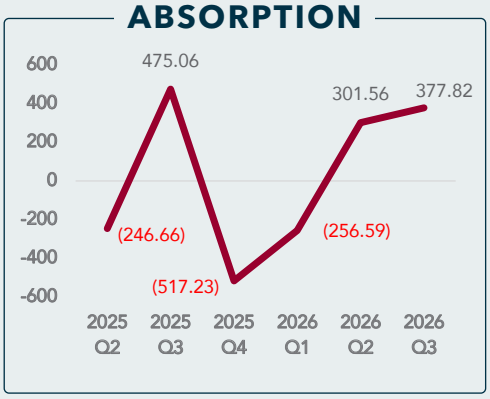
The broader regional economy remains diverse, but growth has moderated and national hiring has softened. That cautious backdrop may keep companies deliberate about expansion and relocation. Even so, LA North's positive quarterly absorption suggests demand is still present, particularly in select submarkets. The market's next step will depend on whether those pockets of activity broaden and translate into more consistent occupancy gains.

RENTAL RATES



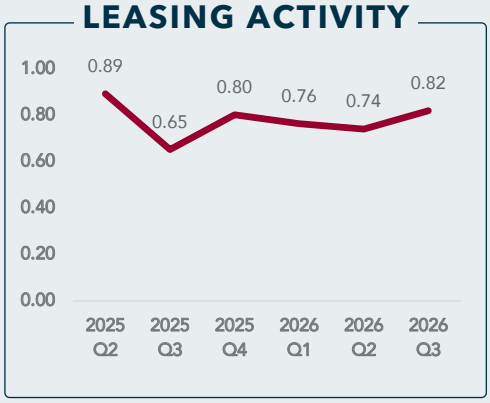
AVERAGE PER SF, PER MONTH

ABSORPTION



IN THOUSANDS OF SF

LEASING ACTIVITY



MILLIONS OF SF LEASED

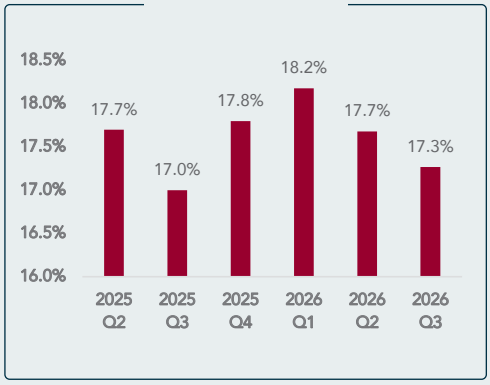
MEDIAN SALE PRICE



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
655 N Central Ave Glendale, CA	538,992 SF	$70,000,000 $129.87 PSF	Sunny Hills Management Company, Inc. Divco West Services, LLC	Class A
20700 Ventura Blvd Woodland Hills, CA	86,665 SF	$10,800,000 $124.62 PSF	Undisclosed Jamison Services, Inc.	Class B
525 N Brand Blvd Glendale, CA	48,093 SF	$15,150,000 $315.01 PSF	RA & Associates Ovanessian Family Trust	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
800 N Brand Blvd Glendale, CA	39,982 SF	Beacon Capital Partners	Not Disclosed	Not Disclosed
3400 W. Riverside Dr Burbank, CA	28,909 SF	Douglas Emmett	Horvitz & Levy	Attorneys
655 N Central Ave Glendale, CA	23,135 SF	Sunny Hills Management Company	Garcia Hernandez Sawhney, LLP	Attorneys

SUBMARKETS	TOTAL INVENTORY	TOTAL VACANCY		NET ABSORPTION		CONSTRUCTION			ASKING RATE
							COMPLETED		
		TOTAL SF	%	Q3 2026	YTD 2026	UNDERWAY	Q3 2026	YTD 2026	
Agoura Hills	1,961,979	389,445	19.8%	80,855	102,183	0	0	0	$2.48
Burbank City Center	1,786,992	422,846	23.7%	17,859	12,640	0	0	0	$3.34
Burbank Media Center	7,056,882	1,815,111	25.7%	42,673	(125,485)	0	0	0	$4.53
Burbank (Misc.)	2,352,201	709,215	30.2%	102,316	65,765	0	0	0	$4.40
Calabasas	2,823,557	326,743	11.6%	(6,022)	(25,326)	0	0	0	$2.75
Central Valley	6,045,938	410,730	6.8%	(31,778)	(538)	0	0	0	$2.46
Chatsworth	2,587,420	119,806	4.6%	18,027	(9,522)	0	0	0	$2.54
East SF Valley	318,075	46,633	14.7%	(9,429)	(24,550)	0	0	0	$3.10
Encino	4,858,694	526,378	10.8%	134,803	207,662	0	0	0	$2.72
Glendale	10,876,380	2,013,673	18.5%	(82,777)	(76,528)	0	0	0	$3.24
Newbury / Thousand Oaks	3,996,748	654,080	16.4%	(26,305)	(147,962)	0	0	0	$2.52
North Hollywood	2,986,985	554,867	18.6%	41,997	34,348	0	0	0	$3.24
Northridge / Reseda	2,215,377	208,932	9.4%	2,776	15,769	0	0	0	$2.83
Santa Clarita Valley	236,755	36,783	15.5%	-	3,102	0	0	0	$2.53
Sherman Oaks	4,041,621	523,601	13.0%	69,294	10,793	0	0	0	$2.72
Tarzana	1,572,686	138,041	8.8%	7,777	118,738	0	0	0	$2.97
Westlake Village	5,191,039	1,065,872	20.5%	(13,058)	140,563	0	0	0	$2.98
Woodland Hills	2,049,222	622,090	30.4%	52,884	163,291	0	0	0	$2.16
Universal / Studio City	2,463,292	171,978	7.0%	(10,036)	(32,886)	0	0	0	$3.44
Warner Center	7,666,140	1,865,234	24.3%	(14,040)	(9,268)	0	0	0	$2.64
Total	73,087,983	12,622,058	17.3%	377,816	422,789	0	0	0	$3.17

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

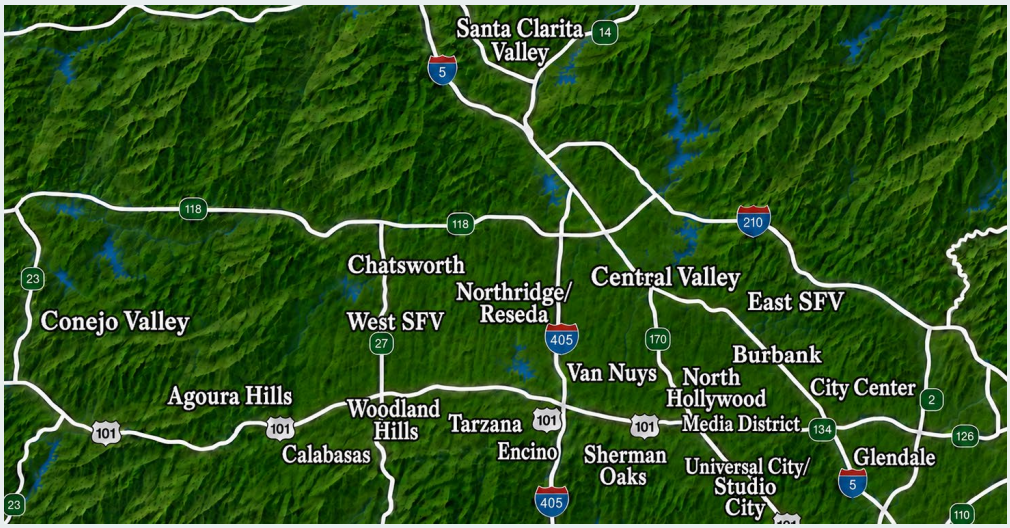
Warner Center

Woodland Hills

Tarzana

West SFV
Canoga Park
West Hills
Winnetka

Universal City/Studio City



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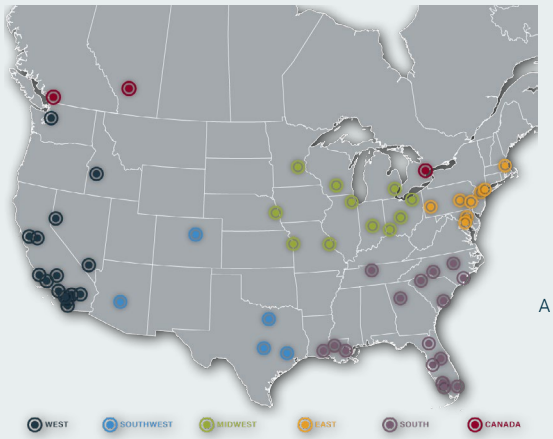
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