

Los Angeles 2023

The Los Angeles Office Market is still struggling to recover from the pre-pandemic levels. The Covid-19 pandemic, combined with market uncertainty, higher interest rates, tighter lending, and the work-from-home culture, has affected the health of sale and lease activities in the Los Angeles office market. Proposition ULA, also known as “Mansion Tax” may slow the sale activity even more, affecting properties sold and transferred for more than \$5 million.

As office users tend to prefer newer products, some property owners are recognizing the opportunities of converting their older buildings into newly renovated creative spaces. Low rise buildings are the perfect canvases for artsy, creative spaces, as they typically have the basic characteristics of creative offices, such as an open floor plan, concrete floors, exposed ductwork, natural lighting, and high ceilings.

CREATIVE OFFICE TENANTS

START-UP COMPANIES

TECH COMPANIES

ARCHITECTS

DESIGNERS

MARKETING & ADVERTISING AGENCIES

MEDIA & ENTERTAINMENT COMPANIES

MAJOR COMPANIES REQUIRING EMPLOYEES TO RETURN TO THE OFFICE

AMAZON

APPLE

CITIGROUP

DISNEY

GOLDMAN SACHS

GOOGLE

JPMORGAN

SALESFORCE

STARBUCKS

TWITTER

UBER

The anticipated return of the workforce is expected to gradually fill empty office spaces. Many companies have started to realize the correlation between working from home and the drop in work productivity. As a result, a wave of major tech companies has recently revised their work-from-home policies and asked employees to return to the office. However, many employees may resist leaving the comfort of their homes. This push-back could be addressed by providing a creative office environment employees want to return to.

To bridge the gap between home and office, some companies are blurring the lines by adding amenities that mimic the comforts of home. These include a full kitchen, game room, and a pet-friendly atmosphere. Other companies are going above and beyond to exceed employee expectations by providing a gym, lounge area, and allowing employees to customize their own space.

Traditional office tenants, such as real estate companies, law firms and fashion companies have started to notice the appeal of contemporary, chic and modern creative offices. Lee & Associates Los Angeles Downtown has chosen a creative office in Los Angeles Chinatown as its new Downtown office. The creative office features a golf simulator room, a podcast room, a roll-up door connecting the full kitchen to the outdoor space, trendy upstairs loft, and murals from a local artist.

Jack Cline, Doug Cline and Evan Jurgensen of Lee & Associates Los Angeles Downtown represented the sale of a 79,000 square-foot full-service creative office campus in Little Tokyo. The building was formerly occupied by Union Bank and was transformed into a full-service creative office campus prior to the sale to the owner, Buck Design.

COMMON CREATIVE OFFICE CHARACTERISTICS

OPEN FLOOR PLAN

PRIVATE WORKING SPACES

NATURAL LIGHTING

PLUG & PLAY

CONCRETE FLOORS

OPEN CEILINGS

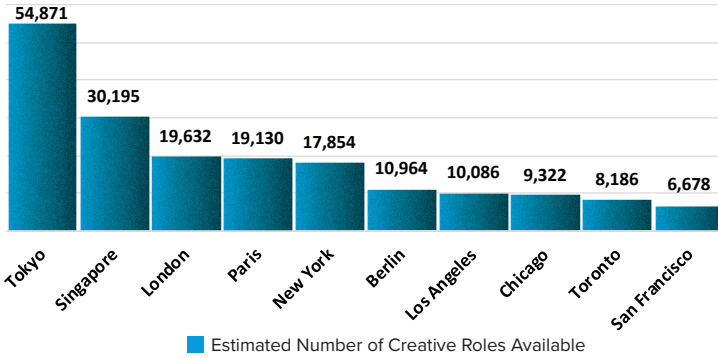
COLLABORATIVE SPACES

EXPOSED DUCTWORK

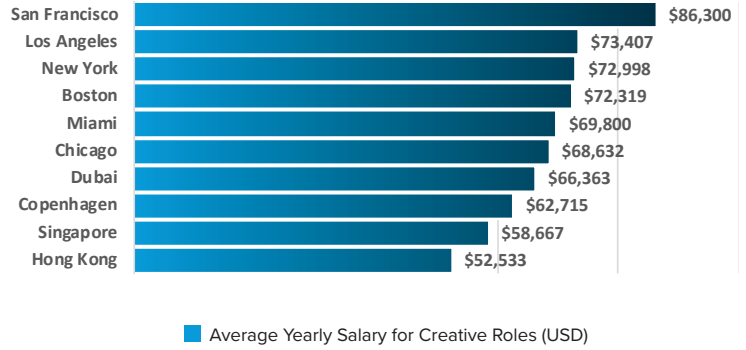
Source: Business Insider

LOS ANGELES CREATIVE/EXPERIENTIAL OFFICE REPORT

2023 BUSINESS NAME GENERATOR TOP 10 BEST CITIES FOR CREATIVES



2023 BUSINESS NAME GENERATOR TOP HIGHEST-PAYING CITIES FOR CREATIVES



In a world where learning from TikTok, live-shopping on Instagram, conversing with AI chat-bots and kids preferring Roblox over Lego blocks are the norms, many companies started to classify themselves as creative.

In recent years, Los Angeles County has become a hub for creativity, with a surge of tech and creative companies establishing themselves in the area. The Covid-19 pandemic has amplified the importance of tech and media industries, as more people seek ways to entertain themselves at home.

Creative companies recognize the value of setting up businesses in the area, particularly in Santa Monica, Playa Vista, Culver City, El Segundo and Downtown Los Angeles. Apple, one of the world's largest tech companies, has recently signed a lease for a 93,000 square-foot creative office space in Playa Vista. This move puts Apple in the company of other tech giants such as Google, Electronic Arts, and Meta, the parent company of Facebook.

According to the Business Name Generator website, Los Angeles has ranked 2nd place for *The Top 10 Highest-Paying Cities For Creatives* and 7th place for the *Top 10 Best Cities For Creatives* in the world in 2023.

SALE TRANSACTIONS

ADDRESS	TRANSACTION SIZE (SF)	SALE PRICE	BUYER	SALE TYPE	SUBMARKET
2777 N Ontario St	127,140	\$37,000,000	Montana Avenue Capital Partners LLC	Investment	Burbank/Glendale/Pasadena
120 S San Pedro St	79,242	\$26,540,000	Buck Design, Inc.	Owner-User	LA Central
1820 Industrial St & 1811 E 7th St	57,100	\$38,600,000	Southwest Regional Council of Carpenters	Owner-User	LA Central
321 Santa Monica Blvd	27,350	\$11,760,000	United Segundo, Inc.	Investment	West LA
4125 W Jefferson Blvd	10,224	\$7,200,000	FedReceiver, Inc	Investment	West LA

LEASE TRANSACTIONS

ADDRESS	TRANSACTION SIZE (SF)	INDUSTRY	TENANT	LEASE TYPE	SUBMARKET
12035 Waterfront Dr	93,949	Tech	Apple	Direct	West LA
11355 W Olympic Blvd	65,000	Media & Entertainment	Fifth Season	Direct	West LA

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