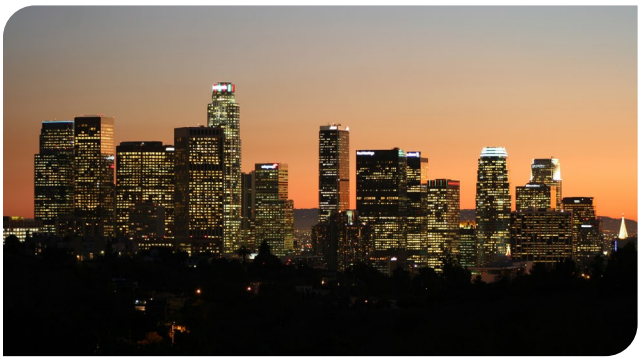
LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q4 2022
LA - NORTH, CA



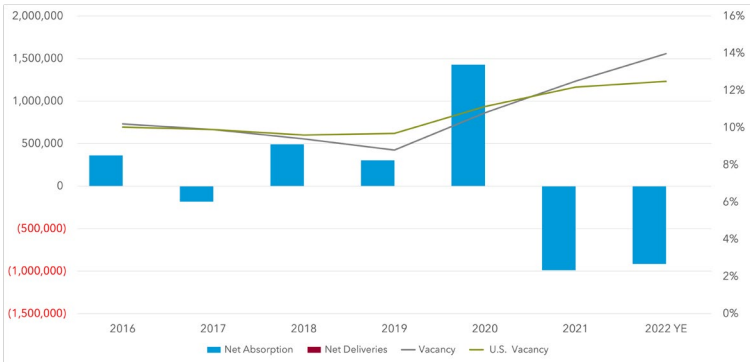
OFFICE MARKET OVERVIEW

MIKE TINGUS, *President*

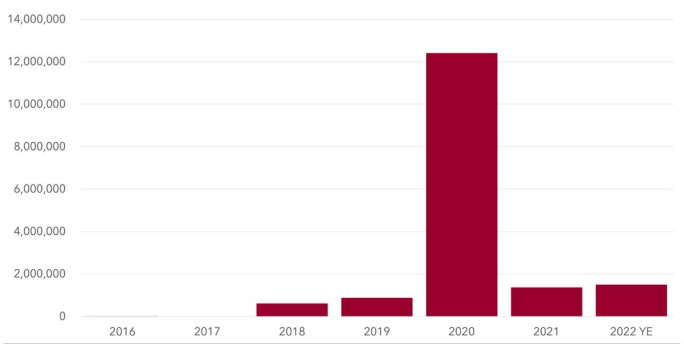
Q4's vacancy rate climbed 70 basis points to 14.1%, an 11-year high. Despite continued scarce demand for more than 11.2 million SF of unoccupied office space - enough to fill the Empire State Building four times - lease rates continue to rise. The asking rent jumped 6 cents to $3.11 PSF, setting a new all-time high for the fourth consecutive quarter. Q4 alone produced a staggering 915,360 SF of negative net absorption and pushed the market past 1.5 million SF of negative net absorption for the year. Sales prices declined sharply at the close of 2022 revealing the lowest sales prices since Q3 2020.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Net Absorption SF	(916,235)	(633,740)	(292,732)	(219,656)	(673,901)
▲ Vacancy Rate	13.98%	12.49%	12.08%	12.35%	12.45%
▼ Avg NNN Asking Rate PSF	$2.99	$3.03	$6.58	$6.38	$6.33
▲ SF Under Construction	1,495,971	1,322,921	1,446,794	1,397,869	1,463,215
▲ Inventory SF	104,774,621	99,925,965	94,062,704	91,327,142	94,154,716

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
23067 Ventura Boulevard Woodland HIlls, CA	14,698 SF	$5,199,000 $535.72 PSF	Dr Nazanin Firooz The Adel Trinidad	Class C
21053 Devonshire St Ste 104 Chatsworth, CA	1,094 SF	$485,000 $443.33 PSF	Jeffrey Asidi, Kelechi Asidi Carol D. Vallens	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
14455 Ventura Blvd Ste 300 Sherman Oaks, CA	10,118 SF	14455 Ventura Boulevard, LLC	Prometheus Entertainment	Media Production
15165 Ventura Blvd Ste 300/330 Sherman Oaks, CA	8,392 SF	Douglas Emmett 1996, LLC	Orthocare Partners Medical Group	Orthopedic Practices
28216 Dorothy Dr Ste 100 Agoura Hills, CA	7,184 SF	Albert & Mackenzie, LLP	Ascend Healthcare LLC	Outpatient Care Centers

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