



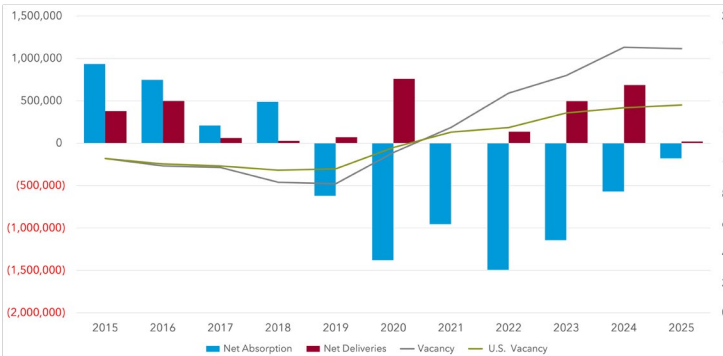
**OFFICE MARKET OVERVIEW**

LEE & ASSOCIATES LA NORTH

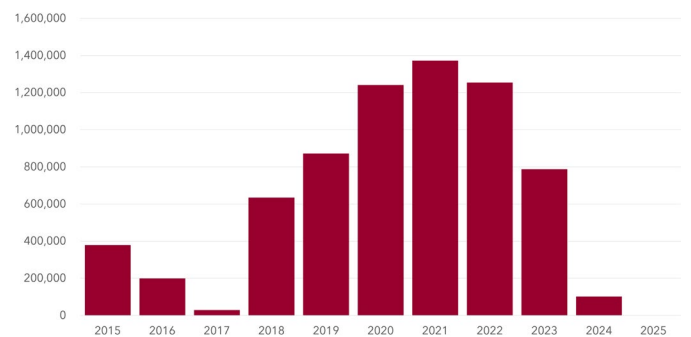
The LA North office market continues to show mixed signals as tenant demand remains active despite softening fundamentals. Overall vacancy edged up from 17.0% to 17.8%, driven by negative absorption across several large submarkets, including Burbank Media Center, Westlake Village, and Woodland Hills. However, leasing activity was notably strong, led by Glendale, Westlake Village, Burbank City Center, and Encino, reflecting ongoing flight-to-quality and right-sizing decisions rather than broad market contraction. With no new construction underway and limited recent deliveries, future vacancy trends will largely depend on sustained leasing momentum and tenant backfilling of existing availabilities.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▼ 12 Mo. Net Absorption SF	(177,417)	168,040	(354,530)	(390,579)	(569,047)
▲ Vacancy Rate	17.80 %	17.00%	17.72%	17.36%	17.90%
▲ Avg Asking Rent PSF	\$3.17	\$3.15	\$3.06	\$2.95	\$2.94
▲ Sale Price PSF	\$206.00	\$186.00	\$285.00	\$147.00	\$247.00
▼ Cap Rate	7.80%	7.87%	7.00%	7.10%	6.36%
▼ Under Construction	-	19,000	19,000	19,000	102,000
▼ Inventory	74,675,649	75,069,141	75,003,532	77,379,124	76,431,538

**NET ABSORPTION, NET DELIVERIES, & VACANCY**



**UNDER CONSTRUCTION**



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5550 Topanga Canyon Boulevard* Woodland Hills, CA	62,241 SF	\$10,050,000 \$161.47 PSF	Dunya Properties Peregrine Realty Partners	Class A
2555 Townsgate Road** Westlake Village, CA	46,866 SF	\$9,639,195 \$205.68 PSF	Atlantic Pearl Investments, Inc. Majestic Asset Management, Inc.	Class A
2535 Townsgate Road** Westlake Village, CA	49,895 SF	\$9,610,805 \$192.92 PSF	Atlantic Pearl Investments, Inc. Majestic Asset Management, Inc.	Class A

\*Lee & Associates Transaction; \*\* Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6303 Owensmouth AveNUE Woodland Hills, CA	261,415 SF	JPMorgan Chase & Co.	Farmers Insurance	Insurance & Finance
6301 Owensmouth Avenue Woodland Hills, CA	251,774 SF	JPMorgan Chase & Co.	Farmers Insurance	Insurance & Finance
115 N. 1st Street Burbank, CA	55,000 SF	Del Rey Properties	Concord Career Colleges	Educational Services

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