LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2026
LA - TRI-CITIES, CA

OFFICE MARKET OVERVIEW

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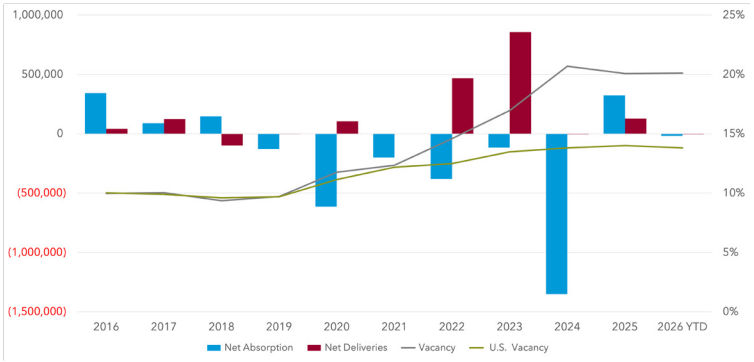
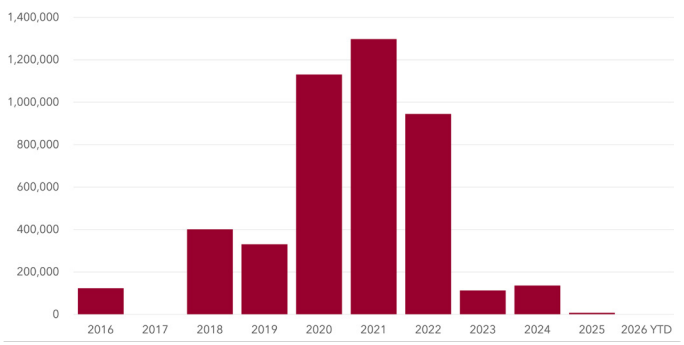
The Tri-Cities of Burbank, Glendale and Pasadena, office market posted positive momentum in Q2 2026, with 12-month net absorption improving to 107,863 square feet following negative absorption in the prior quarter. Despite the gain, vacancy climbed to 30.0%, reflecting the impact of elevated available space. Average asking rents increased to $46.08 per square foot NNN annually, while average sale pricing declined to $313 per square foot. No office space is currently under construction, limiting future supply. Leasing activity was led by Arrowhead Pharmaceuticals' 98,321-square-foot lease at 177 E. Colorado Blvd. in Pasadena, while the quarter's largest sale was the 158,785-square-foot property at 35 N. Lake Ave.

MARKET INDICATORS	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
▲ 12 Mo. Net Absorption SF	259,000	(71,081)	283,000	349,671	(62,794)
▼ Vacancy Rate	27.70%	27.90%	26.80%	25.80%	27.20%
▲ Avg Asking Rent PSF	$45.97	$45.00	$47.03	$44.16	$44.14
▼ Sale Price PSF	$314.00	$325.00	$323.00	$318.00	$302.00
◄ ► Cap Rate	7.80%	7.80%	7.80%	7.70%	-
◄ ► Under Construction	-	-	-	100,000	100,000
▼ Inventory	16.3M	19,200,000	20,900,000	21,087,832	21,087,832

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1500 E. Chevy Chase Drive Glendale, CA	76,197 SF	$39,050,000 $512.49 PSF	Adventist Health Welltower, Inc.	Class B
6265 San Fernando Road Glendale, CA	56,873 SF	$9,800,000 $172.31 PSF	John Dolmayan Diego Rico	Class A
1260 N. Lake Avenue Pasadena, CA	15,390 SF	$11,238,000 $730.21 PSF	Agree Realty Corporation Red Mountain Group	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
177 E. Colorado Boulevard Pasadena, CA	98,321 SF	Rockpoint	Arrowhead Pharmaceuticals	Manufacturing
3333 W. Empire Avenue Burbank, CA	78,064 SF	Worthe Real Estate Group	Undisclosed	Undisclosed
3400 W. Riverside Drive Burbank, CA	53,668 SF	Stuart McElhinney	Funko	Hobby, Toys

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