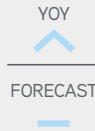




Office Downtown Los Angeles
22Q2

Vacancy Rate
23.7%



Under Construction
125,000 SF



Net Absorption
38,792 SF



Overall Class A Asking Lease Rates (FSG)
\$3.60/SF



Downtown Los Angeles

The availability rate in Downtown Los Angeles of 29.3% continues to be the highest of any Los Angeles office market. The average asking rent in the CBD (Financial District and Bunker Hill) is down for Class A product by 1.3% year over year. Within the top 18 Tier 1 subset of Class A buildings in the CBD, the average asking rent has fallen below \$4.00 PSF per month gross. Although the vacancy rate has steadily increased since the start of the pandemic, some occupancy growth in the CBD caused the overall vacancy rate in Downtown to decrease by 10 basis points to 23.7%. Finance and legal tenants signed sizable deals in Downtown, boosting Q2 leasing activity to 405,375 SF. This brought the year-to-date total to 841,588 SF, 35.1% more than the amount of activity recorded by midyear 2021. Recovery is slower Downtown compared to submarkets with a concentration of tech and media. In an attempt to meet the growing entertainment demand, developers have plans to build offices with studio and soundstage space in and around the Arts District.

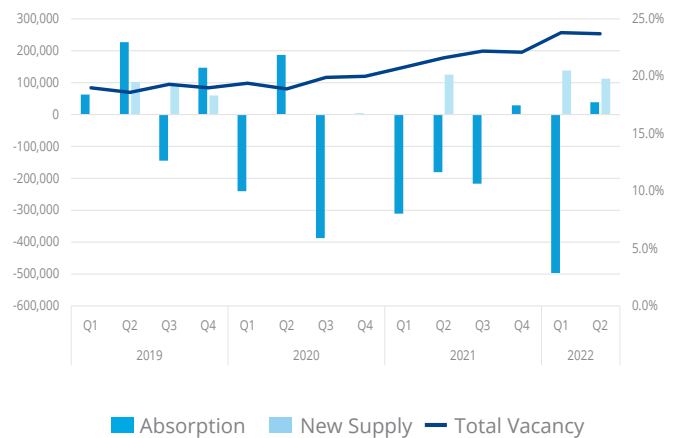
Economic Indicators



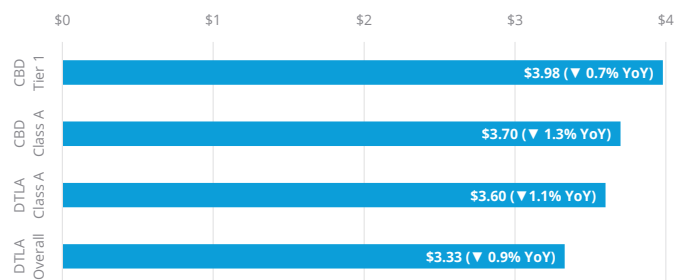
Historical Statistics

	Q2 2021	Q1 2022	Q2 2022
Total Inventory (SF)	35,868,407	36,006,407	36,006,407
New Supply (SF)	125,200	138,000	112,583
Leasing Activity (SF)	326,247	436,213	405,375
Net Absorption (SF)	(180,368)	(496,677)	38,792
Overall Vacancy	21.6%	23.8%	23.7%
Under Construction (SF)	543,883	418,683	125,000
Overall Asking Lease Rates (FSG)	\$3.36	\$3.35	\$3.33

Market Graph



Average Asking Rate



Downtown Los Angeles | Q2 2022 | Office | Market Statistics

Submarket	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Vacancy Rate	Vacancy Rate Prior Qtr	Lease Activity Current	Lease Activity YTD	Net Absorption Current	Net Absorption YTD	Under Construction	Avg Asking Rate (All Classes)	Avg Asking Rate (Class A)
Financial District	19,679,140	24.9%	2.4%	27.3%	24.7%	24.8%	276,827	550,186	32,369	(139,041)	0	\$3.34	\$3.75
Bunker Hill	7,981,616	25.0%	2.3%	27.2%	14.8%	15.1%	57,293	133,523	21,192	(167,083)	0	\$3.42	\$3.47
South Park	3,393,105	20.2%	7.4%	27.6%	21.4%	20.8%	29,574	44,797	(20,003)	(97,735)	0	\$3.44	\$3.70
Greater Downtown	4,952,546	35.7%	5.4%	41.1%	35.7%	35.8%	41,681	113,082	5,234	(54,026)	125,000	\$3.04	\$3.04
Total	36,006,407	26.0%	3.3%	29.3%	23.7%	23.8%	405,375	841,588	38,792	(457,885)	125,000	\$3.33	\$3.60

Significant Lease Activity

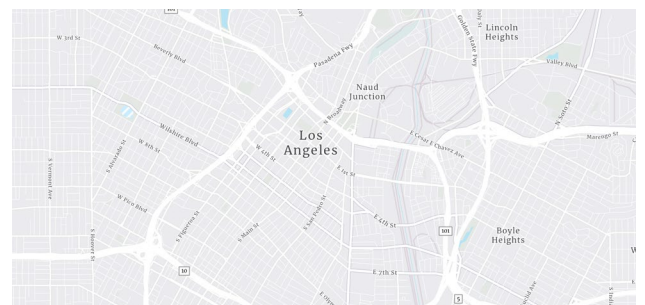
Address	Submarket	Tenant	Size (SF)	Type
865 S. Figueroa Street / TCW	South Park	Quinn Emanuel	135,000	Renewal
515 S. Flower Street / City National Plaza	Financial District	TCW	129,317	New
333 S. Grand Avenue / Wells Fargo Center North	Bunker Hill	Mayer Brown LLP	54,018	New
811 W. 7th Street / Fine Arts Building	Financial District	Spaces	38,383	New
444 S. Flower Street	Financial District	Dykema Gossett	21,750	New
801 S. Figueroa Street / 801 Tower	South Park	Ropers Majeski	10,727	New

Major Office Developments

Project	Submarket	Developer	Size (SF)	Completion Year
843 N. Spring Street	Greater Downtown	Redcar	125,000	2022

Market Description

Downtown Los Angeles is a moderately large office market comprised of 36M SF, representing 16.8% of office space in buildings over 25,000 SF in greater Los Angeles. Approximately 52% of the space in this market was built prior to 1980 and is considered relatively old by Southern California standards. Downtown Los Angeles is the densest market in the region with only 1% of the space contained within low-rise buildings, while 24% and 75% of the space is in mid-rise and high-rise structures, respectively. Downtown includes a large concentration of firms from the legal, utilities, accounting and financial services sectors, and is home to many federal, state and local government agencies as well.



FOR MORE INFORMATION

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