



LOS ANGELES OFFICE MARKET

Yardi® Matrix

Market Analysis

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Tech-Driven Market Growth



The Los Angeles office market continues to perform well this year as unemployment is gravitating toward historical lows and the economy is becoming more diverse than ever. Technology, media and entertainment companies remain the main drivers of the office boom, but biotech and life science companies have been significantly impacting the market as well. In September, biopharmaceutical company Amgen announced it will sponsor the newly launched BioLA, an organization working to foster growth in the life science industry in Greater Los Angeles.

Demand for office space has been rising in the majority of submarkets, as the metro added more than 27,000 office jobs in the financial, information and professional and business services sectors. The information sector alone added 12,100 employees during the 12 months ending in August. Competition for space is still a factor in some areas, despite substantial deliveries in 2017, when more than 2.3 million square feet of space was delivered. That has kept vacancy at 14.5% as of September, 180 basis points above the national rate. Engineering company ARUP recently relocated from Playa Vista to Downtown Los Angeles, as the area caps off its cycle-long resurgence.

Roughly 5.6 million square feet of office space was under construction as of September. The largest project scheduled for delivery in 2018 was the 524,759-square-foot Spruce Goose Hangar at Google's Hercules Campus in Playa Vista, in the rising Jefferson Corridor submarket.