

LOS ANGELES OFFICE MARKET

Yardi® Matrix

Market Analysis

First Quarter 2019

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(800) 866-1124 x2403

Jack Kern

Director of Research and
Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Chris Nebenzahl

Senior Analyst
Chris.Nebenzahl@Yardi.com
(800) 866-1124 x2200

Veronica Grecu

Senior Real Estate Market Analyst
Veronica.Grecu@Yardi.com
(306) 955-1855 x7583

Author

Razvan Cimpean

Associate Editor
Razvan-I.Cimpean@Yardi.com

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expense and lease expiration
data is available to Yardi Matrix
subscribers. Please contact us
for details!

For more information please contact:

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Office Sector Continues to Soar



The Los Angeles office market continues to expand, thanks to its highly educated workforce and the influx of high-tech companies drawn by its entertainment industry. In 2018, Apple opened a 75,000-square-foot office in Culver City, with a second, 128,000-square-foot location in the works nearby. Google expanded its Los Angeles footprint by more than 500,000 square feet, leasing the Hercules Campus at Playa Vista in the Jefferson Corridor. Additionally, Netflix is set to grow its Hollywood presence by more than 650,000 square feet by 2020. All three giants are enhancing their original media content divisions.

The job market was strong at the end of 2018, with 60,000 jobs added last year. Significant job gains in the leisure and hospitality (24,400) and professional and business services (16,400) sectors have offset losses in others, such as government and trade, transportation and utilities. The two sectors lost 4,500 jobs last year.

Development activity is picking up pace, with more than 7 million square feet currently underway. Los Angeles is the fourth-largest metro based on square footage in place or under construction in opportunity zones, with 32.2 million square feet as of March, representing 10.3% of the total inventory. Hudson Pacific Properties is developing four properties totaling more than 500,000 square feet in opportunity zones.