

Los Angeles

Office – Q3 2026

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Sizeable renewals push total leasing activity to highest level since 2019

Leasing activity across Los Angeles (LA) totaled 4.0 million square feet (msf) in Q3 2026, increasing 0.7% quarter over quarter and 15.0% year over year. Quarterly leasing activity is finally reaching levels last seen in 2019, mainly driven by numerous large renewals, such as Raytheon's 144,709-square-foot lease (sf) in El Segundo and Pepperdine University's 117,495-sf lease in Marina/Playa Vista. Renewals accounted for 60.0% of the ten largest transactions in LA during the quarter. Technology, advertising, media and information companies signed large leases in Q3 2026 by either relocating within the market, opening new locations or expanding.

Average direct asking rents post minor decrease quarter over quarter but record slight growth year over year

The average direct asking rent was \$4.18 per square foot (psf) in Q3 2026, decreasing 0.2% quarter over quarter but up 0.6% year over year. Class A direct asking rents decreased 0.1% from the previous quarter to \$4.48 psf but rose 0.8% compared with a year ago. Century City and Beverly Hills continue to command the highest direct asking rents in the LA market by a wide margin, averaging \$7.61 psf and \$6.71 psf, respectively. Due to the limited amount of available space in both submarkets, asking rents will likely continue to edge higher. More than 60.0% of the submarkets in LA saw direct asking rents rise year over year, indicating that the market may finally be turning the corner and moving toward recovery.

Availability decreased on both a quarterly and annual basis

Overall availability ended Q3 2026 at 26.5%, decreasing 110 basis points (bps) quarter over quarter and 170 bps year over year. The decrease in available space has not been uniform across the market, with declines concentrated in high-quality submarkets such as Century City, Beverly Hills and El Segundo. Available sublease space ended Q3 at 6.3 msf, down from 6.7 msf last quarter and 8.7 msf one year ago, representing substantial improvement from the recent peak of 11.0 msf recorded in Q3 2024. The LA market has now recorded eight consecutive quarters of declining sublease supply.

KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory	214.9 msf	212.1 msf	-2.8 msf
Availability rate	28.2%	26.5%	-170 bps
Asking rental rate	\$4.00	\$4.07	+1.8%
Class A asking rental rate	\$4.27	\$4.35	+1.9%
Quarterly leasing activity	3.5 msf	4.0 msf	+0.5 msf
Available sublease space	8.7 msf	6.3 msf	-2.4 msf

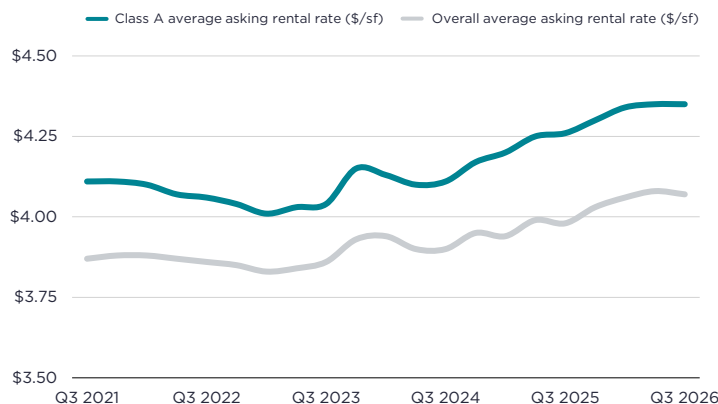
Note: Rents quoted are monthly

Outlook

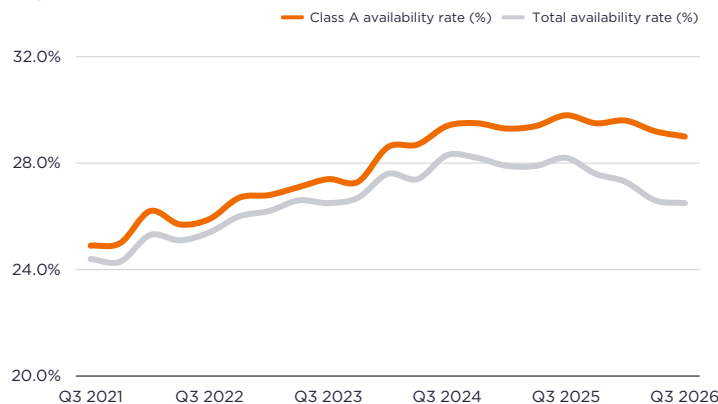
- 01** Occupiers in high-quality space will likely continue to explore early renewals due to the lack of trophy-level space available in the market for them to relocate into.
- 02** Asking rents in premier submarkets like Century City, Beverly Hills and West Hollywood will likely continue to rise as limited available space gives landlords leverage to raise rents.

- 03** Landlords will likely continue to offer concession packages near historic highs to be competitive and attract tenants, keeping net effective rents meaningfully below asking rents.

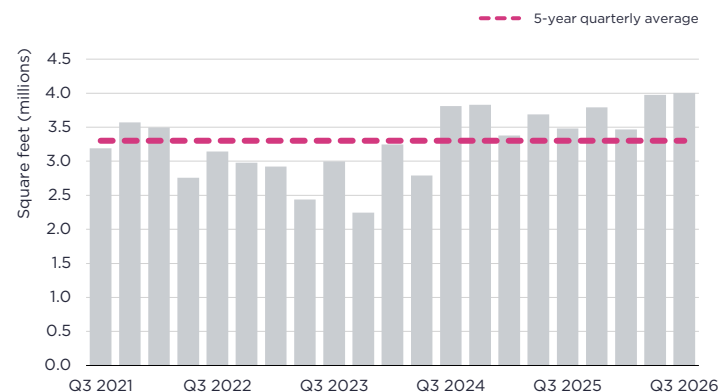
ASKING RENT



AVAILABILITY



LEASING ACTIVITY

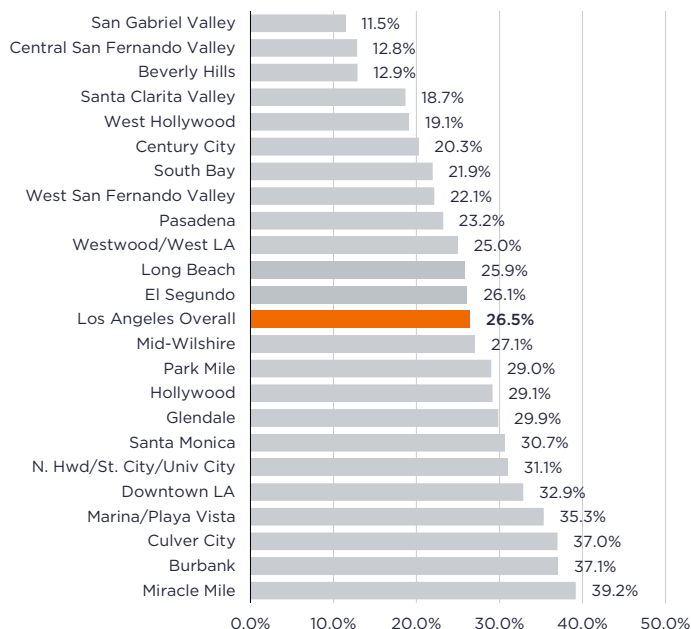


NOTABLE LEASES

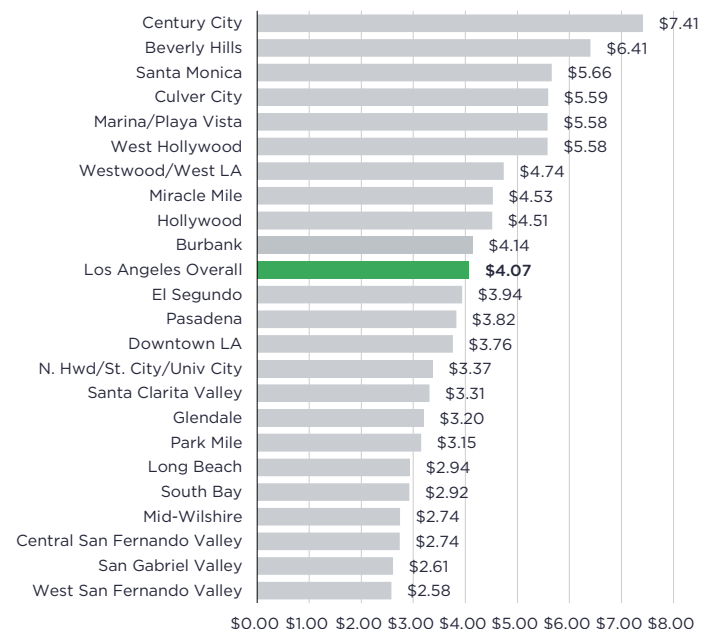
**Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
Raytheon	Manufacturing	El Segundo	2222 E Imperial Highway	144,709	Renewal
PwC	Business, Professional & Consulting Services	Century City	2121 Avenue of the Stars	138,000	Relocation
Pepperdine University	Education	Marina/Playa Vista	6100 Center Drive	117,495	Renewal
Innocean USA	Technology, Advertising, Media & Information	El Segundo	888 N Douglas Street	101,000	Relocation
Oratomic, Inc.	Technology, Advertising, Media & Information	Pasadena	443 S Raymond Avenue	81,273	Relocation
Lockton Companies	Financial Services & Insurance	Downtown LA	777 S Figueroa Street	52,134	Renewal
UMG Recordings, Inc.	Technology, Advertising, Media & Information	Santa Monica	2100 Colorado Avenue	51,095	New Location
Revolve Group, Inc.	Retail	Downtown LA	1318 E 7 th Street	48,356	Renewal
State Farm Mutual Automobile Insurance	Financial Services & Insurance	Glendale	655 N Central Avenue	46,312	Renewal
UMG Recordings, Inc.	Technology, Advertising, Media & Information	Santa Monica	2120 Colorado Avenue	45,069	Renewal & Expansion

AVAILABILITY RATE COMPARISON (%) LOS ANGELES SUBMARKETS



RENTAL RATE COMPARISON (\$/SF) LOS ANGELES SUBMARKETS



Note: Rents quoted are monthly

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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills