Q2 2025 Submarket Report

San Fernando Valley Office Submarket

LOS ANGELES
NORTH

CBRE RESEARCH
JULY 2025

Key renewals drive largest blocks of leasing activity

▲ 19.5%
Vacancy Rate

▼ (108.0K)
Sq. Ft. Net Absorption

▶ 0K
Sq. Ft. Under Construction

▲ $2.74
Full Service Gross / Lease Rate

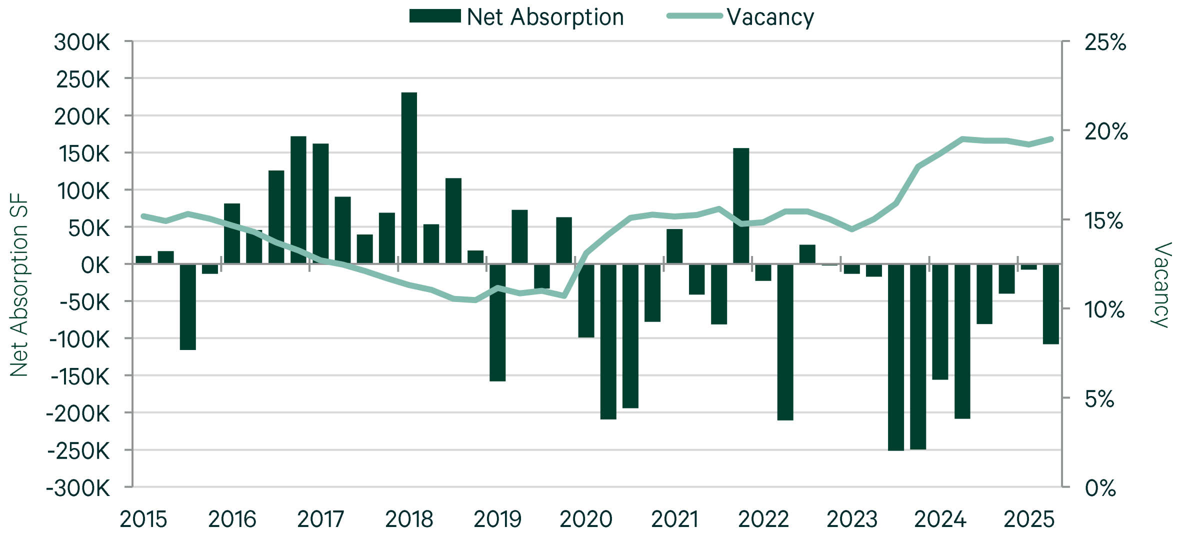
▲ 1.06M
Office-Using Employment LA County

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- Direct asking rates ticked up by 0.7% quarter-over-quarter (QoQ) to $2.74, but only 0.4% year-over-year (YoY).
- This is the eleventh consecutive quarter of recorded negative net absorption as total vacancy rate reached 19.5%. Direct vacancy has increased by 100 bps YoY to 17.9%.
- Notable leases include Intuit renewing for 53,414 sq. ft. at 21650 Oxnard St, followed by Source Photonics renewing for 26,427 sq. ft. at 8521 Fallbrook Ave in West Hills, and Barrister Executive Suites taking 22,302 sq. ft. in 21300 Victory Blvd.
- Capital markets remained relatively slow. The top sale was Lashon Academy's purchase of the 26,910 sq. ft. property at 6725 Kester Ave in Encino for $12.6 million, or $466.37 per sq. ft.
- Professional and Business Services employment in Los Angeles County dipped 0.6% YoY to 643,000 workers, Financial Activities decreased by 2.2% YoY to 203,100 workers, and Total State and Local Government employment increased by 1.1% YoY to 561,800 workers. The revised unemployment rate in L.A. County registered at 5.4% in May—the same rate YoY.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q2 2025.

FIGURE 2: Submarket Statistics

	Bldg. Count	NRA	Direct Vacancy Rate	Overall Vacancy Rate	Overall Availability Rate	Net Absorption Q2	Net Absorption YTD	Class A Avg. Ask FSG	Overall Avg. Ask FSG	Under Const.	Deliveries
Canoga Park	6	266,561	13.4%	13.4%	14.9%	(580)	2,638	N/A	$1.89	0	0
Chatsworth	15	1,290,330	12.1%	12.1%	12.5%	14,436	10,676	$3.32	$2.60	0	0
Encino	33	3,587,307	19.3%	20.3%	24.2%	(39,780)	(44,264)	$2.88	$2.74	0	0
Mission Hills	4	158,730	12.8%	12.8%	14.0%	0	(3,628)	$2.62	$2.51	0	0
Northridge	3	336,989	8.5%	9.5%	9.5%	0	(286)	$2.65	$2.65	0	0
Palmdale	6	368,616	5.7%	5.7%	6.1%	(4,143)	(5,880)	N/A	$1.94	0	0
Panorama City	2	152,444	1.7%	1.7%	1.7%	0	0	$3.00	$3.00	0	0
Sherman Oaks	26	2,743,750	20.3%	21.6%	26.2%	(26,010)	(8,853)	$3.76	$3.48	0	0
Tarzana	14	713,769	22.9%	23.2%	24.4%	747	(13,290)	$2.25	$2.75	0	0
Valencia	40	2,726,911	23.1%	23.4%	28.5%	(30,068)	(40,350)	$2.94	$2.85	0	0
Van Nuys	30	1,768,161	21.8%	22.2%	27.0%	395	(18,324)	$2.62	$2.51	0	0
West Hills	9	944,217	9.5%	13.9%	19.7%	(8,460)	43,221	$2.54	$2.53	0	0
Woodland Hills	60	7,638,716	16.6%	19.6%	30.3%	(14,109)	(36,817)	$2.68	$2.55	0	0
Class A	**111**	**15,276,386**	**18.4%**	**20.5%**	**21.1%**	**(58,483)**	**(13,024)**	**$2.90**	**$2.90**	**0**	**0**
Class B	**137**	**7,420,115**	**16.8%**	**17.3%**	**19.8%**	**(49,089)**	**(102,133)**	**N/A**	**$2.39**	**0**	**0**
San Fernando Valley	**248**	**22,696,501**	**17.9%**	**19.5%**	**25.5%**	**(107,572)**	**(115,157)**	**$2.90**	**$2.74**	**0**	**0**

Source: CBRE Research, Q2 2025.

FIGURE 3: Notable Lease Transactions Q2 2025

Tenant	Address	SF Leased	Type
Intuit	21650 Oxnard St, Woodland Hills	53,414	Renewal
Source Photonics	8521 Fallbrook Ave, West Hills	26,427	Renewal
Barrister Executive Suites	21300 Victory Blvd, Woodland Hills	22,302	New Lease
Ballard Rosenberg Golper & Savitt	15760 Ventura Blvd, Encino	18,242	Renewal
iHeartRadio	15260 Ventura Blvd, Sherman Oaks	18,189	Renewal

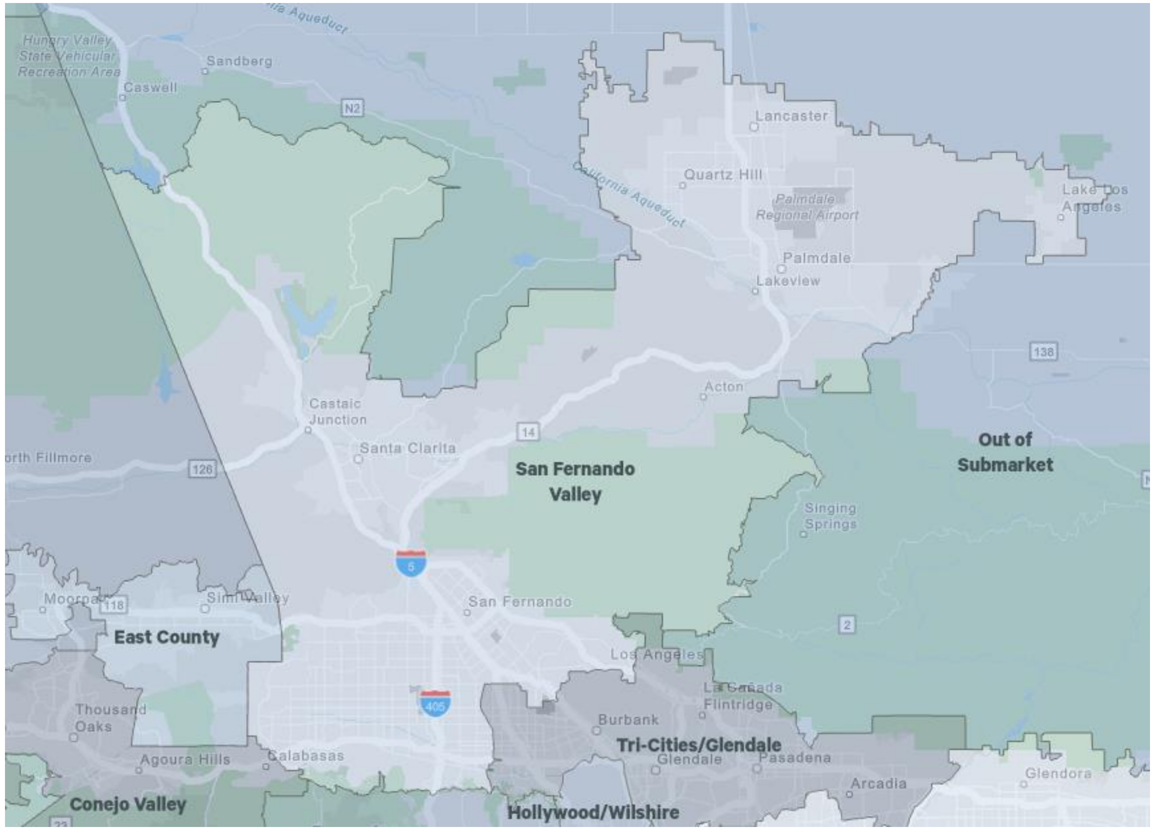
Source: CBRE Research, Q2 2025.

FIGURE 4: Notable Sale Transactions Q2 2025

Buyer	Address	SF Sold	Sale Price
Lashon Academy	6725 Kester Ave, Van Nuys	26,910	$12.6MM
Undisclosed	21731 Ventura Blvd, Woodland Hills	51,396	$7.9MM
Unison	4111 Lankershim Blvd, North Hollywood	9,433	$4.2MM
Mushegh Baburyan	10520 Magnolia Blvd, North Hollywood	11,000	$4.2MM

Source: CBRE Research, Q2 2025.

Submarket Map



Source: CBRE Research, Q2 2025.

Definitions

Available Sq. Ft.: Space in a building, ready for occupancy; can be occupied or vacant. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Full Service Gross (FSG) Rate: The landlord assumes responsibility for all the operating expenses and taxes for the property. Gross Activity: All lease transactions completed within a specified time period. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Positive absorption is reflected when a lease is signed, which may not coincide with the date of occupancy. Rentable Area: The Building Area minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas. Vacant Sq. Ft.: Space that is not occupied.

Survey Criteria

Includes all Class A and B office buildings 30,000 sq. ft. and greater in size in the Tri-Cities Submarket. Owner-user buildings are not included in the survey. This survey excludes medical office buildings. Buildings which have begun construction as evidenced by site excavation or foundation work.

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