



Office

Tri-Cities

22Q1

Vacancy Rate  
16.1%  
YOY ↑  
FORECAST ↓

Net Absorption  
-90K SF  
YOY ↓  
FORECAST ↑

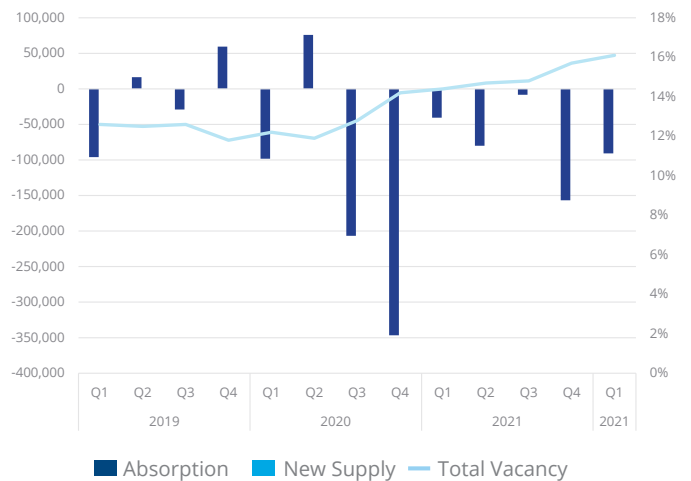
Under Construction  
1.45M SF  
YOY ↑  
FORECAST ↓

Overall Class A Asking Lease Rates (FSG)  
\$3.68/SF  
YOY ↑  
FORECAST ↓

## Tri-Cities

- Tri-Cities had the highest year-over-year rent growth compared to all other Los Angeles office markets.
- The average asking rent in Burbank is now up 11.8% from a year ago, reaching \$4.27 PSF per month.
- Overall vacancy is high in Glendale and Pasadena, each submarket with over 1.4M SF of vacant office space.
- Leasing activity in Q1 amounted to 355,878 SF, much more than the quarterly average in 2021 of 256,605 SF.
- There are numerous Tri-Cities office projects in development with 75% occurring in Burbank, as it remains an attractive area for media and entertainment tenants.

## Market Graph



Tri-Cities overall vacancy rate increased by 40 basis points over the quarter to 16.1%

## Market Indicators

↓ 5.89% Unemployment Rate  
 ↓ 5.21% GDP - Quarterly % Change YOY  
 ↑ 2.40% U.S. 10-Year Treasury Note

## Historical Comparison

	Q1 2021	Q4 2021	Q1 2022
Total Inventory (SF)	23,072,832	23,129,705	23,129,705
New Supply (SF)	0	0	0
Net Absorption (SF)	(40,401)	(156,649)	(90,673)
Overall Vacancy	14.4%	15.7%	16.1%
Under Construction (SF)	1,455,122	1,455,122	1,455,122
Overall Asking Lease Rates (FSG)	\$3.37	\$3.42	\$3.56

## Average Asking Rate



Submarket	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Vacancy Rate	Vacancy 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)
Burbank	7,145,892	6.3%	1.9%	8.2%	8.2%	8.2%	23,323	23,323	(691)	(691)	1,117,250	\$4.27	\$4.35
Glendale	6,168,745	22.1%	1.7%	23.8%	23.8%	22.7%	117,457	117,457	(65,668)	(65,668)	119,896	\$3.22	\$3.25
Pasadena	8,493,151	21.4%	5.4%	26.8%	16.8%	16.9%	153,565	153,565	10,671	10,671	217,976	\$3.47	\$3.72
Arcadia	342,470	17.4%	0.4%	17.8%	17.7%	26.2%	12,121	12,121	29,224	29,224	0	\$2.85	\$2.86
Monrovia	979,447	19.7%	4.7%	24.4%	17.6%	11.1%	49,412	49,412	(64,209)	(64,209)	0	\$2.49	\$2.75
<b>Total</b>	<b>23,129,705</b>	<b>18.7%</b>	<b>4.5%</b>	<b>23.2%</b>	<b>16.1%</b>	<b>15.7%</b>	<b>355,878</b>	<b>355,878</b>	<b>(90,673)</b>	<b>(90,673)</b>	<b>1,455,122</b>	<b>\$3.56</b>	<b>\$3.68</b>

## Lease Activity

Address	Submarket	Tenant	Size (SF)	Type
500 N. Brand Boulevard	Glendale	Gallagher	40,809	New
680 E. Colorado Boulevard / Playhouse Plaza	Pasadena	Miso Robotics	21,994	New

## Sales Activity

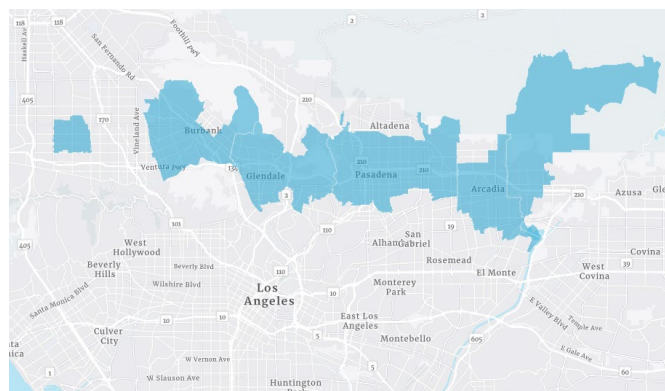
Address	Submarket	Buyer	Size (SF)	Sales Price / PSF
123 S. Marengo Avenue	Pasadena	The Meyer Shaffer Company	91,770	\$59,000,000 / \$643

## Development Activity

Project	Submarket	Developer	Size (SF)	Completion Year
3000 W. Alameda Avenue / Second Century Expansion	Burbank	Worthe Real Estate Group	800,000	2023

## Market Description

The Tri-Cities office market is a relatively small market, comprising 23.1M SF and representing 10.9% of office space in buildings over 25,000 SF in greater Los Angeles. It is one of the premier locations for firms in entertainment (primarily in Burbank), insurance (primarily in Glendale), high tech/ engineering (primarily in Pasadena, stretching through Arcadia and into Monrovia), finance and professional services sectors. Much of the space is relatively new, with 46% built in 1985 or later. In contrast to most office markets in the region, a large percentage of the space is in mid-rise (50%) and high-rise (20%) buildings.



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