

# GREATER LOS ANGELES

Technology, especially fast-growing firms that deliver it, have disrupted CRE—developers know it, companies understand it, and the region benefits from it. Tech companies in the Greater Los Angeles (GLA) area are fueling new jobs, changing local communities, and driving core real estate cycles in leasing and rental growth. Each market is unique—GLA tech has a distinct SoCal flavor. Innovations propel our industry and impact on the region and will into the future. GLA supports nearly 270,000 skilled technology jobs, and more than 306,000 residents work for some kind of tech firm.

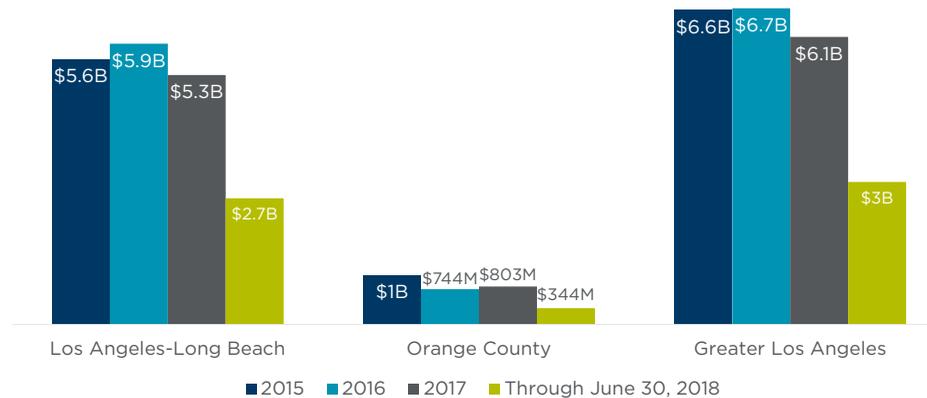
With 13.3 million people, a population only second to New York among U.S. metros, LA and Orange County encompass an area of 5,700 square miles with 290.8 million square feet (msf) of office space and a GDP of more than \$1 trillion. LA County alone ranks among the world's largest economies. Size is one advantage GLA has that many Tech 25 Cities do not possess. GLA has a diversity of job sectors and industries, which tech has broadened even further.

Content creation, digital media, entertainment, gaming and automation, cyber security, defense tech, healthcare technology, med tech, SaaS and biotech all bode well in a less constrained market. Unique sub-pockets are individually reaching the maturation phase. The GLA tech ecosystem has afforded companies the opportunity to grow, attract talent and thrive as an interconnected community. Whether it's content/production in Hollywood (Netflix & Viacom), tech/advertising in the Westside (Google & Fandango), start-ups in DTLA (Hyperloop & Honey), biotech in the OC Greater Airport Area (Edwards & Allergan), or cybersecurity in South County's Irvine Spectrum (Cylance)—companies are planting their flags in these industry-specific tech micro-communities.

## QUALITY OF LIFE

*Palm trees, movie stars, surfer dudes...venture capitalists? GLA encompasses the entire experience that tech companies demand: high-quality of life, a lifestyle that emphasizes balance, world class colleges and universities (Caltech, UCI, UCLA, USC), a large talent pool, capital funding and plentiful supply of jobs and workers—all reflecting LA's current standing as a top tech city. Cost of living, although perceived as high, is low in comparison to other gateway/tech markets. There's also the youth factor. Millennials make up over 22.7% of GLA residents. As the driving force behind much of today's innovation culture, this cohort is highly sought out by growing companies. This cluster of talent provides favorable conditions that will likely promote future growth. Startups and industry titans alike strongly prefer to locate in areas with an existing talent base, which makes Los Angeles a promising option for a broad set of employers.*

## VENTURE CAPITAL FUNDING



Source: PitchBook

## MARKET METRICS

CLASS A CBD ASKING RENT (2010 VS. Q2 2018)

35.5% ↑ U.S. 25%

COST OF LIVING INDEX

128.8 U.S. 100

PERCENTAGE BACHELOR'S DEGREE OR HIGHER

33.5%

STEM EMPLOYMENT

269,750

CLASS A CBD OFFICE SALES \$/PSF (% CHG. 2010 VS. Q2 2018)

38% ↑ U.S. 26%

MILLENNIAL POPULATION (AGE 20-34)

22.7%

TECH COMPANY EMPLOYMENT TO TOTAL EMPLOYMENT

5.1%

VC FUNDING (Q3 2017 - Q2 2018)

\$6.3B

(Up by \$3.7B since 2011)

## TECH IN THE NEWS



Spotify is set to open its 110,000-sf regional headquarters in the Arts District in Downtown Los Angeles. Meanwhile, Amazon and Apple continue expanding their footprint in Culver City (Westside) with 65,000 sf and 128,000 sf respectively. OCTANe and LaunchPad, have provided \$1.4 billion in investment capital, which has led to the creation of 1,500 start-up companies in Orange County and over 7,000 new jobs.

## HOTTEST SUBMARKET



We've experienced an incredible clustering effect that has helped shape the region. The tangible proof of the impact is some of the most innovative architecture in Hollywood (Columbia Square & Icon), the creative campuses on the Westside (The Hangar & Element LA), the expansion of Silicon Beach into El Segundo, the transformation of DTLA (The Times Campus & AT MATEO), UCI Research Park within the Airport Area and the amenity rich area at Irvine Spectrum (400 Spectrum & Five Point Gateway/Broadcom).