



# Venice after Snap

*Commercial brokers expect a new wave of startups will fill space left by Snapchat's departure*

By [Patrick Sisson](#) Apr 24, 2018, 8:00am PDT  
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A building converted into Snap, Inc. offices is seen on the Venice Beach boardwalk on March 11, 2017 in Venice. *AFP/Getty Images*

When Snapchat's parent company Snap announced earlier this year that it would sublease [half of its 400,000 square feet of Venice office space](#), residents who blamed the messaging app for [ruining the neighborhood's character](#) were relieved.

But commercial real estate brokers predict Snap's influence on the neighborhood will remain.

**Snap dramatically drove up office rents when it arrived five years ago. Now, the company is headed to [Santa Monica](#), leaving behind a collection of small offices across Venice that have benefitted from million of dollars worth of renovations and upgrades, according to Michael Springer, a commercial agent with Halton Pardee + Partners.**

The tenants that fill that space are likely to be other tech companies and startups, says Springer.

“Their legacy opens the doors for similar startups and tech companies,” he says.

Snap arrived in [Venice](#) in 2013 and purchased an array of small spaces, starting with a beachfront bungalow and expanding to smaller, separate facilities. Instead of the large, central headquarters common to tech firms, Snap created a decentralized campus spread out among the Venice and [Marina del Rey](#) communities.

“Prior to Snapchat’s arrival, it wasn’t viewed as an office hub, it was a quirky beach town,” says Steve Basham, a senior market analyst at [CoStar](#). “Over the last few years, it’s changed the character of the area, and there’s been lots of local resistance to the takeover. Snap took virtually all the available office space in Venice.”

## Venice office space after Snap

Year	Percentage of vacant office space	Rent per square foot	Annual change in rent price
2009	7.50%	\$38.61	--
2010	15.10%	\$40.63	5.20%
2011	9.50%	\$44.96	10.70%
2012	9.20%	\$43.92	-2.30%
2013	9.80%	\$48.57	10.60%
2014	8.50%	\$69.70	43.50%
2015	5.90%	\$75.71	8.60%
2016	4.40%	\$69.67	-8
2017	4.70%	\$70.97	1.90%
2018	6.10%	\$70.55	-0.60%

Snap’s arrival in 2013 dramatically changed the Venice office market. *CoStar Venice/Marina del Ray Office Submarket Report*

By taking up a majority of the supply-constrained Venice office market, Snap drove a significant increase in prices.

Basham says office space in Venice has hovered at roughly \$70 per square foot for several years, “about as pricy as LA gets.” In comparison, rents are about \$64 a square foot in [Beverly Hills](#) and \$62 in Santa Monica. The LA metro average is \$38.

Office space in Venice comes a premium, says Springer, triple that of Culver City. But the proximity to the rest of the Silicon Beach tech scene, including Google and Facebook, which also have offices here, will make the constellation of former Snap spaces attractive to smaller tech firms.

The 45,000-square-foot Thornton Lofts space on the Venice Boardwalk will be especially prized.

The recent decision to leave, and dump so much space on the market at once, will momentarily depress rent and have a “negative effect on the mom-and-pop” property owners, Springer says. But he sees this as a good change for the area’s tech scene in the long run.

“I definitely see this as a way for Silicon Beach to flourish, and get new blood,” he says. “There hasn’t been any inventory in Venice, and now there’s going to be a bigger mix of companies.”

Basham agrees. “Growth prospects are strong. There’s a dense concentration of high-end employers, a recipe for continued strength in that area,” he says.

**Springer expects the new arrivals to be companies with extensive funding—“established, mature companies won’t pay those rents”—and could see Northern California tech companies setting up shop.**

Snap will now concentrate its growth in Santa Monica. The \$18.7 billion company is relocating and consolidating many employees in existing offices there.

It’s leasing a significant amount of space in a Santa Monica business park, as well as almost 80,000 square feet at the Santa Monica Airport.

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