

FIGURES | ORANGE COUNTY INDUSTRIAL | Q2 2023

# Vacancy remains below 1% despite economic uncertainty



Note: Arrows indicate change from previous quarter.

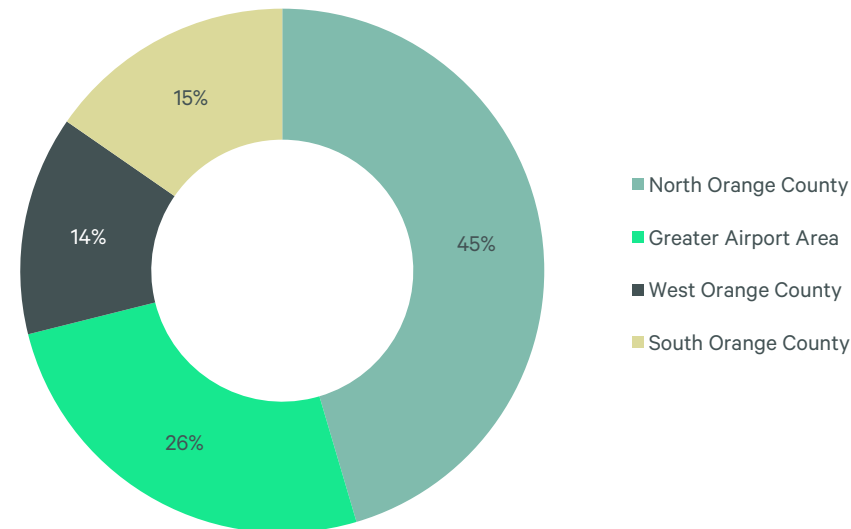
## Rise in Sublease Space

- Orange County (OC) industrial sublease space increased to 1.8 million sq. ft. in Q2 2023. This is an increase of 42% quarter over quarter. The increase in sublease space is reflective of the slowed imports, increased costs around inflation and debt, and an initial pullback from the just in case inventory strategy in the face of a looming recession. The largest amount of sublease space is present in the South Orange County with 536,384 sq. ft.

## Availability Continues to Increase

- Availability rose in Q2 2023 to 3.5% or 70 bps quarter over quarter. The largest amount of transactable space is in North Orange County (NOC) with nearly 2.6 million sq. ft. available for lease or sale, and Greater Airport Area(GAA) close behind at 1.9 million sq. ft.. Even with Orange County sitting at a 3.5% availability rate that number is lower than the 4% to 5% availability rate OC experienced pre pandemic. It comes as no surprise that Orange County is seeing an increase in availability due to decreased port activity and economic uncertainty. The Ports of Los Angeles and Long Beach saw a decrease of -23.4% in loaded imports year over year when compared to last April.

FIGURE 1: Available Space Distribution



Source: CBRE Research, Q2 20223

MARKET OVERVIEW

The OC Industrial Market maintained strong fundamentals despite the looming recession. Vacancy rates remained low in Q2 2023 at 0.9%, only slightly increasing 10 bps quarter over quarter and remaining well below the 1.6% vacancy rate at this same point in 2022. Availability rate increased to 3.5%, which was contributed to by the 1.8 million sq. ft of available sublease space. Sublease space increased 42% quarter over quarter from 1.2 million sq. ft in Q1 2023 to 1.8 million in Q2 2023, due to many tenants and landlords alike testing the market demand and pricing ahead of upcoming renewals. Demand remained consistent through the second quarter of 2023, with a sub 1% vacancy rate across the market except for GAA where the vacancy rate hit 1.1%. Tenants proved to be more likely to renew in place, rather than risk paying a premium or not being able to find a new space. While greater macro economic trends depressed general market activity, Orange County benefited from its prime coastal demand, affluent communities, and diverse labor force.

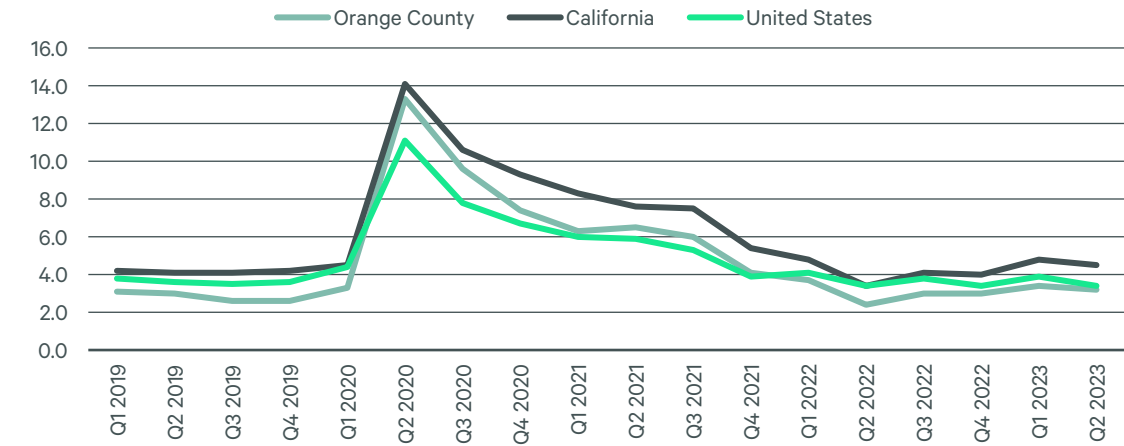
UNEMPLOYMENT

The unemployment rate in Orange County 3.2% in May 2023, up from a revised 3.0% in April 2023, and above the year-ago estimate of 2.7%. This compares with an unadjusted unemployment rate of 3.4% for the nation and 4.5% for California during the same period. Between April 2023 and May 2023, total nonfarm employment increased from 1,708,400 to 1,716,100, a gain of 7,700 jobs. Employment increased in eight of the eleven industry sectors. Leisure and hospitality added the most, gaining 2,000 jobs over the month. Arts, entertainment, and recreation contributed an additional 700 jobs. The remaining seven sectors collectively added 6,700 jobs, further strengthening the labor market.

LEASE RATE ANALYSIS

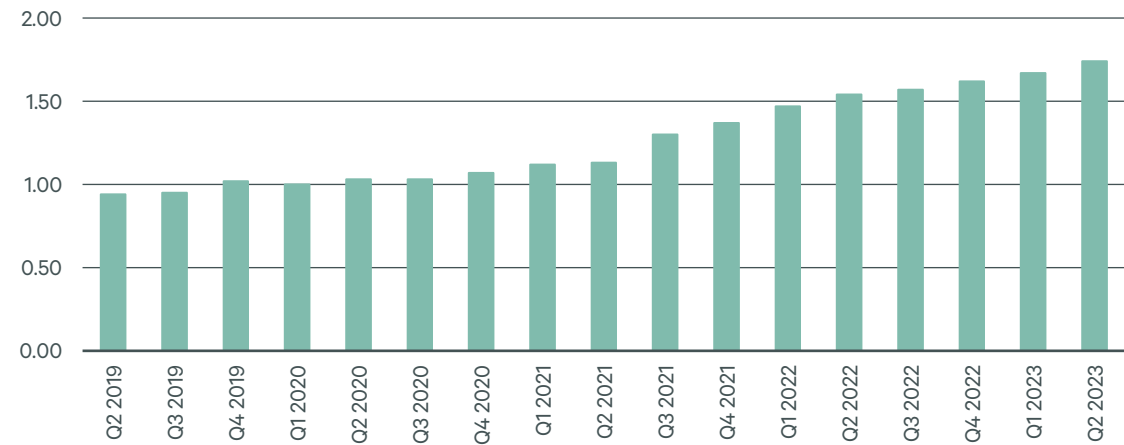
The average asking lease rate increased in Orange County, 4.2% quarter over quarter to \$1.74 per sq. ft. per month. Year over year asking rates increased 12.9% from \$1.54 in Q2 2022 to \$1.74 in Q2 2023. The continued rate increase experienced this quarter can be attributed, in part, to newer class A space being delivered while sitting somewhat longer on the market and tenants putting unused class A space on the market for sublease. NOC had the largest increase in lease rates this quarter moving from \$1.69 in Q1 2023 to \$1.83 in Q2 2023.

FIGURE 2: Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Q2 2022.

FIGURE 3: Average Asking Lease Rate (\$PSF/MO/NNN)



Source: CBRE Research, Q2 2023

VACANCY & AVAILABILITY

The overall vacancy rate in Orange County remained sub 1% increasing only 10 bps quarter over quarter to 0.9%. The vacancy rate increased in the Greater Airport Area (GAA) from 0.7% to 1.1%, West Orange County (WOC) from 0.7% to 0.8, and North Orange County (NOC) from 0.8% to 0.9%. South Orange County (SOC) vacancy decreased 10 bps to 0.9%. Tenant demand remained strong in Orange County and will continue to keep vacancy low.

Availability rates increased quarter over quarter to 3.5% a 70 bps increase quarter over quarter. The largest new availabilities for Q2 2023 are 2289 E Orangethorpe in Fullerton at 487,036 sq. ft. and 50 Icon in Foothill Ranch at 307,781 sq. ft. Continuing the trend from last quarter large blocks of space over 200,000 sq. ft. remained in demand, with only one space available for immediate occupation.

NET ABSORPTION & ACTIVITY

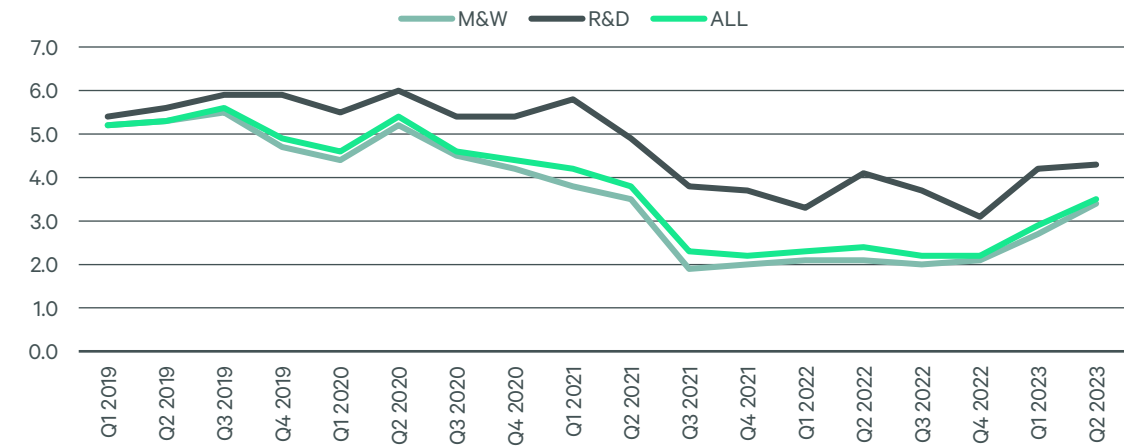
OC transaction activity was 1,917,074 sq. ft. in Q2 2023, slightly better than the previous quarter's 1,657,196 sq. ft. in Q1 2022 even with 4 of the top 5 transactions being renewals. Class B product led activity this quarter with tenants favoring sites with discounted rates to the greater class A. Harbinger EV signed a 165,171 sq. ft. lease at 12821 Knott making it the largest new lease in Q2 2023 for OC.

Net absorption decreased in OC in Q2 2023 to 85,419 sq. ft. The GAA contributed the largest amount of negative absorption totaling -295,306 sq. ft. This was led by Robinson Pharma vacating space at 2701 S Harbor and 500 W. Warner. Consistent tenant demand and minimal new available space is likely to keep net absorption relatively flat in the short term.

DEVELOPMENT

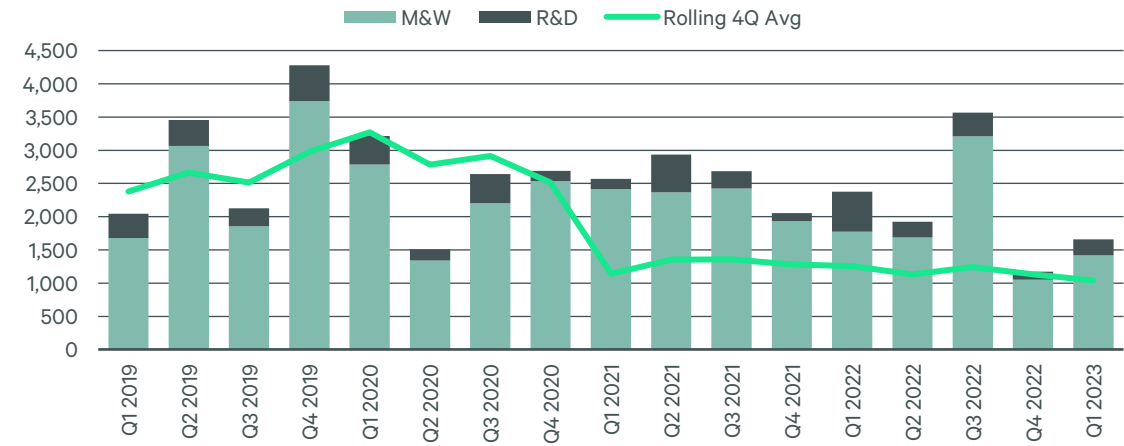
Development decreased again this this quarter from 2.6 million sq. ft. to 2.2 million sq. ft. The high interest rate environment and generally higher costs to build have caused new development to pause and adopt a wait and see approach to the market. The largest development site in Orange County is the Huntington Gateway project totaling 1.2 million sq. ft. over 6 buildings. 20 buildings remain under construction throughout Orange County totaling 2,290,675 sq. ft. One new project broke ground in Q2 2023.

FIGURE 4: Available (%)



Source: CBRE Research, Q2 2023.

FIGURE 5: Gross Activity (MSF)



Source: CBRE Research, Q2 2023.

MARKET OUTLOOK

For the last six months the consensus among economists has been that H2 would bring the United States to the brink of recession and possibly push it over the edge. Recently, this narrative has been challenged by a surprisingly resilient consumer and labor market. GDP growth in Q2 2023 is poised to hit the mid-2% range (p.a.). Beneath this veneer of health lies a fragile economy, which will probably lapse into recession, albeit a little later than previously expected.

The chief concern is credit conditions tightening at a magnitude that typically precedes a recession. The consequences are already manifest in the housing market, and particularly across the Western U.S. where valuations are most disconnected from local incomes. Other rate sensitive sectors, such as manufacturing, are also under pressure—both domestic and abroad—exemplified by cooling capital goods orders and PMI data. And while the labor market is objectively tight, it is softer than one year ago when we saw higher quit rates and stronger wage growth. Tighter credit conditions are also likely to catch up with Americas small and medium sized industries (restaurants, cafes) in the service sector in the next two quarters.

Perhaps the key question is: Will the inflation slow fast enough to avert further rate hikes? CBRE’s baseline view is that there is no need for further rate hikes because inflation is coming under control, but because of strong recent data the Fed will make one more rate hike, just to make sure the job is done. This will slightly exacerbate the coming slowdown and lead the Fed to begin cutting rates at the end of the year. The long expected slowdown in the U.S. economy is still on track, but will start in earnest at the end of Q3 a last through to the end of Q1 2024 by which time, inflation will have slowed up, and rates will be falling.

FIGURE 6: Market Statistics

Submarket	Bldg. Sq. Ft.	Overall Vacancy (%)	Availability (%)	Q1 2023 Net Absorption (SF)	Q1 2023 Gross Activity (SF)	Under Construction (SF)	Deliveries (SF)	Avg. Asking Lease Rates (\$PSF/MO)
North Orange County	116,866,404	0.9	3.6	208,229	393,583	545,878	413,354	1.83
West Orange County	41,934,568	0.8	2.9	123,080	591,760	706,441	97,896	1.74
Greater Airport Area	67,924,402	1.1	3.4	-295,306	482,398	708,215	0	1.61
South Orange County	33,734,531	0.9	4.2	49,416	449,333	330,141	0	1.76
Orange County Total	260,459,905	0.9	3.5	85,419	1,917,074	2,290,675	511,250	1.74

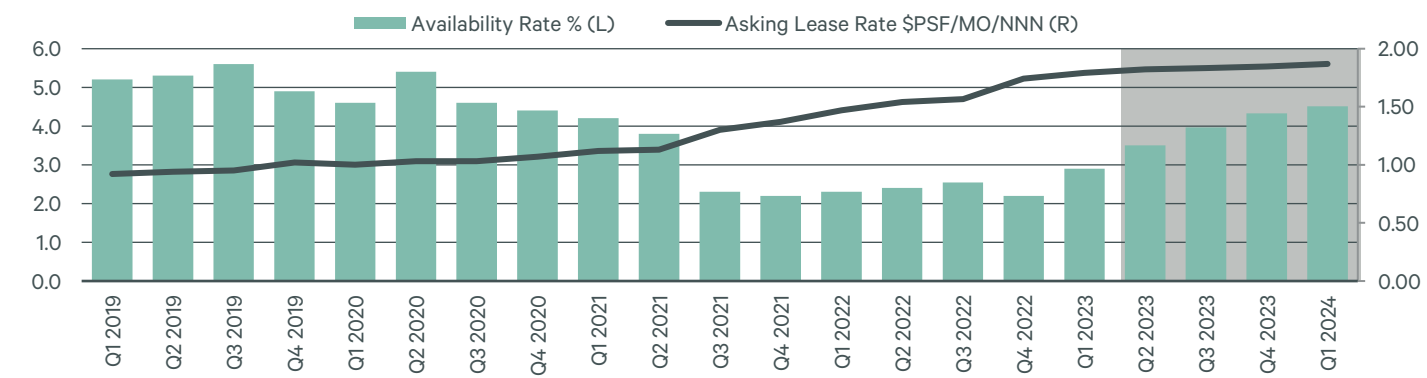
Source: CBRE Research, Q2 2023

FIGURE 7: Key Transactions

Occupier	Industry Sector	Location	Total Sq. Ft.
Bunzl Distribution*	Distribution	Anaheim	319,174
Cargill*	Distribution	Fullerton	301,470
Freeman Expositions*	Manufacturing	Anaheim	300,000
Robinson Pharma*	Manufacturing	Costa Mesa	197,000
Harbinger EV	Manufacturing	Garden Grove	165,171

\*Indicates Renewal: Source: CBRE Research, Q2 2023.

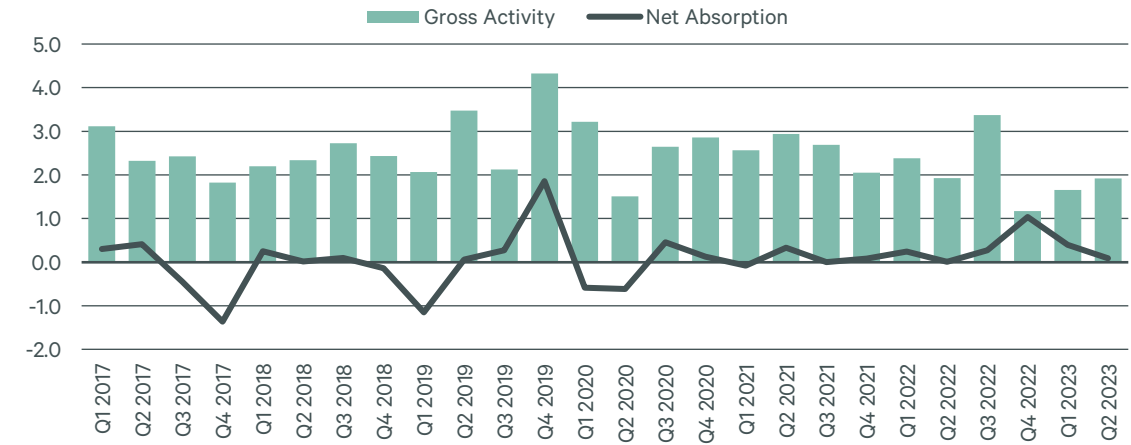
FIGURE 8: 12-Month Forecast



Source: CBRE Econometric Advisors, Q2 2023.

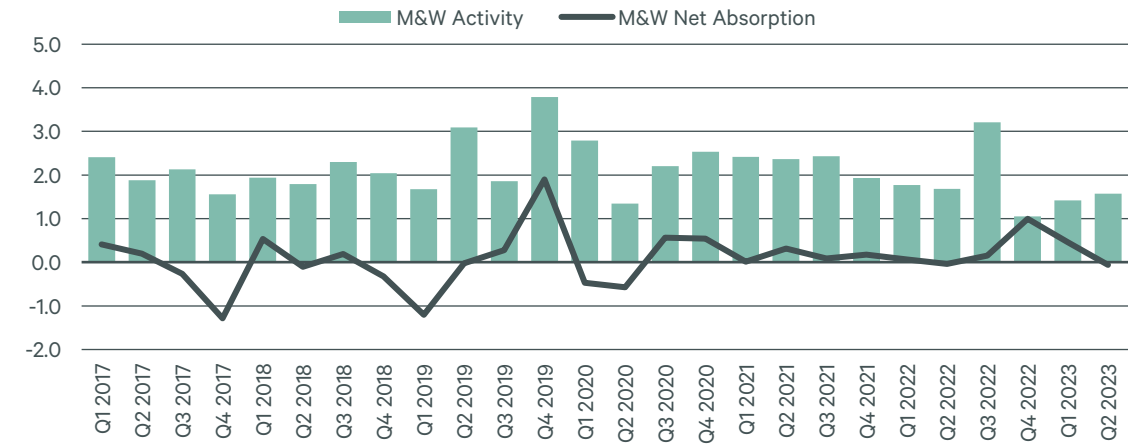
FIGURES INSERT | ORANGE COUNTY INDUSTRIAL | Q2 2023

FIGURE 1: Total Activity & Net Absorption (MSF)



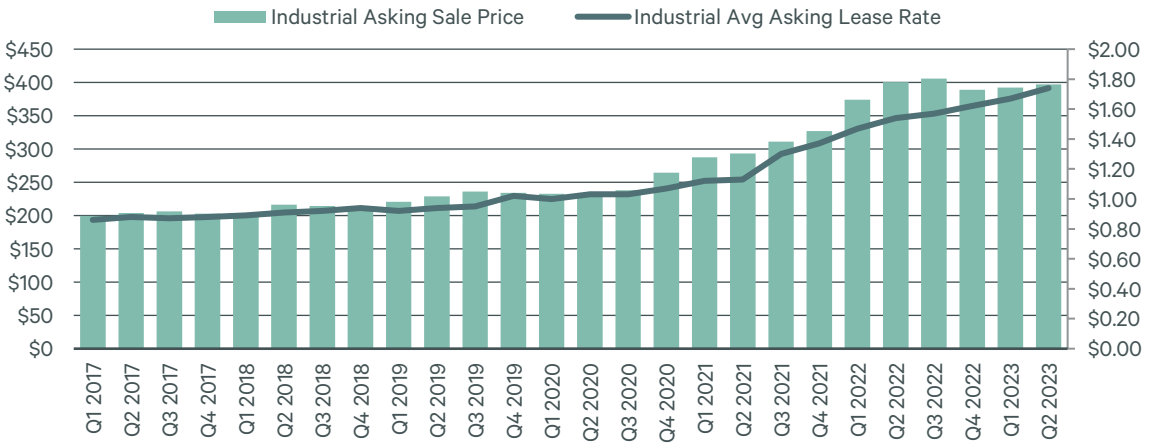
Source: CBRE Research, Q2 2023.

FIGURE 3: M&W Activity & Net Absorption (MSF)



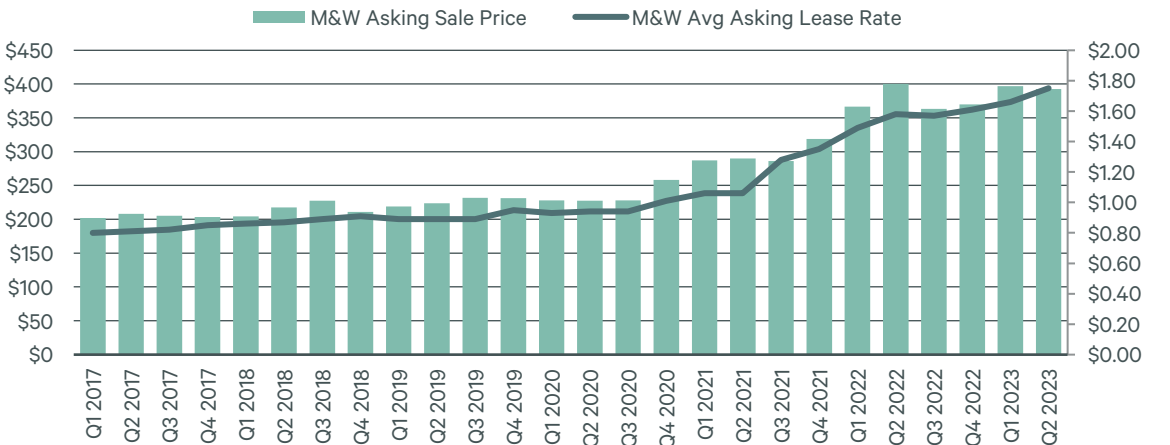
Source: CBRE Research, Q2 2023.

FIGURE 2: Industrial Asking Prices (\$PSF/MO)



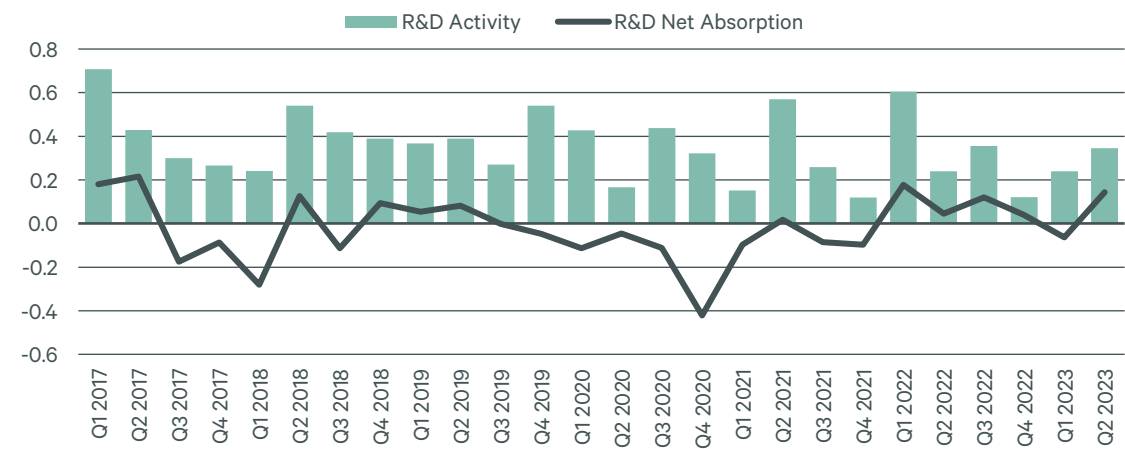
Source: CBRE Research, Q2 2023.

FIGURE 4: M&W Asking Prices (\$PSF/MO)



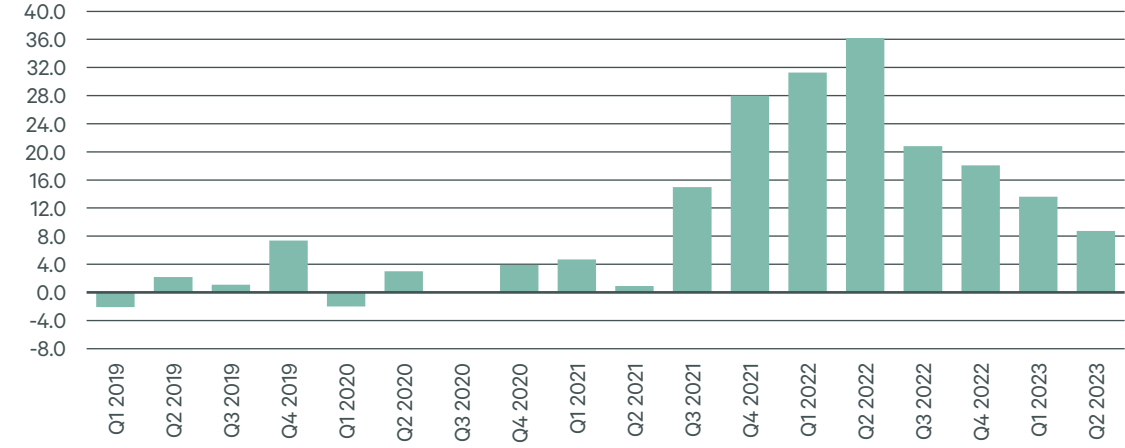
Source: CBRE Research, Q2 2023.

FIGURE 5: R&D Activity & Net Absorption (MSF)



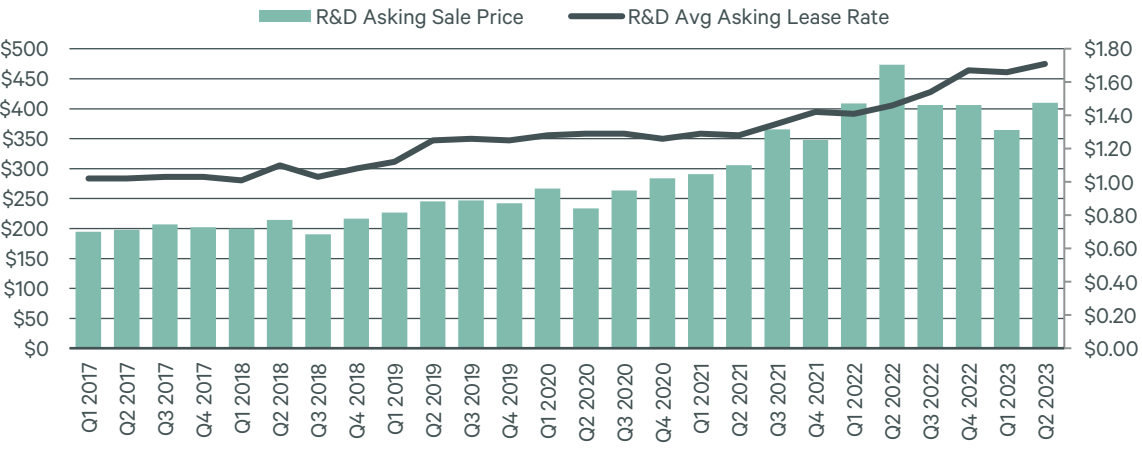
Source: CBRE Research, Q2 2023

FIGURE 7: Year Over Year Rent Growth (%)



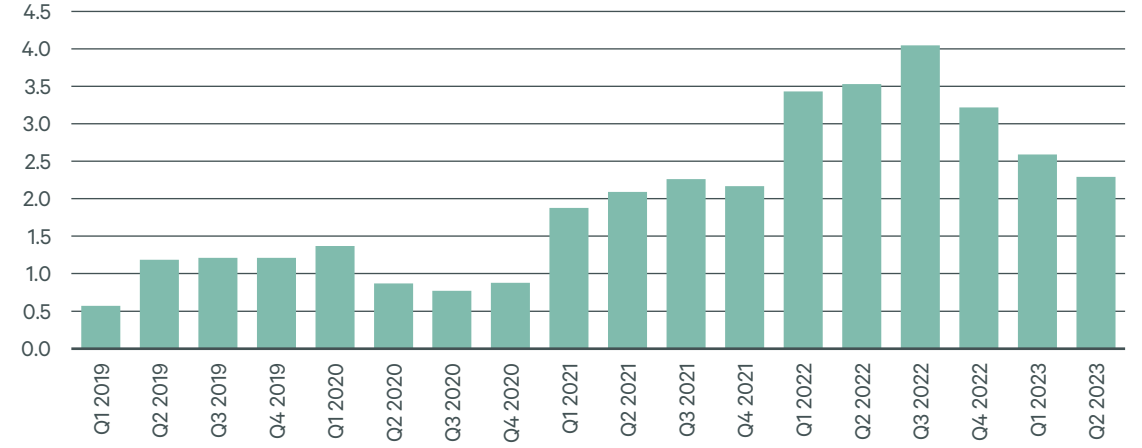
Source: CBRE Research, Q2 2023.

FIGURE 6: R&D Asking Prices (\$PSF/MO)



Source: CBRE Research, Q2 2023

FIGURE 8: Under Construction (SF in Millions)



Source: CBRE Research, Q2 2023

FIGURE 9: Total Combined M/W & R&D Market Statistics

	Bldg. Count	Bldg. Sq. Ft.	Under Construction (SF)	Sq. Ft. Sold	Sq. Ft. Leased	Gross Activity	Net Absorption	Vacant Sq. Ft.	Vacancy Rate (%)	Available Sq. Ft.	Availability Rate (%)
NORTH ORANGE COUNTY											
Anaheim	1,383	49,341,187	314,200	33,946	192,398	226,344	149,267	488,435	1.0	1,725,288	3.5
Brea	219	12,319,693	124,678	0	0	0	0	130,925	1.1	276,335	2.2
Buena Park	177	13,496,485	0	0	30,609	30,609	30,609	46,060	0.3	378,958	2.8
Fullerton	292	20,969,253	107,000	0	22,950	22,950	1,499	180,006	0.9	1,353,401	6.4
La Habra	60	2,580,623	0	0	23,220	23,220	0	0	0.0	15,487	0.6
Orange	459	12,703,496	0	10,427	27,622	38,049	-13,146	87,526	0.7	181,386	1.4
Placentia	146	3,740,510	0	12,411	40,000	52,411	40,000	0	0.0	99,436	2.7
Yorba Linda	55	1,715,157	0	0	0	0	0	141,863	8.3	152,291	8.9
North County Totals	2,791	116,866,404	545,878	56,784	336,799	393,583	208,229	1,074,815	0.9	4,182,582	3.6
WEST ORANGE COUNTY											
Cypress	95	6,095,545	0	0	213,420	213,420	10,159	55,834	0.9	570,264	9.4
Garden Grove	322	12,290,498	149,335	0	212,771	212,771	165,171	115,968	0.9	276,825	2.2
Huntington Beach	449	14,626,552	557,106	11,600	153,969	165,569	-52,250	132,620	0.9	344,565	2.3
La Palma	26	2,761,255	0	0	0	0	0	2,446	0.1	2,446	0.1
Los Alamitos	87	2,231,228	0	0	0	0	0	0	0.0	10,655	0.5
Seal Beach	12	972,051	0	0	0	0	0	0	0.0	0	0.0
Stanton	53	1,072,081	0	0	0	0	0	18,792	1.8	42,167	3.9
Westminster	67	1,885,358	0	0	0	0	0	0	0.0	0	0.0
West County Totals	1,111	41,934,568	706,441	11,600	580,160	591,760	123,080	325,660	0.8	1,246,922	2.9
AIRPORT AREA											
Costa Mesa	280	8,843,789	0	0	29,430	29,430	52,588	24,578	0.3	337,615	3.8
Fountain Valley	161	4,233,875	0	0	62,328	62,328	0	40,000	0.9	128,512	3.0
Irvine	520	18,647,683	396,445	0	67,119	67,119	-15,000	63,864	0.3	436,163	2.3
Newport Beach	31	786,804	0	0	217,589	217,589	0	0	0.0	0	0.0
Santa Ana	883	27,732,038	0	45,852	60,080	105,932	-320,748	532,131	1.9	1,134,374	4.1
Tustin	151	7,680,213	311,770	0	0	0	-12,146	83,762	1.1	326,789	4.1
Airport Area Totals	2,026	67,924,402	708,215	45,852	436,546	482,398	-295,306	744,335	1.1	2,363,453	3.4
SOUTH ORANGE COUNTY											
Aliso Viejo	47	1,262,702	0	40,792	0	40,792	0	0	0.0	42,519	3.4
Foothill Ranch	45	3,073,919	0	0	0	0	0	0	0.0	370,634	12.1
Irvine Spectrum	387	16,777,125	193,833	0	312,283	312,283	69,916	270,402	1.6	587,412	3.5
Laguna Hills	62	1,105,229	0	0	0	0	0	0	0.0	0	0.0
Laguna Niguel	28	613,917	0	0	0	0	0	0	0.0	0	0.0
Lake Forest	142	4,229,528	0	0	81,188	81,188	0	0	0.0	393,267	9.3
Mission Viejo	33	914,714	0	0	0	0	0	0	0.0	0	0.0
San Clemente	105	2,391,633	0	0	0	0	0	0	0.0	0	0.0
San Juan Capistrano	40	904,246	136,308	0	0	0	0	0	0.0	0	0.0
Santa Margarita	76	2,461,518	0	0	15,070	15,070	-20,500	20,500	0.8	20,500	0.8
South County Totals	965	33,734,531	330,141	40,792	408,541	449,333	49,416	290,902	0.9	1,414,332	4.2
GRAND TOTALS	6,893	260,459,905	2,290,675	155,028	1,762,046	1,917,074	85,419	2,435,712	0.9	9,207,289	3.5

Source: CBRE Research, Q2 2023.

FIGURE 10: Total Combined M/W & R&D Availability Statistics by Size

Submarket	Available		Vacant		New to Market		Gross Activity		Average Asking PSF	
	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	NNN Lease Rate	Sale Price
10,000-19,999	21	325,827	11	52,578	3	46,140	17	205,175	\$1.70	\$376.16
20,000-29,999	10	155,463	1	0	1	23,379	3	67,069	\$1.71	\$0.00
30,000-49,999	11	394,022	6	158,803	4	150,281	3	121,339	\$1.51	\$394.74
50,000-69,999	7	317,246	1	55,175	0	0	0	0	\$1.69	\$0.00
70,000-99,999	8	403,159	3	186,483	0	0	0	0	\$1.85	\$0.00
100,000 & Greater	27	2,586,865	4	621,776	0	0	0	0	\$1.90	\$0.00
NORTH ORANGE COUNTY TOTALS	84	4,182,582	26	1,074,815	8	219,800	23	393,583	\$1.83	\$385.45
10,000-19,999	13	223,275	7	134,355	1	12,250	2	22,972	\$1.61	\$425.00
20,000-29,999	2	44,082	1	12,146	0	0	2	47,600	\$2.95	\$633.16
30,000-49,999	1	40,274	0	0	0	0	1	30,230	\$0.00	\$0.00
50,000-69,999	5	294,447	1	60,891	0	0	1	53,477	\$1.87	\$0.00
70,000-99,999	2	78,973	1	2,446	1	76,527	0	0	\$1.85	\$0.00
100,000 & Greater	4	565,871	3	127,968	2	390,268	3	437,481	\$1.69	\$0.00
WEST ORANGE COUNTY TOTALS	27	1,246,922	13	337,806	4	479,045	9	591,760	\$1.74	\$529.08
10,000-19,999	21	298,462	5	74,037	3	41,849	6	89,729	\$1.81	\$0.00
20,000-29,999	9	236,378	2	52,968	5	116,566	4	99,452	\$1.70	\$392.39
30,000-49,999	16	466,060	3	86,856	2	73,097	1	40,586	\$1.96	\$359.57
50,000-69,999	6	168,801	1	57,431	1	57,431	4	252,631	\$1.59	\$0.00
70,000-99,999	6	383,419	1	111,616	0	0	0	0	\$1.81	\$425.00
100,000 & Greater	9	810,333	2	349,281	2	349,281	0	0	\$1.41	\$0.00
AIRPORT AREA TOTALS	67	2,363,453	14	732,189	13	638,224	15	482,398	\$1.61	\$392.34
10,000-19,999	2	30,172	1	15,277	0	0	4	64,210	\$1.68	\$0.00
20,000-29,999	11	240,463	6	131,462	3	72,187	2	53,429	\$1.74	\$445.00
30,000-49,999	8	244,155	1	17,666	0	0	3	107,899	\$1.78	\$390.00
50,000-69,999	3	153,633	0	0	0	0	0	0	\$0.00	\$0.00
70,000-99,999	5	230,167	0	0	0	0	1	77,313	\$1.75	\$140.00
100,000 & Greater	4	515,742	1	126,497	0	0	1	146,482	\$1.75	\$0.00
SOUTH ORANGE COUNTY TOTALS	33	1,414,332	9	290,902	3	72,187	11	449,333	\$1.76	\$341.25
GRAND TOTALS	211	9,207,289	62	2,435,712	28	1,409,256	58	1,917,074	\$1.74	\$396.95

Source: CBRE Research, Q2 2023.



FIGURE 11: Research and Development Market Statistics

	Bldg. Count	Bldg. Sq. Ft.	Under Construction (SF)	Sq. Ft. Sold	Sq. Ft. Leased	Gross Activity	Net Absorption	Vacant Sq. Ft.	Vacancy Rate (%)	Available Sq. Ft.	Availability Rate (%)
NORTH ORANGE COUNTY											
Anaheim	99	4,354,708	0	33,946	0	33,946	0	0	0.0	187,025	4.3
Brea	13	1,603,173	0	0	0	0	0	0	0.0	0	0.0
Buena Park	8	385,533	0	0	0	0	0	46,060	11.9	46,060	11.9
Fullerton	23	1,994,105	0	0	0	0	0	0	0.0	48,715	2.4
La Habra	6	316,165	0	0	0	0	0	0	0.0	0	0.0
Orange	28	756,452	0	0	0	0	0	0	0.0	0	0.0
Placentia	3	45,790	0	0	0	0	0	0	0.0	0	0.0
Yorba Linda	21	885,024	0	0	0	0	0	141,863	16.0	141,863	16.0
North County Totals	201	10,340,950	0	33,946	0	33,946	0	187,923	1.8	423,663	4.1
WEST ORANGE COUNTY											
Cypress	44	1,989,946	0	0	0	0	10,159	36,413	1.8	241,164	12.1
Garden Grove	31	1,311,017	0	0	0	0	0	0	0.0	0	0.0
Huntington Beach	20	652,877	0	0	0	0	0	0	0.0	61,389	9.4
La Palma	9	539,929	0	0	0	0	0	0	0.0	0	0.0
Los Alamitos	16	428,788	0	0	0	0	0	0	0.0	10,655	2.5
Seal Beach	0	0	0	0	0	0	0	0	0.0	0	0.0
Stanton	0	0	0	0	0	0	0	0	0.0	0	0.0
Westminster	1	20,892	0	0	0	0	0	0	0.0	0	0.0
West County Totals	121	4,943,449	0	0	0	0	10,159	36,413	0.7	313,208	6.3
AIRPORT AREA											
Costa Mesa	82	2,841,168	0	0	14,760	14,760	52,588	0	0.0	103,201	3.6
Fountain Valley	18	686,418	0	0	0	0	0	0	0.0	0	0.0
Irvine	171	5,494,400	0	0	25,665	25,665	0	34,318	0.6	183,502	3.3
Newport Beach	16	548,552	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	96	3,497,318	0	0	0	0	19,800	0	0.0	113,087	3.2
Tustin	43	1,952,246	0	0	0	0	(12,146)	83,762	4.3	160,039	8.2
Airport Area Totals	426	15,020,102	0	0	40,425	40,425	60,242	118,080	0.8	559,829	3.7
SOUTH ORANGE COUNTY											
Aliso Viejo	24	582,247	0	40,792	0	40,792	0	0	0.0	42,519	7.3
Foothill Ranch	3	61,920	0	0	0	0	0	0	0.0	0	0.0
Irvine Spectrum	238	9,029,865	0	0	216,105	216,105	92,938	247,380	2.7	436,965	4.8
Laguna Hills	4	68,029	0	0	0	0	0	0	0.0	0	0.0
Laguna Niguel	9	196,795	0	0	0	0	0	0	0.0	0	0.0
Lake Forest	19	581,302	0	0	14,081	14,081	0	0	0.0	61,778	10.6
Mission Viejo	14	585,376	0	0	0	0	0	0	0.0	0	0.0
San Clemente	40	882,405	0	0	0	0	0	0	0.0	0	0.0
San Juan Capistrano	9	263,711	0	0	0	0	0	0	0.0	0	0.0
Santa Margarita	29	1,084,731	0	0	0	0	(20,500)	20,500	1.9	20,500	1.9
South County Totals	389	13,336,381	0	40,792	230,186	270,978	72,438	267,880	2.0	561,762	4.2
GRAND TOTALS	1,137	43,640,882	0	74,738	270,611	345,349	142,839	610,296	1.4	1,858,462	4.3

Source: CBRE Research, Q2 2022/23

FIGURE 12: Research and Development Availability Statistics by Size

Submarket	Available		Vacant		New to Market		Gross Activity		Average Asking PSF	
	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	NNN Lease Rate	Sale Price
10,000-19,999	1	5,767	0	0	0	0	1	10,827	\$1.44	\$0.00
20,000-29,999	1	20,046	0	0	0	0	1	23,119	\$1.65	\$0.00
30,000-49,999	2	94,775	1	46,060	1	48,715	0	0	\$0.00	\$0.00
50,000-69,999	0	0	0	0	0	0	0	0	\$0.00	\$0.00
70,000-99,999	1	63,515	1	0	0	0	0	0	\$0.00	\$0.00
100,000 & Greater	2	239,560	1	141,863	0	0	0	0	\$1.40	\$0.00
NORTH ORANGE COUNTY TOTALS	7	423,663	3	187,923	1	48,715	2	33,946	\$1.44	\$0.00
10,000-19,999	2	47,068	1	36,413	0	0	0	0	\$1.67	\$0.00
20,000-29,999	0	0	1	12,146	0	0	0	0	\$0.00	\$0.00
30,000-49,999	0	0	0	0	0	0	0	0	\$0.00	\$0.00
50,000-69,999	1	61,389	0	0	0	0	0	0	\$0.00	\$0.00
70,000-99,999	1	76,527	0	0	1	76,527	0	0	\$1.85	\$0.00
100,000 & Greater	1	128,224	0	0	0	0	0	0	\$1.65	\$0.00
WEST ORANGE COUNTY TOTALS	5	313,208	2	48,559	1	76,527	0	0	\$1.67	\$0.00
10,000-19,999	5	77,527	1	19,891	1	13,349	1	14,760	\$1.79	\$0.00
20,000-29,999	4	75,032	0	0	5	116,566	1	25,665	\$1.70	\$359.57
30,000-49,999	3	132,629	1	14,427	2	73,097	0	0	\$2.15	\$0.00
50,000-69,999	3	85,170	0	0	0	0	0	0	\$1.50	\$0.00
70,000-99,999	2	144,713	1	71,616	0	0	0	0	\$1.90	\$425.00
100,000 & Greater	2	44,758	0	0	0	0	0	0	\$0.00	\$0.00
AIRPORT AREA TOTALS	19	559,829	3	105,934	8	203,012	2	40,425	\$1.79	\$392.28
10,000-19,999	1	15,277	1	15,277	0	0	2	30,275	\$1.85	\$0.00
20,000-29,999	8	166,745	5	108,440	2	49,165	2	53,429	\$1.74	\$445.00
30,000-49,999	4	126,459	1	17,666	0	0	1	40,792	\$1.96	\$0.00
50,000-69,999	1	126,784	0	0	0	0	0	0	\$0.00	\$0.00
70,000-99,999	0	0	0	0	0	0	0	0	\$0.00	\$0.00
100,000 & Greater	1	126,497	1	126,497	0	0	1	146,482	\$0.00	\$0.00
SOUTH ORANGE COUNTY TOTALS	15	561,762	8	267,880	2	49,165	6	270,978	\$1.85	\$445.00
GRAND TOTALS	46	1,858,462	16	610,296	12	377,419	10	345,349	\$1.71	\$409.86

Source: CBRE Research, Q2 2023.

FIGURE 13: Manufacturing and Warehouse Market Statistics

	Bldg. Count	Bldg. Sq. Ft.	Under Construction (SF)	Sq. Ft. Sold	Sq. Ft. Leased	Gross Activity	Net Absorption	Vacant Sq. Ft.	Vacancy Rate (%)	Available Sq. Ft.	Availability Rate (%)
NORTH ORANGE COUNTY											
Anaheim	1,284	44,986,479	314,200	0	192,398	192,398	149,267	488,435	1.1	1,538,263	3.4
Brea	206	10,716,520	124,678	0	0	0	0	130,925	1.2	276,335	2.6
Buena Park	169	13,110,952	0	0	30,609	30,609	30,609	0	0.0	332,898	2.5
Fullerton	269	18,975,148	107,000	0	22,950	22,950	1,499	180,006	0.9	1,304,686	6.9
La Habra	54	2,264,458	0	0	23,220	23,220	0	0	0.0	15,487	0.7
Orange	431	11,947,044	0	10,427	27,622	38,049	(13,146)	87,526	0.7	181,386	1.5
Placentia	143	3,694,720	0	12,411	40,000	52,411	40,000	0	0.0	99,436	2.7
Yorba Linda	34	830,133	0	0	0	0	0	0	0.0	10,428	1.3
North County Totals	2,590	106,525,454	545,878	22,838	336,799	359,637	208,229	886,892	0.8	3,758,919	3.5
WEST ORANGE COUNTY											
Cypress	51	4,105,599	0	0	213,420	213,420	0	19,421	0.5	329,100	8.0
Garden Grove	291	10,979,481	149,335	0	212,771	212,771	165,171	115,968	1.1	276,825	2.5
Huntington Beach	429	13,973,675	557,106	11,600	153,969	165,569	(52,250)	132,620	0.9	283,176	2.0
La Palma	17	2,221,326	0	0	0	0	0	2,446	0.1	2,446	0.1
Los Alamitos	71	1,802,440	0	0	0	0	0	0	0.0	0	0.0
Seal Beach	12	972,051	0	0	0	0	0	0	0.0	0	0.0
Stanton	53	1,072,081	0	0	0	0	0	18,792	1.8	42,167	3.9
Westminster	66	1,864,466	0	0	0	0	0	0	0.0	0	0.0
West County Totals	990	36,991,119	706,441	11,600	580,160	591,760	112,921	289,247	0.8	933,714	2.5
AIRPORT AREA											
Costa Mesa	198	6,002,621	0	0	14,670	14,670	0	24,578	0.4	234,414	3.9
Fountain Valley	143	3,547,457	0	0	62,328	62,328	0	40,000	1.1	128,512	3.6
Irvine	349	13,153,283	396,445	0	41,454	41,454	(15,000)	29,546	0.2	252,661	1.9
Newport Beach	15	238,252	0	0	217,589	217,589	0	0	0.0	0	0.0
Santa Ana	787	24,234,720	0	45,852	60,080	105,932	(340,548)	532,131	2.2	1,021,287	4.2
Tustin	108	5,727,967	311,770	0	0	0	0	0	0.0	166,750	2.9
Airport Area Totals	1,600	52,904,300	708,215	45,852	396,121	441,973	(355,548)	626,255	1.2	1,803,624	3.4
SOUTH ORANGE COUNTY											
Aliso Viejo	23	680,455	0	0	0	0	0	0	0.0	0	0.0
Foothill Ranch	42	3,011,999	0	0	0	0	0	0	0.0	370,634	12.3
Irvine Spectrum	149	7,747,260	193,833	0	96,178	96,178	(23,022)	23,022	0.3	150,447	1.9
Laguna Hills	58	1,037,200	0	0	0	0	0	0	0.0	0	0.0
Laguna Niguel	19	417,122	0	0	0	0	0	0	0.0	0	0.0
Lake Forest	123	3,648,226	0	0	67,107	67,107	0	0	0.0	331,489	9.1
Mission Viejo	19	329,338	0	0	0	0	0	0	0.0	0	0.0
San Clemente	65	1,509,228	0	0	0	0	0	0	0.0	0	0.0
San Juan Capistrano	31	640,535	136,308	0	0	0	0	0	0.0	0	0.0
Santa Margarita	47	1,376,787	0	0	15,070	15,070	0	0	0.0	0	0.0
South County Totals	576	20,398,150	330,141	0	178,355	178,355	(23,022)	23,022	0.1	852,570	4.2
GRAND TOTALS	5,756	216,819,023	2,290,675	80,290	1,491,435	1,571,725	(57,420)	1,825,416	0.8	7,348,827	3.4

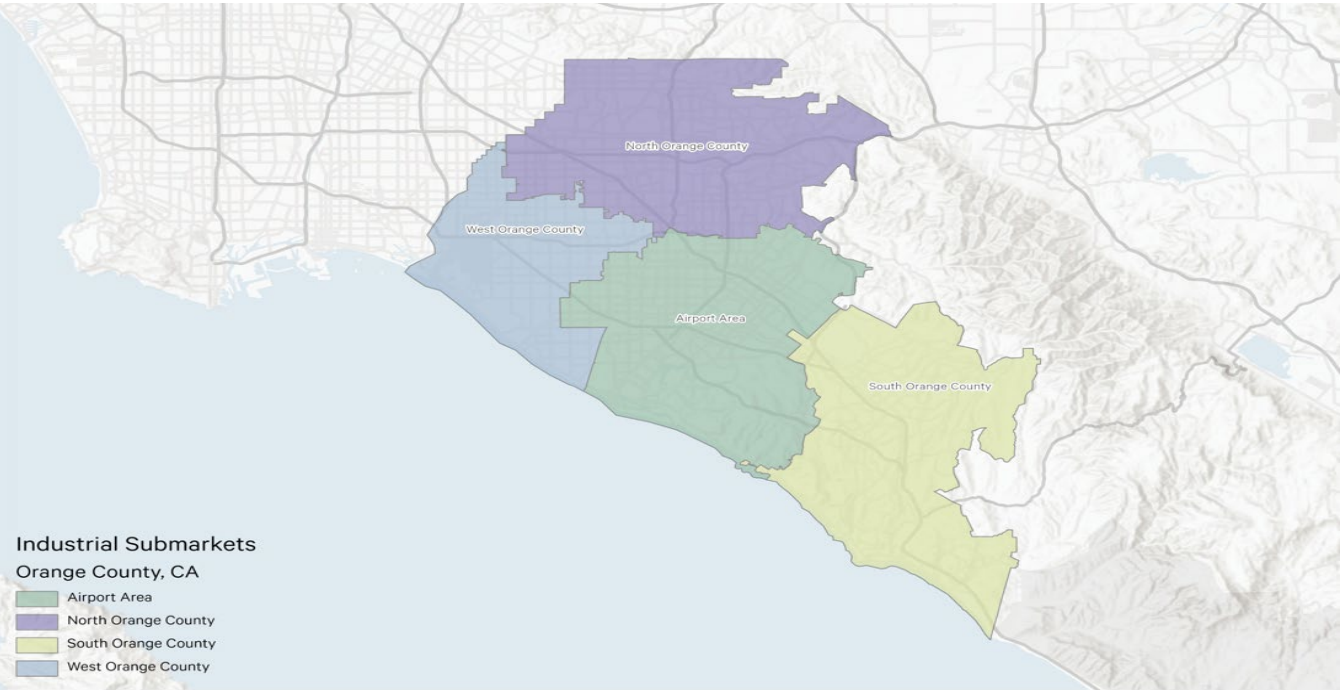
Source: CBRE Research, Q2 2023.

FIGURE 14: Manufacturing and Warehouse Availability Statistics by Size

Submarket	Available		Vacant		New to Market		Gross Activity		Average Asking PSF	
	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	NNN Lease Rate	Sale Price
10,000-19,999	20	320,060	11	52,578	3	46,140	16	194,348	\$1.70	\$376.16
20,000-29,999	9	135,417	1	0	1	23,379	2	43,950	\$1.72	\$0.00
30,000-49,999	9	299,247	5	112,743	3	101,566	3	121,339	\$1.47	\$394.74
50,000-69,999	7	317,246	1	55,175	0	0	0	0	\$1.69	\$0.00
70,000-99,999	7	339,644	2	186,483	0	0	0	0	\$1.85	\$0.00
100,000 & Greater	25	2,347,305	3	479,913	0	0	0	0	\$1.96	\$0.00
NORTH ORANGE COUNTY TOTALS	77	3,758,919	23	886,892	7	171,085	21	359,637	\$1.87	\$385.45
10,000-19,999	11	176,207	6	97,942	1	12,250	2	22,972	\$1.69	\$425.00
20,000-29,999	2	44,082	0	0	0	0	2	47,600	\$2.95	\$633.16
30,000-49,999	1	40,274	0	0	0	0	1	30,230	\$0.00	\$0.00
50,000-69,999	4	233,058	1	60,891	0	0	1	53,477	\$1.87	\$0.00
70,000-99,999	1	2,446	1	2,446	0	0	0	0	\$0.00	\$0.00
100,000 & Greater	3	437,647	3	127,968	2	390,268	3	437,481	\$1.70	\$0.00
WEST ORANGE COUNTY TOTALS	22	933,714	11	289,247	3	402,518	9	591,760	\$1.78	\$529.08
10,000-19,999	16	220,935	4	54,146	2	28,500	5	74,969	\$1.79	\$392.39
20,000-29,999	5	161,346	2	52,968	0	0	3	73,787	\$1.70	\$0.00
30,000-49,999	13	333,431	2	72,429	0	0	1	40,586	\$1.86	\$0.00
50,000-69,999	3	83,631	1	57,431	1	57,431	4	252,631	\$1.90	\$0.00
70,000-99,999	4	238,706	0	40,000	0	0	0	0	\$1.78	\$0.00
100,000 & Greater	7	765,575	2	349,281	2	349,281	0	0	\$1.41	\$0.00
AIRPORT AREA TOTALS	48	1,803,624	11	626,255	5	435,212	13	441,973	\$1.57	\$392.39
10,000-19,999	1	14,895	0	0	0	0	2	33,935	\$1.55	\$0.00
20,000-29,999	3	73,718	1	23,022	1	23,022	0	0	\$1.75	\$0.00
30,000-49,999	4	117,696	0	0	0	0	2	67,107	\$1.52	\$390.00
50,000-69,999	2	26,849	0	0	0	0	0	0	\$0.00	\$0.00
70,000-99,999	5	230,167	0	0	0	0	1	77,313	\$1.75	\$140.00
100,000 & Greater	3	389,245	0	0	0	0	0	0	\$1.75	\$0.00
SOUTH ORANGE COUNTY TOTALS	18	852,570	1	23,022	1	23,022	5	178,355	\$1.65	\$306.67
GRAND TOTALS	165	7,348,827	46	1,825,416	16	1,031,837	48	1,571,725	\$1.75	\$392.65

Source: CBRE Research, Q2 2023.

Market Area Overview



Definitions

**Available Sq. Ft.:** Space in a building, ready for occupancy within six months; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total Building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rates, 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. **Gross Activity:** All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that can be occupied within 30 days

Survey Criteria

Includes all industrial buildings 10,000 sq. ft. and greater in size in the Orange County. Buildings which have begun construction as evidenced by site excavation or foundation work.

Contacts

Chris DiFrancesco

Field Research Analyst  
+1 949 725 8692  
chris.difrancesco@cbre.com

Bradford Ortland

Senior Field Research Manager  
+1 626 826 0270  
bradford.ortland@cbre.com

© Copyright 2023. All rights reserved. This report has been prepared in good faith, based on CBRE’s current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE’s control. In addition, many of CBRE’s views are opinion and/or projections based on CBRE’s subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE’s current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE’s securities or of the performance of any other company’s securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

