

FIGURES | ORANGE COUNTY INDUSTRIAL | Q3 2023

Vacancy ticks up slightly but remains well-below historical averages



Note: Arrows indicate change from previous quarter.

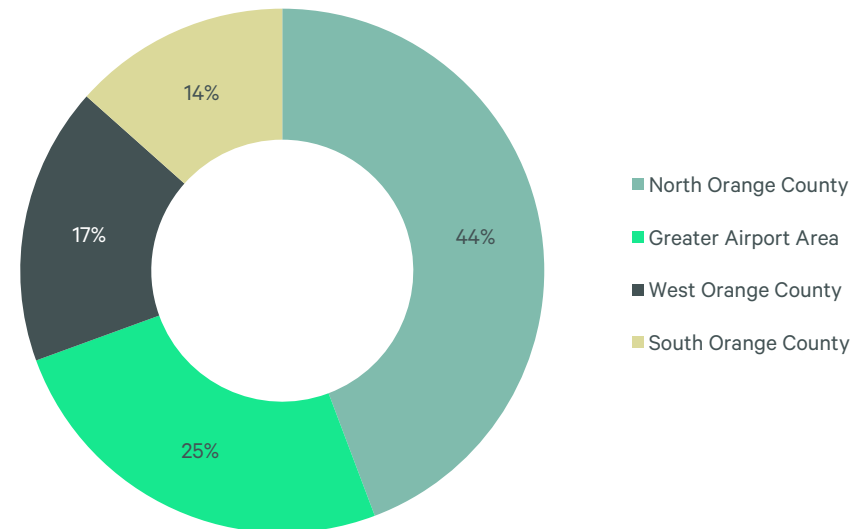
Renewals continued to increase in a market constantly shifting

- Renewals remained in high demand in Orange County (OC) as they made up 40% of all leasing activity in Q3 2023 despite only making up 23% of all leasing activity in Q2 2023. The economic environment caused tenants to be cautious not only about pricing but also made them view renewing as a more viable option. Tenants who stayed in the same building and renewed decided to save on both the cost of moving and the time spent moving.

Sublease space totaled 1.8 million sq. ft.

- Industrial sublease space increased 1.2 million sq. ft. from a year ago in Q3 2022 to 1.8 million sq. ft. as tenants shed underutilized space. Of the thirty sublease spaces available in Q3 2023, twenty were in buildings 100,000 sq. ft. and below. Sublease space in OC spiked throughout recent quarters due to consolidation plans already scheduled and tenants placing extra sublease space on the market until it was needed again.

FIGURE 1: Available Space Distribution



Source: CBRE Research, Q3 2023.

Market Overview

The Orange County (OC) industrial market stayed relatively stable in Q3 2023 despite economic uncertainty. Vacancy rates increased slightly to 1.0% and availability increased 30 basis points (bps) to 3.8% and gave tenants more options before signing new leases or renewing their space. Market fundamentals remained strong throughout Orange County with most submarkets hovering around 1.0% vacancy rates. West Orange County was the only exception and spiked from 0.8% vacancy in Q2 2023 to 1.8% in Q3 2023.

Tenants were more price-conscious as they renewed in place or looked for Class B space. Despite the raising interest rates and rising inflation, Orange County’s industrial market still benefited from its prime coastal region, limited space for both development and supply, and strong demand.

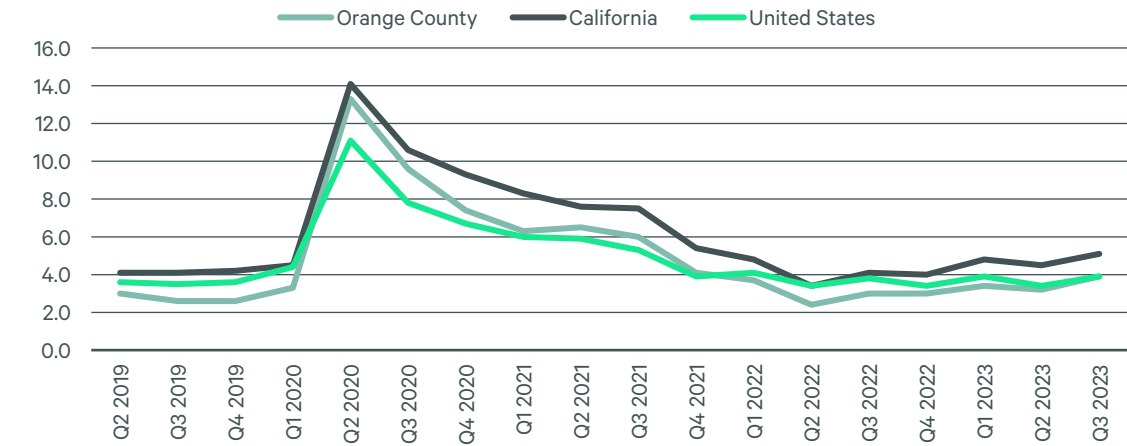
UNEMPLOYMENT

The unemployment rate in Orange County was 3.9% in August 2023, up from a revised 3.6% in July 2023, and above the year-ago estimate of 3.2%. OC’s unemployment rate was well below the unadjusted unemployment rate of 5.1% for California and on par with the nation’s 3.9% unemployment rate. Between July 2023 and August 2023, total nonfarm employment rose 4,100 jobs. From August 2022 to August 2023, nonfarm employment increased by 42,700 jobs or 2.6%. Construction employment increased 2,100 jobs annually, and manufacturing employment increased 1,900 jobs annually.

LEASE RATE ANALYSIS

The average asking lease rate in Orange County increased \$0.01 from Q2 2023 to \$1.75 NNN per sq. ft. per month in Q3 2023. This was the first time since Q2 2021 that rates marginally increased by one cent, quarter-over-quarter. The essentially stagnant rate experienced this quarter was attributed, in part, to properties sitting on the market longer and tenants highly concerned with pricing. Annually, asking rates increased 11% from \$1.57 NNN in Q3 2022 to \$1.75 NNN in Q3 2023 due to a limited industrial market supply and proximity to the two largest ports in the nation.

FIGURE 2: Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Q3 2023.

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



Source: CBRE Research, Q3 2023.

VACANCY & AVAILABILITY

The overall industrial vacancy rate in Orange County sat at 1.0% and slightly increased 10 basis points (bps) quarter-over-quarter. The vacancy rate was lowest in the South Orange County (SOC) submarket at 0.8%, also a 10 bps decrease quarter-over-quarter. Even in a period of rediscovery, tenant demand remained strong in Orange County and kept vacancy rates low.

Availability rates increased quarter-over-quarter to 3.8%, which was a 30 bps increase. The largest new availabilities for Q3 2023 were 5560 Katella Ave in Cypress at 215,000 sq. ft. and 12782-12822 Monarch St in Garden Grove for roughly 207,000 sq. ft. With more space coming to the market, there was a noticeable shift of a market previously favoring landlords to favoring tenants. Tenants were able to shop the market for better deals and concessions due to more options for new space.

NET ABSORPTION & ACTIVITY

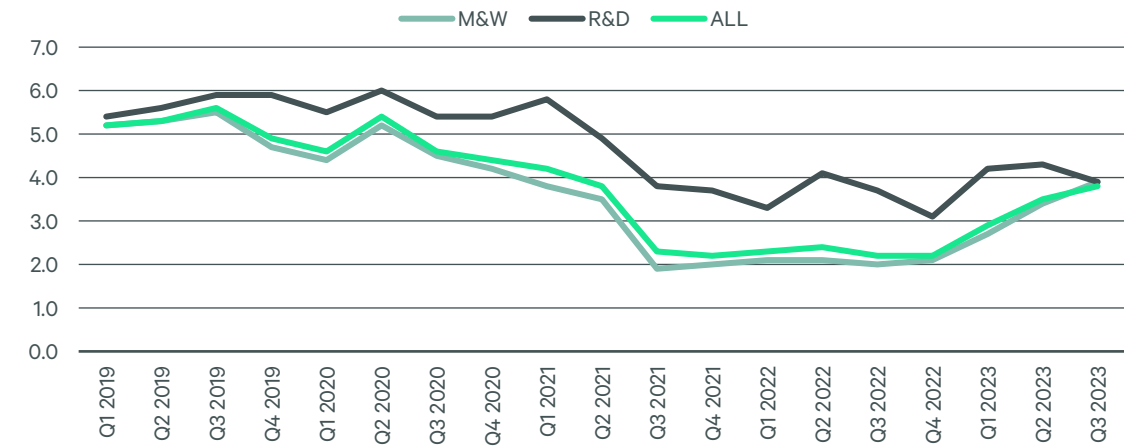
OC industrial gross activity totaled 1.7 million sq. ft. in Q3 2023, a slight decrease from Q2 2023's 1.9 million sq. ft. Class B product led most of the activity as tenants took a flight to discounts instead of a flight to quality. Mailing service firm FSSI Inc. signed a 197,613 sq. ft. renewal at 3300-3310 S Fairview in Santa Ana and was the largest lease in Q3 2023.

All four Orange County submarkets experienced positive net absorption this quarter as tenants continued to move in despite economic uncertainty. Overall, the market's net absorption stayed strong and increased to 326,000 sq. ft. from the prior quarter's 85,000 sq. ft. North OC contributed the most to the gains with close to 140,000 sq. ft. of net absorption. Within North OC, manufacturing company Spotter Global Inc. signed the largest new lease at 1204 N Miller in Anaheim for 106,067 sq. ft.

DEVELOPMENT

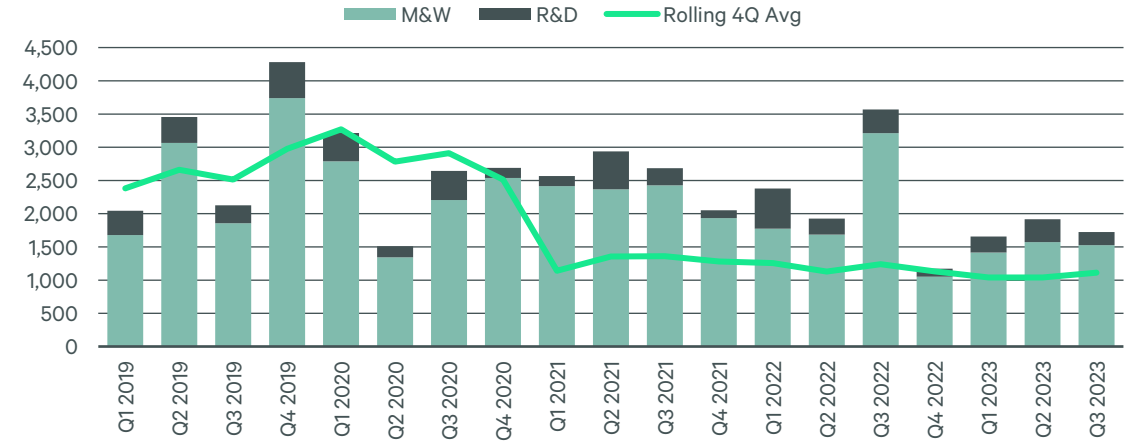
Development decreased from 2.2 million sq. ft. in Q2 2023 to 1.7 million sq. ft in Q3 2023. This decrease was due to three vacant buildings delivering totaling close to 350,000 sq. ft. at Huntington Gateway. Santa Ana was the only city to have a building start construction in Q3 2023 at 3130 S Fairview. The 82,000 sq. ft. project will be South Coast Metro's newest Class A industrial development and will be completed in 2024. With limited land and high interest rates, developers took a pause on new development.

FIGURE 4: Available (%)



Source: CBRE Research, Q3 2023.

FIGURE 5: Gross Activity (MSF)



Source: CBRE Research, Q3 2023.

MARKET OUTLOOK

The U.S. economy has defied expectations for a slowdown and has even exhibited some signs of acceleration despite sharp tightening of credit conditions and ongoing write-downs in the banking sector.

This resilience is due to a number of factors: 1) the Chips and IRA Acts have stimulated the construction sector; 2) the Fed and the FDIC have provided prompt and effective support for the banks, and 3) consumers are in good shape from a balance sheet and income perspective. Nevertheless, headwinds are intensifying: such as higher oil prices, resumption of student loan payments, and a weakening global economy.

These headwinds, not serious in themselves, will hit home at a time when the squeeze from elevated interest rates is at its maximum. The upshot for real estate is that the Fed is likely finished with its tightening cycle, allowing a clearer path for real estate capital markets to unfold. Although we expect economic growth to deteriorate it is likely that valuations will stabilize during H1 2024.

FIGURE 6: Market Statistics

Submarket	Bldg. Sq. Ft.	Overall Vacancy (%)	Availability (%)	Q3 2023 Net Absorption (SF)	Q3 2023 Gross Activity (SF)	Under Construction (SF)	Deliveries (SF)	Avg. Asking Lease Rates (\$PSF/MO)
North Orange County	116,718,022	0.9	3.8	137,361	645,636	572,644	0	\$1.81
West Orange County	42,281,878	1.8	4.0	26,523	305,798	149,335	347,310	\$1.78
Greater Airport Area	67,924,402	1.0	3.7	84,043	497,083	788,977	0	\$1.61
South Orange County	33,834,169	0.8	4.0	77,622	275,042	230,509	99,638	\$1.76
Orange County Total	260,758,471	1.0	3.8	325,549	1,723,559	1,741,459	446,948	\$1.75

Source: CBRE Research, Q3 2023.

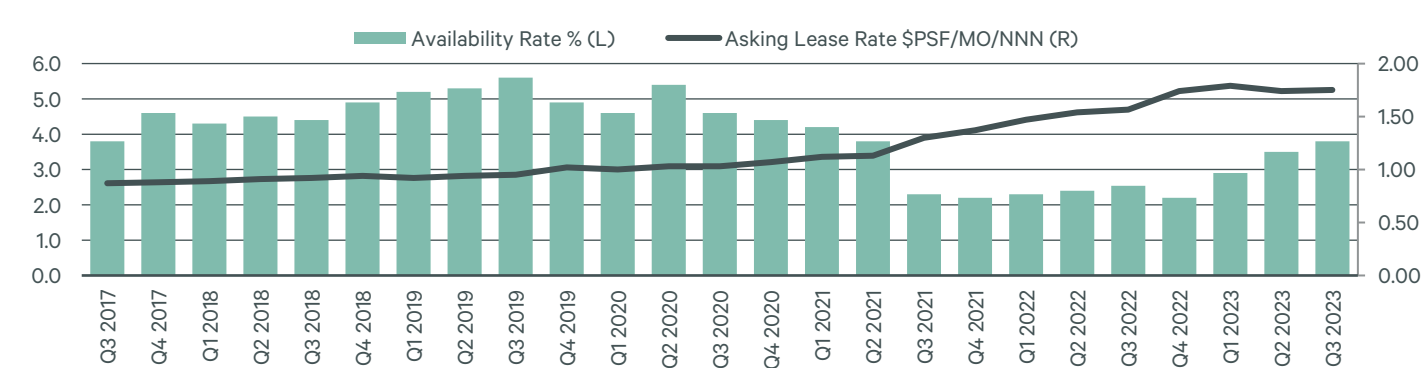
FIGURE 7: Key Transactions

Occupier	Industry Sector	Location	Total Sq. Ft.
FSSI*	Business Services	Santa Ana	197,613
Confidential	Confidential	Santa Ana	133,123
Engineered Flooring*	Retail	Fullerton	127,375
Dzyne Technologies	Aerospace	Irvine Spectrum	126,497
Confidential	Wholesale	Santa Ana	113,499

*Indicates Renewal.

Source: CBRE Research, Q3 2023.

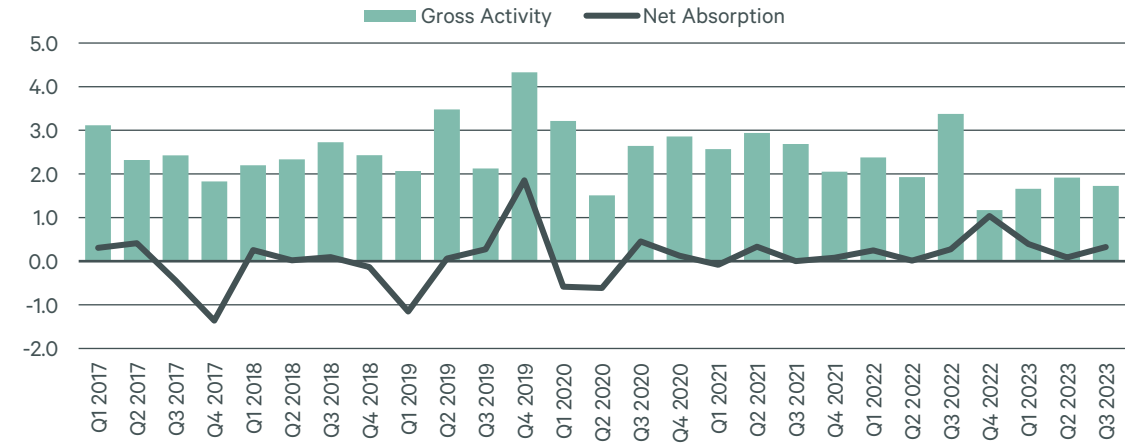
FIGURE Availability Rate and Asking Lease Rate (\$PSF/MO/NNN)



Source: CBRE Research, Q3 2023.

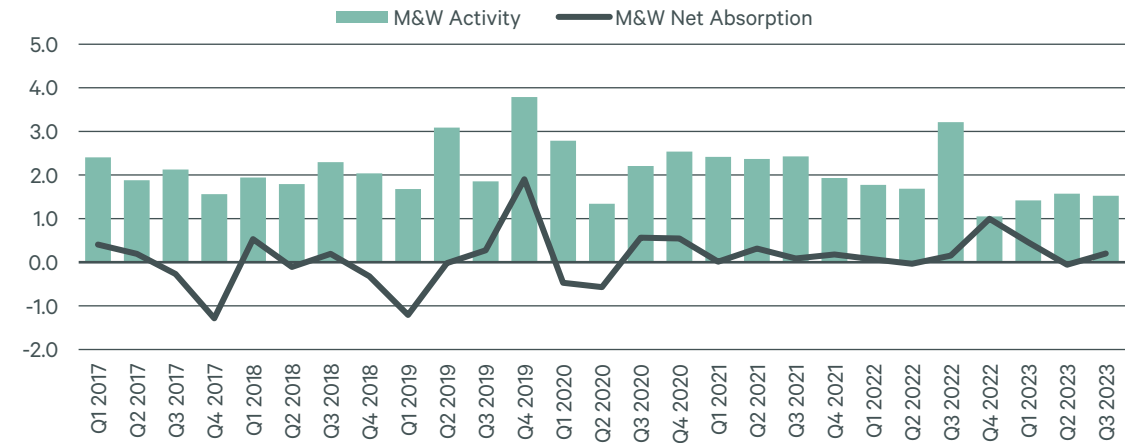
FIGURES INSERT | ORANGE COUNTY INDUSTRIAL | Q3 2023

FIGURE 1: Total Activity & Net Absorption (MSF)



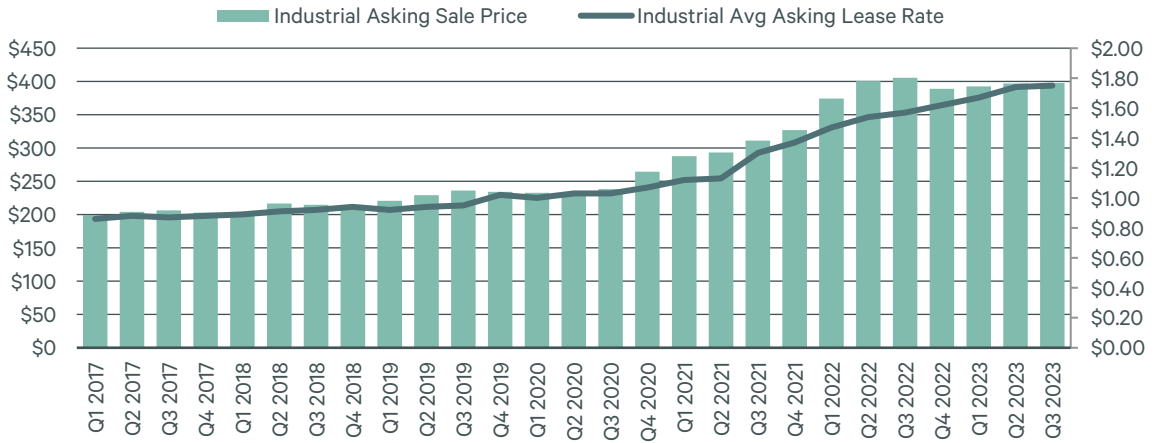
Source: CBRE Research, Q3 2023.

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



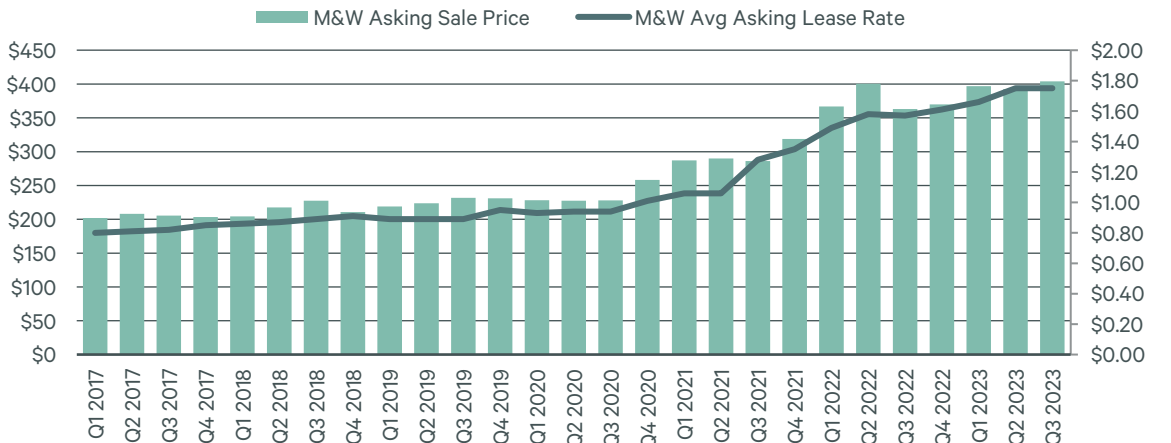
Source: CBRE Research, Q3 2023.

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



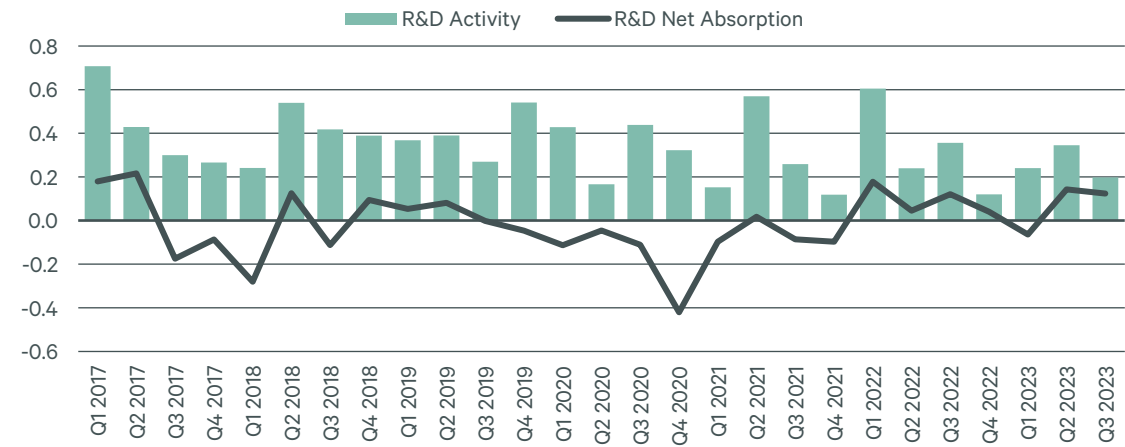
Source: CBRE Research, Q3 2023.

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



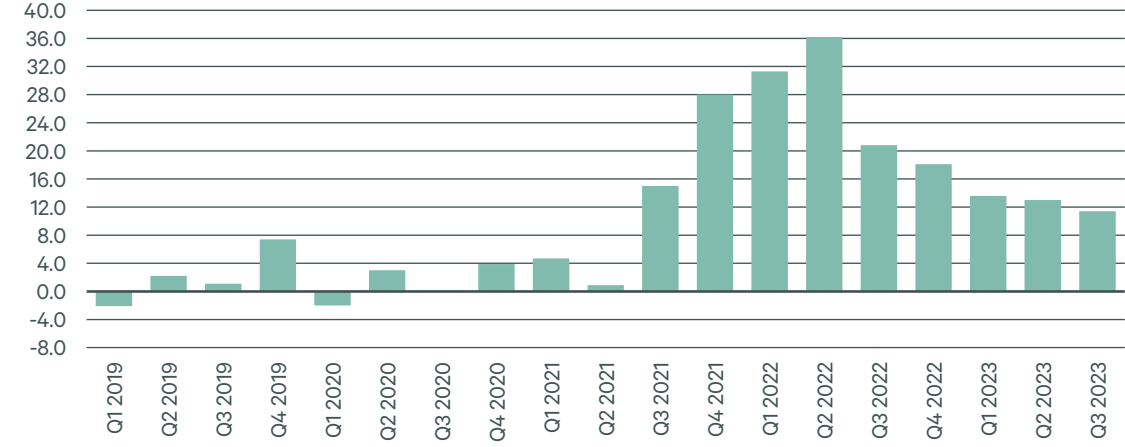
Source: CBRE Research, Q3 2023.

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



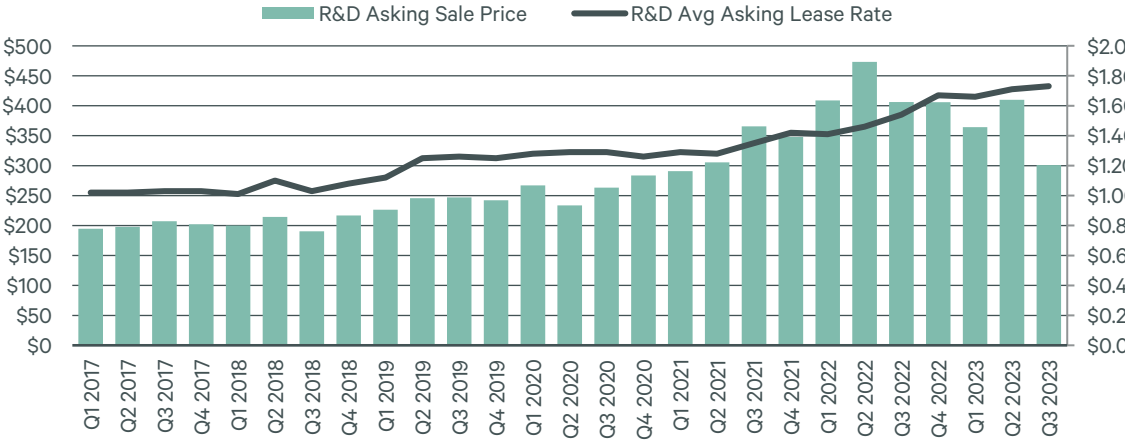
Source: CBRE Research, Q3 2023.

FIGURE 7: Year Over Year Rent Growth (%)



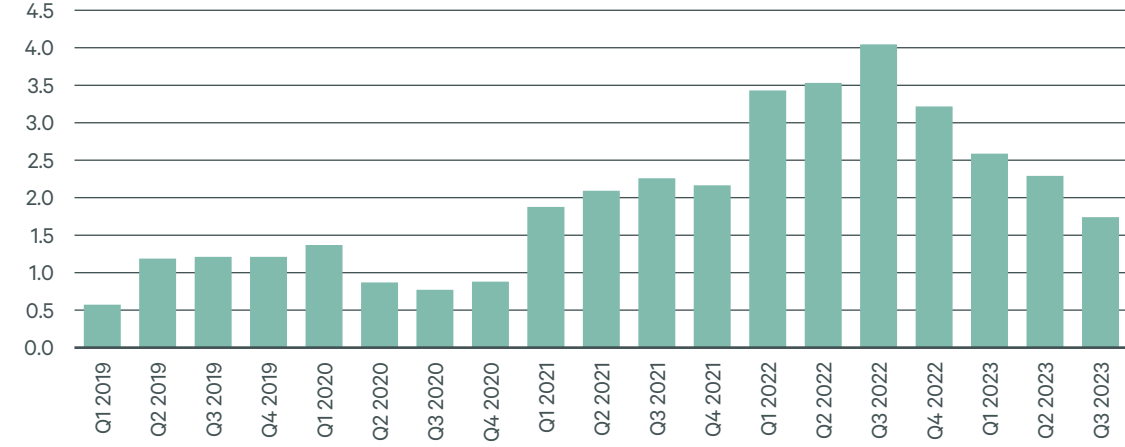
Source: CBRE Research, Q3 2023.

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



Source: CBRE Research, Q3 2023.

FIGURE 8: Under Construction (SF in Millions)



Source: CBRE Research, Q3 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	49,192,805	308,966	13,008	558,029	571,037	202,403	347,587	0.7	1,901,285	3.8
Brea	219	12,319,693	124,678	0	0	0	-76,248	207,173	1.7	422,841	3.4
Buena Park	177	13,496,485	0	0	0	0	8,374	61,065	0.5	377,334	2.8
Fullerton	292	20,969,253	139,000	0	58,952	58,952	21,325	158,681	0.8	1,220,568	5.8
La Habra	60	2,580,623	0	0	0	0	-6,082	6,082	0.2	21,569	0.8
Orange	459	12,703,496	0	0	0	0	0	87,526	0.7	215,020	1.7
Placentia	146	3,740,510	0	0	15,647	15,647	-12,411	12,411	0.3	159,154	4.3
Yorba Linda	55	1,715,157	0	0	0	0	0	141,863	8.3	152,291	8.9
NORTH ORANGE COUNTY TOTAL	2,791	116,718,022	572,644	13,008	632,628	645,636	137,361	1,022,388	0.9	4,470,062	3.8
WEST ORANGE COUNTY											
Cypress	95	6,095,545	0	0	85,191	85,191	0	55,834	0.9	504,724	8.3
Garden Grove	322	12,290,498	149,335	0	0	0	-34,368	248,232	2.0	454,910	3.7
Huntington Beach	452	14,973,862	0	0	220,607	220,607	60,891	418,375	2.8	556,831	3.7
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	0	0.0
Seal Beach	12	972,051	0	0	0	0	0	0	0.0	100,127	10.3
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	70,810	3.8
WEST ORANGE COUNTY TOTAL	1,114	42,281,878	149,335	0	305,798	305,798	26,523	743,679	1.8	1,732,015	4.1
AIRPORT AREA											
Costa Mesa	280	8,843,789	0	0	13,440	13,440	-15,049	39,627	0.4	405,514	4.6
Fountain Valley	161	4,233,875	0	0	0	0	0	40,000	0.9	167,725	4.0
Irvine	520	18,647,683	394,966	0	254,461	254,461	-29,149	93,013	0.5	619,891	3.3
Newport Beach	31	786,804	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	883	27,732,038	82,241	0	157,566	157,566	56,625	475,506	1.7	1,093,055	3.9
Tustin	151	7,680,213	311,770	71,616	0	71,616	71,616	12,146	0.2	257,068	3.2
AIRPORT AREA TOTAL	2,026	67,924,402	788,977	71,616	425,467	497,083	84,043	660,292	1.0	2,543,253	3.7
SOUTH ORANGE COUNTY											
Aliso Viejo	47	1,262,702	0	0	0	0	0	0	0.0	42,519	3.4
Foothill Ranch	45	3,073,919	0	0	0	0	0	0	0.0	337,496	11.0
Irvine Spectrum	388	16,876,763	94,195	16,317	212,989	229,306	126,281	204,207	1.2	632,651	3.7
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	45,736	45,736	-26,849	26,849	0.6	257,153	6.1
Mission Viejo	33	914,714	136,308	0	0	0	0	0	0.0	0	0.0
San Clemente	105	2,391,633	0	0	0	0	0	0	0.0	23,256	1.0
San Juan Capistrano	40	904,246	0	0	0	0	0	0	0.0	0	0.0
Santa Margarita	76	2,461,518	0	0	0	0	-21,810	42,310	1.7	62,467	2.4
SOUTH ORANGE COUNTY TOTAL	966	33,834,169	230,503	16,317	258,725	275,042	77,622	273,366	0.8	1,355,542	4.0
ORANGE COUNTY TOTAL	6,897	260,758,471	1,741,459	100,941	1,622,618	1,723,559	325,549	2,699,725	1.0	10,100,872	3.8

Source: CBRE Research, Q3 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	23	307,046	7	96,070	3	40,304	8	100,765	\$1.72	\$362
20,000-29,999	12	262,048	3	62,200	1	26,500	2	47,452	\$1.55	\$316
30,000-49,999	18	641,800	5	157,721	0	0	2	69,506	\$1.71	\$366
50,000-69,999	9	437,141	1	52,248	0	0	1	61,541	\$1.92	\$0
70,000-99,999	3	168,693	3	105,178	0	0	2	156,305	\$1.78	\$0
100,000 & Greater	20	2,653,334	5	548,971	1	105,173	2	210,067	\$1.87	\$0
NORTH ORANGE COUNTY TOTAL	85	4,470,062	24	1,022,388	5	171,977	17	645,636	\$1.81	\$361
10,000-19,999	15	222,786	9	147,710	1	13,355	0	0	\$1.57	\$407
20,000-29,999	1	23,375	0	0	0	0	1	25,700	\$2.95	\$633
30,000-49,999	2	86,191	0	0	0	0	0	0	\$1.72	\$0
50,000-69,999	4	201,333	0	0	0	0	3	177,398	\$1.83	\$0
70,000-99,999	3	176,869	2	100,342	0	0	0	0	\$1.96	\$0
100,000 & Greater	9	1,021,461	5	495,627	0	0	1	102,700	\$1.73	\$0
WEST ORANGE COUNTY TOTAL	34	1,732,015	16	743,679	1	13,355	5	305,798	\$1.78	\$452
10,000-19,999	25	329,039	7	90,898	7	99,265	8	99,104	\$1.84	\$461
20,000-29,999	15	295,935	5	93,604	2	27,344	2	43,955	\$1.70	\$376
30,000-49,999	19	553,266	6	142,577	4	143,295	1	35,786	\$1.93	\$441
50,000-69,999	4	158,801	1	57,431	3	190,054	0	0	\$1.59	\$332
70,000-99,999	6	403,801	1	40,000	0	0	1	71,616	\$1.78	\$0
100,000 & Greater	7	802,411	2	235,782	1	133,123	2	246,622	\$1.28	\$0
AIRPORT AREA TOTAL	76	2,543,253	22	660,292	15	565,737	14	497,083	\$1.61	\$425
10,000-19,999	9	140,787	1	15,277	4	60,350	2	31,521	\$1.73	\$449
20,000-29,999	11	263,515	6	153,488	3	74,891	3	70,872	\$1.67	\$381
30,000-49,999	6	191,451	1	17,666	0	0	1	46,152	\$1.87	\$384
50,000-69,999	2	86,935	2	86,935	0	0	0	0	\$1.79	\$0
70,000-99,999	2	96,531	0	0	0	0	0	0	\$1.75	\$0
100,000 & Greater	3	576,323	0	0	0	0	1	126,497	\$1.75	\$0
SOUTH ORANGE COUNTY TOTAL	33	1,355,542	10	273,366	7	135,241	7	275,042	\$1.76	\$409
ORANGE COUNTY TOTAL	228	10,100,872	72	2,699,725	28	886,310	43	1,723,559	\$1.75	\$398

Source: CBRE Research, Q3 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	0	0	0	(7,534)	7,534	0.2	96,862	2.2
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	75,215	3.8
La Habra	6	316,165	0	0	0	0	(6,082)	6,082	1.9	6,082	1.9
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 ORANGE COUNTY TOTAL	201	10,340,950	0	0	0	0	(13,616)	201,539	1.9	366,082	3.5
WEST ORANGE COUNTY											
Cypress	44	1,989,946	0	0	0	0	0	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	0	0.0
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	0	0.0
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 ORANGE COUNTY TOTAL	121	4,943,449	0	0	0	0	0	36,413	0.7	241,164	4.9
AIRPORT AREA											
Costa Mesa	82	2,841,168	0	0	0	0	(39,627)	39,627	1.4	142,828	5.0
Fountain Valley	18	686,418	0	0	0	0	0	0	0.0	0	0.0
Irvine	171	5,494,400	0	0	0	0	1,209	33,109	0.6	338,614	6.2
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	0	0	0.0	102,704	2.9
Tustin	43	1,952,246	0	71,616	0	71,616	71,616	12,146	0.6	90,318	4.6
AIRPORT AREA TOTAL	426	15,020,102	0	71,616	0	71,616	33,198	84,882	0.6	674,464	4.5
SOUTH ORANGE COUNTY											
Aliso Viejo	24	582,247	0	0	0	0	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	126,497	126,497	126,281	121,099	1.3	295,880	3.3
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	0	0	0	0	0.0	26,232	4.5
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	23,256	2.6
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	(21,810)	42,310	3.9	42,310	3.9
SOUTH ORANGE COUNTY TOTAL	389	13,336,381	0	0	126,497	126,497	104,471	163,409	1.2	430,197	3.2
ORANGE COUNTY TOTAL	1,137	43,640,882	0	71,616	126,497	198,113	124,053	486,243	1.1	1,711,907	3.9

Source: CBRE Research, Q3 2023.

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	2	19,383	1	13,616	0	0	0	0	\$1.90	\$329
20,000-29,999	1	20,046	0	0	1	26,500	0	0	\$1.65	\$0
30,000-49,999	3	121,275	1	46,060	0	0	0	0	\$1.75	\$0
50,000-69,999	0	0	0	0	0	0	0	0	\$0.00	\$0
70,000-99,999	1	63,515	1	0	0	0	0	0	\$1.75	\$0
100,000 and greater	1	141,863	1	141,863	0	0	0	0	\$1.40	\$0
NORTH ORANGE COUNTY TOTAL	8	366,082	4	201,539	1	26,500	0	0	\$1.57	\$329
10,000-19,999	2	36,413	2	36,413	0	0	0	0	\$1.25	\$0
20,000-29,999	0	0	0	0	0	0	0	0	\$0.00	\$0
30,000-49,999	0	0	0	0	0	0	0	0	\$0.00	\$0
50,000-69,999	0	0	0	0	0	0	0	0	\$0.00	\$0
70,000-99,999	1	76,527	0	0	0	0	0	0	\$1.85	\$0
100,000 and greater	1	128,224	0	0	0	0	0	0	\$1.65	\$0
WEST ORANGE COUNTY TOTAL	4	241,164	2	36,413	0	0	0	0	\$1.65	\$0
10,000-19,999	6	82,269	2	24,633	2	27,344	0	0	\$1.88	\$0
20,000-29,999	6	77,867	2	25,364	0	0	0	0	\$2.05	\$0
30,000-49,999	7	204,441	1	34,885	3	107,509	0	0	\$2.21	\$0
50,000-69,999	2	85,170	0	0	1	69,398	0	0	\$1.50	\$307
70,000-99,999	1	73,097	0	0	0	0	1	71,616	\$0.00	\$0
100,000 and greater	2	151,620	0	0	0	0	0	0	\$0.00	\$0
AIRPORT AREA TOTAL	24	674,464	5	84,882	6	204,251	1	71,616	\$1.94	\$307
10,000-19,999	6	88,735	1	15,277	4	60,350	0	0	\$1.83	\$0
20,000-29,999	9	215,003	5	130,466	2	48,042	0	0	\$1.66	\$267
30,000-49,999	4	126,459	1	17,666	0	0	0	0	\$1.91	\$0
50,000-69,999	0	0	0	0	0	0	0	0	\$0.00	\$0
70,000-99,999	0	0	0	0	0	0	0	0	\$0.00	\$0
100,000 and greater	0	0	0	0	0	0	1	126,497	\$0.00	\$0
SOUTH ORANGE COUNTY TOTAL	19	430,197	7	163,409	6	108,392	1	126,497	\$1.79	\$267
ORANGE COUNTY TOTAL	55	1,711,907	18	486,243	13	339,143	2	198,113	\$1.73	\$301

Source: CBRE Research, Q3 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	44,838,097	308,966	13,008	558,029	571,037	209,937	340,053	0.8	1,804,423	4.0
Brea	206	10,716,520	124,678	0	0	0	(76,248)	207,173	1.9	422,841	3.9
Buena Park	169	13,110,952	0	0	0	0	8,374	15,005	0.1	331,274	2.5
Fullerton	269	18,975,148	139,000	0	58,952	58,952	21,325	158,681	0.8	1,145,353	6.0
La Habra	54	2,264,458	0	0	0	0	0	0	0.0	15,487	0.7
Orange	431	11,947,044	0	0	0	0	0	87,526	0.7	215,020	1.8
Placentia	143	3,694,720	0	0	15,647	15,647	(12,411)	12,411	0.3	159,154	4.3
Yorba Linda	34	830,133	0	0	0	0	0	0	0.0	10,428	1.3
NORTH ORANGE COUNTY TOTAL	2,590	106,377,072	572,644	13,008	632,628	645,636	150,977	820,849	0.8	4,103,980	3.9
WEST ORANGE COUNTY											
Cypress	51	4,105,599	0	0	85,191	85,191	0	19,421	0.5	263,560	6.4
Garden Grove	291	10,979,481	149,335	0	0	0	(34,368)	248,232	2.3	454,910	4.1
Huntington Beach	432	14,320,985	0	0	220,607	220,607	60,891	418,375	2.9	556,831	3.9
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	100,127	10.3
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	70,810	3.8
WEST ORANGE COUNTY TOTAL	993	37,338,429	149,335	0	305,798	305,798	26,523	707,266	1.9	1,490,851	4.0
AIRPORT AREA											
Costa Mesa	198	6,002,621	0	0	13,440	13,440	24,578	0	0.0	262,686	4.4
Fountain Valley	143	3,547,457	0	0	0	0	0	40,000	1.1	167,725	4.7
Irvine	349	13,153,283	394,966	0	254,461	254,461	(30,358)	59,904	0.5	281,277	2.1
Newport Beach	15	238,252	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	787	24,234,720	82,241	0	157,566	157,566	56,625	475,506	2.0	990,351	4.1
Tustin	108	5,727,967	311,770	0	0	0	0	0	0.0	166,750	2.9
AIRPORT AREA TOTAL	1,600	52,904,300	788,977	0	425,467	425,467	50,845	575,410	1.1	1,868,789	3.5
SOUTH ORANGE COUNTY											
Aliso Viejo	23	680,455	0		0	0	0	0	0.0	0	0.0
Foothill Ranch	42	3,011,999	0	0	0	0	0	0	0.0	337,496	11.2
Irvine Spectrum	150	7,846,898	94,195	16,317	86,492	102,809	0	83,108	1.1	336,771	4.3
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	45,736	45,736	(26,849)	26,849	0.7	230,921	6.3
Mission Viejo	19	329,338	136,308	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	0	0	0	0	0	0	0.0	0	0.0
Santa Margarita	47	1,376,787	0	0	0	0	0	0	0.0	20,157	1.5
SOUTH ORANGE COUNTY TOTAL	577	20,497,788	230,503	16,317	132,228	148,545	(26,849)	109,957	0.5	925,345	4.5
ORANGE COUNTY TOTAL	5,760	217,117,589	1,741,459	29,325	1,496,121	1,525,446	201,496	2,213,482	1.0	8,388,965	3.9

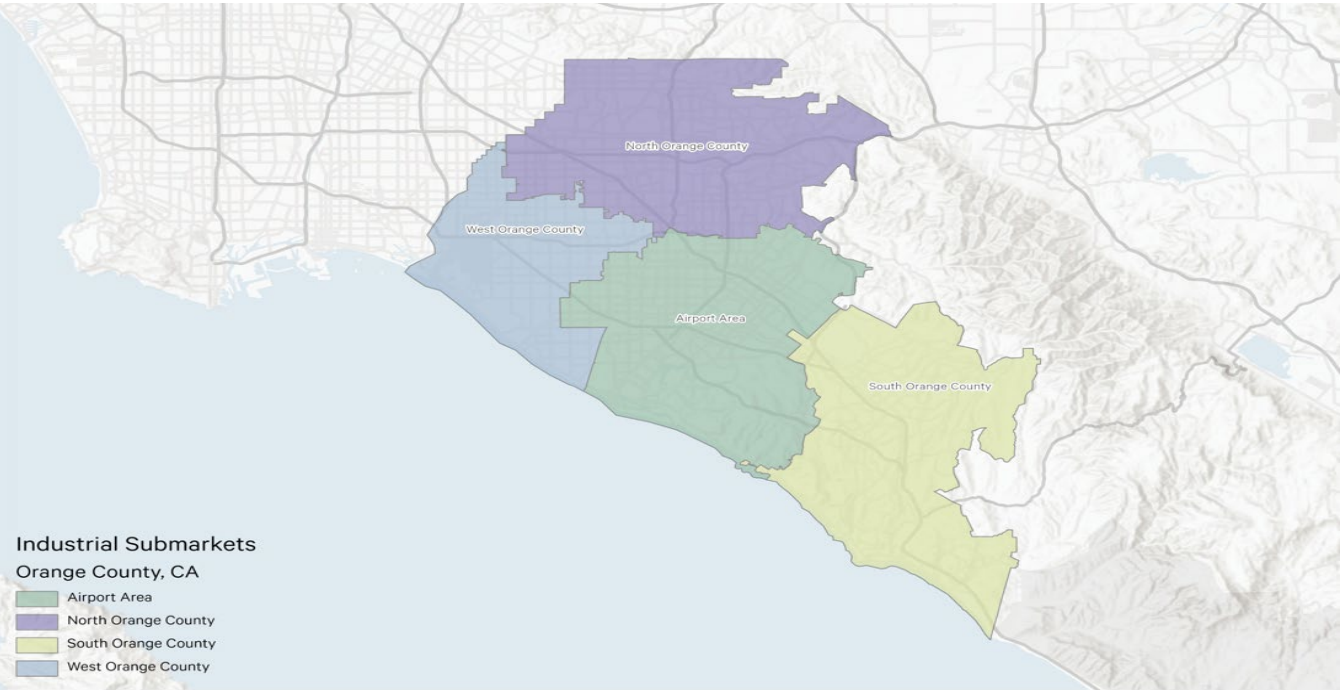
Source: CBRE Research, Q3 2023.

FIGURE 14: Manufacturing and Warehouse Availability Statistics by Building Size

Submarket by Building Size	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	287,663	6	82,454	3	40,304	8	100,765	\$1.70	\$365
20,000-29,999	11	242,002	3	62,200	0	0	2	47,452	\$1.53	\$316
30,000-49,999	15	520,525	4	111,661	0	0	2	69,506	\$1.70	\$366
50,000-69,999	9	437,141	1	52,248	0	0	1	61,541	\$1.92	\$0
70,000-99,999	2	105,178	2	105,178	0	0	2	156,305	\$1.79	\$0
100,000 and greater	19	2,511,471	4	407,108	1	105,173	2	210,067	\$1.92	\$0
NORTH ORANGE COUNTY TOTAL	77	4,103,980	20	820,849	4	145,477	17	645,636	\$1.84	\$363
10,000-19,999	13	186,373	7	111,297	1	13,355	0	0	\$1.66	\$407
20,000-29,999	1	23,375	0	0	0	0	1	25,700	\$2.95	\$633
30,000-49,999	2	86,191	0	0	0	0	0	0	\$1.72	\$0
50,000-69,999	4	201,333	0	0	0	0	3	177,398	\$1.83	\$0
70,000-99,999	2	100,342	2	100,342	0	0	0	0	\$2.05	\$0
100,000 and greater	8	893,237	5	495,627	0	0	1	102700	\$1.76	\$0
WEST ORANGE COUNTY TOTAL	30	1,490,851	14	707,266	1	13,355	5	305,798	\$1.82	\$452
10,000-19,999	19	246,770	5	66,265	5	71,921	8	99,104	\$1.82	\$462
20,000-29,999	9	218,068	3	68,240	0	0	2	43,955	\$1.60	\$376
30,000-49,999	12	348,825	5	107,692	1	35,786	1	35,786	\$1.78	\$441
50,000-69,999	2	73,631	1	57,431	2	120,656	0	0	\$1.90	\$356
70,000-99,999	5	330,704	1	40,000	0	0	0	0	\$1.78	\$0
100,000 and greater	5	650,791	2	235,782	1	133,123	2	246,622	\$1.28	\$0
AIRPORT AREA TOTAL	52	1,868,789	17	575,410	9	361,486	13	425,467	\$1.55	\$434
10,000-19,999	3	52,052	0	0	0	0	2	31,521	\$1.40	\$449
20,000-29,999	2	48,512	1	23,022	1	26,849	3	70,872	\$1.75	\$438
30,000-49,999	2	64,992	0	0	0	0	1	46,152	\$1.70	\$384
50,000-69,999	2	86,935	2	86,935	0	0	0	0	\$1.79	\$0
70,000-99,999	2	96,531	0	0	0	0	0	0	\$1.75	\$0
100,000 and greater	3	576,323	0	0	0	0	0	0	\$1.75	\$0
SOUTH ORANGE COUNTY TOTAL	14	925,345	3	109,957	1	26,849	6	148,545	\$1.72	\$425
ORANGE COUNTY TOTAL	173	8,388,965	54	2,213,482	15	547,167	41	1,525,446	\$1.75	\$404

Source: CBRE Research, Q3 2023.

Market Area Overview



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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. **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.

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