

FIGURES | ORANGE COUNTY INDUSTRIAL | Q1 2024

Vacancy still well-below historic average

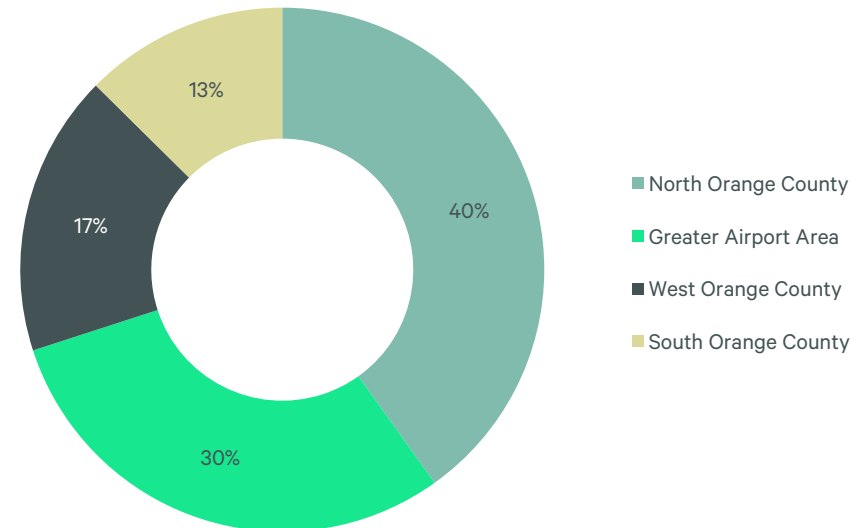


Note: Arrows indicate change from previous quarter.

Executive Summary

- Orange County (OC) average asking rates dropped in Q1 2024. The average asking rate was \$1.77 NNN in Q1 2024, a 2% decrease from the previous quarter. However, rates increased 6% year-over-year.
- The vacancy rate increased from 1.2% in Q4 2023 to 1.5% in Q1 2024, marking the 6th quarter in a row of increases. Vacancy rates hit an all time low in Q4 2022 at 0.7% and continued to slowly rise since then. The 1.5% vacancy rate was still low compared to the 15-year average above 2%.
- Gross activity slowed in Q1 2024. Activity levels dropped to 1.4 million sq. ft. compared to Q4 2023's 2.9 million sq. ft., in part due to tenants trying to wait to sign leases and taking time for due diligence to get the best deal.
- 1.8 million sq. ft. was under construction in Q1 2023, an increase of 426,000 sq. ft. quarter-over-quarter. Both Goodman Logistics Center in Cypress and 17300 Red Hill in Irvine started construction.

FIGURE 1: Available Space Distribution



Source: CBRE Research, Q1 2024.

Market Overview

The Orange County (OC) industrial market slowed in Q1 2024 and mirrored other industrial markets nationally. Quarter-over-quarter, vacancy rates increased 30 basis points (bps) to 1.5% and availability increased to 4.3%. Gross activity decreased from 2.8 million sq. ft. in Q4 2023 to 1.4 million sq. ft. Tenants no longer felt as pressured to sign a lease for fear of missing out and took longer to make decisions. Several buildings completed construction with no pre-leased space, which added to the availability. Net absorption turned negative for the first time since Q2 2020 due to strong activity from the prior quarter and the effect of less demand. While the market slightly weakened, fundamentals continued to remain strong.

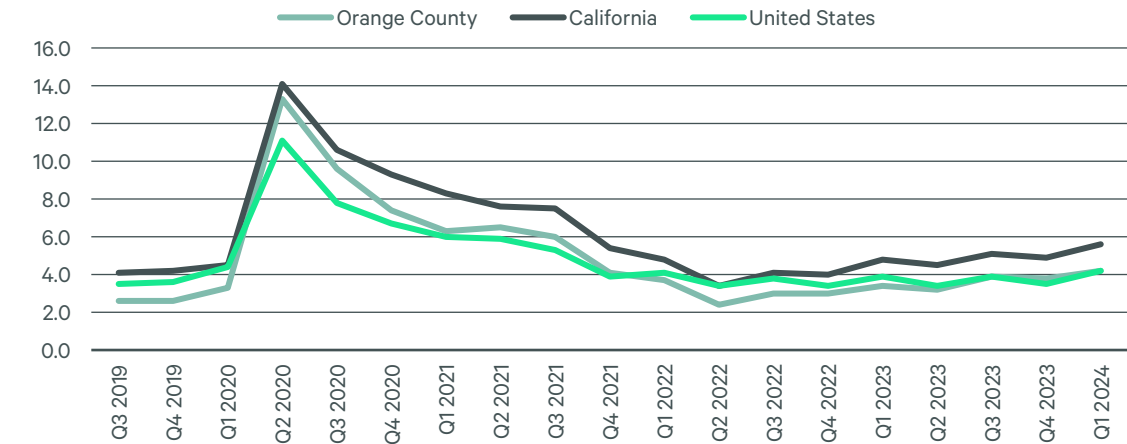
UNEMPLOYMENT

Orange County’s unemployment rate in February 2024 was 4.2%, unchanged from a revised 4.2% in January 2024, and above the year-ago estimate of 3.4%. This was lower than California’s unadjusted unemployment rate of 5.6% and the nation’s 4.2% during the same period. Total nonfarm employment increased 10,400 jobs between January 2024 and February 2024. Professional and business services added 3,400 jobs, the most of any sector. Between February 2023 and February 2024, total nonfarm employment increased by 24,100 jobs, or 1.4%.

LEASE RATE ANALYSIS

The average asking lease rate in OC decreased a slight \$0.04 from Q4 2023 to \$1.77 NNN per sq. ft. per month in Q1 2024 and increased 6% year-over-year. Quarter-over-quarter, Greater Airport Area rates changed the least, increasing only \$0.01 to \$1.87 NNN. This was partially due to new Class A properties becoming available and ticking up the lease rates. South OC rates decreased \$0.05 to \$1.74 NNN, and the North OC submarket decreased \$0.04 to \$1.74 NNN. Due to the current economic status, industrial rates throughout Southern California saw a decrease, following what has already happened in most major markets across the nation.

FIGURE 2: Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Q1 2024.

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



Source: CBRE Research, Q1 2024.

VACANCY & AVAILABILITY

The overall industrial vacancy rate in Orange County increased 30 bps from the previous quarter to 1.5%. While Q1 2024’s vacancy rate marked a new high in OC since Q2 2021, it was still below the pre-pandemic quarterly average above 2%. The South OC submarket had the lowest vacancy rate of all submarkets at 0.9%, increasing 10 bps quarter-over-quarter. The North OC market had the second-lowest vacancy rate, also increasing 10 bps quarter over quarter to 1%. Tenant demand and market fundamentals kept vacancy rates below 2%.

Availability rates increased to 4.5% quarter-over-quarter. The largest new availabilities for Q1 2024 were 6750 Artesia Blvd in Buena Park at 447,055 sq. ft. and 3335 La Palma in Anaheim at 132,231 sq. ft. With more space coming to the market, tenants were able to take their time and shop for the best deals the market had to offer. This, in turn, attributed to less activity.

NET ABSORPTION & ACTIVITY

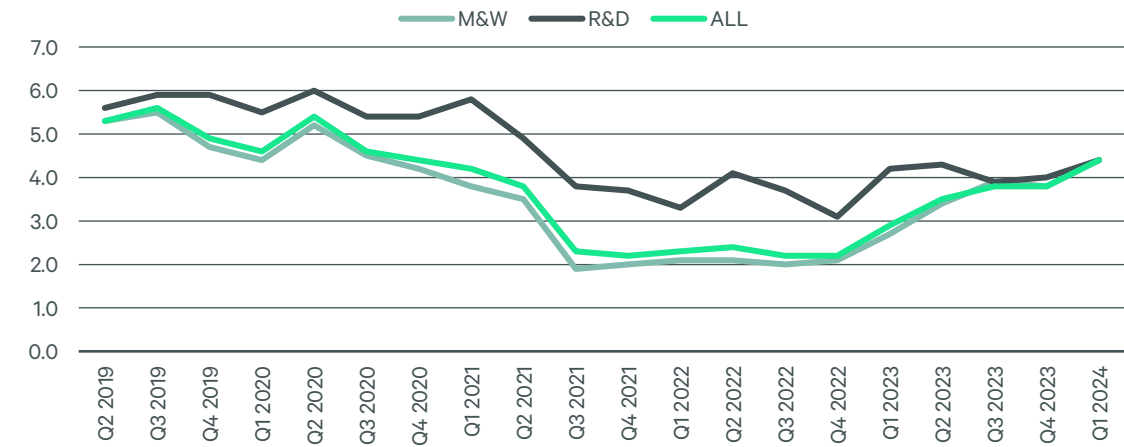
Gross activity totaled 1.4 million sq. ft. in Q1 2024, a decrease from Q4 2023’s 2.9 million sq. ft. New leases over 100,000 sq. ft. were almost all renewals, accounting for lower gross activity levels. Most notably, Hampton International signed a 307,000 sq. ft. lease renewal at 50 Icon in Foothill Ranch and was the largest lease in Q1 2024.

Net absorption totaled a negative 674,000 sq. ft. in Q1 2024. All four OC submarkets experienced negative net absorption. The largest negative net absorption was seen in West OC at negative 346,000 sq. ft. Attributing to this number was the 107,000 sq. ft. vacancy at 11700 Monarch St in Garden Grove. The demand for OC industrial properties slowed in Q1 2024, causing buildings to sit vacant and take longer to lease.

DEVELOPMENT

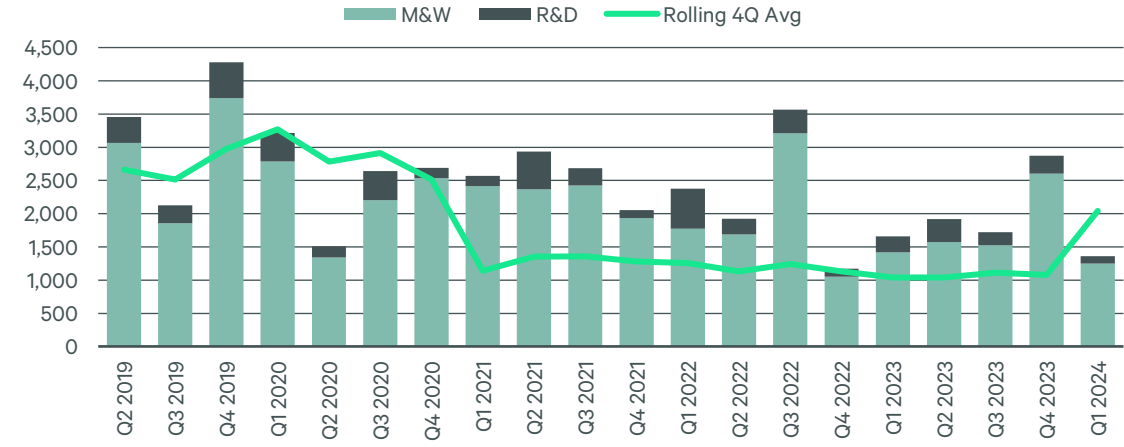
1062 McGaw in Irvine completed construction in Q1 2024. The Alere project spanned roughly 120,000 sq. ft. and was the only project to deliver in OC for Q1 2024. Development increased to 1.8 million sq. ft. as 17300 Red Hill in Irvine and the Goodman Commerce Center in Cypress both started construction. Combined, the two projects will add over 350,000 sq. ft. to the market once complete. Development slowed recently due to limited land and high interest rates, making it difficult for developers to acquire new sites and making development projects hard to pencil.

FIGURE 4: Available (%)



Source: CBRE Research, Q1 2024.

FIGURE 5: Gross Activity (MSF)



Source: CBRE Research, Q1 2024.

MARKET OUTLOOK

Continued economic growth paired with the Fed signaling more accommodative policy all suggests the U.S. economy is heading toward a ‘soft landing’. GDP growth should be less than half 2023’s pace when growth topped 3%. Reasons for the slowdown include a more prudent consumer and much weaker hiring. This latter issue is most acute within interest rate sensitive sectors, such as tech start-ups and goods manufacturing. Notable exceptions include investment in EV and microchip production capacity.

More caution from businesses means a good chunk of recent hiring came from publicly funded sectors (e.g., education, healthcare, state & local governments). A key exception is leisure and hospitality, driven by continued demand for discretionary services. With many private firms on the sidelines, the job openings rate declined to 5.5% from its peak of 7.8% in 2022. This has also meant the pace of wage growth has cooled, but not enough to see inflation fall quickly to 2%. With unemployment remaining below 4% and high-capacity utilization, CPI is unlikely to return to target until 2025.

The Fed will likely make three, 25 basis point cuts this year. This outlook is putting downward pressure on longer-term rate expectations, providing some optimism for real estate capital markets, but the recovery will only begin after the first cut is actually delivered. Better than expected growth over the last 18 months has been helpful in holding real estate vacancy down, notably in the industrial, retail and multifamily sectors.

Despite continued macro-economic trends that affect the industrial market, the Orange County market still boasts strong activity and fundamentals as well as proximity to the San Pedro Bay port complex.

FIGURE 6: Market Statistics

Submarket	Bldg. Sq. Ft.	Overall Vacancy (%)	Availability (%)	Q1 2024 Net Absorption (SF)	Q1 2024 Gross Activity (SF)	Under Construction (SF)	Deliveries (SF)	Avg. Asking Lease Rates (\$PSF/MO)
North Orange County	114,854,301	1.0	3.9	(77,114)	703,773	678,753	0	\$1.74
West Orange County	42,334,816	2.5	4.6	(338,153)	258,817	539,603	0	\$1.73
Greater Airport Area	67,043,565	2.3	5.0	(233,811)	306,812	376,571	120,656	\$1.87
South Orange County	33,927,120	0.9	4.1	(25,748)	89,414	230,503	0	\$1.74
Orange County Total	258,159,802	1.5	4.3	(674,826)	1,358,825	1,825,430	120,656	\$1.77

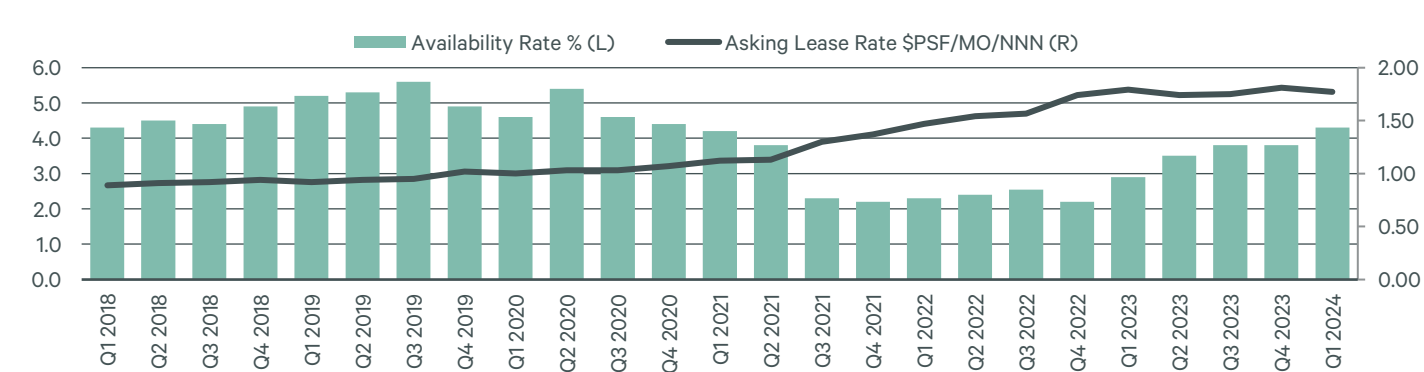
Source: CBRE Research, Q1 2024.

FIGURE 7: Key Transactions

Occupier	Industry Sector	Location	Total Sq. Ft.
Hampton International;*	Manufacturing	Foothill Ranch	307,781
Fabrication Concepts Corp.*	Manufacturing	Santa Ana	118,224
Premier Transportation*	Transportation	Buena Park	116,662
Coast Composites*	Manufacturing	Santa Ana	114,882
Mach Industries	Aerospace	Huntington Beach	109,928

*Indicates Renewal.
Source: CBRE Research, Q1 2024.

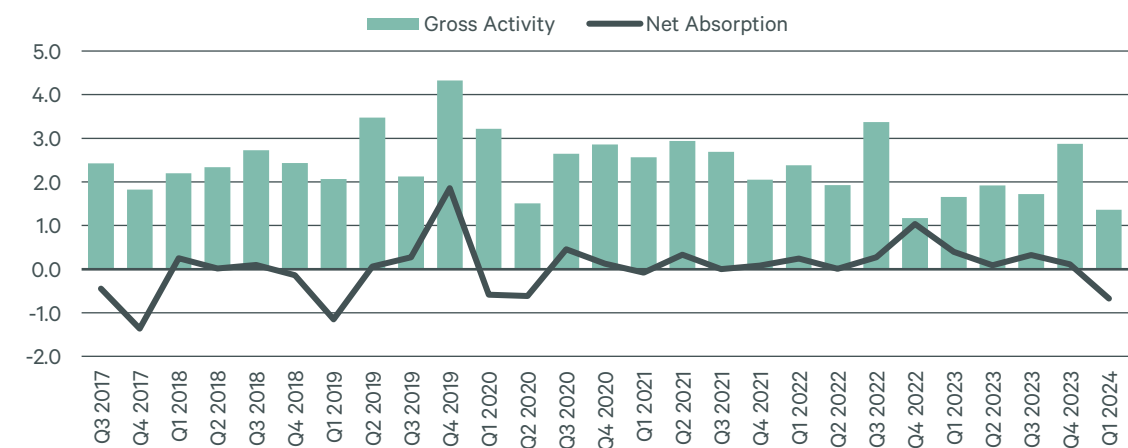
FIGURE Availability Rate and Asking Lease Rate (\$PSF/MO/NNN)



Source: CBRE Research, Q1 2024.

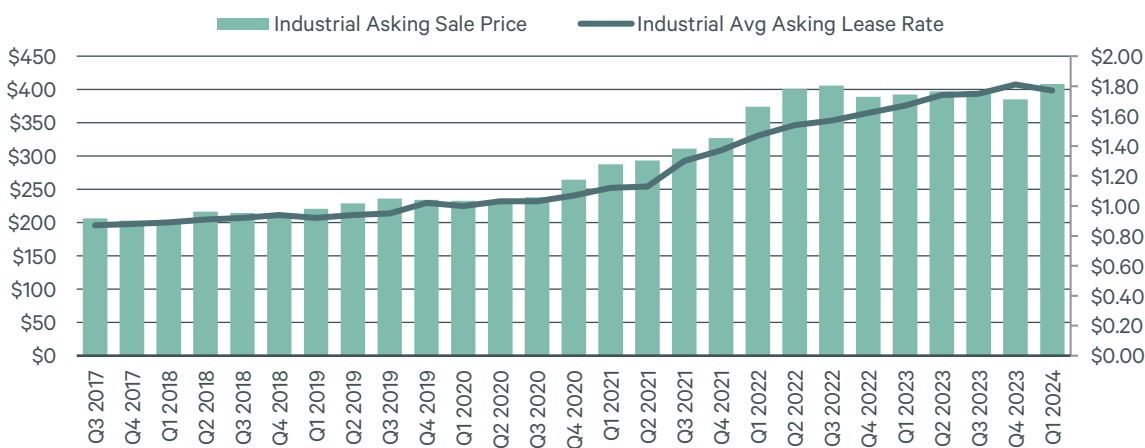
FIGURES INSERT | ORANGE COUNTY INDUSTRIAL | Q4 2023

FIGURE 1: Total Activity & Net Absorption (MSF)



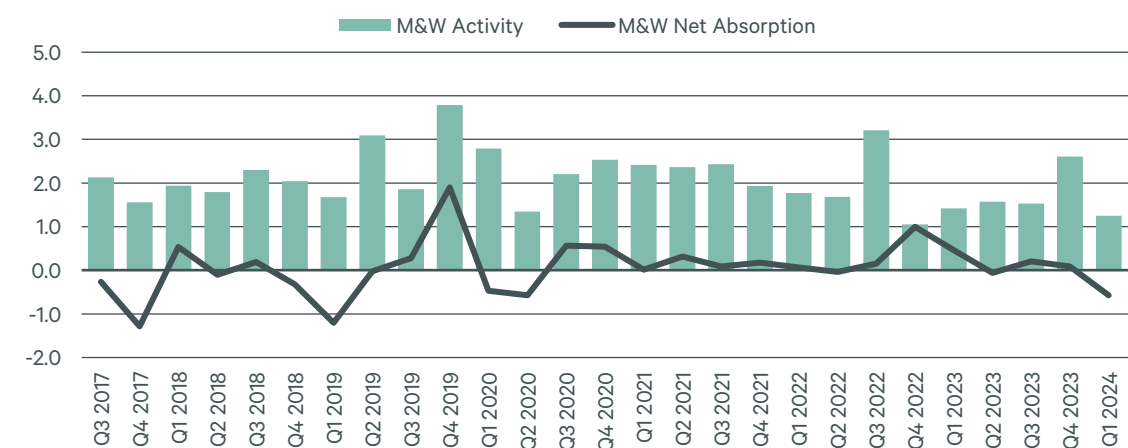
Source: CBRE Research, Q1 2024.

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



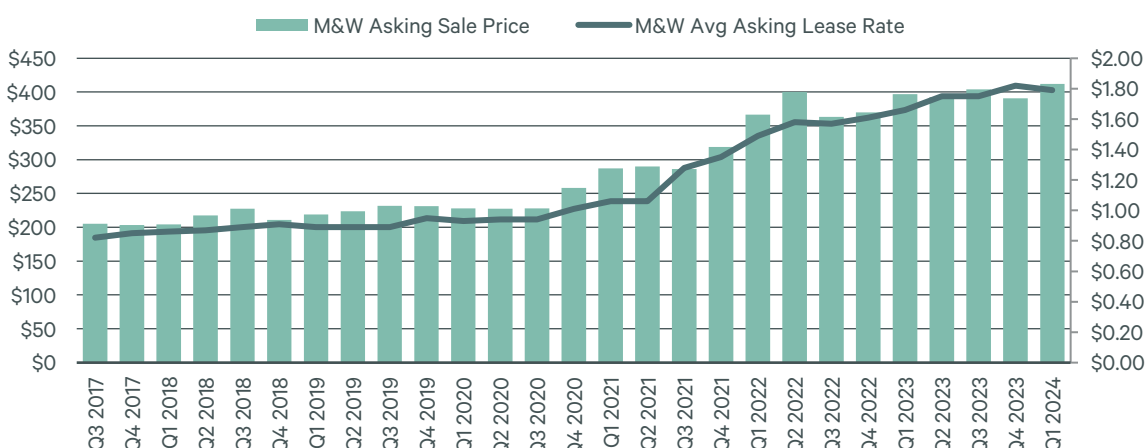
Source: CBRE Research, Q1 2024.

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



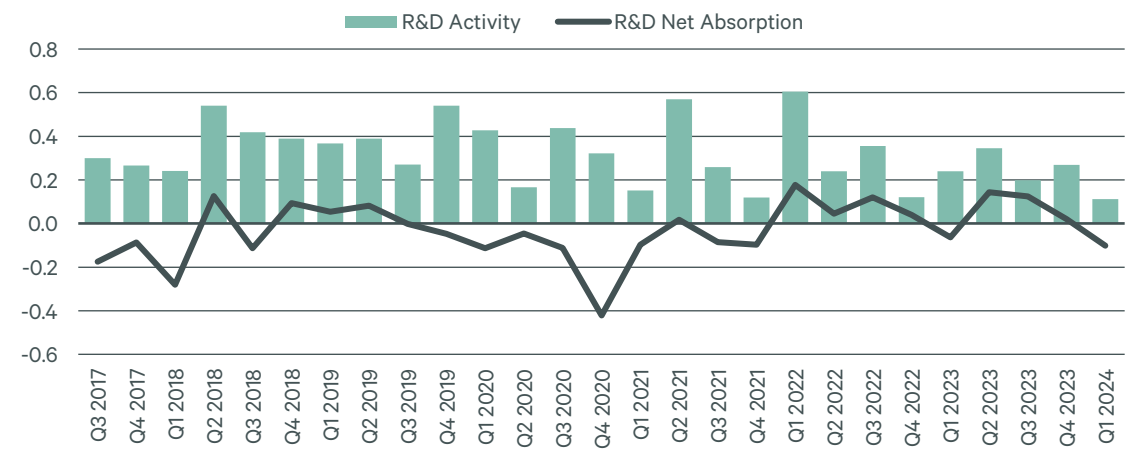
Source: CBRE Research, Q1 2024.

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



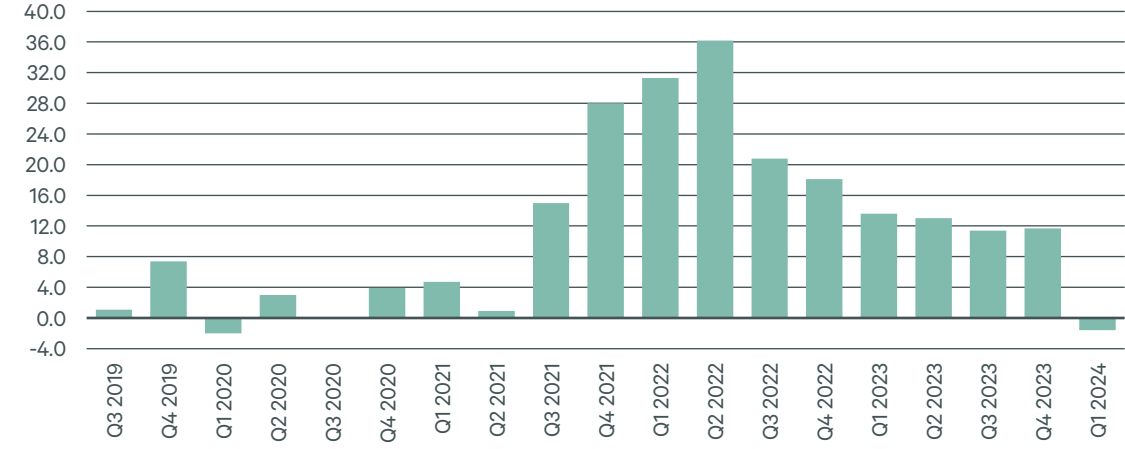
Source: CBRE Research, Q1 2024.

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



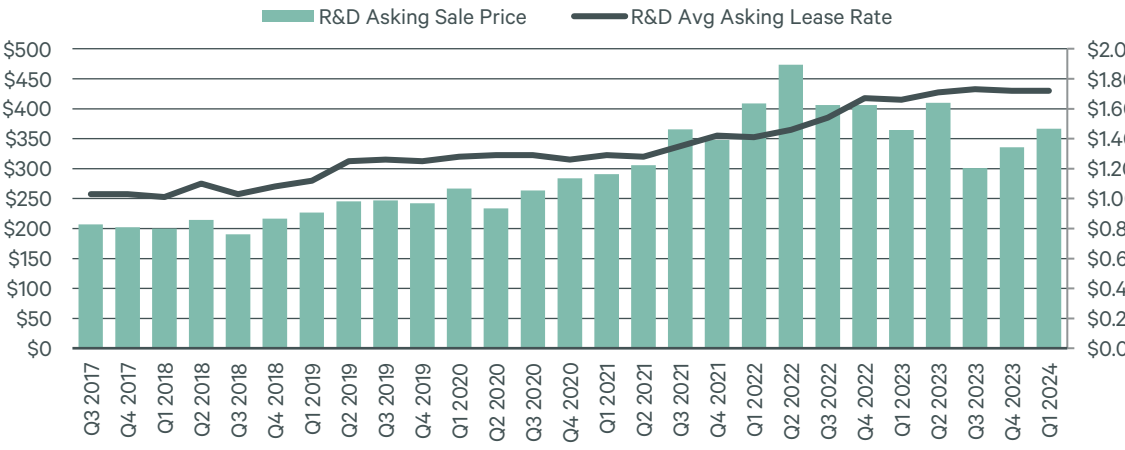
Source: CBRE Research, Q1 2024.

FIGURE 7: Year Over Year Rent Growth (%)



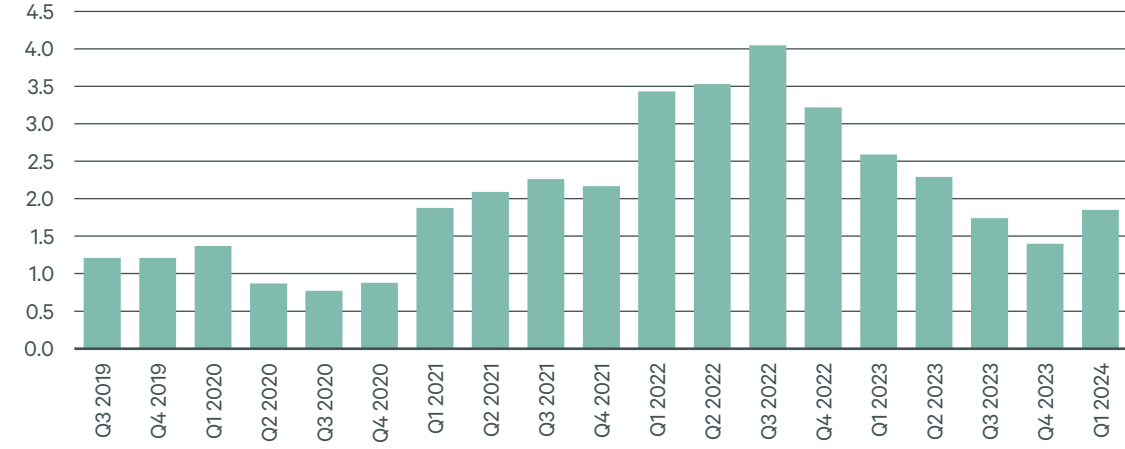
Source: CBRE Research, Q1 2024.

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



Source: CBRE Research, Q1 2024.

FIGURE 8: Under Construction (SF in Millions)



Source: CBRE Research, Q1 2024.

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	1,366	47,855,101	314,143	0	390,347	390,347	134,397	393,735	0.8	1,874,151	3.9
Brea	219	11,918,504	124,678	0	0	0	(12,627)	228,642	1.9	490,937	4.1
Buena Park	187	13,791,356	0	0	38,146	38,146	(61,437)	122,502	0.9	905,881	6.6
Fullerton	290	20,779,926	139,449	48,235	157,944	206,179	(96,343)	154,122	0.7	787,447	3.8
La Habra	60	2,580,623	0	0	0	0	(24,118)	24,118	0.9	24,118	0.9
Orange	456	12,462,017	100,483	56,301	12,800	69,101	(10,961)	21,345	0.2	134,854	1.1
Placentia	146	3,751,617	0	0	0	0	(17,888)	17,888	0.5	140,788	3.8
Yorba Linda	55	1,715,157	0	0	0	0	11,863	130,000	7.6	154,438	9.0
NORTH ORANGE COUNTY TOTAL	2,779	114,854,301	678,753	104,536	599,237	703,773	(77,114)	1,092,352	1.0	4,512,614	3.9
WEST ORANGE COUNTY											
Cypress	95	6,052,870	390,268	0	98,044	98,044	(58,369)	97,181	1.6	324,191	5.4
Garden Grove	321	12,266,279	149,335	0	136,557	136,557	(107,000)	505,741	4.1	735,829	5.9
Huntington Beach	452	15,172,039	0	11,416	0	11,416	(70,281)	355,447	2.3	364,132	2.4
La Palma	25	2,637,948	0	0	0	0	(84,321)	86,767	3.3	165,747	6.3
Los Alamitos	88	2,250,619	0	0	0	0	(18,182)	18,182	0.8	142,991	6.4
Seal Beach	12	972,051	0	0	0	0	0	0	0.0	64,061	6.6
Stanton	53	1,072,081	0	0	12,800	12,800	0	0	0.0	20,140	1.9
Westminster	67	1,910,929	0	0	0	0	0	0	0.0	142,796	7.5
WEST ORANGE COUNTY TOTAL	1,113	42,334,816	539,603	11,416	247,401	258,817	(338,153)	1,063,318	2.5	1,959,887	4.6
AIRPORT AREA											
Costa Mesa	279	8,593,939	0	0	0	0	(11,581)	67,758	0.8	364,853	4.2
Fountain Valley	161	4,234,163	0	0	0	0	0	40,000	0.9	150,575	3.6
Irvine	516	18,434,146	294,330	0	215,186	215,186	(102,491)	484,647	2.6	935,759	5.0
Newport Beach	30	734,354	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	879	27,547,528	82,241	0	91,635	91,635	(119,739)	646,786	2.3	1,333,288	4.8
Tustin	150	7,499,435	0	0	0	0	0	311,770	4.2	584,526	7.8
AIRPORT AREA TOTAL	2,015	67,043,565	376,571	0	306,821	306,821	(233,811)	1,550,961	2.3	3,369,001	5.0
SOUTH ORANGE COUNTY											
Aliso Viejo	48	1,341,205	0	0	0	0	0	0	0.0	82,125	6.1
Foothill Ranch	45	3,073,919	0	0	16,377	16,377	(3,623)	0	0.0	163,704	5.3
Irvine Spectrum	387	16,896,969	94,195	0	41,193	41,193	0	180,297	1.1	648,820	3.8
Laguna Hills	62	1,105,229	0	0	0	0	0	0	0.0	0	0.0
Laguna Niguel	27	587,917	0	0	0	0	0	0	0.0	0	0.0
Lake Forest	142	4,212,419	0	0	31,844	31,844	(33,805)	70,912	1.7	418,237	9.9
Mission Viejo	34	952,065	0	0	0	0	0	0	0.0	0	0.0
San Clemente	105	2,391,633	0	0	0	0	0	40,660	1.7	37,709	1.6
San Juan Capistrano	40	904,246	136,308	0	0	0	0	0	0.0	0	0.0
Santa Margarita	76	2,461,518	94,195	0	0	0	11,680	0	0.0	40,660	1.6
SOUTH ORANGE COUNTY TOTAL	966	33,927,120	230,503	0	89,414	89,414	(25,748)	291,869	0.9	1,391,255	4.1
ORANGE COUNTY TOTAL	6,873	258,159,802	1,825,430	115,952	1,242,873	1,358,825	(674,826)	3,998,500	1.5	11,232,757	4.3

Source: CBRE Research, Q1 2024.

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	24	314,947	14	175,462	11	154,669	9	130,139	\$1.68	\$361
20,000-29,999	10	176,241	3	32,213	4	91,954	5	119,483	\$1.54	\$0
30,000-49,999	20	649,505	7	193,939	4	167,289	2	81,114	\$1.92	\$457
50,000-69,999	10	510,896	4	181,127	4	234,552	2	123,952	\$1.71	\$511
70,000-99,999	7	354,091	3	95,240	4	310,079	1	95,187	\$1.70	\$270
100,000 & Greater	25	2,506,934	6	414,371	3	683,602	1	153,898	\$1.73	\$0
NORTH ORANGE COUNTY TOTAL	96	4,512,614	37	1,092,352	30	1,642,145	20	703,773	\$1.74	\$377
10,000-19,999	14	192,745	8	118,384	5	69,192	5	69,602	\$1.62	\$410
20,000-29,999	8	158,787	1	27,850	5	120,823	1	29,319	\$1.98	\$456
30,000-49,999	4	167,468	1	44,995	3	128,525	1	49,334	\$1.72	\$0
50,000-69,999	5	273,828	0	0	2	114,679	0	0	\$1.83	\$0
70,000-99,999	7	468,287	4	262,423	3	242,768	0	0	\$1.76	\$0
100,000 & Greater	5	698,772	4	609,666	1	107,000	1	110,562	\$1.66	\$0
WEST ORANGE COUNTY TOTAL	43	1,959,887	18	1,063,318	19	782,987	8	258,817	\$1.73	\$414
10,000-19,999	28	381,076	11	144,142	13	202,336	11	154,415	\$1.78	\$495
20,000-29,999	18	374,116	7	153,056	6	123,657	2	45,544	\$1.80	\$385
30,000-49,999	20	574,456	6	145,426	2	78,547	0	0	\$1.77	\$385
50,000-69,999	6	267,454	2	111,519	3	158,971	0	0	\$1.74	\$372
70,000-99,999	6	341,447	2	131,998	0	0	0	0	\$1.78	\$0
100,000 & Greater	13	1,430,452	7	864,820	2	240,656	1	106,862	\$1.97	\$0
AIRPORT AREA TOTAL	91	3,369,001	35	1,550,961	24	774,381	14	306,821	\$1.87	\$420
10,000-19,999	11	162,063	1	15,000	1	17,811	3	37,897	\$1.90	\$445
20,000-29,999	12	285,062	6	145,957	1	21,588	1	21,297	\$1.65	\$391
30,000-49,999	7	228,665	1	33,805	2	64,005	1	30,220	\$1.75	\$415
50,000-69,999	5	233,623	2	86,935	1	53,228	0	0	\$1.70	\$0
70,000-99,999	2	143,786	0	0	3	248,722	0	0	\$1.75	\$0
100,000 & Greater	4	338,056	1	10,258	0	0	0	0	\$1.79	\$0
SOUTH ORANGE COUNTY TOTAL	41	1,391,255	11	291,955	8	405,354	5	89,414	\$1.74	\$424
ORANGE COUNTY TOTAL	271	11,232,757	101	3,998,586	81	3,604,867	47	1,358,825	\$1.77	\$408

Source: CBRE Research, Q1 2024.

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	97	4,233,008	0	0	20,046	20,046	5,767	21,101	0.5	90,383	2.1
Brea	13	1,201,984	0	0	0	0	0	0	0.0	0	0.0
Buena Park	9	409,407	0	0	0	0	0	46,060	11.3	46,060	11.3
Fullerton	23	1,994,105	0	0	0	0	0	0	0.0	26,500	1.3
La Habra	6	316,165	0	0	0	0	(10,106)	10,106	3.2	10,106	3.2
Orange	28	756,452	0	15,550	0	15,550	0	0	0.0	0	0.0
Placentia	2	25,528	0	0	0	0	0	0	0.0	0	0.0
Yorba Linda	21	885,024	0	0	0	0	11,863	130,000	14.7	130,000	14.7
NORTH ORANGE COUNTY TOTAL	199	9,821,673	0	15,550	20,046	35,596	7,524	207,267	2.1	303,049	3.1
WEST ORANGE COUNTY											
Cypress	43	1,956,406	0	0	19,391	19,391	(58,369)	77,760	4.0	259,192	13.2
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	6	292,437	0	0	0	0	0	0	0.0	78,980	27.0
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	117	4,662,417	0	0	19,391	19,391	(58,369)	77,760	1.7	338,172	7.3
AIRPORT AREA											
Costa Mesa	83	2,917,799	0	0	0	0	0	39,627	1.4	142,822	4.9
Fountain Valley	18	686,706	0	0	0	0	0	0	0.0	0	0.0
Irvine	168	5,251,827	0	0	15,110	15,110	(48,233)	81,342	1.5	198,294	3.8
Newport Beach	15	496,102	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	96	3,497,830	0	0	0	0	0	0	0.0	112,663	3.2
Tustin	42	1,806,061	0	0	0	0	0	0	0.0	55,688	3.1
AIRPORT AREA TOTAL	422	14,656,325	0	0	15,110	15,110	(48,233)	120,969	0.8	509,467	3.5
SOUTH ORANGE COUNTY											
Aliso Viejo	25	660,750	0	0	0	0	0	0	0.0	82,125	12.4
Foothill Ranch	3	61,920	0	0	0	0	(3,623)	0	0.0	0	0.0
Irvine Spectrum	236	8,960,974	0	0	41,193	41,193	0	120,297	1.3	453,043	5.1
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	18	543,951	0	0	0	0	0	0	0.0	61,778	11.4
Mission Viejo	15	622,727	0	0	0	0	0	0	0.0	0	0.0
San Clemente	40	882,405	0	0	0	0	0	40,660	4.6	27,530	3.1
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	1,650	0	0.0	40,660	3.7
SOUTH ORANGE COUNTY TOTAL	388	13,345,993	0	0	41,193	41,193	(1,973)	160,957	1.2	665,136	5.0
ORANGE COUNTY TOTAL	1,126	42,486,408	0	15,550	95,740	111,290	(101,051)	566,953	1.3	1,815,824	4.3

Source: CBRE Research, Q1 2024.

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	17,640	2	11,873	0	0	0	15,550	\$1.72	\$0
20,000-29,999	0	0	0	0	0	0	1	20,046	\$0.00	\$0
30,000-49,999	2	72,560	1	46,060	1	46,060	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	0	0	0	0	0	0	\$1.75	\$0
100,000 and greater	2	149,334	2	149,334	0	0	0	0	\$1.40	\$0
NORTH ORANGE COUNTY TOTAL	7	303,049	5	207,267	1	46,060	1	35,596	\$1.56	\$0
10,000-19,999	0	0	0	0	1	11,193	1	19,391	\$0.00	\$0
20,000-29,999	0	0	0	0	1	27,200	0	0	\$0.00	\$0
30,000-49,999	0	0	0	0	0	0	0	0	\$0.00	\$0
50,000-69,999	1	53,208	0	0	1	55,000	0	0	\$1.65	\$0
70,000-99,999	2	156,740	1	77,760	0	0	0	0	\$1.75	\$0
100,000 and greater	1	128,224	0	0	0	0	0	0	\$1.65	\$0
WEST ORANGE COUNTY TOTAL	4	338,172	1	77,760	3	93,393	1	19,391	\$1.68	\$0
10,000-19,999	4	47,949	2	18,778	2	29,786	1	15,110	\$1.89	\$0
20,000-29,999	6	86,335	1	13,218	0	0	0	0	\$1.87	\$307
30,000-49,999	6	191,167	1	34,885	0	0	0	0	\$2.07	\$452
50,000-69,999	3	139,258	1	54,088	1	54,088	0	0	\$1.77	\$0
70,000-99,999	0	0	0	0	0	0	0	0	\$0.00	\$0
100,000 and greater	1	44,758	0	0	0	0	0	0	\$0.00	\$0
AIRPORT AREA TOTAL	20	509,467	5	120,969	3	83,874	1	15,110	\$1.88	\$380
10,000-19,999	7	104,066	1	15,000	0	0	1	10,973	\$2.16	\$0
20,000-29,999	11	259,576	6	145,957	0	0	0	0	\$1.65	\$354
30,000-49,999	5	154,720	0	0	0	0	1	30,220	\$1.75	\$0
50,000-69,999	3	146,774	0	0	1	53,228	0	0	\$1.75	\$0
70,000-99,999	0	0	0	0	2	160,534	0	0	\$0.00	\$0
100,000 and greater	0	0	0	0	0	0	0	0	\$0.00	\$0
SOUTH ORANGE COUNTY TOTAL	26	665,136	7	160,957	3	213,762	2	41,193	\$1.74	\$354
ORANGE COUNTY TOTAL	57	1,815,824	18	566,953	10	437,089	5	111,290	\$1.72	\$367

Source: CBRE Research, Q1 2024.

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	1,269	43,622,093	314,143	0	370,301	370,301	128,630	372,634	0.9	1,783,768	4.1
Brea	206	10,716,520	124,678	0	0	0	(12,627)	228,642	2.1	490,937	4.6
Buena Park	178	13,381,949	0	0	38,146	38,146	(61,437)	76,442	0.6	859,821	6.4
Fullerton	267	18,785,821	139,449	48,235	157,944	206,179	(96,343)	154,122	0.8	760,947	4.1
La Habra	54	2,264,458	0	0	0	0	(14,012)	14,012	0.6	14,012	0.6
Orange	428	11,705,565	100,483	40,751	12,800	53,551	(10,961)	21,345	0.2	134,854	1.2
Placentia	144	3,726,089	0	0	0	0	(17,888)	17,888	0.5	140,788	3.8
Yorba Linda	34	830,133	0	0	0	0	0	0	0.0	24,438	2.9
NORTH ORANGE COUNTY TOTAL	2,580	105,032,628	678,753	88,986	579,191	668,177	(84,638)	885,085	0.8	4,209,565	4.0
WEST ORANGE COUNTY											
Cypress	52	4,096,464	390,268	0	78,653	78,653	0	19,421	0.5	64,999	1.6
Garden Grove	290	10,955,262	149,335	0	136,557	136,557	(107,000)	505,741	4.6	735,829	6.7
Huntington Beach	432	14,519,162	0	11,416	0	11,416	(70,281)	355,447	2.4	364,132	2.5
La Palma	19	2,345,511	0	0	0	0	(84,321)	86,767	3.7	86,767	3.7
Los Alamitos	72	1,821,831	0	0	0	0	(18,182)	18,182	1.0	142,991	7.8
Seal Beach	12	972,051	0	0	0	0	0	0	0.0	64,061	6.6
Stanton	53	1,072,081	0	0	12,800	12,800	0	0	0.0	20,140	1.9
Westminster	66	1,890,037	0	0	0	0	0	0	0.0	142,796	7.6
WEST ORANGE COUNTY TOTAL	996	37,672,399	539,603	11,416	228,010	239,426	(279,784)	985,558	2.6	1,621,715	4.3
AIRPORT AREA											
Costa Mesa	196	5,676,140	0	0	0	0	(11,581)	28,131	0.5	222,031	3.9
Fountain Valley	143	3,547,457	0	0	0	0	0	40,000	1.1	150,575	4.2
Irvine	348	13,182,319	294,330	0	200,076	200,076	(54,258)	403,305	3.1	737,465	5.6
Newport Beach	15	238,252	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	783	24,049,698	82,241	0	91,635	91,635	(119,739)	646,786	2.7	1,220,625	5.1
Tustin	108	5,693,374	0	0	0	0	0	311,770	5.5	528,838	9.3
AIRPORT AREA TOTAL	1,593	52,387,240	376,571	0	291,711	291,711	(185,578)	1,429,992	2.7	2,859,534	5.5
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	16,377	16,377	0	0	0.0	163,704	5.4
Irvine Spectrum	151	7,935,995	94,195	0	0	0	0	60,000	0.8	195,777	2.5
Laguna Hills	58	1,037,200	0	0	0	0	0	0	0.0	0	0.0
Laguna Niguel	18	391,122	0	0	0	0	0	0	0.0	0	0.0
Lake Forest	124	3,668,468	0	0	31,844	31,844	(33,805)	70,912	1.9	356,459	9.7
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	10,179	0.7
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	0	0	10,030	0	0.0	0	0.0
SOUTH ORANGE COUNTY TOTAL	578	20,581,127	230,503	0	48,221	48,221	(23,775)	130,912	0.6	726,119	3.5
ORANGE COUNTY TOTAL	5,747	215,673,394	1,825,430	100,402	1,147,133	1,247,535	(573,775)	3,431,547	1.6	9,416,933	4.4

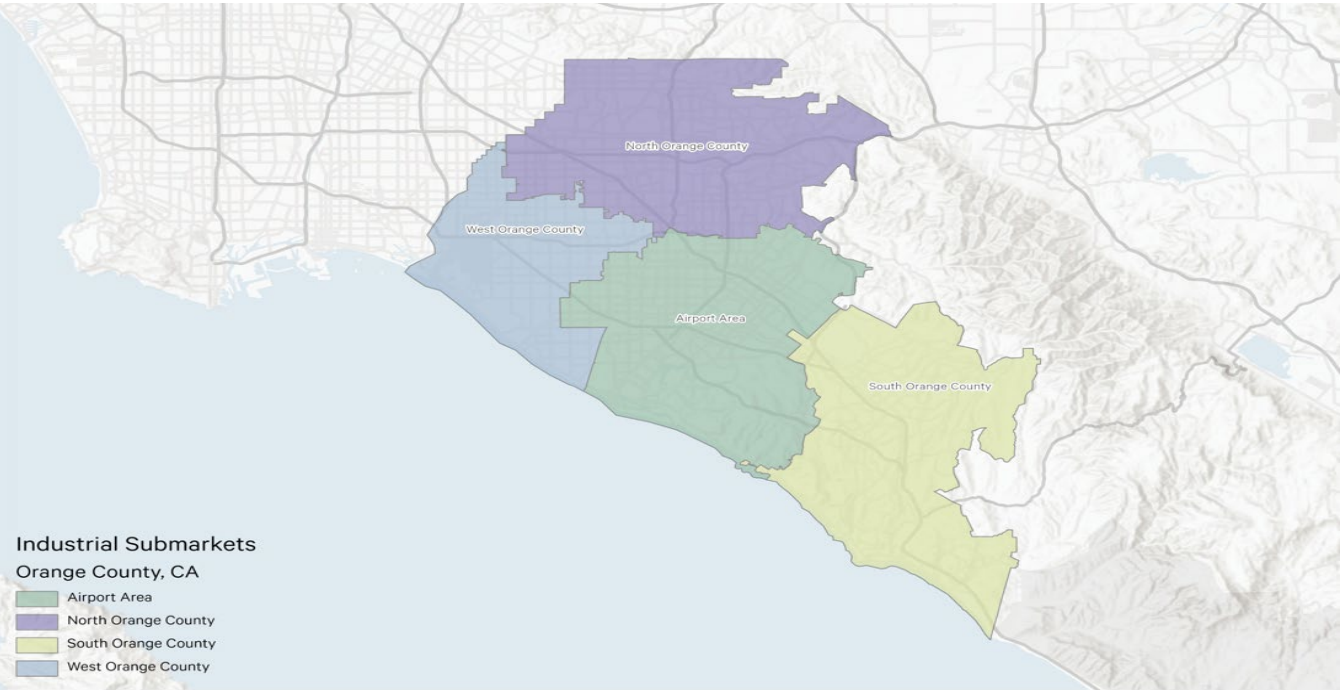
Source: CBRE Research, Q1 2024.

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	22	297,307	12	163,589	11	154,669	9	114,589	\$1.68	\$361
20,000-29,999	10	176,241	3	32,213	4	91,954	4	99,437	\$1.54	\$0
30,000-49,999	18	576,945	6	147,879	3	121,229	2	81,114	\$1.93	\$457
50,000-69,999	10	510,896	4	181,127	4	234,552	2	123,952	\$1.71	\$511
70,000-99,999	6	290,576	3	95,240	4	310,079	1	95,187	\$1.67	\$270
100,000 and greater	23	2,357,600	4	265,037	3	683,602	1	153,898	\$1.77	\$0
NORTH ORANGE COUNTY TOTAL	89	4,209,565	32	885,085	29	1,596,085	19	668,177	\$1.75	\$377
10,000-19,999	14	192,745	8	118,384	4	57,999	4	50,211	\$1.62	\$410
20,000-29,999	8	158,787	1	27,850	4	93,623	1	29,319	\$1.98	\$456
30,000-49,999	4	167,468	1	44,995	3	128,525	1	49,334	\$1.72	\$0
50,000-69,999	4	220,620	0	0	1	59,679	0	0	\$1.90	\$0
70,000-99,999	5	311,547	3	184,663	3	242,768	0	0	\$1.76	\$0
100,000 and greater	4	570,548	4	609,666	1	107,000	1	110562	\$1.97	\$0
WEST ORANGE COUNTY TOTAL	39	1,621,715	17	985,558	16	689,594	7	239,426	\$1.74	\$414
10,000-19,999	24	333,127	9	125,364	11	172,550	10	139,305	\$1.75	\$495
20,000-29,999	12	287,781	6	139,838	4	93,871	2	45,544	\$1.77	\$424
30,000-49,999	14	383,289	5	110,541	2	78,547	0	0	\$1.70	\$369
50,000-69,999	3	128,196	1	57,431	2	104,883	0	0	\$1.71	\$372
70,000-99,999	6	341,447	2	131,998	0	0	0	0	\$1.78	\$0
100,000 and greater	12	1,385,694	7	864,820	2	240,656	1	106,862	\$1.67	\$0
AIRPORT AREA TOTAL	71	2,859,534	30	1,429,992	21	690,507	13	291,711	\$1.86	\$427
10,000-19,999	4	57,997	0	0	1	17,811	2	26,924	\$1.67	\$445
20,000-29,999	1	25,486	0	0	1	21,588	1	21,297	\$0.00	\$428
30,000-49,999	2	73,945	1	33,805	2	64,005	0	0	\$0.00	\$415
50,000-69,999	2	86,849	2	86,849	0	0	0	0	\$1.66	\$0
70,000-99,999	2	143,786	0	0	1	88,188	0	0	\$1.75	\$0
100,000 and greater	4	338,056	1	10,258	0	0	0	0	\$1.79	\$0
SOUTH ORANGE COUNTY TOTAL	15	726,119	4	130,912	5	191,592	3	48,221	\$1.74	\$438
ORANGE COUNTY TOTAL	214	9,416,933	83	3,431,547	71	3,167,778	42	1,247,535	\$1.79	\$412

Source: CBRE Research, Q1 2024.

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. **Normalization:** The base, number, and square footage of buildings has been adjusted to account for demolished buildings in prior quarters.

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.