

FIGURES | ORANGE COUNTY INDUSTRIAL | Q4 2023

Activity outpaces the 5-year quarterly average



Note: Arrows indicate change from previous quarter.

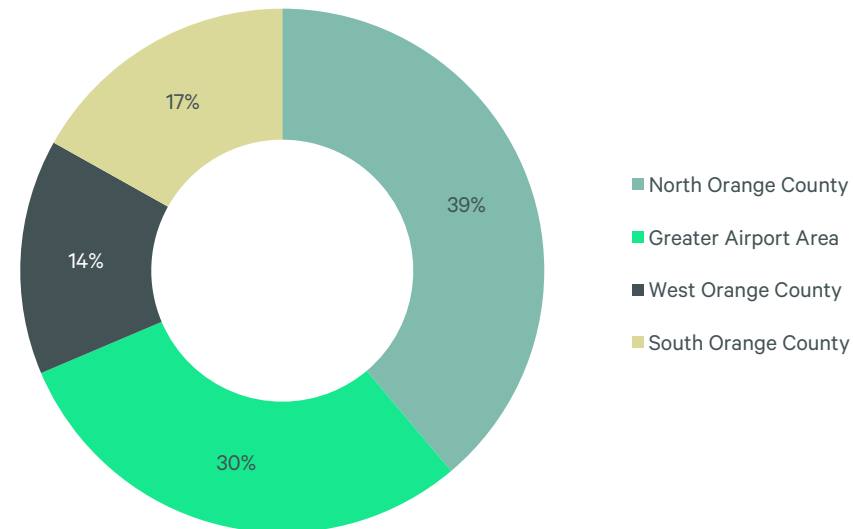
Despite new building deliveries, availability rate held steady

- Orange County (OC) availability rates stayed stagnant at 3.8% from the previous quarter. Even with three new buildings being delivered vacant, the availability rate remained the same. LogistiCenter55 in Tustin delivered 311,770 sq. ft. in Q4 2023 fully vacant and available. In addition, Teller also delivered 136,000 sq. ft without a tenant in tow. Even with this increased vacancy, OC is still slightly below the historical 5-year average availability rate of 3.9%.

Activity remained strong amidst tight economy

- Gross activity held strong fundamentals and amounted to 2.8 million sq. ft. in Q4 2023. This was an increase of almost 1 million sq. ft. compared to Q3 2023's amount. For comparison, the past five years had an average quarterly gross activity of 2.5 million sq. ft. The OC industrial market continued with strong fundamentals, driven by strong activity and strong demand for space.

FIGURE 1: Available Space Distribution



Source: CBRE Research, Q4 2023.

Market Overview

The Orange County (OC) industrial market continued to keep strong fundamentals despite economic uncertainty. Quarter-over-quarter, vacancy rates increased 20 basis points (bps) to 1.2%, while availability stayed stagnant at 3.8%. Gross activity increased from 1.7 million sq. ft. to 2.8 million sq. ft. as tenants had more options to choose from due to the increased availability. Despite several buildings completing construction with no pre-leased space, net absorption remained positive for the year. Fundamentals remained strong throughout OC with industrial tenants and owners alike seeing a normalization of the market.

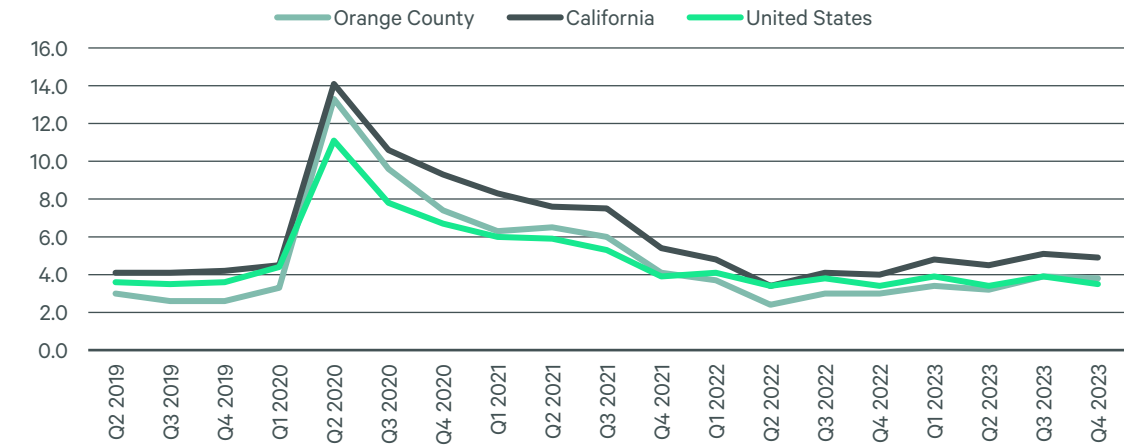
UNEMPLOYMENT

Orange County’s unemployment rate in November 2023 was 3.8%, much lower than California’s unadjusted rate of 4.9% and up slightly from the nation’s 3.5%. Total nonfarm employment increased 29,300 jobs between November 2022 and November 2023, or 1.7%. Over the past 12 months, construction employment increased 5,000 jobs while manufacturing employment decreased 2,300 jobs. Transportation and warehousing employment increased 3.1% from November 2022 to November 2023.

LEASE RATE ANALYSIS

The average asking lease rate in OC increased \$0.06 from Q3 2023 to \$1.81 NNN per sq. ft. per month in Q4 2023. Quarter-over-quarter, West OC rates increased \$0.01 to \$1.79 NNN and South OC rates increased \$0.03 to \$1.79 NNN while the North OC submarket decreased \$0.03 to \$1.78 NNN. The Greater Airport Area increased to \$1.86 NNN, partially due to new Class A properties being delivered. Due to the COVID-19 pandemic, industrial rates throughout Southern California saw a hefty increase, and this rate growth slowed down in 2023. Annually, asking rates increased \$0.19 from Q4 2022 to Q4 2023 due to new construction and quality space coming to market.

FIGURE 2: Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Q4 2023.

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



Source: CBRE Research, Q4 2023.

VACANCY & AVAILABILITY

The overall industrial vacancy rate in Orange County (OC) increased 20 bps from the previous quarter to 1.2%. While Q4 2023’s vacancy rate marked the highest seen in OC since Q2 2021, it was still below the pre-COVID-19 pandemic quarterly average of 2.1%. The South OC submarket had the lowest vacancy rate by submarket at 0.8%. Even in a period of rediscovery and normalization, tenant demand remained strong due to market fundamentals and kept vacancy rates below 2%.

Availability rates stayed steady at 3.8% quarter-over-quarter. The largest new availabilities for Q4 2023 were 1515 Winston in Anaheim at 377,834 sq. ft. for sublease and 5701 Bolsa in Huntington Beach for 147,010 sq. ft. With more space coming to the market, tenants were able to shop the market for better deals and concessions due to more options for new space. This, in turn, attributed to more activity in the OC market.

NET ABSORPTION & ACTIVITY

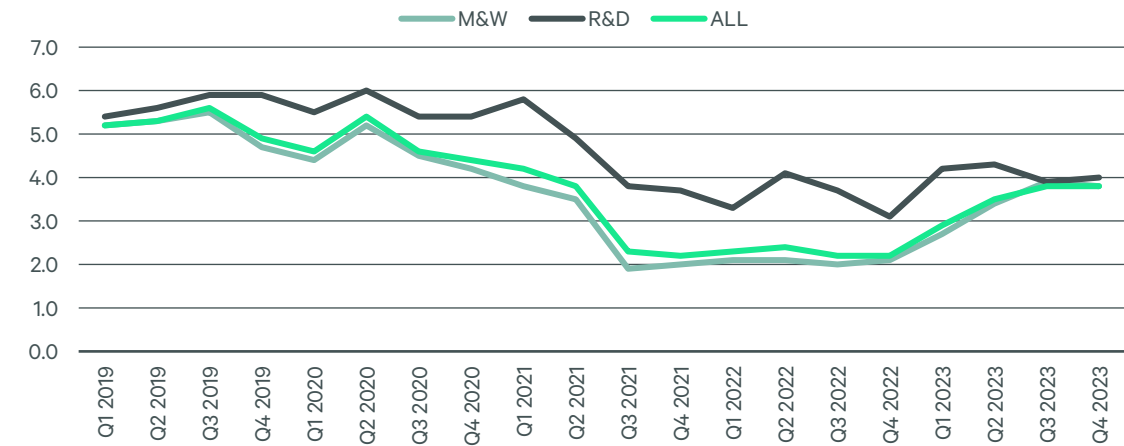
OC industrial gross activity totaled 2.8 million sq. ft. in Q4 2023, an increase from Q3 2023’s 1.7 million sq. ft. New leases over 100,000 sq. ft. almost doubled in Q4 2023 with nine compared to last quarter’s five new leases. Most notably, Raymond Handling signed a 215,000 sq. ft. lease at 5560 Katella in Cypress and was the largest lease in Q4 2023.

Net absorption totaled a positive 108,000 sq. ft. for Q4 2023. Three out of four OC submarkets experienced positive net absorption this quarter. The largest negative net absorption was seen in the Greater Airport Area at negative 87,820 sq. ft. Attributing to this number was the 60,000 sq. ft. vacancy at 601-605 W Dyer Rd in Santa Ana. OC industrial properties were in high demand in Q4 2023 and did not sit vacant for long periods of time.

DEVELOPMENT

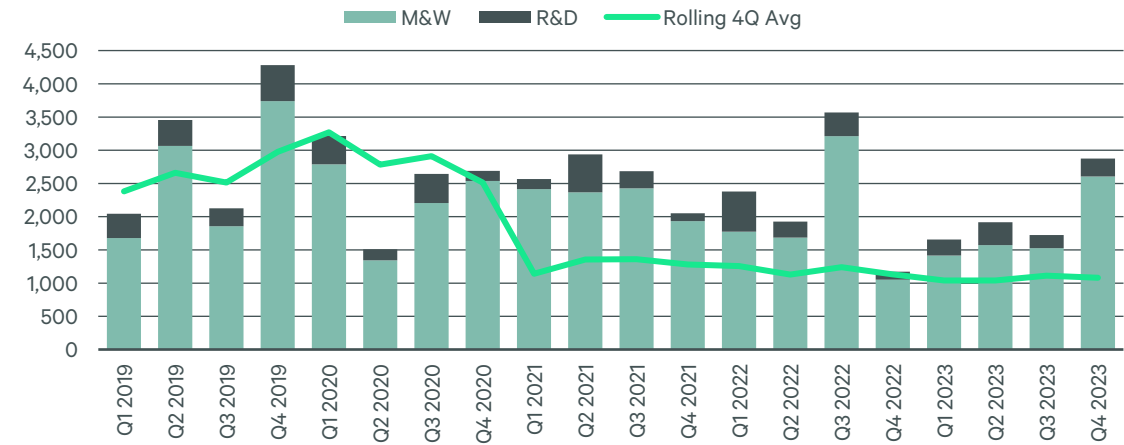
LogistiCenter at 55 in Tustin completed construction in Q4 2023, bringing development down to 1.4 million sq. ft. The Dermody project spanned roughly 311,000 sq. ft. across two Class A buildings. Class A property Irvine Commerce Center also completed construction, adding about 136,000 sq. ft. to the market. All three spaces were vacant upon completion. Despite limited land and high interest rates making it difficult for developers to acquire new sites, two new properties broke ground in Q4 2023.

FIGURE 4: Available (%)



Source: CBRE Research, Q4 2023.

FIGURE 5: Gross Activity (MSF)



Source: CBRE Research, Q4 2023.

MARKET OUTLOOK

The combination of continued economic momentum with a likelihood that the Fed’s dramatic tightening cycle is now complete makes a ‘soft landing’ appear more likely for early 2024 but the pace of growth will be more modest than in recent quarters. Foremost, lower and middle-income households no longer have the luxury of excess savings and the pace of wage growth, while remaining elevated, is slowing. This nuance with wage growth is important. Higher wages are helping to maintain higher, albeit decelerating, core inflation. This backdrop will likely translate into the Fed only slowly lowering its target rate in 2024. (CBRE expects 75 to 100 basis points worth of rate cuts in 2024.) This outlook may deter some spending, but it does help illuminate a pathway forward for real estate capital markets. Indeed, the combination of healthy fundamentals for many sectors and thawing credit markets could provide some welcome upside surprises for real estate performance in 2024.

The high levels of activity and vacancy sub-2% in the OC industrial market indicate that there is high demand and little supply. Port activity is showing signs that 2024 will see considerable growth. Despite macro-economic trends such as interest rates, inflation and unemployment that will affect the industrial market, the Orange County market still boasts strong activity and fundamentals.

FIGURE 6: Market Statistics

Submarket	Bldg. Sq. Ft.	Overall Vacancy (%)	Availability (%)	Q4 2023 Net Absorption (SF)	Q4 2023 Gross Activity (SF)	Under Construction (SF)	Deliveries (SF)	Avg. Asking Lease Rates (\$PSF/MO)
North Orange County	114,854,301	0.9	3.3	7,150	1,415,343	678,753	0	\$1.78
West Orange County	42,334,816	1.7	3.4	182,378	825,956	149,335	0	\$1.79
Greater Airport Area	66,922,909	1.8	4.4	-87,820	411,525	340,595	448,382	\$1.86
South Orange County	33,927,120	0.8	4.9	7,159	221,790	230,503	0	\$1.79
Orange County Total	258,039,146	1.2	3.8	108,867	2,874,614	1,399,186	446,948	\$1.81

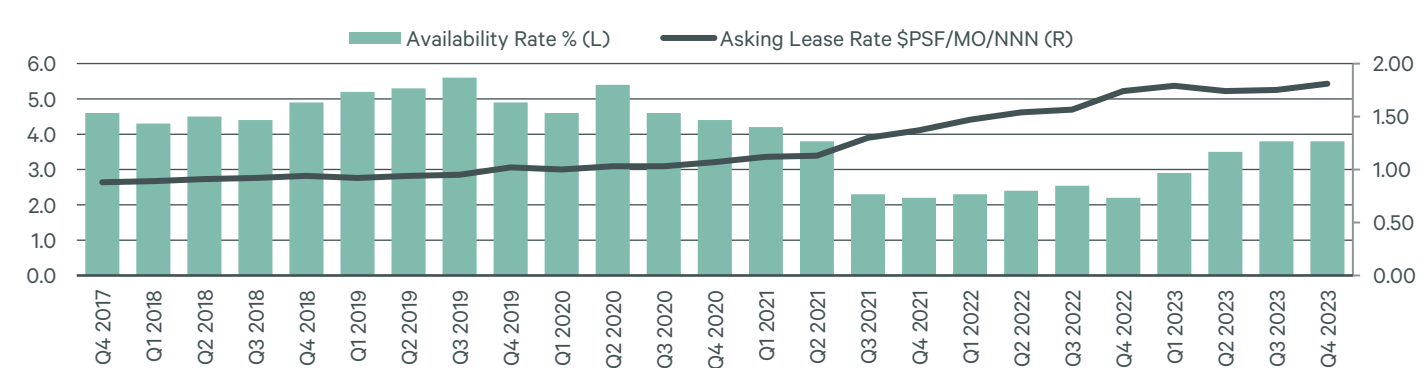
Source: CBRE Research, Q4 2023.

FIGURE 7: Key Transactions

Occupier	Industry Sector	Location	Total Sq. Ft.
Exemplis*	Business Services	Buena Park	218,640
Raymond Handling Solutions Inc.	Business Services	Cypress	215,000
Arlon Graphics*	Retail	Placentia	198,275
Home & Body	Aerospace	Huntington Beach	167,778
Sunrise Produce	Wholesale	Anaheim	165,765

*Indicates Renewal.
Source: CBRE Research, Q4 2023.

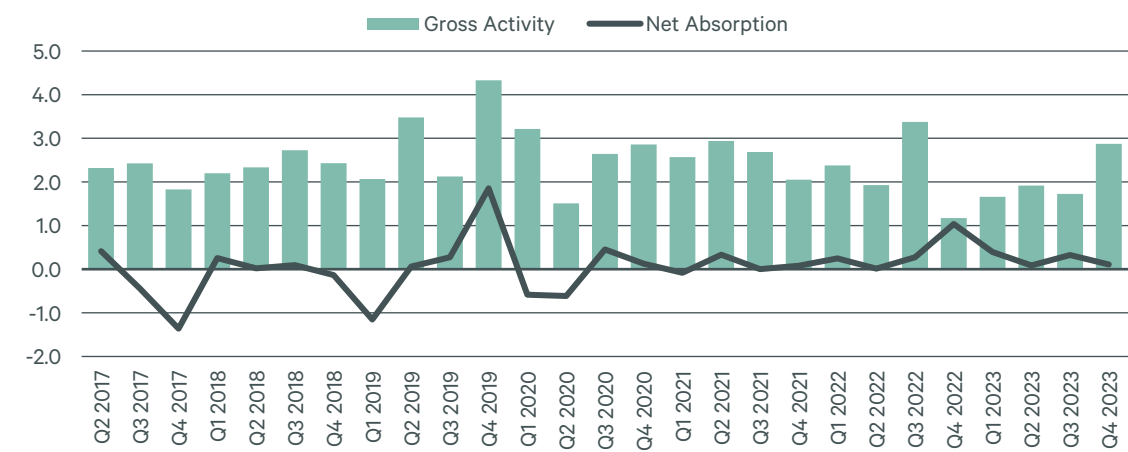
FIGURE Availability Rate and Asking Lease Rate (\$PSF/MO/NNN)



Source: CBRE Research, Q4 2023.

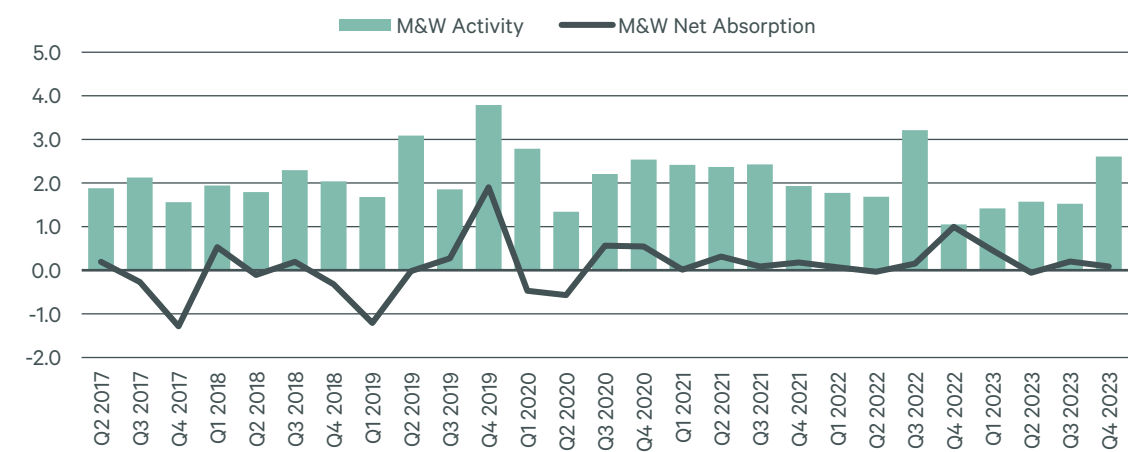
FIGURES INSERT | ORANGE COUNTY INDUSTRIAL | Q4 2023

FIGURE 1: Total Activity & Net Absorption (MSF)



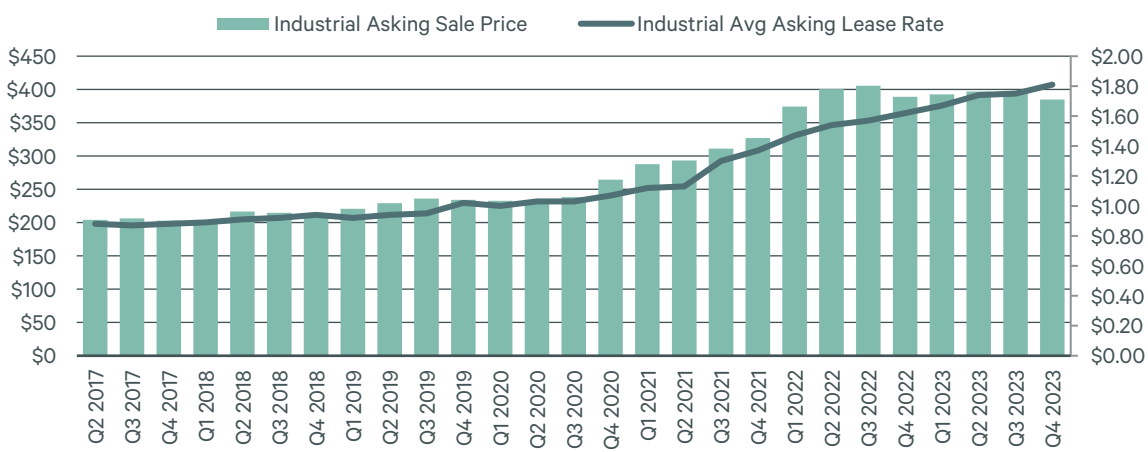
Source: CBRE Research, Q4 2023.

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



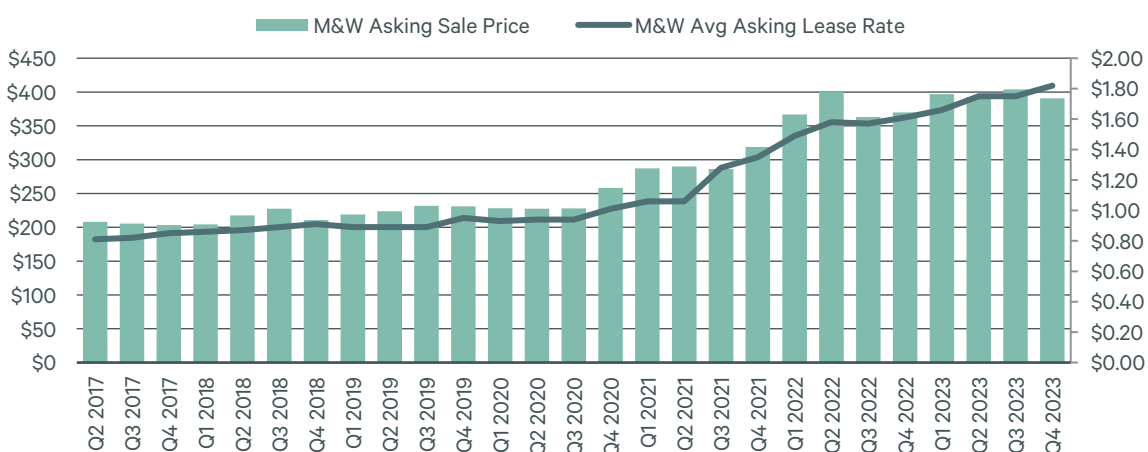
Source: CBRE Research, Q4 2023.

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



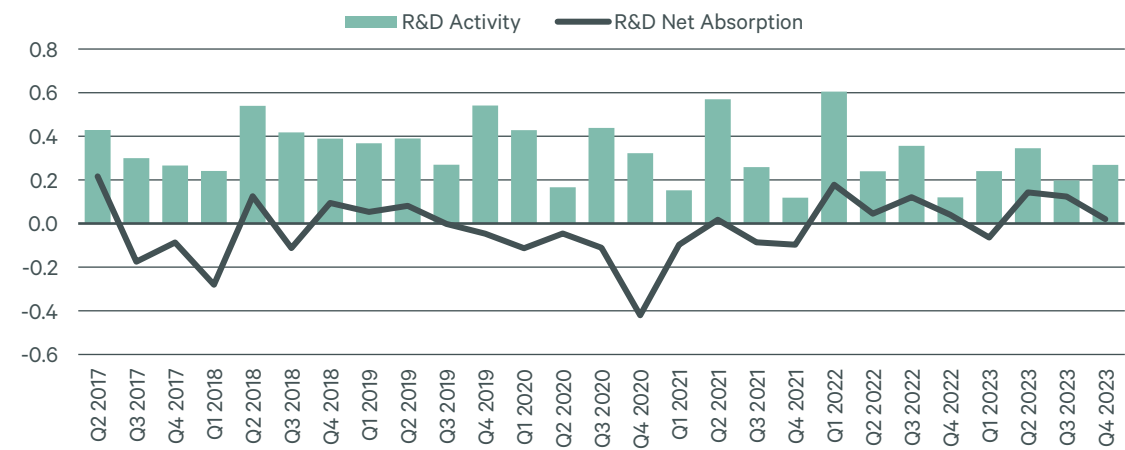
Source: CBRE Research, Q4 2023.

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



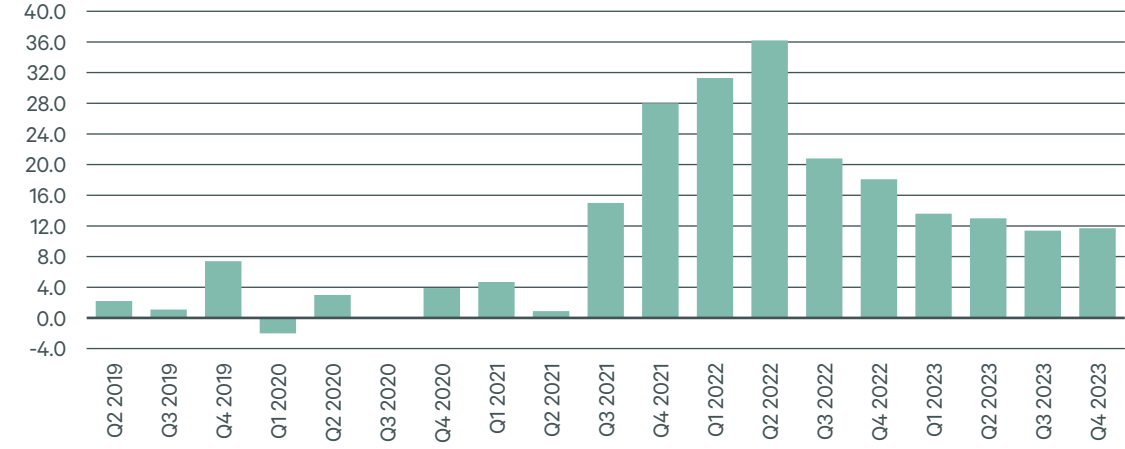
Source: CBRE Research, Q4 2023.

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



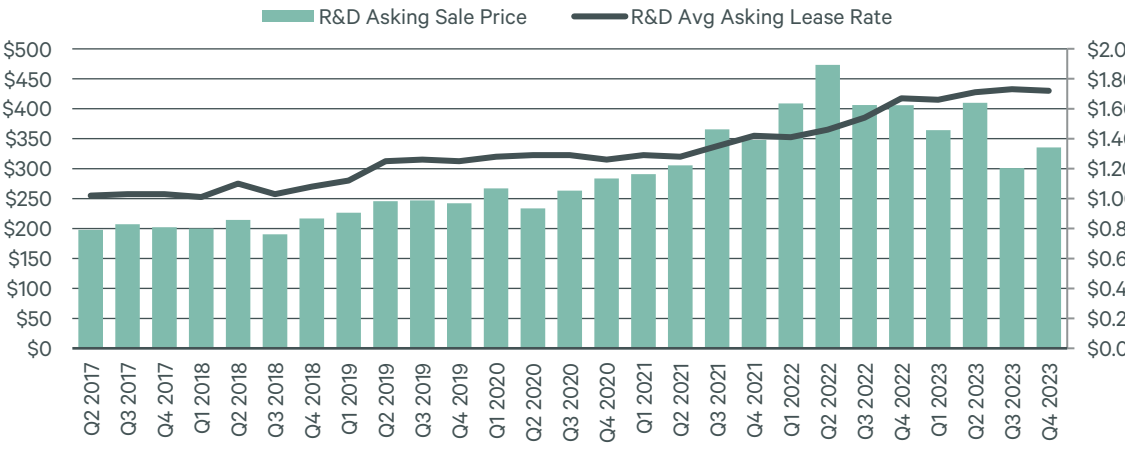
Source: CBRE Research, Q4 2023.

FIGURE 7: Year Over Year Rent Growth (%)



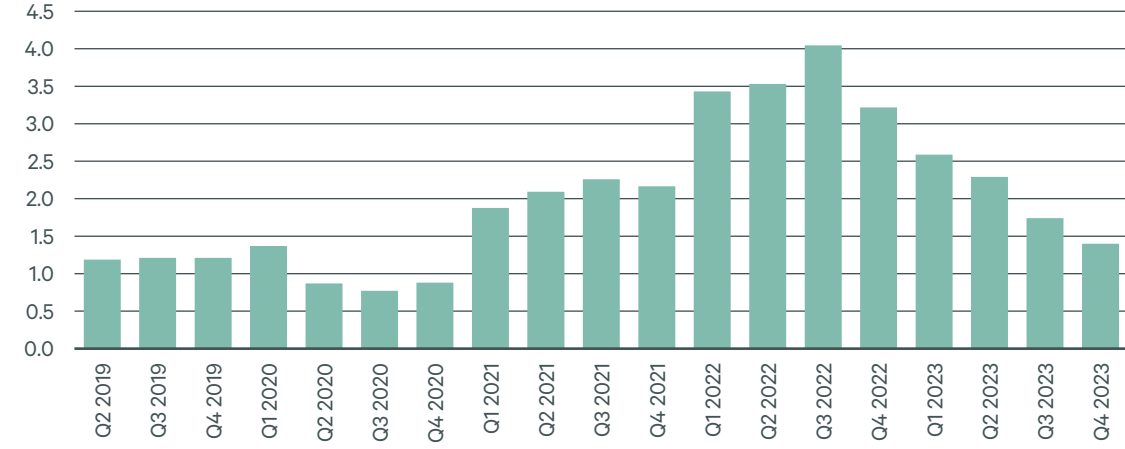
Source: CBRE Research, Q4 2023.

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



Source: CBRE Research, Q4 2023.

FIGURE 8: Under Construction (SF in Millions)



Source: CBRE Research, Q4 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	1,366	47,855,101	314,143	0	368,562	368,562	-180,545	528,132	1.1	2,192,331	4.5
Brea	219	11,918,504	124,678	0	275,359	275,359	-8,842	216,015	1.8	387,149	3.1
Buena Park	187	13,791,356	0	0	83,279	83,279	0	61,065	0.4	302,707	2.2
Fullerton	290	20,779,926	139,449	48,715	304,297	353,012	100,902	57,779	0.3	520,556	2.5
La Habra	60	2,580,623	0	0	15,487	15,487	6,082	0	0.0	0	0.0
Orange	456	12,462,017	100,483	13,983	82,663	96,646	77,142	10,384	0.1	221,915	1.7
Placentia	146	3,751,617	0	0	222,998	222,998	12,411	0	0.0	102,900	2.7
Yorba Linda	55	1,715,157	0	0	0	0	0	141,863	8.3	152,291	8.9
NORTH ORANGE COUNTY TOTAL	2,779	114,854,301	678,753	62,698	1,352,645	1,415,343	7,150	1,015,238	0.9	3,879,849	3.3
WEST ORANGE COUNTY											
Cypress	95	6,052,870	0	0	308,549	308,549	17,022	38,812	0.6	245,509	4.0
Garden Grove	321	12,266,279	149,335	0	78,408	78,408	13,355	398,741	3.2	568,739	4.6
Huntington Beach	452	15,172,039	0	56,596	382,403	438,999	133,209	285,166	1.9	390,104	2.5
La Palma	25	2,637,948	0	0	0	0	0	2,446	0.1	2,446	0.1
Los Alamitos	88	2,250,619	0	0	0	0	0	0	0.0	23,233	1.0
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	18,792	0	0.0	36,175	3.4
Westminster	67	1,910,929	0	0	0	0	0	0	0.0	83,117	4.3
WEST ORANGE COUNTY TOTAL	1,113	42,334,816	149,335	56,596	769,360	825,956	182,378	725,165	1.7	1,449,450	3.4
AIRPORT AREA											
Costa Mesa	279	8,593,939	0	0	113,000	113,000	-16,550	56,177	0.7	309,064	3.6
Fountain Valley	161	4,234,163	0	0	76,433	76,433	0	40,000	0.9	145,275	3.4
Irvine	515	18,313,490	258,354	23,022	119,267	142,289	-31,875	261,500	1.4	749,297	4.0
Newport Beach	30	734,354	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	879	27,547,528	82,241	54,886	24,917	79,803	-51,541	527,047	1.9	1,251,783	4.5
Tustin	150	7,499,435	0	0	0	0	12,146	311,770	4.1	516,112	6.8
AIRPORT AREA TOTAL	2,014	66,922,909	340,595	77,908	333,617	411,525	-87,820	1,196,494	1.8	2,971,531	4.4
SOUTH ORANGE COUNTY											
Aliso Viejo	48	1,341,205	0	0	0	0	0	0	0.0	95,580	7.6
Foothill Ranch	45	3,073,919	0	0	125,498	125,498	0	0	0.0	489,478	15.9
Irvine Spectrum	387	16,896,969	94,195	0	38,729	38,729	27,447	176,760	1.0	684,113	4.0
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	35,277	35,277	-10,258	37,107	0.9	315,201	7.4
Mission Viejo	34	952,065	0	0	0	0	0	0	0.0	0	0.0
San Clemente	105	2,391,633	0	0	12,256	12,256	0	0	0.0	28,280	1.2
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	10,030	10,030	-10,030	52,340	2.1	72,497	2.8
SOUTH ORANGE COUNTY TOTAL	966	33,927,120	230,503	0	221,790	221,790	7,159	266,207	0.8	1,685,149	4.9
ORANGE COUNTY TOTAL	6,872	258,039,146	1,399,186	197,202	2,677,412	2,874,614	108,867	3,203,104	1.2	9,985,979	3.8

Source: CBRE Research, Q4 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	19	271,892	10	127,935	14	189,784	9	126,906	\$1.67	\$363.69
20,000-29,999	12	244,562	3	62,200	5	122,026	2	51,985	\$1.57	\$390.23
30,000-49,999	19	619,114	5	127,404	5	191,274	5	206,994	\$1.80	\$455.73
50,000-69,999	10	452,264	3	125,765	3	181,493	0	0	\$1.84	\$459.35
70,000-99,999	7	390,412	3	118,418	3	263,707	2	168,472	\$1.77	\$278.14
100,000 & Greater	20	1,901,605	6	453,516	1	139,449	6	860,986	\$1.81	\$0.00
NORTH ORANGE COUNTY TOTAL	87	3,879,849	30	1,015,238	31	1,087,733	24	1,415,343	\$1.78	\$358.30
10,000-19,999	17	239,917	8	122,157	7	89,412	3	43,712	\$1.57	\$388.17
20,000-29,999	3	58,915	0	0	2	44,363	0	0	\$2.32	\$568.98
30,000-49,999	2	86,170	0	0	1	49,334	1	40,000	\$1.72	\$0.00
50,000-69,999	3	112,945	0	0	0	0	3	166,114	\$1.94	\$0.00
70,000-99,999	3	149,676	2	100,342	0	0	1	76,527	\$1.90	\$0.00
100,000 & Greater	6	801,827	3	502,666	0	0	3	499,603	\$1.74	\$0.00
WEST ORANGE COUNTY TOTAL	34	1,449,450	13	725,165	10	183,109	11	825,956	\$1.79	\$439.03
10,000-19,999	28	375,687	10	138,373	8	108,821	8	105,298	\$1.77	\$541.30
20,000-29,999	12	266,208	3	69,458	0	0	5	125,358	\$1.73	\$371.61
30,000-49,999	17	558,498	6	147,068	3	115,731	2	67,869	\$1.90	\$364.46
50,000-69,999	4	158,801	1	57,431	1	60,000	0	0	\$1.79	\$338.57
70,000-99,999	7	414,544	1	40,000	0	0	0	0	\$1.78	\$0.00
100,000 & Greater	10	1,197,793	6	744,164	0	0	1	113,000	\$1.94	\$0.00
AIRPORT AREA TOTAL	78	2,971,531	27	1,196,494	13	309,552	16	411,525	\$1.86	\$398.24
10,000-19,999	12	181,862	7	169,014	13	171,763	3	37,563	\$1.71	\$446.68
20,000-29,999	14	316,260	0	0	6	146,073	3	76,449	\$1.66	\$374.91
30,000-49,999	6	232,214	0	0	5	174,165	1	35,277	\$1.85	\$399.34
50,000-69,999	4	178,709	2	86,935	3	174,778	0	0	\$1.74	\$0.00
70,000-99,999	1	60,146	0	0	1	75,507	1	72,501	\$1.75	\$0.00
100,000 & Greater	5	715,958	1	10,258	0	0	0	0	\$1.85	\$0.00
SOUTH ORANGE COUNTY TOTAL	42	1,685,149	10	266,207	28	742,286	8	221,790	\$1.79	\$405.39
ORANGE COUNTY TOTAL	241	9,985,979	80	3,203,104	82	2,322,680	59	2,874,614	\$1.81	\$384.95

Source: CBRE Research, Q4 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	97	4,233,008	0	0	85,193	85,193	(19,334)	26,868	0.6	116,196	2.7
Brea	13	1,201,984	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	26,500	1.3
La Habra	6	316,165	0	0	0	0	6,082		0.0		0.0
Orange	28	756,452	0	0	0	0	0		0.0		0.0
Placentia	2	25,528	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	199	9,821,673	0	0	85,193	85,193	(13,252)	214,791	2.2	330,619	3.4
WEST ORANGE COUNTY											
Cypress	43	1,956,406	0	0	93,549	93,549	17,022	19,391	1.0	196,949	10.1
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	6	292,437	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	117	4,662,417	0	0	93,549	93,549	17,022	19,391	0.4	196,949	4.2
AIRPORT AREA											
Costa Mesa	83	2,917,799	0	0	0	0	0	39,627	1.4	142,828	4.9
Fountain Valley	18	686,706	0	0	0	0	0		0.0		0.0
Irvine	168	5,251,827	0	0	51,842	51,842	0	33,109	0.6	334,290	6.4
Newport Beach	15	496,102	0	0	0	0	0		0.0		0.0
Santa Ana	96	3,497,830	0	0	0	0	0		0.0	112,663	3.2
Tustin	42	1,806,061	0	0	0	0	12,146		0.0	37,592	2.1
AIRPORT AREA TOTAL	422	14,656,325	0	0	51,842	51,842	12,146	72,736	0.5	627,373	4.3
SOUTH ORANGE COUNTY											
Aliso Viejo	25	660,750	0	0	0	0	0	0	0.0	95,580	14.5
Foothill Ranch	3	61,920	0	0	0	0	0	0	0.0		0.0
Irvine Spectrum	236	8,960,974	0	0	38,729	38,729	4,425	116,674	1.3	376,529	4.2
Laguna Hills	4	68,029	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
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
San Clemente	40	882,405	0	0	0	0	0	0	0.0	28,280	3.2
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	0	42,310	3.9	42,310	3.9
SOUTH ORANGE COUNTY TOTAL	388	13,345,993	0	0	38,729	38,729	4,425	158,984	1.2	604,477	4.5
ORANGE COUNTY TOTAL	1,126	42,486,408	0	0	269,313	269,313	20,341	465,902	1.1	1,759,418	4.1

Source: CBRE Research, Q4 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	1	13,301	1	7,534	1	19,334	0	0	\$1.74	\$0.00
20,000-29,999	1	20,046	0	0	0	0	0	0	\$1.65	\$0.00
30,000-49,999	2	72,560	1	46,060	1	46,060	0	0	\$1.75	\$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	0	0	0	0	1	85,193	\$1.75	\$0.00
100,000 and greater	2	161,197	2	161,197	0	0	0	0	\$1.40	\$0.00
NORTH ORANGE COUNTY TOTAL	7	330,619	4	214,791	2	65,394	1	85,193	\$1.55	\$0.00
10,000-19,999	1	19,391	1	19,391	0	0	1	17,022	\$1.25	\$0.00
20,000-29,999	0	0	0	0	0	0	0	0	\$0.00	\$0.00
30,000-49,999	0	0	0	0	1	49,334	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	49,334	0	0	0	0	1	76,527	\$1.85	\$0.00
100,000 and greater	1	128,224	0	0	0	0	0	0	\$1.65	\$0.00
WEST ORANGE COUNTY TOTAL	3	196,949	1	19,391	1	49,334	2	93,549	\$1.66	\$0.00
10,000-19,999	5	68,920	2	24,633	0	0	1	16,342	\$1.88	\$0.00
20,000-29,999	4	57,390	1	13,218	1	25,000	0	0	\$2.13	\$0.00
30,000-49,999	6	191,176	1	34,885	1	36,225	1	35,500	\$2.22	\$0.00
50,000-69,999	2	85,170	0	0	0	0	0	0	\$1.77	\$306.99
70,000-99,999	1	73,097	0	0	0	0	0	0	\$0.00	\$0.00
100,000 and greater	2	151,620	0	0	0	0	0	0	\$0.00	\$0.00
AIRPORT AREA TOTAL	20	627,373	4	72,736	2	61,225	2	51,842	\$1.95	\$306.99
10,000-19,999	6	93,862	6	158,984	7	96,694	1	15,277	\$1.76	\$0.00
20,000-29,999	11	256,987	0	0	5	124,776	1	23,452	\$1.65	\$351.99
30,000-49,999	4	161,854	0	0	0	0	0	0	\$1.83	\$0.00
50,000-69,999	2	91,774	0	0	1	61,778	0	0	\$1.75	\$0.00
70,000-99,999	0	0	0	0	0	0	0	0	\$0.00	\$0.00
100,000 and greater	0	0	0	0	0	0	0	0	\$0.00	\$0.00
SOUTH ORANGE COUNTY TOTAL	23	604,477	6	158,984	13	283,248	2	38,729	\$1.74	\$351.99
ORANGE COUNTY TOTAL	53	1,759,418	15	465,902	18	459,201	7	269,313	\$1.72	\$335.51

Source: CBRE Research, Q4 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	1,269	43,622,093	314,143	0	283,369	283,369	(161,211)	501,264	1.1	2,076,135	4.8
Brea	206	10,716,520	124,678	0	275,359	275,359	(8,842)	216,015	2.0	387,149	3.6
Buena Park	178	13,381,949	0	0	83,279	83,279	0	15,005	0.1	256,647	1.9
Fullerton	267	18,785,821	139,449	48,715	304,297	353,012	100,902	57,779	0.3	494,056	2.6
La Habra	54	2,264,458	0	0	15,487	15,487	0	0	0.0	0	0.0
Orange	428	11,705,565	100,483	13,983	82,663	96,646	77,142	10,384	0.1	221,915	1.9
Placentia	144	3,726,089	0	0	222,998	222,998	12,411	0	0.0	102,900	2.8
Yorba Linda	34	830,133	0	0	0	0	0	0	0.0	10,428	1.3
NORTH ORANGE COUNTY TOTAL	2,580	105,032,628	678,753	62,698	1,267,452	1,330,150	20,402	800,447	0.8	3,549,230	3.4
WEST ORANGE COUNTY											
Cypress	52	4,096,464	0	0	215,000	215,000	0	19,421	0.5	48,560	1.2
Garden Grove	290	10,955,262	149,335	0	78,408	78,408	13,355	398,741	3.6	568,739	5.2
Huntington Beach	432	14,519,162	0	56,596	382,403	438,999	133,209	285,166	2.0	390,104	2.7
La Palma	19	2,345,511	0	0	0	0	0	2,446	0.1	2,446	0.1
Los Alamitos	72	1,821,831	0	0	0	0	0	0	0.0	23,233	1.3
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	18,792	0	0.0	36,175	3.4
Westminster	66	1,890,037	0	0	0	0	0	0	0.0	83,117	4.4
WEST ORANGE COUNTY TOTAL	996	37,672,399	149,335	56,596	675,811	732,407	165,356	705,774	1.9	1,252,501	3.3
AIRPORT AREA											
Costa Mesa	196	5,676,140	0	0	113,000	113,000	(16,550)	16,550	0.3	166,236	2.9
Fountain Valley	143	3,547,457	0	0	76,433	76,433	0	40,000	1.1	145,275	4.1
Irvine	347	13,061,663	258,354	23,022	67,425	90,447	(31,875)	228,391	1.7	415,007	3.2
Newport Beach	15	238,252	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	783	24,049,698	82,241	54,886	24,917	79,803	(51,541)	527,047	2.2	1,139,120	4.7
Tustin	108	5,693,374	0	0	0	0	0	311,770	5.5	478,520	8.4
AIRPORT AREA TOTAL	1,592	52,266,584	340,595	77,908	281,775	359,683	(99,966)	1,123,758	2.2	2,344,158	4.5
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	125,498	125,498	0	0	0.0	489,478	16.3
Irvine Spectrum	151	7,935,995	94,195	0	0	0	23,022	60,086	0.8	307,584	3.9
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	35,277	35,277	(10,258)	37,107	1.0	253,423	6.9
Mission Viejo	19	329,338	0	0	0	0	0	0	0.0	0	0.0
San Clemente	65	1,509,228	0	0	12,256	12,256	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	94,195	0	10,030	10,030	(10,030)	10,030	0.7	30,187	2.2
SOUTH ORANGE COUNTY TOTAL	578	20,581,127	230,503	0	183,061	183,061	2,734	107,223	0.5	1,080,672	5.3
ORANGE COUNTY TOTAL	5,746	215,552,738	1,399,186	197,202	2,408,099	2,605,301	88,526	2,737,202	1.3	8,226,561	3.8

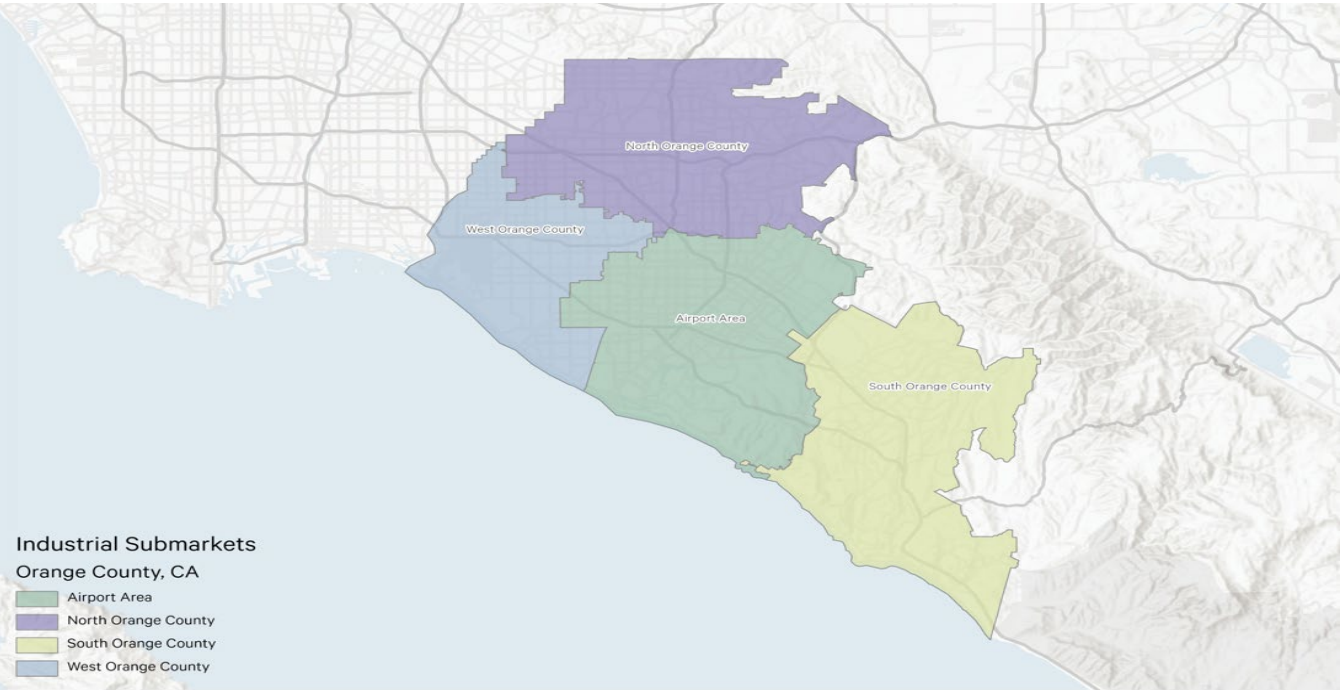
Source: CBRE Research, Q4 2023.

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	18	258,591	9	120,401	13	170,450	9	126,906	\$1.66	\$363.69
20,000-29,999	11	224,516	3	62,200	5	122,026	2	51,985	\$1.57	\$409.02
30,000-49,999	17	546,554	4	81,344	4	145,214	5	206,994	\$1.80	\$455.73
50,000-69,999	10	452,264	3	125,765	3	181,493	0	0	\$1.84	\$459.35
70,000-99,999	6	326,897	3	118,418	3	263,707	1	83,279	\$1.78	\$278.14
100,000 and greater	18	1,740,408	4	292,319	1	139,449	6	860,986	\$1.86	\$0.00
NORTH ORANGE COUNTY TOTAL	80	3,549,230	26	800,447	29	1,022,339	23	1,330,150	\$1.81	\$359.75
10,000-19,999	16	220,526	7	102,766	7	89,412	2	26,690	\$1.62	\$388.17
20,000-29,999	3	58,915	0	0	2	44,363	0	0	\$2.32	\$568.98
30,000-49,999	2	86,170	0	0	0	0	1	40,000	\$1.72	\$0.00
50,000-69,999	3	112,945	0	0	0	0	3	166,114	\$1.94	\$0.00
70,000-99,999	2	100,342	2	100,342	0	0	0	0	\$1.92	\$0.00
100,000 and greater	5	673,603	3	502,666	0	0	3	499603	\$1.78	\$0.00
WEST ORANGE COUNTY TOTAL	31	1,252,501	12	705,774	9	133,775	9	732,407	\$1.81	\$439.03
10,000-19,999	23	306,767	8	113,740	8	108,821	7	88,956	\$1.72	\$0.00
20,000-29,999	8	208,818	2	56,240	0	0	5	125,358	\$1.64	\$371.61
30,000-49,999	11	367,322	5	112,183	2	79,506	1	32,369	\$1.79	\$356.12
50,000-69,999	2	73,631	1	57,431	1	60,000	0	0	\$1.90	\$356.01
70,000-99,999	6	341,447	1	40,000	0	0	0	0	\$1.78	\$0.00
100,000 and greater	8	1,046,173	6	744,164	0	0	1	113,000	\$1.94	\$0.00
AIRPORT AREA TOTAL	58	2,344,158	23	1,123,758	11	248,327	14	359,683	\$1.85	\$413.39
10,000-19,999	6	88,000	1	10,030	6	75,069	2	22,286	\$1.69	\$446.68
20,000-29,999	3	59,273	0	0	1	21,297	2	52,997	\$1.74	\$403.96
30,000-49,999	2	70,360	0	0	5	174,165	1	35,277	\$1.99	\$399.34
50,000-69,999	2	86,935	2	86,935	2	113,000	0	0	\$1.73	\$0.00
70,000-99,999	1	60,146	0	0	1	75,507	1	72,501	\$1.75	\$0.00
100,000 and greater	5	715,958	1	10,258	0	0	0	0	\$1.85	\$0.00
SOUTH ORANGE COUNTY TOTAL	19	1,080,672	4	107,223	15	459,038	6	183,061	\$1.82	\$420.11
ORANGE COUNTY TOTAL	188	8,226,561	65	2,737,202	64	1,863,479	52	2,605,301	\$1.82	\$390.68

Source: CBRE Research, Q4 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. **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.