Uncertainty continues as rising vacancy counteracts strong leasing activity

▲ 3.9%
Vacancy Rate

▼ (497)K
SF Net Absorption

▲ 2.5M
SF Construction

▼ $1.66
NNN / Asking Lease Rate

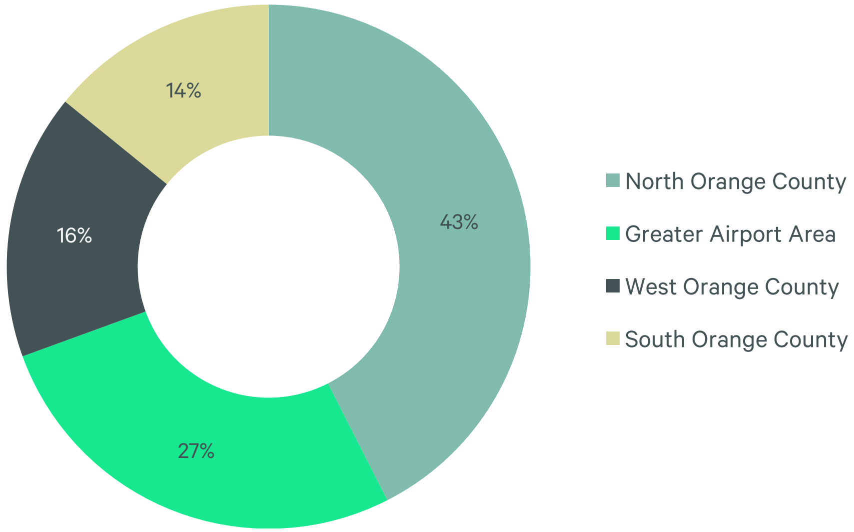
Note: Arrows indicate change from previous quarter.

MARKET OVERVIEW

The Orange County (OC) industrial market struggled in Q1 2025 as rising vacancy and modest asking rate decline counteracted strong leasing activity and new construction starts. Negative absorption was driven by increased time-on-market as available spaces went vacant following lease expirations. Decision-makers continued to show caution as there was little urgency to commit to space. Occupiers leveraged pricing uncertainty and increasing vacancy to negotiate favorable lease and sale terms. However, new leasing activity was strong in Q1 2025 as gross activity reached 2.4 million sq. ft., with five deals above 100,000 sq. ft. signed in 2025.

Asking lease rates fell by $0.02 quarter-over-quarter to $1.66 NNN per sq. ft. per month, continuing the trend of gradual rent decline in Orange County. From their peak in Q4 2023, asking lease rates fell $0.15, or 9%, as the market continued to rebalance from a challenging 2024. For the third consecutive quarter, however, asking rates remained between $1.66 NNN per sq. ft. per month and $1.68 NNN per sq. ft. per month, signaling some stability as other market fundamentals experienced more pronounced swings in H2 2024 and Q1 2025. Industrial development in Orange County showed improvement as 326,000 sq. ft. delivered and 922,000 sq. ft. of space broke ground.

FIGURE 1: Available Space Distribution



Source: CBRE Research, Q1 2025.

UNEMPLOYMENT

The unemployment rate in Orange County was 4.1% in January 2025, up from 3.7% in December 2024, and January 2024 rate of 3.9%. This compares with an unemployment rate of 5.5% for California and 4.4% for the United States during the same period. Between December 2024 and January 2025, total nonfarm employment declined 30,400 jobs.

LEASE RATE ANALYSIS

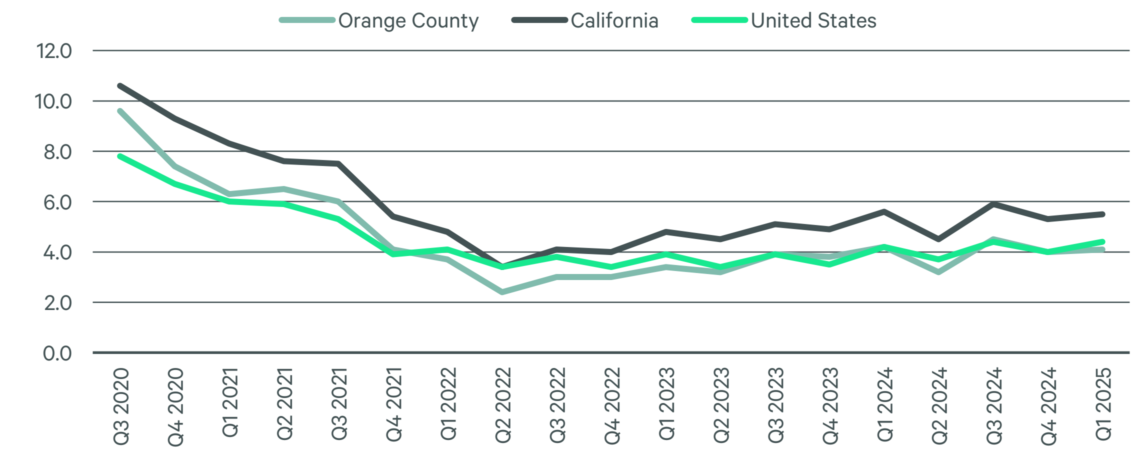
In Orange County, the average asking lease rate decreased 1.2% or $0.02 quarter-over-quarter to $1.66 NNN per sq. ft. per month in Q1 2025. Asking lease rates only shifted marginally over the past three quarters as landlords and tenants negotiated other concessions such as free rent, annual escalations, and tenant improvement packages as incentives to sign new deals. Mirroring the previous quarter, the highest asking rates were seen in the Airport Area where asking rates climbed to $1.81 NNN per sq. ft. per month, driven largely by new Class A development in the submarket. As asking rate declines have temporarily stabilized and leasing activity showed signs of improvement quarter-over-quarter, upward pressure on rents are expected once available stock is absorbed over the next two years.

VACANCY & AVAILABILTY

The overall vacancy rate increased 80 basis points (bps) quarter-over-quarter to 3.9% in Q1 2025. The increase in vacancy was driven by move-outs across all size ranges as new demand could not satiate expiring lease space. While larger spaces were difficult to fill in 2024, smaller buildings remained on the market for longer in Q1 2025, eventually going vacant and adding to the vacancy increase. The rise in vacancy was the largest increase since Q3 2024 when vacancy increased from 2.1% to 2.9%.

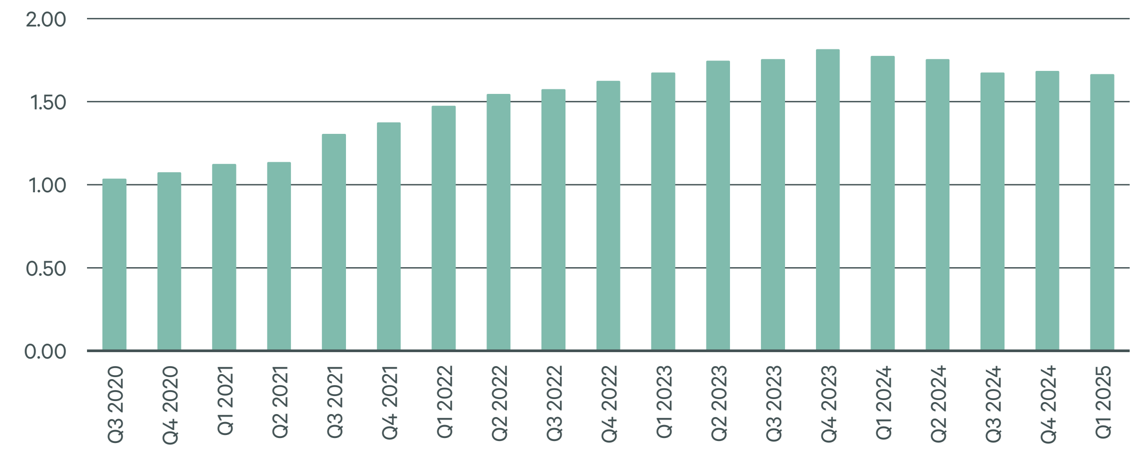
Counter to the substantial increase in vacancy, the availability rate only increased 10 bps quarter-over-quarter to 6.1%. The significant increase in vacancy but modest increase in availability underscored the trend of available space remaining on the market for longer periods of time. The 10 bps increase in availability was the lowest since Q1 2024.

FIGURE 2: Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Q1 2025.

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



Source: CBRE Research, Q1 2025.

NET ABSORPTION & ACTIVITY

Gross activity increased in Q1 2025 to 2.4 million sq. ft. as strong leasing in the 100,000 sq. ft. and above size range flourished. Five deals making up over 800,000 sq. ft. were signed in 2025. Quarter-over-quarter, gross activity increased by 14% while there was a 79% increase year-over-year. The most active sectors for Q1 2025 were retail, aerospace, and manufacturing, highlighting the diverse tenant in the Orange County industrial market. The largest new deal of the quarter was a 202,813 sq. ft. lease signed at 3030 S Susan, where a manufacturing occupier added to their growing industrial presence in Orange County.

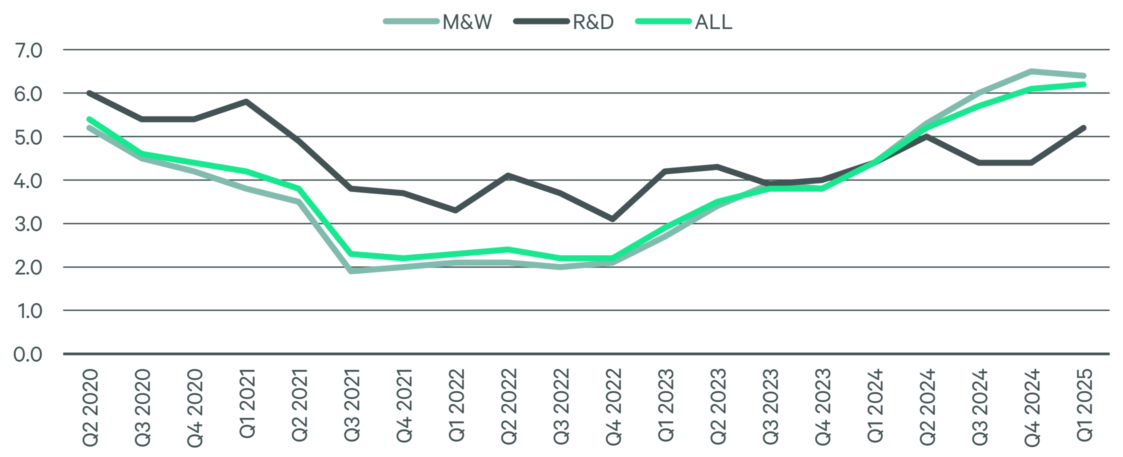
Despite strong leasing activity, net absorption was negative for the fifth consecutive quarter as nearly 497,000 sq. ft. of additional space became vacant in Q1 2025. Three of the four industrial submarkets realized negative absorption, with only North OC realizing 213,000 sq. ft. of positive net absorption. The positive absorption was driven primarily by LeGrand absorbing 194,000 sq. ft. at 1515 E Winston in Anaheim. Negative absorption, alternatively, was driven by both large and small spaces going vacant during the quarter. South OC had the largest amount of negative net absorption for the quarter with 513,000 sq. ft. of newly vacated space hitting the market.

DEVELOPMENT

Orange County continued the upward trend in development with 2.5 million sq. ft. of industrial space being under construction at the end of Q1 2025, up from 1.8 million sq. ft. in Q4 2024. Multiple new projects broke ground, including 1 & 3 Banting in Irvine Spectrum totaling 213,000 sq. ft. of SPEC development. Similarly, two projects in the City of Orange broke ground, totaling over 290,000 sq. ft. of new development. Developers focused on larger buildings, projecting that demand for 75,000 sq. ft. and above spaces would be attractive to future tenants.

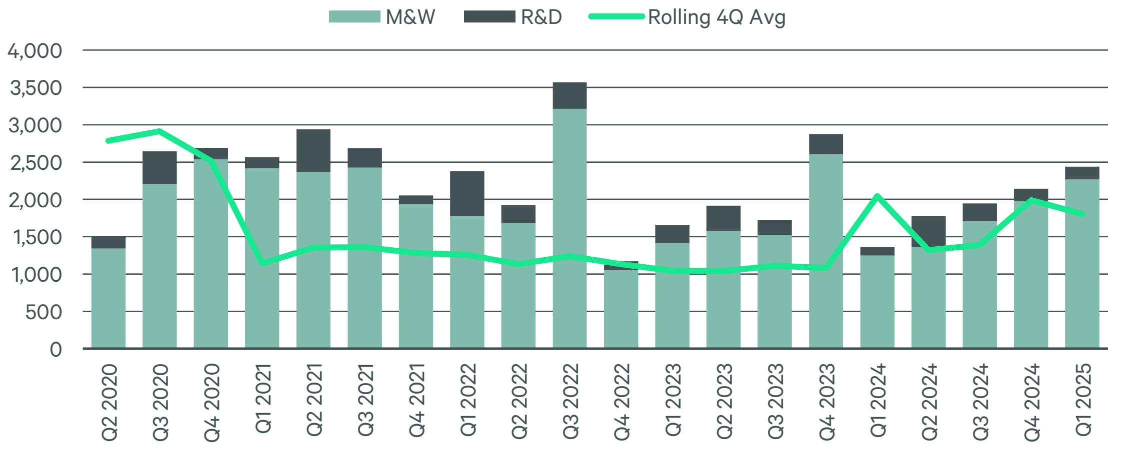
Although construction costs and temporary market corrections continued to create headwinds for developers in Orange County, the underlying market fundamentals of the industrial market, including proximity to the San Pedro Bay port complex, large population centers, and a diverse occupier mix, underscored opportunities for construction projects to move forward.

FIGURE 4: Available (%)



Source: CBRE Research, Q1 2025.

FIGURE 5: Gross Activity (MSF)



Source: CBRE Research, Q1 2025.

MACROECONOMIC OUTLOOK

Policy speculation and announcements are now the key drivers of macro expectations and financial markets. The reality of material trade conflicts this year is now paired with realized softer economic data. Some of this could be due to firms taking a 'wait-and-see' approach as they digest changing trade policy. Consumer sentiment has declined noticeably, albeit much more than actual spending. Consequently, CBRE has revised its GDP growth outlook for this year down to just below 2%.

Despite policy uncertainty, credit markets are more accommodative, with tighter spreads and more issuance compared to a few quarters ago. More fluid credit markets have yet to translate into stronger sales volume, as many institutional owners and reams of dry powder capital remain on the sidelines. The continuation of accretive credit trends and eventual deployment of dry powder will depend on the impact of new policies. Should they prove more inflationary, this would erode recent capital markets progress. If not, and macro impacts are limited, this could give the Fed a green light for further cuts and help unlock monies waiting on the sidelines.

In Orange County, the current market indicators remained mixed. Strong leasing, stable asking lease rates, and increasing development hint at a rebounding market, while rising vacancy and negative net absorption underscore the need for continued pragmatism. The underlying fundamentals of the Orange County industrial market remain strong, however, as port proximity, an affluent population, and varying occupier sectors make OC an attractive market for occupiers and owners alike. If the activity and development trends from Q1 2025 continue for the balance of the year, the OC industrial market will improve.

FIGURE 6: Market Statistics

Submarket	Bldg. Sq. Ft.	Overall Vacancy (%)	Availability (%)	Q1 2025 Net Absorption (SF)	Q1 2025 Gross Activity (SF)	Under Construction (SF)	Deliveries (SF)	Avg. Asking Lease Rates ($PSF/MO)
North Orange County	111,745,723	4.0	5.9	213,597	1,426,896	894,369	163,506	$1.55
West Orange County	40,417,942	4.0	6.3	(36,564)	200,684	318,751	0	$1.66
Greater Airport Area	65,805,332	4.2	6.4	(160,420)	709,219	345,949	162,656	$1.82
South Orange County	33,768,870	3.2	6.3	(513,309)	99,245	953,840	0	$1.71
Orange County Total	**251,797,867**	**3.9**	**6.2**	**(496,696)**	**2,436,044**	**2,512,909**	**326,162**	**$1.66**

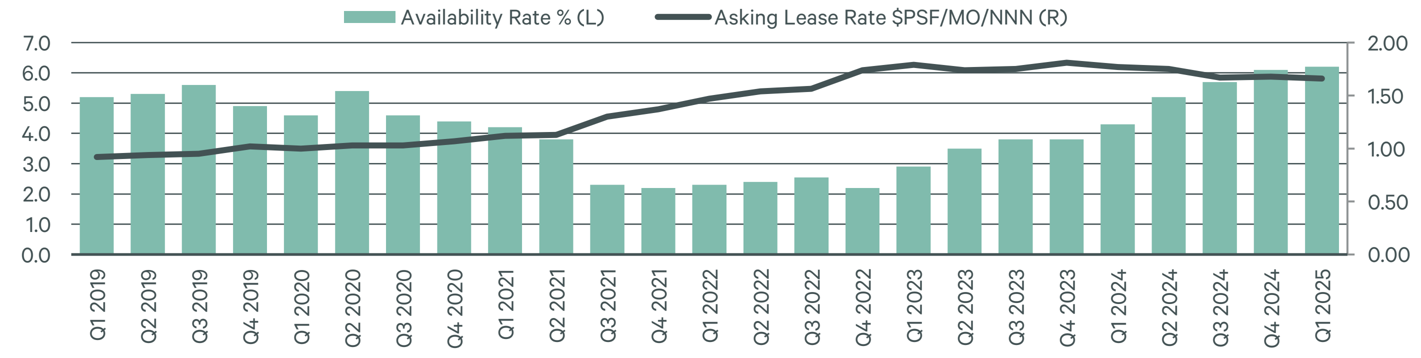
Source: CBRE Research, Q1 2025.

FIGURE 7: Key Transactions

Occupier	Industry Sector	Location	Total Sq. Ft.
Straub Distribution*	Distribution	Anaheim	281, 548
Confidential	Manufacturing	Santa Ana	202,813
LeGrand	Retail	Anaheim	194,357
Bear Down Brands	Retail	Fullerton	147,950
Doosan (Bobcat)	Manufacturing	Fullerton	139,449

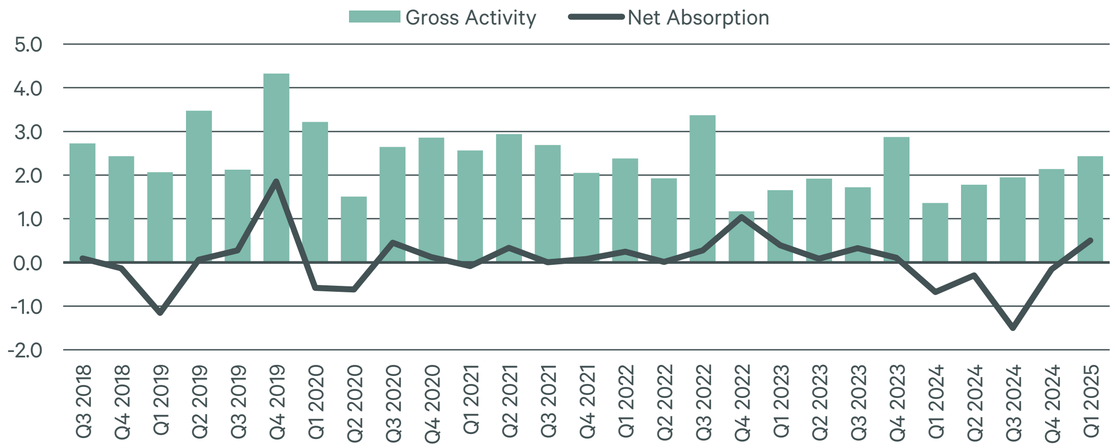
*Indicates Renewal.
Source: CBRE Research, Q1 2025.

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



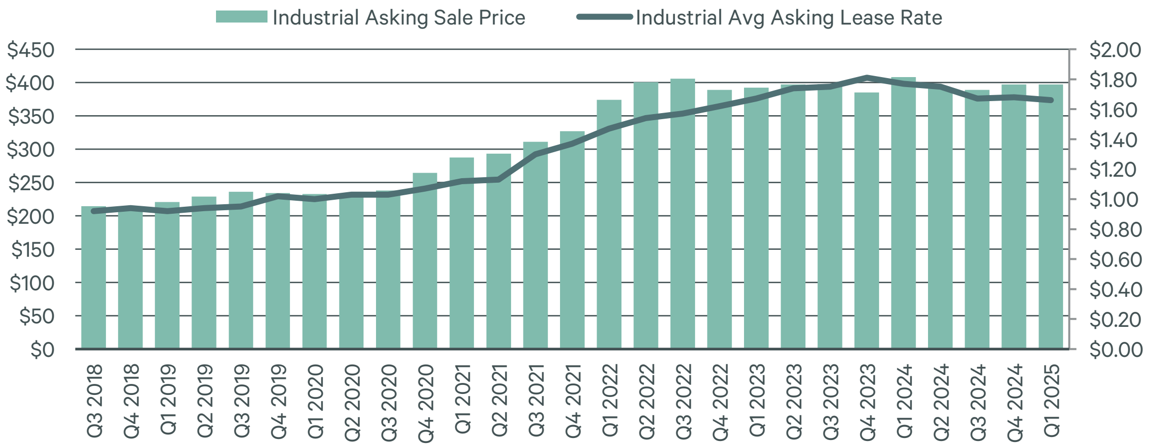
Source: CBRE Research, Q1 2025.

FIGURE 1: Total Activity & Net Absorption (MSF)



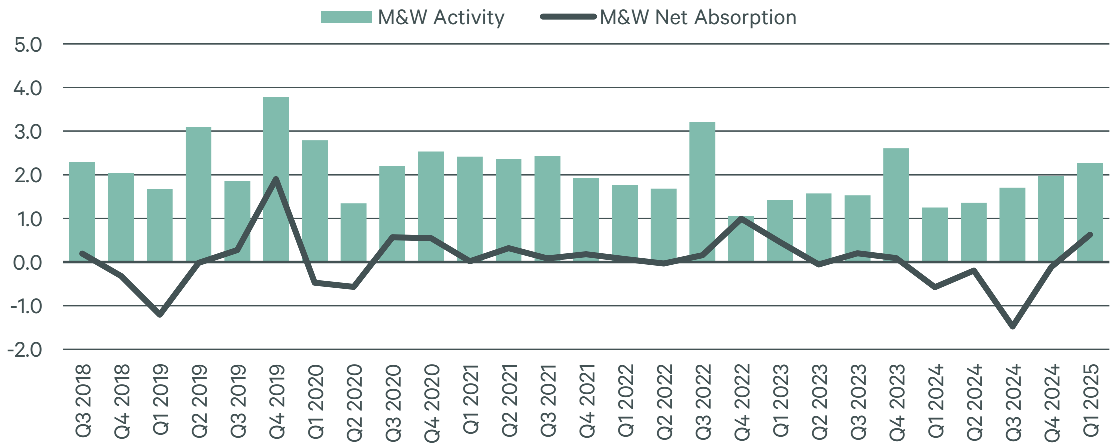
Source: CBRE Research, Q1 2025.

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



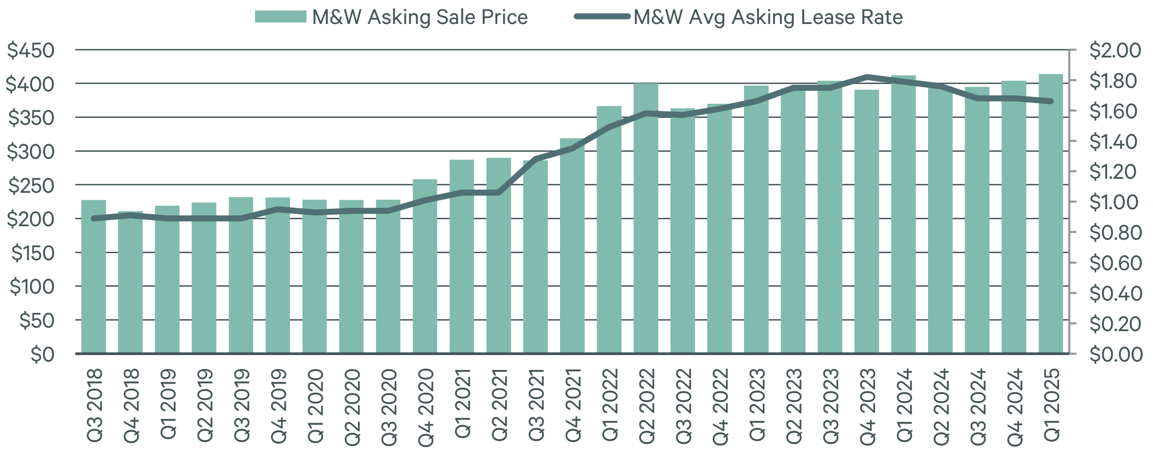
Source: CBRE Research, Q1 2025.

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



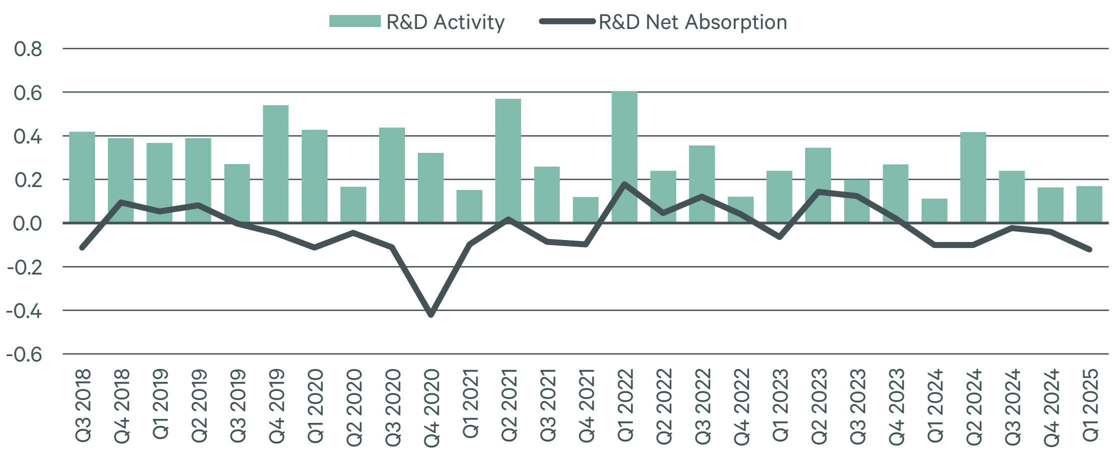
Source: CBRE Research, Q1 2025.

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



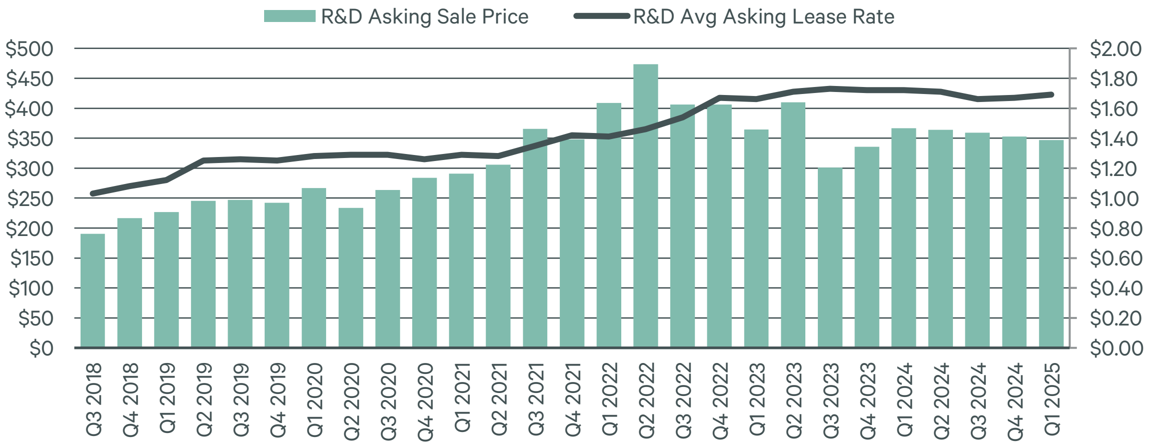
Source: CBRE Research, Q1 2025.

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



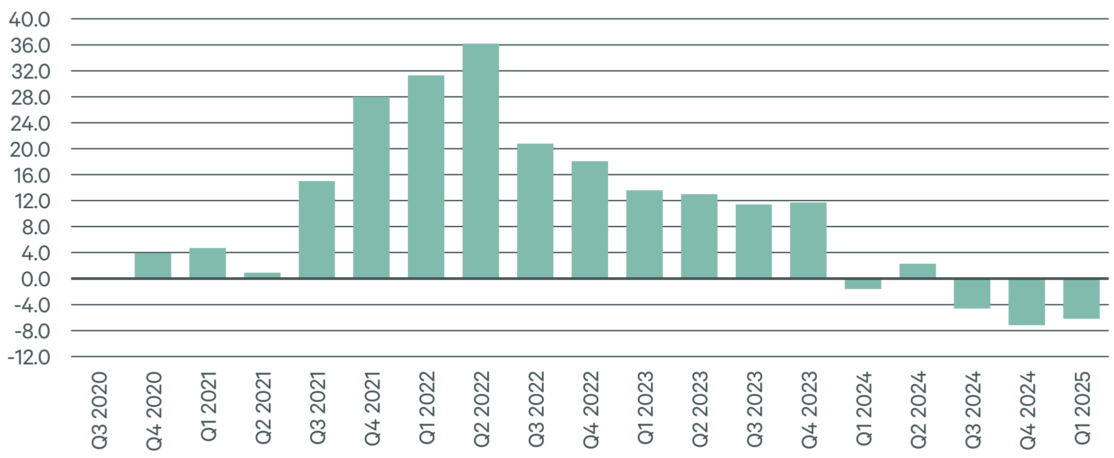
Source: CBRE Research, Q1 2025.

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



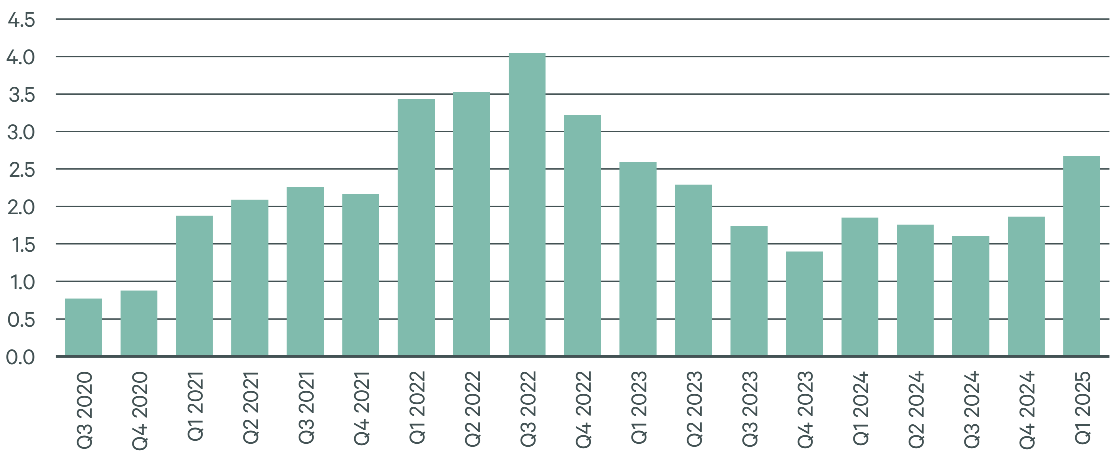
Source: CBRE Research, Q1 2025.

FIGURE 7: Year Over Year Rent Growth (%)



Source: CBRE Research, Q1 2025.

FIGURE 8: Under Construction (SF in Millions)



Source: CBRE Research, Q1 2025.

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	1,324	46,387,756	604,389	451,708	508,459	960,167	161,486	1,876,828	4.0	2,701,064	5.8
Brea	219	11,378,187	0	12,627	0	12,627	-19,040	604,180	5.3	1,100,726	9.7
Buena Park	187	13,972,195	0	55,362	0	55,362	2,002	1,012,893	7.2	1,486,283	10.6
Fullerton	286	20,145,342	0	0	297,670	297,670	10,664	737,962	3.7	1,111,928	5.5
La Habra	57	2,353,349	0	0	0	0	0	22,867	1.0	22,867	1.0
Orange	451	12,203,744	289,980	0	90,550	90,550	58,485	79,862	0.7	113,148	0.9
Placentia	142	3,578,130	0	10,520	0	10,520	0	79,470	2.2	110,074	3.1
Yorba Linda	55	1,727,020	0	0	0	0	0	0	0.0	0	0.0
NORTH ORANGE COUNTY TOTAL	2,721	111,745,723	894,369	530,217	896,679	1,426,896	213,597	4,414,062	4.0	6,646,090	5.9
WEST ORANGE COUNTY											
Cypress	96	6,131,423	0	0	110,183	110,183	-179,316	952,601	15.5	1,118,020	18.2
Garden Grove	317	12,144,976	0	0	58,274	58,274	144,204	166,121	1.4	399,622	3.3
Huntington Beach	451	13,333,087	318,751	0	19,435	19,435	35,466	166,210	1.2	641,528	4.7
La Palma	25	2,637,948	0	0	0	0	0	0	0.0	0	0.0
Los Alamitos	88	2,251,618	0	0	0	0	11,148	82,305	3.7	100,487	4.5
Seal Beach	12	972,051	0	0	0	0	0	13,162	1.4	13,162	1.4
Stanton	53	1,072,081	0	0	12,792	12,792	-13,680	13,680	1.3	33,820	3.2
Westminster	66	1,874,758	0	0	0	0	-34,386	223,701	11.9	258,680	13.8
WEST ORANGE COUNTY TOTAL	1,108	40,417,942	318,751	0	200,684	200,684	-36,564	1,617,780	4.0	2,565,319	6.3
AIRPORT AREA											
Costa Mesa	276	8,498,327	0	0	0	0	19,388	273,488	3.2	349,625	4.1
Fountain Valley	158	4,146,277	0	0	51,572	51,572	-22,467	84,738	2.0	124,983	3.0
Irvine	499	17,511,309	203,025	0	123,638	123,638	-90,205	674,843	3.9	960,433	5.5
Newport Beach	28	690,354	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	878	27,633,284	0	20,015	476,100	496,115	-157,910	1,285,783	4.7	2,106,625	7.6
Tustin	149	7,325,781	142,924	0	37,894	37,894	90,774	456,638	6.2	668,799	9.1
AIRPORT AREA TOTAL	1,988	65,805,332	345,949	20,015	689,204	709,219	-160,420	2,775,490	4.2	4,210,465	6.4
SOUTH ORANGE COUNTY											
Aliso Viejo	48	1,341,205	0	0	0	0	0	41,519	3.1	47,225	3.5
Foothill Ranch	46	3,164,459	0	0	24,000	24,000	-32,257	122,677	3.9	223,270	7.1
Irvine Spectrum	386	16,660,823	817,532	0	32,098	32,098	-453,974	690,218	4.1	1,450,016	8.4
Laguna Hills	62	1,105,229	0	0	0	0	-12,000	12,000	1.1	12,000	1.1
Laguna Niguel	25	548,117	0	0	0	0	0	0	0.0	15,115	2.8
Lake Forest	142	4,239,575	0	0	30,200	30,200	7,101	121,309	2.9	293,261	6.9
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	-12,070	58,378	2.4	85,910	3.6
San Juan Capistrano	40	904,246	136,308	12,947	0	12,947	0	0	0.0	0	0.0
Santa Margarita	76	2,461,518	0	0	0	0	-10,109	32,949	1.3	85,609	2.8
SOUTH ORANGE COUNTY TOTAL	964	33,768,870	953,840	12,947	86,298	99,245	-513,309	1,079,050	3.2	2,212,406	6.3
ORANGE COUNTY TOTAL	6,781	251,737,867	2,512,909	563,179	1,872,865	2,436,044	-496,696	9,886,382	3.9	15,634,280	6.2

Source: CBRE Research, Q1 2025.

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	236,947	12	124,938	11	153,395	11	137,846	$1.62	$376
20,000-29,999	13	314,233	9	220,685	3	80,208	1	25,712	$1.54	$365
30,000-49,999	22	667,107	11	305,645	8	313,018	3	125,471	$1.52	$385
50,000-69,999	17	819,571	10	471,126	3	159,477	3	173,624	$1.48	$398
70,000-99,999	10	474,868	6	237,030	1	99,552	1	75,700	$1.35	$214
100,000 and greater	36	4,133,364	25	3,054,638	3	343,520	4	888,543	$1.60	$0
NORTH ORANGE COUNTY TOTAL	119	6,646,090	73	4,414,062	29	1,149,170	23	1,426,896	$1.55	$373
10,000-19,999	14	199,739	7	103,968	9	127,167	5	86,230	$1.56	$394
20,000-29,999	5	109,797	2	49,437	1	29,140	1	20,952	$1.19	$522
30,000-49,999	13	416,047	6	217,625	3	105,192	1	40,274	$1.52	$287
50,000-69,999	3	154,056	1	59,679	0	0	0	53,228	$1.54	$0
70,000-99,999	5	325,208	4	239,437	0	0	0	0	$1.59	$0
100,000 and greater	10	1,360,472	8	947,634	0	0	0	0	$1.79	$0
WEST ORANGE COUNTY TOTAL	50	2,565,319	28	1,617,780	13	261,499	7	200,684	$1.66	$397
10,000-19,999	28	387,408	12	171,712	11	148,334	8	115,211	$1.64	$446
20,000-29,999	17	326,304	7	137,268	4	95,710	5	121,879	$1.68	$363
30,000-49,999	14	491,366	10	360,304	4	156,573	1	74,316	$1.57	$361
50,000-69,999	8	300,196	4	184,628	1	62,775	0	0	$1.66	$389
70,000-99,999	9	595,131	6	443,501	2	148,574	1	77,000	$1.72	$0
100,000 and greater	19	2,110,060	11	1,478,077	0	0	2	320,813	$1.98	$0
AIRPORT AREA TOTAL	95	4,210,465	50	2,775,490	22	611,966	17	709,219	$1.82	$406
10,000-19,999	12	161,321	5	61,211	10	121,331	2	23,247	$1.59	$453
20,000-29,999	13	275,964	7	154,738	2	46,551	2	45,798	$1.65	$392
30,000-49,999	8	230,877	5	185,177	1	32,257	1	30,200	$1.76	$362
50,000-69,999	3	122,185	1	38,589	0	0	0	0	$1.80	$0
70,000-99,999	7	406,109	3	132,409	0	0	0	0	$1.72	$0
100,000 and greater	12	1,015,948	5	506,926	3	427,998	0	0	$1.74	$0
SOUTH ORANGE COUNTY TOTAL	55	2,212,404	26	1,079,050	16	628,137	5	99,245	$1.71	$417
ORANGE COUNTY TOTAL	319	15,634,278	177	9,886,382	80	2,650,772	52	2,436,044	$1.66	$397

Source: CBRE Research, Q1 2025.

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	93	4,035,631	0	0	0	0	0	84,922	2.1	287,129	7.1
Brea	12	536,984	0	0	0	0	0	29,780	5.5	51,120	9.5
Buena Park	9	410,190	0	0	0	0	0	46,843	11.4	46,843	11.4
Fullerton	22	1,979,105	0	0	0	0	0	26,500	1.3	41,366	2.1
La Habra	5	251,165	0	0	0	0	0	8,855	3.5	8,855	3.5
Orange	28	756,452	0	0	0	0	10,000	0	0.0	0	0.0
Placentia	2	25,528	0	0	0	0	0	0	0.0	0	0.0
Yorba Linda	21	896,887	0	0	0	0	0	0	0.0	0	0.0
NORTH ORANGE COUNTY TOTAL	192	8,891,942	0	0	0	0	10,000	196,900	2.2	435,313	4.9
WEST ORANGE COUNTY											
Cypress	42	1,878,646	0	0	90,762	90,762	74,160	162,304	8.6	241,952	12.9
Garden Grove	29	1,242,893	0	0	0	0	0	0	0.0	0	0.0
Huntington Beach	21	799,887	0	0	0	0	(29,140)	29,140	3.6	29,140	3.6
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	11,148	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	115	4,663,543	0	0	90,762	90,762	56,168	191,444	4.1	271,092	5.8
AIRPORT AREA											
Costa Mesa	81	2,835,308	0	0	0	0	0	95,320	3.4	114,798	4.0
Fountain Valley	18	686,706	0	0	0	0	0	0	0.0	17,386	2.5
Irvine	160	4,679,699	0	0	43,476	43,476	0	29,477	0.6	29,477	0.6
Newport Beach	13	452,102	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	95	3,388,206	0	0	0	0	0	36,225	1.1	120,417	3.6
Tustin	42	1,806,061	0	0	0	0	0	0	0.0	65,378	3.6
AIRPORT AREA TOTAL	409	13,848,082	0	0	43,476	43,476	0	161,022	1.2	347,456	2.5
SOUTH ORANGE COUNTY											
Aliso Viejo	25	660,750	0	0	0	0	0	41,519	6.3	47,225	7.1
Foothill Ranch	3	61,920	0	0	0	0	0	0	0.0	0	0.0
Irvine Spectrum	237	8,922,500	0	0	21,798	21,798	(165,883)	352,161	3.9	842,680	9.4
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	15,115	7.7
Lake Forest	18	543,951	0	0	0	0	0	0	0.0	0	0.0
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	(12,070)	25,528	2.9	53,060	6.0
San Juan Capistrano	9	263,711	0	12,947	0	12,947	0	0	0.0	0	0.0
Santa Margarita	29	1,084,731	0	0		0	(10,109)	32,949	3.0	85,609	7.9
SOUTH ORANGE COUNTY TOTAL	389	13,307,519	0	12,947	21,798	34,745	(188,062)	452,157	3.4	1,043,689	7.8
ORANGE COUNTY TOTAL	1,105	40,711,086	0	12,947	156,036	168,983	(121,894)	1,001,523	2.5	2,097,550	5.2

Source: CBRE Research, Q1 2025.

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	3	27,725	2	10,622	2	27,221	0	0	$1.77	$0
20,000-29,999	1	21,340	0	0	0	0	0	0	$1.70	$340
30,000-49,999	5	142,847	2	73,343	1	38,753	0	0	$1.27	$0
50,000-69,999	1	63,515	1	63,515	0	0	0	0	$1.75	$315
70,000-99,999	1	29,780	1	29,780	0	0	0	0	$1.45	$0
100,000 and greater	2	150,106	1	19,640	0	0	0	0	$0.00	$0
NORTH ORANGE COUNTY TOTAL	13	435,313	7	196,900	3	65,974	0	0	$1.60	$327
10,000-19,999	0	0	0	0	1	10,229	1	16,582	$0.00	$0
20,000-29,999	1	20,780	0	0	1	29,140	1	20,952	$1.45	$0
30,000-49,999	4	92,948	1	34,080	1	36,841	0	0	$1.49	$0
50,000-69,999	0	0	0	0	0	0	0	53,228	$0.00	$0
70,000-99,999	0	0	0	0	0	0	0	0	$0.00	$0
100,000 and greater	2	157,364	2	157,364	0	0	0	0	$1.55	$0
WEST ORANGE COUNTY TOTAL	7	271,092	3	191,444	3	76,210	2	90,762	$1.53	$0
10,000-19,999	1	4,742	1	4,742	0	0	0	0	$2.20	$0
20,000-29,999	3	49,396	0	0	1	24,082	0	0	$1.99	$292
30,000-49,999	3	115,233	2	71,110	1	44,123	0	43,476	$0.00	$429
50,000-69,999	4	117,975	2	85,170	0	0	0	0	$1.75	$0
70,000-99,999	1	60,110	0	0	0	0	0	0	$0.00	$0
100,000 and greater	0	0	0	0	0	0	0	0	$0.00	$0
AIRPORT AREA TOTAL	12	347,456	5	161,022	2	68,205	0	43,476	$1.81	$361
10,000-19,999	9	118,289	4	49,211	4	49,071	1	12,947	$1.58	$419
20,000-29,999	12	267,678	6	144,438	0	0	1	21,798	$1.61	$335
30,000-49,999	4	108,379	2	82,921	0	0	0	0	$1.84	$310
50,000-69,999	3	122,185	1	38,589	0	0	0	0	$1.80	$0
70,000-99,999	2	163,158	0	0	0	0	0	0	$1.82	$0
100,000 and greater	2	263,998	1	136,998	2	263,998	0	0	$1.95	$0
SOUTH ORANGE COUNTY TOTAL	32	1,043,687	14	452,157	6	313,069	2	34,745	$1.77	$350
ORANGE COUNTY TOTAL	64	2,097,548	29	1,001,523	14	523,458	4	168,983	$1.71	$347

Source: CBRE Research, Q1 2025.

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	1,231	42,352,125	604,389	451,708	508,459	960,167	161,486	1,791,906	4.2	2,413,935	5.7
Brea	207	10,841,203	0	12,627	0	12,627	(19,040)	574,400	5.3	1,049,606	9.7
Buena Park	178	13,562,005	0	55,362	0	55,362	2,002	966,050	7.1	1,439,440	10.6
Fullerton	264	18,166,237	0	0	297,670	297,670	10,664	711,462	3.9	1,070,562	5.9
La Habra	52	2,102,184	0	0	0	0	0	14,012	0.7	14,012	0.7
Orange	423	11,447,292	289,980	0	90,550	90,550	48,485	79,862	0.7	113,148	1.0
Placentia	140	3,552,602	0	10,520	0	10,520	0	79,470	2.2	110,074	3.1
Yorba Linda	34	830,133	0	0	0	0	0	0	0.0	0	0.0
NORTH ORANGE COUNTY TOTAL	2,529	102,853,781	894,369	530,217	896,679	1,426,896	203,597	4,217,162	4.1	6,210,777	6.0
WEST ORANGE COUNTY											
Cypress	54	4,252,777	0	0	19,421	19,421	(253,476)	790,297	18.6	876,068	20.6
Garden Grove	288	10,902,083	0	0	58,274	58,274	144,204	166,121	1.5	399,622	3.7
Huntington Beach	430	12,533,200	318,751	0	19,435	19,435	64,606	137,070	1.1	612,388	4.9
La Palma	19	2,345,511	0	0	0	0	0	0	0.0	0	0.0
Los Alamitos	72	1,822,830	0	0	0	0	0	82,305	4.5	100,487	5.5
Seal Beach	12	972,051	0	0	0	0	0	13,162	1.4	13,162	1.4
Stanton	53	1,072,081	0	0	12,792	12,792	(13,680)	13,680	1.3	33,820	3.2
Westminster	65	1,853,866	0	0	0	0	(34,386)	223,701	12.1	258,680	14.0
WEST ORANGE COUNTY TOTAL	993	35,754,399	318,751	0	109,922	109,922	(92,732)	1,426,336	4.0	2,294,227	6.4
AIRPORT AREA											
Costa Mesa	195	5,663,019	0	0	0	0	19,388	178,168	3.1	234,827	4.1
Fountain Valley	140	3,459,571	0	0	51,572	51,572	(22,467)	84,738	2.4	107,597	3.1
Irvine	339	12,831,610	203,025	0	80,162	80,162	(90,205)	645,366	5.0	930,956	7.3
Newport Beach	15	238,252	0	0	0	0	0	0	0.0	0	0.0
Santa Ana	783	24,245,078	0	20,015	476,100	496,115	(157,910)	1,249,558	5.2	1,986,208	8.2
Tustin	107	5,519,720	142,924	0	37,894	37,894	90,774	456,638	8.3	603,421	10.9
AIRPORT AREA TOTAL	1,579	51,957,250	345,949	20,015	645,728	665,743	(160,420)	2,614,468	5.0	3,863,009	7.4
SOUTH ORANGE COUNTY											
Aliso Viejo	23	680,455	0	0	0	0	0	0	0.0	0	0.0
Foothill Ranch	43	3,102,539	0	0	24,000	24,000	(32,257)	122,677	4.0	223,270	7.2
Irvine Spectrum	149	7,738,323	817,532	0	10,300	10,300	(288,091)	338,057	4.4	607,336	7.8
Laguna Hills	58	1,037,200	0	0	0	0	(12,000)	12,000	1.2	12,000	1.2
Laguna Niguel	16	351,322	0	0	0	0	0	0	0.0	0	0.0
Lake Forest	124	3,695,624	0	0	30,200	30,200	7,101	121,309	3.3	293,261	7.9
Mission Viejo	19	329,338	0	0	0	0	0	0	0.0	0	0.0
San Clemente	65	1,509,228	0	0	0	0	0	32,850	2.2	32,850	2.2
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	0	0	0.0	0	0.0
SOUTH ORANGE COUNTY TOTAL	575	20,461,351	953,840	0	64,500	64,500	(325,247)	626,893	3.1	1,168,717	5.7
ORANGE COUNTY TOTAL	5,676	211,026,781	2,512,909	550,232	1,716,829	2,267,061	(374,802)	8,884,859	4.2	13,536,730	6.4

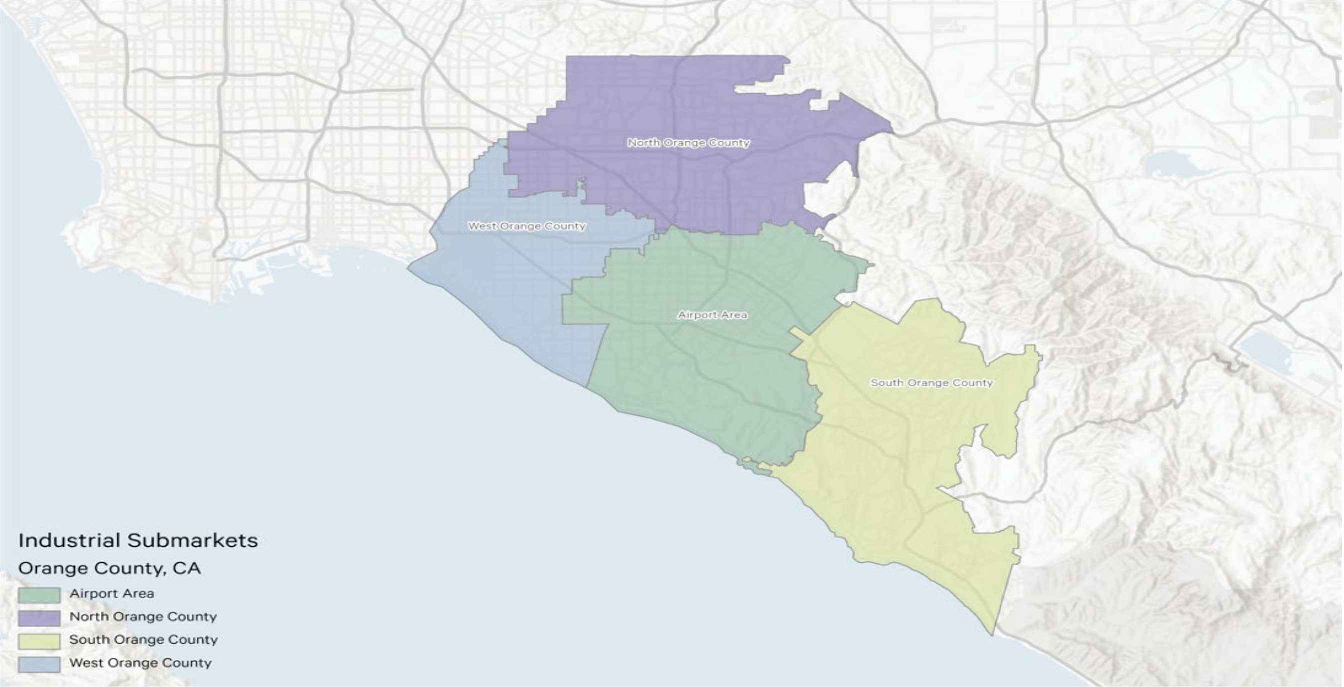
Source: CBRE Research, Q1 2025.

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	209,222	10	114,316	9	126,174	11	137,846	$1.60	$424
20,000-29,999	12	292,893	9	220,685	3	80,208	1	25,712	$1.53	$350
30,000-49,999	17	524,260	9	232,302	7	274,265	3	125,471	$1.54	$366
50,000-69,999	16	756,056	9	407,611	3	159,477	3	173,624	$1.44	$441
70,000-99,999	9	445,088	5	207,250	1	99,552	1	75,700	$1.34	
100,000 and greater	34	3,983,258	24	3,034,998	3	343,520	4	888,543	$1.60	$0
NORTH ORANGE COUNTY TOTAL	106	6,210,777	66	4,217,162	26	1,083,196	23	1,426,896	$1.55	$415
10,000-19,999	14	199,739	7	103,968	8	116,938	4	69,648	$1.56	$425
20,000-29,999	4	89,017	2	49,437	0	0	0	0	$1.07	$522
30,000-49,999	9	323,099	5	183,545	2	68,351	1	40,274	$1.52	$287
50,000-69,999	3	154,056	1	59,679	0	0	0	0	$1.54	$0
70,000-99,999	5	325,208	4	239,437	0	0	0	0	$1.59	$0
100,000 and greater	8	1,203,108	6	790,270	0	0	0	0	$1.84	$0
WEST ORANGE COUNTY TOTAL	43	2,294,227	25	1,426,336	10	185,289	5	109,922	$1.68	$419
10,000-19,999	27	382,666	11	166,970	11	148,334	8	115,211	$1.63	$436
20,000-29,999	14	276,908	7	137,268	3	71,628	5	121,879	$1.65	$338
30,000-49,999	11	376,133	8	289,194	3	112,450	1	30,840	$1.57	$295
50,000-69,999	4	182,221	2	99,458	1	62,775	0	0	$1.52	$0
70,000-99,999	8	535,021	6	443,501	2	148,574	1	77,000	$1.72	$0
100,000 and greater	19	2,110,060	11	1,478,077	0	0	2	320,813	$1.98	$0
AIRPORT AREA TOTAL	83	3,863,009	45	2,614,468	20	543,761	17	665,743	$1.82	$388
10,000-19,999	3	43,032	1	12,000	6	72,260	1	10,300	$1.63	$452
20,000-29,999	1	8,286	1	10,300	2	46,551	1	24,000	$2.50	$399
30,000-49,999	4	122,498	3	102,256	1	32,257	1	30,200	$1.65	$0
50,000-69,999					0	0	0	0	$0.00	$0
70,000-99,999	5	242,951	3	132,409	0	0	0	0	$1.57	$0
100,000 and greater	10	751,950	4	369,928	1	164,000	0	0	$1.65	$0
SOUTH ORANGE COUNTY TOTAL	23	1,168,717	12	626,893	10	315,068	3	64,500	$1.64	$435
ORANGE COUNTY TOTAL	255	13,536,730	148	8,884,859	66	2,127,314	48	2,267,061	$1.65	$414

Source: CBRE Research, Q1 2025.

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. **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:** Due to a reclassification of the market and updating demolished buildings in prior quarters, the base, number and sq. ft. of buildings for previous quarters have been adjusted to match the current base. Availability and vacancy amounts for these buildings have also been adjusted in previous 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.

Contacts

Chris DiFrancesco
Field Research Analyst
Orange County
chris.difrancesco@cbre.com

Rick Cozart
Research Manager
Orange County, Inland Empire
rick.cozartii@cbre.com