

FIGURES | ORANGE COUNTY INDUSTRIAL | Q1 2023

Fundamentals remain strong as incumbent tenants elect to renew



Note: Arrows indicate change from previous quarter.

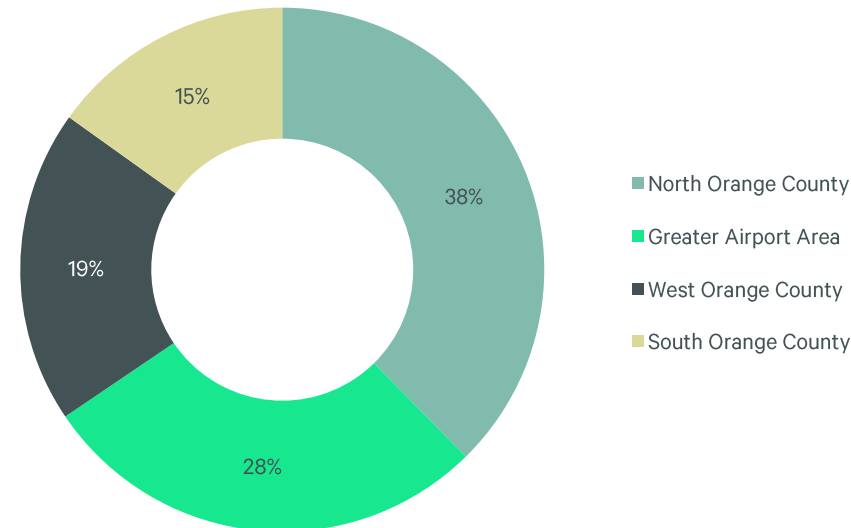
Asking Rates Continue to Increase

- Orange County (OC) industrial ask rates increased only 3.1% quarter over quarter to \$1.67 sq. ft. to start the new year, a marked increase over last quarters 1.3% increase to close out the year. Rate growth remains strong in OC due to a lack of functionally useful space in the market. With sub 1% vacancy and a minimal development pipeline, demand for new class A space will remain strong and retain property values despite the current economic environment.

Availability Increased for the First Time in Nearly Two Years

- Availability settled at 2.8% for Q1 2023 and has achieved its highest level since Q2 2021. The largest amount of transactable space is in North Orange County (NOC) with nearly 2.9 million sq. ft. available for lease and sale with West Orange County (WOC) close behind at 2.1 million sq. ft.. Decreased port activity and economic uncertainty have led to the increase in availability. Loaded imports decreased in both the port of Long Beach and port of Los Angeles for a combined loaded import year over year change of -38.1%. Much of the decrease can be attributed to the backlog of accrued shipping containers passing through the port and general decreased consumer demand tied to weakened economic sentiment.

FIGURE 1: Available Space Distribution



Source: CBRE Research, Q1 2022/3

MARKET OVERVIEW

The OC Industrial Market maintained strong fundamentals despite the tightening economy. Vacancy and availability rates remained low to start the year, with vacancy increasing slightly by 10 bps quarter over quarter from last year’s historic low of 0.7%. Availability also increased to 2.8% as many tenants and landlords alike are testing the market in lieu of upcoming renewals. Asking lease rates continued to climb posting a healthy 14.3% year over year increase and 3.1% quarter over quarter resulting in another record high market asking lease rate of \$1.67 per sq. ft. Strong demand continued through the first quarter of 2023, with no buildings available over 200,000 sq. ft. and only one vacant class A space in the market. Investment sales slowed in Q1 2023 in OC, mirroring the rest of the nation as the feds hawkish stance takes undeterred efforts to cut inflation in core CPI at or below the 2% target rate.

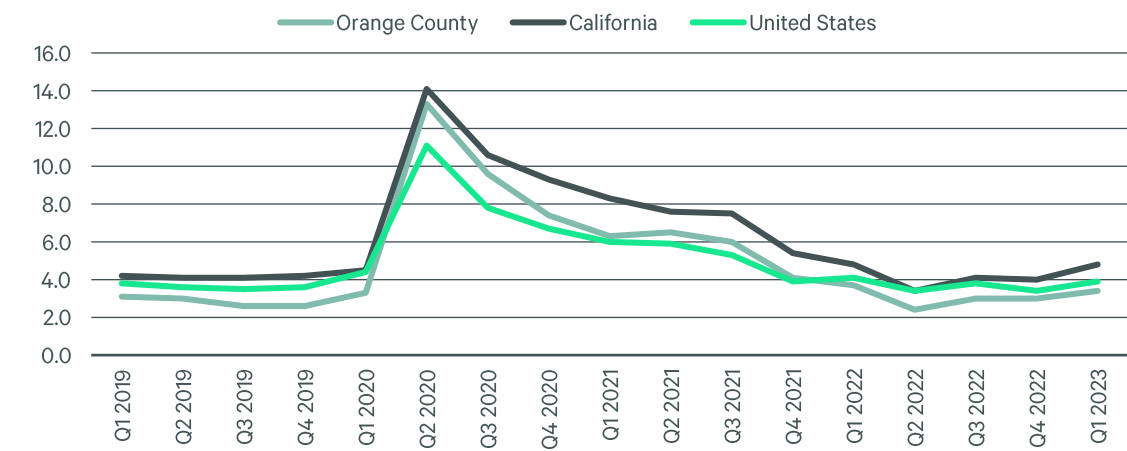
UNEMPLOYMENT

The unemployment rate in Orange County was 3.4 percent in February 2023, unchanged from a revised 3.4 percent in January 2023, and below the one year-ago estimate of 3.7 percent. This compares with an unadjusted unemployment rate of 4.8 percent for California and 3.9 percent for the nation during the same period. Total nonfarm employment increased 10,500 jobs between January 2023 and February 2023. Leisure and hospitality added 3,500 jobs, the most of any sector, with 60 percent of the increase in accommodation and food services (up 2,100 jobs). Food services and drinking places (up 1,800 jobs) provided the majority of the employment gain in the subsector. Arts, entertainment, and recreation added 1,400 jobs as well.

LEASE RATE ANALYSIS

In Orange County, the average asking lease rate increased 3.1% quarter over quarter to \$1.67 per sq. ft. per month. Year over year asking rates increased 14.3% from \$1.46 in Q1 2022 to \$1.67 Q1 2023. While slowing rate increases can be attributed in part to economic headwinds, it can primarily be attributed to lack of suitable supply for industry growth and tenants being more strategic in their location investments. NOC had the largest increase in lease rates this quarter moving from \$1.56 in Q4 2022 to \$1.69 in Q1 2023.

FIGURE 2: Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Q4 2022.

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



Source: CBRE Research, Q1 2023

VACANCY

The overall vacancy rate in Orange County increased 10 bps quarter over quarter to 0.8%, still within the lowest vacancies in the country. The vacancy rate increased in all submarkets except for South Orange County (SOC) where vacancy decreased 10 bps. Tenant demand is outpacing supply in Orange County and will continue to do so barring major local economic shifts.

Availability rates increased quarter over quarter to 2.8% a 6 bps increase quarter over quarter. The largest new availabilities for Q1 2023 are 5665 Corporate Ave in Cypress at 159,943 sq. ft. and 1701 Lewis in Anaheim at 198,807 sq. ft. Demand for large blocks of space over 200,000 sq. ft. remains very high, particularly when no large blocks of space are available across the county over that size range.

NET ABSORPTION & ACTIVITY

Starting off the year in OC transaction activity was 1,657,196 sq. ft. in Q1 2023, slightly better than the previous quarter's 1,171,567 sq. ft. in Q4 2022. This slight increase can be attributed to new class A product delivering and being leased up at the Goodman Logistics Center in Fullerton and Huntington Gateway in Huntington Beach. Bandai signed a 173,825 sq. ft. lease at 2362 Kimberly making it the largest lease in Q1 2023 for OC.

Net absorption was down quarter over quarter in OC in Q1 2023 at a positive 393,760 sq. ft. driven by new leases by Bandai and Sprouts at the Goodman Logistics Center in Fullerton accounting for 510,793 sq. ft. positive net absorption. Strong tenant demand is likely to keep net absorption positive in the short term. However, due to lack of available space we could see net new activity start to decrease as tenants and landlords will grow more creative in how they growth their respective portfolios.

DEVELOPMENT

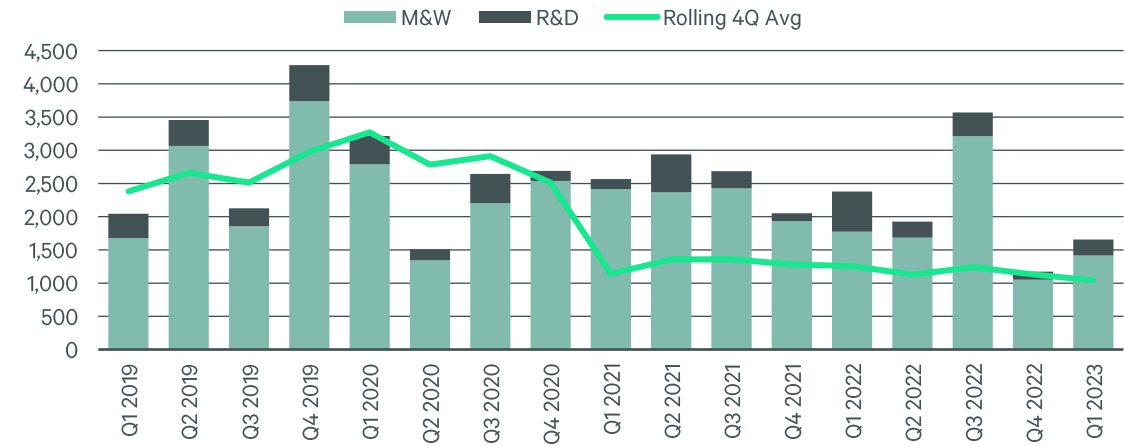
Development dropped again this this quarter from 3 million sq. ft. to 2.6 million sq. ft. Attributing to this decrease is the Goodman Logistics Center in Fullerton. The project now is fully completed delivering its final 510,793 sq. ft. this quarter. In its place now as the largest development is the Huntington Gateway project totaling 1.2 million sq. ft. over 6 buildings. 23 buildings remain under construction throughout Orange County totaling 2,694,925 sq. ft. Eight new projects broke ground in Q1 2023.

FIGURE 4: Available (%)



Source: CBRE Research, Q1 2023.

FIGURE 5: Gross Activity (MSF)



Source: CBRE Research, Q1 2023.

MARKET OUTLOOK

Downstream consequences of the Fed’s tightening program are surfacing and signaling slower growth ahead. Specifically, trouble in the banking sector will likely weigh on even the strongest feature of the economy—the consumer—as banks limit lending to increase their own liquidity. This will erode demand for big-ticket items, such as housing and automotive purchases, but could also impede spending on services, which has been a key driver of job growth in recent months.

Meanwhile, other corners of the labor market, especially technology and corporate functions, are under pressure as hiring far exceeded revenue growth in recent years. Other operating challenges, such as inflation and cost of capital, are causing firms to shelve expansion plans and business investment is stalling. Like households, firms will certainly feel the pinch of constrained credit flows.

This risk-off environment points to a moderate recession this year. The impact on commercial real estate will be two-pronged—a weaker economy will slow NOI growth and tighter bank lending will limit investment activity. These conditions will likely accelerate and crystalize value loss in the office sector, but losses elsewhere, such as the industrial R&D sectors, will be less severe due to stronger fundamentals. The silver lining is that a faster slowdown in the economy will reduce inflation pressure later this year and allow the Fed to ease monetary policy, providing greater clarity and potential liquidity to the real estate sector.

FIGURE 6: Market Statistics

Submarket	Bldg. Sq. Ft.	Overall Vacancy (%)	Availability (%)	Q1 2023 Net Absorption (SF)	Q1 2023 Gross Activity (SF)	Under Construction (SF)	Deliveries (SF)	Avg. Asking Lease Rates (\$PSF/MO)
North Orange County	116,247,044	0.8	2.4	285,548	739,708	852,232	510,793	1.69
West Orange County	41,836,672	0.7	3.5	34,187	259,887	804,337	233,705	1.69
Greater Airport Area	67,924,402	0.7	2.9	34,437	438,678	708,215	0	1.60
South Orange County	33,734,531	1.1	3.2	39,552	218,923	330,141	145,000	1.76
Orange County Total	259,742,649	0.8	2.8	393,760	1,657,196	2,694,925	1,025,262	1.67

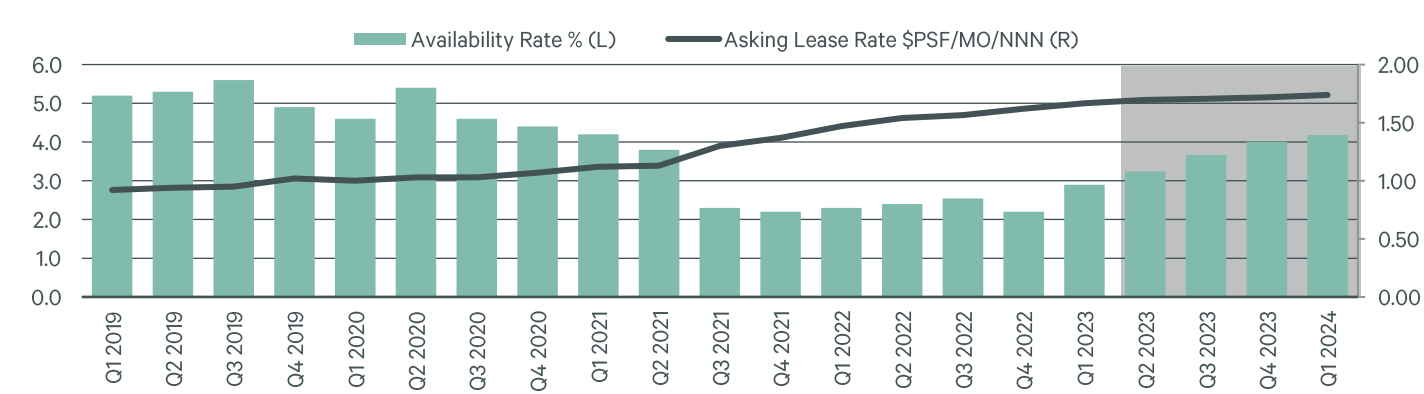
Source: CBRE Research, Q1 2022Q3

FIGURE 7: Key Transactions

Occupier	Industry Sector	Location	Total Sq. Ft.
Russell Sigler Inc*	Distribution	Brea	220,232
Bandai	Distribution	Fullerton	173,825
Wesco Distribution*	Distribution	Buena Park	169,344
Veg-Land*	Distribution	Fullerton	100,664
Terran Orbital	Manufacturing	Irvine Spectrum	94,195

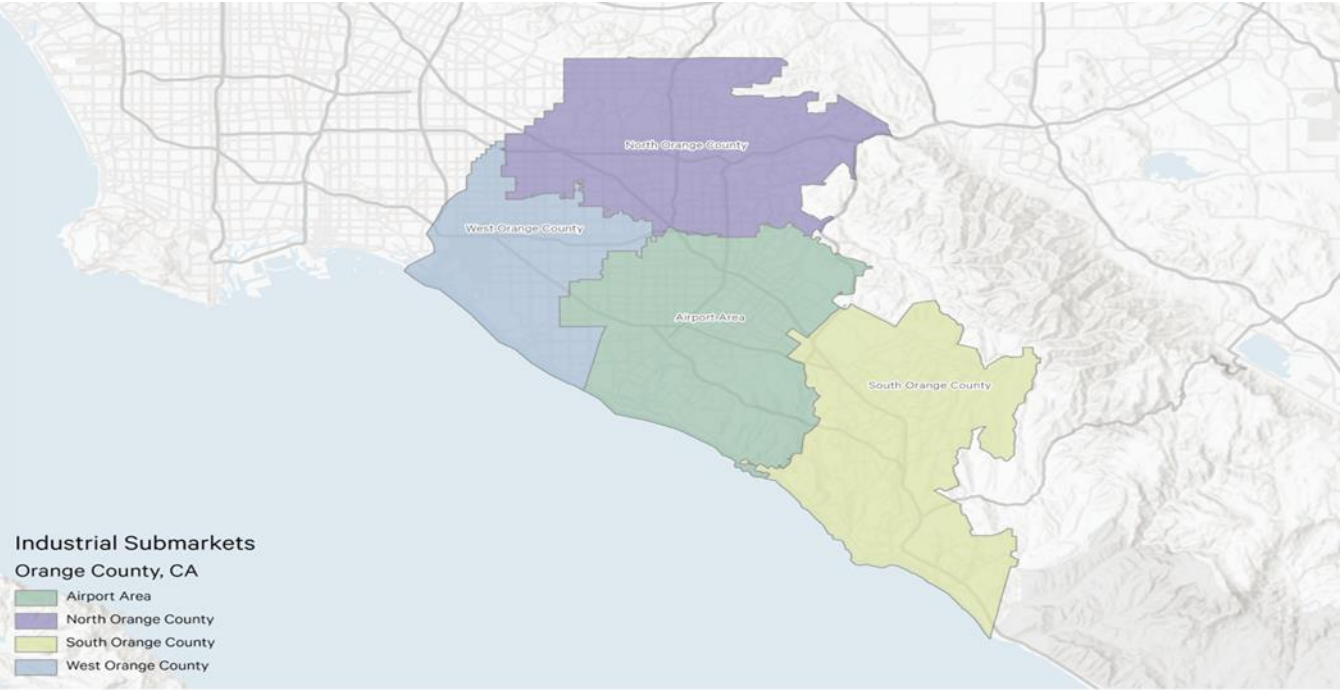
*Indicates Renewal: Source: CBRE Research, Q1 2023.

FIGURE 8: 12-Month Forecast



Source: CBRE Econometric Advisors, Q1 2023.

Market Area Overview



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Definitions

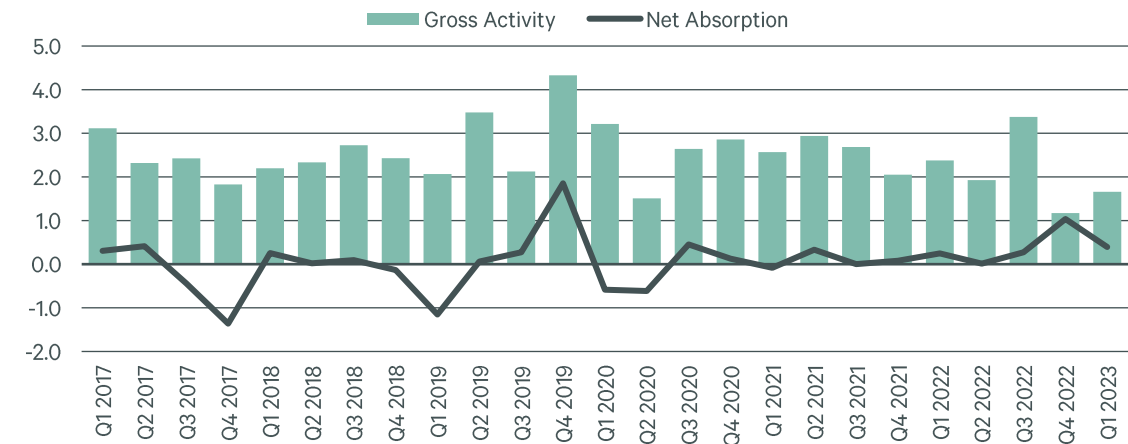
Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total Building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rates, weighted by their corresponding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

Survey Criteria

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

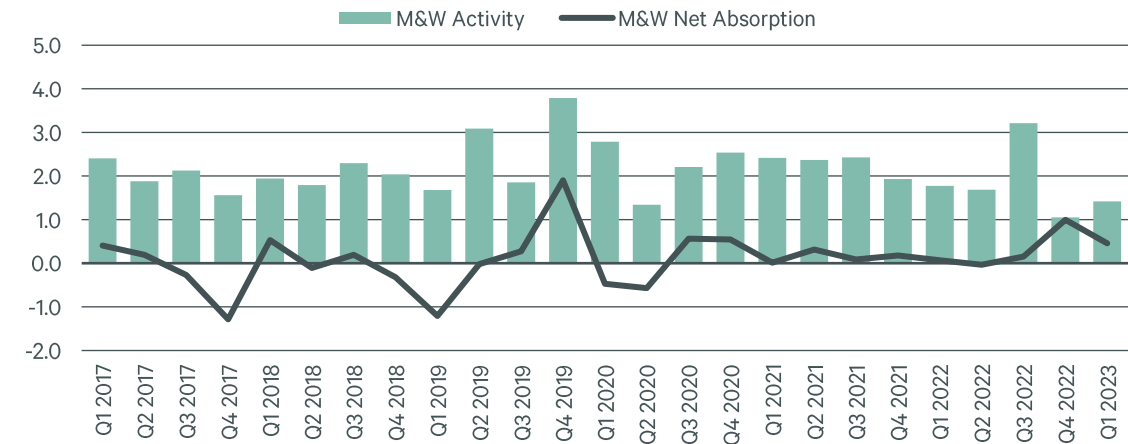
FIGURES INSERT | ORANGE COUNTY INDUSTRIAL | Q1 2023

FIGURE 1: Total Activity & Net Absorption (MSF)



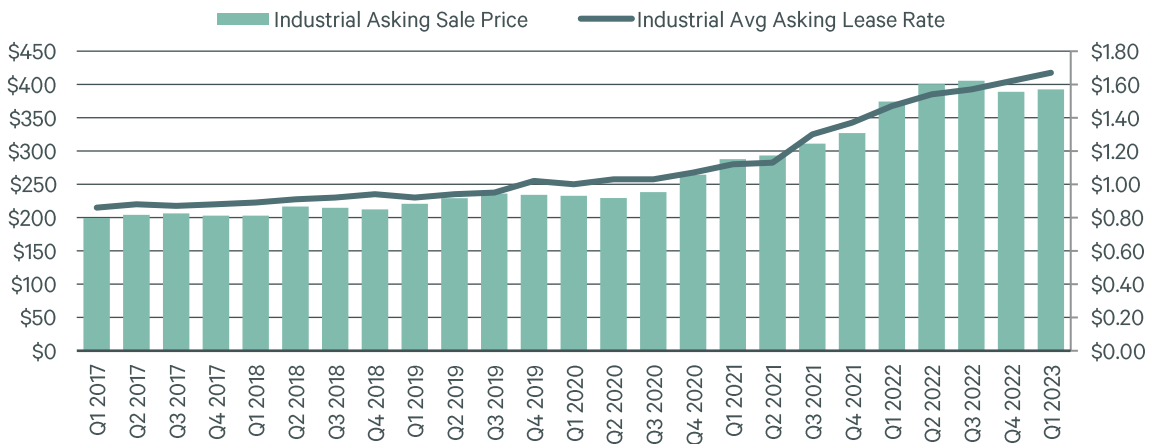
Source: CBRE Research, Q1 2023.

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



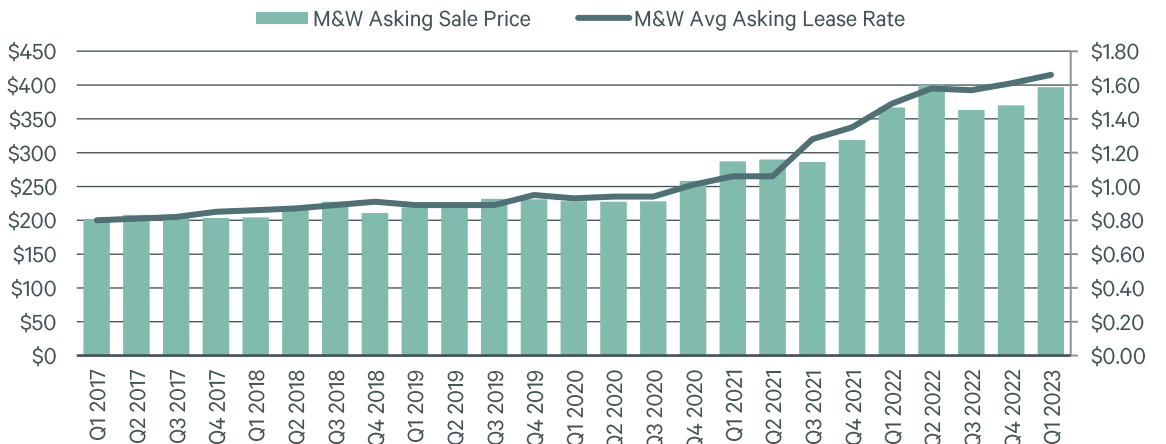
Source: CBRE Research, Q1 2023.

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



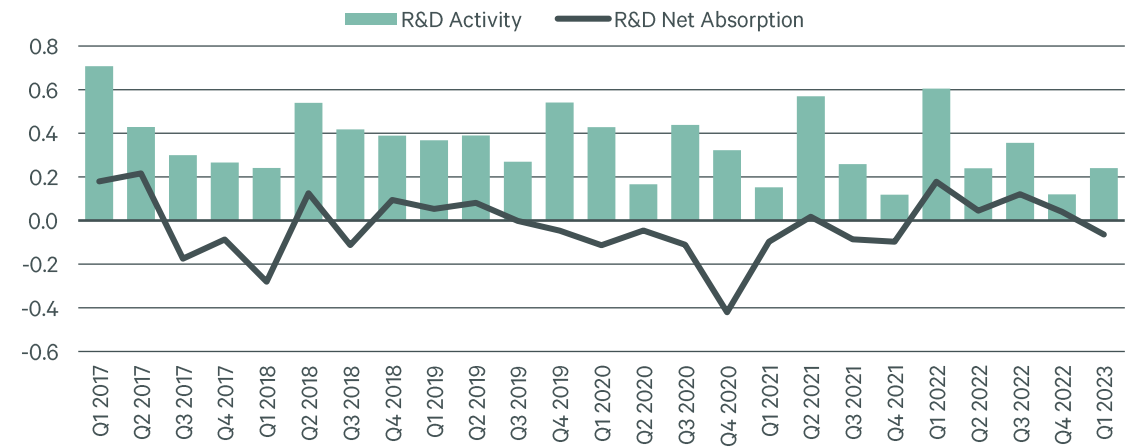
Source: CBRE Research, Q1 2023.

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



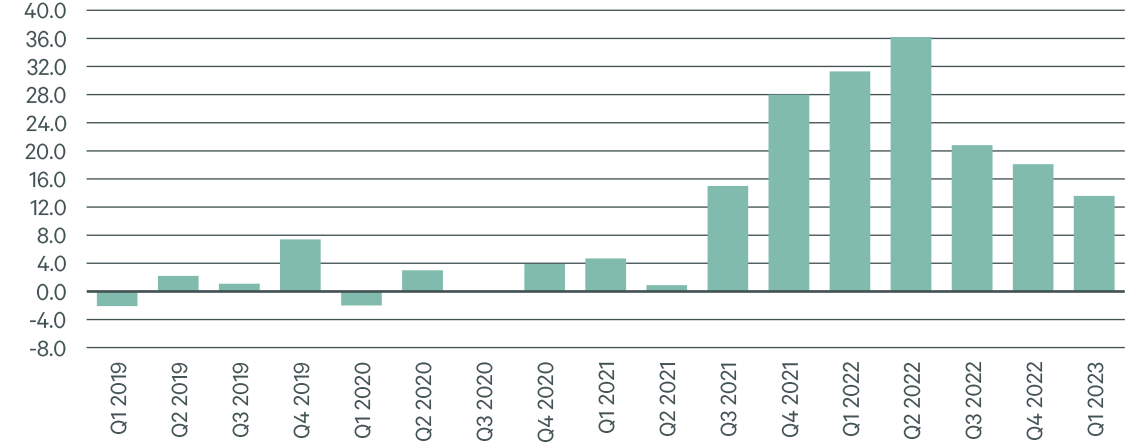
Source: CBRE Research, Q1 2023.

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



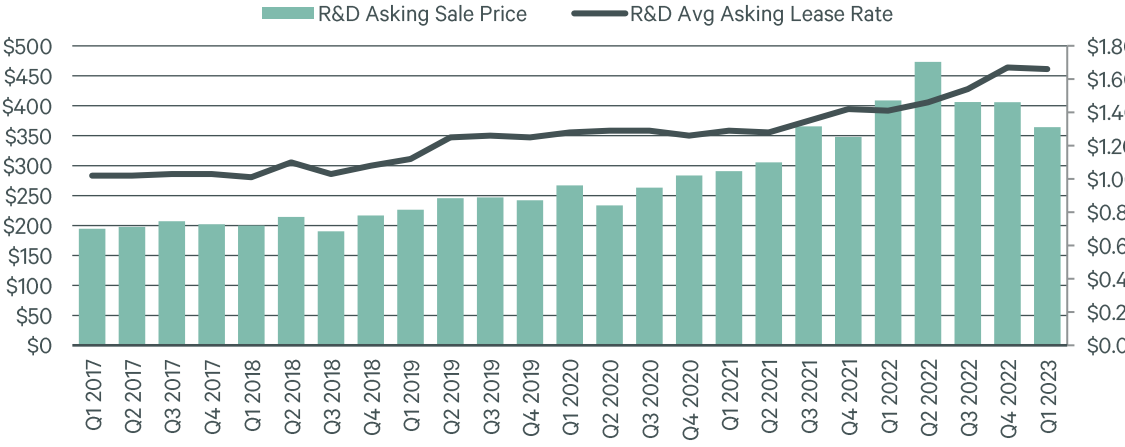
Source: CBRE Research, Q1 2023

FIGURE 7: Year Over Year Rent Growth (%)



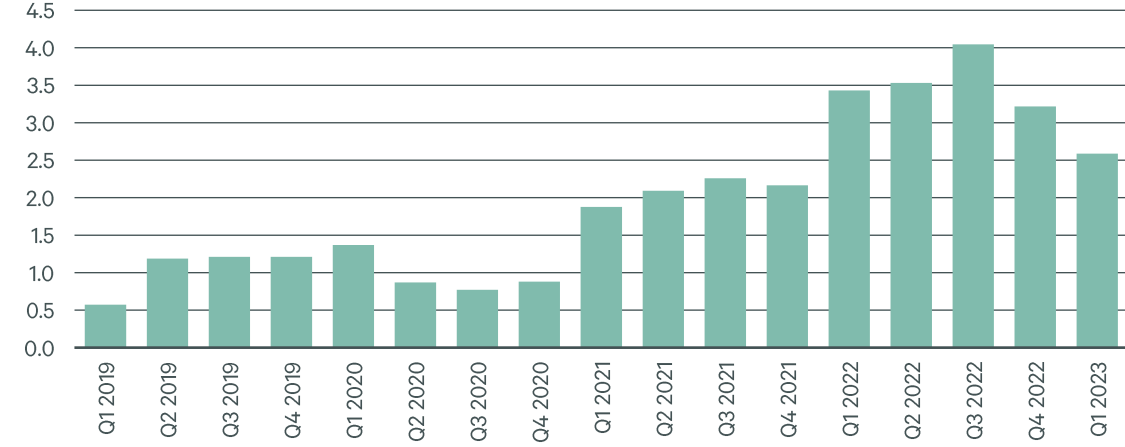
Source: CBRE Research, Q1 2023

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



Source: CBRE Research, Q1 2023

FIGURE 8: Under Construction (SF in Millions)



Source: CBRE Research, Q1 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	1,381	48,852,752	489,629	0	136,294	136,294	-204,057	370,738	0.8	1,262,201	2.6
Brea	218	12,188,768	255,603	0	50,331	50,331	50,331	0	0.0	121,410	1.0
Buena Park	177	13,496,485	0	0	181,434	181,434	-65,107	76,669	0.6	234,015	1.7
Fullerton	292	20,969,253	0	0	265,957	265,957	498,853	181,505	0.9	633,337	3.0
La Habra	60	2,580,623	0	0	0	0	0	0	0.0	41,827	1.6
Orange	459	12,703,496	0	27,067	68,021	95,088	0	74,380	0.6	168,617	1.3
Placentia	146	3,740,510	0	0	10,604	10,604	45,564	40,000	1.1	154,702	4.1
Yorba Linda	55	1,715,157	0	0	0	0	-40,000	141,863	8.3	152,291	8.9
North County Totals	2,788	116,247,044	745,232	27,067	712,641	739,708	285,584	885,155	0.8	2,768,400	2.4
WEST ORANGE COUNTY											
Cypress	95	6,095,545	0	0	10,159	10,159	-19,421	65,993	1.1	729,414	12.0
Garden Grove	321	12,192,602	247,231	18,600	61,713	80,313	-97,968	115,968	1.0	441,168	3.5
Huntington Beach	449	14,626,552	557,106	0	124,965	124,965	172,814	80,370	0.5	254,404	1.7
La Palma	26	2,761,255	0	0	0	0	-2,446	2,446	0.1	0	0.0
Los Alamitos	87	2,231,228	0	0	0	0	0	0	0.0	10,655	0.5
Seal Beach	12	972,051	0	0	0	0	0	0	0.0	0	0.0
Stanton	53	1,072,081	0	0	0	0	-18,792	18,792	1.8	42,167	3.9
Westminster	67	1,885,358	0	11,188	33,262	44,450	0	0	0.0	0	0.0
West County Totals	1,110	41,836,672	804,337	29,788	230,099	259,887	34,187	283,569	0.7	1,477,808	3.5
AIRPORT AREA											
Costa Mesa	280	8,843,789	0	45,600	31,529	77,129	-32,785	77,166	0.9	357,873	4.0
Fountain Valley	161	4,233,875	0	0	0	0	0	40,000	0.9	179,340	4.2
Irvine	520	18,647,683	396,445	18,334	149,841	168,175	37,082	48,864	0.3	331,405	1.7
Newport Beach	31	786,804	0	0	15,346	15,346	15,346	0	0.0	0	0.0
Santa Ana	883	27,732,038	0	22,128	115,754	137,882	-19,386	211,383	0.8	908,806	3.3
Tustin	151	7,680,213	311,770	0	40,146	40,146	34,180	71,616	0.9	218,163	2.7
Airport Area Totals	2,026	67,924,402	708,215	86,062	352,616	438,678	34,437	449,029	0.7	1,995,587	2.9
SOUTH ORANGE COUNTY											
Aliso Viejo	47	1,262,702	0	0	21,972	21,972	0	0	0.0	83,311	6.6
Foothill Ranch	45	3,073,919	0	0	0	0	0	0	0.0	33,138	1.1
Irvine Spectrum	387	16,777,125	193,833	0	150,788	150,788	39,552	368,553	2.2	796,957	4.7
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	12,135	16,785	28,920	0	0	0.0	161,722	3.8
Mission Viejo	33	914,714	0	0	0	0	0	0	0.0	0	0.0
San Clemente	105	2,391,633	0	0	17,243	17,243	0	0	0.0	0	0.0
San Juan Capistrano	40	904,246	136,308	0	0	0	0	0	0.0	0	0.0
Santa Margarita	76	2,461,518	0	0	0	0	0	0	0.0	15,070	0.6
South County Totals	965	33,734,531	330,141	12,135	206,788	218,923	39,552	368,553	1.1	1,090,198	3.2
GRAND TOTALS	6,889	259,742,649	2,587,925	155,052	1,502,144	1,657,196	393,760	1,986,306	0.8	7,331,993	2.8

Source: CBRE Research, Q1 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	31	423,097	5	69,204	15	211,053	9	111,509	\$1.71	\$349.75
20,000-29,999	8	144,269	2	38,227	6	127,123	3	72,828	\$1.26	\$544.22
30,000-49,999	12	406,167	4	143,674	4	162,335	3	97,579	\$1.53	\$357.46
50,000-69,999	4	287,300	1	55,175	2	116,716	2	114,623	\$1.59	\$0.00
70,000-99,999	4	257,685	1	91,305	3	250,610	0	0	\$1.25	\$0.00
100,000 & Greater	8	1,249,882	4	487,570	4	442,156	2	343,169	\$1.82	\$0.00
NORTH ORANGE COUNTY TOTALS	67	2,768,400	17	885,155	34	1,309,993	19	739,708	\$1.69	\$365.29
10,000-19,999	14	197,988	7	122,105	6	81,266	5	63,258	\$1.58	\$447.28
20,000-29,999	5	90,881	0	0	2	47,600	5	116,723	\$2.06	\$529.08
30,000-49,999	2	40,159	1	10,159	0	0	2	79,906	\$1.25	\$0.00
50,000-69,999	5	227,475	1	60,891	2	114,368	0	0	\$1.68	\$0.00
70,000-99,999	0	0	2	90,414	0	0	0	0	\$1.40	\$0.00
100,000 & Greater	4	921,305	0	0	1	159,943	0	0	\$1.71	\$0.00
WEST ORANGE COUNTY TOTALS	30	1,477,808	11	283,569	11	403,177	12	259,887	\$1.69	\$488.18
10,000-19,999	22	246,967	3	55,337	13	192,077	9	131,012	\$1.74	\$400.58
20,000-29,999	6	143,992	3	52,968	1	20,031	6	137,417	\$1.87	\$299.00
30,000-49,999	10	575,087	3	119,089	3	112,990	1	45,600	\$1.85	\$403.43
50,000-69,999	5	334,682	1	57,431	2	129,124	1	53,066	\$1.39	\$343.55
70,000-99,999	5	356,311	2	164,204	0	0	1	71,583	\$1.61	\$425.00
100,000 & Greater	3	338,548	0	0	2	270,433	0	0	\$1.47	\$0.00
AIRPORT AREA TOTALS	51	1,995,587	12	449,029	21	724,655	18	438,678	\$1.60	\$385.36
10,000-19,999	7	62,027	0	0	2	33,935	4	57,819	\$1.67	\$0.00
20,000-29,999	7	214,435	3	82,429	2	48,588	1	21,972	\$1.64	\$460.00
30,000-49,999	5	240,178	1	17,666	0	0	1	44,937	\$1.85	\$405.00
50,000-69,999	3	190,128	1	60,086	2	121,864	0	0	\$0.00	\$0.00
70,000-99,999	3	110,451	1	81,875	2	149,814	1	0	\$0.00	\$0.00
100,000 & Greater	3	272,979	2	126,497	1	146,482	0	94,195	\$1.76	\$0.00
SOUTH ORANGE COUNTY TOTALS	28	1,090,198	8	368,553	9	500,683	7	218,923	\$1.76	\$418.75
GRAND TOTALS	176	7,331,993	48	1,986,306	75	2,938,508	56	1,657,196	\$1.67	\$392.49

Source: CBRE Research, Q1 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	0	0	0.0	197,852	4.5
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	(46,060)	46,060	11.9	46,060	11.9
Fullerton	23	1,994,105	0	0	0	0	0	0	0.0	0	0.0
La Habra	6	316,165	0	0	0	0	0	0	0.0	6,000	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 County Totals	201	10,340,950	0	0	0	0	(46,060)	187,923	1.8	391,775	3.8
WEST ORANGE COUNTY											
Cypress	44	1,989,946	0	0	10,159	10,159	0	46,572	2.3	186,894	9.4
Garden Grove	31	1,311,017	0	0	0	0	0	0	0.0	0	0.0
Huntington Beach	20	652,877	0	0	0	0	0	0	0.0	61,389	9.4
La Palma	9	539,929	0	0	0	0	(2,446)	2,446	0.5	0	0.5
Los Alamitos	16	428,788	0	0	0	0	0	0	0.0	10,655	2.5
Seal Beach	0	0	0	0	0	0	0	0	0.0	0	0.0
Stanton	0	0	0	0	0	0	0	0	0.0	0	0.0
Westminster	1	20,892	0	0	0	0	0	0	0.0	0	0.0
West County Totals	121	4,943,449	0	0	10,159	10,159	(2,446)	49,018	1.0	258,938	5.3
AIRPORT AREA											
Costa Mesa	82	2,841,168	0	0	20,903	20,903	0	0	0.0	109,259	3.8
Fountain Valley	18	686,418	0	0	0	0	0	0	0.0	0	0.0
Irvine	171	5,494,400	0	18,334	0	18,334	(15,984)	34,318	0.6	124,445	2.3
Newport Beach	16	548,552	0	0	15,346	15,346	0	0	0.0	0	0.0
Santa Ana	96	3,497,318	0	0	0	0	512	19,800	0.6	108,633	3.1
Tustin	43	1,952,246	0	0	24,798	24,798	0	71,616	3.7	145,963	7.5
Airport Area Totals	426	15,020,102	0	18,334	61,047	79,381	(15,472)	125,734	0.8	488,300	3.3
SOUTH ORANGE COUNTY											
Aliso Viejo	24	582,247	0	0	0	0	0	0	0.0	83,311	14.3
Foothill Ranch	3	61,920	0	0	0	0	0	0	0.0	0	0.0
Irvine Spectrum	238	9,029,865	0	0	150,788	150,788	0	226,592	2.5	531,795	5.9
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	61,778	10.6
Mission Viejo	14	585,376	0	0	0	0	0	0	0.0	0	0.0
San Clemente	40	882,405	0	0	0	0	0	0	0.0	0	0.0
San Juan Capistrano	9	263,711	0	0	0	0	0	0	0.0	0	0.0
Santa Margarita	29	1,084,731	0	0	0	0	0	0	0.0	15,070	0.0
South County Totals	389	13,336,381	0	0	150,788	150,788	0	226,592	1.7	691,954	5.1
GRAND TOTALS	1,137	43,640,882	0	18,334	221,994	240,328	(63,978)	589,267	1.4	1,830,967	4.2

Source: CBRE Research, Q1 20223

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	22,594	0	0	1	10,827	0	0	\$0.00	\$329.00
20,000-29,999	1	20,046	0	0	1	20,046	0	0	\$1.65	\$0.00
30,000-49,999	1	46,060	1	46,060	1	46,060	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	2	63,515	0	0	1	97,697	0	0	\$0.00	\$0.00
100,000 & Greater	1	239,560	1	141,863	0	0	0	0	\$0.00	\$0.00
NORTH ORANGE COUNTY TOTALS	6	391,775	2	187,923	4	174,630	0	0	\$1.35	\$329.00
10,000-19,999	5	59,166	2	36,413	1	12,098	1	10,159	\$1.39	\$0.00
20,000-29,999	0	0	0	0	0	0	0	0	\$0.00	\$0.00
30,000-49,999	1	10,159	1	10,159	0	0	0	0	\$1.25	\$0.00
50,000-69,999	1	61,389	0	0	0	0	0	0	\$0.00	\$0.00
70,000-99,999	0	0	1	2,446	0	0	0	0	\$0.00	\$0.00
100,000 & Greater	1	128,224	0	0	0	0	0	0	\$0.00	\$0.00
WEST ORANGE COUNTY TOTALS	8	258,938	4	49,018	1	12,098	1	10,159	\$1.55	\$0.00
10,000-19,999	8	117,425	2	39,691	5	77,671	2	33,680	\$1.77	\$332.92
20,000-29,999	1	41,631	0	0	0	0	2	45,701	\$1.57	\$0.00
30,000-49,999	1	151,954	1	14,427	1	31,500	0	0	\$2.15	\$0.00
50,000-69,999	1	85,170	0	0	0	0	0	0	\$1.50	\$359.57
70,000-99,999	1	71,616	1	71,616	0	0	0	0	\$1.90	\$0.00
100,000 & Greater	1	20,504	0	0	0	0	0	0	\$0.00	\$0.00
AIRPORT AREA TOTALS	13	488,300	4	125,734	6	109,171	4	79,381	\$1.76	\$346.25
10,000-19,999	5	30,347	0	0	2	33,935	1	11,656	\$1.73	\$0.00
20,000-29,999	5	159,599	3	82,429	1	23,452	0	0	\$1.64	\$0.00
30,000-49,999	3	167,251	1	17,666	0	0	1	44,937	\$2.03	\$400.00
50,000-69,999	1	61,778	0	0	1	61,778	0	0	\$0.00	\$0.00
70,000-99,999	0	0	0	0	0	0	1	0	\$0.00	\$0.00
100,000 & Greater	3	272,979	2	126,497	1	146,482	0	94,195	\$0.00	\$0.00
SOUTH ORANGE COUNTY TOTALS	17	691,954	6	226,592	5	265,647	3	150,788	\$1.85	\$400.00
GRAND TOTALS	44	1,830,967	16	589,267	16	561,546	8	240,328	\$1.66	\$364.30

Source: CBRE Research, Q1 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	1,282	44,498,044	489,629	0	136,294	136,294	(204,057)	370,738	0.8	1,064,349	2.4
Brea	205	10,585,595	255,603	0	50,331	50,331	50,331	0	0.0	121,410	1.1
Buena Park	169	13,110,952	0	0	181,434	181,434	(19,047)	30,609	0.2	187,955	1.4
Fullerton	269	18,975,148	0	0	265,957	265,957	498,853	181,505	1.0	633,337	3.3
La Habra	54	2,264,458	0	0	0	0	0	0	0.0	35,827	1.6
Orange	431	11,947,044	0	27,067	68,021	95,088	0	74,380	0.6	168,617	1.4
Placentia	143	3,694,720	0	0	10,604	10,604	45,564	40,000	1.1	154,702	4.2
Yorba Linda	34	830,133	0	0	0	0	(40,000)	0	0.0	10,428	1.3
North County Totals	2,587	105,906,094	745,232	27,067	712,641	739,708	331,644	697,232	0.7	2,376,625	2.2
WEST ORANGE COUNTY											
Cypress	51	4,105,599	0	0	0	0	(19,421)	19,421	0.5	542,520	13.2
Garden Grove	290	10,881,585	247,231	18,600	61,713	80,313	(97,968)	115,968	1.1	441,168	4.1
Huntington Beach	429	13,973,675	557,106	0	124,965	124,965	172,814	80,370	0.6	193,015	1.4
La Palma	17	2,221,326	0	0	0	0	0	0	0.0	0	0.0
Los Alamitos	71	1,802,440	0	0	0	0	0	0	0.0	0	0.0
Seal Beach	12	972,051	0	0	0	0	0	0	0.0	0	0.0
Stanton	53	1,072,081	0	0	0	0	(18,792)	18,792	1.8	42,167	3.9
Westminster	66	1,864,466	0	11,188	33,262	44,450	0	0	0.0	0	0.0
West County Totals	989	36,893,223	804,337	29,788	219,940	249,728	36,633	234,551	0.6	1,218,870	3.3
AIRPORT AREA											
Costa Mesa	198	6,002,621	0	45,600	10,626	56,226	(32,785)	77,166	1.3	248,614	4.1
Fountain Valley	143	3,547,457	0	0	0	0	0	40,000	1.1	179,340	5.1
Irvine	349	13,153,283	396,445	0	149,841	149,841	53,066	14,546	0.1	206,960	1.6
Newport Beach	15	238,252	0	0	0	0	15,346	0	0.0	0	0.0
Santa Ana	787	24,234,720	0	22,128	115,754	137,882	(19,898)	191,583	0.8	800,173	3.3
Tustin	108	5,727,967	311,770	0	15,348	15,348	34,180	0	0.0	72,200	1.3
Airport Area Totals	1,600	52,904,300	708,215	67,728	291,569	359,297	49,909	323,295	0.6	1,507,287	2.8
SOUTH ORANGE COUNTY											
Aliso Viejo	23	680,455	0	0	21,972	21,972	0	0	0.0	0	0.0
Foothill Ranch	42	3,011,999	0	0	0	0	0	0	0.0	33,138	1.1
Irvine Spectrum	149	7,747,260	193,833	0	0	0	39,552	141,961	1.8	265,162	3.4
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	12,135	16,785	28,920	0	0	0.0	99,944	2.7
Mission Viejo	19	329,338	0	0	0	0	0	0	0.0	0	0.0
San Clemente	65	1,509,228	0	0	17,243	17,243	0	0	0.0	0	0.0
San Juan Capistrano	31	640,535	136,308	0	0	0	0	0	0.0	0	0.0
Santa Margarita	47	1,376,787	0	0	0	0	0	0	0.0	0	0.0
South County Totals	576	20,398,150	330,141	12,135	56,000	68,135	39,552	141,961	0.7	398,244	2.0
GRAND TOTALS	5,752	216,101,767	2,587,925	136,718	1,280,150	1,416,868	457,738	1,397,039	0.6	5,501,026	2.5

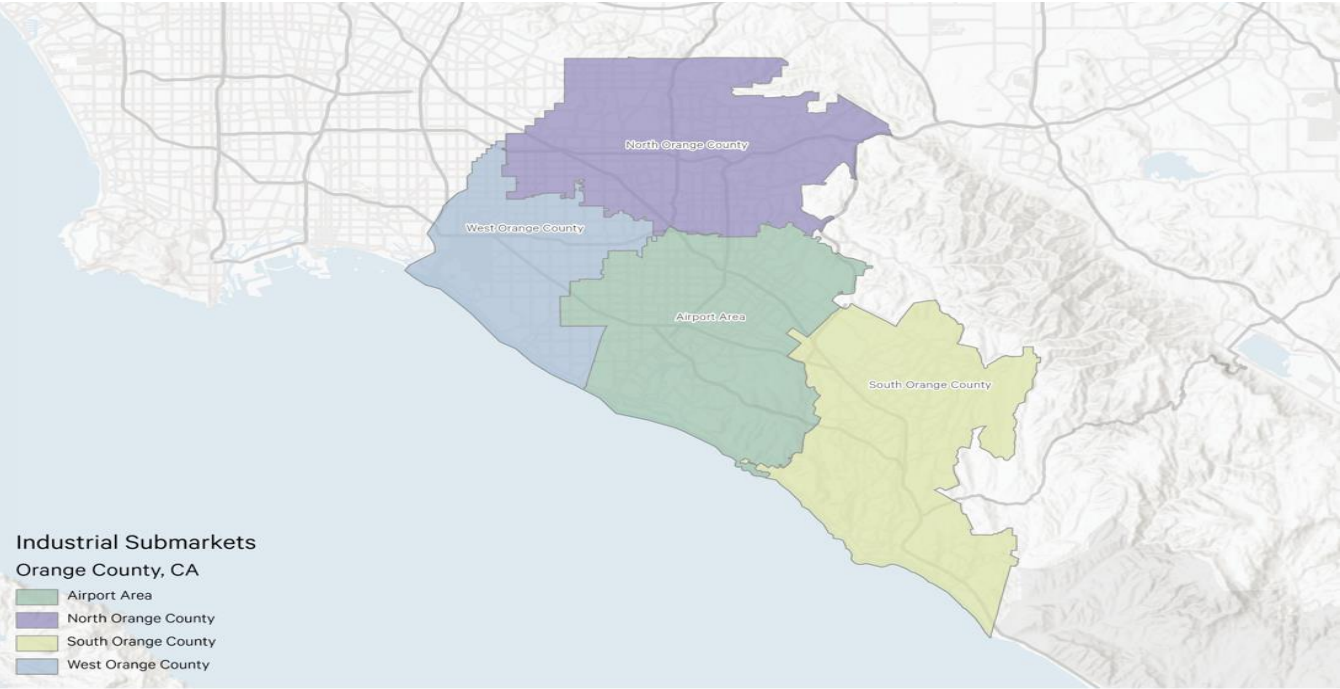
Source: CBRE Research, Q1 2023.

FIGURE 14: Manufacturing and Warehouse Availability Statistics by Size

Submarket	Available		Vacant		New to Market		Gross Activity		Average Asking PSF	
	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	# of Bldgs.	Sq. Ft.	NNN Lease Rate	Sale Price
10,000-19,999	30	400,503	5	69,204	14	200,226	9	111,509	\$1.71	\$352.05
20,000-29,999	7	124,223	2	38,227	5	107,077	3	72,828	\$1.02	\$544.22
30,000-49,999	11	360,107	3	97,614	3	116,275	3	97,579	\$1.53	\$357.46
50,000-69,999	4	287,300	1	55,175	2	116,716	2	114,623	\$1.59	\$0.00
70,000-99,999	2	194,170	1	91,305	2	152,913	0	0	\$1.25	\$0.00
100,000 & Greater	7	1,010,322	3	345,707	4	442,156	2	343,169	\$2.11	\$0.00
NORTH ORANGE COUNTY TOTALS	61	2,376,625	15	697,232	30	1,135,363	19	739,708	\$1.76	\$368.08
10,000-19,999	9	138,822	5	85,692	5	69,168	4	53,099	\$1.67	\$447.28
20,000-29,999	5	90,881	0	0	2	47,600	5	116,723	\$2.06	\$529.08
30,000-49,999	1	30,000	0	0	0	0	2	79,906	\$0.00	\$0.00
50,000-69,999	4	166,086	1	60,891	2	114,368	0	0	\$1.68	\$0.00
70,000-99,999	0	0	1	87,968	0	0	0	0	\$1.40	\$0.00
100,000 & Greater	3	793,081	0	0	1	159,943	0	0	\$1.72	\$0.00
WEST ORANGE COUNTY TOTALS	22	1,218,870	7	234,551	10	391,079	11	249,728	\$1.73	\$488.18
10,000-19,999	14	129,542	1	15,646	8	114,406	7	97,332	\$1.72	\$434.42
20,000-29,999	5	102,361	3	52,968	1	20,031	4	91,716	\$2.05	\$299.00
30,000-49,999	9	423,133	2	104,662	2	81,490	1	45,600	\$1.73	\$403.43
50,000-69,999	4	249,512	1	57,431	2	129,124	1	53,066	\$1.34	\$335.55
70,000-99,999	4	284,695	1	92,588	0	0	1	71,583	\$1.51	\$425.00
100,000 & Greater	2	318,044	0	0	2	270,433	0	0	\$1.47	\$0.00
AIRPORT AREA TOTALS	38	1,507,287	8	323,295	15	615,484	14	359,297	\$1.55	\$391.38
10,000-19,999	2	31,680	0	0	0	0	3	46,163	\$1.55	\$0.00
20,000-29,999	2	54,836	0	0	1	25,136	1	21,972	\$0.00	\$460.00
30,000-49,999	2	72,927	0	0	0	0	0	0	\$1.25	\$415.00
50,000-69,999	2	128,350	1	60,086	1	60,086	0	0	\$0.00	\$0.00
70,000-99,999	3	110,451	1	81,875	2	149,814	0	0	\$0.00	\$0.00
100,000 & Greater	0	0	0	0	0	0	0	0	\$1.76	\$0.00
SOUTH ORANGE COUNTY TOTALS	11	398,244	2	141,961	4	235,036	4	68,135	\$1.61	\$437.50
GRAND TOTALS	132	5,501,026	32	1,397,039	59	2,376,962	48	1,416,868	\$1.66	\$396.90

Source: CBRE Research, Q1 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. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that can be occupied within 30 days

Survey Criteria

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

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