

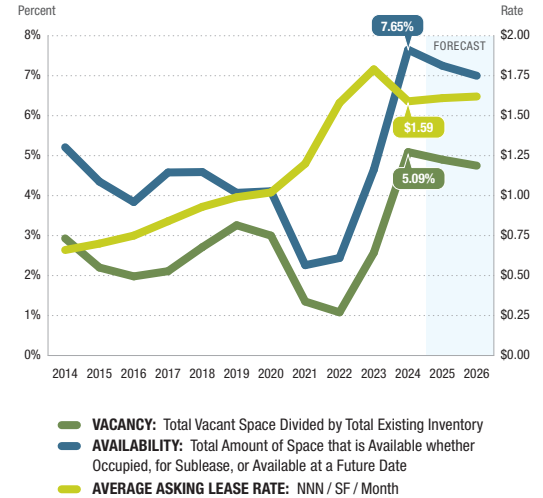
OVERVIEW. The Orange County industrial market dipped again in Q4. Sale and lease activity softened, while average asking lease rates fell slightly. Average asking sales prices were little changed. Total transaction count was slightly lower. Active requirements remained constrained due to election uncertainty, but showed signs of picking up late in the period. Landlord incentives were still in play, as landlords struggled to reduce downtime. Owner/user sale activity, which has been slow all year, remained under pressure throughout the period, as a welcome reduction in interest rates was short-lived. The SBA 504 mortgage rate moved back above 6% in December after falling to 5.76% in September.

VACANCY & AVAILABILITY. Orange County’s industrial vacancy rate rose by 69 basis points to 5.09% in Q4 after a more modest 22-basis point rise in Q3. Year over year, the vacancy rate is up by over 98%. Sale inventory remains thin, so a disproportionate share of the vacancy and availability is accumulating in buildings offered just for lease. Time-on-market remained a challenge for landlords, which fueled an increase in concessions to compete for a diminished pool of qualified tenants in the market. The availability rate, which also includes occupied space offered for sale or lease, also moved higher, gaining 55 basis points to 7.65%, up almost 65% year over year.

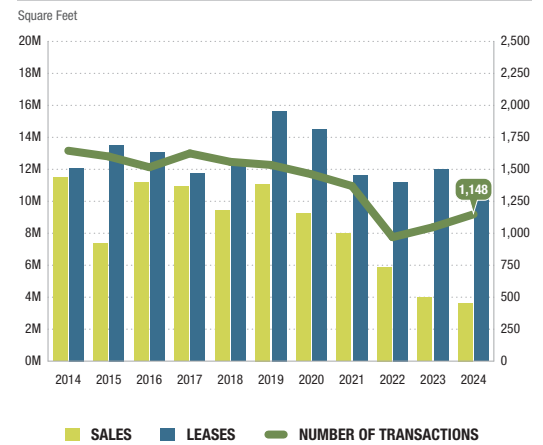
LEASE RATES & SALES PRICES. Orange County’s average asking lease rate fell another \$0.02 in Q4 to \$1.59 after a \$0.05 decline in Q3. This brought the year-over-year decline in this key benchmark to over 11%. This is significant in that landlords generally hold fast to their asking rates in favor of offering concessions to attract qualified tenants. So effective rates, which factor in those concessions, are actually much lower. The average asking sales price fell modestly in Q4, off just \$2 per square foot compared with Q3. Small variations quarter to quarter are expected even in more favorable market conditions, as they often reflect the size of the buildings that come to market. Smaller buildings generally trade at higher per-square-foot prices. Elevated interest rates are keeping the lid on pricing despite the scarce supply of buildings offered for sale.

TRANSACTION ACTIVITY. Sale transaction velocity was slightly higher by both square footage and transaction count in Q4. 56 buildings changed hands during the period with a total square footage of 1,028,113, up from 48 transactions with just over 900,000 SF in Q3. Though market conditions were less favorable for sales due to higher mortgage rates and election uncertainty, the final period of any year tends to record the highest sales volume, as buyers and sellers are motivated to book their deals by year end. Leasing activity declined in Q4 after a modest gain in Q3. Transaction count fell to 230 from 251, while total square footage leased sank to 2,257,640 SF from just over 3 MSF in Q3. At least some of that decline can be explained by the uncertainty over the outcome of the election. There is anecdotal

VACANCY, AVAILABILITY & AVERAGE ASKING LEASE RATES



TRANSACTION VOLUME & NUMBER OF TRANSACTIONS



Market Statistics

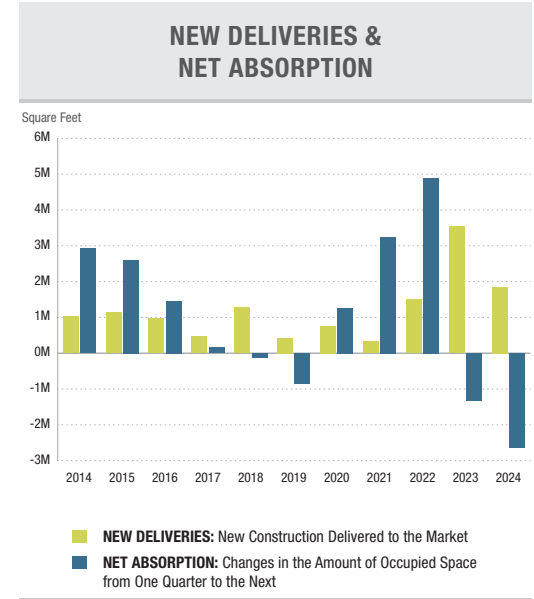
	Change Over Last Quarter	Q4 2024	Q3 2024	Q4 2023	% Change Over Last Year
Vacancy Rate	▲ UP	5.09%	4.40%	2.57%	98.22%
Availability Rate	▲ UP	7.65%	7.10%	4.65%	64.62%
Average Asking Lease Rate	▼ DOWN	\$1.59	\$1.61	\$1.79	(11.17%)
Average Asking Sale Price	▼ DOWN	\$388.98	\$391.21	\$425.40	(8.56%)
Sale & Lease Transactions	▼ DOWN	3,285,753	3,942,001	4,298,268	(23.56%)
Gross Absorption	▼ DOWN	2,398,510	3,343,233	3,517,836	(31.82%)
Net Absorption	▼ NEGATIVE	(1,042,116)	(481,755)	(61,967)	N/A

evidence that the number of active requirements increased after the election, especially in light of the potential extension of tax cuts that are currently set to expire at the end of 2025.

ABSORPTION. Negative net absorption rose sharply in Q4 to 1,042,116 SF on top of another hefty net loss of 481,755 SF in Q3. That brought the annual loss in occupied space up to 2,641,437 SF. Most of that loss for the year occurred in the North County submarket, which posted a decline of 1,802,492 SF. The Orange County market came off a decade-long bull run in mid-2022 when the Fed threw a broomstick in the spokes to stop runaway inflation. Since then, the lease and sale markets have been suffering. But the Fed reversed course in Q4 with three interest rate cuts, which is expected to take at least some pressure off of local business owners and get them out looking for new space.

CONSTRUCTION. Construction activity actually moved up in Q4 after falling throughout the year. The period ended with 2,302,658 SF in the construction queue. The increase was mainly due to several new projects getting started in South County, which now accounts for just under half of all the space under construction. Another 498,015 SF of space remains in the planning phase. Recently completed projects were delivered on a speculative basis and remain vacant, which contributed significantly to the recent uptick in vacancy.

EMPLOYMENT. Orange County's unemployment rate dropped to 4.0% in November 2024. This is a slight decrease from October's 4.2% but still higher than the 3.8% rate from November of the previous year. Manufacturing showed a slight uptick with 500 new jobs added, construction lost 2,100 jobs, and strong growth in trade and transportation (4,200 jobs) points to healthy consumer demand and logistics needs.



Forecast

The vacancy rate may move slightly higher early in the year, but the recent increase in tenant requirements should precipitate lower vacancy by mid-year, as construction comes to a virtual halt and the recently delivered first-generation space is leased up. Sales activity remains hindered by elevated mortgage rates that are not expected to decrease in the short term. Average asking lease rates should stabilize near current levels, as the expected increase in active requirements should bring supply and demand into better balance. For now, landlords will be offering free rent and tenant improvements to shorten lease-up time, which increased throughout 2024. Sales prices did come down slightly in 2024, but not as much as was expected given the higher interest rates that persisted throughout the year.

Significant Transactions

Sales

* Voit Real Estate Services Deal

Property Address	City	Square Feet	Sale Price	Buyer	Seller
25892-25902 Towne Centre Dr.	Foothill Drive	309,035	\$96,000,000	Ares Management	LBA/PFF Industrial-Towne Center LLC
16542 Millikan Ave.	Irvine	59,230	\$50,000,000	P3 Foundation, Inc.	Harbert South Bay Partners LLC
17392 Daimler St.	Irvine	44,800	\$16,000,000	Daimler St CA LLC	BR Investors LLC
1672 Reynolds Ave.	Irvine	34,869	\$10,700,000	Reynold Irvine Ventures LLC	1672 Reynolds LLC
1441 N. Red Gum St.	Anaheim	26,620	\$6,842,000	CI 5, LLC*	San Diego Charitable RE Foundation

Leases

* Voit Real Estate Services Deal

Property Address	City	Square Feet	Transaction Date	Tenant	Owner
50 Icon - Renewal	Foothill Ranch	307,781	Dec-2024	Hampton Products	Prologis
12101 Western Ave.	Garden Grove	125,773	Dec-2024	GKN	Karney Management Company
295 Orangethorpe Ave.	Anaheim	96,000	Nov-2024	Transpark, Inc.	Hot Rods, LLC*
2 Sterling	Irvine Spectrum	91,600	Dec-2024	Hatci (Subsidiary of Hyundai)	Dermody Properties, Inc.
540-544 S. Melrose St.	Placentia	65,517	Dec-2024	QTM Corp	Legacy Property, LLC*

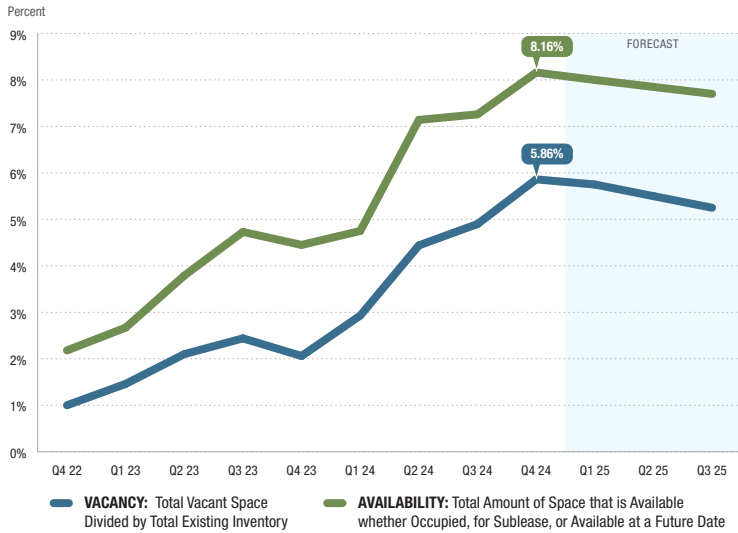
	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q4 2024	Square Feet Available	Availability Rate Q4 2024	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q4 2024	Net Absorption 2024	Gross Absorption Q4 2024	Gross Absorption 2024
Airport Area														
Costa Mesa	449	7,674,694	0	0	244,260	3.18%	415,802	5.42%	\$1.52	\$482.56	65,042	(91,015)	142,198	338,072
Fountain Valley	179	3,701,270	0	0	104,151	2.81%	134,528	3.63%	\$1.44	\$434.40	(8,316)	(56,607)	19,140	140,899
Irvine	304	11,787,431	54,088	0	911,038	7.73%	1,191,158	10.11%	\$1.72	\$342.31	(39,359)	(234,218)	92,335	708,777
Newport Beach	49	607,894	254,156	210,416	5,445	0.90%	7,945	1.31%	\$0.00	\$0.00	10,327	15,647	10,327	22,703
Santa Ana	1,588	31,128,458	0	0	1,186,744	3.81%	2,144,676	6.89%	\$1.44	\$370.22	(18,319)	(462,772)	284,658	1,106,562
Tustin	116	4,612,962	0	0	426,210	9.24%	483,607	10.48%	\$1.69	\$0.00	112,216	52,201	102,603	115,082
Airport Area Total	2,685	59,512,709	308,244	210,416	2,877,848	4.84%	4,377,716	7.36%	\$1.57	\$394.86	121,591	(776,764)	651,261	2,432,095
North County														
Anaheim	1,843	44,658,512	338,030	141,535	2,629,477	5.89%	3,502,867	7.84%	\$1.64	\$431.80	(147,625)	(515,910)	458,755	2,022,127
Brea	331	12,403,979	0	0	666,586	5.37%	984,445	7.94%	\$1.38	\$367.93	(47,811)	(27,601)	187,023	653,156
Buena Park	238	13,622,407	0	0	1,574,620	11.56%	1,936,138	14.21%	\$1.64	\$369.06	1,986	(751,769)	25,707	253,765
Fullerton	465	19,772,280	136,216	0	1,131,272	5.72%	1,746,599	8.83%	\$1.52	\$367.48	(343,745)	(170,283)	62,139	756,456
La Habra	195	3,591,808	0	0	49,172	1.37%	49,172	1.37%	\$1.58	\$361.22	8,762	(30,359)	67,416	127,640
Orange	746	13,607,202	0	57,900	340,962	2.51%	724,280	5.32%	\$1.51	\$252.38	(77,128)	(169,440)	39,049	383,441
Placentia	221	4,272,865	0	0	207,070	4.85%	243,752	5.70%	\$1.56	\$347.92	(14,330)	(118,630)	11,778	230,571
Yorba Linda	55	908,881	0	0	16,293	1.79%	16,293	1.79%	\$0.00	\$0.00	(894)	(18,500)	5,506	40,649
North County Total	4,094	112,837,934	474,246	199,435	6,615,452	5.86%	9,203,546	8.16%	\$1.57	\$371.96	(620,785)	(1,802,492)	857,373	4,467,805
South County														
Aliso Viejo	19	735,866	0	0	17,680	2.40%	20,318	2.76%	\$0.00	\$525.00	0	(32,300)	0	32,300
Foothill Ranch	63	3,321,584	0	0	115,851	3.49%	548,225	16.50%	\$1.69	\$0.00	(103,848)	(3,691)	57,028	512,884
Irvine Spectrum	218	10,319,036	968,249	0	139,843	1.36%	513,528	4.98%	\$1.71	\$525.00	88,410	154,495	104,700	382,546
Laguna Beach	22	113,034	0	0	4,065	3.60%	5,165	4.57%	\$2.75	\$631.90	4,912	1,430	5,033	5,033
Laguna Hills	78	1,066,962	0	0	31,002	2.91%	93,645	8.78%	\$1.75	\$546.10	(7,664)	(22,634)	6,014	87,751
Laguna Niguel	17	231,576	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
Lake Forest	192	4,348,320	0	0	173,853	4.00%	306,744	7.05%	\$1.67	\$376.56	58,985	93,791	169,055	461,622
Mission Viejo	31	725,012	0	0	9,475	1.31%	9,475	1.31%	\$1.71	\$0.00	(3,911)	(6,465)	2,026	5,036
Rancho Mission Viejo	5	125,044	0	0	18,624	14.89%	35,314	28.24%	\$2.46	\$0.00	3,720	9,140	3,720	20,248
Rancho Santa Margarita	107	1,708,558	0	0	24,049	1.41%	44,572	2.61%	\$1.64	\$376.56	(21,486)	(5,524)	6,798	52,665
San Clemente	164	2,058,906	0	0	102,017	4.95%	121,880	5.92%	\$1.55	\$432.54	(17,846)	(55,680)	42,453	90,441
San Juan Capistrano	43	925,030	161,651	0	0	0.00%	0	0.00%	\$2.04	\$0.00	14,660	3,817	14,660	43,693
South County Total	959	25,678,928	1,129,900	0	636,459	2.48%	1,698,866	6.62%	\$1.72	\$461.73	15,932	136,379	411,487	1,694,219
West County														
Cypress	101	4,727,720	390,268	0	77,598	1.64%	440,948	9.33%	\$1.66	\$405.98	6,682	262,662	32,581	411,170
Garden Grove	485	12,598,947	0	88,164	733,874	5.82%	942,797	7.48%	\$1.57	\$360.46	(76,395)	15,135	182,609	503,702
Huntington Beach	703	14,153,922	0	0	809,379	5.72%	1,116,064	7.89%	\$1.58	\$427.18	(479,736)	(193,468)	189,715	1,090,132
La Palma	16	1,778,216	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
Los Alamitos	96	2,206,219	0	0	155,596	7.05%	169,578	7.69%	\$1.59	\$451.03	(7,699)	(154,923)	44,126	79,167
Seal Beach	15	947,258	0	0	0	0.00%	13,162	1.39%	\$0.00	\$0.00	0	0	0	0
Stanton	177	1,881,358	0	0	69,892	3.71%	93,079	4.95%	\$1.44	\$394.38	(3,551)	(35,990)	23,649	106,388
Westminster	138	2,290,921	0	0	163,168	7.12%	201,452	8.79%	\$1.60	\$0.00	1,845	(91,976)	5,709	27,185
West County Total	1,731	40,584,561	390,268	88,164	2,009,507	4.95%	2,977,080	7.34%	\$1.59	\$385.76	(558,854)	(198,560)	478,389	2,217,744
Orange County Total	9,469	238,614,132	2,302,658	498,015	12,139,266	5.09%	18,257,208	7.65%	\$1.59	\$388.98	(1,042,116)	(2,641,437)	2,398,510	10,811,863
Less than 9,999	3,372	20,544,302	0	2,000	450,959	2.20%	598,087	2.91%	\$1.67	\$457.57	59	(98,445)	257,333	1,001,505
10,000-19,999	3,154	43,637,717	14,000	0	1,096,002	2.51%	1,687,464	3.87%	\$1.66	\$411.75	56,714	(117,930)	536,902	2,099,181
20,000-29,999	1,191	28,503,453	46,143	0	838,638	2.94%	1,315,817	4.62%	\$1.60	\$386.00	(43,723)	(225,727)	351,706	1,666,714
30,000-39,999	499	17,035,034	0	0	532,672	3.13%	751,688	4.41%	\$1.60	\$318.23	179,033	(266,254)	204,343	934,147
40,000-49,999	300	13,206,007	0	0	609,872	4.62%	915,316	6.93%	\$1.55	\$0.00	(81,859)	(295,265)	143,415	443,846
50,000-74,999	379	22,776,934	125,728	0	1,157,026	5.08%	1,802,742	7.91%	\$1.52	\$399.91	(5,530)	(476,338)	110,164	596,671
75,000-99,999	166	14,296,306	260,397	243,980	950,865	6.65%	1,293,131	9.05%	\$1.54	\$208.24	88,784	(133,113)	233,423	869,766
100,000-199,999	279	37,182,063	996,180	112,500	3,517,781	9.46%	5,125,982	13.79%	\$1.59	\$293.50	(105,130)	11,999	280,435	1,754,928
200,000 Plus	129	41,432,316	860,210	139,535	2,985,451	7.21%	4,766,981	11.51%	\$0.00	\$0.00	(1,130,464)	(1,040,364)	280,789	2,115,914
Orange County Total	9,469	238,614,132	2,302,658	498,015	12,139,266	5.09%	18,257,208	7.65%	\$1.59	\$388.98	(1,042,116)	(2,641,437)	2,398,510	10,811,863

Lease rates are on a triple-net basis.

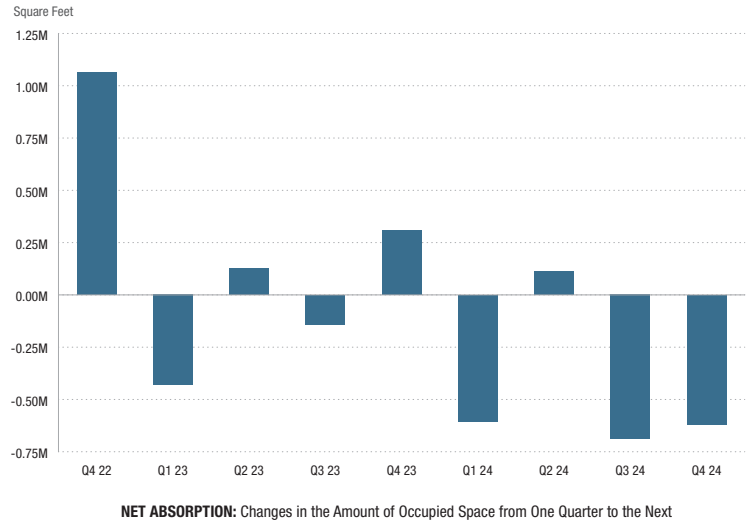
NORTH ORANGE COUNTY

In the fourth quarter of 2024, the North Orange County industrial market consisted of 4,094 buildings totaling 112,837,934 square feet and had an availability rate of 8.16%, which shows an increase from the previous quarter's figure of 7.26%.

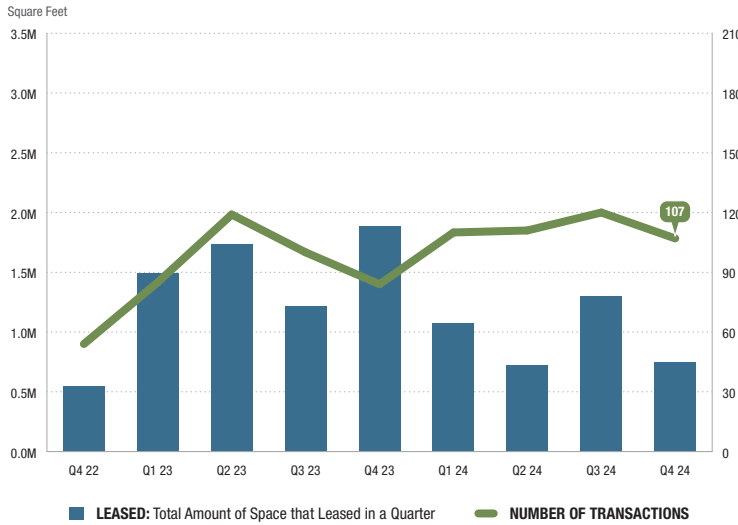
VACANCY & AVAILABILITY RATE



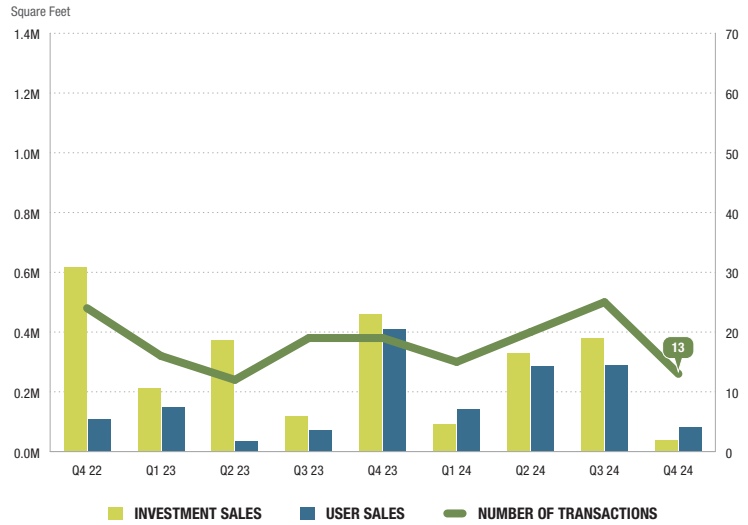
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

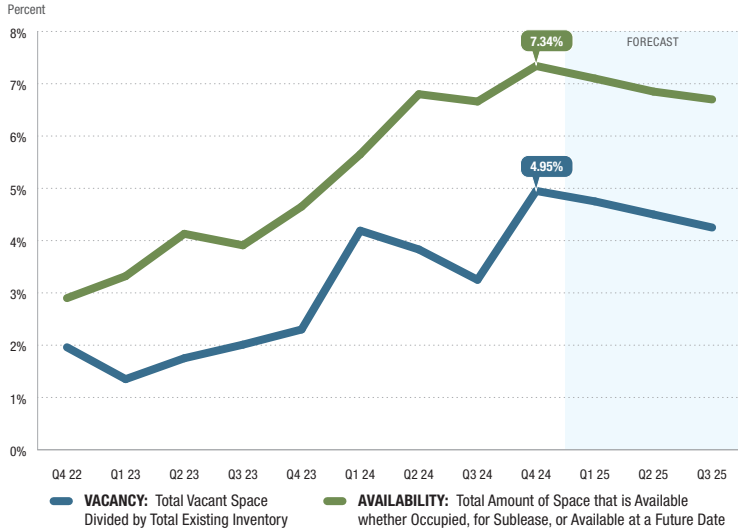
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q4 2024	Square Feet Available	Availability Rate Q4 2024	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q4 2024	Net Absorption 2024	Gross Absorption Q4 2024	Gross Absorption 2024
North Totals														
Less than 9,999	1,362	8,588,410	0	2,000	176,430	2.05%	241,480	2.81%	\$1.43	\$399.61	3,812	(41,876)	111,926	406,569
10,000-19,999	1,389	19,254,709	0	0	449,286	2.33%	614,651	3.19%	\$1.55	\$376.64	10,921	(110,475)	227,421	887,864
20,000-29,999	514	12,292,316	0	0	410,941	3.34%	558,341	4.54%	\$1.52	\$366.24	(88,957)	(263,463)	160,473	696,811
30,000-39,999	225	7,662,387	0	0	231,541	3.02%	334,739	4.37%	\$1.53	\$373.50	43,132	(66,837)	128,453	444,083
40,000-49,999	139	6,125,847	0	0	281,781	4.60%	461,022	7.53%	\$1.55	\$0.00	23,944	(115,572)	21,519	201,924
50,000-74,999	179	10,754,021	0	0	813,380	7.56%	1,059,876	9.86%	\$1.52	\$407.85	22,578	(378,771)	32,178	318,565
75,000-99,999	73	6,253,283	0	57,900	384,060	6.14%	492,462	7.88%	\$1.27	\$208.24	(36,066)	(34,044)	21,963	396,723
100,000-199,999	146	19,368,613	237,000	0	1,859,937	9.60%	2,888,253	14.91%	\$0.00	\$0.00	7,769	(118,984)	153,440	803,323
200,000 plus	67	22,538,348	237,246	139,535	2,008,096	8.91%	2,552,722	11.33%	\$0.00	\$0.00	(607,918)	(672,470)	0	311,943
Total	4,094	112,837,934	474,246	199,435	6,615,452	5.86%	9,203,546	8.16%	\$1.57	\$371.96	(620,785)	(1,802,492)	857,373	4,467,805

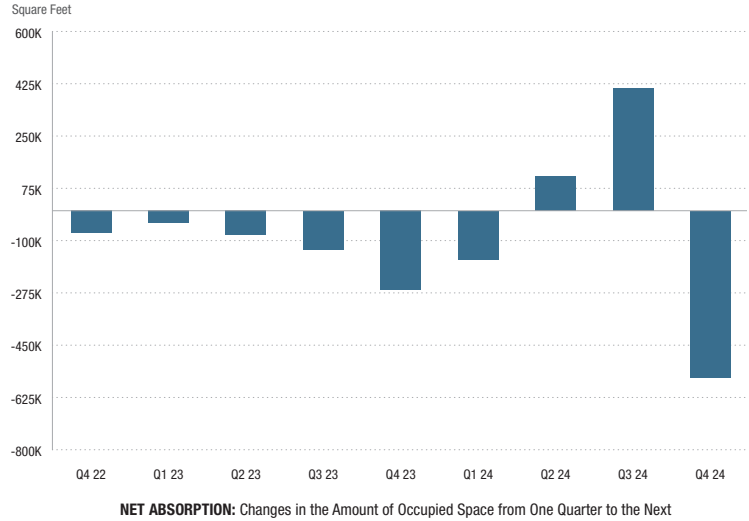
WEST ORANGE COUNTY

In the fourth quarter of 2024, the West Orange County industrial market consisted of 1,731 buildings totaling 40,584,561 square feet and had an availability rate of 7.34%, which shows an increase from the previous quarter's figure of 6.66%.

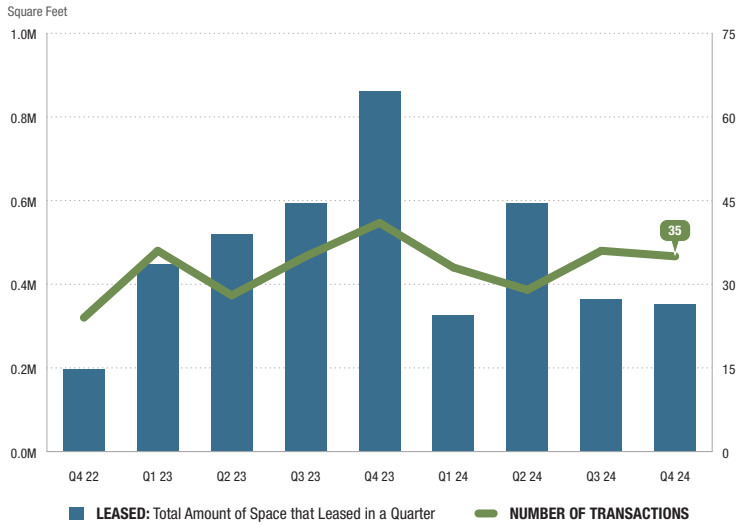
VACANCY & AVAILABILITY RATE



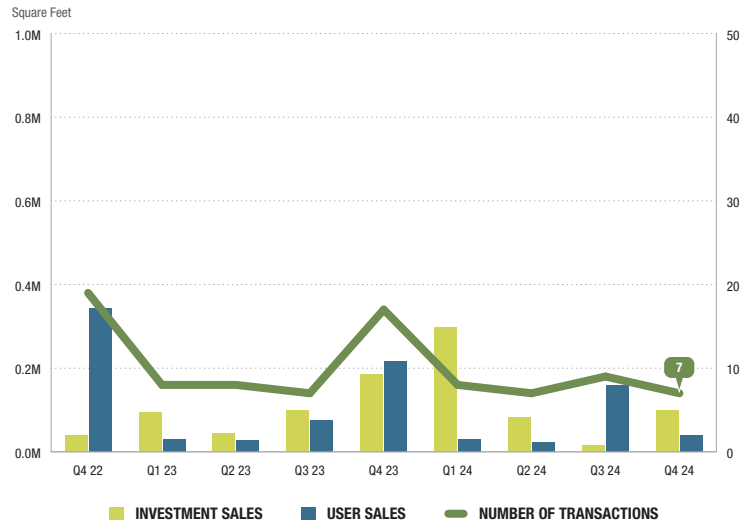
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

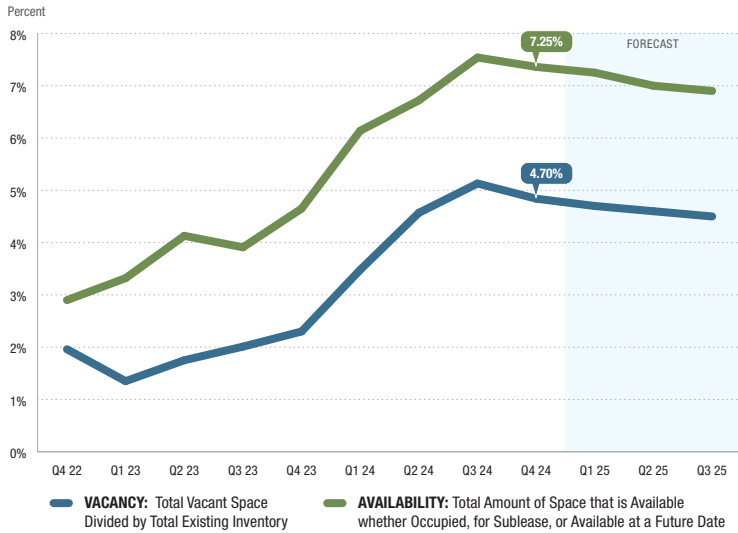
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q4 2024	Square Feet Available	Availability Rate Q4 2024	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q4 2024	Net Absorption 2024	Gross Absorption Q4 2024	Gross Absorption 2024
West Totals														
Less than 9,999	697	4,170,626	0	0	135,810	3.26%	158,746	3.81%	\$1.53	\$412.76	(5,937)	(60,739)	20,033	144,986
10,000-19,999	574	7,631,159	0	0	283,840	3.72%	375,581	4.92%	\$1.53	\$373.70	22,911	(71,943)	91,351	353,771
20,000-29,999	187	4,514,039	0	0	49,335	1.09%	93,299	2.07%	\$1.45	\$487.78	51,448	(16,676)	70,205	251,323
30,000-39,999	64	2,228,191	0	0	32,944	1.48%	133,875	6.01%	\$1.52	\$287.49	0	862	1,880	55,685
40,000-49,999	51	2,250,192	0	0	186,714	8.30%	233,358	10.37%	\$1.57	\$0.00	(100,544)	(140,818)	0	0
50,000-74,999	59	3,523,201	0	0	173,487	4.92%	321,914	9.14%	\$1.59	\$401.42	(28,108)	(6,579)	47,349	103,961
75,000-99,999	29	2,511,677	0	88,164	200,783	7.99%	215,678	8.59%	\$1.69	\$0.00	5,242	(51,356)	5,242	131,103
100,000-199,999	45	6,163,042	185,359	0	309,515	5.02%	406,831	6.60%	\$1.75	\$0.00	0	316,337	119,894	636,692
200,000 plus	25	7,592,434	204,909	0	637,079	8.39%	1,037,798	13.67%	\$0.00	\$0.00	(503,866)	(167,648)	122,435	540,223
Total	1,731	40,584,561	390,268	88,164	2,009,507	4.95%	2,977,080	7.34%	\$1.59	\$385.76	(558,854)	(198,560)	478,389	2,217,744

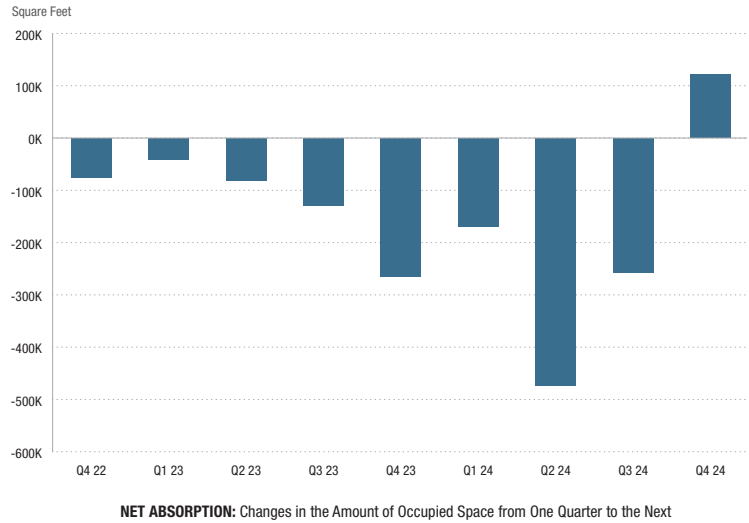
AIRPORT AREA

In the fourth quarter of 2024, the Airport Orange County industrial market consisted of 2,685 buildings totaling 59,512,709 square feet and had an availability rate of 7.36%, which shows a decrease from the previous quarter's figure of 7.54%.

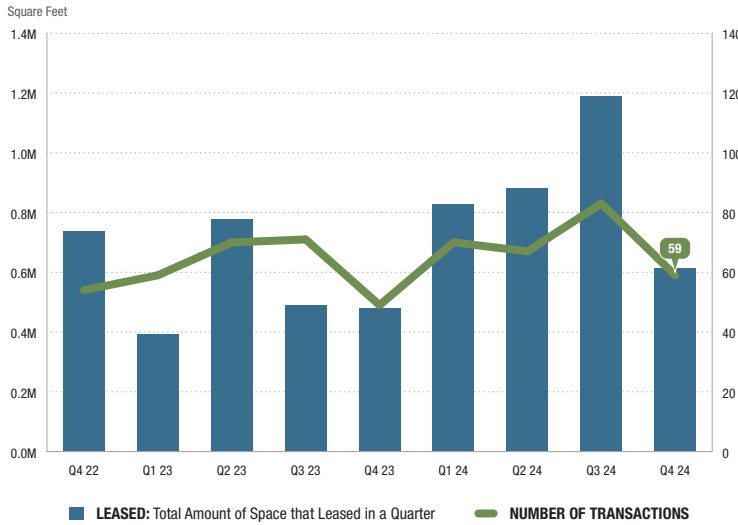
VACANCY & AVAILABILITY RATE



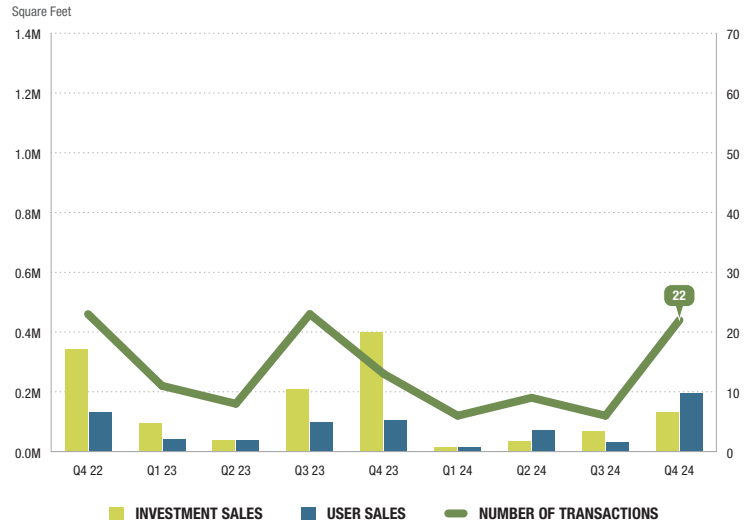
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

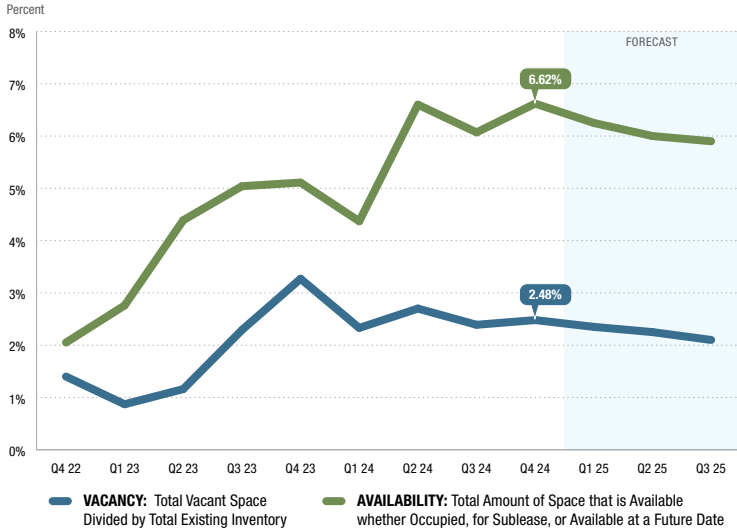
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q4 2024	Square Feet Available	Availability Rate Q4 2024	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q4 2024	Net Absorption 2024	Gross Absorption Q4 2024	Gross Absorption 2024
Airport Totals														
Less than 9,999	944	5,491,481	0	0	103,466	1.88%	121,043	2.20%	\$1.78	\$549.23	3,995	(7,741)	65,091	272,460
10,000-19,999	912	12,766,611	0	0	248,218	1.94%	480,869	3.77%	\$1.76	\$473.88	(6,146)	54,704	165,554	648,399
20,000-29,999	358	8,538,738	0	0	308,159	3.61%	529,267	6.20%	\$1.65	\$385.28	12,470	5,946	85,033	502,371
30,000-39,999	163	5,545,186	0	0	195,337	3.52%	178,507	3.22%	\$1.69	\$285.11	102,676	(130,167)	65,871	289,830
40,000-49,999	79	3,447,400	0	0	131,044	3.80%	188,910	5.48%	\$1.48	\$0.00	(4,345)	(75,008)	77,428	94,708
50,000-74,999	104	6,299,324	54,088	0	145,019	2.30%	414,934	6.59%	\$1.60	\$384.56	0	(117,837)	5,118	60,155
75,000-99,999	47	4,033,110	91,500	97,916	293,873	7.29%	372,600	9.24%	\$1.52	\$0.00	106,791	(142,722)	118,030	159,556
100,000-199,999	57	7,411,079	162,656	112,500	1,287,166	17.37%	1,694,228	22.86%	\$1.48	\$293.50	(120,000)	(190,227)	0	335,480
200,000 plus	21	5,979,780	0	0	165,566	2.77%	397,358	6.65%	\$0.00	\$0.00	26,150	(173,712)	69,136	69,136
Total	2,685	59,512,709	308,244	210,416	2,877,848	4.84%	4,377,716	7.36%	\$1.57	\$394.86	121,591	(776,764)	651,261	2,432,095

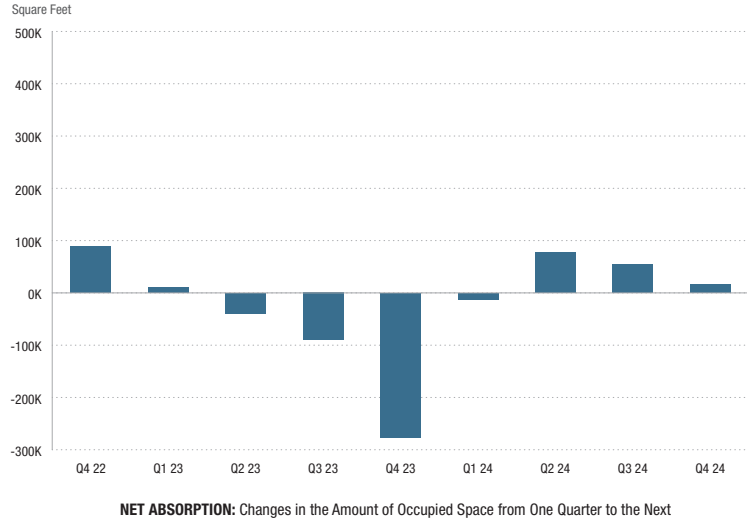
SOUTH ORANGE COUNTY

In the fourth quarter of 2024, the South Orange County industrial market consisted of 959 buildings totaling 25,678,928 square feet and had an availability rate of 6.62%, which shows an increase from the previous quarter's figure of 6.07%.

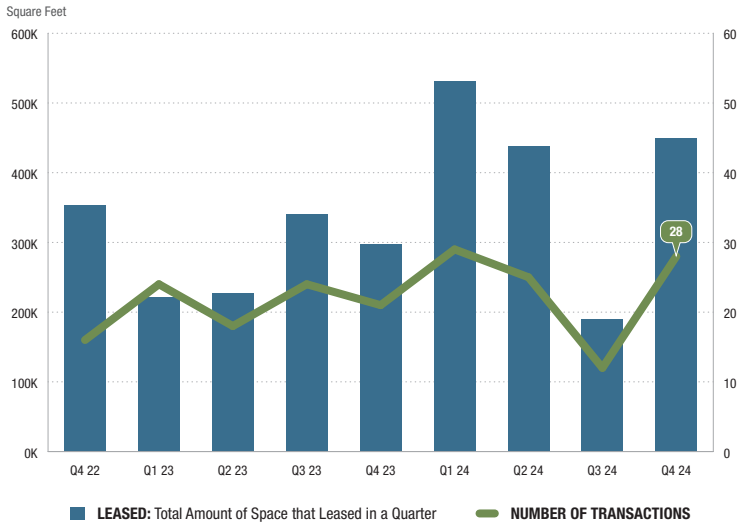
VACANCY & AVAILABILITY RATE



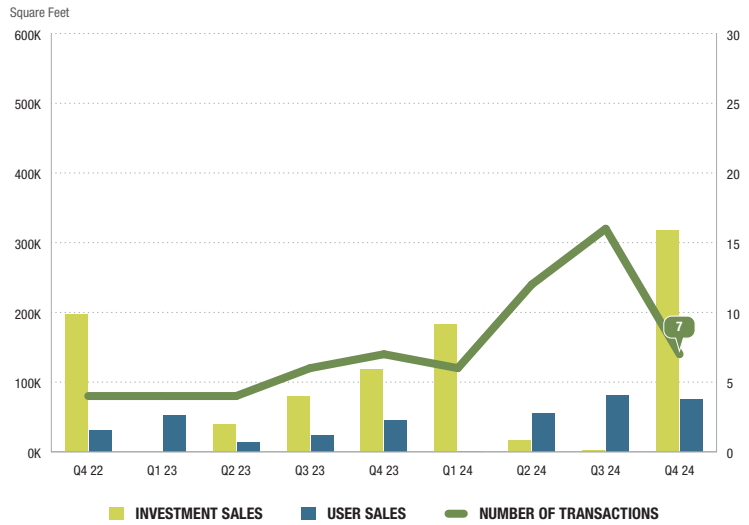
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q4 2024	Square Feet Available	Availability Rate Q4 2024	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q4 2024	Net Absorption 2024	Gross Absorption Q4 2024	Gross Absorption 2024
South Totals														
Less than 9,999	369	2,293,785	0	0	35,253	1.54%	76,818	3.35%	\$1.73	\$570.62	(1,811)	11,911	60,283	177,490
10,000-19,999	279	3,985,238	14,000	0	114,658	2.88%	216,363	5.43%	\$1.77	\$439.53	29,028	9,784	52,576	209,147
20,000-29,999	132	3,158,360	46,143	0	70,203	2.22%	134,910	4.27%	\$1.75	\$376.56	(18,684)	48,466	35,995	216,209
30,000-39,999	47	1,599,270	0	0	72,850	4.56%	104,567	6.54%	\$1.71	\$0.00	33,225	(70,112)	8,139	144,549
40,000-49,999	31	1,382,568	0	0	10,333	0.75%	32,026	2.32%	\$1.67	\$0.00	(914)	36,133	44,468	147,214
50,000-74,999	37	2,200,388	71,640	0	25,140	1.14%	6,018	0.27%	\$1.76	\$0.00	0	26,849	25,519	113,990
75,000-99,999	17	1,498,236	168,897	0	72,149	4.82%	212,391	14.18%	\$1.66	\$0.00	12,817	95,009	88,188	182,384
100,000-199,999	31	4,239,329	411,165	0	61,163	1.44%	136,670	3.22%	\$0.00	\$0.00	7,101	4,873	7,101	17,359
200,000 plus	16	5,321,754	418,055	0	174,710	3.28%	779,103	14.64%	\$0.00	\$0.00	(44,830)	(26,534)	89,218	485,877
Total	959	25,678,928	1,129,900	0	636,459	2.48%	1,698,866	6.62%	\$1.72	\$534.60	15,932	136,379	411,487	1,694,219



Washington's Effect on the OC Industrial Real Estate Market

by **Matt Peters**

SENIOR ASSOCIATE, IRVINE

949.263.5305 · mpeters@voitco.com · Lic. #02065503

Now that we've moved past what might have been one of the most polarizing elections of all time, many Orange County industrial users are shifting their focus to the potential impacts of the new administration on the industrial real estate market. While several factors will undoubtedly influence industrial users, the Southern California industrial market is positioned to remain stable compared to other, more volatile regions. Here are the key factors driving this stability and their implications for our market.

One factor that no administration can alter is our location. Southern California's industrial market holds a unique and lasting edge due to its proximity to the ports of Los Angeles and Long Beach, which handle close to half of the nation's imports and exports. This makes the region a vital hub for logistics, storage, and distribution. As home to the largest concentration of logistics companies in the United States, the demand for industrial buildings here remains consistently strong.

A quick drive around Orange County reveals a striking fact—there are very few new industrial buildings under construction. The scarcity of available land restricts new developments, keeping supply exceptionally tight. This causes an imbalance between supply and demand and bolsters the market, making industrial properties in the region highly sought after.

Lease rates have dropped significantly over the past two years. However, we don't anticipate a steep decline from current levels. In fact, a rebound seems more likely in the near future. Securing a long-term lease (5+ years) at today's rates could be a smart move.

Although sale prices have softened slightly due to rising interest rates—now approaching 7%, compared to sub-3% rates three years ago—the limited supply and strong demand in Southern California's industrial market continue to drive consistent appreciation. This makes the acquisition of an industrial property a sound long-term investment.

The Southern California industrial market continues to offer attractive opportunities for investors, despite recent economic shifts. While rising interest rates may have cooled some speculative activity, the region's unmatched demand, constrained supply, and enduring advantages—such as its ports and proximity to logistics hubs—make it a resilient market. Investors can feel confident that industrial properties in this region are well-positioned for long-term appreciation and stable cash flows. Timing acquisitions to align with current market conditions could yield strong returns, especially as the market stabilizes and lease rates rebound.

If you're a tenant, owner/user, or investor in the Orange County industrial market and have questions, we're here to help. With our extensive experience, advanced tools, and tailored resources, we can guide you in making the best decisions for your unique needs and goals. Give us a call to get started!

Please Contact Us for Further Information

Tony Tran
Regional Director of Research
ttran@voitco.com

Anaheim, CA
714.978.7880

Carlsbad, CA
760.472.5620

Inland Empire, CA
909.545.8000

Irvine, CA
949.851.5100

Los Angeles, CA
424.329.7500

San Diego, CA
858.453.0505

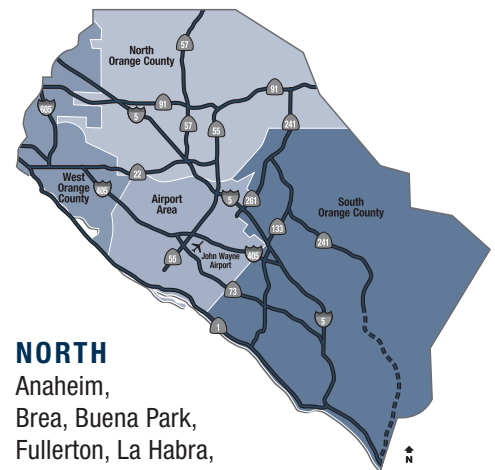
This survey consists of properties representing both single tenant and multi-tenant buildings. The lease rates are based on a triple-net basis. The information contained in this report is gathered from sources that are deemed reliable, but no guarantees are made as to its accuracy. This information is for Voit Real Estate Services' use only and cannot legally be reproduced without prior written consent from the management of Voit Real Estate Services.

Product Type

MFG./DIST.

Manufacturing / Distribution / Warehouse facilities with up to 29.9% office space.

Submarkets



NORTH

Anaheim, Brea, Buena Park, Fullerton, La Habra, Orange, Placentia and Yorba Linda

WEST

Cypress, Garden Grove, Huntington Beach, La Palma, Los Alamitos, Seal Beach, Stanton and Westminster

AIRPORT

Costa Mesa, Fountain Valley, Irvine, Newport Beach, Santa Ana and Tustin

SOUTH

Aliso Viejo, Foothill Ranch, Irvine Spectrum, Laguna Hills, Laguna Niguel, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente and San Juan Capistrano