



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	SF	Tenant
3131-3134 Katella Ave	Cypress	150,342	Epson America
5270 California Ave	Irvine	84,380	UCI Applied Innovation
650 Town Center Dr	Costa Mesa	59,056	Sheppard Mullin Richter, et al

### SIGNIFICANT BUILDING SALES

Address	Sale Value	PPSF	SF	Buyer
Submarket	Type of Sale	Cap Rate	Class	Seller
5301 Bolsa Ave	\$113,000,000	\$122.43	923,000	Sares-Regis
Huntington Beach	Investment	-	Class C	Boeing Company
5515 E. La Palma Ave	\$40,648,000	\$260.76	155,880	Kilen Family
Anaheim	Investor	5.0%	Class B	Hines
120 S. State College Blvd	\$23,050,000	\$289.89	79,152	HDL Companies
Brea	Owner/User	-	Class A	Hines

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
2722 Michelson	Irvine	155,000	LBA Realty
505-525 Technology Dr	Irvine	184,800	Irvine Company
-	-	-	-


### LARGEST UNDER CONSTRUCTION


Address	Submarket/City	SF	Delivery Date
1001 N. Broadway	Santa Ana	615,000	2022
1340 S. Coast Dr	Costa Mesa	432,495	Dec 2019
3181 Michelson Dr	Irvine	184,000	Nov 2019

### TOTAL OFFICE MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates	Net SF Absorption	SF Inventory	SF Under Construction
Q1 2019	9.9%	\$32.03	106,278	157,438,491	1,580,987
Q4 2018	9.8%	\$31.59	467,077	157,095,350	1,298,471
Q3 2018	10.1%	\$31.33	(117,840)	157,084,790	1,340,916
Q2 2018	9.8%	\$30.98	(68,069)	156,719,835	1,179,210
Q1 2018	9.8%	\$30.91	(58,713)	156,719,835	894,608

  
106,278 NET ABSORPTION SF

  
9.9% VACANCY 15,633,152 SF

  
\$32.03 AVG. ASKING RATE PSF

  
343,141 DELIVERIES 4 Buildings

  
1,580,987 UNDER CONSTRUCTION 18 Buildings

#### MARSHAL VOGT Principal

Orange County's office market opened the year with continued healthy demand for Class A space. Some of the demand for Class A buildings has come at the expense of second-tier space, which has averaged 124,101 sq. ft. of negative absorption over the same two-year span. The shift toward Class A space has been incentivized by favorable lease rates. Year-over-year average asking rents are up 3% for Class A and 5.5% for Class B space. Consequently, after assessing the narrow gap between Class A and Class B rents, currently at \$3 and \$2.64 per sq. ft. respectively, most tenants are finding the value offered by premium space to be irresistible.