



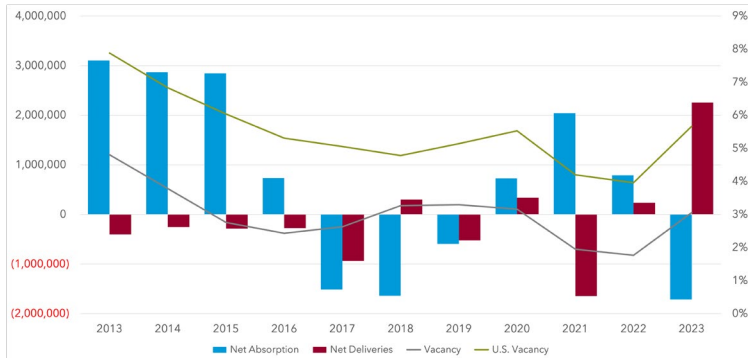
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

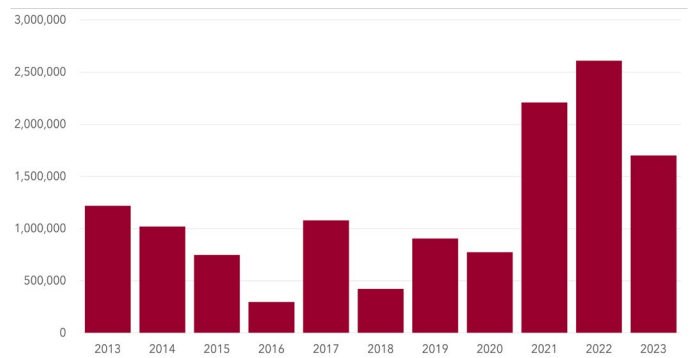
Tenant demand eased in 2023 and the pace of rent growth slowed. More new industrial space was delivered in Orange County than in any year since 2001, as the countywide vacancy rate remains near its all-time low. Despite 450,825 SF of Q4 tenant expansion, there was nearly 1.6-million-SF of negative net absorption in 2023, the most in 14 years. Quality available space remains well below historical averages as vacancy rates range from 2.6% (Airport area) to 4.5% (West County). Countywide, the vacancy rate closed out the year at 3.2%, up from the 1.8% record low at the end of 2022. Countywide, 15 new buildings were delivered in 2023, including five in the Q4. The average new building size was 54,000 SF.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ Qtrly Net Absorption SF	442,548	(896,321)	(808,518)	(450,470)	1,041,009
▲ Vacancy Rate	3.1%	2.9%	2.6%	2.0%	1.8%
▲ Avg NNN Asking Rate PSF	\$20.64	\$20.52	\$20.16	\$19.68	\$18.96
▼ SF Under Construction	1,700,592	2,515,845	2,667,394	3,344,927	2,609,125
▲ Inventory SF	304,105,037	303,294,120	303,019,518	301,969,773	301,849,371

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1683 Sunflower Avenue Costa Mesa, CA	345,000 SF	\$72,000,000 \$208.70 PSF	Costa Mesa Sunflower LLC International Asset Mgmt Holding	Class B
5037-5065 E. Hunter Avenue Anaheim, CA	84,497 SF	\$31,000,000 \$366.88 PSF	Bisco Industries, Inc. Glen Ceiley	Class C
7050 Village Drive Buena Park, CA	80,868 SF	\$21,558,528 \$266.59 PSF	Buchanan Street Partners TA Realty	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2501 E. Orangethorpe Avenue Fullerton, CA	229,422 SF	Prologis, Inc.	3PL Global	3PL
5800 Skylab Road Huntington Beach, CA	167,778 SF	Morgan Stanley & Co. & Orchard Partners	Home & Body Co.	Manufacturing
285 N. Berry Street Brea, CA	124,678 SF	Transwestern Development Company	Flexfit	Apparel

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