



INDUSTRIAL MARKET OVERVIEW

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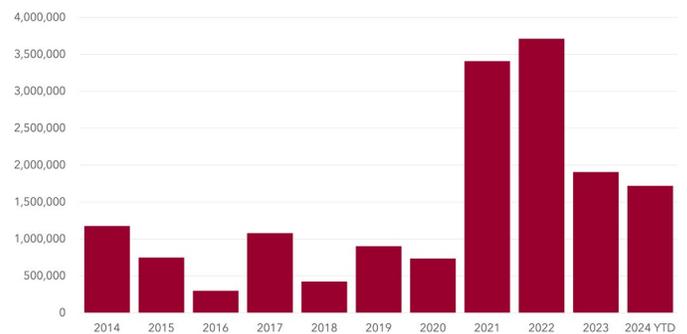
Demand for industrial space continued to weaken countywide in the third quarter along with an increase of sublet space. Although the vacant space is the most since 2013, it's still 200 basis points less than the national average. The decline in net absorption is the most year to date in 15 years. Average rents also fell for the seventh straight quarter. Countywide negative net absorption in Q3 totaled 1.3 million SF, bringing the negative total for the year to about 4.1 million SF, the most since the aftermath of the 2008 financial meltdown. The average triple-net rental rate fell to \$1.59 per SF, which was down from the \$1.71 per SF peak reached at the close of 2023. The 5% vacancy rate in Q3 is up from 2% at the end of Q1 2023.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	(1,273,401)	(806,458)	(2,129,379)	(144,278)	257,114
▲ Vacancy Rate	4.8%	4.2%	3.9%	3.2%	3.0%
▼ Avg NNN Asking Rate PSF	\$1.60	\$1.64	\$1.67	\$1.72	\$1.72
▼ Sale Price PSF	\$307.00	\$381.00	\$317.00	\$319.00	\$321.00
▲ Cap Rate	5.35%	5.17%	5.07%	5.33%	5.87%
▼ Under Construction SF	1,718,795	1,803,582	1,344,303	1,905,341	2,626,517
▲ Inventory SF	305,270,016	304,860,922	304,639,592	304,581,608	303,978,582

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2325-2335 Moore Avenue Fullerton, CA	161,738 SF	\$30,100,000 \$186.10 PSF	Staley Point Capital Lois A. Jones	Class C
5530 Beach Blvd & 5609 River Way Buena Park, CA	183,000 SF	\$53,350,000 \$291.53 PSF	Style Korean Bain Capital LP	Class B
100-102 Kalmus Drive Costa Mesa, CA	36,850 SF	\$15,230,000 \$413.30 PSF	Race Technologies Deutsch Company	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2815 Warner Avenue Irvine, CA	120,000 SF	The Irvine Company	Orange Courier	Transportation & Warehousing
12782 & 12802 Monarch Street Garden Grove, CA	108,981 SF	Rexford Industrial Realty	Big D Flooring	Manufacturing
3172 Nasa Street Brea, CA	104,316 SF	Checker Properties	AMP Research	Manufacturing

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