



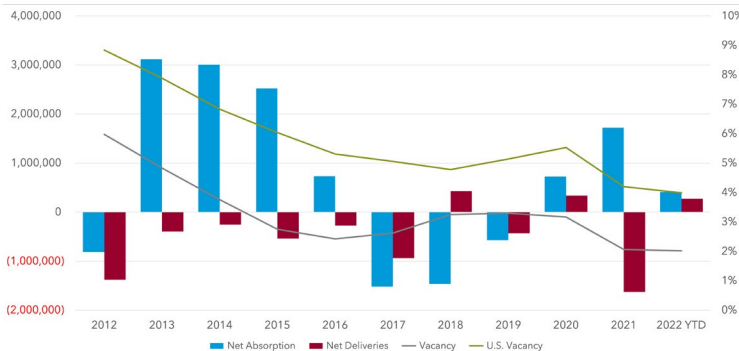
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

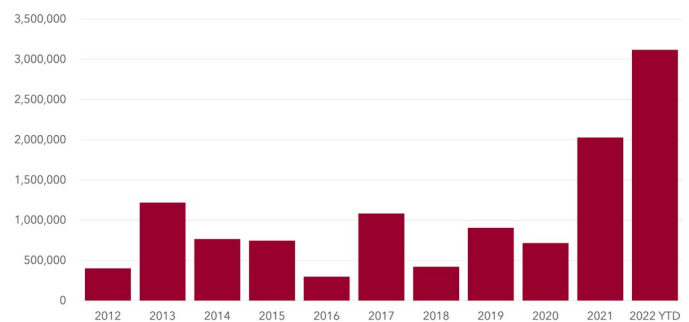
The Orange County Industrial Market rents posted a record annual gain in the third quarter while healthy overall tenant growth continued, led by a surge in demand for South Orange County space. Countywide, the vacancy rate remained at a historic low, 2.1%. Annual rents increased an average of 22% year over year through Q3 with triple-net asking rents hitting \$1.53 per SF. Demand will stay strong for rental properties especially as the sale market activity starts to slow down. With the increases in interest rates, buyer demand should slow but sale prices will stay high through the end of 2022.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	(102,817)	393,327	272,624	(247,597)	374,874
▲ Vacancy Rate	2.1%	2.1%	1.9%	2.0%	2.0%
▼ Avg NNN Asking Rate PSF	\$15.12	\$15.96	\$16.56	\$17.64	\$18.48
▼ SF Under Construction	1,988,097	2,028,935	2,296,043	3,192,799	3,118,251
▲ Inventory SF	301,576,235	300,148,305	300,041,995	299,836,987	300,421,741

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
458-486 E Lambert Road Fullerton, CA	406,261 SF	\$156,000,000 \$383.99 PSF	Global Logistic Properties AEW Capital Management	Class A
10811 Bloomfield Los Alamitos, CA	229,644 SF	\$35,326,371 \$197.47 PSF	Duke Realty Corporation Don Wilson Builders	Class C
1382 Bell Avenue Tustin, CA	120,000 SF	\$91,000,000 \$758.33 PSF	County of Orange GVI-SW Bell Ave Owner LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2220 E Cerritos Avenue Anaheim, CA	197,766 SF	Karney Management Company	Ahern Rentals, Inc.	Equipment Rental
9740 Irvine Boulevard Irvine, CA	99,638 SF	LBA Logistics	TAE Technologies	Clean Energy Research
16661 Jamboree Road Irvine, CA	60,200 SF	Charles A. Brewer, III	Broadband Power	Internet Service

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2022 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com