



### INDUSTRIAL MARKET OVERVIEW

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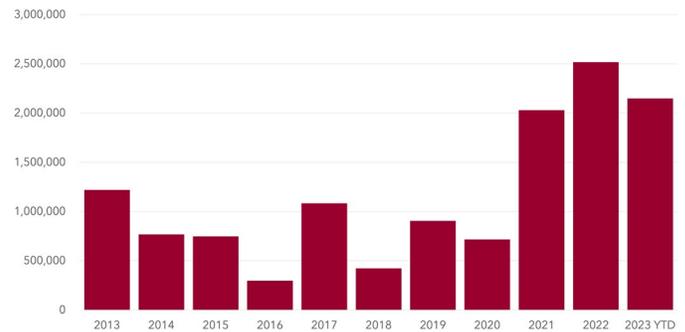
Demand for Orange County industrial space eased in the first half of the year, and there was significant slowing of the recent double-digit rent growth, which is up 52% overall since the lockdown. Countywide net absorption was a negative 562,416 square feet in the second quarter and was off 995,957 square feet in the first half. It was the weakest quarterly demand since early 2019. The vacancy rate gained 60 basis points in the second quarter to settle at 2.6%, however, still close to the all-time low. Sublease space countywide reached its highest point since 2010, totaling 3.64 million square feet, or 1.3% of the total inventory.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ Qtrly Net Absorption SF	(601,579)	(555,091)	1,115,537	267,782	(460,661)
▲ Vacancy Rate	2.6%	2.0%	1.7%	2.0%	2.0%
▲ Avg NNN Asking Rate PSF	\$1.68	\$1.64	\$1.58	\$1.54	\$1.47
▼ SF Under Construction	2,147,483	3,046,706	2,516,232	2,957,161	3,132,189
▲ Inventory SF	302,377,761	301,328,016	301,130,636	300,657,351	300,469,780

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Portfolio Sale* Anaheim, CA	182,800 SF	\$65,000,000 \$355.58 PSF	Dalfen Industrial JP Morgan Chase & Co	Class B
1400 S. Allec Street Anaheim, CA	121,225 SF	\$28,150,000 \$232.21 PSF	LaSalle Investment Management Bixby Land Company	Class B
2441 Michelle Drive Tustin, CA	117,805 SF	\$32,040,000 \$271.97 PSF	EBS Realty Partners JW Mitchell Company LLC	Class B

\*1340-1400 E. State College & 2000-2050 E. Winston

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
12821 Knott Street Garden Grove, CA	165,171 SF	Rexford Industrial Realty, Inc.	Harbinger Motors, Inc.	Manufacturing
5665 Corporate Avenue Cypress, CA	159,943 SF	Bixby Land Company	Bar Bakers LLC	Wholesale Bakery
9400 Jeronimo Road Irvine, CA	146,482 SF	Irvine Company	Bio-Rad Laboratories, Inc.	Life Science Products

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