



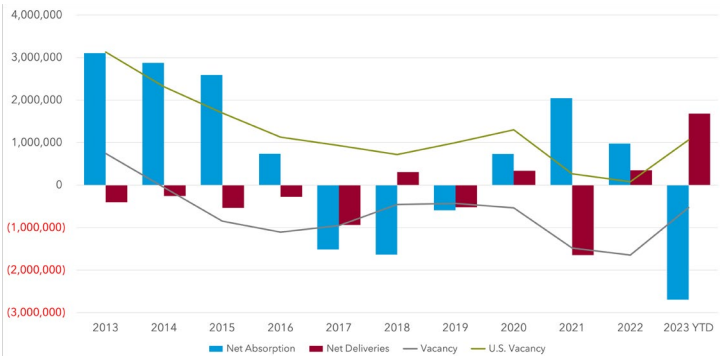
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

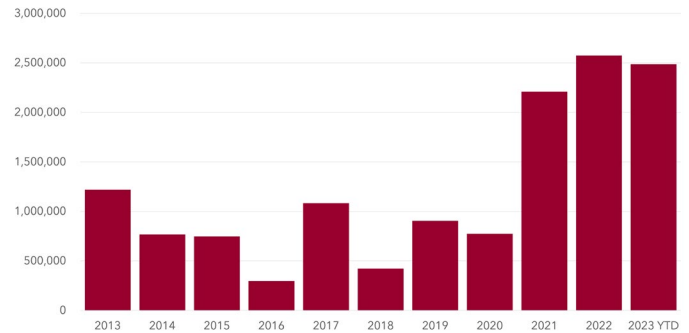
Tenant demand for industrial space continued easing in the third quarter as all four of the county's submarkets posted a combined 848,736 SF of negative net absorption, the most since Q1 2019. It also was the third straight quarterly contraction, bringing the negative total to 1.8 million SF this year. Countywide, the vacancy rate ticked up 40 basis points to 3% since June, the highest in 10 quarters. And although average rent is up 11% year over year, Lee & Associates' agents report that concessions on new leases and renewals increasingly are offered by landlords who sense weakening market interest. Although leasing activity may be easing, the market is active with prospective buyer-users that are undeterred by rising interest rates.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ Qtrly Net Absorption SF	(804,739)	(672,648)	(450,470)	1,116,537	258,736
▲ Vacancy Rate	2.9%	1.9%	1.7%	1.6%	1.8%
▲ Avg NNN Asking Rate PSF	\$20.52	\$20.16	\$19.68	\$18.96	\$18.48
▲ SF Under Construction	2,487,180	2,387,772	3,204,754	2,574,125	3,015,054
▲ Inventory SF	303,019,079	302,583,747	301,534,002	301,336,622	300,863,337

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Portfolio* Brea & Santa Fe Springs, CA	160,000 SF	\$54,000,000 \$339.00 PSF	Artisan Ventures Staley Pnt Capital & Bain Capital R.E.	Class B
5630 Cerritos Avenue Cypress, CA	76,032 SF	\$21,350,000 \$280.80 PSF	Rexford Industrial Realty, Inc. Penwood Real Estate Inv. Mgmt	Class B
1311 Valencia Avenue Tustin, CA	71,616 SF	\$26,500,000 \$370.03 PSF	K.T.I. Hydraulics, Inc. Stos Partners	Class B

*331-333 Cliffwood Pk & 10907 Painter Ave

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9400 Jeronimo Road Irvine Spectrum, CA	146,482 SF	Arbonne International LLC	Bio-Rad Laboratories LLC	Life Sciences R&D
679 S. Placentia Avenue Fullerton, CA	127,375 SF	Bailard	Engineered Floors LLC	Construction
1204 N. Miller Street Anaheim, CA	106,067 SF	BentallGreenOak	Spotter Global	Manufacturing

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