



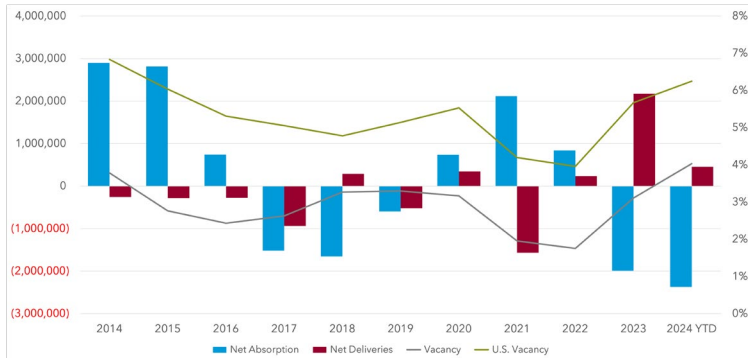
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

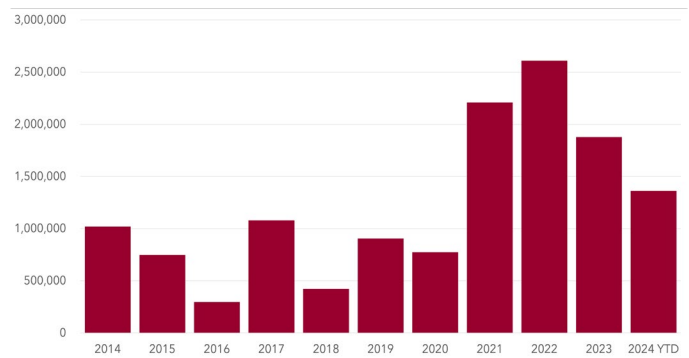
Easing tenant demand has nearly doubled available space to 18 million SF in the last six quarters. Increases in available direct space and sublet space - which also nearly doubled to 3.3 million SF - along with 2.6 million SF of new construction last year combined to push up the countywide vacancy rate from a record low 1.8% in Q4 2022 to 4.1% at the end Q1. Negative net absorption in Q1 was up in three of the county's four major submarkets. Orange County tenants have been getting some relief lately with rent gains slowing to 2.5% year over year. The current triple-net county average is \$1.66 per SF and represents rent growth of 126% over the last 10 years.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▼ Qtrly Net Absorption SF	(1,882,655)	292,807	(885,144)	(903,695)	(492,813)
▲ Vacancy Rate	3.9%	3.1%	3.0%	2.6%	2.0%
▼ Avg NNN Asking Rate PSF	\$20.04	\$20.64	\$20.52	\$20.16	\$19.68
▼ SF Under Construction	1,362,406	1,877,356	2,610,368	2,911,252	3,427,496
▲ Inventory SF	304,299,409	303,846,421	303,117,745	302,843,143	301,793,398

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1450-1456 S. Manhattan Avenue Fullerton, CA	48,235 SF	\$13,350,000 \$276.77 PSF	1450 Manhattan LLC Salher LLC	Class C
170 W. Technology Drive Irvine, CA	41,000 SF	\$15,100,000 \$368.29 PSF	170 Technology GF LLC Realty Associates Fund XII Portfolio LP	Class B
1002-1004 E. Walnut Avenue Fullerton, CA	35,495 SF	\$6,300,000 \$177.49 PSF	Walnut 2024 LLC PWE, Inc.	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
50 Icon Foothill Ranch, CA	307,781 SF	Prologis, Inc.	Hampton Products	Retailer
1395 S. Lyon Street Santa Ana, CA	114,882 SF	Heitman	Coast Companies	Manufacturing
2450 White Road Irvine, CA	106,862 SF	Cornucopia, Inc.	Northgate Gonzalez	Accommodation & Food Services

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 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com