



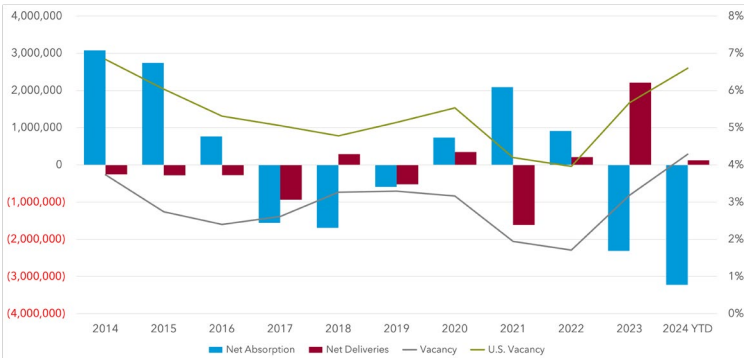
### INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

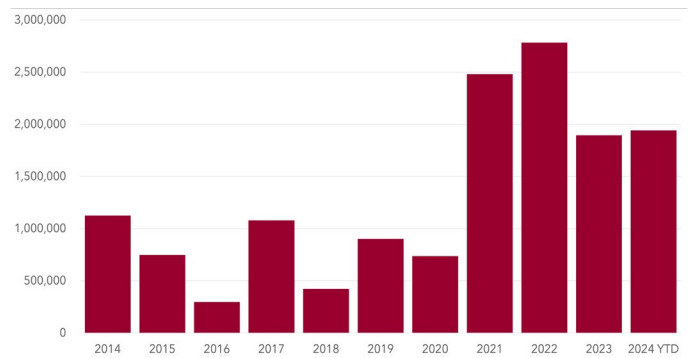
Orange County tenant demand continued to slow in the first half, fueling a rise in the overall vacancy rate to 4.4% from the record low of 1.9% at the end of 2022. Leasing activity is down and rent growth has gone flat after more than a decade of steady double-digit annual growth. The 799,275 SF of negative net absorption in the second quarter and Q1's negative 2.1 million SF brings the total decline in the last six quarters to more than 5 million SF. Since 2020 the long-term average vacancy rate is 4.5%. Tenants know that they have less competition for space and landlords are offering more lease concessions. The largest sale in Q2 was for a 278,572-SF Fullerton building for \$338 per SF sold by American Realty Advisors to Rexford Industrial Realty.

| MARKET INDICATORS         | Q2 2024     | Q1 2024     | Q4 2023     | Q3 2023     | Q2 2023     |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| ▲ Qtrly Net Absorption SF | (840,477)   | (2,195,088) | (145,286)   | (671,137)   | (959,262)   |
| ▲ Vacancy Rate            | 4.2%        | 3.9%        | 3.2%        | 2.9%        | 2.5%        |
| ▼ Avg NNN Asking Rate PSF | \$1.64      | \$1.67      | \$1.72      | \$1.71      | \$1.69      |
| ▲ SF Under Construction   | 1,941,566   | 1,325,450   | 1,894,488   | 2,615,664   | 3,183,232   |
| ▲ Inventory SF            | 303,476,452 | 303,411,959 | 303,353,975 | 302,750,949 | 302,204,367 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF                     | SIZE       | SALE PRICE                   | BUYER / SELLER  | BUILDING CLASS |
|---|------------|------------------------------|---|----------------|
| 1901 E. Rossllyn Avenue<br>Fullerton, CA        | 278,572 SF | \$9,425,000<br>\$338.33 PSF  | Rexford Industrial<br>SVF California Rossllyn LLC       | Class B        |
| 2040-2050 S. State College Blvd.<br>Anaheim, CA | 104,767 SF | \$64,500,000<br>\$615.65 PSF | NE State College LLC<br>PSIF EBS State College LLC      | Class B        |
| 3140 E. Coronado Street<br>Anaheim, CA          | 95,732 SF  | \$26,800,000<br>\$279.95 PSF | 3140 Coronado LLC<br>TTM Technologies North America LLC | Class B        |

| TOP LEASE TRANSACTIONS BY SF              | SIZE       | LANDLORD          | TENANT                  | TENANT INDUSTRY |
|---|------------|-------------------|-------------------------|-----------------|
| 5701 Bolsa Avenue<br>Huntington Beach, CA | 147,010 SF | Safran Cabin      | Cryogenic Industries    | Liquid Gases    |
| 14852 Delta Lane<br>Huntington Beach, CA  | 119,894 SF | Sares-Regis Group | Boeing Encore Interiors | Aerospace       |
| 14752 Delta Lane<br>Huntington Beach, CA  | 116,825 SF | Sares-Regis Group | Scale3PL LLC            | Logistics       |

