



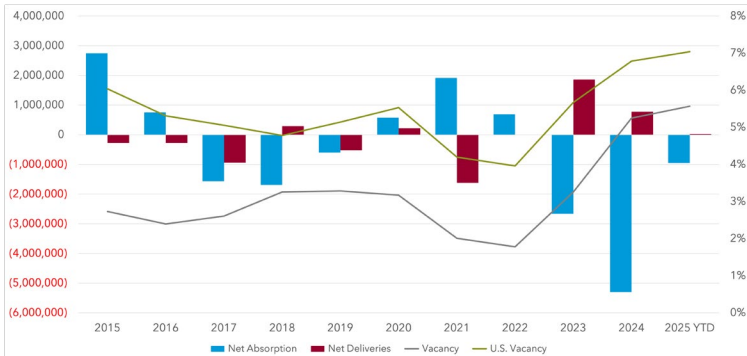
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

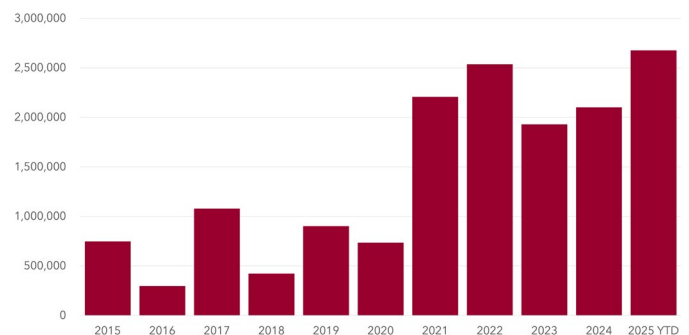
Despite decent overall economic growth and healthy levels of trade through the twin ports of Long Beach and Los Angeles, first-quarter demand for Orange County industrial space fell for the ninth straight quarter. Asking rents declined nearly 10% over the period. First-quarter net absorption was negative 626,940 SF. That follows last year's absorption decline of 5.2 million SF and a 2.6-million-SF contraction in 2023. During the two-year skid, the countywide vacancy rate climbed from 1.8%, a record low, to 5.8%. Caution continues to hobble growth from last year and the election season as business owners weigh the potential impact of the new tariffs.

MARKET INDICATORS	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
▲ Qtrly Net Absorption SF	(585,552)	(1,148,359)	(1,338,418)	(710,041)	(2,104,780)
▲ Vacancy Rate	5.4%	5.2%	4.8%	4.3%	4.0%
▼ Avg NNN Asking Rate PSF	\$1.54	\$1.59	\$1.60	\$1.64	\$1.67
▲ Sale Price PSF	\$343	\$339	\$312	\$384	\$317
▲ Cap Rate	4.50%	4.29%	5.35%	5.17%	5.07%
▲ Under Construction SF	2,677,285	2,101,617	1,964,624	2,008,943	1,302,733
▲ Inventory SF	304,081,078	304,056,584	303,912,925	303,511,831	303,395,674

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1501-1601 E. Cerritos Avenue Anaheim, CA	406,787 SF	\$124,000,000 \$304.83 PSF	The Walt Disney Company JP Morgan Chase & Co.	Class C
5600 Beach Boulevard Buena Park, CA	370,031 SF	\$60,000,000 \$162.15 PSF	Shopoff Realty Investments Amway	Class C
3300 E. Birch Street Brea, CA	218,648 SF	\$92,100,000 \$421.22 PSF	New York Life Insurance Company AEW Capital Management	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4633 E. La Palma Avenue Anaheim, CA	281,548 SF	Pfizer, Inc.	Straub Distributing Company, Ltd.	Wholesaler
5701 Skylab Road Huntington Beach, CA	280,460 SF	Prologis, Inc.	Adient Aerospace	Manufacturing
1515 E. Winston Road Anaheim, CA	194,357 SF	Bedrosians Tile & Stone	Legrand	Manufacturing

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