LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
ORANGE COUNTY, CA

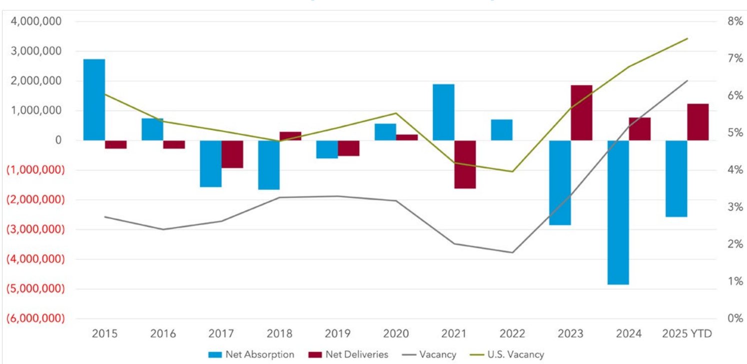
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

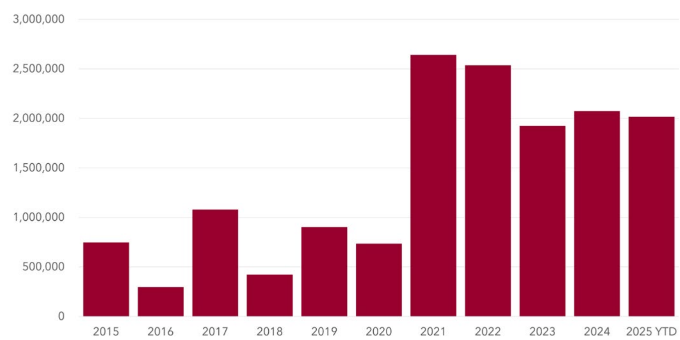
The easing trend in overall industrial demand continued in the third quarter as lease rates slipped and countywide vacancy climbed to its highest level since the great recession. Net absorption in the third quarter was negative 850,291 SF. It was the greatest quarterly loss this year and a record 11th straight quarter of tenant contraction, during which the vacancy rate increased from 1.8% to 6.6%. Lease concessions for tenants is at a peak now. Demand recently has risen for distribution & manufacturing buildings between 100,000-200,000 SF with more transactions occurring this quarter.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼	Qtrly Net Absorption SF	(869,033)	(420,054)	(797,474)	(876,049)	(1,295,787)
▲	Vacancy Rate	6.20%	5.70%	5.60%	5.20%	4.80%
▼	Avg NNN Asking Rate PSF	$18.12	$18.36	$18.48	$19.08	$19.20
▲	Sale Price PSF	$343.00	$330.00	$355.00	$339.00	$310.00
▲	Cap Rate	6.19%	5.46%	5.17%	4.29%	5.35%
▼	Under Construction SF	2,016,912	2,657,851	2,340,604	2,073,482	1,929,705
▲	Inventory SF	304,190,209	303,473,441	303,356,915	302,958,661	302,822,717

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6250 Caballero Blvd & 6270-2690 Caballero Blvd, Buena Park, CA	274,170 SF	$60,900,000 $222.13 PSF	Elion Partners AEW Capital Management	Class C
17731 Cowan Irvine, CA	54,088 SF	$30,650,000 $566.67 PSF	Orange Bakery, Inc. Xebec	Class A
6259 Descanso Avenue Buena Park, CA	54,000 SF	$17,400,000 $322.22 PSF	Toro Enterprises, Inc. Fortress Investment Group	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2060 N. Batavia Street Orange, CA	225,204 SF	Prologis	Undisclosed	Undisclosed
3130-3100 S. Harbor Boulevard Santa Ana, CA	162,656 SF	Emerald RE Partners & Dune RE Partners LP	Anduril Industries	Manufacturing
4260 N. Harbor Boulevard Fullerton, CA	141,616 SF	Prologis	180 Snacks	Roasted Nuts & Peanut Butter Mfg

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