

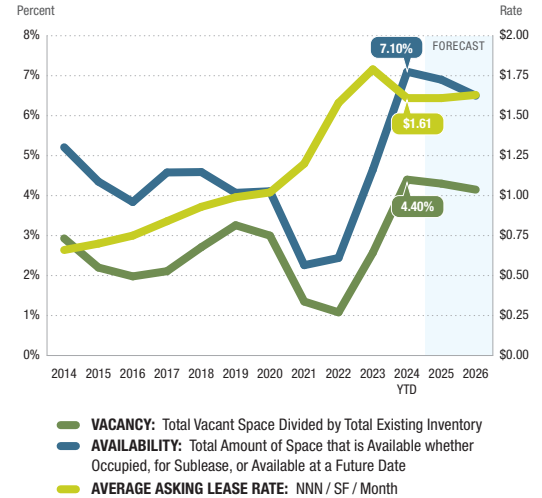
OVERVIEW. The Orange County industrial market stabilized in Q3. Sale and lease activity was little changed. Average asking lease rates fell slightly, but sales prices inched back up after pulling back in Q2. Transaction count was up. Active requirements remained subdued in Q3, but there appears to be enough new deals in the pipeline to keep a lid on the rise in vacancy. Landlords are still increasing incentives to get their spaces leased up, as it is taking longer to find qualified tenants ready to make commitments. Owner / user sale activity remained light, but supply is also limited, which has kept pricing near the market peak of 2022. The SBA 504 mortgage rate dropped to 5.76% in September, down from its recent peak of 7.13%. As a result, owner / user buyer requirements picked up late in the period.

VACANCY & AVAILABILITY. Orange County's industrial vacancy rate rose by just 22 basis points to 4.40% in Q3 after a 96-basis-point jump in Q2. Year over year, the vacancy rate is up by over 70% but is still lower than in Los Angeles County and the Inland Empire. The supply of buildings offered for sale remains low, so most of the vacancy and availability is concentrated in buildings offered for lease only, which has increased the time on market, even for high-quality buildings. The recent completion of several new distribution buildings in the Airport Area is the primary cause of the spike in vacancy in the first half of the year. Of note is the fact that the vacancy rate rises as building size increases. Buildings under 10,000 SF have a vacancy rate of just 2.32%, while buildings from 100,000 to 200,000 SF have a vacancy rate of 7.98%.

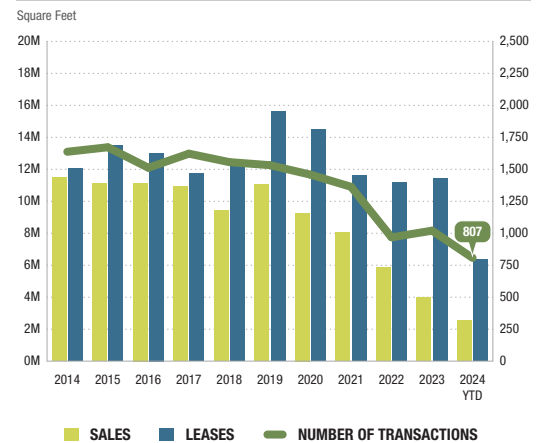
LEASE RATES & SALES PRICES. Orange County's industrial average asking lease rate fell \$0.05 in Q3 to \$1.61. This contributed to a 6.94% year-over-year rent decrease. Landlords held out as long as they could to hold the line on asking rates, opting instead for offering free rent and tenant improvements, which lower effective rents, but are now doing both to get space leased up more quickly. The average asking sales price drifted slightly lower in the first half of the year due to weakened demand occasioned by high mortgage interest rates.

TRANSACTION ACTIVITY. Sale transaction velocity was relatively flat by square footage and up slightly by transaction count in Q3. A total of 889,209 SF of space was sold in the period in 52 transactions, as compared with 888,166 SF of space in 45 transactions in Q2. Owner / user activity has been sluggish since interest rates ramped up in late 2022, but now that they are heading back down again, activity seems to be picking back up. The anticipated market correction didn't materialize as supply and demand decreased simultaneously, maintaining near-peak prices. Buyers faced premium prices and rates, resulting in debt service exceeding market lease rates. However, with mortgage rates now more favorable, the buy vs. lease equation is rebalancing, potentially revitalizing the owner / user market.

VACANCY, AVAILABILITY & AVERAGE ASKING LEASE RATES



TRANSACTION VOLUME & NUMBER OF TRANSACTIONS



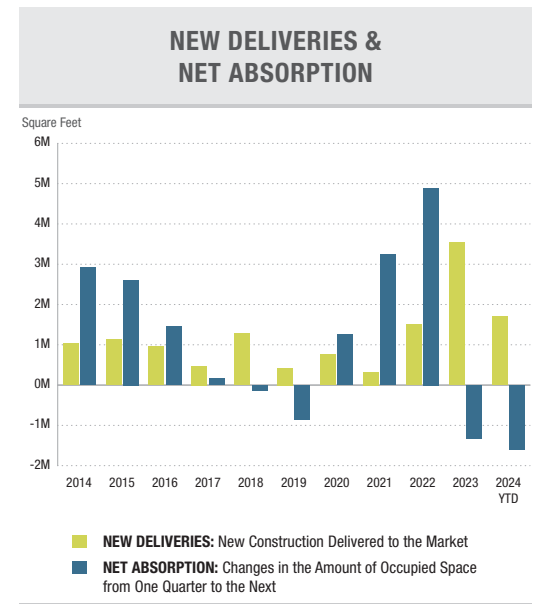
Market Statistics

	Change Over Last Quarter	Q3 2024	Q2 2024	Q3 2023	% Change Over Last Year
Vacancy Rate	▲ UP	4.40%	4.18%	2.58%	70.72%
Availability Rate	▲ UP	7.10%	6.92%	4.65%	52.66%
Average Asking Lease Rate	▼ DOWN	\$1.61	\$1.66	\$1.73	(6.94%)
Average Asking Sale Price	▲ UP	\$391.21	\$389.26	\$397.35	(1.55%)
Sale & Lease Transactions	▲ UP	2,951,204	2,860,074	3,084,441	(4.32%)
Gross Absorption	▲ UP	3,343,233	2,725,096	2,555,927	30.80%
Net Absorption	▼ NEGATIVE	(481,755)	(168,170)	(200,708)	N/A

ABSORPTION. Negative net absorption increased to 481,755 SF in Q3, bringing the year-to-date loss in occupied space to 1,599,321 SF. Most of that loss occurred in the North County submarket with a negative 1,181,707 SF, primarily in Buena Park and Anaheim. The Airport Area has contributed a negative 898,355 SF. South County has posted a net gain of 120,447 SF and West County has added another 360,294 SF to occupied space this year. Negative net absorption numbers like these are not insignificant, but the county has a total inventory of more than 238 MSF. Gross absorption, which measures total move-ins, came in at 2,725,096 in Q3, up from 2,345,024 SF in Q2 and unchanged year over year.

CONSTRUCTION. Construction activity fell in Q3 after deliveries in Brea, Irvine and Garden Grove. As the quarter ended, just 1,588,254 SF was under way compared with 2,271,062 SF in Q2. Another 859,490 SF of space, primarily state-of-the-art distribution space, is still in the planning phase. Most of the projects currently under construction are former office building sites being repurposed to industrial, which is indicative of Orange County's status as an infill market. This trend is likely to continue as many older but well located office properties are struggling to remain competitive in today's challenging market conditions.

EMPLOYMENT. The unemployment rate in Orange County was 4.5% in August 2024, up from a revised 4.4% in July 2024, and above the year-ago estimate of 4.0%. Construction and health services each added 1,000 jobs.



Forecast

The vacancy rate is expected to move slightly higher in smaller increments over the next several quarters. In the first half of the year, several major distribution buildings were completed in Irvine and Santa Ana, which when delivered unleased, caused a significant spike in vacancy. With construction activity falling off again, that is not expected to happen again. Once the uncertainty over the outcome of the election has passed, we expect to see a surge in lease and sale activity, as many business owners have put their requirements on hold until the first of the year. Asking lease rates should remain near current levels unless there is an unexpected spike in activity. Motivated landlords will keep offering free rent and tenant improvements to shorten lease-up time, which has increased throughout 2024. Sales prices, which are still near the peak of late 2022, could get support from lower interest rates now that the Fed is finally off the monetary brakes. Orange County has long depended on a healthy owner/user market as a key market driver, so a resurgence there would give the entire industrial market a much needed boost.

Significant Transactions

Sales

* Voit Real Estate Services Deal

Property Address	City	Square Feet	Sale Price	Buyer	Seller
5609 River Way	Buena Park	183,000	\$53,350,000	Bloomingkoco, LLC*	SCIND Beach Point
2325-2335 Moore Ave.	Fullerton	161,738	\$30,100,000	SCIND Moore point LLC	Moore Avenue Partners LLC
4010-4080 N. Palm St. - 8 Properties	Fullerton	110,933	\$28,800,000	DBP JV, LLC	BKM Capital Patners
100-102 Kalmus Dr.	Costa Mesa	36,850	\$15,230,000	Race Technologies	Deutsch Company
3080 S. Harbor Blvd.	Santa Ana	30,342	\$10,350,000	3080 S Harbor LLC	Hahnfeld Family Trust

Leases

* Voit Real Estate Services Deal

Property Address	City	Square Feet	Transaction Date	Tenant	Owner
3030 Red Hill Ave. - Renewal	Santa Ana	315,000	Sep-2024	Astech Engineered Products	Red Hill One LLC
2036-2040 E. Dyer Rd. - Renewal	Santa Ana	278,132	Jul-2024	Integral Aerospace, LLC	DRSS-1 LLC
12752-12802 Monarch St.	Garden Grove	108,981	Jul-2024	Big D Floor Covering Supplies	Rexford Industrial
12822 Monarch St.	Garden Grove	97,896	Jul-2024	Wesanco	Rexford Industrial
3170-3172 Nasa St. - Sublease	Brea	96,191	Jul-2024	Yes4All	Lund Motion Products

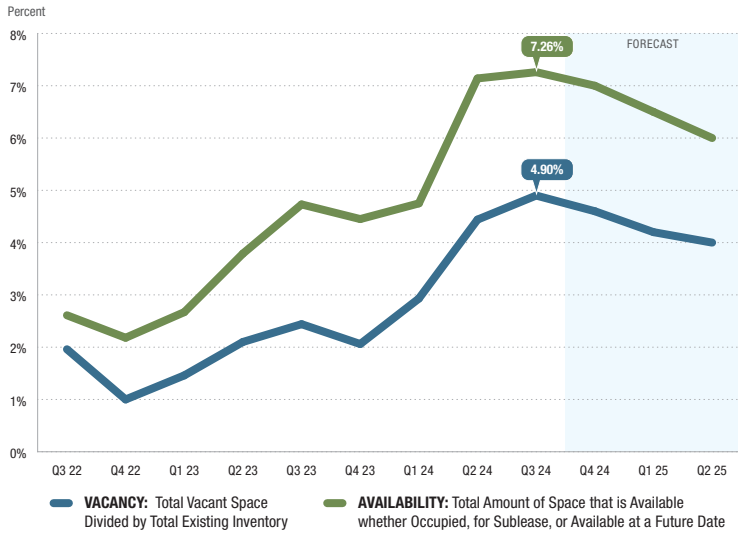
	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q3 2024	Square Feet Available	Availability Rate Q3 2024	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q3 2024	Net Absorption 2024	Gross Absorption Q3 2024	Gross Absorption 2024
Airport Area														
Costa Mesa	449	7,674,694	0	0	383,498	5.00%	463,762	6.04%	\$1.48	\$564.36	(45,802)	(156,057)	116,116	195,874
Fountain Valley	179	3,701,270	0	0	101,385	2.74%	141,742	3.83%	\$1.59	\$420.00	(21,136)	(48,291)	22,108	121,759
Irvine	304	11,787,431	54,088	156,632	907,780	7.70%	1,256,684	10.66%	\$1.75	\$314.61	(154,002)	(194,859)	231,330	616,442
Newport Beach	49	607,894	0	0	5,445	0.90%	11,221	1.85%	\$0.00	\$0.00	(1,280)	5,320	0	12,376
Santa Ana	1,588	31,128,458	254,156	209,898	1,199,398	3.85%	2,057,023	6.61%	\$1.39	\$380.74	(21,550)	(444,453)	297,390	821,904
Tustin	116	4,612,962	0	0	453,645	9.83%	557,413	12.08%	\$1.73	\$420.00	(12,664)	(60,015)	12,479	12,479
Airport Area Total	2,685	59,512,709	308,244	366,530	3,051,151	5.13%	4,487,845	7.54%	\$1.57	\$396.23	(256,434)	(898,355)	679,423	1,780,834
North County														
Anaheim	1,842	44,652,972	375,973	139,535	2,369,756	5.31%	3,385,258	7.58%	\$1.71	\$427.41	(263,740)	(368,285)	603,472	1,563,372
Brea	331	12,403,979	0	0	518,966	4.18%	808,972	6.52%	\$1.39	\$401.80	241,742	20,210	223,012	466,133
Buena Park	238	13,622,407	127,765	0	1,260,974	9.26%	1,566,949	11.50%	\$1.64	\$375.07	(580,289)	(753,755)	99,499	228,058
Fullerton	463	19,644,515	135,741	0	789,443	4.02%	1,413,686	7.20%	\$1.54	\$413.22	(109,987)	173,462	336,793	694,317
La Habra	195	3,591,808	0	0	78,253	2.18%	90,525	2.52%	\$1.56	\$405.71	12,030	(39,121)	30,387	60,224
Orange	746	13,607,202	0	128,953	242,321	1.78%	648,116	4.76%	\$1.46	\$251.81	20,544	(92,312)	160,529	344,392
Placentia	221	4,272,865	0	0	250,740	5.87%	259,149	6.06%	\$1.54	\$319.00	(7,491)	(104,300)	49,015	218,793
Yorba Linda	55	908,881	0	0	9,893	1.09%	9,893	1.09%	\$0.00	\$0.00	(2,194)	(17,606)	0	35,143
North County Total	4,091	112,704,629	639,479	268,488	5,520,346	4.90%	8,182,548	7.26%	\$1.60	\$374.83	(689,385)	(1,181,707)	1,502,707	3,610,432
South County														
Aliso Viejo	19	735,866	0	0	0	0.00%	27,618	3.75%	\$0.00	\$525.00	0	(32,300)	32,300	32,300
Foothill Ranch	63	3,321,584	0	0	18,203	0.55%	511,319	15.39%	\$1.71	\$475.00	40,140	100,157	6,200	455,856
Irvine Spectrum	218	10,319,036	224,920	0	174,774	1.69%	477,021	4.62%	\$1.73	\$550.00	9,317	66,085	210,249	277,846
Laguna Beach	22	113,034	0	0	8,977	7.94%	8,977	7.94%	\$2.75	\$0.00	(3,482)	(3,482)	0	0
Laguna Hills	78	1,066,962	0	0	21,588	2.02%	75,135	7.04%	\$1.80	\$561.61	2,291	(14,970)	14,130	81,737
Laguna Niguel	17	231,576	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
Lake Forest	192	4,348,320	0	0	262,552	6.04%	262,397	6.03%	\$1.66	\$382.89	64,846	34,806	146,833	292,567
Mission Viejo	31	725,012	0	0	5,564	0.77%	5,564	0.77%	\$1.80	\$0.00	(3,538)	(2,554)	0	3,010
Rancho Mission Viejo	5	125,044	0	0	22,344	17.87%	22,344	17.87%	\$2.50	\$0.00	0	5,420	0	16,528
Rancho Santa Margarita	107	1,708,558	0	0	2,563	0.15%	32,298	1.89%	\$1.58	\$510.01	6,156	15,962	30,205	45,867
San Clemente	164	2,058,906	0	0	83,392	4.05%	120,309	5.84%	\$1.55	\$433.90	(45,815)	(37,834)	8,381	47,988
San Juan Capistrano	43	925,030	25,343	136,308	14,660	1.58%	14,660	1.58%	\$2.08	\$0.00	(14,660)	(10,843)	13,204	29,033
South County Total	959	25,678,928	250,263	136,308	614,617	2.39%	1,557,642	6.07%	\$1.70	\$382.11	55,255	120,447	461,502	1,282,732
West County														
Cypress	101	4,727,720	390,268	0	108,819	2.30%	119,999	2.54%	\$1.69	\$460.64	(60,901)	255,980	215,000	378,589
Garden Grove	485	12,598,947	0	88,164	438,095	3.48%	950,317	7.54%	\$1.59	\$335.84	348,153	91,530	161,819	321,093
Huntington Beach	703	14,153,922	0	0	316,232	2.23%	1,051,393	7.43%	\$1.61	\$580.94	236,355	286,268	259,198	900,417
La Palma	16	1,778,216	0	0	72,900	4.10%	84,321	4.74%	\$0.00	\$339.00	0	0	0	0
Los Alamitos	96	2,206,219	0	0	137,692	6.24%	197,604	8.96%	\$1.38	\$518.48	(91,602)	(147,224)	28,313	35,041
Seal Beach	15	947,258	0	0	0	0.00%	3,162	0.33%	\$0.00	\$0.00	0	0	0	0
Stanton	177	1,881,358	0	0	79,491	4.23%	112,766	5.99%	\$1.59	\$399.15	(26,069)	(32,439)	19,184	82,739
Westminster	138	2,290,921	0	0	165,013	7.20%	181,644	7.93%	\$1.60	\$0.00	2,873	(93,821)	16,087	21,476
West County Total	1,731	40,584,561	390,268	88,164	1,318,242	3.25%	2,701,206	6.66%	\$1.60	\$382.11	408,809	360,294	699,601	1,739,355
Orange County Total	9,466	238,480,827	1,588,254	859,490	10,504,356	4.40%	16,929,241	7.10%	\$1.61	\$391.21	(481,755)	(1,599,321)	3,343,233	8,413,353
Less than 9,999	3,371	20,538,762	0	0	476,156	2.32%	697,555	3.40%	\$1.73	\$495.11	(13,681)	(98,504)	265,979	744,172
10,000-19,999	3,154	43,637,717	0	14,000	1,141,912	2.62%	1,546,033	3.54%	\$1.66	\$417.84	94,806	(174,644)	630,920	1,562,279
20,000-29,999	1,190	28,475,688	53,108	20,800	745,958	2.62%	1,409,250	4.95%	\$1.62	\$368.47	(13,622)	(182,004)	459,964	1,315,008
30,000-39,999	499	17,035,034	37,943	0	658,741	3.87%	879,846	5.16%	\$1.71	\$349.00	(48,098)	(445,287)	282,911	729,804
40,000-49,999	300	13,206,007	0	0	469,067	3.55%	738,845	5.59%	\$1.58	\$341.81	59,509	(213,406)	145,300	300,431
50,000-74,999	379	22,776,934	54,088	0	1,207,024	5.30%	1,747,668	7.67%	\$1.56	\$423.71	(205,176)	(470,808)	289,294	486,507
75,000-99,999	166	14,296,306	183,100	185,562	920,945	6.44%	1,314,940	9.20%	\$1.60	\$275.53	(149,262)	(221,897)	186,381	636,343
100,000-199,999	278	37,082,063	817,860	639,128	2,960,528	7.98%	4,340,510	11.71%	\$1.57	\$275.53	120,853	117,129	677,635	1,474,493
200,000 Plus	129	41,432,316	442,155	0	1,924,025	4.64%	4,254,594	10.27%	\$0.00	\$0.00	(327,084)	90,100	404,849	1,835,125
Orange County Total	9,466	238,480,827	1,588,254	859,490	10,504,356	4.40%	16,929,241	7.10%	\$1.61	\$391.21	(481,755)	(1,599,321)	3,343,233	8,413,353

Lease rates are on a triple-net basis.

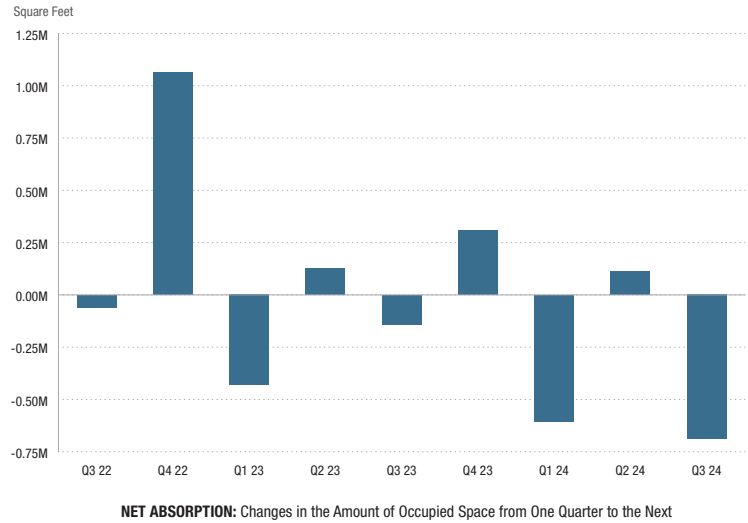
NORTH ORANGE COUNTY

In the third quarter of 2024, the North Orange County industrial market consisted of 4,089 buildings totaling 112,704,623 square feet and had an availability rate of 7.26%, which shows an increase from the previous quarter's figure of 7.14%.

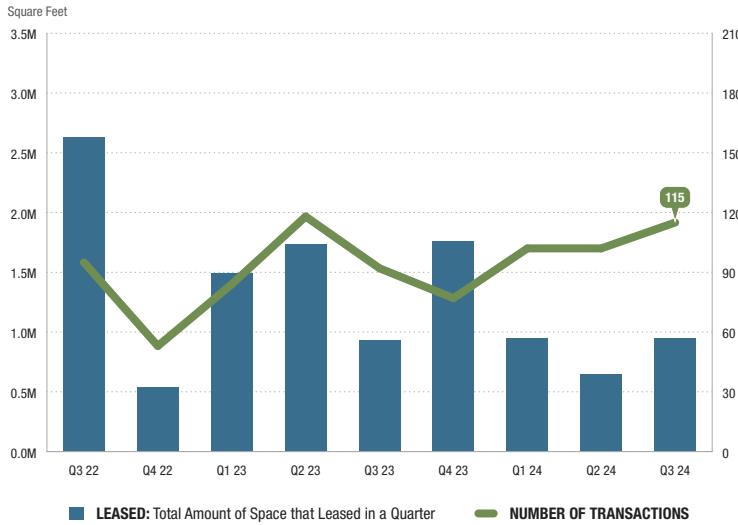
VACANCY & AVAILABILITY RATE



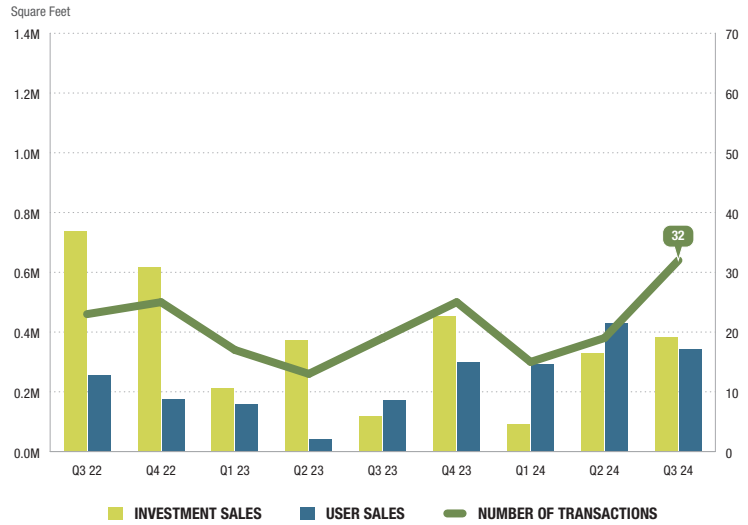
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

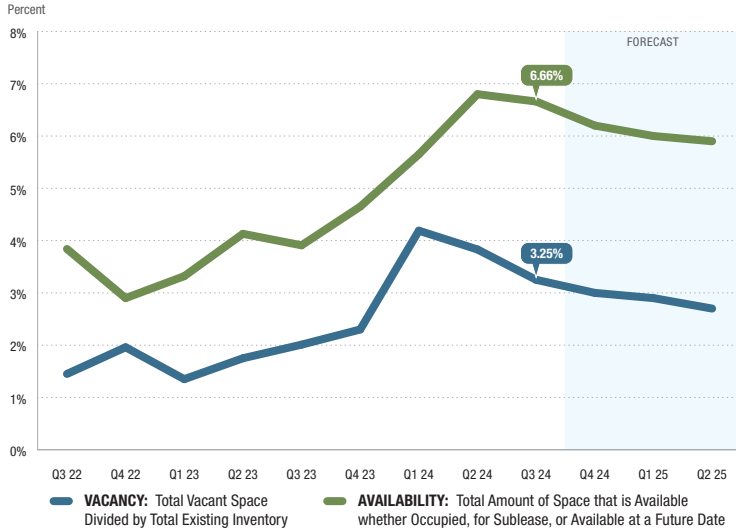
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q3 2024	Square Feet Available	Availability Rate Q3 2024	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q3 2024	Net Absorption 2024	Gross Absorption Q3 2024	Gross Absorption 2024
North Totals														
Less than 9,999	1,361	8,582,870	0	0	182,121	2.12%	284,307	3.31%	\$1.49	\$449.36	(11,559)	(45,688)	108,052	294,643
10,000-19,999	1,389	19,254,709	0	0	489,881	2.54%	555,847	2.89%	\$1.58	\$366.54	110,277	(121,396)	318,093	660,443
20,000-29,999	513	12,264,551	27,765	0	305,310	2.49%	540,334	4.41%	\$1.54	\$308.32	(15,275)	(174,506)	190,268	536,338
30,000-39,999	225	7,662,387	37,943	0	253,409	3.31%	350,321	4.57%	\$1.52	\$432.31	24,223	(109,969)	103,760	315,630
40,000-49,999	139	6,125,847	0	0	246,779	4.03%	365,872	5.97%	\$1.57	\$432.30	26,954	(139,516)	50,760	180,405
50,000-74,999	179	10,754,021	0	0	838,958	7.80%	1,104,577	10.27%	\$1.52	\$432.30	(208,491)	(401,349)	144,326	286,387
75,000-99,999	73	6,253,283	0	0	185,254	2.96%	489,742	7.83%	\$1.38	\$208.24	60,562	2,022	82,525	374,760
100,000-199,999	145	19,268,613	336,525	268,488	1,602,456	8.32%	2,277,248	11.82%	\$1.73	\$0.00	(229,021)	(126,753)	386,189	649,883
200,000 plus	67	22,538,348	237,246	0	1,416,178	6.28%	2,214,300	9.82%	\$0.00	\$0.00	(447,055)	(64,552)	118,734	311,943
Total	4,091	112,704,629	639,479	268,488	5,520,346	4.90%	8,182,548	7.26%	\$1.60	\$374.83	(689,385)	(1,181,707)	1,502,707	3,610,432

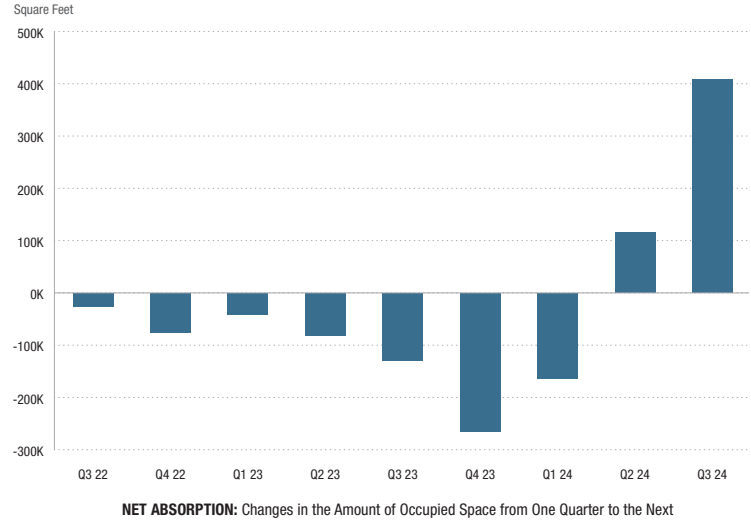
WEST ORANGE COUNTY

In the third quarter of 2024, the West Orange County industrial market consisted of 1,730 buildings totaling 40,584,561 square feet and had an availability rate of 6.60%, which shows a decrease from the previous quarter's figure of 6.80%.

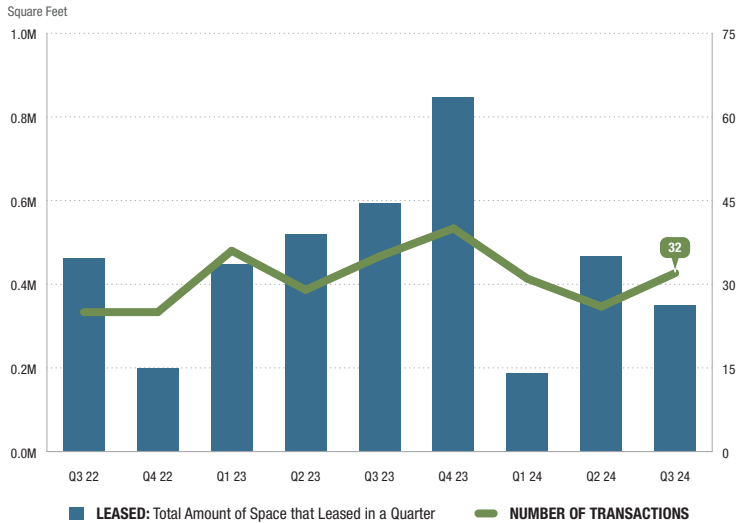
VACANCY & AVAILABILITY RATE



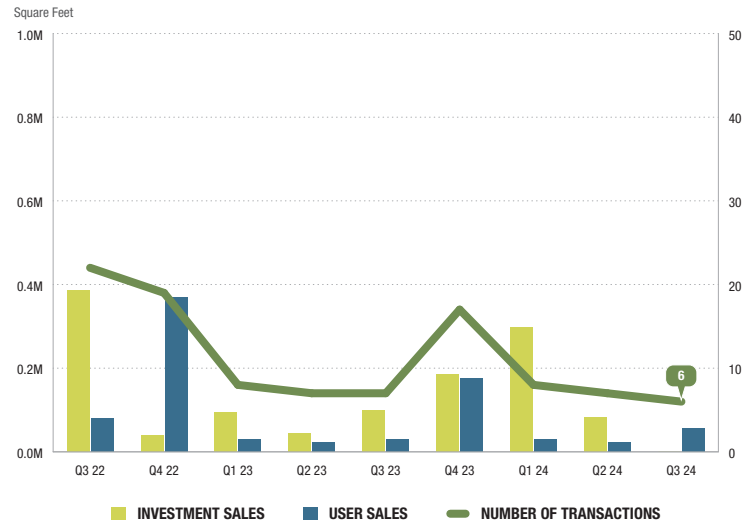
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

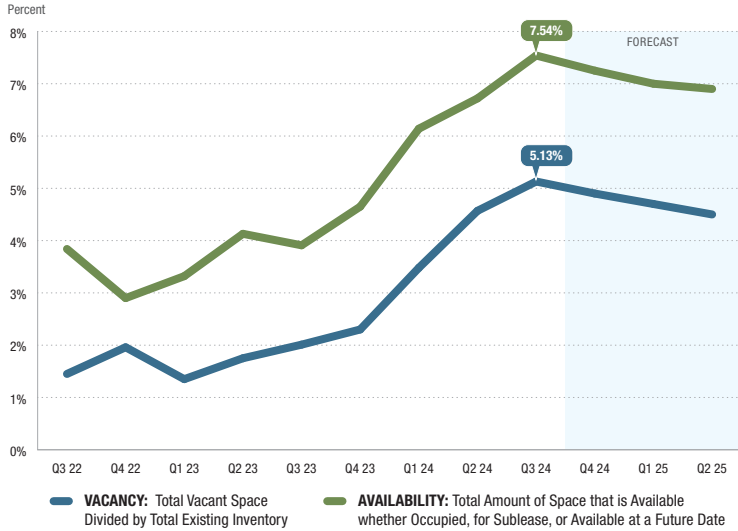
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q3 2024	Square Feet Available	Availability Rate Q3 2024	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q3 2024	Net Absorption 2024	Gross Absorption Q3 2024	Gross Absorption 2024
West Totals														
Less than 9,999	697	4,170,626	0	0	140,023	3.36%	161,715	3.88%	\$1.65	\$450.35	(29,748)	(54,802)	34,521	124,953
10,000-19,999	574	7,631,159	0	0	296,352	3.88%	384,775	5.04%	\$1.53	\$382.17	(10,673)	(94,854)	105,696	262,420
20,000-29,999	187	4,514,039	0	0	79,530	1.76%	169,701	3.76%	\$1.46	\$487.78	2,468	(68,124)	111,458	181,118
30,000-39,999	64	2,228,191	0	0	27,444	1.23%	115,278	5.17%	\$1.52	\$0.00	(660)	862	37,523	53,805
40,000-49,999	51	2,250,192	0	0	86,170	3.83%	181,511	8.07%	\$1.59	\$287.49	0	(40,274)	0	0
50,000-74,999	59	3,523,201	0	0	152,889	4.34%	369,263	10.48%	\$1.62	\$0.00	(23,534)	21,529	1,460	56,612
75,000-99,999	29	2,511,677	0	88,164	206,025	8.20%	217,446	8.66%	\$1.69	\$339.00	(133,125)	(56,598)	0	125,861
100,000-199,999	45	6,163,042	185,359	0	183,142	2.97%	312,077	5.06%	\$1.62	\$0.00	392,057	316,337	122,828	516,798
200,000 plus	25	7,592,434	204,909	0	146,667	1.93%	789,440	10.40%	\$0.00	\$0.00	212,024	336,218	286,115	417,788
Total	1,731	40,584,561	390,268	88,164	1,318,242	3.25%	2,701,206	6.66%	\$1.60	\$382.11	408,809	360,294	699,601	1,739,355

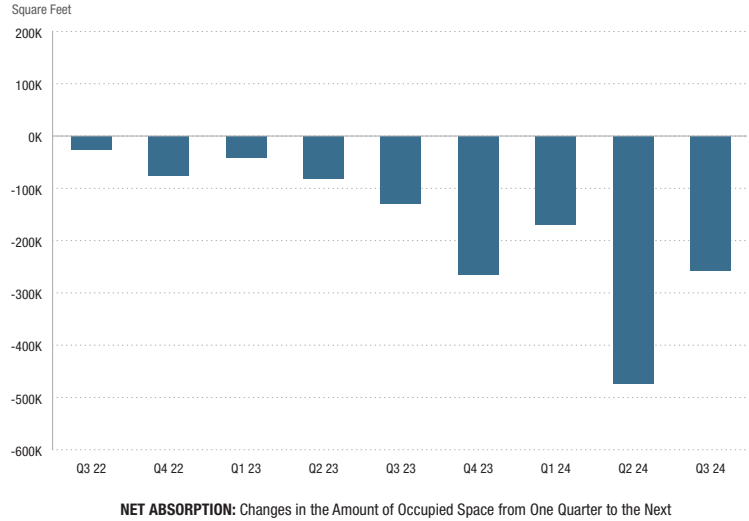
AIRPORT AREA

In the third quarter of 2024, the Airport Orange County industrial market consisted of 2,684 buildings totaling 59,512,709 square feet and had an availability rate of 7.54%, which shows an increase from the previous quarter's figure of 6.72%.

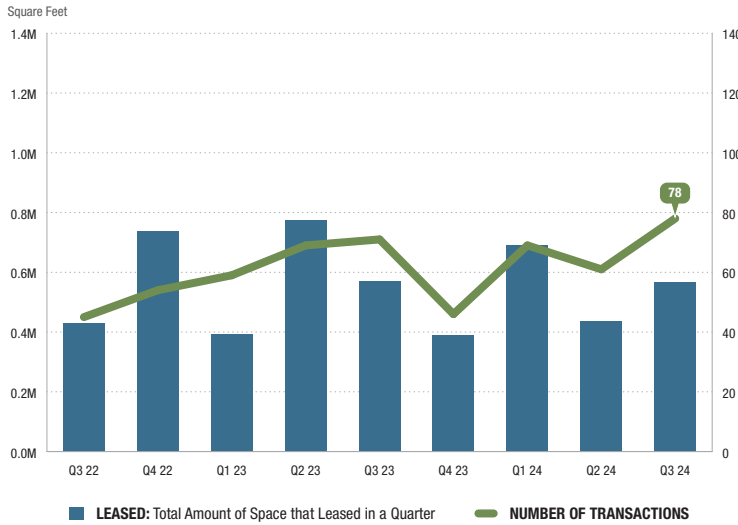
VACANCY & AVAILABILITY RATE



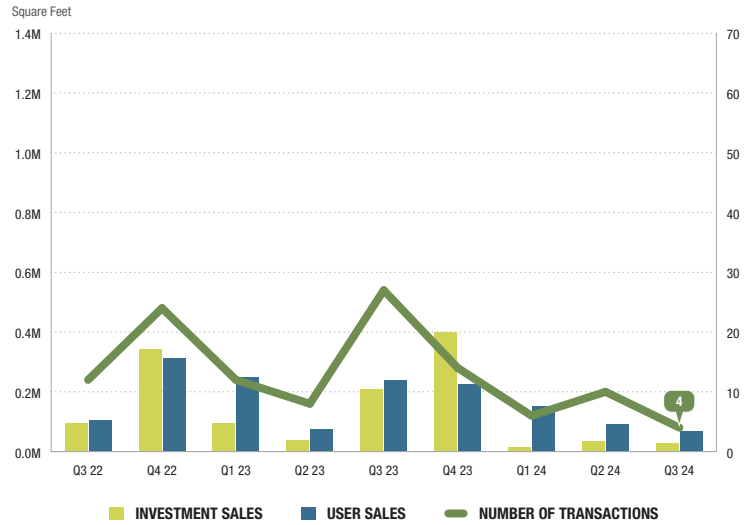
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

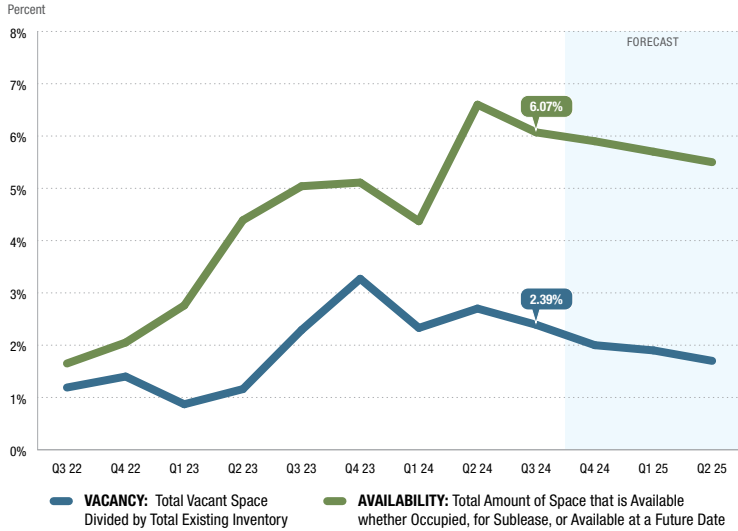
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q3 2024	Square Feet Available	Availability Rate Q3 2024	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q3 2024	Net Absorption 2024	Gross Absorption Q3 2024	Gross Absorption 2024
Airport Totals														
Less than 9,999	944	5,491,481	0	0	120,261	2.19%	158,795	2.89%	\$1.83	\$555.81	(3,361)	(11,736)	73,492	207,369
10,000-19,999	912	12,766,611	0	0	243,295	1.91%	406,731	3.19%	\$1.72	\$491.83	27,379	60,850	193,001	482,845
20,000-29,999	358	8,538,738	0	0	335,089	3.92%	590,450	6.91%	\$1.72	\$383.06	(51,093)	(6,524)	95,511	417,338
30,000-39,999	163	5,545,186	0	0	271,813	4.90%	268,254	4.84%	\$1.63	\$349.00	(45,811)	(232,843)	83,624	223,959
40,000-49,999	79	3,447,400	0	0	126,699	3.68%	179,238	5.20%	\$1.54	\$325.00	480	(70,663)	480	17,280
50,000-74,999	104	6,299,324	54,088	0	190,037	3.02%	273,828	4.35%	\$1.67	\$388.52	0	(117,837)	55,037	55,037
75,000-99,999	47	4,033,110	91,500	97,398	369,329	9.16%	479,391	11.89%	\$1.86	\$0.00	(76,699)	(249,513)	9,660	41,526
100,000-199,999	57	7,411,079	162,656	269,132	1,106,666	14.93%	1,607,414	21.69%	\$1.51	\$275.53	(42,183)	(70,227)	168,618	335,480
200,000 plus	21	5,979,780	0	0	287,962	4.82%	523,744	8.76%	\$0.00	\$0.00	(65,146)	(199,862)	0	0
Total	2,685	59,512,709	308,244	366,530	3,051,151	5.13%	4,487,845	7.54%	\$1.57	\$396.23	(256,434)	(898,355)	679,423	1,780,834

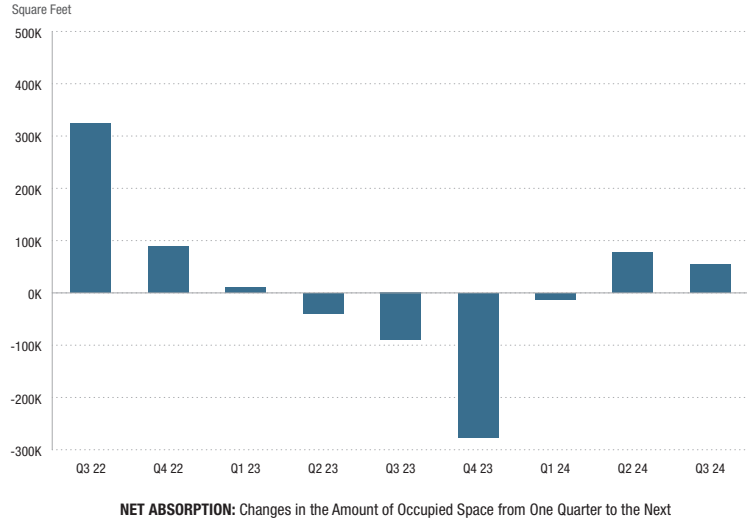
SOUTH ORANGE COUNTY

In the third quarter of 2024, the South Orange County industrial market consisted of 959 buildings totaling 25,678,928 square feet and had an availability rate of 6.07%, which shows a decrease from the previous quarter's figure of 6.60%.

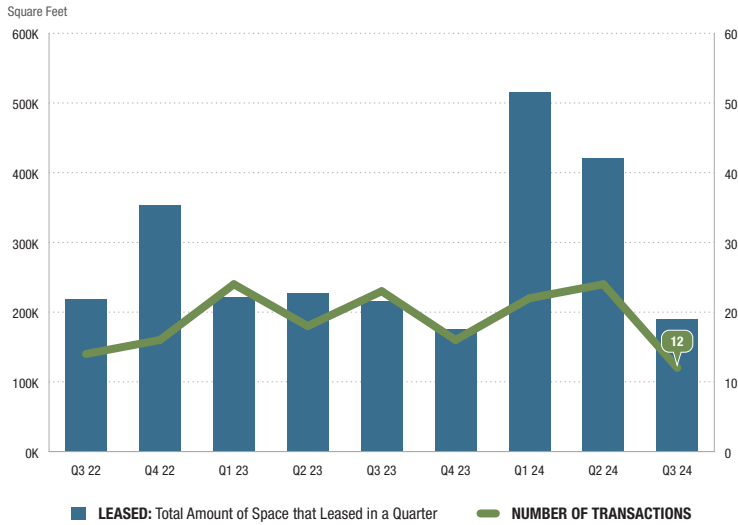
VACANCY & AVAILABILITY RATE



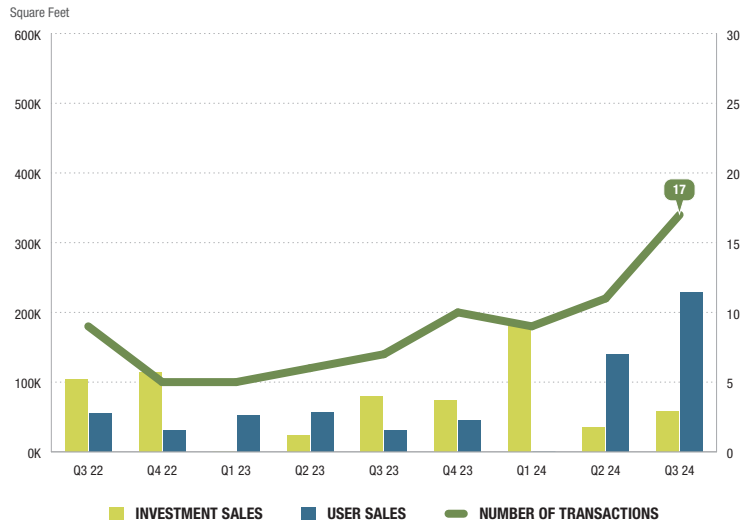
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q3 2024	Square Feet Available	Availability Rate Q3 2024	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q3 2024	Net Absorption 2024	Gross Absorption Q3 2024	Gross Absorption 2024
South Totals														
Less than 9,999	369	2,293,785	0	0	33,751	1.47%	92,738	4.04%	\$1.75	\$556.04	30,987	13,722	49,914	117,207
10,000-19,999	279	3,985,238	0	14,000	112,384	2.82%	198,680	4.99%	\$1.74	\$452.45	(32,177)	(19,244)	14,130	156,571
20,000-29,999	132	3,158,360	25,343	20,800	26,029	0.82%	108,765	3.44%	\$1.64	\$382.89	50,278	67,150	62,727	180,214
30,000-39,999	47	1,599,270	0	0	106,075	6.63%	145,993	9.13%	\$1.64	\$0.00	(25,850)	(103,337)	58,004	136,410
40,000-49,999	31	1,382,568	0	0	9,419	0.68%	12,224	0.88%	\$1.93	\$0.00	32,075	37,047	94,060	102,746
50,000-74,999	37	2,200,388	0	0	25,140	1.14%	0	0.00%	\$1.75	\$0.00	26,849	26,849	88,471	88,471
75,000-99,999	17	1,498,236	91,600	0	160,337	10.70%	128,361	8.57%	\$1.66	\$0.00	0	82,192	94,196	94,196
100,000-199,999	31	4,239,329	133,320	101,508	68,264	1.61%	143,771	3.39%	\$0.00	\$0.00	0	(2,228)	0	10,258
200,000 plus	16	5,321,754	0	0	73,218	1.38%	727,110	13.66%	\$0.00	\$0.00	(26,907)	18,296	0	396,659
Total	959	25,678,928	250,263	136,308	614,617	2.39%	1,557,642	6.07%	\$1.70	\$534.60	55,255	120,447	461,502	1,282,732

Will Rate Cuts Fuel a Rise in Industrial Prices?

by Adam Hill and Ryan Fisher



Adam Hill
SENIOR VICE PRESIDENT / PARTNER
IRVINE
714.935.2311
ahill@voitco.com
Lic. #01970562



Ryan Fisher
ASSOCIATE
IRVINE
714.267.6602
rfischer@voitco.com
Lic. #02115576

As we head into the final quarter of 2024, it is worth considering the possibility of a spike in sale prices for Orange County industrial real estate, heading into 2025. The Federal Reserve’s recent 50-basis-point rate cut may be the catalyst for a resurgence in buyer demand, especially considering other relevant market dynamics such as extremely low sale inventory and historically high lease rates. While current economic uncertainties and the political climate have led many potential buyers to adopt a cautious approach, the window of opportunity presented by cheaper financing may be too enticing for some owner/users to ignore. The rate on the popular SBA 504 loan program has already dropped to 5.76% from over 7% in recent months and is expected to go even lower if the Fed follows through on future rate cuts.

Once inflation fears abate and election uncertainty is behind us, those who have been on the sidelines may rush into the market. They will be eager to secure properties while interest rates remain lower, and the resulting surge in demand could intensify competition, particularly for prime industrial assets in Orange County where supply is already limited.

However, the timing of this potential price spike is uncertain and depends on a variety of factors. In addition to the concerns over inflation, clarity on tax policies after the election could either unlock investment potential or further deter investors, as critical components of the Tax Cuts & Jobs Act of 2017 are set to expire at end of next year. Those who are positioned to act quickly, either by disposing of or acquiring strategically located properties, may find themselves in an advantageous position as market conditions shift. Thus, it is critically important to get and stay informed, as market dynamics can change quickly, which many of us have experienced first-hand over the past few years.

If you’d like to explore opportunities in this evolving market, give us a call. We have the experience, tools and resources to help you decide what is best for you based on your unique circumstances.

Please Contact Us
for Further Information

Tony Tran
Regional Director of Research
ttran@voitco.com

Anaheim, CA 714.978.7880	Carlsbad, CA 760.472.5620	Inland Empire, CA 909.545.8000	Irvine, CA 949.851.5100	Los Angeles, CA 424.329.7500	San Diego, CA 858.453.0505
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This survey consists of properties representing both single tenant and multi-tenant buildings. The lease rates are based on a triple-net basis. The information contained in this report is gathered from sources that are deemed reliable, but no guarantees are made as to its accuracy. This information is for Voit Real Estate Services’ use only and cannot legally be reproduced without prior written consent from the management of Voit Real Estate Services.

Product Type

MFG./DIST.
Manufacturing / Distribution / Warehouse facilities with up to 29.9% office space.

Submarkets



NORTH
Anaheim, Brea, Buena Park, Fullerton, La Habra, Orange, Placentia and Yorba Linda

WEST
Cypress, Garden Grove, Huntington Beach, La Palma, Los Alamitos, Seal Beach, Stanton and Westminster

AIRPORT
Costa Mesa, Fountain Valley, Irvine, Newport Beach, Santa Ana and Tustin

SOUTH
Aliso Viejo, Foothill Ranch, Irvine Spectrum, Laguna Hills, Laguna Niguel, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente and San Juan Capistrano