

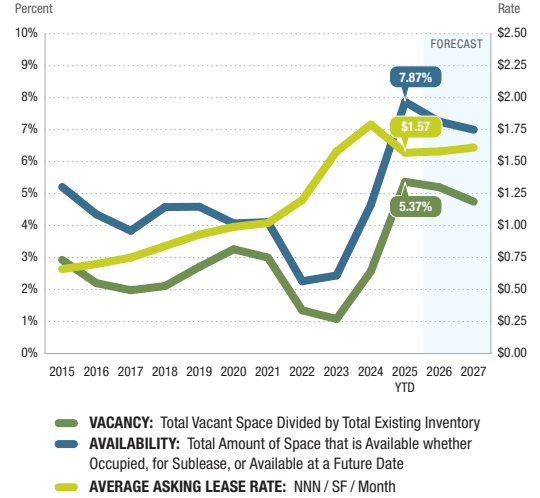
OVERVIEW. Orange County’s industrial market remained in a holding pattern to start the year. Gross absorption saw a slight increase, but overall sentiment in the market remained cautious. Asking lease and sale prices continued to edge lower—modest declines, but enough to imply demand is moderate. Active requirements are rising, yet deal velocity remains slow, keeping vacancy on the upswing, though at a more measured pace. Landlords are still leaning on concessions to keep momentum, especially on larger blocks and first-generation space. On the user side, many buyers are pausing—not just because of interest rates, but because the market no longer supports aggressive underwriting. Expansion has turned into preservation, and until more confidence returns, activity will remain selective.

VACANCY & AVAILABILITY. Orange County’s industrial vacancy rate rose by 28 basis points in Q1 to 5.37% after an increase of 69 basis points in Q4. Year over year, the vacancy rate is up by more than 66%, but the pace of increase appears to be easing, as savvy landlords are getting more aggressive with concessions to get their spaces leased up. Sale inventory remains low, so the bulk of the vacancy is in spaces offered for lease. The availability rate rose another 22 basis points to 7.87%, following a 55-point rise in Q4 2024. Of note is the fact that a big chunk of the county’s overall vacancy is concentrated in several recently completed distribution projects that were delivered without preleasing activity.

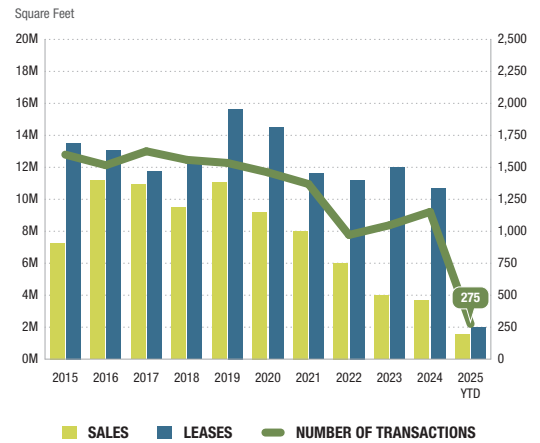
LEASE RATES & SALES PRICES. Orange County’s average asking lease rate fell another \$0.02 in Q1 to \$1.57 after a similar decline in Q4. Year over year, asking rents are down by 7.65%, less of a drop than many expected. Effective rates, which factor in concessions like free rent, tenant improvements and rate reductions, are significantly lower. The average asking sales price fell by just over \$11 PSF in Q1 to \$378 PSF. Although the average asking sales price fluctuates from quarter to quarter due to the varying size of the buildings on the market, there is now a perceptible decline in valuations across the board. Stubbornly high mortgage interest rates are weighing on potential buyers who need to leverage their purchases. Year over year, the average sales price for an industrial building in Orange County is down by 7.84%.

TRANSACTION ACTIVITY. Sale transaction velocity ticked lower in Q1. Forty-six buildings changed hands during the period, down from 53 in Q4. However, total square footage sold rose to 1,566,414 SF from 966,785 SF in Q4. Elevated mortgage rates, coupled with valuations that have not adjusted far from the peak of 2022, have dampened sales activity because the activity from owner/users who utilize high loan-to-value financing offered through the SBA has waned. Under current conditions, mortgage payments are substantially higher than the cost of leasing similar space. Leasing activity was also down in Q1. Transaction count fell to 229 from 252 in Q4, while total square footage leased decreased to 1,959,532 SF from 2,853,792 SF last period. Uncertainty over economic conditions rose again, this time over the potential impact of tariffs rather than the outcome of the election.

VACANCY, AVAILABILITY & AVERAGE ASKING LEASE RATES



TRANSACTION VOLUME & NUMBER OF TRANSACTIONS



Market Statistics

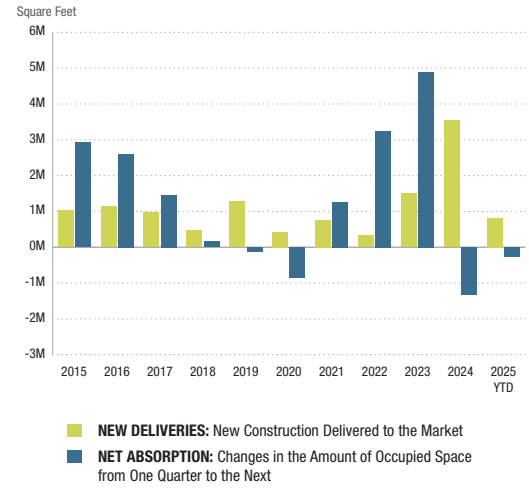
	Change Over Last Quarter	Q1 2025	Q4 2024	Q1 2024	% Change Over Last Year
Vacancy Rate	▲ UP	5.37%	5.09%	3.22%	66.92%
Availability Rate	▲ UP	7.87%	7.65%	5.21%	51.08%
Average Asking Lease Rate	▼ DOWN	\$1.57	\$1.59	\$1.70	(7.65%)
Average Asking Sale Price	▼ DOWN	\$377.81	\$388.98	\$409.94	(7.84%)
Sale & Lease Transactions	▼ DOWN	3,515,946	3,820,577	3,654,140	(3.78%)
Gross Absorption	▲ UP	2,492,255	2,398,510	2,345,024	6.28%
Net Absorption	▼ NEGATIVE	(272,207)	(1,042,116)	(949,396)	N/A

ABSORPTION. Net absorption remained negative in Q1 at 272,207 SF but showed strong improvement from Q4’s 1,042,116 SF loss. The North County submarket was the only major submarket to post a net gain, adding 316,558 SF of occupancy after a loss of over 600,000 SF in Q4. South County posted the biggest loss in Q1 at 304,574 SF, followed by West County’s loss of 163,332 SF and the Airport Area’s net decline of 120,859 SF. Net absorption is an important indicator of business growth in a particular market. The consistent declines in net absorption we have been experiencing over the past two years, although slight to moderate, tell us that businesses are still grappling with economic uncertainty.

CONSTRUCTION. The construction pipeline dipped slightly in Q1, mainly due to the delivery of 390,000 SF of space in Cypress. The period ended with 2,042,346 SF of new space under construction. South County leads all submarkets with 914,676 SF underway, followed by North County with 863,284 SF in the queue. West County has just 93,068 SF under construction. The bulk of the space being built is Class A distribution space, which until recently was in high demand. However, demand for that space has declined sharply and most of the recent projects have been delivered without preleasing activity, which has contributed substantially to the county’s overall vacancy rate. Another 1.2 MSF remain in the planning phase, but sluggish leasing could delay some of those projects.

EMPLOYMENT. In February 2025, Orange County’s unemployment rate held steady at 3.9% compared to February 2024. Total non-farm jobs dipped slightly (-1,900). Key industrial sectors saw declines: Manufacturing lost 3,300 jobs, and Trade, Transportation, & Utilities lost 2,600 jobs year over year.

NEW DELIVERIES & NET ABSORPTION



Forecast

The vacancy rate will likely continue to rise, but the pace should ease. Many large projects delivered vacant last year are still in lease-up mode, and as they fill, even gradually, the rate could begin to level off. Slowing construction should also help demand catch up. Leasing momentum remains uneven, and buildings that fall short of current tenant expectations will take longer to backfill. Landlords will need to stay competitive on deal structure to limit downtime. On the sales side, activity is expected to remain modulated. Elevated mortgage rates remain a key obstacle, and uncertainty around valuations and underwriting is also slowing decision-making. Even with the potential for rate cuts from the Fed later this year, lower borrowing costs are not a certainty.

Significant Transactions

Sales * Voit Real Estate Services Deal

Property Address	City	Square Feet	Sale Price	Buyer	Seller
1501–1601 E. Cerritos Ave.	Anaheim	406,787	\$124,000,000	The Walt Disney Company	Inland Empire Holdco LLC
3300 E. Birch St.	Brea	218,648	\$92,100,000	Reep-Ind Brea Ca Llc	Western Realco/AEW
850–851 Enterprise Ave.	Fullerton	59,677	\$12,525,000	Terra Universal	LBA Realty
8401 Page St.	Buena Park	55,362	\$18,103,374	Products Go, LLC	John Smith Services LLC
201–302 E. Steven Ave.	Santa Ana	51,000	\$15,510,000	Turner Development Corporation	TA Realty

Leases * Voit Real Estate Services Deal

Property Address	City	Square Feet	Transaction Date	Tenant	Owner
3100–3120 Lake Center Dr.	Santa Ana	313,244	Jan 2025	Andurill	CJ Segerstrom & Son
5701 Skylab Rd. - Sublease	Huntington Beach	280,460	Jan 2025	Adient Aerospace	C&D Zodiac Inc.
1515 E. Winston Rd.	Anaheim	194,357	Mar 2025	LeGrand	Bedrosians Winston LLC
1901 Via Burton	Fullerton	139,449	Mar 2025	Doosan Bobcat North America, Inc.	Rexford Industrial
1210 N. Tustin Ave.	Anaheim	75,700	Feb 2025	Reliable Crane Services	Fluter Properties

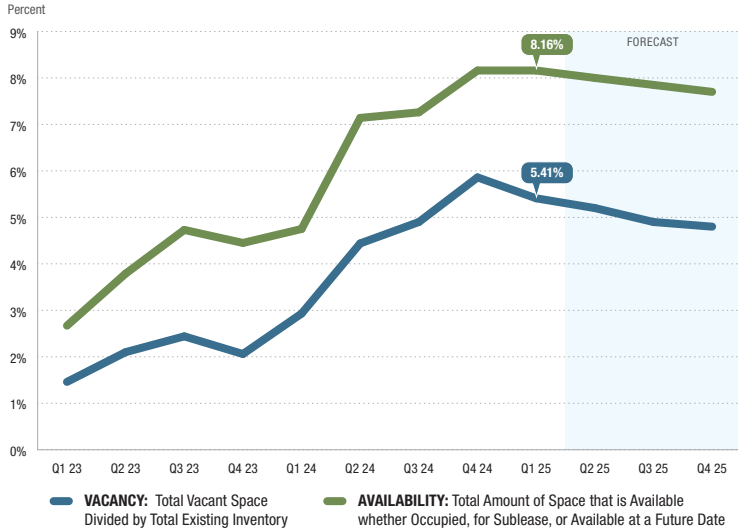
	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q1 2025	Square Feet Available	Availability Rate Q1 2025	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q1 2025	Net Absorption 2025	Gross Absorption Q1 2025	Gross Absorption 2025
Airport Area														
Costa Mesa	449	7,674,694	0	0	312,842	4.08%	368,681	4.80%	\$0.00	\$596.68	(21,890)	(21,890)	51,749	51,749
Fountain Valley	179	3,701,270	0	0	63,171	1.71%	125,444	3.39%	\$1.40	\$0.00	39,180	39,180	72,174	72,174
Irvine	304	11,787,431	54,088	156,632	1,185,669	10.06%	1,414,963	12.00%	\$1.71	\$625.76	(65,461)	(65,461)	81,352	81,352
Newport Beach	49	607,894	0	0	6,020	0.99%	16,318	2.68%	\$3.30	\$0.00	(575)	(575)	2,500	2,500
Santa Ana	1,590	31,382,614	117,230	411,430	1,689,904	5.38%	2,723,564	8.68%	\$1.39	\$327.78	(63,785)	(63,785)	215,882	215,882
Tustin	116	4,612,962	0	0	351,018	7.61%	396,505	8.60%	\$1.63	\$0.00	(8,328)	(8,328)	74,528	74,528
Airport Area Total	2,687	59,766,865	171,318	568,062	3,608,624	6.04%	5,045,475	8.44%	\$1.55	\$379.37	(120,859)	(120,859)	498,185	498,185
North County														
Anaheim	1,844	44,696,455	477,565	0	2,439,416	5.46%	3,399,026	7.60%	\$1.54	\$452.53	205,008	205,008	569,833	569,833
Brea	331	12,403,979	0	0	526,918	4.25%	1,278,981	10.31%	\$1.54	\$253.17	36,788	36,788	101,880	101,880
Buena Park	238	13,622,407	100,000	0	1,449,946	10.64%	2,071,396	15.21%	\$1.54	\$356.74	(87,217)	(87,217)	163,441	163,441
Fullerton	466	19,908,498	0	0	1,157,873	5.82%	1,626,813	8.17%	\$1.53	\$387.53	91,048	91,048	176,079	176,079
La Habra	195	3,591,808	0	0	53,954	1.50%	53,954	1.50%	\$1.56	\$315.87	(6,150)	(6,150)	6,198	6,198
Orange	746	13,607,202	285,719	128,953	300,650	2.21%	612,872	4.50%	\$1.58	\$377.20	(2,068)	(2,068)	169,021	169,021
Placentia	221	4,272,865	0	0	175,694	4.11%	165,957	3.88%	\$1.63	\$330.69	73,526	73,526	89,293	89,293
Yorba Linda	55	908,881	0	0	12,206	1.34%	14,606	1.61%	\$0.00	\$0.00	5,623	5,623	9,043	9,043
North County Total	4,096	113,012,095	863,284	128,953	6,116,657	5.41%	9,223,605	8.16%	\$1.54	\$363.97	316,558	316,558	1,284,788	1,284,788
South County														
Aliso Viejo	19	735,866	0	0	0	0.00%	41,925	5.70%	\$0.00	\$525.00	0	0	0	0
Foothill Ranch	63	3,321,584	0	0	148,108	4.46%	248,701	7.49%	\$1.69	\$0.00	(32,257)	(32,257)	24,000	24,000
Irvine Spectrum	218	10,319,036	753,025	215,224	406,985	3.94%	806,631	7.82%	\$1.69	\$409.48	(243,200)	(243,200)	101,745	101,745
Laguna Beach	22	113,034	0	0	5,598	4.95%	6,698	5.93%	\$2.58	\$439.19	(3,340)	(3,340)	0	0
Laguna Hills	78	1,066,962	0	0	40,336	3.78%	117,656	11.03%	\$1.75	\$610.00	(11,948)	(11,948)	11,896	11,896
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	194,378	4.47%	361,970	8.32%	\$1.63	\$330.00	(17,050)	(17,050)	78,793	78,793
Mission Viejo	31	725,012	0	0	9,475	1.31%	5,937	0.82%	\$1.53	\$0.00	0	0	3,400	3,400
Rancho Mission Viejo	5	125,044	0	0	14,794	11.83%	24,034	19.22%	\$1.90	\$0.00	3,830	3,830	9,302	9,302
Rancho Santa Margarita	107	1,708,558	0	0	32,891	1.93%	54,610	3.20%	\$1.64	\$440.00	(8,842)	(8,842)	1,209	1,209
San Clemente	164	2,058,906	0	0	110,170	5.35%	111,314	5.41%	\$1.54	\$417.52	8,233	8,233	26,657	26,657
San Juan Capistrano	43	925,030	161,651	0	0	0.00%	0	0.00%	\$2.11	\$432.58	0	0	0	0
South County Total	959	25,678,928	914,676	215,224	962,735	3.75%	1,779,476	6.93%	\$1.68	\$461.73	(304,574)	(304,574)	257,002	257,002
West County														
Cypress	103	5,117,988	0	0	717,716	14.02%	812,677	15.88%	\$1.62	\$409.23	(249,850)	(249,850)	28,062	28,062
Garden Grove	485	12,598,947	0	88,164	493,493	3.92%	673,235	5.34%	\$1.52	\$358.69	84,969	84,969	229,684	229,684
Huntington Beach	703	14,153,922	93,068	225,683	619,376	4.38%	815,506	5.76%	\$1.66	\$485.96	(54,145)	(54,145)	99,149	99,149
La Palma	16	1,778,216	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
Los Alamitos	96	2,206,219	0	0	134,286	6.09%	143,289	6.49%	\$1.61	\$38.17	28,564	28,564	40,497	40,497
Seal Beach	15	947,258	0	0	0	0.00%	13,162	1.39%	\$0.00	\$0.00	0	0	0	0
Stanton	177	1,881,358	0	0	13,858	0.74%	52,233	2.78%	\$1.33	\$414.89	50,824	50,824	45,252	45,252
Westminster	138	2,290,921	0	0	186,862	8.16%	278,622	12.16%	\$1.51	\$631.30	(23,694)	(23,694)	9,636	9,636
West County Total	1,733	40,974,829	93,068	313,847	2,165,591	5.29%	2,788,724	6.81%	\$1.58	\$387.25	(163,332)	(163,332)	452,280	452,280
Orange County Total	9,475	239,432,717	2,042,346	1,226,086	12,853,607	5.37%	18,837,280	7.87%	\$1.57	\$377.81	(272,207)	(272,207)	2,492,255	2,492,255
Less than 9,999	3,372	20,544,302	0	0	371,827	1.81%	557,863	2.72%	\$1.66	\$459.76	38,413	38,413	243,008	243,008
10,000-19,999	3,154	43,637,717	14,000	0	1,241,011	2.84%	1,774,754	4.07%	\$1.68	\$403.31	(120,052)	(120,052)	462,314	462,314
20,000-29,999	1,191	28,503,453	46,143	0	898,193	3.15%	1,293,810	4.54%	\$1.55	\$328.57	(34,159)	(34,159)	319,603	319,603
30,000-39,999	500	17,072,977	0	0	613,016	3.59%	993,989	5.82%	\$1.54	\$354.61	(103,941)	(103,941)	237,272	237,272
40,000-49,999	300	13,206,007	0	0	618,001	4.68%	929,905	7.04%	\$1.50	\$0.00	53,067	53,067	72,753	72,753
50,000-74,999	379	22,776,934	125,728	57,044	1,168,867	5.13%	1,583,361	6.95%	\$1.53	\$372.13	71,438	71,438	411,813	411,813
75,000-99,999	167	14,387,806	461,165	265,449	751,758	5.22%	1,435,866	9.98%	\$1.59	\$442.30	193,876	193,876	286,376	286,376
100,000-199,999	283	37,871,205	955,233	903,593	3,920,515	10.35%	6,087,794	16.07%	\$0.00	\$180.10	31,482	31,482	171,773	171,773
200,000 Plus	129	41,432,316	440,077	0	3,270,419	7.89%	4,179,938	10.09%	\$0.00	\$0.00	(402,331)	(402,331)	1,372,687	1,372,687
Orange County Total	9,475	239,432,717	2,042,346	1,226,086	12,853,607	5.37%	18,837,280	7.87%	\$1.57	\$377.81	(272,207)	(272,207)	2,492,255	2,492,255

Lease rates are on a triple-net basis.

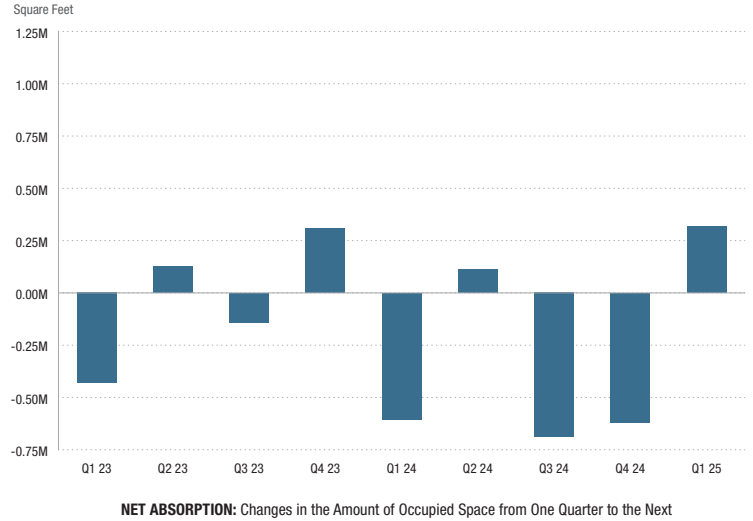
NORTH ORANGE COUNTY

In the first quarter of 2025, the North Orange County industrial market comprised 4,095 buildings totaling 113,012,095 square feet, with an availability rate of 8.16%, unchanged from the previous quarter.

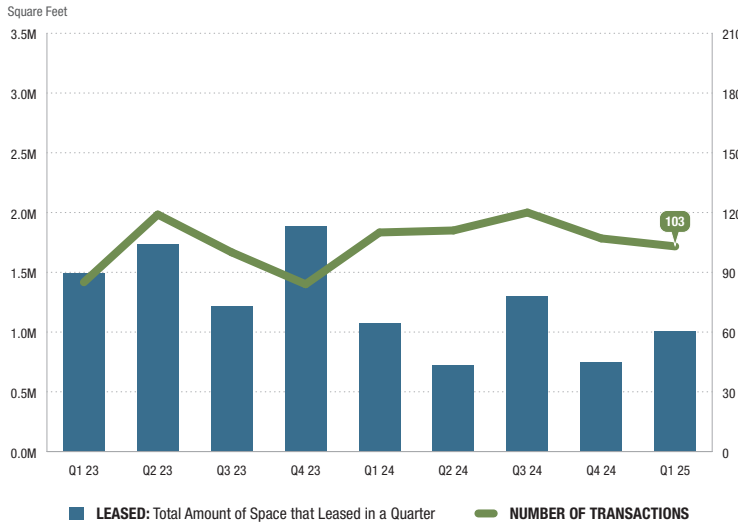
VACANCY & AVAILABILITY RATE



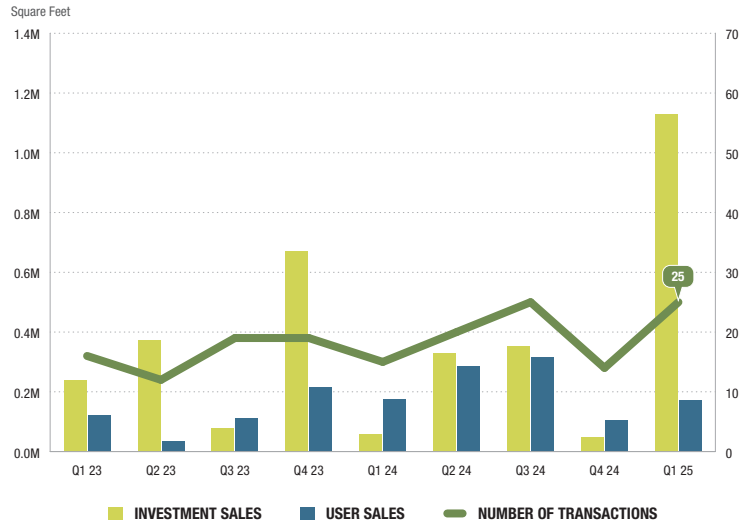
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

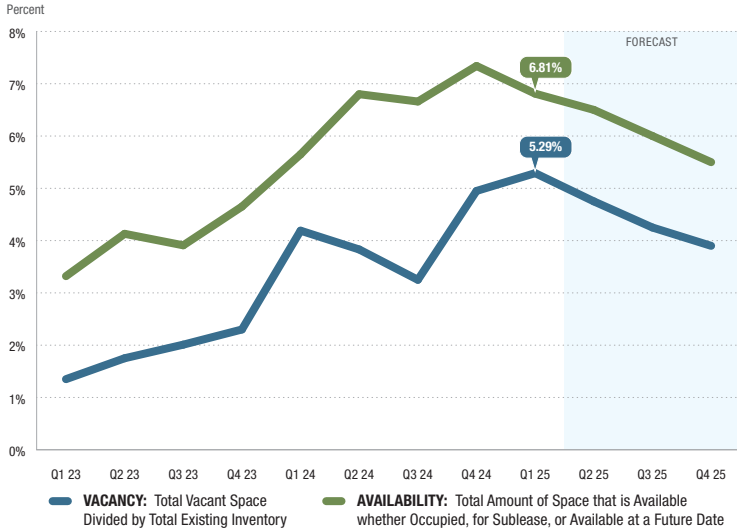
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q1 2025	Square Feet Available	Availability Rate Q1 2025	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q1 2025	Net Absorption 2025	Gross Absorption Q1 2025	Gross Absorption 2025
North Totals														
Less than 9,999	1,362	8,588,410	0	0	192,217	2.24%	273,351	3.18%	\$1.47	\$399.61	(15,292)	(15,292)	84,011	84,011
10,000-19,999	1,389	19,254,709	0	0	449,557	5.52%	574,224	6.83%	\$1.52	\$399.61	(2,419)	(2,419)	230,023	230,023
20,000-29,999	514	12,292,316	0	0	398,446	3.24%	558,369	4.54%	\$1.46	\$366.24	55,342	55,342	144,035	144,035
30,000-39,999	226	7,700,330	0	0	265,068	3.44%	441,085	5.73%	\$1.50	\$373.50	(29,813)	(29,813)	90,741	90,741
40,000-49,999	139	6,125,847	0	0	305,417	4.99%	469,806	7.67%	\$1.46	\$0.00	(5,146)	(5,146)	17,744	17,744
50,000-74,999	179	10,754,021	0	0	703,012	6.54%	946,209	8.80%	\$1.51	\$407.85	218,250	218,250	292,723	292,723
75,000-99,999	73	6,253,283	199,200	0	212,360	3.40%	482,277	7.71%	\$1.40	\$208.24	121,700	121,700	180,037	180,037
100,000-199,999	147	19,504,831	426,838	128,953	1,913,698	9.81%	3,256,198	16.69%	\$0.00	\$0.00	(94,291)	(94,291)	199,444	199,444
200,000 plus	67	22,538,348	237,246	0	1,676,882	7.44%	2,222,086	9.86%	\$0.00	\$0.00	74,214	74,214	46,000	46,000
Total	4,096	113,012,095	863,284	128,953	6,116,657	5.41%	9,223,605	8.16%	\$1.54	\$363.97	316,558	316,558	1,284,788	1,284,788

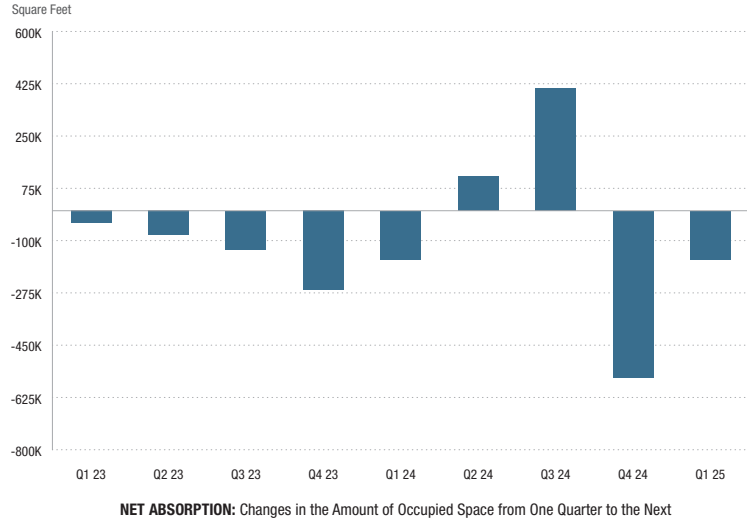
WEST ORANGE COUNTY

In the first quarter of 2025, the West Orange County industrial market consisted of 1,733 buildings totaling 40,974,829 square feet and had an availability rate of 6.81%, which shows a decrease from the previous quarter's figure of 7.34%.

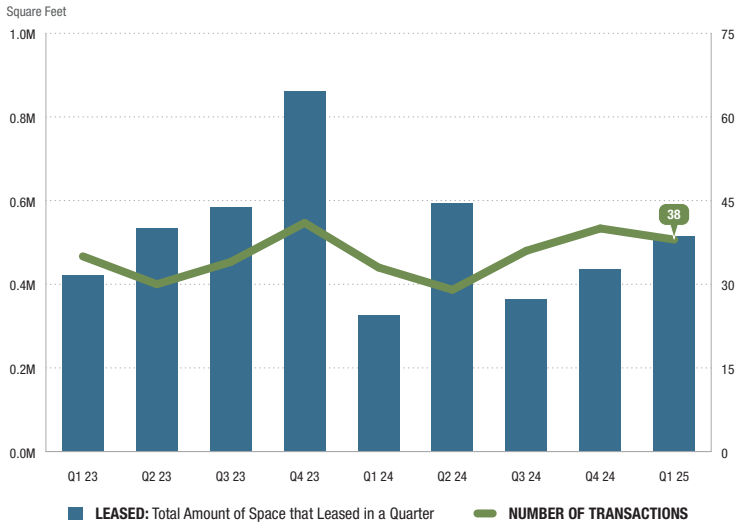
VACANCY & AVAILABILITY RATE



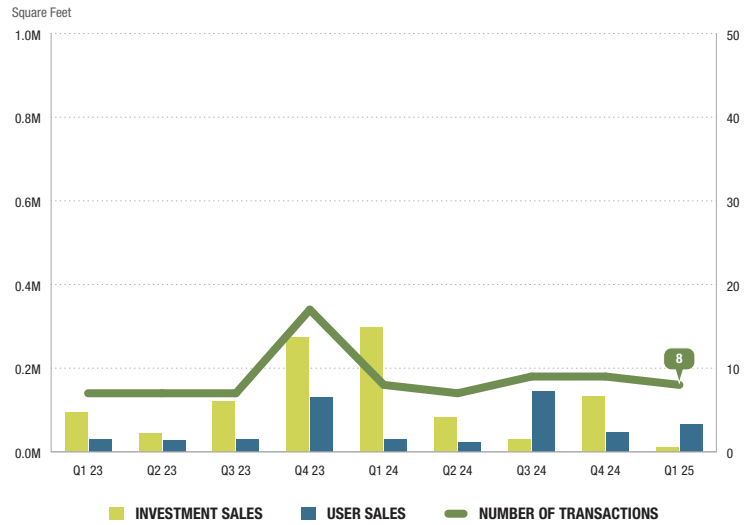
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

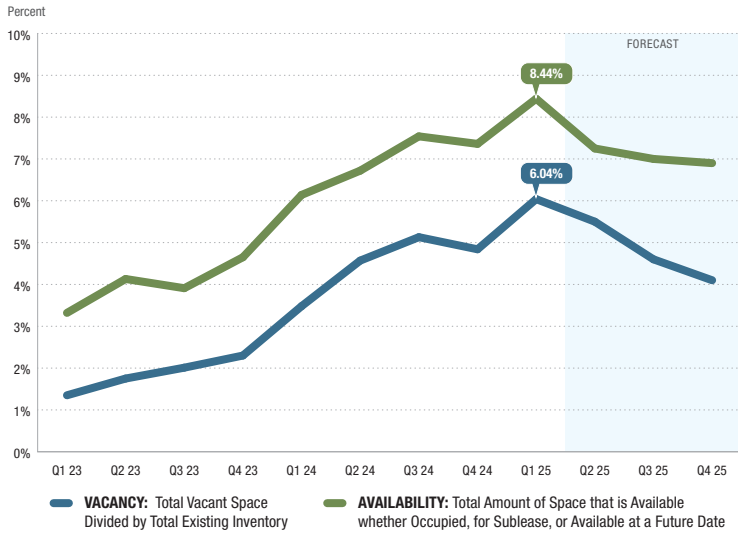
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q1 2025	Square Feet Available	Availability Rate Q1 2025	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q1 2025	Net Absorption 2025	Gross Absorption Q1 2025	Gross Absorption 2025
West Totals														
Less than 9,999	697	4,170,626	0	0	45,397	1.09%	85,250	2.04%	\$1.58	\$412.76	82,453	82,453	103,974	103,974
10,000-19,999	574	7,631,159	0	0	283,868	7.11%	339,620	15.16%	\$1.66	\$412.76	3,729	3,729	120,885	120,885
20,000-29,999	187	4,514,039	0	0	77,531	1.72%	130,277	2.89%	\$1.45	\$487.78	(28,196)	(28,196)	15,065	15,065
30,000-39,999	64	2,228,191	0	0	66,837	3.00%	170,235	7.64%	\$1.51	\$287.49	(35,773)	(35,773)	5,500	5,500
40,000-49,999	51	2,250,192	0	0	141,685	6.30%	195,405	8.68%	\$1.55	\$0.00	40,274	40,274	40,274	40,274
50,000-74,999	59	3,523,201	0	57,044	254,989	7.24%	318,196	9.03%	\$1.59	\$401.42	(76,285)	(76,285)	21,750	21,750
75,000-99,999	29	2,511,677	93,068	88,164	127,883	5.09%	213,656	8.51%	\$1.63	\$0.00	0	0	2,022	2,022
100,000-199,999	47	6,553,310	0	168,639	497,868	7.60%	595,784	9.09%	\$0.00	\$0.00	125,773	125,773	125,773	125,773
200,000 plus	25	7,592,434	0	0	669,533	8.82%	740,301	9.75%	\$0.00	\$0.00	(272,897)	(272,897)	17,037	17,037
Total	1,733	40,974,829	93,068	313,847	2,165,591	5.29%	2,788,724	6.81%	\$1.58	\$387.25	(163,332)	(163,332)	452,280	452,280

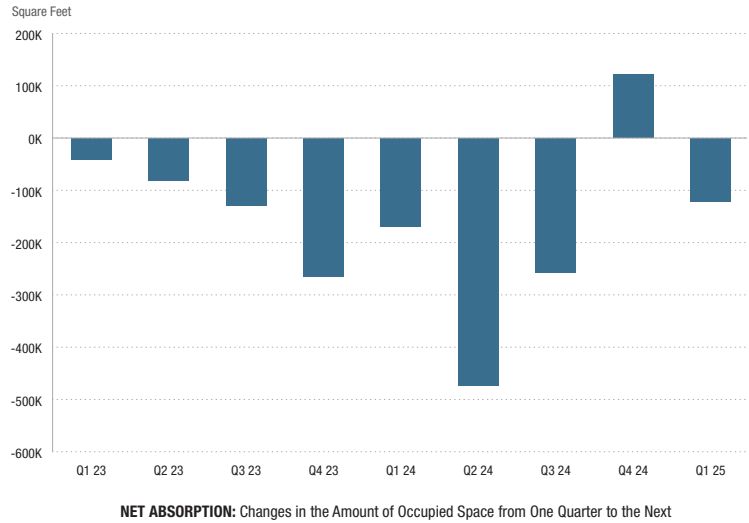
AIRPORT AREA

In the first quarter of 2025, the Airport Orange County industrial market consisted of 2,687 buildings totaling 59,766,865 square feet and had an availability rate of 8.44%, which shows an increase from the previous quarter's figure of 7.36%.

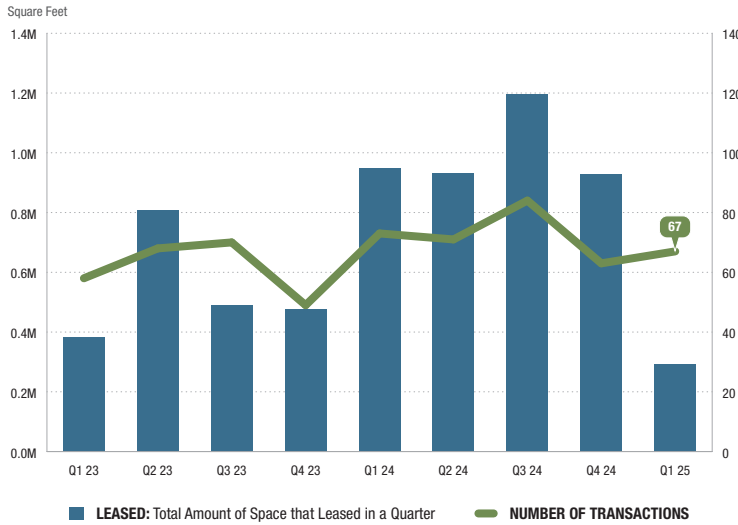
VACANCY & AVAILABILITY RATE



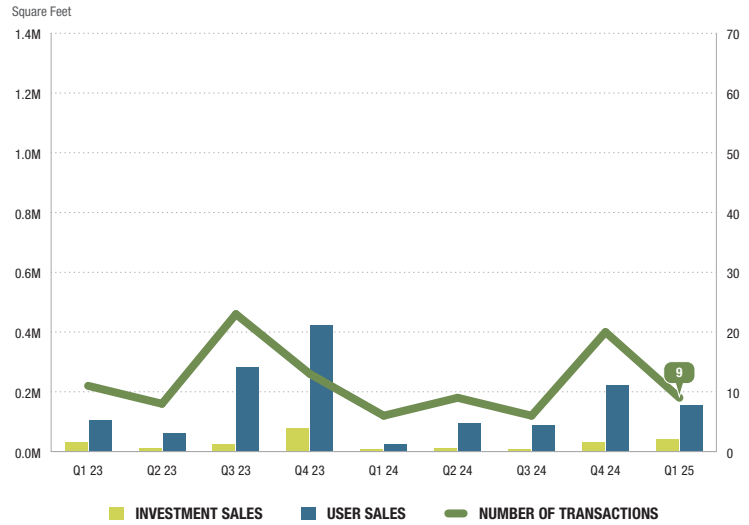
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

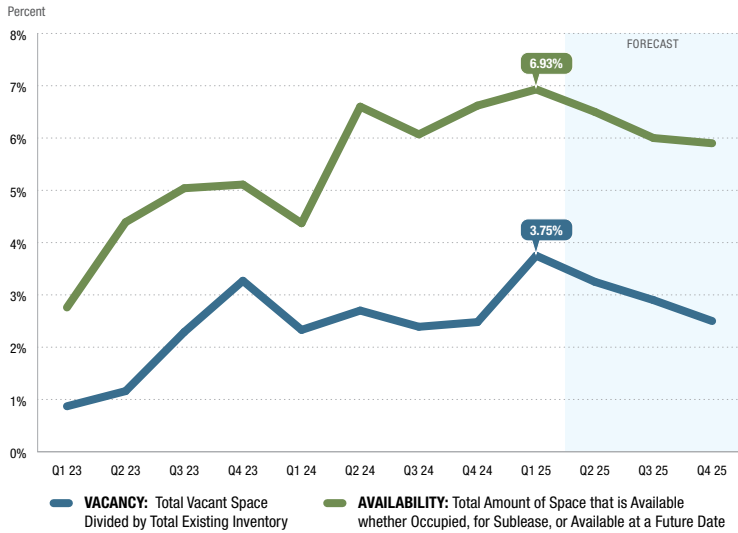
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q1 2025	Square Feet Available	Availability Rate Q1 2025	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q1 2025	Net Absorption 2025	Gross Absorption Q1 2025	Gross Absorption 2025
Airport Totals														
Less than 9,999	944	5,491,481	0	0	95,749	1.74%	124,729	2.27%	\$1.64	\$549.23	(16,472)	(16,472)	35,040	35,040
10,000-19,999	912	12,766,611	0	0	372,358	2.92%	638,303	5.00%	\$1.68	\$549.23	(88,012)	(88,012)	78,912	78,912
20,000-29,999	358	8,538,738	0	0	346,050	4.05%	503,148	5.89%	\$1.60	\$385.28	(49,050)	(49,050)	110,068	110,068
30,000-39,999	163	5,545,186	0	0	170,032	3.07%	207,091	3.73%	\$1.54	\$285.11	(126)	(126)	100,827	100,827
40,000-49,999	79	3,447,400	0	0	164,236	4.76%	233,522	6.77%	\$1.53	\$0.00	14,269	14,269	9,638	9,638
50,000-74,999	104	6,299,324	54,088	0	143,346	2.28%	285,098	4.53%	\$1.57	\$384.56	(70,527)	(70,527)	72,200	72,200
75,000-99,999	48	4,124,610	0	177,285	309,666	7.51%	527,542	12.79%	\$1.65	\$0.00	89,059	89,059	91,500	91,500
100,000-199,999	58	7,573,735	117,230	390,777	1,447,786	19.12%	1,734,849	22.91%	\$0.00	\$293.50	0	0	0	0
200,000 plus	21	5,979,780	0	0	559,401	9.35%	791,193	13.23%	\$0.00	\$0.00	0	0	0	0
Total	2,687	59,766,865	171,318	568,062	3,608,624	6.04%	5,045,475	8.44%	\$1.55	\$379.37	(120,859)	(120,859)	498,185	498,185

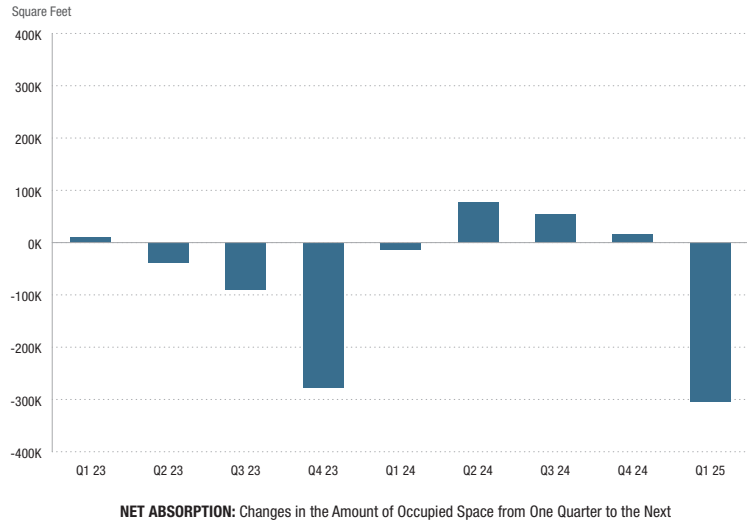
SOUTH ORANGE COUNTY

In the first quarter of 2025, the South Orange County industrial market consisted of 959 buildings totaling 25,678,928 square feet and had an availability rate of 6.93%, which shows an increase from the previous quarter's figure of 6.62%.

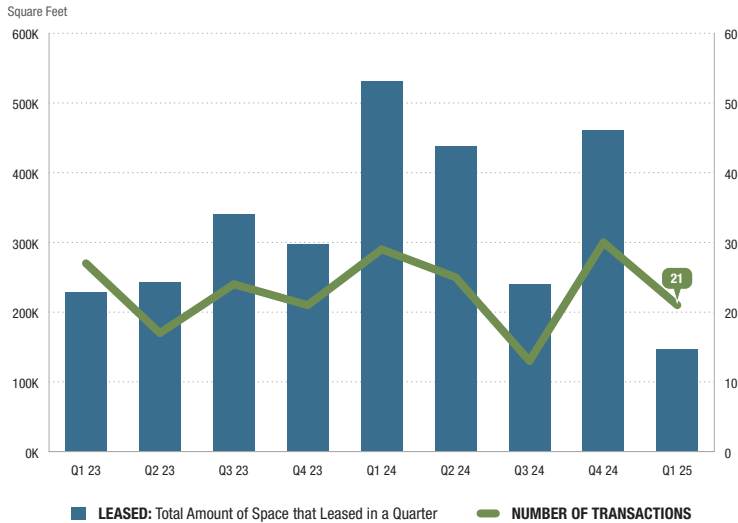
VACANCY & AVAILABILITY RATE



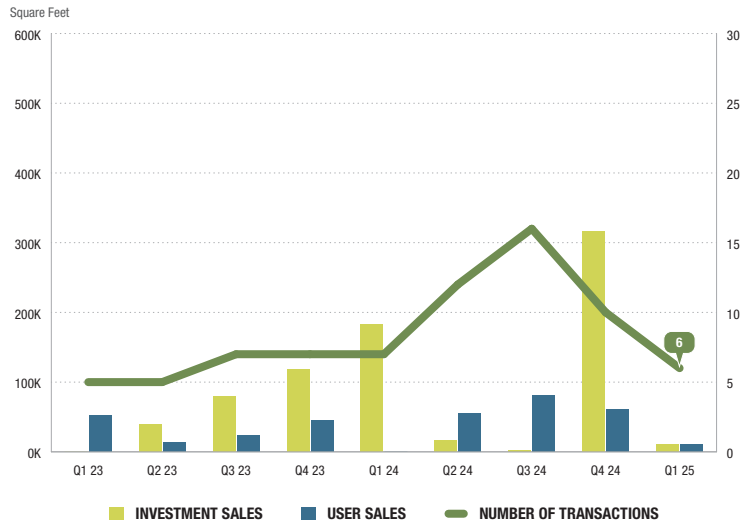
NET ABSORPTION



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 Q1 2025	Square Feet Available	Availability Rate Q1 2025	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q1 2025	Net Absorption 2025	Gross Absorption Q1 2025	Gross Absorption 2025
South Totals														
Less than 9,999	369	2,293,785	0	0	38,464	1.68%	74,533	3.25%	\$1.80	\$570.62	(12,276)	(12,276)	19,983	19,983
10,000-19,999	279	3,985,238	14,000	0	135,228	6.67%	222,607	9.70%	\$1.72	\$570.62	(24,953)	(24,953)	32,464	32,464
20,000-29,999	132	3,158,360	46,143	0	76,166	2.41%	102,016	3.23%	\$1.76	\$376.56	(12,255)	(12,255)	50,435	50,435
30,000-39,999	47	1,599,270	0	0	111,079	6.95%	175,578	10.98%	\$1.65	\$0.00	(38,229)	(38,229)	40,204	40,204
40,000-49,999	31	1,382,568	0	0	6,663	0.48%	31,172	2.25%	\$0.00	\$0.00	3,670	3,670	5,097	5,097
50,000-74,999	37	2,200,388	71,640	0	67,520	3.07%	33,858	1.54%	\$1.67	\$0.00	0	0	25,140	25,140
75,000-99,999	17	1,498,236	168,897	0	101,849	6.80%	212,391	14.18%	\$1.61	\$0.00	(16,883)	(16,883)	12,817	12,817
100,000-199,999	31	4,239,329	411,165	215,224	61,163	1.44%	500,963	11.82%	\$0.00	\$0.00	0	0	0	0
200,000 plus	16	5,321,754	202,831	0	364,603	6.85%	426,358	8.01%	\$0.00	\$0.00	(203,648)	(203,648)	70,862	70,862
Total	959	25,678,928	914,676	215,224	962,735	3.75%	1,779,476	6.93%	\$1.68	\$534.60	(304,574)	(304,574)	257,002	257,002



You Can't Build a Great Building on a Weak Foundation

Ryan Osterkamp

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The first quarter under the new administration has officially come to an end and the Orange County Industrial Market continues a slow, but relatively stable, downtrend. Tariffs have been the talk of the town since the new administration rolled back into DC and most businesses have been feeling it since Day 1. Companies across the nation, of all shapes and sizes, have been fielding what the new administration throws at them on what seems to be a daily basis. It is undeniable that the tariffs will continue to impact consumers and businesses alike as long as they continue. But how long will they continue? Will Wall Street continue its recent correction into a bear market? What will The Fed do about it? While everyone waits for another shoe to drop, one thing is for certain. Orange County industrial real estate will remain a stable, high-demand market. And those who are prepared to weather the storm will reap the benefits of a stronger economy when all is said and done. While the current state of the economy is not ideal, we hope this is short-term pain for long-term gain.

Transaction volume and the size of consummated deals both increased significantly year over year, as larger product slowly but surely makes its way off the shelves. There is much more optimism in the market today compared to Q1 of 2024. Many users are back in the market, looking for the right building for their businesses before competition increases. With a strong chance of rate cuts on the agenda for 2025, we can expect competition to ramp up as securing a building becomes feasible again for those who were on the sidelines for the past several years. Those who can secure a building now will be ahead of the curve as stronger demand makes its way into the market.

Q1 expressed another small tick down for lease rates in Orange County, but vacancy and availability figures told a contradictory story. Although these metrics continued their upward trend, they have slowed their rate of increase considerably. With vacancy now above the 5% benchmark, and availability well into the 7%'s, tenants are seeing viable leasing options at discounted rates. However, we don't anticipate the uptrend from these figures to last much longer.

The Orange County Industrial Market has continued to be one of the least volatile markets in the nation notwithstanding the economic turmoil. With relatively low supply and high demand for quality products, the Orange County industrial market is primed for sustained growth in the coming years.

Please Contact Us for Further Information

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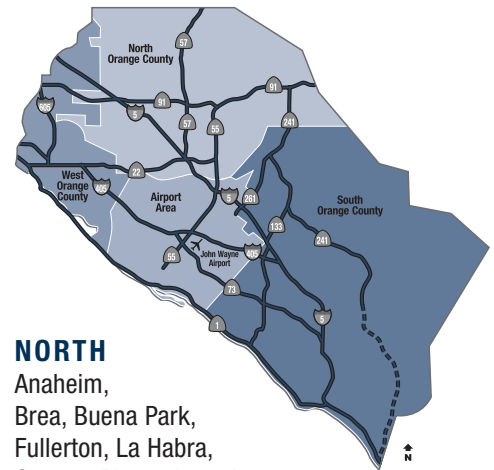
This survey consists of properties representing both single tenant and multi-tenant buildings. The lease rates are based on a triple-net basis. The information contained in this report is gathered from sources that are deemed reliable, but no guarantees are made as to its accuracy. This information is 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