



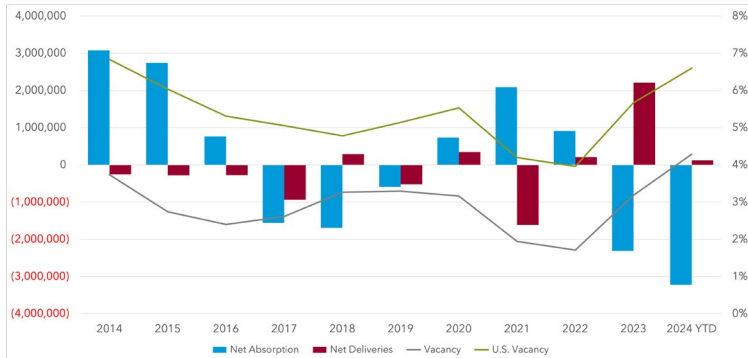
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

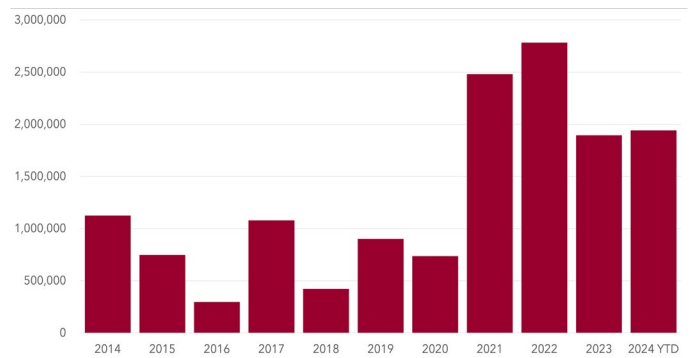
Orange County tenant demand continued to slow in the first half, fueling a rise in the overall vacancy rate to 4.4% from the record low of 1.9% at the end of 2022. Leasing activity is down and rent growth has gone flat after more than a decade of steady double-digit annual growth. The 799,275 SF of negative 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 Fullerton, CA	278,572 SF	\$9,425,000 \$338.33 PSF	Rexford Industrial SVF California Rossllyn LLC	Class B
2040-2050 S. State College Blvd. Anaheim, CA	104,767 SF	\$64,500,000 \$615.65 PSF	NE State College LLC PSIF EBS State College LLC	Class B
3140 E. Coronado Street Anaheim, CA	95,732 SF	\$26,800,000 \$279.95 PSF	3140 Coronado LLC TTM Technologies North America LLC	Class B

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

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