OC Q3 25

THIRD QUARTER 2025 MARKET REPORT

ORANGE COUNTY INDUSTRIAL

Voit REAL ESTATE SERVICES

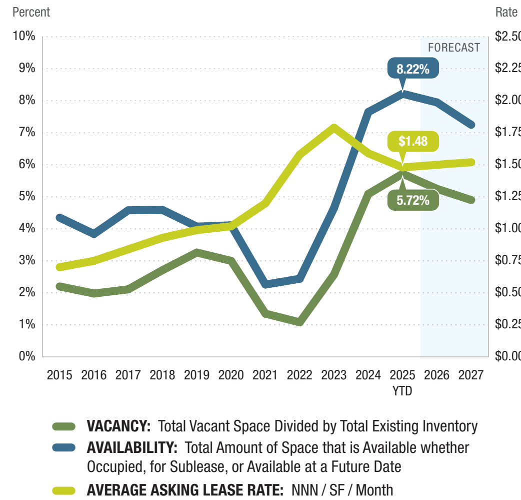
OVERVIEW. Q3 2025 continues the trend of softening demand and growing space availability across Orange County's industrial market. Vacancy moved upward, driven by a combination of tenant consolidations and the delivery of new buildings, several of which came online without preleasing. Several sectors, including manufacturing, consumer products, home furnishings, and logistics, returned space as they adapted to changing business needs. The Federal Reserve's recent interest rate reduction signals a new phase for monetary policy, though greater market confidence will require further rate adjustments. Ongoing trade tensions added pressure across many sectors. Net absorption remains negative, as more space returns to the market than is newly leased. Elevated sublease inventory persists, mainly from companies reducing their footprints. These factors have led to modest declines in asking rents.

VACANCY & AVAILABILITY. Orange County's industrial vacancy rate rose to 5.72% in Q3 2025, up from 5.19% in Q2 2025 and 4.40% a year earlier, a 132-basis-point increase year over year. Available space reached 8.22% in Q3 2025, climbing 112 basis points from 7.10% in Q3 2024. The increase in vacant space has been driven primarily by larger, newly delivered properties and tenant moveouts from buildings exceeding 100,000 SF. Smaller buildings under 40,000 SF maintained tighter occupancy levels, sustained by steady demand from local businesses. Overall, properties remained on the market an average of 4.6 months before leasing.

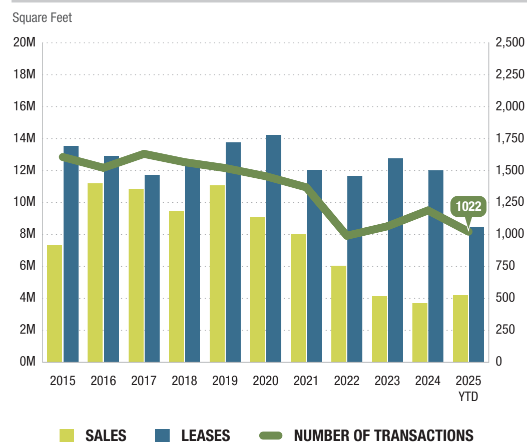
LEASE RATES & SALE PRICES. Orange County's average asking lease rate fell to $1.48 per square foot per month in Q3, down 8.07% year over year from $1.61. A surge of new industrial deliveries introduced competitive pricing, expanding tenant options and prompting landlords to adjust rates downward. Properties exceeding 50,000 SF are closing near $1.30 per square foot NNN, while spaces under 50,000 SF average $1.38. Smaller buildings below 40,000 SF maintain strong occupancy. The average asking sale price was $383.61 per square foot, down 1.94% from $391.21 a year ago. Limited inventory combined with elevated interest rates discouraged sellers from listing properties, though high replacement costs established a pricing floor that supported values notwithstanding lease rates having softened.

TRANSACTION ACTIVITY. Transaction activity declined in Q3 2025, totaling 373 combined lease and sale transactions, down from 406 in Q2. Overall square footage decreased to 3,150,046 SF from 4,623,272 last quarter. Leasing accounted for most of the activity, with 271 deals totaling 2,326,657 SF, compared with 282 deals and 2,925,938 SF in Q2. Sales activity included 51 transactions, covering 823,389 SF, down from 62 transactions and 1,697,334 SF last quarter. Lower lease rates are beginning to entice tenants who had been sitting on the sidelines, while anticipated Federal Reserve interest rate cuts could revive investor activity and accelerate investment decisions in the coming quarters. Owner-user purchases continue driving sales volume as businesses prioritize operational control, with user acquisitions reaching record levels and representing 25% of the year-to-date transaction volume.

VACANCY, AVAILABILITY & AVERAGE ASKING LEASE RATES



TRANSACTION VOLUME & NUMBER OF TRANSACTIONS



Market Statistics

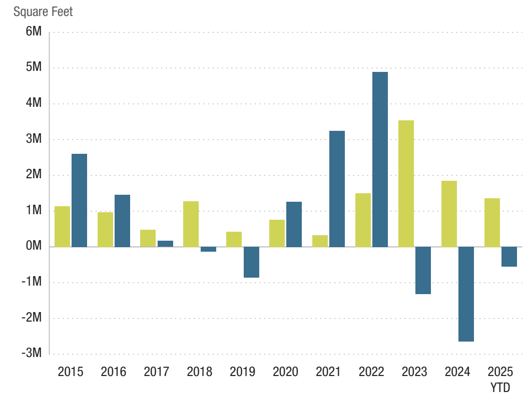
	Change Over Last Quarter	Q3 2025	Q2 2025	Q3 2024	% Change Over Last Year
Vacancy Rate	UP	5.72%	5.19%	4.40%	29.91%
Availability Rate	UP	8.22%	7.78%	7.10%	15.80%
Average Asking Lease Rate	DOWN	$1.48	$1.53	$1.61	(8.07%)
Average Asking Sale Price	UP	$383.61	$371.93	$391.21	(1.94%)
Sale & Lease Transactions	DOWN	3,150,046	4,623,272	4,110,573	(23.37%)
Gross Absorption	DOWN	3,394,098	3,405,604	3,343,233	1.52%
Net Absorption	NEGATIVE	(612,876)	336,362	(481,755)	N/A

ABSORPTION. Net absorption in Orange County's industrial market continues to decline, posting negative 612,876 SF in Q3. Year-to-date net absorption stands at negative 548,721 SF, a significant improvement over the negative 2.6 MSF recorded in 2024. The Airport submarket posted positive absorption, driven by Anduril Industries expanding in Santa Ana, Rivian in Irvine, and Guilin Cabinets in Irvine. Gross absorption reached 3,394,098 SF in Q3 2025, down slightly from 3,405,604 SF in Q2, though still up 1.52% year over year, reflecting sustained tenant activity despite ongoing market headwinds.

CONSTRUCTION. Orange County's industrial construction pipeline holds 1,533,842 SF under construction and 1,932,400 SF in planning stages. North County cities such as Anaheim and Orange continue to see concentrated development activity, while three build-to-suit buildings are underway in the Airport Area for Anduril Industries' Santa Ana expansion. Six new industrial properties were delivered in South Orange County during Q3 2025, adding 648,889 SF to the market. Construction starts remained elevated for a fifth consecutive year in 2025, already surpassing 1.5 MSF year to date. The supply under construction will expand Orange County's total inventory by 0.6% when completed.

EMPLOYMENT. Orange County's unemployment rate stood at 4.6% in August 2025, an improvement from July's 4.8% but slightly higher than the 4.5% recorded in August 2024. Healthcare-related sectors continued recovery, while government and several other industries faced weakness. Service-oriented sectors, especially healthcare and hospitality, contributed to local employment gains. The labor supply overall remains stable.

NEW DELIVERIES & NET ABSORPTION



NEW DELIVERIES: New Construction Delivered to the Market
NET ABSORPTION: Changes in the Amount of Occupied Space from One Quarter to the Next

Forecast

Orange County's industrial market is poised for gradual improvement through year-end and into the first quarter of 2026, with vacancy rates expected to stabilize as new developments seek tenants. Leasing activity should continue, supported by steady user interest, even as businesses take additional time to assess their needs in response to trade policy and macroeconomic signals. Sales transaction volume will likely recover as anticipated rate cuts reduce financing costs, motivating both institutional and owner-user buyers to re-enter the market. Landlords are expected to rely on enhanced incentives and flexible deal structures to secure commitments. Emerging growth in sectors such as defense technology, advanced manufacturing, and artificial intelligence will further strengthen tenant demand. Trade policy adjustments, including the de minimis exemption removal, will require logistics and e-commerce tenants to adapt their supply chain strategies and cost structures. Despite these headwinds, Orange County's strategic location and diverse tenant base provide a foundation for ongoing stability.

Significant Transactions

Sales

* Voit Real Estate Services Deal

Property Address	City	Square Feet	Sale Price	Buyer	Seller
62050–6290 Caballero Blvd.	Buena Park	274,170	$60,900,000	Elion Partners	AEW Capital Management
3500 W. MacArthur Blvd.	Santa Ana	134,400	$49,500,000	Terreno Realty	Kimco Realty Corporation
17731 Cowan	Irvine	54,088	$30,613,800	Orange Bakery	Xebec Realty Partners
6259 Descanso Ave.	Buena Park	54,000	$17,400,000	Buena Vista-Los Angeles, LLC*	CREF3 Descano Owner LLC
1125 Beacon St.	Brea	49,192	$16,233,360	Semsotai	1125 Beacon Street Brea Co.

Leases

* Voit Real Estate Services Deal

Property Address	City	Square Feet	Transaction Date	Tenant	Owner
3001 & 3030 S. Susan St.	Santa Ana	202,513	Jul-2025	Anduril Industries	Alere Property Group
14000–14030 E. 183rd St. – Renewal	La Palma	170,692	Jul-2025	Americhine	Oltman
3100 S. Harbor Blvd.	Santa Ana	162,656	Aug-2025	Anduril Industries	Kearny Harbor LLC
6250 Caballero Blvd.	Buena Park	143,970	Sep-2025	Orange Courier	AEW Capital Management
4260 N. Harbor Blvd.	Fullerton	141,616	Sep-2025	180 Snacks Inc.	Prologis*

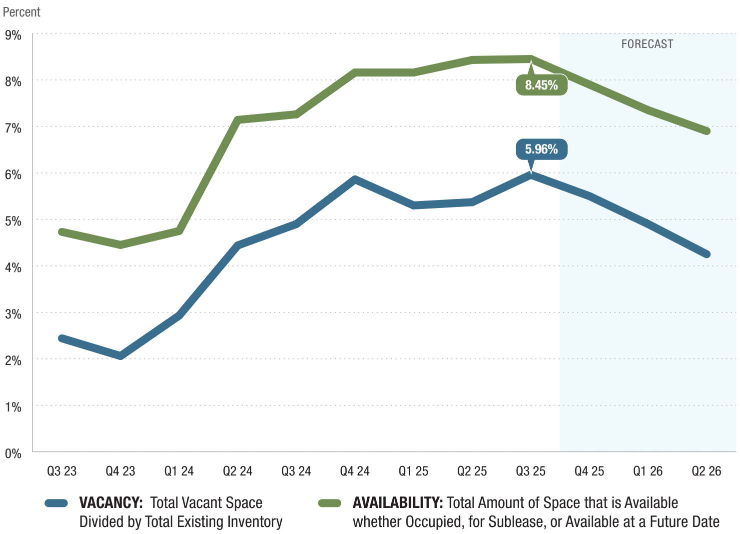
	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q3 2025	Square Feet Available	Availability Rate Q3 2025	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q3 2025	Net Absorption 2025	Gross Absorption Q3 2025	Gross Absorption 2025
Airport Area														
Costa Mesa	449	7,674,694	0	0	309,894	4.04%	385,538	5.02%	$1.45	$686.90	5,780	(21,904)	55,417	250,246
Fountain Valley	179	3,701,270	0	0	64,114	1.73%	313,966	8.48%	$1.29	$465.00	14,070	51,052	23,648	173,874
Irvine	305	11,841,519	0	0	821,402	6.94%	1,470,695	12.42%	$1.64	$513.70	211,392	223,179	268,849	586,715
Newport Beach	49	607,894	0	0	4,165	0.69%	4,165	0.69%	$3.30	$0.00	0	1,280	0	15,228
Santa Ana	1,590	31,382,614	416,160	288,500	1,447,373	4.61%	2,029,212	6.47%	$1.23	$349.97	190,845	107,789	600,404	1,107,914
Tustin	116	4,612,962	93,372	103,566	397,610	8.62%	594,373	12.88%	$1.46	$443.44	6,400	10,166	0	191,333
Airport Area Total	2,688	59,820,953	509,532	392,066	3,044,558	5.09%	4,797,949	8.02%	$1.40	$401.29	428,487	371,562	948,318	2,325,310
North County														
Anaheim	1,846	45,034,485	260,923	19,126	2,999,641	6.66%	3,635,147	8.07%	$1.58	$405.71	(297,146)	(76,607)	749,308	1,915,541
Brea	331	12,403,979	0	0	540,387	4.36%	1,240,768	10.00%	$1.43	$304.40	(20,260)	58,771	56,062	299,599
Buena Park	239	13,722,407	0	0	1,298,672	9.46%	2,055,146	14.98%	$1.36	$346.84	102,350	42,288	231,179	702,390
Fullerton	466	19,908,498	0	185,525	1,431,294	7.19%	1,816,022	9.12%	$1.59	$395.83	(324,239)	(173,547)	283,928	882,572
La Habra	195	3,591,808	0	0	67,043	1.87%	71,199	1.98%	$1.45	$337.92	(17,526)	(29,524)	29,250	55,859
Orange	746	13,607,202	285,719	186,853	370,377	2.72%	689,078	5.06%	$1.28	$331.48	(25,969)	(94,635)	323,157	627,487
Placentia	221	4,272,865	0	0	59,472	1.39%	76,006	1.78%	$1.63	$262.77	23,532	109,872	40,539	199,802
Yorba Linda	55	908,881	0	0	0	0.00%	0	0.00%	$0.00	$0.00	3,420	10,874	7,356	24,204
North County Total	4,099	113,450,125	546,642	391,504	6,766,886	5.96%	9,583,366	8.45%	$1.48	$356.68	(555,838)	(152,508)	1,720,779	4,707,454
South County														
Aliso Viejo	19	735,866	0	0	9,408	1.28%	18,797	2.55%	$1.90	$560.00	(9,408)	(9,408)	0	21,607
Foothill Ranch	63	3,321,584	0	0	198,529	5.98%	143,642	4.32%	$1.59	$510.00	(50,421)	(82,678)	25,086	49,086
Irvine Spectrum	222	10,923,124	364,161	445,781	955,890	8.75%	1,603,091	14.68%	$1.56	$428.01	(26,836)	(189,498)	155,038	314,797
Laguna Beach	22	113,034	0	0	7,637	6.76%	27,737	24.54%	$3.36	$631.90	3,961	(5,379)	7,098	7,098
Laguna Hills	78	1,066,962	0	0	25,254	2.37%	109,401	10.25%	$1.75	$416.67	2,582	3,134	16,922	65,765
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	224,800	204,492	4.70%	449,655	10.34%	$1.51	$379.97	(17,145)	(27,164)	22,932	118,112
Mission Viejo	31	725,012	0	0	10,298	1.42%	18,318	2.53%	$1.62	$0.00	(919)	(823)	1,437	14,312
Rancho Mission Viejo	5	125,044	0	0	9,144	7.31%	16,488	13.19%	$2.42	$0.00	2,030	7,080	7,598	22,920
Rancho Santa Margarita	107	1,708,558	0	0	36,056	2.11%	37,483	2.19%	$1.64	$440.00	21,783	6,941	1,427	12,456
San Clemente	164	2,058,906	0	90,000	33,146	1.61%	59,460	2.89%	$1.54	$489.32	17,595	33,507	20,283	95,513
San Juan Capistrano	46	1,061,431	25,343	0	164,005	15.45%	175,293	16.51%	$1.70	$545.08	(14,400)	(27,604)	0	0
South County Total	966	26,419,417	389,504	760,581	1,653,859	6.26%	2,659,365	10.07%	$1.62	$466.42	(71,178)	(291,892)	257,821	721,666
West County														
Cypress	103	5,117,988	0	0	804,407	15.72%	802,456	15.68%	$1.59	$399.00	(85,644)	(338,178)	9,742	49,599
Garden Grove	485	12,598,947	88,164	0	594,121	4.72%	810,899	6.44%	$1.33	$353.19	(109,767)	(90,383)	156,505	583,336
Huntington Beach	703	14,153,922	0	318,751	526,273	3.72%	711,943	5.03%	$1.63	$429.02	(183,841)	(90,703)	231,254	672,738
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	135,265	6.13%	52,214	2.37%	$1.52	$359.71	(13,854)	24,081	18,640	74,444
Seal Beach	15	947,258	0	0	0	0.00%	0	0.00%	$0.00	$0.00	0	0	0	5,480
Stanton	177	1,881,358	0	0	33,603	1.79%	49,603	2.64%	$1.49	$362.32	(1,435)	33,829	13,060	79,544
Westminster	138	2,290,921	0	69,498	211,926	9.25%	315,359	13.77%	$1.47	$594.32	(19,806)	(14,529)	37,979	72,386
West County Total	1,733	40,974,829	88,164	388,249	2,305,595	5.63%	2,742,474	6.69%	$1.49	$385.87	(414,347)	(475,883)	467,180	1,537,527
Orange County Total	**9,486**	**240,665,324**	**1,533,842**	**1,932,400**	**13,770,898**	**5.72%**	**19,783,154**	**8.22%**	**$1.48**	**$383.61**	**(612,876)**	**(548,721)**	**3,394,098**	**9,291,957**
Less than 9,999	3,372	20,544,302	0	0	431,732	2.10%	642,758	3.13%	$1.72	$481.43	(12,584)	(30,231)	232,657	693,714
10,000-19,999	3,155	43,651,810	0	19,126	1,177,201	2.70%	1,689,898	3.87%	$1.61	$396.90	16,480	11,605	644,475	1,712,002
20,000-29,999	1,192	28,524,253	25,343	0	932,984	3.27%	1,423,645	4.99%	$1.61	$355.63	(41,145)	75,170	332,306	1,057,345
30,000-39,999	500	17,072,977	0	0	692,164	4.05%	1,077,608	6.31%	$1.51	$361.66	59,453	(147,789)	299,985	705,256
40,000-49,999	300	13,206,007	0	0	484,255	3.67%	670,807	5.08%	$1.44	$0.00	3,081	37,801	114,679	425,663
50,000-74,999	380	22,831,022	71,640	483,258	1,131,743	4.96%	2,056,672	9.01%	$1.41	$380.10	52,512	(11,990)	274,933	824,358
75,000-99,999	168	14,479,406	535,318	357,868	1,027,418	7.10%	1,476,552	10.20%	$1.41	$391.69	4,566	313,363	246,694	795,630
100,000-199,999	287	38,381,646	686,317	847,148	3,883,076	10.12%	5,801,774	15.12%	$1.52	$243.77	(310,623)	(28,785)	652,322	1,836,091
200,000 Plus	132	41,973,901	215,224	225,000	4,010,325	9.55%	4,943,440	11.78%	$0.00	$0.00	(384,616)	(767,865)	596,047	2,327,242
Orange County Total	**9,486**	**240,665,324**	**1,533,842**	**1,932,400**	**13,770,898**	**5.72%**	**19,783,154**	**8.22%**	**$1.48**	**$383.61**	**(612,876)**	**(548,721)**	**3,394,098**	**9,291,957**

Lease rates are on a triple-net basis.

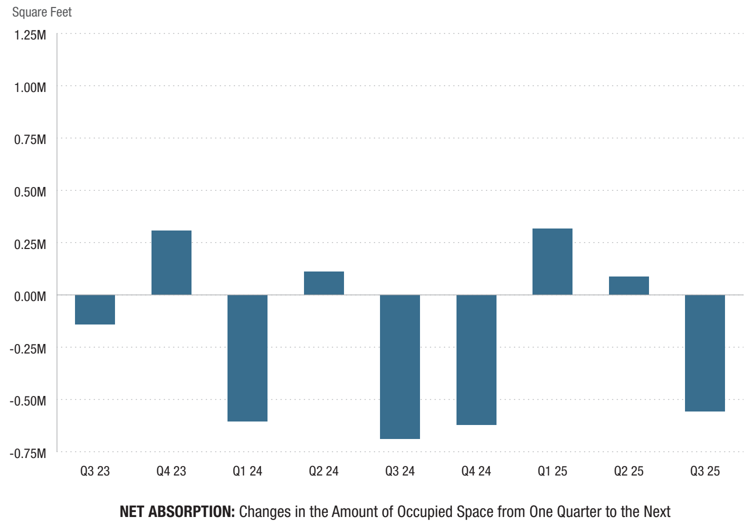
NORTH ORANGE COUNTY

In the third quarter of 2025, the North Orange County industrial market comprised 4,099 buildings totaling 113,450,125 square feet, with an availability rate of 8.45%, which shows an increase from the previous quarter's figure of 8.43%.

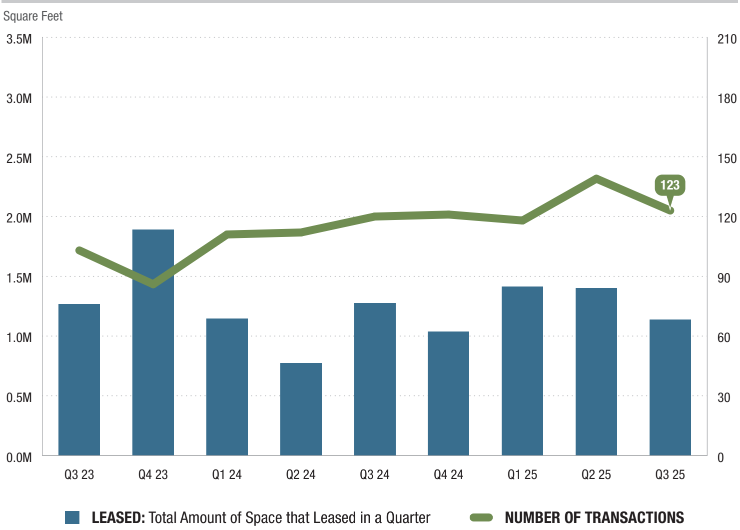
VACANCY & AVAILABILITY RATE



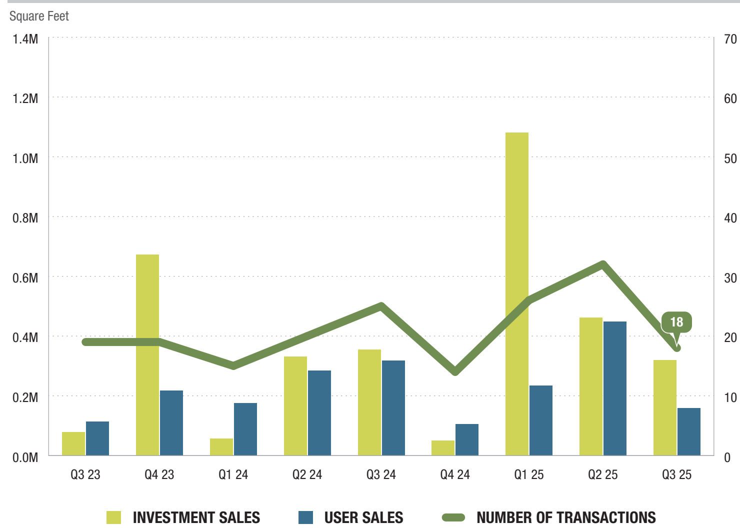
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS

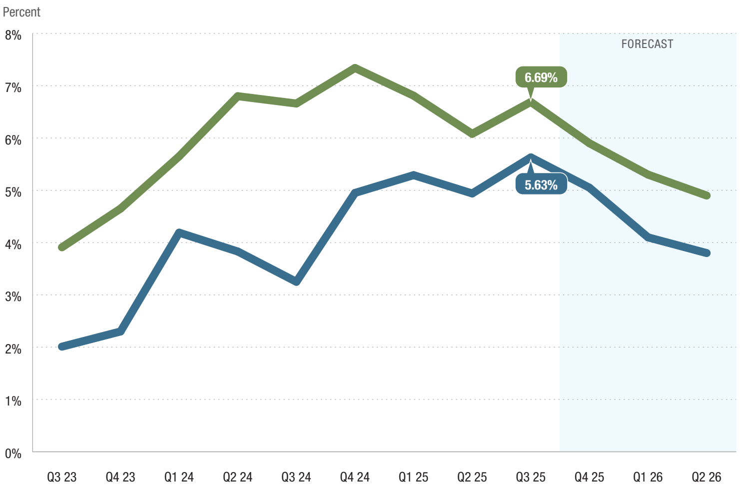


	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q3 2025	Square Feet Available	Availability Rate Q3 2025	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q3 2025	Net Absorption 2025	Gross Absorption Q3 2025	Gross Absorption 2025
North Totals														
Less than 9,999	1,362	8,588,410	0	0	206,854	2.41%	283,339	3.30%	$1.25	$441.57	(24,918)	(60,175)	109,577	299,114
10,000-19,999	1,389	19,254,709	0	19,126	519,297	5.52%	633,642	6.83%	$1.50	$344.36	(94,120)	(102,092)	209,347	689,672
20,000-29,999	514	12,292,316	0	0	398,648	3.24%	479,843	3.90%	$1.50	$284.50	(11,609)	100,230	153,990	476,675
30,000-39,999	226	7,700,330	0	0	306,059	3.97%	412,636	5.36%	$1.48	$363.74	100,580	26,494	108,358	263,555
40,000-49,999	139	6,125,847	0	0	245,530	4.01%	263,503	4.30%	$1.32	$0.00	(25,925)	(35,921)	57,084	197,966
50,000-74,999	179	10,754,021	0	57,900	719,829	6.69%	1,172,565	10.90%	$1.43	$406.61	42,023	252,711	180,111	540,879
75,000-99,999	73	6,253,283	99,200	0	262,246	4.19%	541,822	8.66%	$1.15	$417.50	0	129,309	87,040	391,710
100,000-199,999	149	19,705,615	447,442	314,478	1,990,313	10.10%	3,139,369	15.93%	$1.59	$180.10	(344,958)	(220,486)	389,666	1,305,079
200,000 plus	68	22,775,594	0	0	2,118,110	9.30%	2,656,647	11.66%	$0.00	$0.00	(196,911)	(242,578)	425,606	542,804
Total	**4,099**	**113,450,125**	**546,642**	**391,504**	**6,766,886**	**5.96%**	**9,583,366**	**8.45%**	**$1.48**	**$356.68**	**(555,838)**	**(152,508)**	**1,720,779**	**4,707,454**

WEST ORANGE COUNTY

In the third 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 6.69%, which shows an increase from the previous quarter's figure of 6.08%.

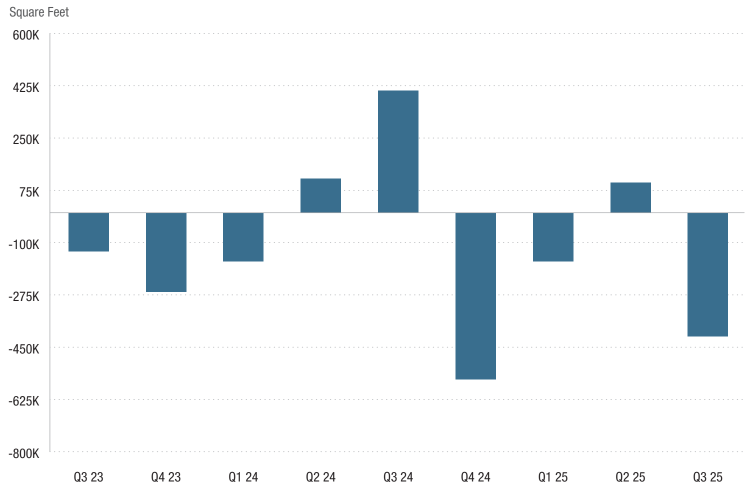
VACANCY & AVAILABILITY RATE



VACANCY: Total Vacant Space Divided by Total Existing Inventory

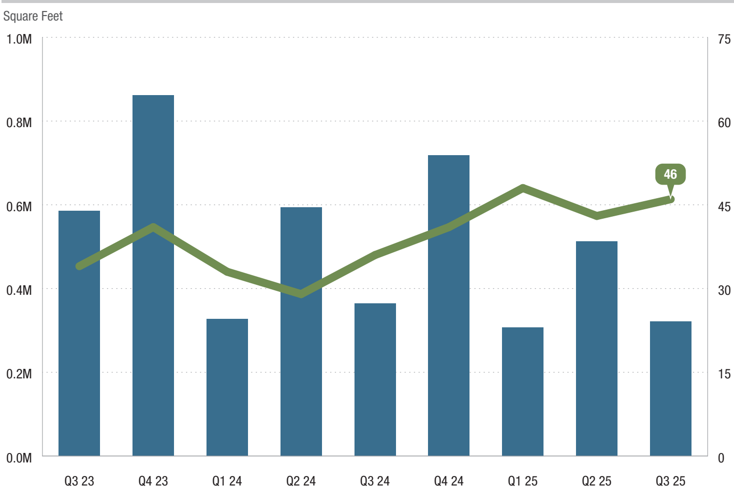
AVAILABILITY: Total Amount of Space that is Available whether Occupied, for Sublease, or Available at a Future Date

NET ABSORPTION



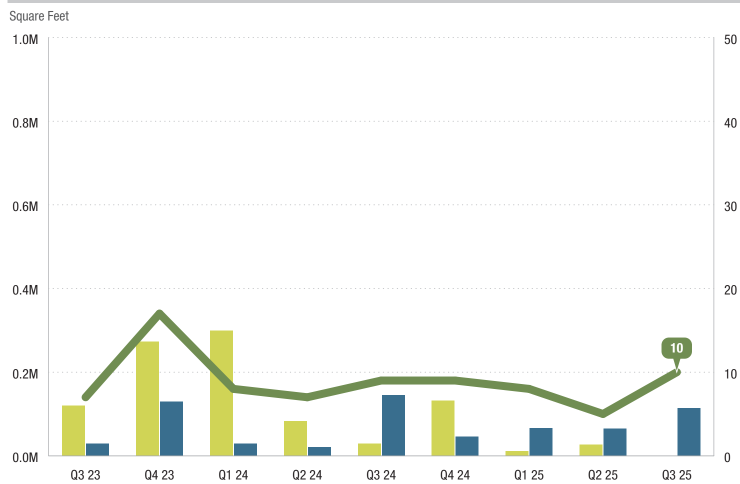
NET ABSORPTION: Changes in the Amount of Occupied Space from One Quarter to the Next

LEASE TRANSACTIONS



LEASED: Total Amount of Space that Leased in a Quarter **NUMBER OF TRANSACTIONS**

SALES TRANSACTIONS



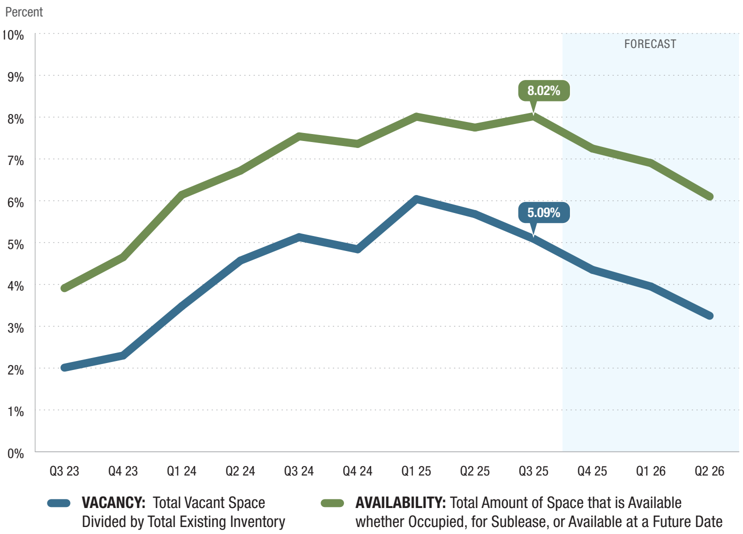
INVESTMENT SALES **USER SALES** **NUMBER OF TRANSACTIONS**

	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 2025	Square Feet Available	Availability Rate Q3 2025	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q3 2025	Net Absorption 2025	Gross Absorption Q3 2025	Gross Absorption 2025
West Totals														
Less than 9,999	697	4,170,626	0	0	98,021	2.35%	141,223	3.39%	$1.56	$462.11	2,702	59,805	46,029	197,382
10,000-19,999	574	7,631,159	0	0	214,082	7.11%	333,491	15.16%	$1.58	$361.11	39,948	56,760	168,715	388,015
20,000-29,999	187	4,514,039	0	0	113,467	2.51%	172,261	3.82%	$1.51	$0.00	(36,615)	(64,636)	45,516	78,785
30,000-39,999	64	2,228,191	0	0	113,791	5.11%	194,334	8.72%	$1.41	$0.00	(7,337)	(47,748)	75,782	83,667
40,000-49,999	51	2,250,192	0	0	146,708	6.52%	179,906	8.00%	$1.39	$0.00	(40,274)	(5,023)	7,076	96,047
50,000-74,999	59	3,523,201	0	126,542	195,428	5.55%	318,510	9.04%	$1.46	$353.49	6,065	(145,717)	13,234	36,444
75,000-99,999	29	2,511,677	88,164	93,068	320,596	12.76%	303,134	12.07%	$0.00	$329.41	(92,425)	(80,827)	0	6,759
100,000-199,999	47	6,553,310	0	168,639	292,959	4.47%	312,216	4.76%	$0.00	$0.00	(66,000)	65,179	0	238,253
200,000 plus	25	7,592,434	0	0	810,543	10.68%	787,399	10.37%	$0.00	$0.00	(220,411)	(313,676)	110,828	412,175
Total	**1,733**	**40,974,829**	**88,164**	**388,249**	**2,305,595**	**5.63%**	**2,742,474**	**6.69%**	**$1.49**	**$385.87**	**(414,347)**	**(475,883)**	**467,180**	**1,537,527**

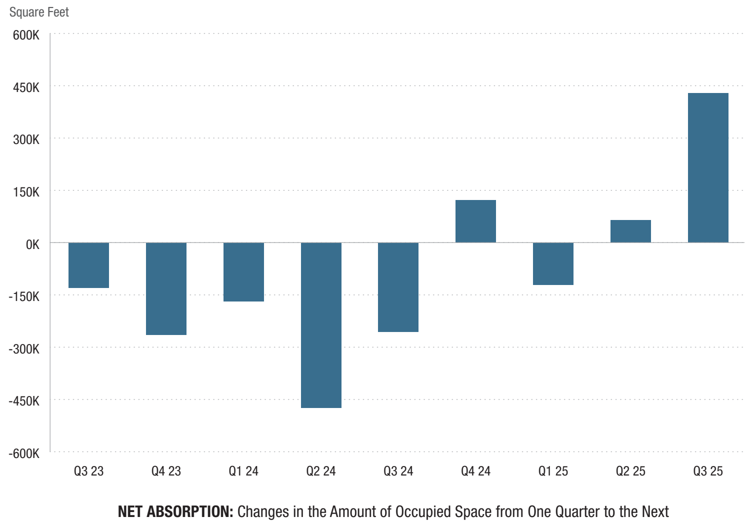
AIRPORT AREA

In the third quarter of 2025, the Airport Orange County industrial market consisted of 2,688 buildings totaling 59,820,953 square feet and had an availability rate of 8.02%, which shows an increase from the previous quarter's figure of 7.75%.

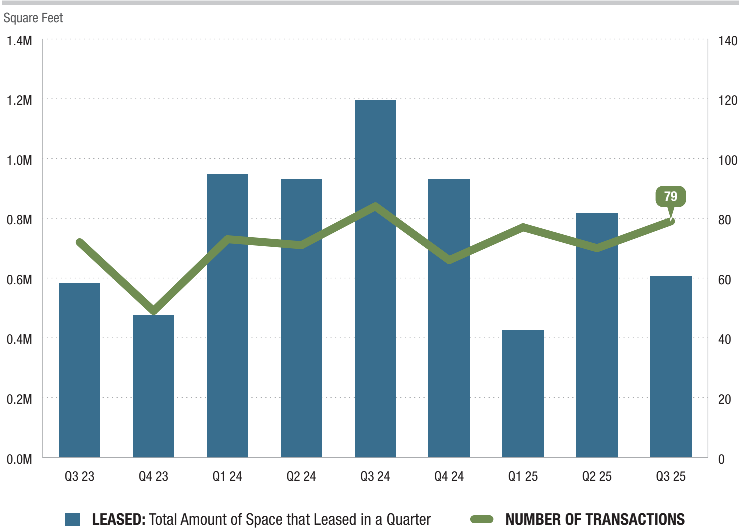
VACANCY & AVAILABILITY RATE



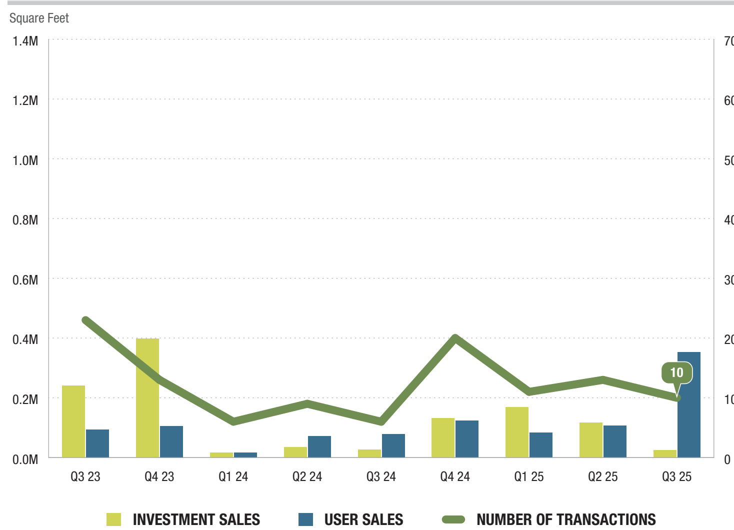
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS

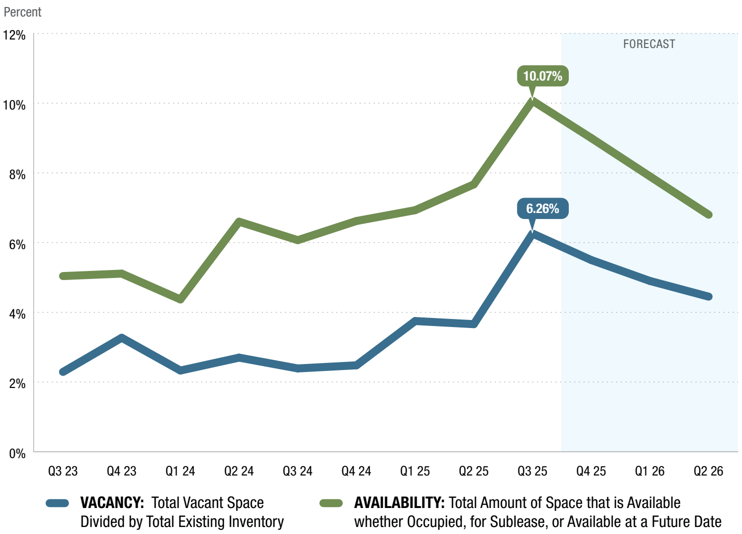


	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q3 2025	Square Feet Available	Availability Rate Q3 2025	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q3 2025	Net Absorption 2025	Gross Absorption Q3 2025	Gross Absorption 2025
Airport Totals														
Less than 9,999	944	5,491,481	0	0	84,485	1.54%	105,202	1.92%	$1.73	$531.69	(1,146)	(9,325)	53,615	130,803
10,000-19,999	912	12,766,611	0	0	315,780	2.47%	541,060	4.24%	$1.69	$455.22	94,430	63,715	241,067	511,074
20,000-29,999	358	8,538,738	0	0	305,198	3.57%	596,609	6.99%	$1.55	$400.86	(7,902)	50,036	85,308	364,488
30,000-39,999	163	5,545,186	0	0	175,585	3.17%	310,158	5.59%	$1.30	$352.54	(15,290)	(87,156)	101,058	228,293
40,000-49,999	79	3,447,400	0	0	89,533	2.60%	141,455	4.10%	$1.56	$0.00	46,660	70,896	25,415	100,253
50,000-74,999	105	6,353,412	0	176,000	182,628	2.87%	540,037	8.50%	$1.48	$337.40	38,282	(85,126)	81,588	221,895
75,000-99,999	48	4,124,610	270,657	0	306,818	7.44%	321,630	7.80%	$1.34	$0.00	96,991	165,873	96,991	321,681
100,000-199,999	58	7,573,735	238,875	216,066	1,153,477	15.23%	1,451,225	19.16%	$1.34	$315.00	175,842	202,029	262,656	446,203
200,000 plus	21	5,979,780	0	0	431,054	7.21%	790,573	13.22%	$0.00	$0.00	620	620	620	620
Total	**2,688**	**59,820,953**	**509,532**	**392,066**	**3,044,558**	**5.09%**	**4,797,949**	**8.02%**	**$1.40**	**$401.29**	**428,487**	**371,562**	**948,318**	**2,325,310**

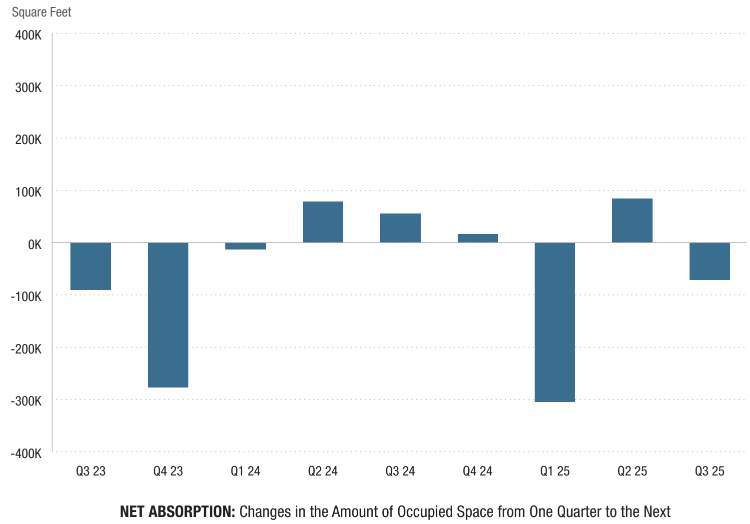
SOUTH ORANGE COUNTY

In the third quarter of 2025, the South Orange County industrial market consisted of 966 buildings totaling 26,419,417 square feet and had an availability rate of 10.07%, which shows an increase from the previous quarter's figure of 7.67%.

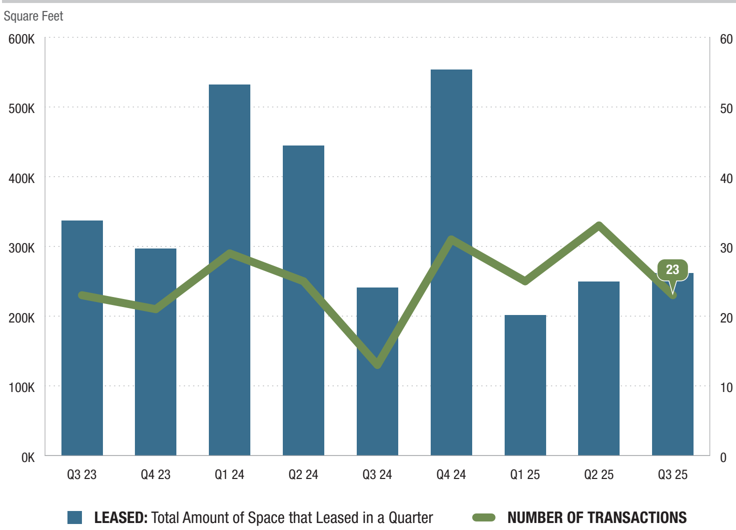
VACANCY & AVAILABILITY RATE



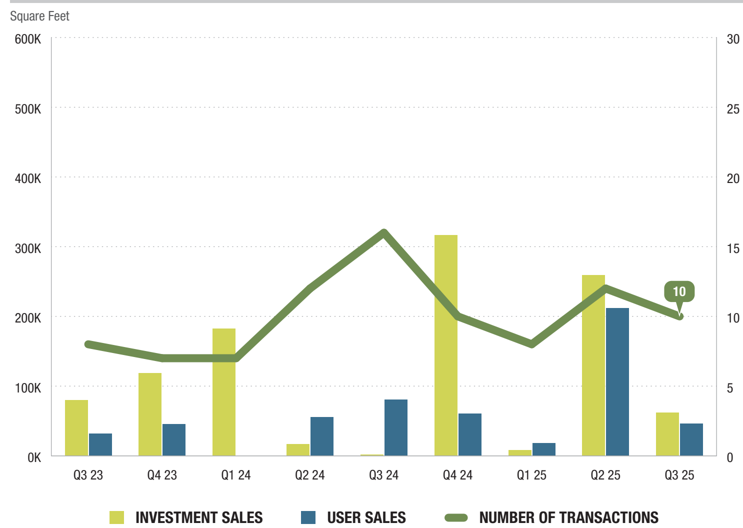
NET ABSORPTION



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 2025	Square Feet Available	Availability Rate Q3 2025	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q3 2025	Net Absorption 2025	Gross Absorption Q3 2025	Gross Absorption 2025
South Totals														
Less than 9,999	369	2,293,785	0	0	42,372	1.85%	112,994	4.93%	$1.89	$554.19	10,778	(20,536)	23,436	66,415
10,000-19,999	280	3,999,331	0	0	128,042	6.67%	181,705	9.70%	$1.68	$482.25	(23,778)	(6,778)	25,346	123,241
20,000-29,999	133	3,179,160	25,343	0	115,671	3.64%	174,932	5.50%	$1.81	$413.83	14,981	(10,460)	47,492	137,397
30,000-39,999	47	1,599,270	0	0	96,729	6.05%	160,480	10.03%	$1.64	$0.00	(18,500)	(39,379)	14,787	129,741
40,000-49,999	31	1,382,568	0	0	2,484	0.18%	85,943	6.22%	$1.66	$0.00	22,620	7,849	25,104	31,397
50,000-74,999	37	2,200,388	71,640	122,816	33,858	1.54%	25,560	1.16%	$1.69	$411.07	(33,858)	(33,858)	0	25,140
75,000-99,999	18	1,589,836	77,297	264,800	137,758	8.66%	309,966	19.50%	$1.68	$0.00	0	99,008	62,663	75,480
100,000-199,999	33	4,548,986	0	147,965	446,327	9.81%	898,964	19.76%	$1.25	$0.00	(75,507)	(75,507)	0	0
200,000 plus	18	5,626,093	215,224	225,000	650,618	11.56%	708,821	12.60%	$0.00	$0.00	32,086	(212,231)	58,993	132,855
Total	**966**	**26,419,417**	**389,504**	**760,581**	**1,653,859**	**6.26%**	**2,659,365**	**10.07%**	**$1.62**	**$466.42**	**(71,178)**	**(291,892)**	**257,821**	**721,666**

THIRD QUARTER 2025 MARKET REPORT

ORANGE COUNTY INDUSTRIAL

Voit
REAL ESTATE SERVICES

Inflection Point

by Todd Martens
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The third quarter marks a pivotal moment for Orange County's industrial real estate market. Tenant demand has remained soft, prompting stabilized, if not bottoming, rental rates and gradually rising vacancy rates. This operating environment has decidedly shifted in favor of tenants, with landlord concessions now commonplace for most creditworthy occupants.

While declining lease rates persist, the pace of decrease has slowed and is expected to continue moderating through the balance of 2025. We anticipate lease rates to stabilize through the first half of 2026 as the market moves toward equilibrium. Concurrently, vacancy rates have remained steady in the high 5% range, with upward pressure stemming largely from the growth in sublease activity. A significant block of available sublease space comprises fragmented, underutilized sections of buildings, which precludes immediate large-unit absorption and further elevates the vacancy metrics in the headlines.

A notable development this quarter was the Federal Reserve's 25-basis-point reduction in its benchmark interest rate, which was the first decrease in over nine months. This move signals a cautious, observational approach by the Fed. While many businesses view this rate cut positively, wider market confidence and substantial sales activity will require additional rate reductions to successfully stimulate sustained economic expansion. Should sellers maintain realistic pricing expectations, these conditions could catalyze increased sales volumes as buyers regain confidence.

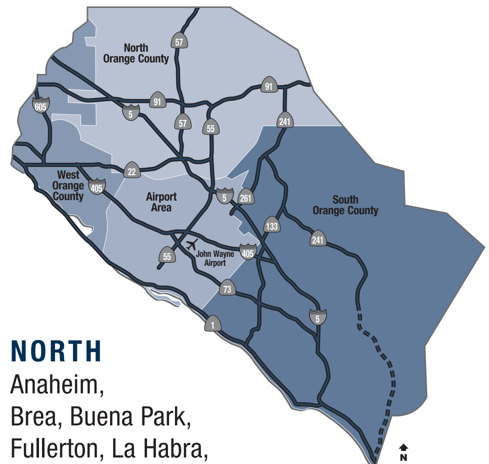
The ongoing tariff environment remains among the most significant challenges for businesses in 2025. Companies across local, regional, and national levels have struggled with supply chain cost structures for much of the year. Despite a few positive signs on the global tariff front, friction remains between the U.S. and key trading partners, particularly India and China. In September 2025, the U.S. imposed further tariffs on India and maintained its existing tariffs on China, amplifying uncertainty for importers and delaying expansion plans due to rising costs.

Historically, Orange County has proven resilient, often entering economic downturns later and leading in recovery compared to other regions. Its proximity to major ports, mature distribution infrastructure, robust entrepreneurial community, and skilled labor force position it well to weather the ongoing downcycle and to lead the recovery as conditions stabilize and improve.

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

Please Contact Us for Further Information

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