OC Q2 26

SECOND QUARTER 2026 MARKET REPORT

ORANGE COUNTY INDUSTRIAL

Voit REAL ESTATE SERVICES

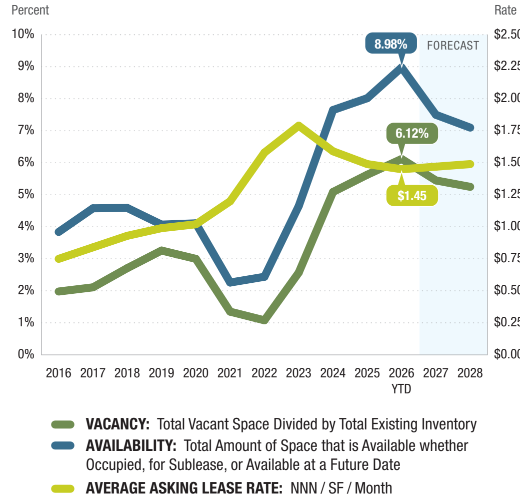
OVERVIEW. Price discovery has run its course. Two years of pricing uncertainty have stymied transaction activity across Orange County's industrial market, but the bid-ask spread has narrowed to the point where leasing and sales activity are advancing again. Vacancy ticked higher this quarter as newly delivered space added to inventory and move-outs outpaced move-ins, yet the pipeline of buildings under construction has fallen sharply, and the development economics that would bring speculative supply back to market do not exist at current rent levels. Transaction velocity is increasing, asking rents appear to be leveling off, and owner-users are active in the sales market. The correction is not complete, but the market has shifted from waiting to executing.

VACANCY & AVAILABILITY. Total vacancy in the Orange County industrial market rose to 6.12% in Q2 2026, up 33 basis points quarter over quarter from 5.79% in Q1 2026 and up 93 basis points year over year from 5.19% in Q2 2025. Vacancy now stands at roughly twice its 10-year average of 2.98%, as new supply and tenant move-outs have outpaced absorption over the past several quarters. Total availability reached 8.98%, up 91 basis points quarter over quarter from 8.07% and up 120 basis points year over year from 7.78% in Q2 2025. The spread between availability and physical vacancy widened during the quarter, reflecting additional space brought to market for lease, and continues to work through the market at an uneven pace rather than signaling a uniform rise in unoccupied inventory.

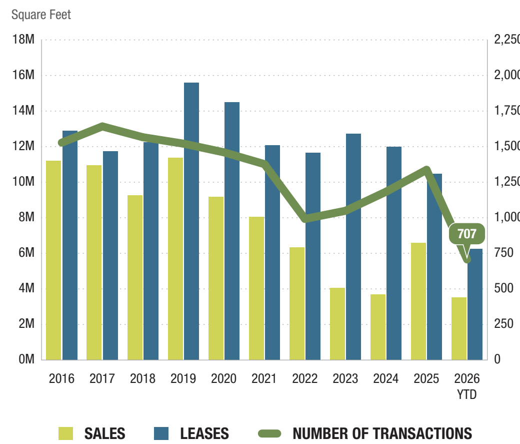
LEASE RATES & SALE PRICES. The average asking lease rate for Orange County industrial space declined to $1.45 PSF in Q2 2026, down $0.02 PSF from $1.47 PSF in Q1 2026 and down $0.08 PSF from $1.53 PSF in Q2 2025. Rent adjustment has slowed; the $0.02 PSF quarterly decline compares to steeper $0.04 PSF to $0.06 PSF quarterly declines through 2024. Clean direct net leases signed during the quarter averaged in the mid $1.40s PSF, roughly $0.15 to $0.20 below asking, with landlords structuring around face rates through graduated rent schedules and below-market renewal pricing rather than cutting headline rents outright. Asking rents range from $1.70 PSF in South County at the high end to $1.35 PSF in West County at the low end, with the Airport Area at $1.44 PSF and North County at $1.41 PSF. The average asking sale price was $394.35 PSF in Q2 2026, down from $399.31 PSF in Q1 2026 but up from $371.93 PSF in Q2 2025, holding above the year-ago levels even as lease rates continued to soften.

TRANSACTION ACTIVITY. Total transaction volume reached 363 deals encompassing 4,812,397 SF in Q2 2026, up from 319 deals and 4,261,457 SF in Q1 2026 and marking a second consecutive quarterly increase. Activity nonetheless remained below the 378 deals and 5,671,228 SF recorded in Q2 2025, indicating that volume is rebuilding off a lower base rather than returning to prior-year levels. Leasing accounted for 313 transactions totaling 2,837,764 SF, while sales rose to 50 transactions totaling 1,974,633 SF, up from 41 transactions and 1,556,448 SF in Q1 2026. The quarter's gains were spread across deal count rather than driven by a handful of outsized transactions, with average deal size holding roughly steady near 13,000 SF. Buyers and tenants remained active, supported by a more stable financing environment and pricing that has adjusted toward current conditions.

VACANCY, AVAILABILITY & AVERAGE ASKING LEASE RATES



TRANSACTION VOLUME & NUMBER OF TRANSACTIONS



Market Statistics

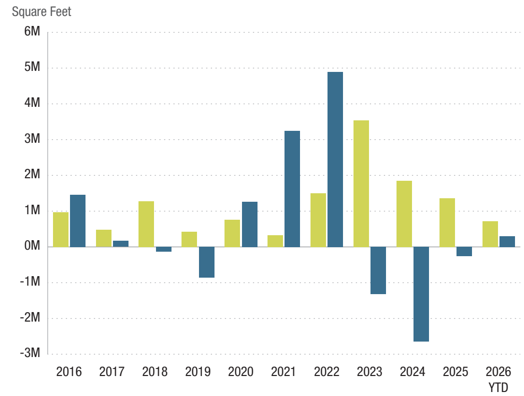
	Change Over Last Quarter	Q2 2026	Q1 2026	Q2 2025	% Change Over Last Year
Vacancy Rate	UP	6.12%	5.79%	5.19%	17.94%
Availability Rate	UP	8.98%	8.07%	7.78%	15.35%
Average Asking Lease Rate	DOWN	$1.45	$1.47	$1.53	(5.23%)
Average Asking Sale Price	DOWN	$394.35	$399.31	$371.93	6.03%
Sale & Lease Transactions	UP	4,812,397	4,261,457	5,671,228	(15.14%)
Gross Absorption	DOWN	2,837,122	2,913,788	3,405,604	(16.69%)
Net Absorption	NEGATIVE	(237,674)	531,781	336,362	N/A

ABSORPTION. The Orange County industrial market recorded negative net absorption of 237,674 SF in Q2 2026, reversing the positive net absorption of 531,781 SF in Q1 2026. Gross absorption reached 2,837,122 SF for the quarter, down slightly from 2,913,788 SF in Q1 2026 and down 16.7% from 3,405,604 SF in Q2 2025. Year to date, the market has recorded positive net absorption of 294,107 SF. The quarter's negative result was driven by two large departures: Repeal Global vacating 211,200 SF in Fullerton and ORORA Manufactured Packaging Products leaving 131,544 SF in Brea, which together outweighed otherwise steady leasing activity. The swing reflected a small number of large tenant moves rather than broad-based demand softening.

CONSTRUCTION. The active construction pipeline stood at 435,114 SF at the close of Q2 2026, down sharply from 917,225 SF in Q1 2026, signaling fewer new starts and a slower forward delivery pace. Recent completions, however, have been substantial. Two buildings delivered during the quarter: 3525 Hunter in Anaheim at 121,288 SF and 11311 Western Avenue in Garden Grove at 88,164 SF. Deliveries over the past two years have run well above the market's long-term average. Construction plans still face the reality of limited land, with developers increasingly redeveloping obsolete office and industrial sites rather than building on scarce raw land.

EMPLOYMENT. Orange County's unemployment rate declined to 3.5% in May 2026, down from 3.7% in April 2026 and below the year-ago estimate of 3.7%, according to the California Employment Development Department. Transportation and warehousing employment, the sector most directly tied to industrial demand, totaled 30,500 jobs in May 2026, down 3.5% year over year. Manufacturing employment reached 147,200 jobs, down 3,100 jobs year over year.

NEW DELIVERIES & NET ABSORPTION



Forecast

Orange County industrial demand rests on the county's base of aerospace and defense, medical devices, light manufacturing, and last-mile distribution serving a dense local consumer market, rather than on the import-distribution activity that anchors inland markets. That composition has kept demand relatively steady through recent trade-cycle volatility. Defense and aerospace firms in particular have continued to expand their local footprints, adding requirements that are largely independent of macroeconomic trade swings. This will continue into the near future. The forward construction pipeline has thinned to its lowest level in the current cycle, which will slow new deliveries ahead. Asking rents appear to have found a floor, transaction velocity is building, and the bid-ask gap between buyers and sellers should continue to narrow. A return to sustained positive absorption and rent growth is likely a 2027 outcome, but the market is executing again rather than waiting.

Significant Transactions

Sales

* Voit Real Estate Services Deal

Property Address	City	Square Feet	Sale Price	Buyer	Seller
15221–15339 Barranca Pkwy.	Irvine Spectrum	281,999	$94,000,000	BBP-1 & BBP-2 LLC*	Blackstone, Inc.
9600 Toledo Way	Irvine Spectrum	91,761	$31,000,000	EQT Real Estate	Blackstone, Inc.
2350–2384 E. Orangethorpe Ave.	Anaheim	62,395	$18,700,000	GDC Orangethorpe JV LLC	Orangethorpe Industrial LLC
18370 Pacific St.	Fountain Valley	3,780	$14,668,500	Perenex LLC	Fountain Valley Industrial Park
380 Cliffwood Park St.	Brea	32,000	$10,150,000	The Crisan Family Trust	Moravek Biochemicals, Inc.*

Leases

Property Address	City	Square Feet	Transaction Date	Tenant	Owner
5600 Argosy Cir., #100	Huntington Beach	223,406	May-2026	Harbor Distributing	West County Commerce Realty
14101 Alton Pkwy. - Renewal	Irvine Spectrum	176,640	Apr-2026	Kyocera	Cardinal Development Company
701 Burning Tree Rd.	Fullerton	156,096	Apr-2026	Columbia Container Lines LAX, Inc.	CIM Group
11261 Warland Dr.	Cypress	105,519	Jun-2026	Manhattan Beachwear, LLC	Cypress Land Company
5600 Argosy Cir., #200 - Renewal	Huntington Beach	101,618	May-2026	FormDecor, Inc.	West County Commerce Realty

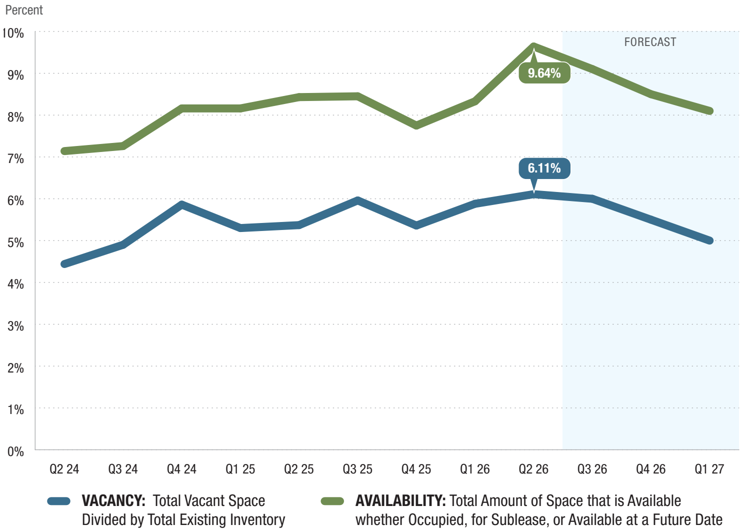
	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q2 2026	Square Feet Available	Availability Rate Q2 2026	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q2 2026	Net Absorption 2026	Gross Absorption Q2 2026	Gross Absorption 2026
Airport Area														
Costa Mesa	454	7,697,886	0	0	268,370	3.49%	376,930	4.90%	$1.09	$391.67	16,393	52,541	110,997	229,234
Fountain Valley	177	3,975,977	0	0	68,413	1.72%	355,151	8.93%	$1.36	$0.00	2,767	(34,260)	55,162	233,414
Irvine	309	11,806,840	0	25,000	1,406,462	11.91%	1,601,580	13.56%	$1.59	$507.50	(154,335)	(103,281)	151,314	351,846
Newport Beach	47	603,633	0	0	4,165	0.69%	9,165	1.52%	$0.00	$0.00	0	370	5,000	5,370
Santa Ana	1,589	31,695,754	313,514	176,000	1,029,150	3.25%	1,644,605	5.19%	$1.35	$356.79	188,250	406,413	290,750	952,390
Tustin	117	4,987,020	0	446,535	529,319	10.61%	538,886	10.81%	$1.71	$416.51	(135,681)	(121,022)	8,398	25,557
Airport Area Total	2,693	60,767,110	313,514	647,535	3,305,879	5.44%	4,526,317	7.45%	$1.44	$422.90	(82,606)	200,761	621,621	1,797,811
North County														
Anaheim	1,843	45,706,979	0	135,836	3,108,327	6.80%	4,141,017	9.06%	$1.47	$359.37	86,458	161,186	533,426	826,081
Brea	335	12,415,214	52,102	154,275	741,843	5.98%	1,104,513	8.90%	$1.36	$331.33	(236,663)	(108,939)	60,081	181,259
Buena Park	234	13,240,980	0	0	1,260,166	9.52%	2,971,675	22.44%	$1.39	$352.56	(51,045)	(171,029)	96,620	225,348
Fullerton	456	19,868,627	0	249,230	1,185,609	5.97%	1,526,058	7.68%	$1.42	$382.02	191,449	215,985	345,896	569,994
La Habra	191	3,520,736	0	0	53,960	1.53%	74,965	2.13%	$0.00	$454.00	18,898	13,801	29,326	54,217
Orange	752	13,655,800	0	400,425	511,049	3.74%	875,650	6.41%	$1.41	$298.97	5,511	5,246	138,003	269,672
Placentia	220	4,172,618	0	0	79,607	1.91%	240,525	5.76%	$1.38	$370.65	(11,828)	1,207	11,523	78,080
Yorba Linda	57	954,685	0	0	0	0.00%	12,065	1.26%	$0.00	$376.34	8,958	3,420	8,958	8,958
North County Total	4,088	113,535,639	52,102	939,766	6,940,561	6.11%	10,946,468	9.64%	$1.41	$349.67	11,738	120,877	1,223,833	2,213,609
South County														
Aliso Viejo	21	782,869	0	0	31,015	3.96%	21,607	2.76%	$1.66	$585.79	(21,607)	(21,607)	9,987	9,987
Foothill Ranch	64	3,333,141	0	0	78,762	2.36%	396,299	11.89%	$1.60	$466.18	32,257	40,676	44,260	64,682
Irvine Spectrum	224	11,049,098	0	445,781	1,563,928	14.15%	1,758,473	15.92%	$1.74	$505.05	1,760	(20,909)	84,180	118,999
Laguna Beach	24	122,492	0	0	9,485	7.74%	9,185	7.50%	$2.75	$0.00	(1,840)	(2,140)	0	0
Laguna Hills	80	1,074,506	0	0	25,342	2.36%	37,957	3.53%	$1.70	$599.71	(5,210)	3,114	9,094	20,784
Laguna Niguel	15	199,876	0	0	0	0.00%	0	0.00%	$0.00	$0.00	0	0	0	0
Lake Forest	190	4,081,263	0	0	163,993	4.02%	217,976	5.34%	$1.47	$458.58	(38,009)	(59,569)	10,261	136,650
Mission Viejo	32	754,964	0	0	11,221	1.49%	11,080	1.47%	$1.79	$0.00	(2,490)	(2,490)	919	919
Rancho Mission Viejo	5	132,459	0	0	5,472	4.13%	5,472	4.13%	$2.27	$0.00	1,800	3,672	1,800	7,320
Rancho Santa Margarita	109	1,764,403	0	0	52,378	2.97%	45,306	2.57%	$1.61	$399.00	(1,897)	(15,293)	1,123	3,513
San Clemente	165	2,036,056	0	113,892	90,537	4.45%	279,855	13.74%	$1.58	$445.57	18,591	(25,684)	51,491	54,295
San Juan Capistrano	46	1,061,875	0	0	161,299	15.19%	171,784	16.18%	$2.16	$525.00	0	14,093	25,787	39,880
South County Total	975	26,393,002	0	559,673	2,193,432	8.31%	2,954,994	11.20%	$1.70	$503.61	(16,645)	(86,137)	238,902	457,029
West County														
Cypress	100	4,403,862	0	0	903,233	20.51%	861,470	19.56%	$1.41	$311.88	(118,413)	(54,577)	97,731	246,870
Garden Grove	489	12,504,820	0	0	736,145	5.89%	827,348	6.62%	$1.32	$335.32	(124,978)	(60,132)	181,422	257,976
Huntington Beach	709	14,299,298	0	318,751	469,232	3.28%	881,623	6.17%	$1.55	$395.48	81,994	113,641	348,850	517,467
La Palma	16	1,785,908	0	0	0	0.00%	424,285	23.76%	$1.15	$0.00	0	0	0	0
Los Alamitos	99	2,267,311	0	0	12,736	0.56%	15,792	0.70%	$1.48	$425.62	7,465	8,972	25,432	29,272
Seal Beach	15	947,228	0	0	0	0.00%	0	0.00%	$0.00	$0.00	0	0	0	0
Stanton	179	1,844,987	0	0	49,129	2.66%	50,499	2.74%	$1.78	$627.85	(10,002)	(33,181)	18,674	31,500
Westminster	141	2,331,335	69,498	0	152,393	6.54%	148,418	6.37%	$1.37	$523.38	13,773	83,883	80,657	199,376
West County Total	1,748	40,384,749	69,498	318,751	2,322,868	5.75%	3,209,435	7.95%	$1.35	$362.79	(150,161)	58,606	752,766	1,282,461
Orange County Total	**9,504**	**241,080,500**	**435,114**	**2,465,725**	**14,762,740**	**6.12%**	**21,637,214**	**8.98%**	**$1.45**	**$394.35**	**(237,674)**	**294,107**	**2,837,122**	**5,750,910**
Less than 9,999	3,379	20,596,481	0	2,000	378,299	1.84%	548,563	2.66%	$1.64	$493.40	63,886	36,238	250,350	426,707
10,000-19,999	3,159	43,690,894	0	0	1,421,074	3.25%	2,121,930	4.86%	$1.58	$396.77	(158,669)	(121,523)	505,576	947,403
20,000-29,999	1,186	28,368,754	0	48,892	991,022	3.49%	1,497,242	5.28%	$1.49	$397.56	(222,011)	(64,507)	350,592	835,039
30,000-39,999	517	17,642,716	0	0	752,726	4.27%	1,030,418	5.84%	$1.38	$332.74	1,242	80,829	341,159	703,342
40,000-49,999	293	12,918,645	0	0	471,311	3.65%	722,016	5.59%	$1.41	$359.31	44,612	90,879	201,973	280,410
50,000-74,999	381	22,881,425	121,600	477,017	768,987	3.36%	1,527,108	6.67%	$1.37	$368.31	(8,752)	260,233	591,422	1,021,181
75,000-99,999	168	14,534,740	79,369	183,068	1,102,785	7.59%	1,414,224	9.73%	$1.54	$417.67	(149,435)	(139,003)	12,003	304,065
100,000-199,999	291	38,666,487	234,145	1,316,176	5,278,041	13.65%	5,582,531	14.44%	$1.47	$326.18	43,125	95,302	305,292	760,607
200,000 Plus	130	41,780,358	0	438,572	3,598,495	8.61%	7,193,182	17.22%	$1.27	$0.00	148,328	55,659	278,755	472,156
Orange County Total	**9,504**	**241,080,500**	**435,114**	**2,465,725**	**14,762,740**	**6.12%**	**21,637,214**	**8.98%**	**$1.45**	**$394.35**	**(237,674)**	**294,107**	**2,837,122**	**5,750,910**

Lease rates are on a triple-net basis.

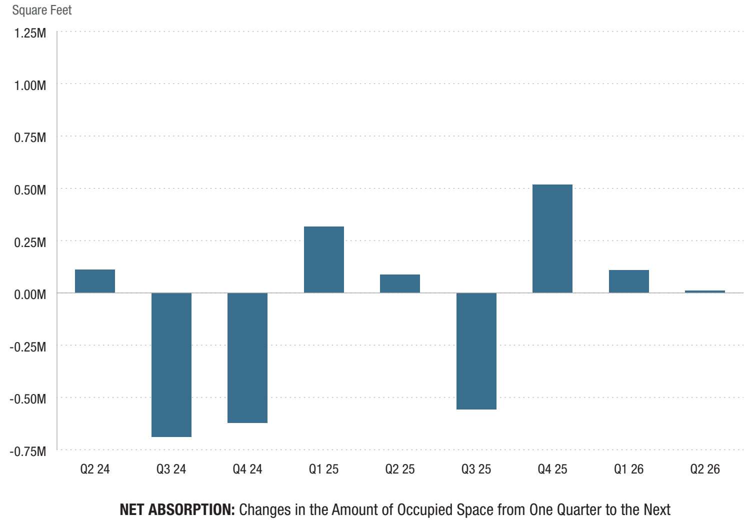
NORTH ORANGE COUNTY

In the second quarter of 2026, the North Orange County industrial market comprised 4,088 buildings totaling 113,535,639 square feet, with an availability rate of 9.64%, which shows an increase from the previous quarter's figure of 8.83%.

VACANCY & AVAILABILITY RATE



NET ABSORPTION



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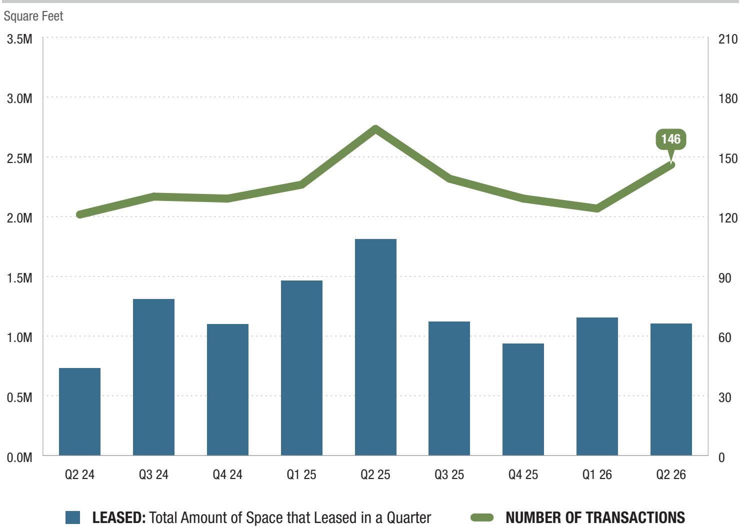
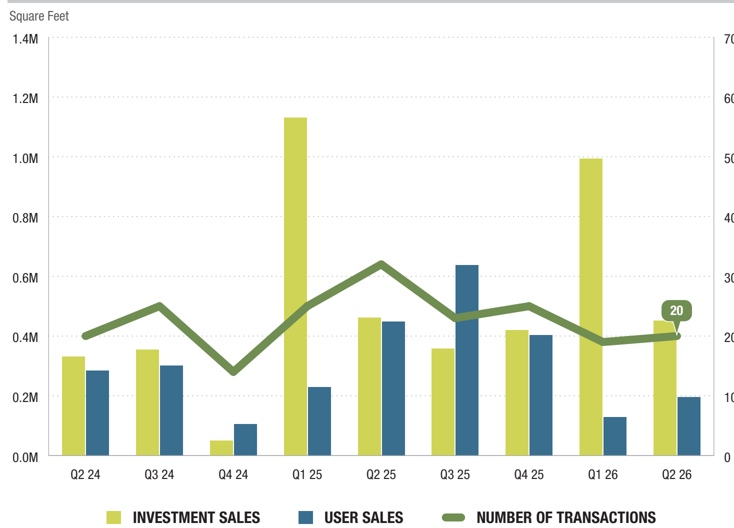


SALES TRANSACTIONS

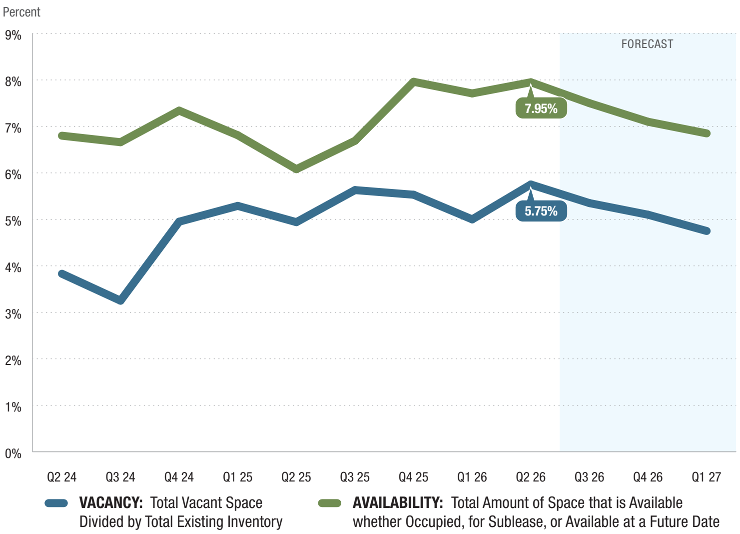


	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q2 2026	Square Feet Available	Availability Rate Q2 2026	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q2 2026	Net Absorption 2026	Gross Absorption Q2 2026	Gross Absorption 2026
North Totals														
Less than 9,999	1,359	8,592,209	0	2,000	164,553	1.92%	246,374	2.87%	$1.34	$420.75	32,595	45,675	82,106	162,600
10,000-19,999	1,393	19,321,767	0	0	599,977	5.52%	830,796	6.83%	$1.28	$382.97	(71,572)	(8,524)	194,446	404,766
20,000-29,999	502	11,998,131	0	0	328,109	2.73%	566,800	4.72%	$1.34	$326.86	(78,017)	(63,054)	80,638	230,092
30,000-39,999	230	7,846,231	0	0	330,362	4.21%	433,055	5.52%	$1.36	$312.28	(25,288)	(16,089)	209,005	362,429
40,000-49,999	139	6,140,714	0	0	163,763	2.67%	241,583	3.93%	$1.22	$346.15	22,309	62,885	58,275	105,591
50,000-74,999	179	10,775,272	52,102	121,605	302,147	2.80%	752,969	6.99%	$1.36	$339.81	120,131	153,767	344,011	425,211
75,000-99,999	69	5,941,790	0	0	280,218	4.72%	539,971	9.09%	$1.20	$275.00	(99,694)	(62,183)	0	46,311
100,000-199,999	149	19,833,853	0	602,589	2,847,593	14.36%	3,107,081	15.67%	$1.40	$339.48	81,674	81,167	243,974	427,231
200,000 plus	68	23,085,672	0	213,572	1,923,839	8.33%	4,227,839	18.31%	$1.49	$0.00	29,600	(72,767)	11,378	49,378
Total	**4,088**	**113,535,639**	**52,102**	**939,766**	**6,940,561**	**6.11%**	**10,946,468**	**9.64%**	**$1.41**	**$349.67**	**11,738**	**120,877**	**1,223,833**	**2,213,609**

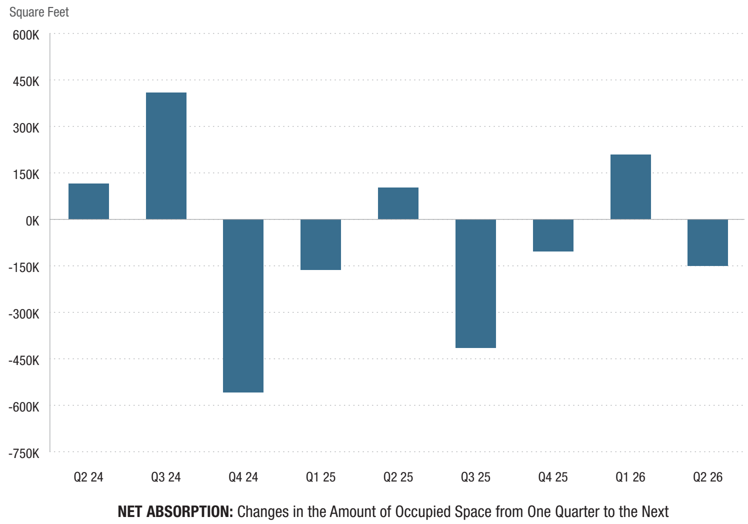
WEST ORANGE COUNTY

In the second quarter of 2026, the West Orange County industrial market consisted of 1,748 buildings totaling 40,384,749 square feet and had an availability rate of 7.95%, which shows an increase from the previous quarter's figure of 7.71%.

VACANCY & AVAILABILITY RATE



NET ABSORPTION



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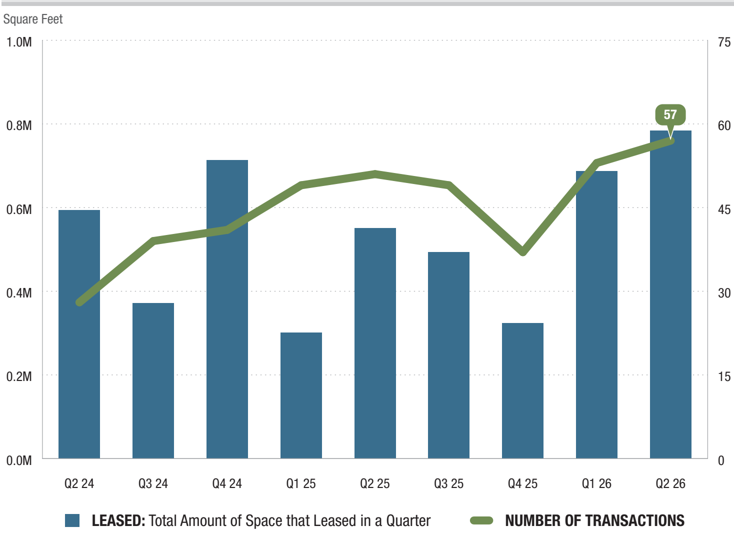
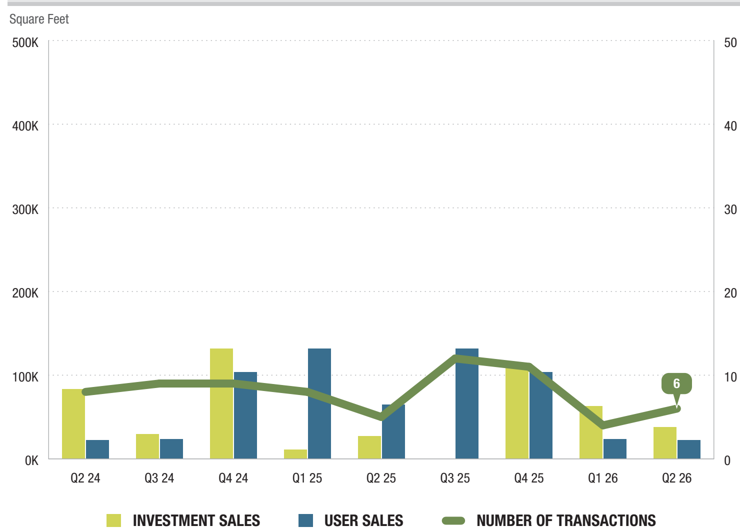


SALES TRANSACTIONS

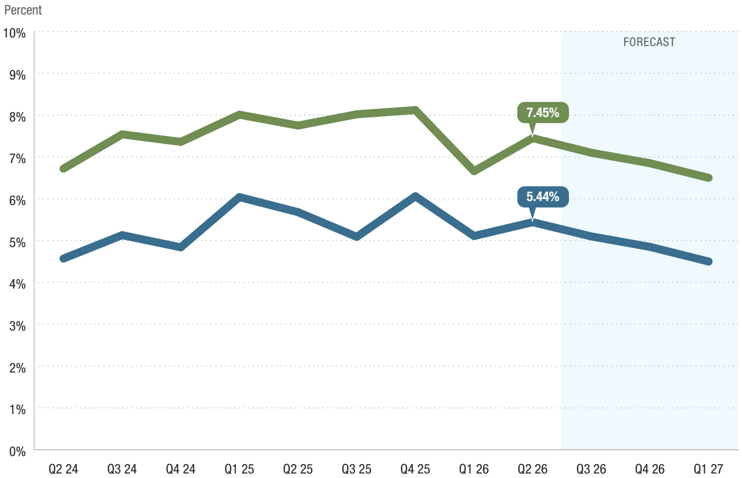


	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q2 2026	Square Feet Available	Availability Rate Q2 2026	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q2 2026	Net Absorption 2026	Gross Absorption Q2 2026	Gross Absorption 2026
West Totals														
Less than 9,999	707	4,201,885	0	0	68,038	1.62%	117,831	2.80%	$1.52	$486.92	25,504	(3,583)	43,510	74,907
10,000-19,999	581	7,718,155	0	0	259,811	7.11%	408,559	15.16%	$1.50	$401.11	(6,461)	4,086	122,040	186,532
20,000-29,999	185	4,459,120	0	0	146,331	3.28%	184,281	4.13%	$1.64	$398.41	(47,873)	(34,693)	59,978	139,532
30,000-39,999	67	2,332,022	0	0	139,263	5.97%	182,000	7.80%	$1.31	$299.00	8,276	13,997	25,315	44,852
40,000-49,999	48	2,112,677	0	0	45,896	2.17%	60,163	2.85%	$1.44	$0.00	22,135	69,227	115,123	115,123
50,000-74,999	60	3,561,856	69,498	57,044	107,204	3.01%	70,596	1.98%	$1.27	$0.00	(10,531)	223,019	163,394	348,984
75,000-99,999	30	2,608,302	0	93,068	225,263	8.64%	193,010	7.40%	$1.55	$0.00	9,140	9,960	0	70,991
100,000-199,999	46	6,291,481	0	168,639	635,079	10.09%	639,022	10.16%	$1.42	$295.00	(269,079)	(342,135)	0	78,134
200,000 plus	24	7,099,251	0	0	695,983	9.80%	1,353,973	19.07%	$1.27	$0.00	118,728	118,728	223,406	223,406
Total	**1,748**	**40,384,749**	**69,498**	**318,751**	**2,322,868**	**5.75%**	**3,209,435**	**7.95%**	**$1.35**	**$362.79**	**(150,161)**	**58,606**	**752,766**	**1,282,461**

AIRPORT AREA

In the second quarter of 2026, the Airport Orange County industrial market consisted of 2,693 buildings totaling 60,767,110 square feet and had an availability rate of 7.45%, which shows an increase from the previous quarter's figure of 7.45%.

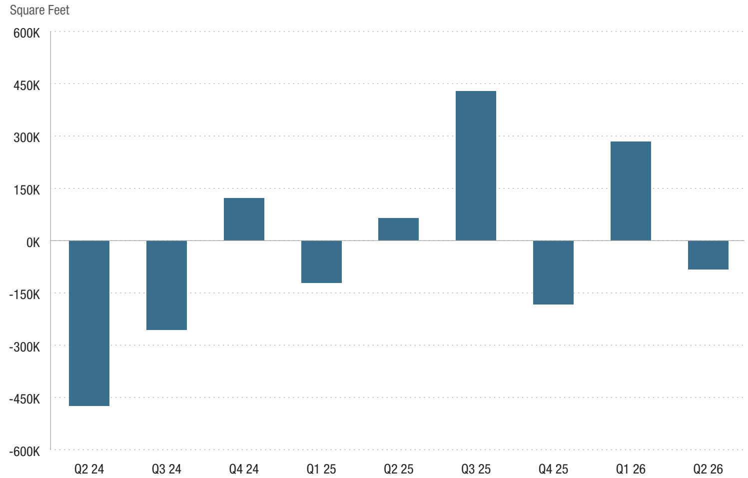
VACANCY & AVAILABILITY RATE



VACANCY: Total Vacant Space Divided by Total Existing Inventory

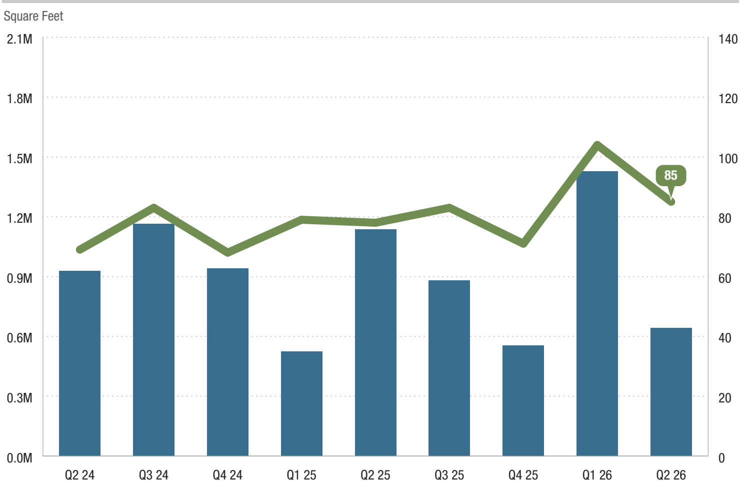
AVAILABILITY: Total Amount of Space that is Available whether Occupied, for Sublease, or Available at a Future Date

NET ABSORPTION



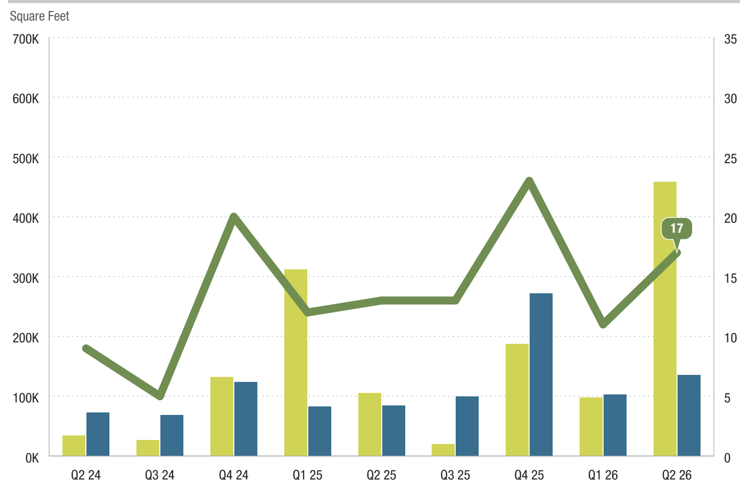
NET ABSORPTION: Changes in the Amount of Occupied Space from One Quarter to the Next

LEASE TRANSACTIONS



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

SALES TRANSACTIONS



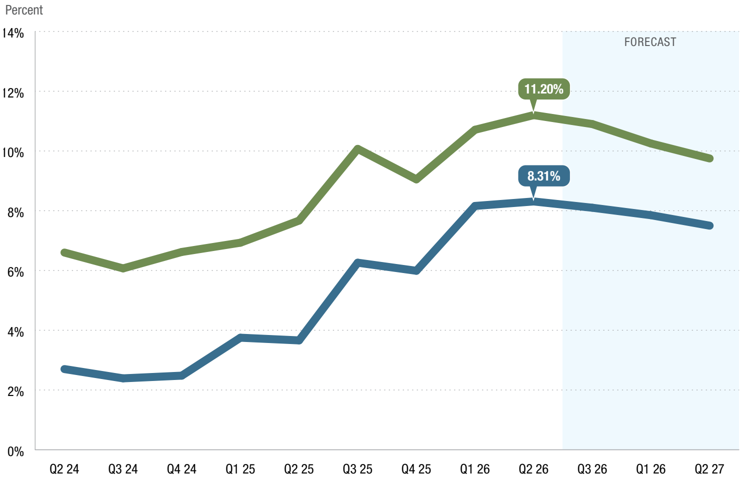
INVESTMENT SALES **USER SALES** **NUMBER OF TRANSACTIONS**

	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q2 2026	Square Feet Available	Availability Rate Q2 2026	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q2 2026	Net Absorption 2026	Gross Absorption Q2 2026	Gross Absorption 2026
Airport Totals														
Less than 9,999	938	5,466,473	0	0	78,745	1.44%	106,028	1.94%	$1.68	$473.56	8,004	(8,875)	74,980	114,240
10,000-19,999	904	12,637,652	0	0	459,936	3.64%	669,156	5.29%	$1.75	$359.24	(66,478)	(116,835)	140,064	272,587
20,000-29,999	366	8,725,312	0	25,000	350,603	4.02%	525,719	6.03%	$1.44	$442.99	(68,132)	72,483	164,838	402,279
30,000-39,999	167	5,673,181	0	0	207,299	3.65%	323,499	5.70%	$1.44	$289.53	(14,003)	61,994	74,582	242,304
40,000-49,999	78	3,413,473	0	0	259,574	7.60%	243,364	7.13%	$1.57	$0.00	2,246	(39,155)	21,822	52,943
50,000-74,999	108	6,503,521	0	225,552	237,629	3.65%	544,427	8.37%	$1.52	$405.73	(115,952)	(114,153)	84,017	246,986
75,000-99,999	48	4,146,947	79,369	0	284,786	6.87%	378,325	9.12%	$1.55	$508.92	(58,821)	(65,152)	0	78,727
100,000-199,999	63	8,106,431	234,145	396,983	1,002,622	12.37%	965,525	11.91%	$1.50	$0.00	230,530	410,454	61,318	255,242
200,000 plus	21	6,094,120	0	0	424,685	6.97%	770,274	12.64%	$0.95	$0.00	0	0	0	132,503
Total	**2,693**	**60,767,110**	**313,514**	**647,535**	**3,305,879**	**5.44%**	**4,526,317**	**7.45%**	**$1.44**	**$422.90**	**(82,606)**	**200,761**	**621,621**	**1,797,811**

SOUTH ORANGE COUNTY

In the second quarter of 2026, the South Orange County industrial market consisted of 975 buildings totaling 26,393,002 square feet and had an availability rate of 11.20%, which shows an increase from the previous quarter's figure of 10.71%.

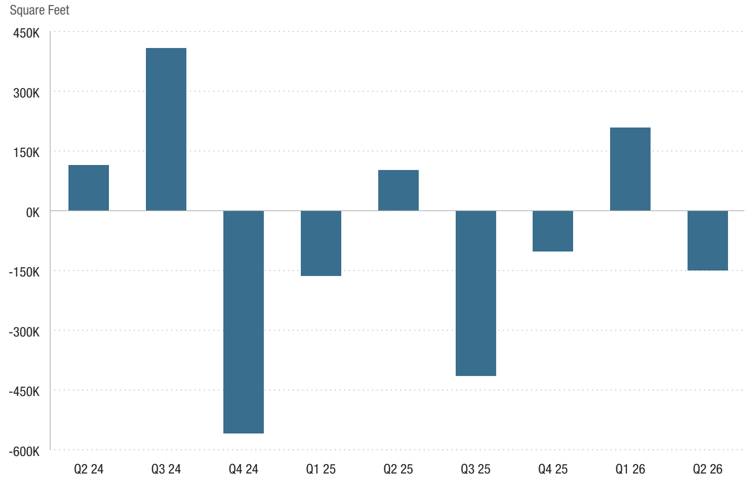
VACANCY & AVAILABILITY RATE



VACANCY: Total Vacant Space Divided by Total Existing Inventory

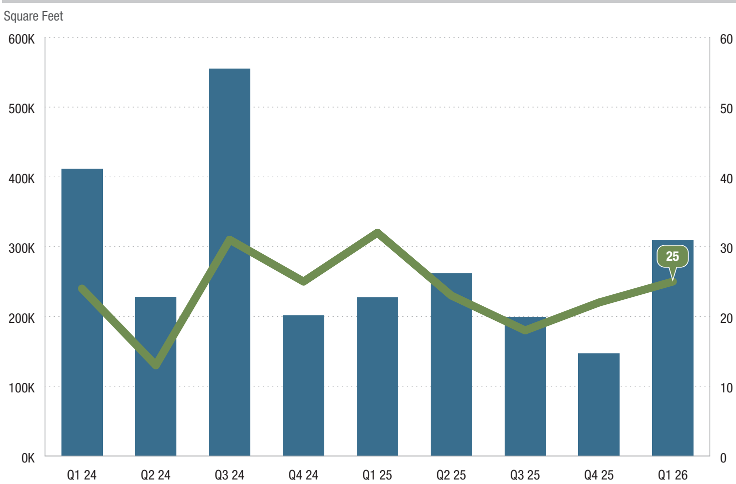
AVAILABILITY: Total Amount of Space that is Available whether Occupied, for Sublease, or Available at a Future Date

NET ABSORPTION



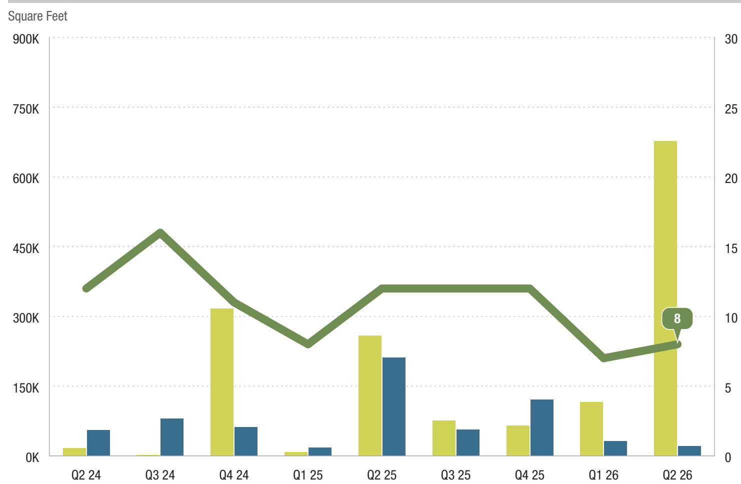
NET ABSORPTION: Changes in the Amount of Occupied Space from One Quarter to the Next

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 Q2 2026	Square Feet Available	Availability Rate Q2 2026	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption Q2 2026	Net Absorption 2026	Gross Absorption Q2 2026	Gross Absorption 2026
South Totals														
Less than 9,999	375	2,335,914	0	0	66,963	2.87%	78,330	3.35%	$1.89	$577.18	(2,217)	3,021	49,754	74,960
10,000-19,999	281	4,013,320	0	0	101,350	6.67%	213,419	9.70%	$1.73	$452.85	(14,158)	(250)	49,026	83,518
20,000-29,999	133	3,186,191	0	23,892	165,979	5.21%	220,442	6.92%	$1.64	$452.98	(27,989)	(39,243)	45,138	63,136
30,000-39,999	53	1,791,282	0	0	75,802	4.23%	91,864	5.13%	$1.69	$525.00	32,257	20,927	32,257	53,757
40,000-49,999	28	1,251,781	0	0	2,078	0.17%	176,906	14.13%	$1.56	$410.00	(2,078)	(2,078)	6,753	6,753
50,000-74,999	34	2,040,776	0	72,816	122,007	5.98%	159,116	7.80%	$1.60	$503.61	(2,400)	(2,400)	0	0
75,000-99,999	21	1,837,701	0	90,000	312,518	17.01%	302,918	16.48%	$1.76	$0.00	(60)	(21,628)	12,003	108,036
100,000-199,999	33	4,434,722	0	147,965	792,747	17.88%	870,903	19.64%	$1.85	$0.00	0	(54,184)	0	0
200,000 plus	17	5,501,315	0	225,000	553,988	10.07%	841,096	15.29%	$1.59	$0.00	0	9,698	43,971	66,869
Total	**975**	**26,393,002**	**0**	**559,673**	**2,193,432**	**8.31%**	**2,954,994**	**11.20%**	**$1.70**	**$503.61**	**(16,645)**	**(86,137)**	**238,902**	**457,029**

SECOND QUARTER 2026 MARKET REPORT
ORANGE COUNTY INDUSTRIAL

Voit
REAL ESTATE SERVICES

From Price Discovery to Market Recovery

by Matt Biggs
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The Orange County industrial market is entering a new phase. After nearly two years of market correction, the uncertainty surrounding pricing has largely subsided. Buyers, sellers, landlords, and tenants are becoming increasingly aligned on market value, allowing decisions that were postponed throughout 2024 and 2025 to finally move forward. The result is a noticeable increase in transaction velocity across both the leasing and sales markets.

Leasing activity has strengthened as occupiers recognize that today's market presents an attractive balance of pricing and availability. Rather than waiting for additional rent declines, companies are securing long-term occupancy while quality space remains available. At the same time, lease rates appear to have found a floor. While landlords continue to compete by offering concessions, asking rents across much of Orange County have stabilized, providing greater confidence for both owners underwriting assets and tenants making long-term real estate decisions.

The sales market is experiencing a similar shift. Capital has become increasingly competitive as financing costs stabilize and seller expectations adjust to current market conditions. The bid-ask spread that limited transaction activity over the past two years continues to narrow, allowing more properties to trade. Owner-users remain particularly active, recognizing the long-term value of controlling occupancy costs while acquisition opportunities remain available.

Perhaps the most important shift is psychological. The market is transitioning away from decision paralysis and back toward execution. Businesses no longer view waiting as a strategy, but view leasing as an asset. Combined with Orange County's limited industrial land supply and a shrinking development pipeline, today's environment is creating the foundation for healthier market fundamentals over the next several years. Unlike the rapid appreciation experienced during the post-pandemic expansion, the next cycle is likely to be defined by disciplined growth supported by real occupier demand rather than speculative momentum.

Looking ahead, the Orange County industrial market appears positioned for a sustainable recovery. Leasing volume is increasing, sale transactions are gaining momentum, and lease rates have largely stabilized. While vacancy may fluctuate as recently completed developments continue to lease, the broader market is becoming more balanced. As confidence returns and available inventory is absorbed, Orange County's long-term supply constraints should once again support gradual rent growth and renewed investment activity.

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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