



MARKET CHANGE

Compared to Previous Quarter:

Vacancy



UP

Net Absorption

NEGATIVE



Sales Price



UP

Lease Rates



UP

Transactions



DOWN

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HIGHLIGHTS

- **Encouraging Numbers** - The Orange County industrial market continued to improve this quarter, as pricing continues to increase. Vacancy increased a bit posting a 3.61% vacancy rate for the first quarter of 2015, one of the lowest levels since the second quarter of 1998, while availability decreased to 5.63%. Asking sales prices, asking lease rates and occupancy costs continued to increase. Net absorption gave back 358,261 square feet during the quarter.
- **Construction** - There was 748,227 square feet under construction at the end of the first quarter of 2015 with 938,020 square feet is on the books as planned, mostly in Brea and Fountain Valley. This is the most construction we have seen since 2008. We anticipate more build-to-suit and speculative development emerging later this year.
- **Vacancy** - Direct/sublease space (unoccupied) finished the quarter at 3.61%, one of the lowest figures seen since the second quarter of 1998, and a decrease of 4.5% since the first quarter of 2014, despite the 1.175 million square feet of added space in 2014. The West County submarket presented the lowest vacancy rate in the county at 3.3%.
- **Availability** - Direct/sublease space being marketed came in at 5.63% for the first quarter of 2015, a 19 basis point decrease from the previous quarter and a decrease of 2.26% from 2014's first quarter rate of 5.76%. The lack of available space is creating pent up demand in some size ranges and is applying upward pressure on pricing.
- **Lease Rates** - The average asking triple-net lease rate checked in at \$.64 per square foot per month, up one cent from the previous quarter and up two cents or 3.23% over 2014's first quarter figure. The South County submarket posted the highest average asking lease rate in the county at \$.79. The record high rate of \$.80 was established in the second and third quarters of 2008.
- **Sales Pricing** - The average asking sales price in the first quarter of 2015 was \$179.75 per square foot, three dollars and forty-nine cents higher than the previous quarter and up 21.82% when compared to 2014's first quarter rate. The record high asking price of \$181.23 was established in the third quarter of 2007.
- **Absorption** - The Orange County industrial market posted 358,261 square feet of negative net absorption at the end of the first quarter of 2015, giving the industrial market 9.3 million square feet of positive absorption since the second quarter of 2010. North Orange County experienced almost 50,000 square feet of positive absorption for the quarter. We are forecasting that net absorption will turn positive in the upcoming quarters.
- **Transaction Activity** - Leasing activity checked in at 2.2 million square feet for the quarter, a decrease over 2014's first quarter total of 2.8 million square feet leased. Sales activity came in below the previous year's rate, recording 1.44 million square feet for the first quarter of 2015 compared to 2014's first quarter total of 1.98 million square feet of sales transactions. This decrease is due to a lack of available space in many size ranges. This statistic can have some lag time in being reported, so look for this quarter's figures to end up somewhat higher on the next report.
- **Employment** - The unemployment rate in Orange County was 4.6% in February 2015, down from a revised 5.0% in January 2015 and below the previous year's estimate of 6.0%. This compares with an unadjusted unemployment rate of 6.8% for California and 5.8% for the nation during the same period. According to the State of California Employment Development Department, Orange County saw a net increase of 51,300 payroll jobs from February 2014 to February 2015. Most sectors showed gains in employment; the largest gains were 13,000 in professional and business services and 8,800 in educational and health services during that same period. Information posted the only year-over-year loss, dropping by 600 jobs.
- **Overall** - Vacancy continues to drop, and the amount of available space has decreased over the past year. A lack of product available for lease and sale in some size ranges (particularly anything below 100,000 square feet) is causing an increase in prices and a drop in transaction volume. As we move into the second quarter of 2015, positive absorption should continue, occupancy costs will continue to increase and with very few deliveries in the pipeline to apply upward pressure on vacancy, we foresee 2015 being another year of growth.

FORECAST

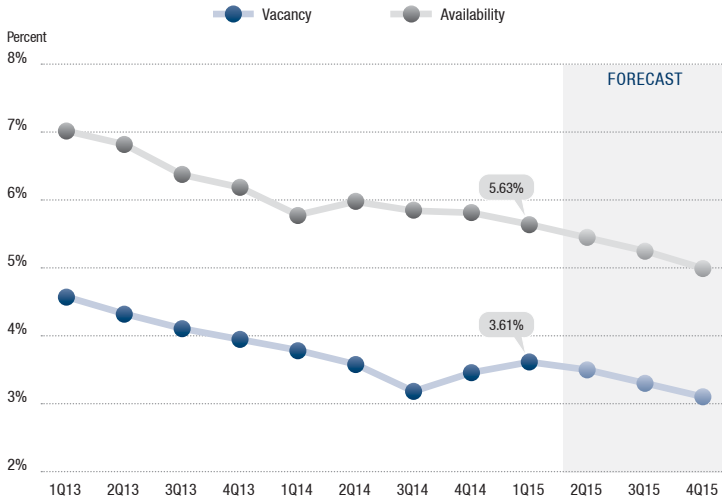
- **Employment** - We anticipate job growth of around 2.6%, or 38,000 jobs, in the Orange County area over the next four quarters according to Chapman University. The most rapid growth should take place in the construction, education & health, professional & business services, and leisure & hospitality sectors.
- **Lease Rates** - Expect average asking lease rates to increase by another 3% to 5% over the next four quarters.
- **Vacancy** - We anticipate vacancy rate continuing to descend in coming quarters, dropping by 50 basis points, to around 3.1%, by the end of the fourth quarter of 2015.

OVERVIEW

	1Q15	4Q14	1Q14	% of Change vs. 1Q14
Total Vacancy Rate	3.61%	3.45%	3.78%	(4.50%)
Availability Rate	5.63%	5.82%	5.76%	(2.26%)
Average Asking Lease Rate	\$0.64	\$0.63	\$0.62	3.23%
Average Asking Sale Price	\$179.75	\$176.26	\$147.55	21.82%
Sale & Lease Transactions	3,621,739	5,669,996	4,821,133	(24.88%)
Gross Absorption	2,809,270	2,659,064	2,782,143	0.98%
Net Absorption	(358,261)	(40,239)	629,982	N/A

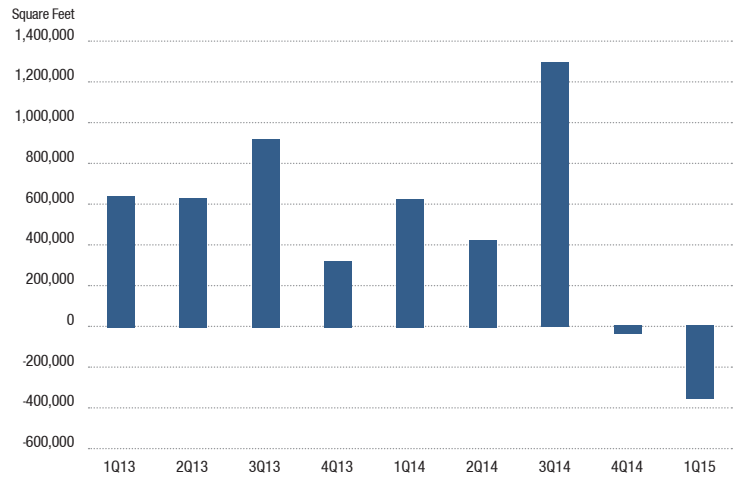
VACANCY & AVAILABILITY RATE

VACANCY – UNOCCUPIED SPACE | AVAILABILITY – ALL SPACE BEING MARKETED



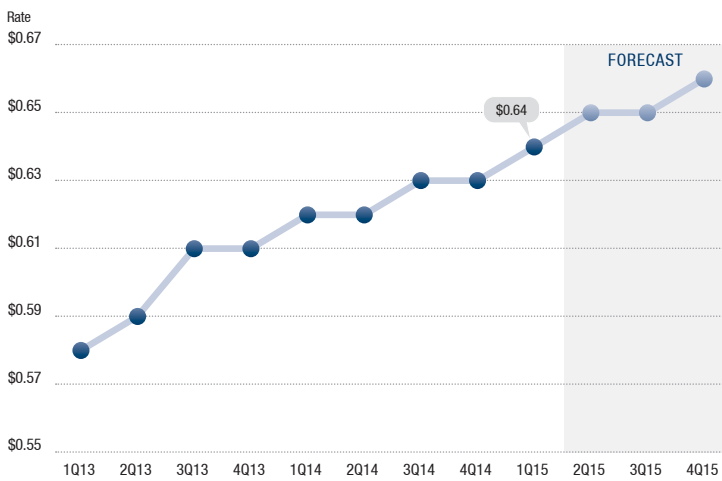
NET ABSORPTION

CHANGE IN THE AMOUNT OF OCCUPIED SPACE FROM ONE QUARTER TO THE NEXT



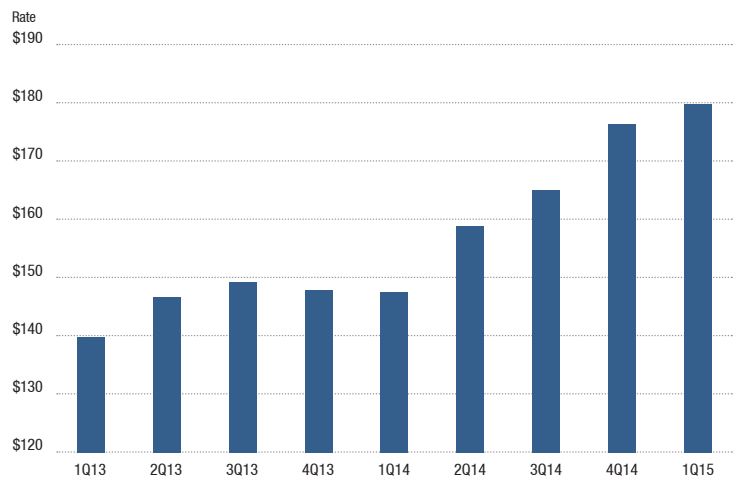
AVERAGE ASKING TRIPLE-NET LEASE RATE

MONTHLY OCCUPANCY COST ON A PER SQ. FT. BASIS



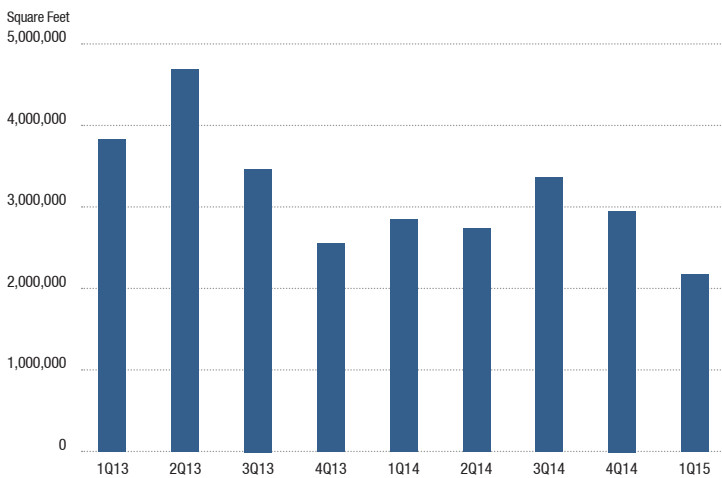
WEIGHTED AVERAGE ASKING SALES RATES

SALES PRICE ON A PER SQ. FT. BASIS



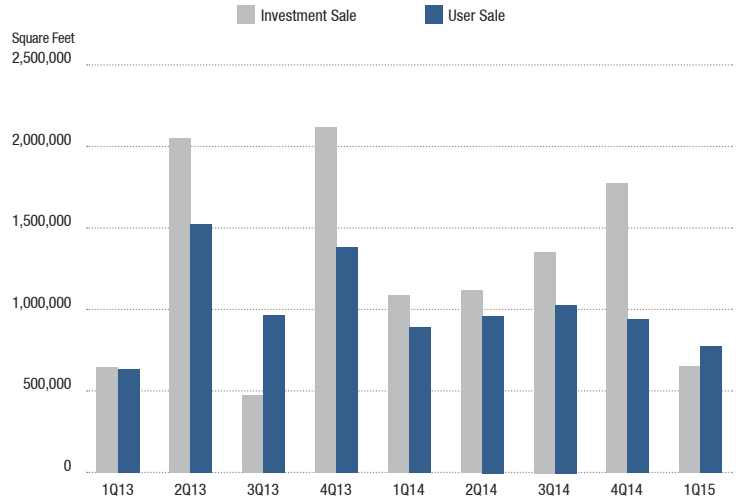
LEASE TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT LEASED IN A QUARTER



SALES TRANSACTIONS

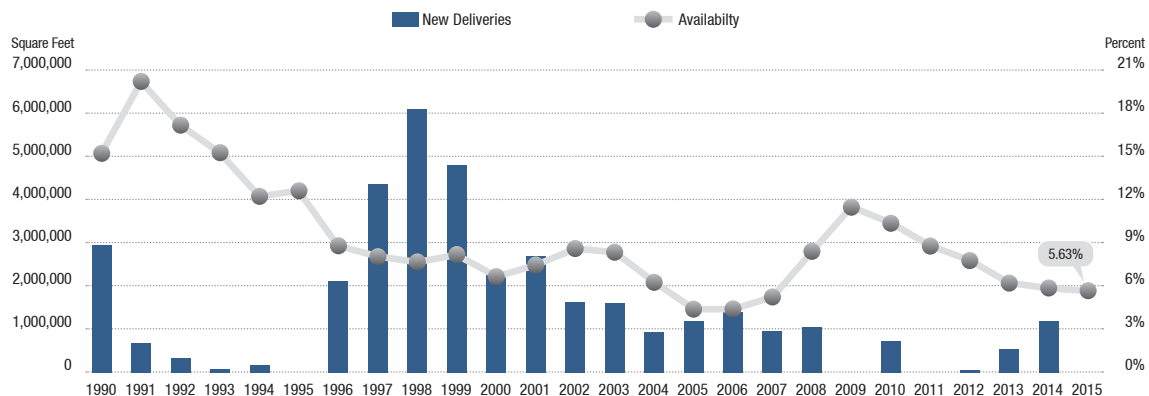
TOTAL AMOUNT OF SPACE THAT SOLD IN A QUARTER



	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 1Q2015	Square Feet Available	Availability Rate 1Q2015	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 1Q2015	Net Absorption 2014	Gross Absorption 1Q2015	Gross Absorption 2014
North County														
Anaheim	1,817	44,166,459	481,821	0	1,900,604	4.30%	2,249,189	5.09%	\$0.56	\$167.57	99,501	722,387	430,184	2,146,745
Brea	325	11,090,784	95,270	630,052	143,982	1.30%	444,613	4.01%	\$0.64	\$139.70	113,388	67,032	197,821	388,854
Buena Park	233	13,547,246	0	0	600,352	4.43%	933,110	6.89%	\$0.59	\$154.17	66,981	(94,776)	224,343	947,399
Fullerton	441	16,928,012	0	0	533,526	3.15%	1,351,969	7.99%	\$0.55	\$115.24	(259,189)	(8,626)	367,527	669,273
La Habra	197	4,088,646	0	15,000	632,996	15.48%	290,249	15.48%	\$0.82	\$206.96	41,200	(8,233)	46,144	78,932
Orange	735	13,567,355	0	0	206,946	1.53%	262,738	1.94%	\$0.90	\$183.10	4,671	(61,720)	126,629	253,819
Placentia	219	4,117,162	0	0	80,137	1.95%	117,988	2.87%	\$0.00	\$138.58	(23,201)	302,031	52,211	514,322
Yorba Linda	52	985,473	0	0	39,483	4.01%	56,706	5.75%	\$0.70	\$161.47	5,893	(36,063)	5,893	33,410
North County Total	4,019	108,491,137	577,091	645,052	4,138,026	3.81%	6,069,696	5.59%	\$0.58	\$157.81	49,244	882,032	1,450,752	5,032,754
West County														
Cypress	98	4,002,386	0	0	332,425	8.31%	610,346	15.25%	\$0.69	\$175.00	(3,032)	134,462	1,240	137,147
Garden Grove	480	12,037,664	0	0	280,309	2.33%	1,036,326	8.61%	\$0.64	\$133.53	166,642	(141,116)	225,128	530,730
Huntington Beach	672	14,024,956	144,754	41,668	290,249	2.07%	488,692	3.48%	\$0.62	\$193.77	(16,314)	779,245	112,521	1,366,241
La Palma	16	1,774,689	0	0	170,692	9.62%	193,580	10.91%	\$0.00	\$0.00	(170,692)	0	0	22,288
Los Alamitos	97	2,420,079	0	0	162,259	6.70%	166,940	6.90%	\$0.57	\$0.00	1,646	20,018	18,794	93,406
Seal Beach	15	981,146	0	0	0	0.00%	64,000	6.52%	\$0.73	\$171.88	0	0	0	0
Stanton	174	1,797,243	0	0	21,730	1.21%	33,854	1.88%	\$0.00	\$214.28	(10,572)	3,565	3,108	47,735
Westminster	152	2,383,235	0	0	43,218	1.81%	68,354	2.87%	\$0.65	\$195.00	(41,138)	11,010	0	53,725
West County Total	1,704	39,421,398	144,754	41,668	1,300,882	3.30%	2,662,092	6.75%	\$0.64	\$175.31	(73,460)	807,184	360,791	2,251,272
Airport Area														
Costa Mesa	415	7,550,116	0	0	239,854	3.18%	298,845	3.96%	\$0.66	\$263.72	6,901	(105,717)	54,277	205,659
Fountain Valley	184	3,703,496	0	224,200	10,421	0.28%	123,746	3.34%	\$1.39	\$0.00	2,452	12,267	10,788	101,789
Irvine	326	13,070,689	0	0	630,781	4.83%	836,456	6.40%	\$0.66	\$174.79	(168,256)	216,914	317,703	732,298
Newport Beach	50	877,356	0	0	9,144	1.04%	0	0.00%	\$0.00	\$0.00	(9,144)	1,359	0	2,359
Santa Ana	1,582	30,740,442	0	12,100	922,248	3.00%	1,122,612	3.65%	\$0.72	\$151.94	(89,116)	134,479	294,076	1,481,442
Tustin	116	4,563,595	0	0	188,530	4.13%	495,684	10.86%	\$0.60	\$190.20	64,119	(51,762)	74,950	213,814
Airport Area Total	2,673	60,505,694	0	236,300	2,000,978	3.31%	2,877,343	4.76%	\$0.67	\$185.08	(193,044)	207,540	751,794	2,737,361
South County														
Aliso Viejo	18	682,318	0	0	3,506	0.51%	19,746	2.89%	\$1.10	\$0.00	0	2,000	0	10,830
Foothill Ranch	67	3,559,956	0	0	117,086	3.29%	258,281	7.26%	\$0.83	\$198.00	(41,262)	5,128	0	84,323
Irvine Spectrum	210	9,254,934	26,382	0	438,058	4.73%	421,027	4.55%	\$0.71	\$210.48	(84,571)	125,245	110,852	634,874
Laguna Hills	93	1,214,160	0	15,000	46,576	3.84%	107,882	8.89%	\$1.02	\$194.09	18,761	(3,225)	56,765	121,728
Laguna Niguel	25	365,372	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
Lake Forest	197	4,206,610	0	0	223,105	5.30%	430,795	10.24%	\$0.80	\$220.93	(15,720)	(160,769)	21,157	297,210
Mission Viejo	35	543,540	0	0	15,773	2.90%	15,773	2.90%	\$0.00	\$210.03	4,281	1,653	5,481	46,951
Rancho Santa Margarita	104	1,624,681	0	0	47,718	2.94%	85,028	5.23%	\$0.76	\$202.22	(36,479)	21,639	12,889	44,119
San Clemente	172	2,088,259	0	0	49,368	2.36%	117,555	5.63%	\$0.79	\$164.79	13,989	49,137	38,789	185,550
San Juan Capistrano	43	915,020	0	0	20,044	2.19%	56,458	6.17%	\$1.05	\$0.00	0	35,487	0	70,703
South County Total	964	24,454,850	26,382	15,000	961,234	3.93%	1,512,545	6.19%	\$0.79	\$206.97	(141,001)	76,295	245,933	1,496,288
Orange County Total	9,360	232,873,079	748,227	938,020	8,401,120	3.61%	13,121,676	5.63%	\$0.64	\$179.75	(358,261)	1,973,051	2,809,270	11,517,675
Less than 9,999	3,310	20,078,439	0	0	225,712	1.12%	486,266	2.42%	\$0.91	\$232.60	(25,843)	186,330	167,573	920,191
10,000-19,999	3,160	43,666,372	0	42,100	1,052,084	2.41%	1,572,408	3.60%	\$0.86	\$184.43	(119,638)	326,925	511,341	2,378,917
20,000-29,999	1,193	28,359,357	60,037	0	520,717	1.84%	841,771	2.97%	\$0.76	\$181.10	75,179	41,611	386,460	1,479,736
30,000-39,999	487	16,519,929	45,087	105,200	299,921	1.82%	555,904	3.37%	\$0.66	\$176.00	(46,217)	283,949	145,116	961,680
40,000-49,999	300	13,168,182	0	41,668	518,220	3.94%	711,484	5.40%	\$0.61	\$142.22	(98,959)	(9,743)	123,711	616,627
50,000-74,999	372	22,338,493	113,956	0	803,932	3.60%	1,462,523	6.55%	\$0.64	\$141.83	88,808	(96,296)	358,033	1,041,636
75,000-99,999	165	14,123,689	189,842	0	471,597	3.34%	1,213,534	8.59%	\$0.71	\$179.70	239,721	58,738	271,677	531,244
100,000-149,999	181	21,256,807	339,305	226,942	1,078,375	5.07%	1,289,836	6.07%	\$0.63	\$182.26	(38,943)	(222,190)	289,270	954,319
150,000-199,999	70	11,841,339	0	154,916	1,115,700	9.42%	1,384,154	11.69%	\$0.54	\$0.00	112,841	340,660	262,168	741,558
200,000-299,999	70	16,734,459	0	367,194	685,335	4.10%	1,589,506	9.50%	\$0.55	\$190.50	112,429	463,119	293,921	1,291,819
300,000 Plus	52	24,786,013	0	0	1,629,527	6.57%	2,014,290	8.13%	\$0.65	\$0.00	(657,639)	599,948	0	599,948
Orange County Total	9,360	232,873,079	748,227	938,020	8,401,120	3.61%	13,121,676	5.63%	\$0.64	\$179.75	(358,261)	1,973,051	2,809,270	11,517,675

Lease rates are on a triple-net basis.

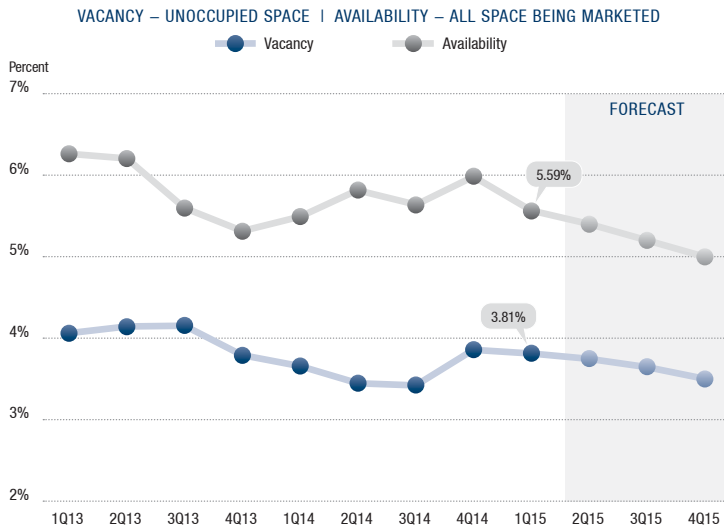
ANNUAL NEW DELIVERIES VS. AVAILABILITY RATE



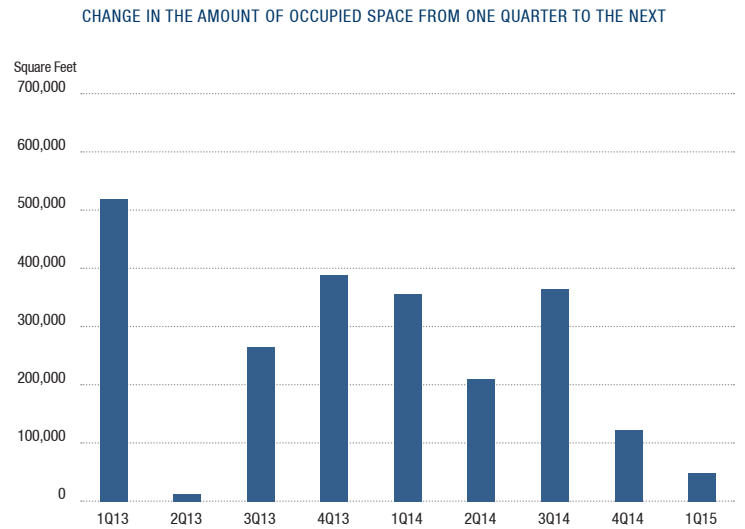
NORTH ORANGE COUNTY

In the first quarter of 2015, the North Orange County industrial market consisted of 4,019 buildings totaling 108,491,137 square feet and had an availability rate of 5.59%, which shows a decrease from the previous quarter's figure of 5.99%.

VACANCY & AVAILABILITY RATE

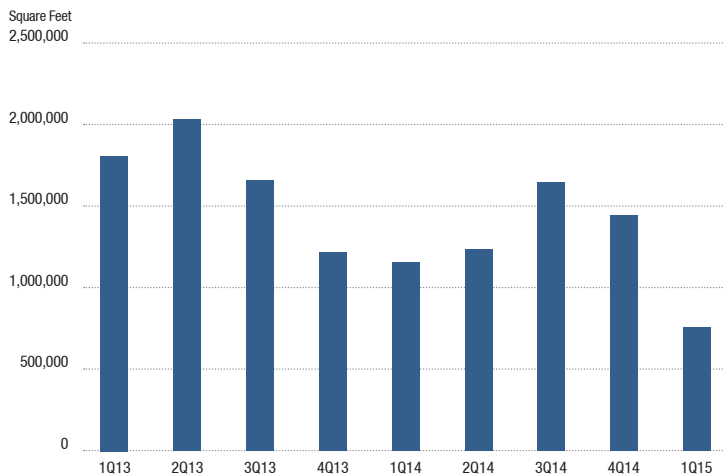


NET ABSORPTION



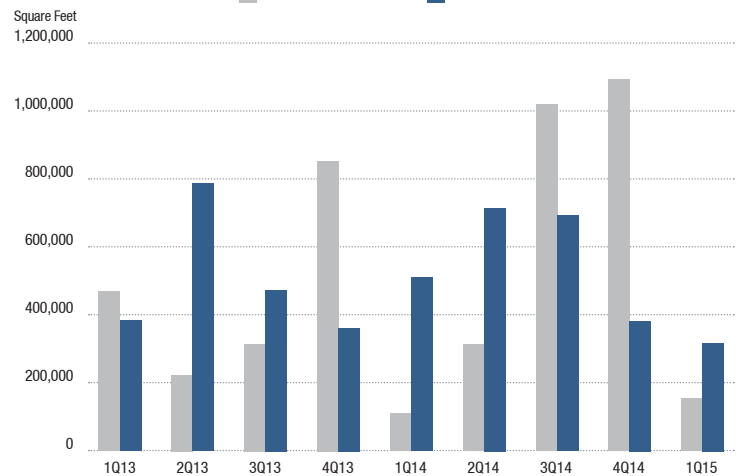
LEASE TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT LEASED IN A QUARTER



SALES TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT SOLD IN A QUARTER



INVENTORY

VACANCY & LEASE RATES

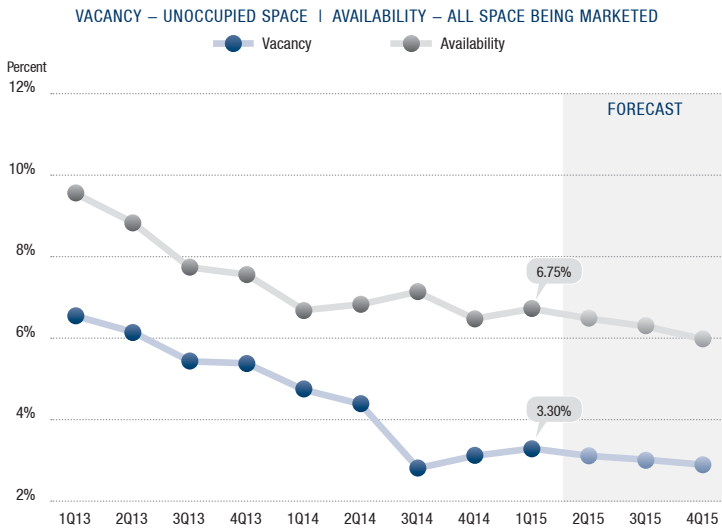
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 1Q2015	Square Feet Available	Availability Rate 1Q2015	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 1Q2015	Net Absorption 2014	Gross Absorption 1Q2015	Gross Absorption 2014
North Totals														
Less than 9,999	1,310	8,305,958	0	0	109,025	1.31%	192,330	2.32%	\$0.77	\$201.57	(20,695)	58,074	88,310	432,825
10,000-19,999	1,399	19,282,657	0	15,000	460,273	2.39%	670,749	3.48%	\$0.78	\$161.16	(17,171)	139,961	280,387	958,773
20,000-29,999	519	12,305,938	33,655	0	176,467	1.43%	355,202	2.89%	\$0.66	\$152.52	67,243	42,770	157,561	641,905
30,000-39,999	223	7,534,217	45,087	0	110,809	1.47%	235,694	3.13%	\$0.66	\$171.27	(13,033)	151,944	67,810	468,316
40,000-49,999	133	5,832,891	0	0	220,510	3.78%	346,104	5.93%	\$0.58	\$114.30	(40,981)	(16,965)	7,159	269,490
50,000-74,999	175	10,482,947	63,774	0	520,729	4.97%	778,734	7.43%	\$0.61	\$120.11	(66,906)	(81,637)	144,714	467,402
75,000-99,999	71	6,048,326	95,270	0	130,659	2.16%	261,243	4.32%	\$0.65	\$166.23	126,750	(35,240)	126,750	64,562
100,000-149,999	91	10,775,423	339,305	107,942	261,725	2.43%	362,952	3.37%	\$0.60	\$182.26	76,302	111,472	126,952	323,654
150,000-199,999	34	5,779,403	0	154,916	625,847	10.83%	794,526	13.75%	\$0.54	\$0.00	84,041	283,550	157,188	393,718
200,000-299,999	38	9,148,724	0	367,194	480,955	5.26%	881,135	9.63%	\$0.49	\$0.00	293,921	228,103	293,921	1,012,109
300,000 Plus	26	12,994,653	0	0	1,041,027	8.01%	1,191,027	9.17%	\$0.00	\$0.00	(440,227)	0	0	0
Total	4,019	108,491,137	577,091	645,052	4,138,026	3.81%	6,069,696	5.59%	\$0.58	\$157.81	49,244	882,032	1,450,752	5,032,754

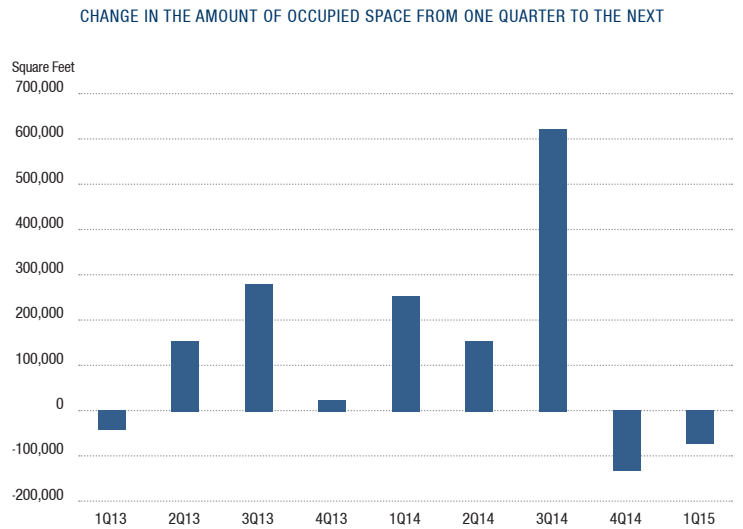
WEST ORANGE COUNTY

In the first quarter of 2015, the West Orange County industrial market consisted of 1,704 buildings totaling 39,421,398 square feet and had an availability rate of 6.75%, which shows an increase from the previous quarter's figure of 6.49%.

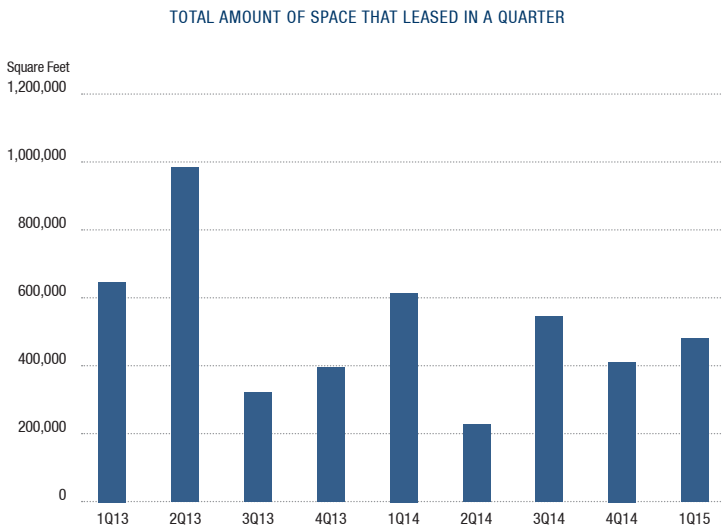
VACANCY & AVAILABILITY RATE



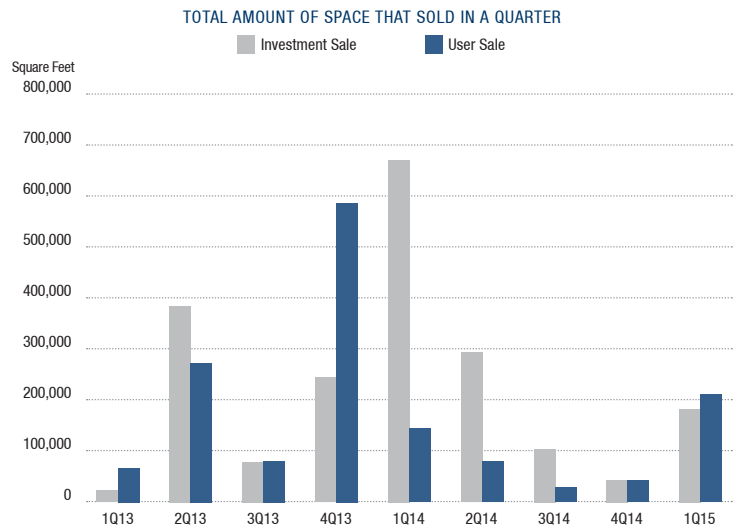
NET ABSORPTION



LEASE TRANSACTIONS



SALES TRANSACTIONS



INVENTORY

VACANCY & LEASE RATES

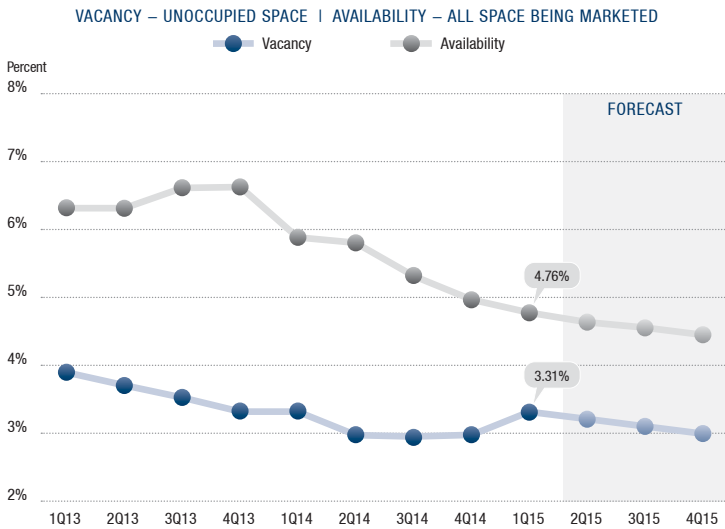
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 1Q2015	Square Feet Available	Availability Rate 1Q2015	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 1Q2015	Net Absorption 2014	Gross Absorption 1Q2015	Gross Absorption 2014
West Totals														
Less than 9,999	699	4,120,036	0	0	39,780	0.97%	99,637	2.42%	\$0.83	\$230.85	8,516	47,134	26,090	122,355
10,000–19,999	561	7,420,134	0	0	186,924	2.52%	290,920	3.92%	\$0.84	\$175.42	9,256	4,981	59,978	454,525
20,000–29,999	183	4,380,229	0	0	77,200	1.76%	105,227	2.40%	\$0.00	\$140.79	(18,378)	23,912	24,542	194,720
30,000–39,999	62	2,159,160	0	0	49,698	2.30%	96,220	4.46%	\$0.64	\$0.00	(33,120)	29,687	3,230	112,530
40,000–49,999	51	2,234,861	0	41,668	30,028	1.34%	119,712	5.36%	\$0.60	\$139.63	0	44,064	0	99,132
50,000–74,999	59	3,551,571	50,182	0	39,813	1.12%	272,452	7.67%	\$0.66	\$170.95	26,247	(54,810)	66,060	13,586
75,000–99,999	29	2,469,229	94,572	0	46,837	1.90%	95,900	3.88%	\$0.85	\$0.00	75,911	130,542	75,911	218,453
100,000–149,999	25	2,915,501	0	0	399,133	13.69%	438,388	15.04%	\$0.58	\$0.00	0	(140,164)	0	182,566
150,000–199,999	14	2,325,115	0	0	237,889	10.23%	211,302	9.09%	\$0.55	\$0.00	28,800	60,468	104,980	192,035
200,000–299,999	13	3,131,860	0	0	193,580	6.18%	697,571	22.27%	\$0.66	\$0.00	(170,692)	168,051	0	168,051
300,000 Plus	8	4,713,702	0	0	0	0.00%	234,763	4.98%	\$0.00	\$0.00	0	493,319	0	493,319
Total	1,704	39,421,398	144,754	41,668	1,300,882	3.30%	2,662,092	6.75%	\$0.64	\$175.31	(73,460)	807,184	360,791	2,251,272

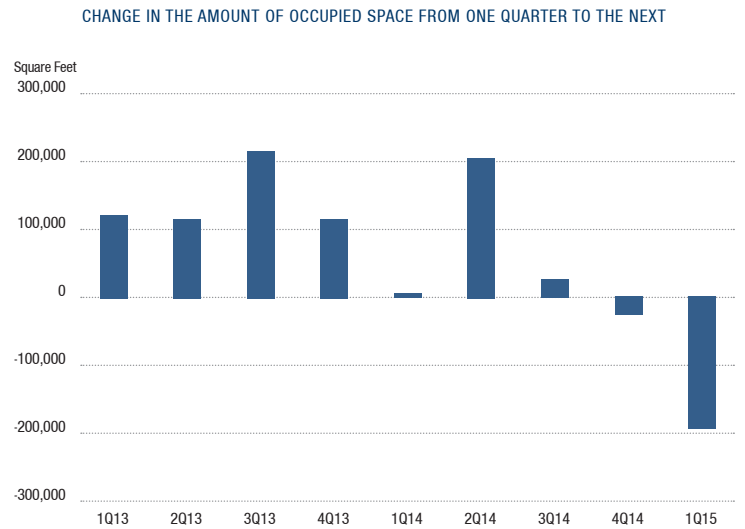
AIRPORT AREA

In the first quarter of 2015, the Airport Orange County industrial market consisted of 2,673 buildings totaling 60,505,694 square feet and had an availability rate of 4.76%, which shows a decrease from the previous quarter's figure of 4.96%.

VACANCY & AVAILABILITY RATE

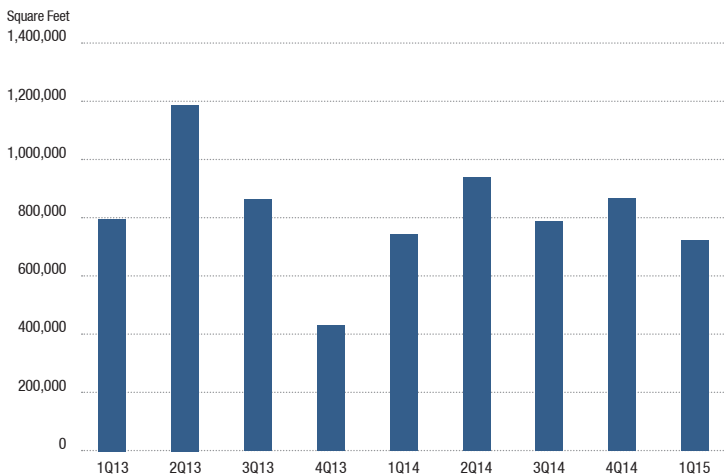


NET ABSORPTION



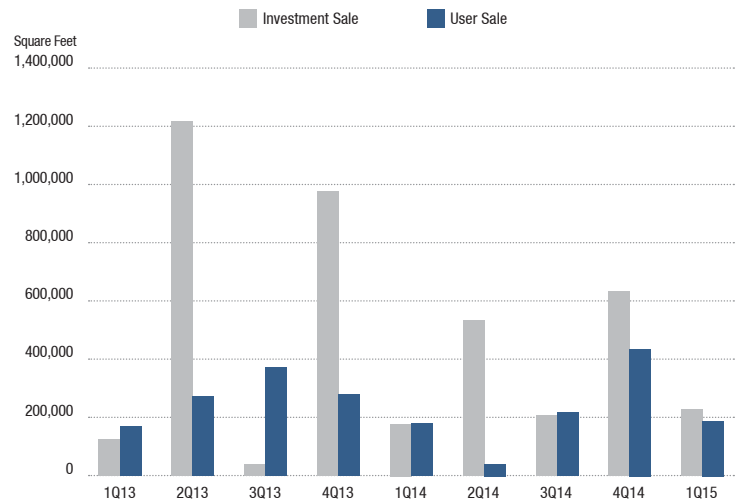
LEASE TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT LEASED IN A QUARTER



SALES TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT SOLD IN A QUARTER



INVENTORY

VACANCY & LEASE RATES

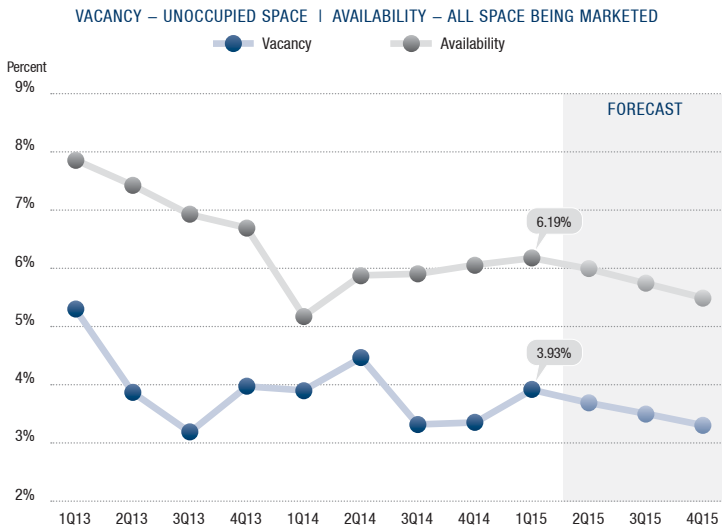
ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 1Q2015	Square Feet Available	Availability Rate 1Q2015	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 1Q2015	Net Absorption 2014	Gross Absorption 1Q2015	Gross Absorption 2014
Airport Totals														
Less than 9,999	939	5,403,579	0	0	40,550	0.75%	92,841	1.72%	\$0.95	\$249.66	(10,209)	61,195	33,257	224,778
10,000–19,999	900	12,582,094	0	12,100	245,562	1.95%	327,433	2.60%	\$0.89	\$276.38	(63,518)	121,432	113,743	681,099
20,000–29,999	354	8,415,373	0	0	168,488	2.00%	218,074	2.59%	\$0.72	\$189.85	22,525	(37,210)	153,913	392,570
30,000–39,999	155	5,248,901	0	105,200	102,069	1.94%	114,893	2.19%	\$0.72	\$166.45	(20,103)	59,127	54,037	232,710
40,000–49,999	88	3,841,832	0	0	210,735	5.49%	188,721	4.91%	\$0.58	\$119.00	(8,075)	(38,813)	116,552	187,962
50,000–74,999	104	6,275,780	0	0	204,312	3.26%	266,952	4.25%	\$0.57	\$148.04	75,166	10,662	92,958	327,376
75,000–99,999	51	4,395,923	0	0	89,000	2.02%	635,800	14.46%	\$0.69	\$181.22	37,060	57,040	69,016	136,732
100,000–149,999	45	5,167,422	0	119,000	192,599	3.73%	65,803	1.27%	\$0.69	\$0.00	(8,478)	(129,164)	118,318	291,700
150,000–199,999	14	2,396,280	0	0	159,163	6.64%	378,326	15.79%	\$0.00	\$0.00	0	(3,358)	0	155,805
200,000–299,999	13	3,166,726	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
300,000 Plus	10	3,611,784	0	0	588,500	16.29%	588,500	16.29%	\$0.65	\$0.00	(217,412)	106,629	0	106,629
Total	2,673	60,505,694	0	236,300	2,000,978	3.31%	2,877,343	4.76%	\$0.67	\$185.08	(193,044)	207,540	751,794	2,737,361

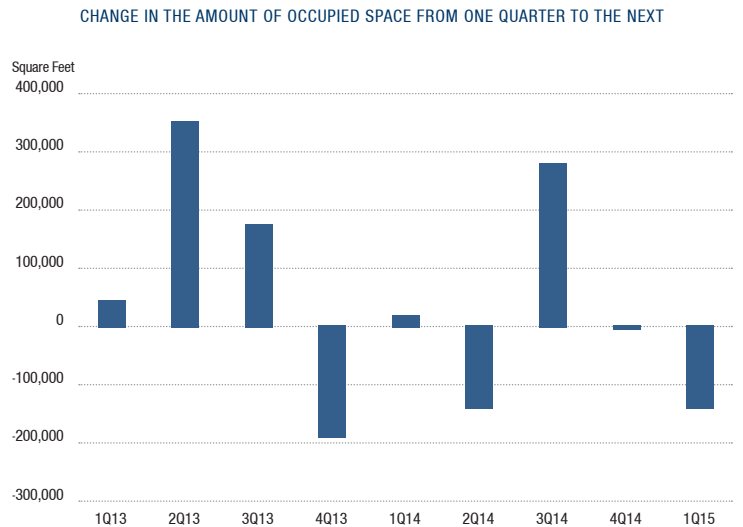
SOUTH ORANGE COUNTY

In the first quarter of 2015, the South Orange County industrial market consisted of 964 buildings totaling 24,454,850 square feet and had an availability rate of 6.19%, which shows an increase from the previous quarter's figure of 6.07%.

VACANCY & AVAILABILITY RATE

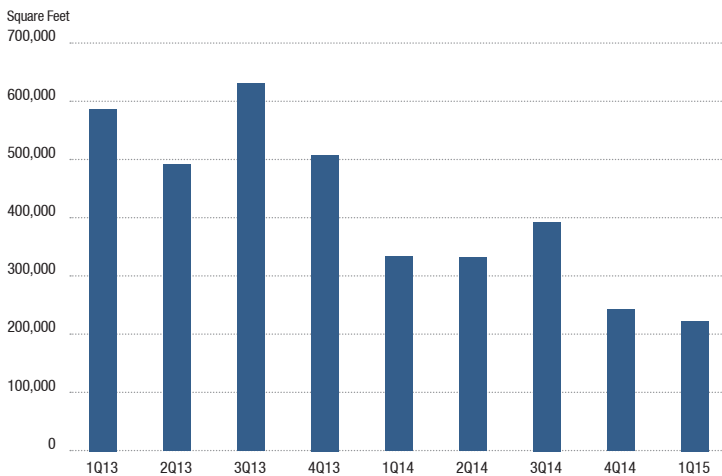


NET ABSORPTION



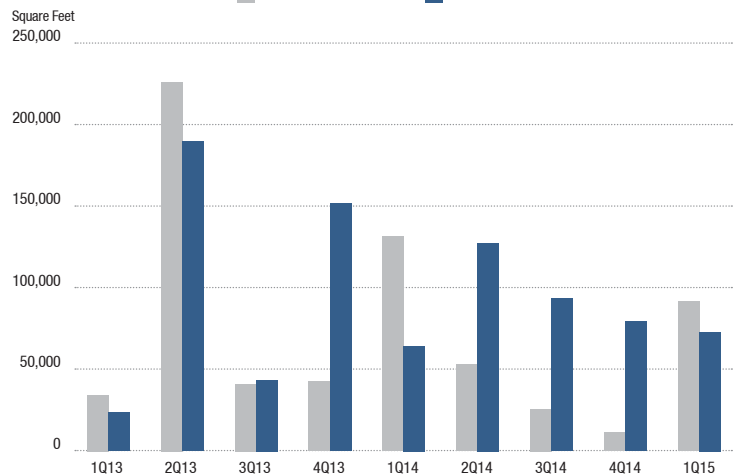
LEASE TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT LEASED IN A QUARTER



SALES TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT SOLD IN A QUARTER



INVENTORY

VACANCY & LEASE RATES

ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 1Q2015	Square Feet Available	Availability Rate 1Q2015	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 1Q2015	Net Absorption 2014	Gross Absorption 1Q2015	Gross Absorption 2014
South Totals														
Less than 9,999	362	2,248,866	0	0	36,357	1.62%	101,458	4.51%	\$1.12	\$253.92	(3,455)	19,927	19,916	140,233
10,000–19,999	300	4,381,487	0	15,000	159,325	3.64%	283,306	6.47%	\$0.88	\$201.75	(48,205)	60,551	57,233	284,520
20,000–29,999	137	3,257,817	26,382	0	98,562	3.03%	163,268	5.01%	\$1.00	\$209.89	3,789	12,139	50,444	250,541
30,000–39,999	47	1,577,651	0	0	37,345	2.37%	109,097	6.92%	\$0.00	\$191.83	20,039	43,191	20,039	148,124
40,000–49,999	28	1,258,598	0	0	56,947	4.52%	56,947	4.52%	\$0.75	\$189.61	(49,903)	1,971	0	60,043
50,000–74,999	34	2,028,195	0	0	39,078	1.93%	144,385	7.12%	\$0.78	\$0.00	54,301	29,489	54,301	233,272
75,000–99,999	14	1,210,211	0	0	205,101	16.95%	220,591	18.23%	\$0.72	\$201.64	0	(93,604)	0	111,497
100,000–149,999	20	2,398,461	0	0	224,918	9.38%	422,693	17.62%	\$0.68	\$0.00	(106,767)	(64,334)	44,000	156,399
150,000–199,999	8	1,340,541	0	0	92,801	6.92%	0	0.00%	\$0.00	\$0.00	0	0	0	0
200,000–299,999	6	1,287,149	0	0	10,800	0.84%	10,800	0.84%	\$0.75	\$190.50	(10,800)	66,965	0	111,659
300,000 Plus	8	3,465,874	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
Total	964	24,454,850	26,382	15,000	961,234	3.93%	1,512,545	6.19%	\$0.79	\$206.97	(141,001)	76,295	245,933	1,496,288

MAJOR TRANSACTIONS

Sales Transactions

Property Address	Submarket	Square Feet	Sale Price Per SF	Buyer	Seller
5665 Corporate Ave.	West County	159,943	\$137.55	Bixby Land Company	LBA Realty
25200 Commecentre Dr.	South County	83,640	\$133.31	Vogel Engineers	Agilent Technologies, Inc.
4101 Bonita Pl.	North County	85,480	\$113.48	Dean Family Trust	J.W. Mitchell
2215 Alton Pkwy.	Airport Area	72,619	\$131.92	Stadium Properties, LLC	MDD Partners, LP
10781 Forbes Ave. **	West County	77,500	\$119.29	Mahjoob	Paskin 2003 Trust

Lease Transactions

Property Address	Submarket	Square Feet	Transaction Date	Tenant	Owner
14000-14030 E. 183rd St.	West County	163,232	Mar-2015	Propmt Apparel LA, Inc.	183rd La Palma Inv. Oltmans
6800-6850 Artesia Blvd. – Renewal	North County	159,036	Jan-2015	Meadowbrook Meats	Heitman
10681 Calle Lee	West County	134,186	Mar-2015	Bar Bakers	Los Alamitos Corporate Center
2811 S. Harbor Blvd.	Airport Area	126,796	Mar-2015	Robinson Pharma	CT Harbor, LLC
1201 Bell Ave. – Renewal	Airport Area	122,807	Jan-2015	Logomark, Inc.	Bixby Land Company

** VRES Deal **

SUBMARKETS

NORTH

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

WEST

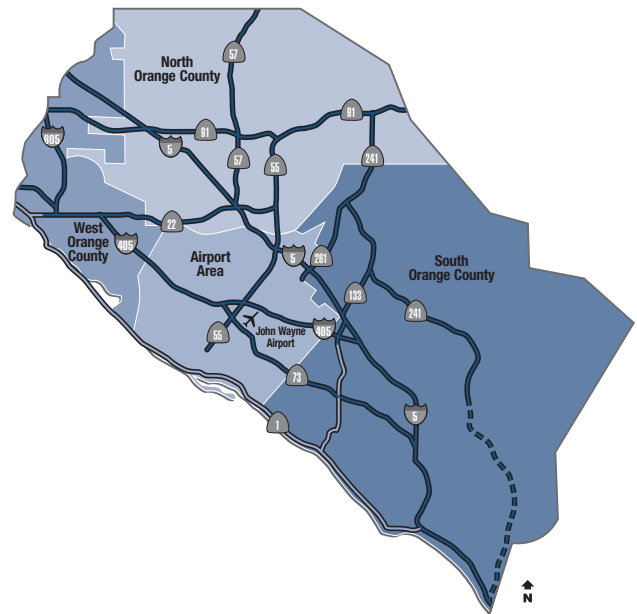
Cypress, Garden Grove, Huntington Beach, La Palma, Los Alamitos, Seal Beach, Stanton and Westminster

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



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