



# SECOND QUARTER 2014 ORANGE COUNTY INDUSTRIAL

**Voit**  
REAL ESTATE SERVICES

## MARKET CHANGE

Compared to the Previous Quarter:

Vacancy

DOWN



Net Absorption

POSITIVE



Sales Price

UP



Lease Rates

FLAT



Transactions

DOWN



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VOIT Real Estate Services

## HIGHLIGHTS

- **Encouraging Numbers** - The Orange County industrial market continued to improve, posting a sub-4% vacancy rate for the second quarter of 2014. Both vacancy and availability displayed significant drops and asking lease rates continued to increase annually. Net absorption posted over 650,000 square feet of positive absorption during the second quarter.
- **Construction** - There was 965,395 square feet under construction at the end of the second quarter of 2014 and over 1.76 million square feet planned, mostly in Anaheim and Brea. 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 3.77%, the lowest figure seen since the third quarter of 2008, and a decrease of almost 17% since the second quarter of 2013. The West County submarket presented the lowest vacancy rate in the county at 3.12%.
- **Availability** - Direct/sublease space being marketed came in at 6.07% for the second quarter of 2014, a 19 basis point increase from the previous quarter but a decrease of 12% from 2013's rate of 6.9%. 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 \$.62 per square foot per month, the same as the previous quarter and up three cents or 5.08% over 2013's second quarter figure. The South County submarket posted the highest average asking lease rate in the county at \$.73. The record high rate of \$.80 was established in the first and second quarters of 2008.
- **Sales Pricing** - The average asking sales price in the second quarter of 2014 was \$155.80 per square foot, eight dollars higher than the previous quarter and up 6.28% when compared to 2013's second 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 651,001 square feet of positive net absorption at the end of the second quarter of 2014, giving the industrial market 7.5 million square feet of positive absorption since the second quarter of 2010. West Orange County experienced over 642,000 square feet of positive absorption in the second quarter of 2014. We are forecasting that net absorption will continue its positive trend into 2014.
- **Transaction Activity** - Leasing activity for the end of the second quarter checked in at just under 2 million square feet, about 800,000 square feet less than the previous quarter. Sales activity was lower than the previous year, posting 1.7 million square feet in the second quarter, compared to 3.5 million in the second quarter of 2013. This statistic can have some lag time in being reported, so look for the second quarter figures to end up somewhat higher in the next report. Details of the largest transactions can be found on the back page of this report.
- **Employment** - The unemployment rate in Orange County was 4.9% in May 2014, down from a revised 5.0% in April 2014 and below the previous year's estimate of 5.9%. This compares with an unadjusted unemployment rate of 7.1% for California and 6.1% for the nation during the same period. According to the State of California Employment Development Department, Orange County saw a net increase of 22,600 payroll jobs from May 2013 to May 2014. Most sectors showed gains in employment; the largest gains were 7,800 in professional and business services and 7,200 in construction during that same period. Financial activities posted the largest year-over-year loss, dropping by 4,900 jobs.
- **Overall** - Vacancy continues to drop, and the amount of available space has decreased significantly 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. While these are certainly positive indicators, cautious optimism still prevails, as job creation will need to continue in order to drive the demand needed to sustain growth in the Orange County industrial market.

## FORECAST

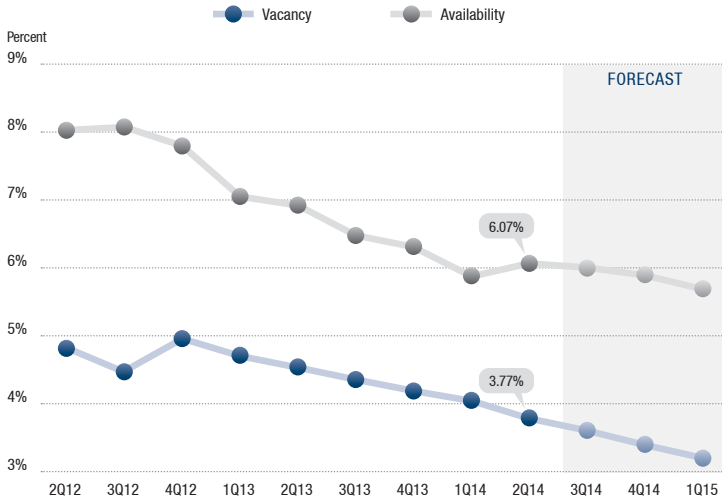
- **Employment** - We anticipate job growth of around 2.6%, or 37,000 jobs, in the Orange County area over the year. The most rapid growth is forecasted to take place in the construction, education & health, professional & business services, and leisure & hospitality sectors.
- **Lease Rates** - Expect average asking lease rates to increase by another 5%–8% by 2015.
- **Vacancy** - We anticipate the vacancy rate continuing to descend in coming quarters, dropping by 60 basis points, to around 3.2% by 2015.

## OVERVIEW

	2Q14	1Q14	2Q13	% of Change vs. 2Q13
Vacancy Rate	3.77%	4.05%	4.54%	(16.96%)
Availability Rate	6.07%	5.88%	6.90%	(12.03%)
Average Asking Lease Rate	\$0.62	\$0.62	\$0.59	5.08%
Average Asking Sale Price	\$155.80	\$147.55	\$146.59	6.28%
Sale & Lease Transactions	3,661,967	4,749,771	8,234,050	(55.53%)
Gross Absorption	2,968,887	2,783,267	3,349,189	(11.36%)
Net Absorption	651,001	527,008	481,636	N/A

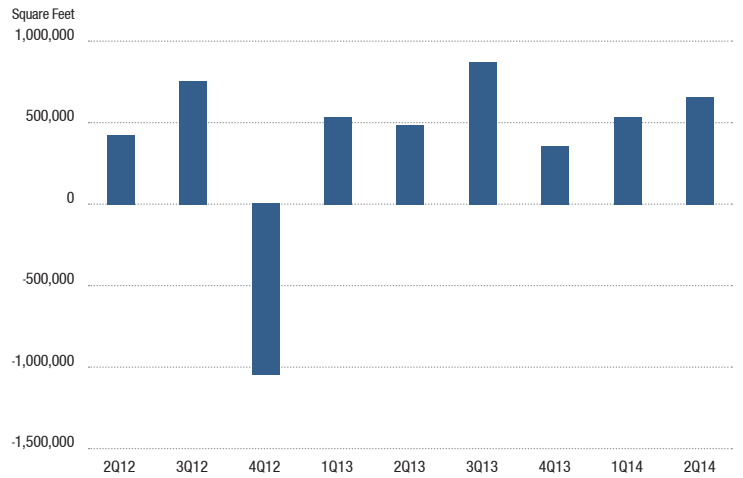
## VACANCY & AVAILABILITY RATE

VACANCY – UNOCCUPIED SPACE | AVAILABILITY – ALL SPACE BEING MARKETED



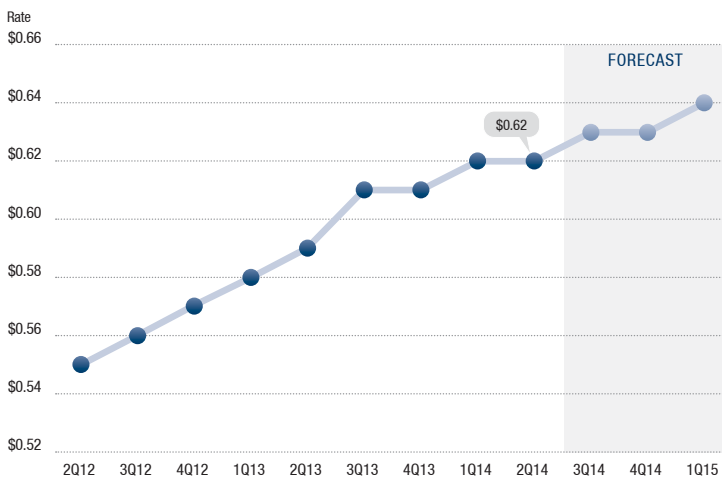
## NET ABSORPTION

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



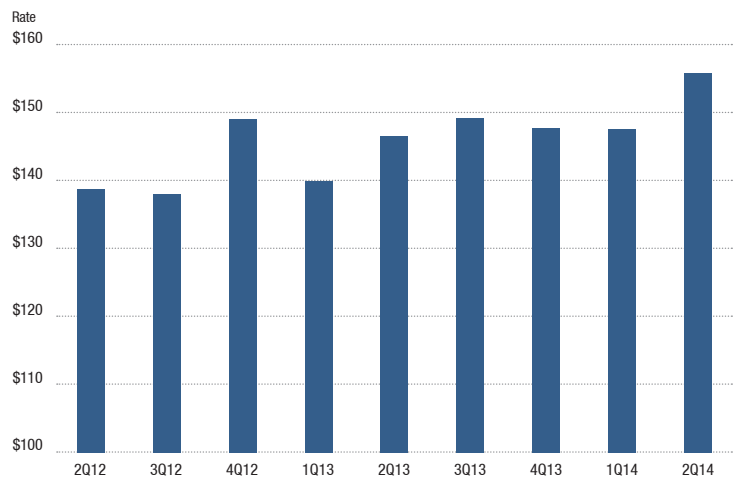
## AVERAGE ASKING TRIPLE-NET LEASE RATE

MONTHLY OCCUPANCY COST ON A PER SQ. FT. BASIS



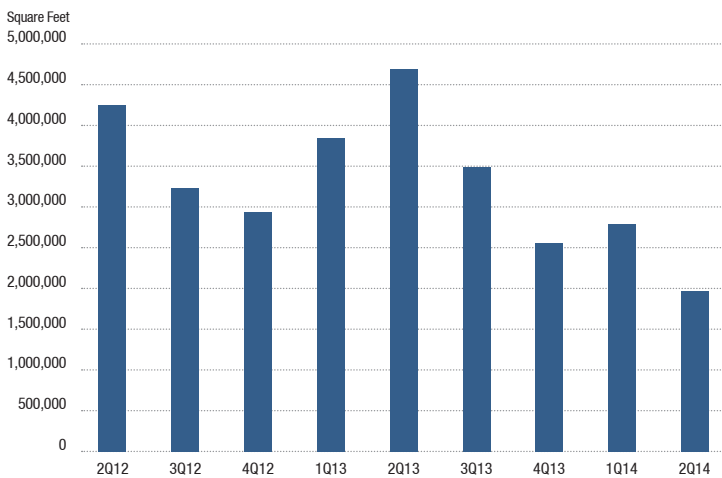
## WEIGHTED AVERAGE ASKING SALES RATES

SALES PRICE ON A PER SQ. FT. BASIS



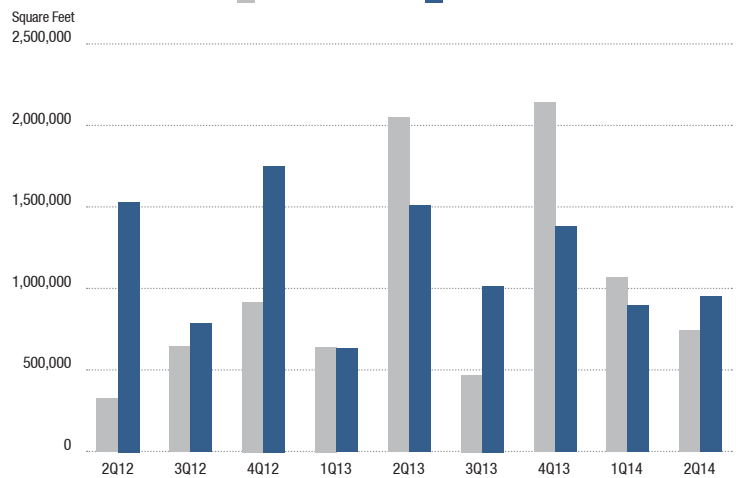
## LEASE TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT LEASED IN A QUARTER



## SALES TRANSACTIONS

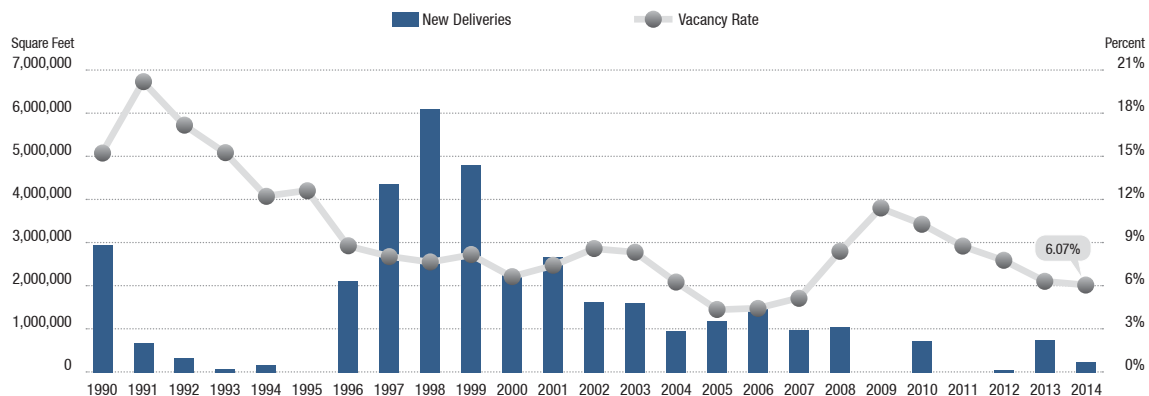
TOTAL AMOUNT OF SPACE THAT SOLD IN A QUARTER



	INVENTORY				VACANCY & LEASE RATES					ABSORPTION				
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2014	Square Feet Available	Availability Rate 2Q2014	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 2Q2014	Net Absorption 2014	Gross Absorption 2Q2014	Gross Absorption 2014
<b>North County</b>														
Anaheim	1,820	43,718,090	965,395	599,642	1,443,864	3.30%	2,019,919	4.62%	\$0.52	\$152.24	239,252	478,163	515,489	1,036,953
Brea	327	11,448,021	0	725,052	289,129	2.53%	1,038,465	9.07%	\$0.59	\$122.88	75,238	35,273	120,251	154,464
Buena Park	231	13,490,591	0	0	658,051	4.88%	817,475	6.06%	\$0.60	\$149.50	(241,837)	64,506	118,035	610,317
Fullerton	442	16,915,471	0	0	577,920	3.42%	1,193,271	7.05%	\$0.54	\$109.34	(18,583)	(199,265)	77,134	202,251
La Habra	200	4,109,591	0	15,000	666,024	16.21%	705,657	17.17%	\$0.90	\$181.56	7,878	3,439	23,591	46,956
Orange	738	13,593,128	0	0	268,403	1.97%	409,027	3.01%	\$1.14	\$162.67	(46,608)	(45,804)	54,370	102,392
Placentia	219	4,119,860	0	0	303,709	7.37%	225,484	5.47%	\$0.60	\$137.63	33,307	55,258	78,881	140,114
Yorba Linda	51	971,437	0	0	35,787	3.68%	29,787	3.07%	\$0.00	\$176.44	(25,282)	(26,474)	0	8,336
<b>North County Total</b>	<b>4,028</b>	<b>108,366,189</b>	<b>965,395</b>	<b>1,339,694</b>	<b>4,242,887</b>	<b>3.92%</b>	<b>6,439,085</b>	<b>5.94%</b>	<b>\$0.56</b>	<b>\$142.84</b>	<b>23,365</b>	<b>365,096</b>	<b>987,751</b>	<b>2,301,783</b>
<b>West County</b>														
Cypress	97	3,905,195	0	0	406,471	10.41%	721,153	18.47%	\$0.59	\$185.68	8,050	57,384	9,290	60,069
Garden Grove	481	12,050,300	0	0	319,351	2.65%	947,474	7.86%	\$0.58	\$136.32	4,388	(12,076)	128,648	260,718
Huntington Beach	673	14,186,042	0	186,154	312,826	2.21%	684,673	4.83%	\$0.52	\$185.30	606,547	816,534	720,878	979,599
La Palma	16	1,777,797	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
Los Alamitos	96	2,395,768	0	0	177,955	7.43%	194,788	8.13%	\$0.58	\$0.00	9,571	5,968	16,395	29,073
Seal Beach	15	981,146	0	0	0	0.00%	64,000	6.52%	\$0.79	\$0.00	0	0	0	0
Stanton	176	1,814,297	0	0	4,902	0.27%	39,746	2.19%	\$0.00	\$111.00	9,738	23,501	17,588	38,483
Westminster	151	2,366,424	0	0	9,540	0.40%	43,359	1.83%	\$0.00	\$0.00	3,750	3,550	13,713	13,713
<b>West County Total</b>	<b>1,705</b>	<b>39,476,969</b>	<b>0</b>	<b>186,154</b>	<b>1,231,045</b>	<b>3.12%</b>	<b>2,695,283</b>	<b>6.83%</b>	<b>\$0.59</b>	<b>\$148.92</b>	<b>642,044</b>	<b>894,861</b>	<b>906,512</b>	<b>1,381,655</b>
<b>Airport Area</b>														
Costa Mesa	418	7,603,088	0	0	207,352	2.73%	321,324	4.23%	\$0.78	\$236.47	(5,434)	(58,814)	20,457	67,262
Fountain Valley	184	3,704,996	0	155,000	19,222	0.52%	101,536	2.74%	\$0.00	\$264.39	29,782	5,918	46,142	74,505
Irvine	325	12,658,879	0	12,100	758,931	6.00%	1,100,410	8.69%	\$0.71	\$154.15	(26,979)	(1,492)	159,828	318,540
Newport Beach	53	927,151	0	0	1,359	0.15%	1,359	0.15%	\$1.50	\$390.27	0	0	0	1,000
Santa Ana	1,579	30,714,835	0	0	891,956	2.90%	1,547,246	5.04%	\$0.65	\$131.82	165,884	199,051	403,644	705,628
Tustin	114	4,449,641	0	0	214,011	4.81%	368,113	8.27%	\$0.61	\$150.38	57,308	(13,124)	92,084	123,029
<b>Airport Area Total</b>	<b>2,673</b>	<b>60,058,590</b>	<b>0</b>	<b>167,100</b>	<b>2,092,831</b>	<b>3.48%</b>	<b>3,439,988</b>	<b>5.73%</b>	<b>\$0.69</b>	<b>\$150.92</b>	<b>220,561</b>	<b>131,539</b>	<b>722,155</b>	<b>1,289,964</b>
<b>South County</b>														
Aliso Viejo	18	677,214	0	0	9,136	1.35%	5,630	0.83%	\$0.00	\$184.53	(3,630)	(3,630)	0	0
Foothill Ranch	68	3,662,205	0	53,264	191,303	5.22%	223,263	6.10%	\$0.70	\$0.00	(135,437)	(110,351)	0	25,086
Irvine Spectrum	211	9,262,876	0	0	465,686	5.03%	423,522	4.57%	\$0.68	\$221.10	(78,193)	14,746	135,040	381,868
Laguna Hills	94	1,227,975	0	0	61,649	5.02%	105,227	8.57%	\$1.09	\$230.00	8,903	16,063	42,057	63,014
Laguna Niguel	25	365,372	0	15,000	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
Lake Forest	196	4,215,010	0	0	325,844	7.73%	513,466	12.18%	\$0.75	\$184.24	(58,519)	(200,212)	60,838	97,522
Mission Viejo	35	543,540	0	0	32,869	6.05%	23,479	4.32%	\$0.00	\$0.00	(3,064)	(11,162)	5,774	10,271
Rancho Santa Margarita	105	1,630,885	0	0	14,154	0.87%	62,120	3.81%	\$0.88	\$208.64	8,172	18,724	13,892	33,699
San Clemente	170	2,065,310	0	0	90,182	4.37%	162,519	7.87%	\$0.76	\$166.74	(10,710)	16,956	53,183	109,263
San Juan Capistrano	44	940,102	0	0	10,110	1.08%	21,110	2.25%	\$0.90	\$215.00	37,509	45,421	41,685	58,029
<b>South County Total</b>	<b>966</b>	<b>24,590,489</b>	<b>0</b>	<b>68,264</b>	<b>1,200,933</b>	<b>4.88%</b>	<b>1,540,336</b>	<b>6.26%</b>	<b>\$0.73</b>	<b>\$197.35</b>	<b>(234,969)</b>	<b>(213,445)</b>	<b>352,469</b>	<b>778,752</b>
<b>Orange County Total</b>	<b>9,372</b>	<b>232,492,237</b>	<b>965,395</b>	<b>1,761,212</b>	<b>8,767,696</b>	<b>3.77%</b>	<b>14,114,692</b>	<b>6.07%</b>	<b>\$0.62</b>	<b>\$155.80</b>	<b>651,001</b>	<b>1,178,051</b>	<b>2,968,887</b>	<b>5,752,154</b>
Less than 9,999	3,307	20,063,110	0	0	289,009	1.44%	548,164	2.73%	\$0.98	\$215.92	90,347	115,021	264,333	524,709
10,000-19,999	3,176	43,844,006	0	42,100	1,168,023	2.66%	1,823,064	4.16%	\$0.92	\$159.56	74,638	122,430	599,833	1,154,949
20,000-29,999	1,200	28,543,479	0	0	672,456	2.36%	1,128,512	3.95%	\$0.71	\$164.53	(43,321)	(29,771)	429,006	742,399
30,000-39,999	488	16,559,313	0	71,085	399,283	2.41%	787,425	4.76%	\$0.77	\$145.46	149,906	151,670	332,816	500,531
40,000-49,999	296	12,981,849	48,864	89,488	365,371	2.81%	818,492	6.30%	\$0.62	\$149.71	(84,119)	11,213	115,729	271,807
50,000-74,999	367	22,039,261	194,173	170,048	779,346	3.54%	1,417,608	6.43%	\$0.61	\$126.57	(5,280)	(104,373)	94,060	304,533
75,000-99,999	165	14,073,891	96,408	189,752	636,616	4.52%	1,030,483	7.32%	\$0.60	\$158.51	(86,653)	101,032	112,360	336,432
100,000-149,999	183	21,461,367	0	462,380	1,492,803	6.96%	2,348,431	10.94%	\$0.60	\$132.15	(93,809)	(339,474)	70,490	292,280
150,000-199,999	68	11,531,812	625,950	154,826	1,231,718	10.68%	1,162,761	10.08%	\$0.62	\$128.96	(85,911)	(99,343)	24,257	39,625
200,000-299,999	70	16,711,964	0	214,339	571,185	3.42%	1,496,425	8.95%	\$0.54	\$0.00	175,255	689,698	366,055	1,024,941
300,000 Plus	52	24,682,185	0	367,194	1,161,886	4.71%	1,553,327	6.29%	\$0.57	\$0.00	559,948	559,948	559,948	559,948
<b>Orange County Total</b>	<b>9,372</b>	<b>232,492,237</b>	<b>965,395</b>	<b>1,761,212</b>	<b>8,767,696</b>	<b>3.77%</b>	<b>14,114,692</b>	<b>6.07%</b>	<b>\$0.62</b>	<b>\$155.80</b>	<b>651,001</b>	<b>1,178,051</b>	<b>2,968,887</b>	<b>5,752,154</b>

Lease rates are on a triple-net basis.

## ANNUAL NEW DELIVERIES VS. VACANCY RATE

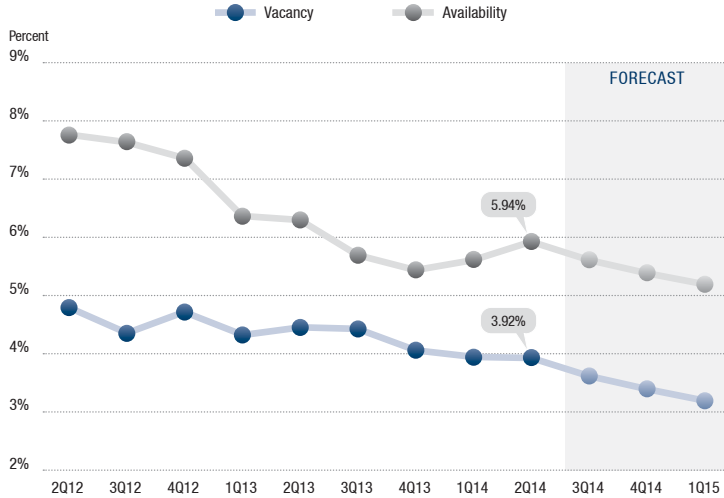


## NORTH ORANGE COUNTY

In the second quarter of 2014, the North Orange County industrial market consisted of 4,028 buildings totaling 108,366,189 square feet and had an availability rate of 5.94%, which shows an increase from the previous quarter's figure of 5.49%.

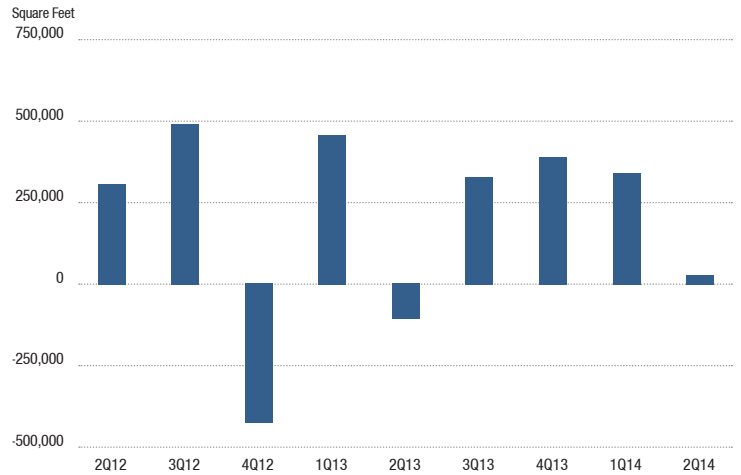
### VACANCY & AVAILABILITY RATE

VACANCY – UNOCCUPIED SPACE | AVAILABILITY – ALL SPACE BEING MARKETED



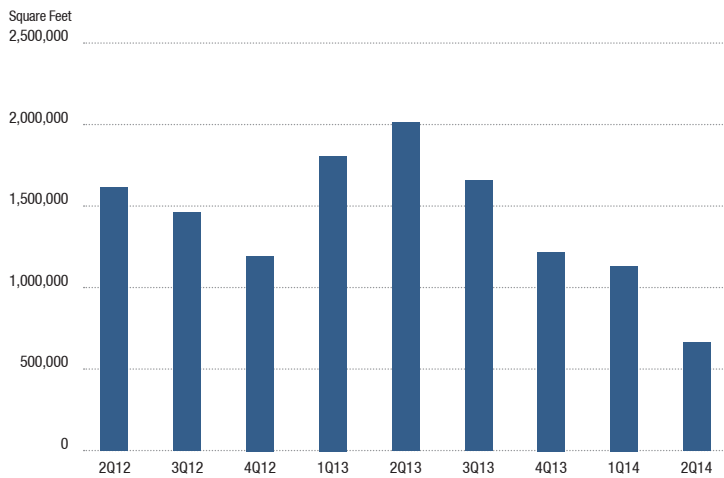
### NET ABSORPTION

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



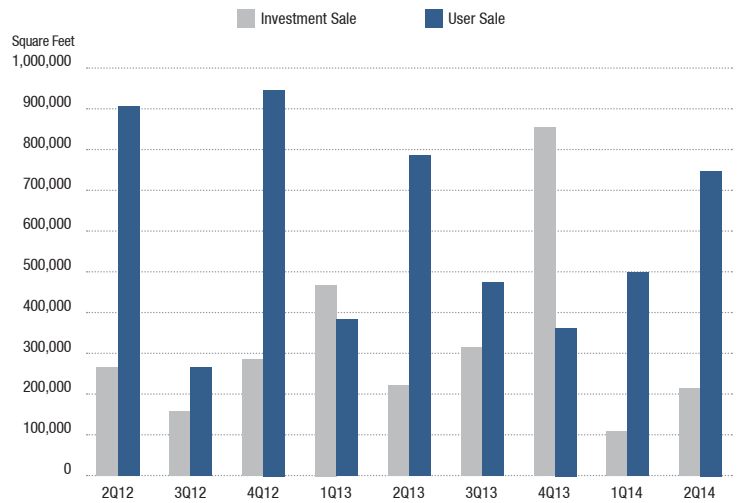
### LEASE TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT LEASED IN A QUARTER



### SALES TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT SOLD IN A QUARTER



### INVENTORY

### VACANCY & LEASE RATES

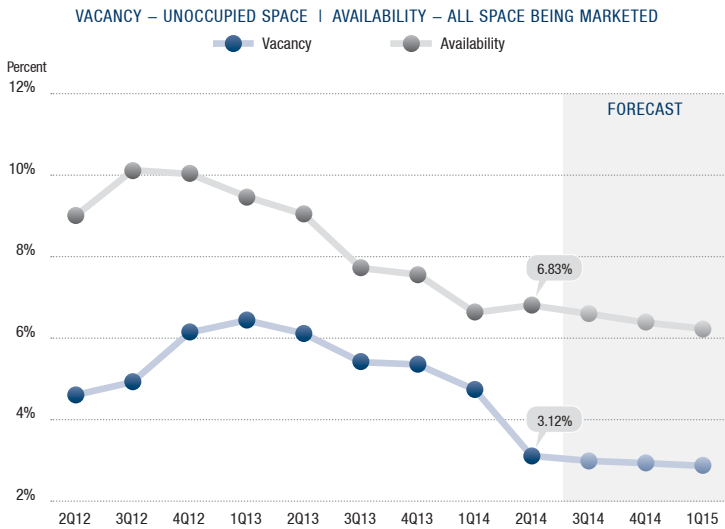
### ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2014	Square Feet Available	Availability Rate 2Q2014	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 2Q2014	Net Absorption 2014	Gross Absorption 2Q2014	Gross Absorption 2014
<b>North Totals</b>														
Less than 9,999	1,310	8,298,476	0	0	147,660	1.78%	226,312	2.73%	\$0.90	\$184.78	34,445	1,744	114,065	220,399
10,000-19,999	1,413	19,486,355	0	15,000	532,472	2.73%	820,529	4.21%	\$0.83	\$145.28	70,635	69,091	228,016	464,234
20,000-29,999	521	12,345,865	0	0	360,921	2.92%	578,192	4.68%	\$0.70	\$138.76	(102,251)	(87,441)	131,611	248,221
30,000-39,999	223	7,534,001	0	36,085	185,612	2.46%	344,251	4.57%	\$0.73	\$141.17	35,955	64,108	137,365	231,512
40,000-49,999	129	5,649,800	48,864	48,088	129,123	2.29%	282,269	5.00%	\$0.56	\$147.88	(12,993)	507	23,080	92,638
50,000-74,999	171	10,233,244	194,173	66,602	316,179	3.09%	734,128	7.17%	\$0.58	\$108.77	(35,652)	(65,464)	19,120	65,935
75,000-99,999	73	6,196,028	96,408	95,180	116,061	1.87%	159,874	2.58%	\$0.47	\$0.00	9,700	9,700	10,000	10,000
100,000-149,999	92	10,881,424	0	342,380	633,209	5.82%	897,019	8.24%	\$0.55	\$130.35	70,490	(39,710)	70,490	132,472
150,000-199,999	31	5,308,942	625,950	154,826	575,232	10.84%	411,506	7.75%	\$0.54	\$0.00	(110,168)	(94,800)	0	15,368
200,000-299,999	38	9,126,229	0	214,339	495,618	5.43%	1,234,205	13.52%	\$0.54	\$0.00	63,204	507,361	254,004	821,004
300,000 Plus	27	13,305,825	0	367,194	750,800	5.64%	750,800	5.64%	\$0.00	\$0.00	0	0	0	0
<b>Total</b>	<b>4,028</b>	<b>108,366,189</b>	<b>965,395</b>	<b>1,339,694</b>	<b>4,242,887</b>	<b>3.92%</b>	<b>6,439,085</b>	<b>5.94%</b>	<b>\$0.56</b>	<b>\$142.84</b>	<b>23,365</b>	<b>365,096</b>	<b>987,751</b>	<b>2,301,783</b>

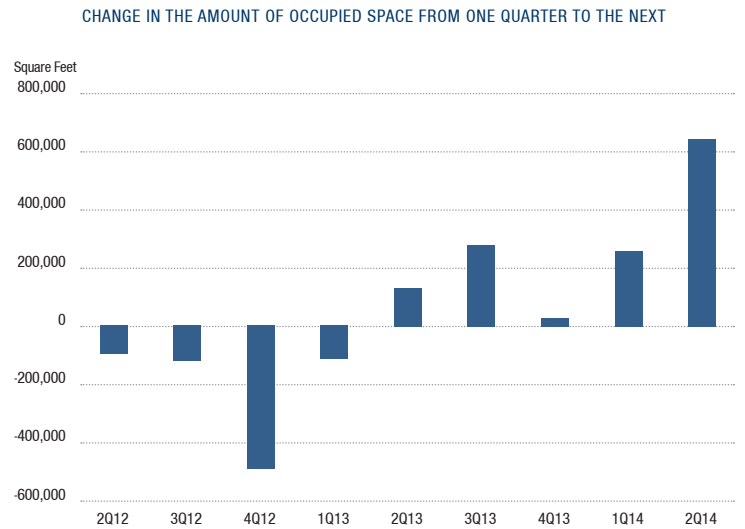
WEST ORANGE COUNTY

In the second quarter of 2014, the West Orange County industrial market consisted of 1,705 buildings totaling 39,476,969 square feet and had an availability rate of 6.83%, which shows a slight increase from the previous quarter's figure of 6.80%.

VACANCY & AVAILABILITY RATE

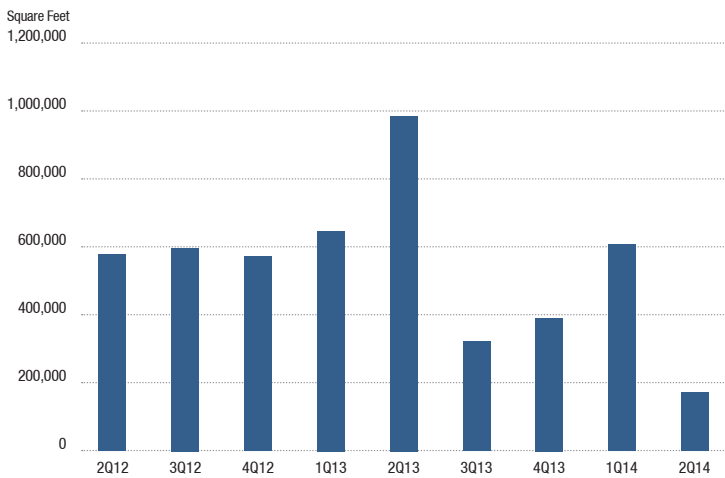


NET ABSORPTION



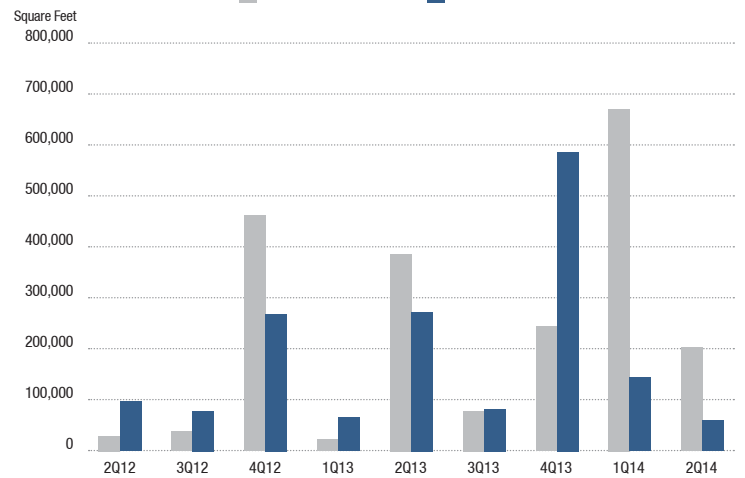
LEASE TRANSACTIONS

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

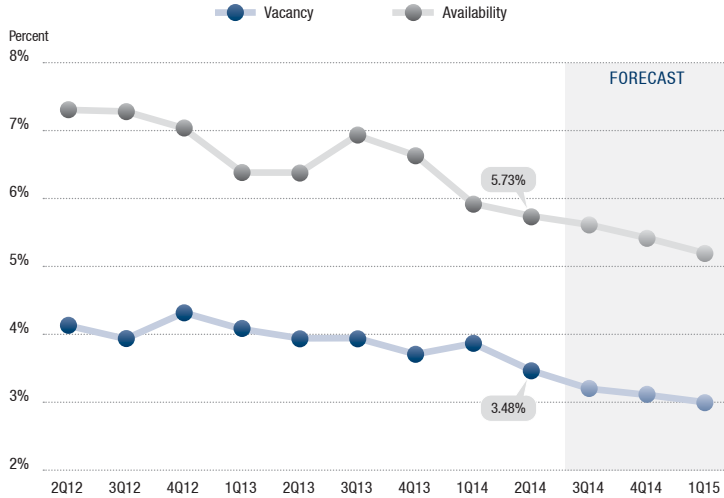
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2014	Square Feet Available	Availability Rate 2Q2014	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 2Q2014	Net Absorption 2014	Gross Absorption 2Q2014	Gross Absorption 2014
<b>West Totals</b>														
Less than 9,999	699	4,105,404	0	0	39,657	0.97%	96,892	2.36%	\$0.82	\$192.20	20,565	55,773	49,940	94,731
10,000–19,999	562	7,435,087	0	0	203,786	2.74%	370,184	4.98%	\$0.69	\$169.69	(25,104)	11,055	108,606	227,542
20,000–29,999	184	4,409,121	0	0	39,889	0.90%	123,996	2.81%	\$0.87	\$125.89	18,494	44,285	66,501	109,525
30,000–39,999	61	2,127,160	0	0	49,165	2.31%	51,665	2.43%	\$0.65	\$138.00	(2,952)	(2,900)	3,048	38,973
40,000–49,999	51	2,231,641	0	41,400	27,000	1.21%	27,000	1.21%	\$0.00	\$0.00	0	47,092	45,040	92,132
50,000–74,999	59	3,551,570	0	50,182	45,896	1.29%	102,396	2.88%	\$0.67	\$151.03	1,414	(34,646)	3,750	3,750
75,000–99,999	28	2,373,329	0	94,572	135,915	5.73%	243,748	10.27%	\$0.61	\$128.95	0	117,375	0	129,375
100,000–149,999	25	2,912,046	0	0	258,969	8.89%	692,553	23.78%	\$0.58	\$0.00	0	0	0	0
150,000–199,999	15	2,486,049	0	0	407,880	16.41%	316,282	12.72%	\$0.54	\$0.00	24,257	(4,543)	24,257	24,257
200,000–299,999	13	3,131,860	0	0	22,888	0.73%	239,126	7.64%	\$0.00	\$0.00	112,051	168,051	112,051	168,051
300,000 Plus	8	4,713,702	0	0	0	0.00%	431,441	9.15%	\$0.49	\$0.00	493,319	493,319	493,319	493,319
<b>Total</b>	<b>1,705</b>	<b>39,476,969</b>	<b>0</b>	<b>186,154</b>	<b>1,231,045</b>	<b>3.12%</b>	<b>2,695,283</b>	<b>6.83%</b>	<b>\$0.59</b>	<b>\$148.92</b>	<b>642,044</b>	<b>894,861</b>	<b>906,512</b>	<b>1,381,655</b>

## AIRPORT AREA

In the second quarter of 2014, the Airport Orange County industrial market consisted of 2,673 buildings totaling 60,058,590 square feet and had an availability rate of 5.73%, which shows a decrease from the previous quarter's figure of 5.96%.

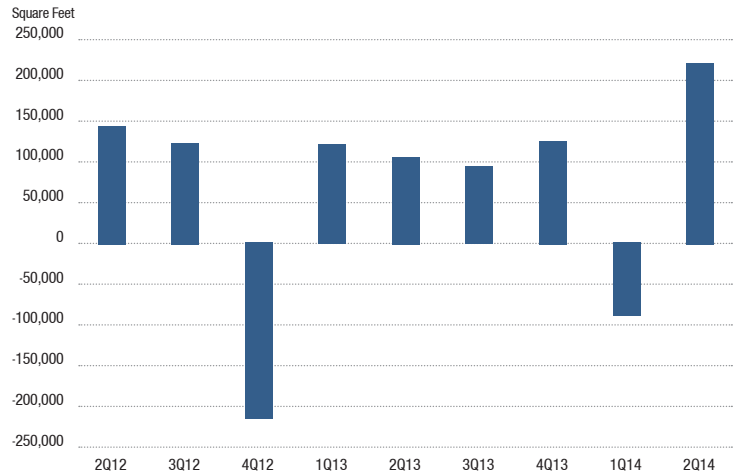
### VACANCY & AVAILABILITY RATE

VACANCY – UNOCCUPIED SPACE | AVAILABILITY – ALL SPACE BEING MARKETED



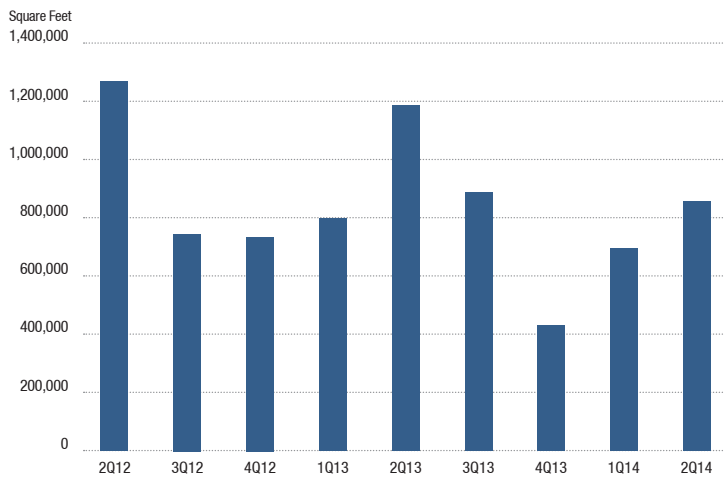
### NET ABSORPTION

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



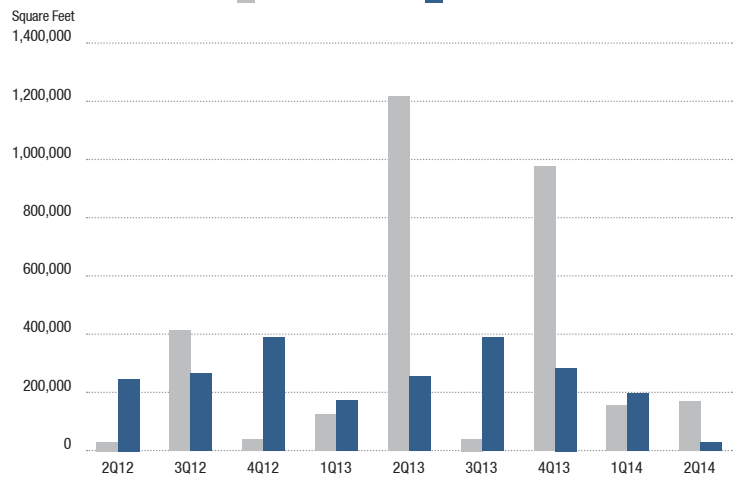
### LEASE TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT LEASED IN A QUARTER



### SALES TRANSACTIONS

TOTAL AMOUNT OF SPACE THAT SOLD IN A QUARTER



### INVENTORY

### VACANCY & LEASE RATES

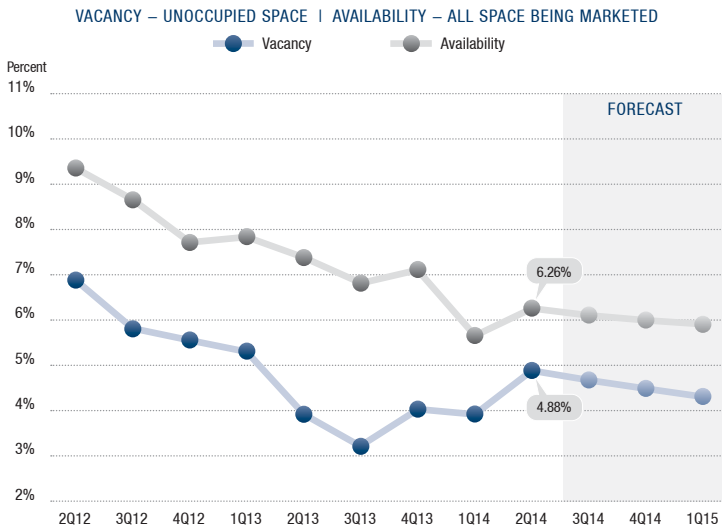
### ABSORPTION

	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2014	Square Feet Available	Availability Rate 2Q2014	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 2Q2014	Net Absorption 2014	Gross Absorption 2Q2014	Gross Absorption 2014
<b>Airport Totals</b>														
Less than 9,999	937	5,406,221	0	0	44,882	0.83%	110,482	2.04%	\$1.15	\$238.05	48,995	54,154	69,452	129,034
10,000–19,999	901	12,551,305	0	12,100	291,977	2.33%	407,997	3.25%	\$1.07	\$160.90	5,884	10,401	172,746	312,943
20,000–29,999	356	8,480,806	0	0	164,381	1.94%	247,102	2.91%	\$0.70	\$175.68	36,247	(10,578)	158,079	231,964
30,000–39,999	157	5,320,501	0	35,000	106,279	2.00%	263,006	4.94%	\$0.80	\$144.44	47,475	32,514	81,595	119,238
40,000–49,999	88	3,841,832	0	0	163,524	4.26%	463,499	12.06%	\$0.63	\$157.99	(34,417)	323	38,594	78,022
50,000–74,999	103	6,226,252	0	0	303,759	4.88%	420,265	6.75%	\$0.58	\$127.57	32,700	(13,619)	32,700	80,066
75,000–99,999	50	4,303,923	0	0	182,539	4.24%	379,570	8.82%	\$0.61	\$175.54	79,048	64,561	102,360	112,260
100,000–149,999	45	5,167,960	0	120,000	268,599	5.20%	434,809	8.41%	\$0.62	\$133.40	(62,000)	(72,846)	0	159,808
150,000–199,999	14	2,396,280	0	0	155,805	6.50%	342,172	14.28%	\$0.79	\$128.96	0	0	0	0
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	9	3,196,784	0	0	411,086	12.86%	371,086	11.61%	\$0.65	\$0.00	66,629	66,629	66,629	66,629
<b>Total</b>	<b>2,673</b>	<b>60,058,590</b>	<b>0</b>	<b>167,100</b>	<b>2,092,831</b>	<b>3.48%</b>	<b>3,439,988</b>	<b>5.73%</b>	<b>\$0.69</b>	<b>\$150.92</b>	<b>220,561</b>	<b>131,539</b>	<b>722,155</b>	<b>1,289,964</b>

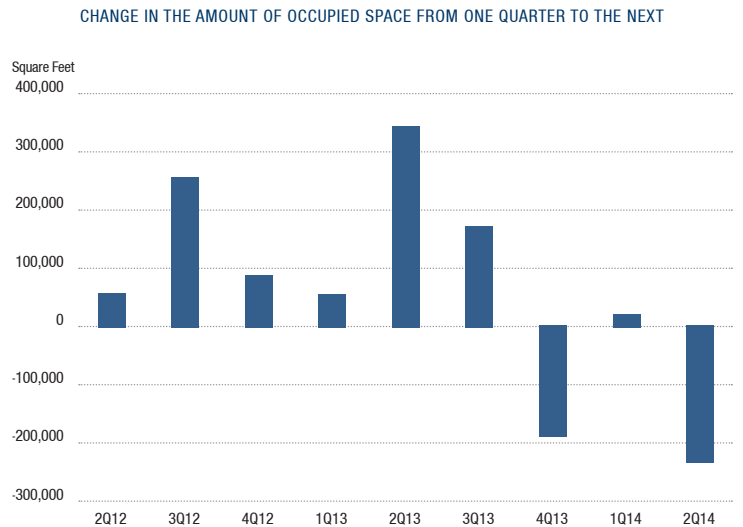
## SOUTH ORANGE COUNTY

In the second quarter of 2014, the South Orange County industrial market consisted of 966 buildings totaling 24,590,489 square feet and had an availability rate of 6.26%, which shows an increase from the previous quarter's figure of 5.84%.

### VACANCY & AVAILABILITY RATE

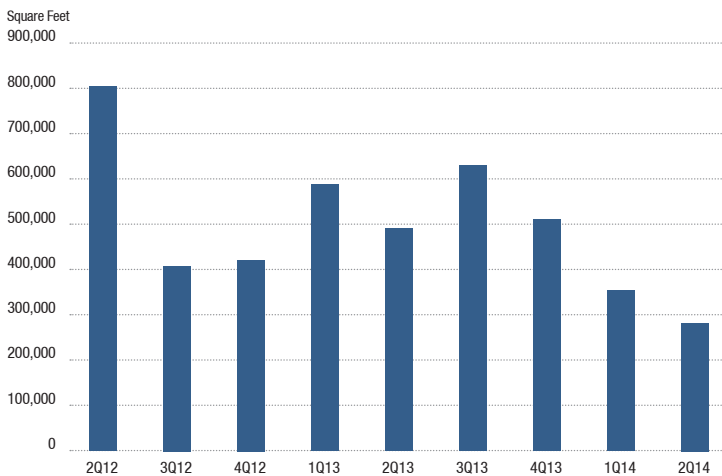


### NET ABSORPTION



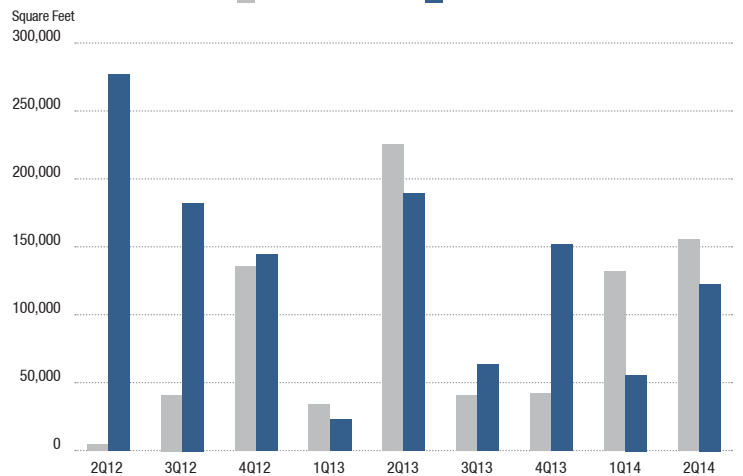
### LEASE TRANSACTIONS

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 2Q2014	Square Feet Available	Availability Rate 2Q2014	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 2Q2014	Net Absorption 2014	Gross Absorption 2Q2014	Gross Absorption 2014
<b>South Totals</b>														
Less than 9,999	361	2,253,009	0	0	56,810	2.52%	114,478	5.08%	\$0.97	\$232.44	(13,658)	3,350	30,876	80,545
10,000–19,999	300	4,371,259	0	15,000	139,788	3.20%	224,354	5.13%	\$0.88	\$191.68	23,223	31,883	90,465	150,230
20,000–29,999	139	3,307,687	0	0	107,265	3.24%	179,222	5.42%	\$0.76	\$194.67	4,189	23,963	72,815	152,689
30,000–39,999	47	1,577,651	0	0	58,227	3.69%	128,503	8.15%	\$0.86	\$184.53	69,428	57,948	110,808	110,808
40,000–49,999	28	1,258,576	0	0	45,724	3.63%	45,724	3.63%	\$0.75	\$139.95	(36,709)	(36,709)	9,015	9,015
50,000–74,999	34	2,028,195	0	53,264	113,512	5.60%	160,819	7.93%	\$0.76	\$0.00	(3,742)	9,356	38,490	154,782
75,000–99,999	14	1,200,611	0	0	202,101	16.83%	247,291	20.60%	\$0.64	\$180.01	(175,401)	(90,604)	0	84,797
100,000–149,999	21	2,499,937	0	0	332,026	13.28%	324,050	12.96%	\$0.69	\$0.00	(102,299)	(226,918)	0	0
150,000–199,999	8	1,340,541	0	0	92,801	6.92%	92,801	6.92%	\$0.63	\$0.00	0	0	0	0
200,000–299,999	6	1,287,149	0	0	52,679	4.09%	23,094	1.79%	\$0.00	\$0.00	0	14,286	0	35,886
300,000 Plus	8	3,465,874	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
<b>Total</b>	<b>966</b>	<b>24,590,489</b>	<b>0</b>	<b>68,264</b>	<b>1,200,933</b>	<b>4.88%</b>	<b>1,540,336</b>	<b>6.26%</b>	<b>\$0.73</b>	<b>\$197.35</b>	<b>(234,969)</b>	<b>(213,445)</b>	<b>352,469</b>	<b>778,752</b>

## MAJOR TRANSACTIONS

### Sales Transactions

Property Address	Submarket	Square Feet	Sale Price Per SF	Buyer	Seller
16001 Gothard St. – 3 Properties	West County	117,750	\$286.20	Behringer Harvard Multifamily REIT	Pedigo Products, Inc.
2201 E. Cerritos Ave.	North County	209,715	\$130.00	Rangar West Two, LLC	Psip Wr Anaheim, LLC
704 N. Valley St. – 10 Properties	North County	208,824	\$102.50	Greenlaw Partners	Deutsche Asset & Wealth Management
1700 Saturn Way	West County	184,000	\$114.67	Rexford Industrial Realty	Knickbocker Properties, Inc. XLVI
2610-2701 Birch St. – 2 Properties	Airport Area	98,379	\$111.81	Rexford Industrial Realty	Alex Moving & Storage

### Lease Transactions

Property Address	Submarket	Square Feet	Transaction Date	Tenant	Owner
6300 Valley View St.	North County	190,800	May-14	Manhattan Beachwear	Prudential RE Advisors
14524 Myford Rd.	Airport Area	151,039	Jun-14	T Street Volleyball	Hanwha West Properties, LLC
570 N. Gilbert St.	North County	88,880	May-14	Braiform	RREEF
16880 Armstrong Ave.	Airport Area	84,200	Apr-14	DisplayIt, Inc.	Derby Holdings, Ltd.
4850 E. La Palma Ave.	North County	54,571	Apr-14	Shaxon Industries, Inc.	Ajax La Palma Investors, LLC

## SUBMARKETS

### NORTH

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

### WEST

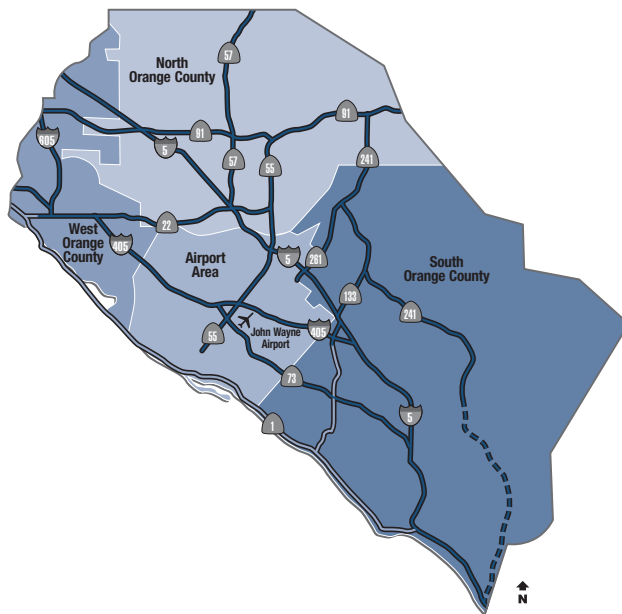
Cypress, Garden Grove, Huntington Beach, La Palma, Los Alamitos, Seal Beach, Stanton and Westminster

### 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



## PRODUCT TYPE

### MFG./DIST.

Manufacturing/Distribution/Warehouse facilities with up to 29.9% office space.

### Please Contact Us for Further Information

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