



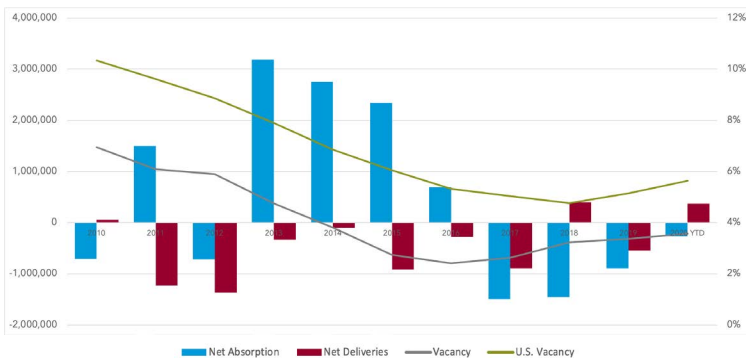
### INDUSTRIAL MARKET OVERVIEW

JACK HALEY, CCIM, *Principal*

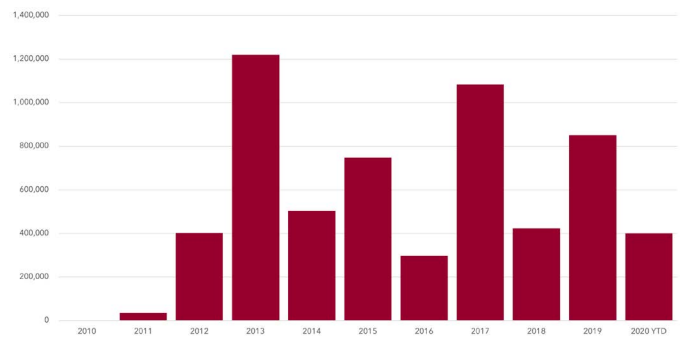
The sudden economic downturn brought on by the Covid-19 pandemic dramatically cut Q2 leasing activity and deal volume to the lowest levels since the 2008-09 recession. Net absorption also fell into the red in Q2 as the vacancy rate ticked up 30 basis points to 3.5%. Amazon has completed recent large transactions and is in the process of adding additional last-mile facilities in Orange County. Recently, Shea Business Center completed their nine-building project on Dyer Road in Santa Ana near the 55 Freeway. The 497,638-SF development on the former ITT site represents the most deliveries countywide since the end of 2018. Despite the economic slowdown, there is keen interest among users.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▼ Net Absorption	(362,947) SF	916,549 SF	742,860 SF	77,000	(519,000) SF
▲ Vacancy Rate	3.50%	3.20%	3.45%	3.30%	3.50%
▼ Avg NNN Asking Rate	\$12.72 PSF	\$13.25 PSF	\$13.44 PSF	\$13.00 PSF	\$13.08 PSF
▼ Under Construction	291,000 SF	835,838 SF	1,173,000 SF	1,180,373 SF	811,943 SF
◀▶ Inventory	301,000,000 SF	301,000,000 SF	301,000,000 SF	301,000,000 SF	301,000,000 SF

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5951 Skylab Rd Huntington Beach, CA	57,800 SF	\$14,100,000 \$244.00 PSF	LBA Realty Shoe Holdings, LLC	Class A
3009 Daimler St. Santa Ana, CA	54,693 SF	\$12,100,000 \$221.23 PSF	Edwards Lifesciences, LLC Daimler1 SA, LLC	Class B
17401 Eastman St. Irvine, CA	43,109 SF	\$10,346,500 \$240.00 PSF	Edwards Lifesciences, LLC Pan Fischer, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
400 E. Orangethorpe - Renewal Anaheim, CA	675,000 SF	Prologis	American Woodmark Corporation	Manufacturing
1683 Sunflower Ave. - Renewal Costa Mesa, CA	197,000 SF	Sakura Paper, Inc	Robinson Pharma	Pharmaceuticals
3001 S. Susan St Santa Ana, CA	93,955 SF	Alere Property Group	Overair, Inc.	Manufacturing