



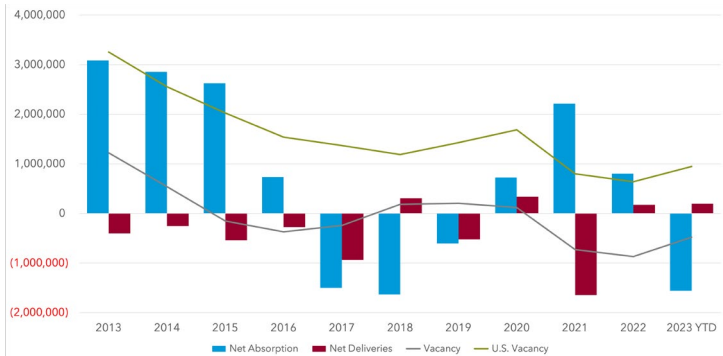
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

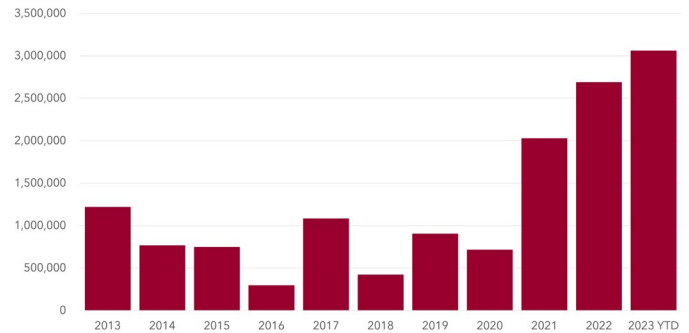
Overall demand for historically tight levels of rental space eased slightly in the first quarter, pushing up the vacancy rate from the all-time low reached in the final three months of last year. Nevertheless, rents continued to climb at a record pace as Orange County ranks statistically among the nation's most desirable industrial property markets. Countywide, net absorption was negative 818,335 SF in the first quarter, driving up the vacancy rate 40 basis points to 2.1% on a total base of 300 million SF. It was the largest of five quarterly contractions over the last four years. We will start to see the vacancy rate inch up as new inventory is starting to hit the market and lease concessions will occur as leasing activity slows.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ 12 Mo. Net Absorption SF	(935,380)	865,571	265,585	(396,372)	67,866
▲ Vacancy Rate	2.10%	1.70%	1.90%	1.90%	1.80%
▲ Avg NNN Asking Rate PSF	\$1.64	\$1.58	\$1.54	\$1.47	\$1.38
▲ SF Under Construction	3,061,931	2,690,056	2,957,160	3,132,188	2,555,815
▲ Inventory SF	300,676,381	300,479,001	300,179,541	299,991,970	299,937,206

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1771 S Lewis Street Anaheim, CA	117,502 SF	\$33,749,157 \$291.74 PSF	Lewis Street Property LLC RAYMAB, LLC	Class B
1701 S Lewis Street Anaheim, CA	81,305 SF	\$24,250,843 \$291.74 PSF	Lewis Street Property LLC RAYMAB, LLC	Class B
7272-7274 Lampson Avenue Garden Grove, CA	65,234 SF	\$16,350,000 \$250.64 PSF	Dornin Investment Group 7272-7274 Lampson LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2362 Kimberly Avenue Fullerton, CA	173,825 SF	Goodman No America Management LLC	Bandai Logipal America, Inc.	Logistics
4 Goodyear Irvine, CA	94,195 SF	Astronics Corporation	Terran Orbital	Satellite Solutions
7272-7274 Lampson Avenue Garden Grove, CA	65,234 SF	Sundance Bay	Commercial Custom Seating	Seating/Upholstery

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