



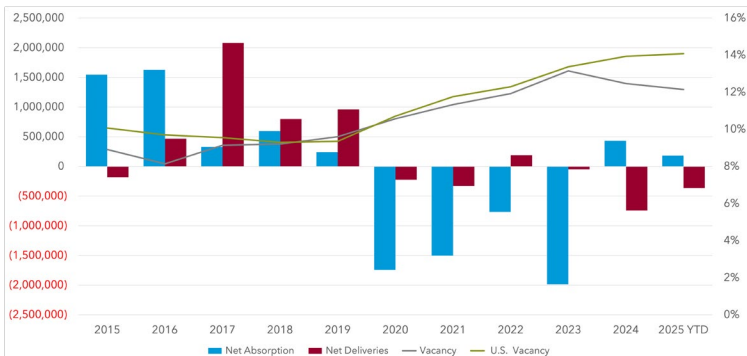
OFFICE MARKET OVERVIEW

RICK TURNER, *Managing Director, Principal*

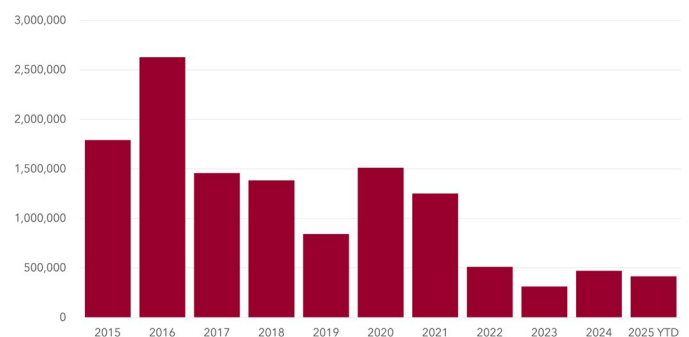
Orange County's office market is outperforming major urban areas, with availability dropping from 16.9% in 2023 to 14.4% by late 2025. Nearly 2 million SF of new leasing and reduced sublease space fueled the improvement. Unlike downtown LA, the county's suburban nature supports stronger office use, as public transit ridership surpasses pre-pandemic levels. Tenants favor newer, amenity-rich buildings, but smaller Class B/C offices remain resilient due to convenience and control. Older high-rises are regaining occupants, with about a quarter of vacated space re-leased since 2020. Limited new construction, steady demolitions, and modest job growth keep rents stable but concessions high.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	(125,004)	(528,748)	434,568	431,438	692,927
▼ Vacancy Rate	12.31%	12.68%	12.36%	12.47%	12.48%
▲ Avg Asking Rent PSF	\$34.50	\$34.46	\$34.70	\$34.82	\$34.94
▲ Sale Price PSF	\$268.00	\$267.00	\$267.00	\$267.00	\$270.00
◀ ▶ Cap Rate	7.8%	7.8%	7.8%	7.8%	7.7%
◀ ▶ Under Construction	414,308	414,308	361,186	471,686	465,833
▼ Inventory	157,564,224	157,752,088	157,691,446	157,867,559	158,013,105

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1301 Dove Newport Beach, CA	214,898 SF	\$41,000,000 \$190.79 PSF	Cress Capital Western Alliance Bank	Class A
895 Dove Newport Beach, CA	108,112 SF	\$32,650,000 \$302.00 PSF	First Citizens Bank Goldman Sachs	Class A
17542 E. 17th Street Tustin, CA	90,932 SF	\$18,200,000 \$200.15 PSF	SA Recycling DWS Group	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2300 Main Street Irvine, CA	133,745 SF	Manova Partners, Inc.	Hyundai	Automotive
840 Newport Center Drive Newport Beach, CA	99,000 SF	Irvine Company	Undisclosed	Undisclosed
3515 Harbor Boulevard Costa Mesa, CA	83,195 SF	CJ Segerstrom & Sons	Anduril Industries	Defense Technology Company

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