



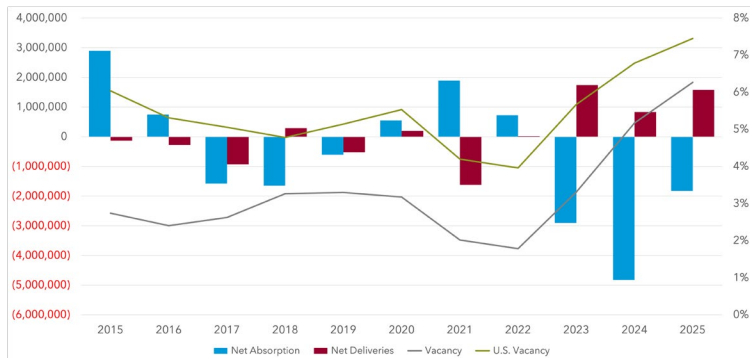
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

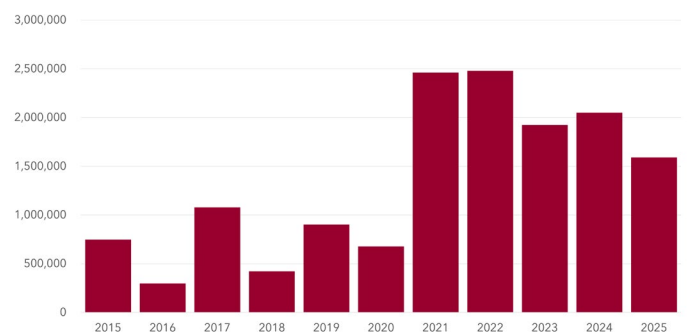
Positive tenant demand returned in the fourth quarter, ending the county's largest and longest contraction on record at 11 straight quarters of negative net absorption totaling 9.3 million SF, or 3.4% of the total inventory. Despite the Q4 improvement, net absorption for the year was 1.8 million SF in the red. The nearly three-year slide pushed up the average vacancy rate from a lowest-in-the-nation 1.8% to 6.7%, which still is less than the 7.6% national average. Orange County remains among the nation's most desirable industrial markets, featuring access to the twin ports of Los Angeles and Long Beach and population-dense Southern California.

| MARKET INDICATORS | Q4 2025 | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| ▲ Qtrly Net Absorption SF | 316,406 | (831,839) | (408,313) | (904,441) | (850,088) |
| ▲ Vacancy Rate | 6.30% | 6.20% | 5.70% | 5.60% | 5.20% |
| ▲ Avg NNN Asking Rate PSF | \$18.36 | \$18.12 | \$18.36 | \$18.48 | \$19.08 |
| ▼ Sale Price PSF | \$318.00 | \$346.00 | \$329.00 | \$355.00 | \$339.00 |
| ▼ Cap Rate | 5.88% | 6.37% | 5.46% | 5.17% | 4.29% |
| ▼ Under Construction SF | 1,591,879 | 2,069,014 | 2,657,851 | 2,438,571 | 2,049,014 |
| ▲ Inventory SF | 304,187,537 | 303,710,402 | 302,993,634 | 302,960,278 | 302,605,692 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|------------|------------------------------|---|----------------|
| 2164 N. Batavia Street Orange, CA | 249,431 SF | \$69,624,000 \$279.13 PSF | 2164 N Batavia Owner LLC Frick Family Properties LLC | Class A |
| 17352 Armstrong Avenue Irvine, CA | 123,748 SF | \$17,000,000 \$137.38 PSF | Armstrong Irvine Ventures LLC Jones Armstrong Property LLC | Class C |
| 2601 S. Garnsey Street Santa Ana, CA | 122,407 SF | \$31,825,820 \$260.00 PSF | 2601 S Garnsey LLC McDonald Real Properties LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--------------------------------------|------------|--------------------------|----------------|---------------------|
| 2164 N. Batavia Street Orange, CA | 246,732 SF | 2164 N Batavia Owner LLC | Paper Mart | Packaging Wholesale |
| 17352 Armstrong Avenue Irvine, CA | 123,748 SF | O'Neil Relocation | Fletcher Jones | Retailer |
| 15345 Barranca Parkway Irvine, CA | 84,580 SF | The Irvine Company | Undisclosed | Undisclosed |

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