LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2026
ORANGE COUNTY, CA

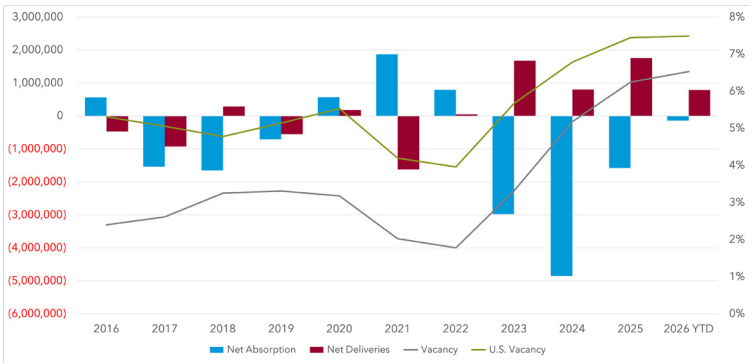
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

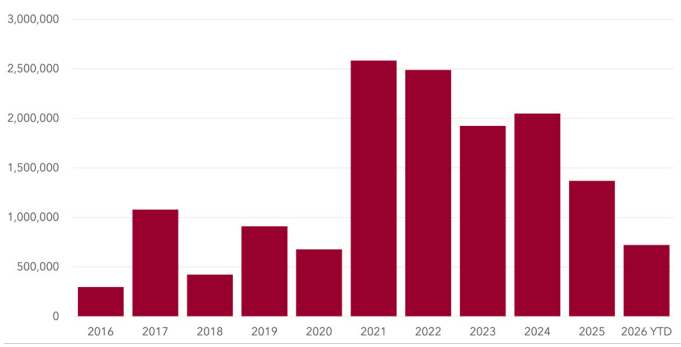
After two quarters of positive net absorption, tenant demand fell into the red in the second quarter and has been negative for 12 of the last 14 quarters. Also, space available for sublease hit a record, the pace of development has cooled and the overall vacancy rate is the highest in 15 years. Because of the slowing market and shortage of land, the amount of space under construction has fallen to its lowest level in five years. Market asking rents are down 12% from their peak two years ago. With increased concessions, effective rents have declined slightly further. Several of the buildings completed in the past year and nearly all speculative projects underway remain available for lease,

MARKET INDICATORS	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
▼ Qtrly Net Absorption SF	(188,878)	285,376	528,203	(732,210)	(441,954)
▲ Vacancy Rate	6.50%	6.30%	6.20%	6.10%	5.80%
▼ Avg NNN Asking Rate PSF	$1.44	$1.51	$1.52	$1.51	$1.53
▼ Sale Price PSF	$289.00	$364.00	$314.00	$347.00	$336.00
▲ Cap Rate	5.40%	4.87%	6.01%	6.37%	5.46%
▼ Under Construction SF	720,838	894,467	1,369,625	2,400,014	2,529,176
▲ Inventory SF	304,689,757	304,346,460	303,901,075	302,881,058	302,530,060

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
9750 Irvine Boulevard Irvine, CA	348,230 SF	$107,000,000 $307.27 PSF	Kurv Industrial LBA Logistics	Class B
2323 Main Street Irvine, CA	260,850 SF	$32,000,000 $122.68 PSF	Starpointe Ventures Alston Team	Class A
9600 Toledo Way Irvine, CA	91,761 SF	$31,000,000 $337.83 PSF	EQT Real Estate Blackstone, Inc.	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5600 Argosy Circle, Bldg A Huntington Beach, CA	223,406 SF	Sares-Regis Group	Harbor Distributing	Wholesaler
14101 Alton Parkway Irvine, CA	176,640 SF	Cardinal Development Company	KYOCERA Document Solutions America	Manufacturing
691 Burning Tree Road Fullerton, CA	156,096 SF	DWS	Columbia Container Lines	Professional, Scientific, and Technical Services

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