

# Orange County

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| Inventory           | Y-0-Y CHANGE | Vacancy Rate    | Y-0-Y CHANGE | Asking Rental Rate (Monthly)* | Y-0-Y CHANGE | Net Absorption     | Y-0-Y CHANGE | Under Construction | Y-0-Y CHANGE | Deliveries        | Y-0-Y CHANGE |
|---------------------|--------------|-----------------|--------------|-------------------------------|--------------|--------------------|--------------|--------------------|--------------|-------------------|--------------|
| <b>146.6</b><br>msf | ↗            | <b>4.4</b><br>% | ↗            | <b>\$1.70</b><br>psf (NNN)    | ↘            | <b>-0.7</b><br>msf | ↘            | <b>1.2</b><br>msf  | ↘            | <b>0.3</b><br>msf | ↘            |
| Q1 2023: 142.6 msf  |              | Q1 2023: 2.1%   |              | Q1 2023: \$1.78               |              | Q1 2023: -0.1 msf  |              | Q1 2023: 1.5 msf   |              | Q1 2023: 0.8 msf  |              |

\*Based on all classes of available inventory

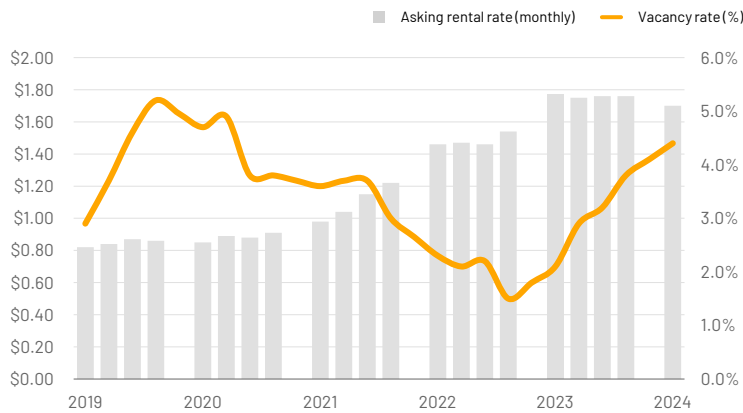
## Market Trends

**01** Vacancy increased by 60 basis points (bps) in the first quarter to 4.4%, while net absorption was negative for the fifth consecutive quarter, tallying -670,016 square feet (sf). Much of this negative movement stemmed from North County.

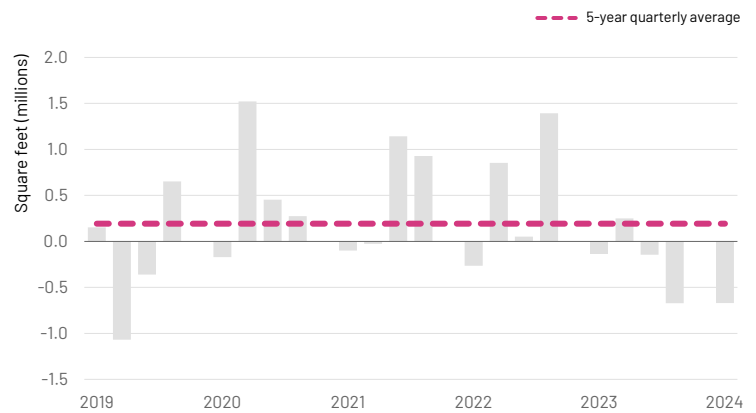
**02** There is 1.2 million square feet (msf) under construction, with 257,267 sf of new available speculative space delivering in Q1. Much of this space and future deliveries are not pre-leased which will impact vacancy rates.

**03** As market conditions have plateaued and vacancy rates have increased, the asking rental rate for industrial space decreased, recording \$1.70 NNN in Q1, a 3.6% decrease from one quarter ago and a 4.4% decrease from last year.

## Asking Rent and Vacancy



## Net Absorption



## Top Transactions

Source: Savills Research

| TENANT                | SIZE (SF) | SUBMARKET    | ADDRESS               | TRANSACTION TYPE | INDUSTRY                        |
|-----------------------|-----------|--------------|-----------------------|------------------|---------------------------------|
| Hampton Products      | 307,781   | South County | 50 Icon               | Renewal          | Manufacturing                   |
| March Industries      | 110,529   | West County  | 5473 Bolsa Avenue     | New Lease        | Industrial Machinery & Supplies |
| Little Buddy Toys     | 95,175    | North County | 270 E Palais Road     | New Lease        | Consumer Goods                  |
| Consolidated Electric | 57,424    | North County | 1000 E Valencia Drive | New Lease        | Energy                          |
| Dream Trans           | 49,334    | West County  | 6262 Katella Avenue   | New Lease        | Logistics & Distribution/3PLs   |

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Unless otherwise noted, all rents quoted throughout this report are average asking net (NNN) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory.

The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research.

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