

BRIEF | Intelligent Investment

# Class A space dominates top 100 industrial leasing

ORANGE COUNTY AND INLAND EMPIRE

by Rick Cozart and Deepa Shah

Nationally, the top 100 industrial leases had fewer mega deals in 2023 than top industrial deals in 2022. Orange County (OC) and the Inland Empire (IE) had the same trend locally, with only seven leases 1 million sq. ft. and above compared to eleven the prior year.

Between OC and the IE, the top 100 leases covered over 35 million sq. ft. Nine of those leases totaling 9.9 million sq. ft. in the IE were part of the top 100 deals nationally. Across both markets, third-party logistics (3PL) and general retail & wholesale industries made up the bulk of leasing sq. ft. at 66%.

The local top 100 leases in 2023 made up 59% of all leasing, down from the 67% they made up in 2022. The average lease size for these deals declined from 536,000 sq. ft. in 2022 to 354,000 sq. ft. in 2023 partly due to supply change changes and post-pandemic industrial normalization. Quality space remained a key component of large leases across the IE and OC, with 76% of the top leases coming from Class A spaces while 3PL and wholesale users drove new leasing.

Top 100 Deals,  
Class A

76%

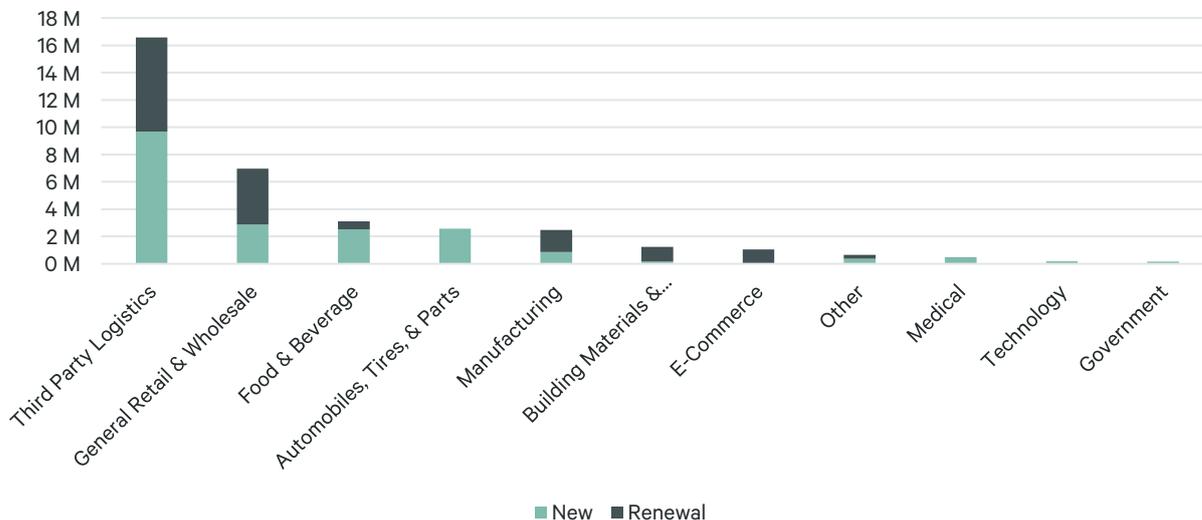
Top 100 Deals,  
Class B

23%

Top 100 Deals,  
Class C

1%

FIGURE 1: Top 100 OC/IE Industrial Leases by Industry



Source: CBRE Research, March 2024.

## Occupiers increasingly renewed while the IE West realized the lion’s share of big leasing

Renewals made up 45% of the top 100 leases in 2023, up 3% year-over-year, continuing the trend of strong renewal activity in unpredictable markets. The average size of new leases (359,000 sq. ft.) outpaced renewals (348,000 sq. ft.).

The IE West submarket saw the highest leasing of the top 100, with 52 leases totaling over 18 million sq. ft. signed in 2023. The Inland Empire East had 28 leases signed, totalling 9.7 million sq. ft. Further, the Inland Empire North had three deals completed for 3.5 million sq. ft. Across Orange County, seven deals made the top 100 covering 1.2 million sq. ft.

The IE remained one of the top markets in the United States for 1 million sq. ft. leases and above. OC and the IE continued offering occupiers easy access to metropolitan centers and the San Pedro Bay port complex. Together, both markets provided occupiers of all sizes opportunities to capitalize on the vitality of the Southern California industrial market.

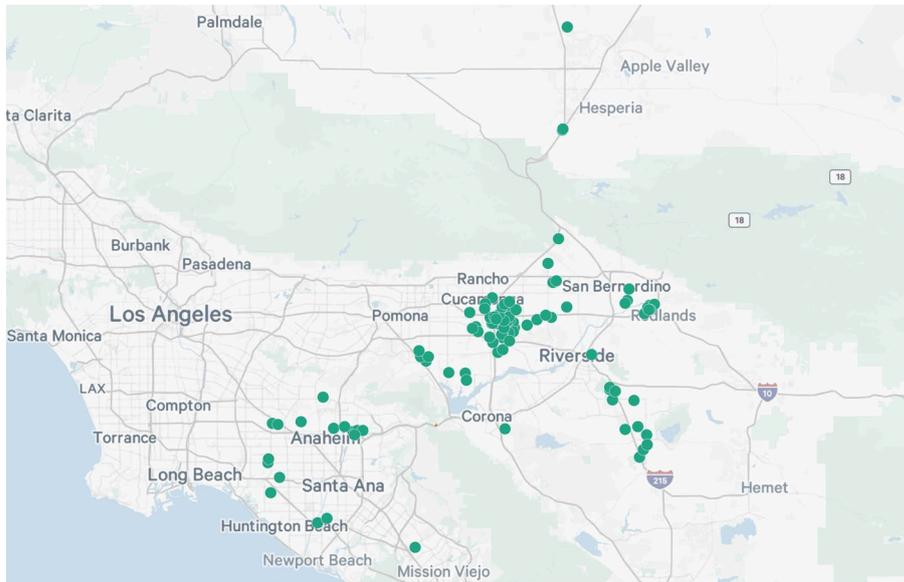
Top 100 Industrial  
New Leases

55%

Top 100 Industrial  
Renewals

45%

FIGURE 2: Top 100 OC/IE Industrial Leases by Location



### Contacts

**Rick Cozart**  
Senior Research Analyst  
Inland Empire  
rick.cozartii@cbre.com

**Deepa Shah**  
Research Manager  
Orange County, Inland Empire  
deepa.shah@cbre.com