

FIGURES | SOUTH ORANGE COUNTY OFFICE | Q3 2024

Diverse tenant base helps drop vacancy and availability

▼ 13.0%
Vacancy Rate

▲ 118K
SF Net Absorption

▶ 0
SF Construction

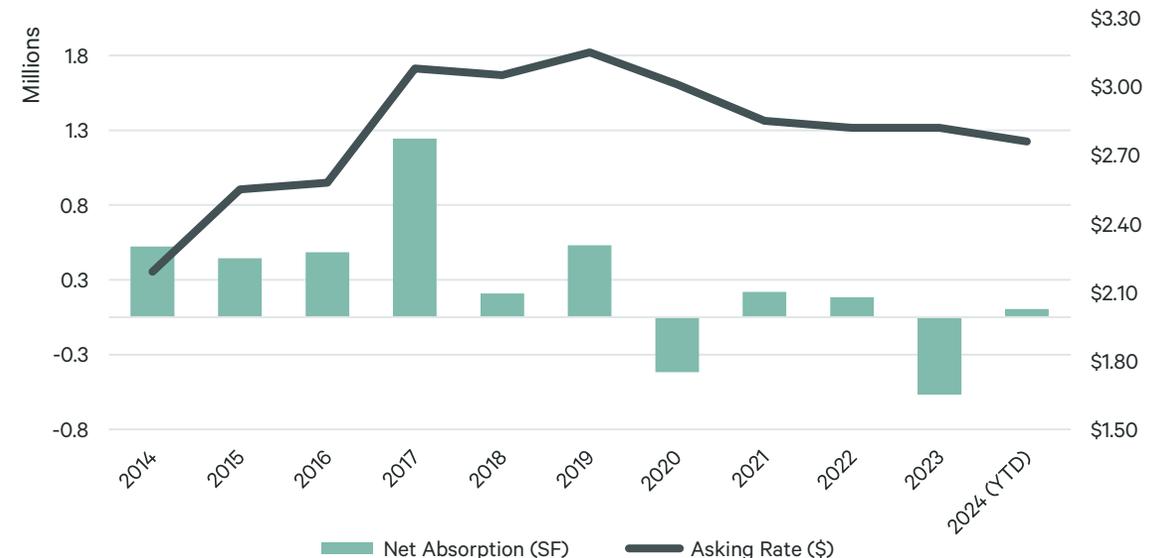
▶ \$2.76
FSG / Lease Rate

Note: Arrows indicate change from previous quarter.

SUBMARKET HIGHLIGHTS

- The vacancy rate dropped 30 bps from Q2 2024 to 13.0% in Q3 2024 as a variety of tenants moved into the submarket. The availability rate also dipped by 30 bps from the prior quarter to 23.0% in Q3 2024.
- Asking rates remained flat at \$2.76 FSG per sq. ft. per month quarter-over-quarter, and down \$0.09 from \$2.85 year-over-year. This was the third straight quarter rates remained flat overall in the submarket.
- Class A space continued to command a rate above of \$3.00 at \$3.03 FSG per sq. ft. per month, down \$0.01 from Q2 2024. Class B rates remained consistent at \$2.36 FSG per sq. ft. quarter-over-quarter.
- Approximately 200,000 sq. ft. of sublease space came on market during Q3 2024 as companies like Midas Technology at 48 Discovery in Irvine left their spaces. This brought the available sublease total to over 830,000 sq. ft.

FIGURE 1: Net Absorption & Asking Rate Trend



Source: CBRE Research, Q3 2024.

FIGURE 2: South Orange Count Submarket Statistics by Class

Class	Market Rentable Area (SF)	Avail. Rate (%)	Vacancy Rate (%)	Current Qtr Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (SF)	Construction Deliveries (SF)	Avg Asking Lease Rate (\$/SF/MO)
Class A	14,891,638	25.5	15.5	62,489	55,077	0	0	\$3.03
Class B	11,330,169	20.4	10.1	47,753	(4,105)	0	0	\$2.36
Class C	534,951	7.0	4.8	8,034	2,888	0	0	\$2.27
South Orange County	26,756,758	23.0	13.0	118,276	53,860	0	0	\$2.76

Source: CBRE Research, Q3 2024.

FIGURE 3: South Orange County Submarket Statistics by City

City (Top 8 by SF)	Market Rentable Area (SF)	Avail. Rate (%)	Vacancy Rate (%)	Current Qtr Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (SF)	Construction Deliveries (SF)	Avg Asking Lease Rate (\$/SF/MO)
Aliso Viejo	3,525,904	43.5	28.8	30,016	34,932	0	0	2.90
Foothill Ranch	876,839	33.2	19.1	0	28,270	0	0	2.47
Irvine (Spectrum)	14,897,074	19.5	9.7	81,821	(26,354)	0	0	2.81
Laguna Hills	1,701,199	23.9	15.8	2,918	(18,632)	0	0	2.70
Lake Forest	1,923,783	17.4	11.4	(13,308)	4,524	0	0	2.17
Mission Viejo	1,681,726	22.6	13.1	(156)	1,218	0	0	2.70
San Juan Capistrano	862,673	12.9	4.1	10,291	20,532	0	0	2.12
Santa Margarita	308,666	6.8	6.8	0	2,107	0	0	2.50
South Orange County	26,756,758	23.0	14.7	118,276	53,860	0	0	2.76

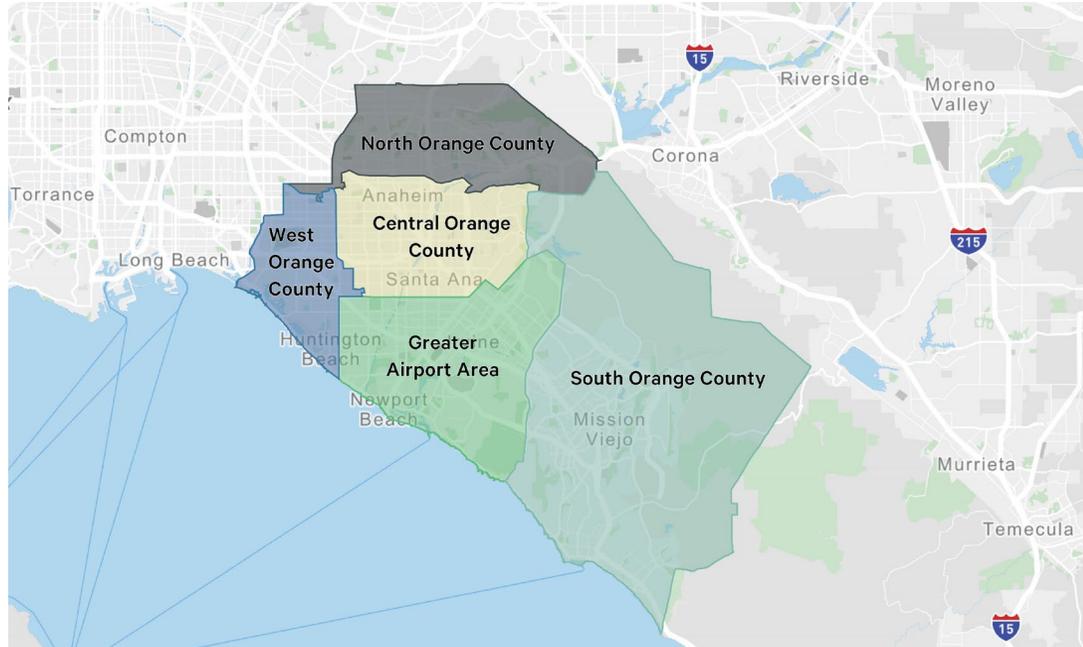
Source: CBRE Research, Q3 2024.

FIGURE 4: Key Transactions

Occupier	Industry Sector	Location	Total Sq. Ft.
Confidential	Confidential	15480 Laguna Canyon Rd	44,820
Ghost Management Group*	Software	41 Discovery	44,820
GoSelly	Personal Care	9975 Toledo Way	33,475
Primoris Services	Engineering	7515 Irvine Center Dr	31,706
County of Orange	Government	27141 Aliso Creek Rd	18,096

*Indicates Renewal. Source: CBRE Research, Q3 2024.

Market Area Overview



Definitions

Net Rentable Area The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas. **Available Sq. Ft.** Space Available for lease which is either physically vacant or occupied. Includes Subleases. **Vacant Sq. Ft.** Portion of Available sq. ft. which is either physically vacant or immediately available. Includes Subleases. **Direct Vacancy Sq. Ft.** Portion of Available sq. ft. which is either physically vacant or immediately available. Excludes subleases. **Vacancy Rate** Vacant sq. ft. divided by the NRA. **Occupied Sq. Ft.** NRA not considered vacant. **Net Absorption** The change in Occupied sq. ft. from one period to the next. Positive absorption is reflected when a lease is signed, which may not coincide with the date of occupancy. **Average Asking Lease Rate** The rate determined by multiplying the asking gross lease rate for each building in the summary by its associated available space, summing the products, then dividing by the sum of the available spaces with gross lease rates for all buildings in the summary. Direct leases only; excludes sublease space and parking charges. **Full Service Gross (FSG)** Lease Type whereby the landlord assumes responsibility for all of the operating expenses and taxes for the property. **Normalization** Due to a reclassification of the market, the base, number and square footage of buildings for previous quarters have been adjusted to match the current base. Availability and vacancy figures for those buildings have been adjusted in previous quarters.

Survey Criteria

Includes all Class A and B multi-tenant office projects 30,000 sq. ft. and greater in size, excluding government, medical, and owner-user buildings. Excludes buildings Under Construction or Planned. Under construction buildings which have begun construction as evidenced by site excavation or foundation work.

Contacts

Sean Freeman

Senior Research Analyst
Orange County
sean.freeman@cbre.com

Connor Wilde

Research Analyst
Orange County
connor.wilde@cbre.com

Deepa Shah

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