Technology service firms and renewals drive activity

▲ 18.4%
Vacancy Rate

▲ -4K
SF Net Absorption

▲ 168,137
SF Construction

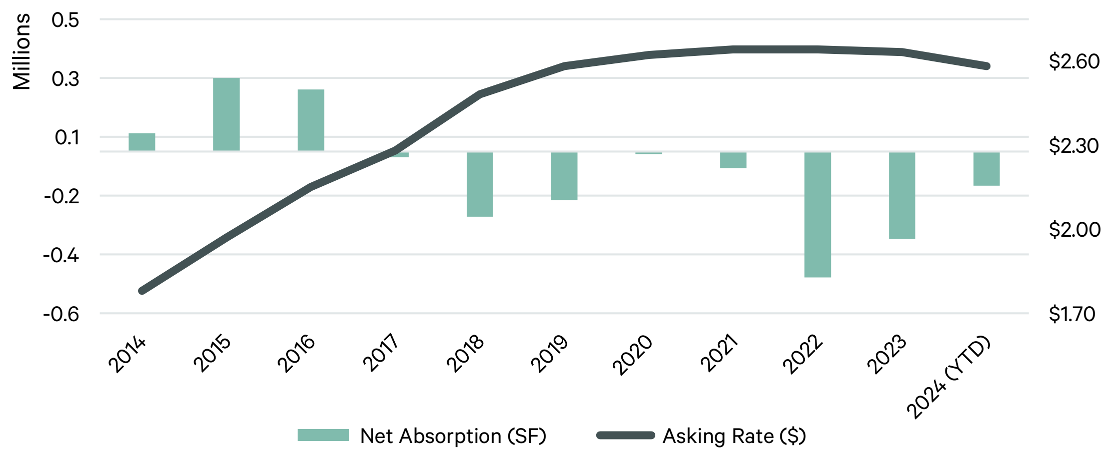
▼ $2.58
FSG / Lease Rate

Note: Arrows indicate change from previous quarter.

SUBMARKET HIGHLIGHTS

- Leasing activity within the Central Orange County submarket remained strong and accounted for the top two deals in Orange County. This also brought YTD net absorption to near-parity within the submarket.
- Climatec, which delivers energy-efficient solutions to office buildings, leased 24,708 sq. ft. in Anaheim, and APN Software Services, a fast-growing tech company with a focus on inventory management, leased 24,390 sq. ft.
- Asking rates for the submarket fell $0.03 to $2.58 FSG per sq. ft. per month quarter-over-quarter. On a year-over-year basis, the decline was $0.05 FSG per sq. ft. from $2.63 FSG per sq. ft. in Q3 2023.
- The total vacancy remained nearly flat, shifting just 10 bps to 18.4% quarter-over-quarter. The 2.87 million sq. ft. of vacant space in the submarket remained at 18.7% of overall vacancy recorded within the county.
- The largest downsize was recorded by Collectors Holdings at 1610 E Saint Andrews Place in Santa Ana, placing 48,208 sq. ft. of their 101,362 sq. ft. space on market.

FIGURE 1: Net Absorption & Asking Rate Trend



Source: CBRE Research, Q3 2024.

FIGURE 2: Central Orange County 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	6,014,005	30.5	24.0	9,730	(93,667)	168,137	0	2.85
Class B	8,230,722	24.8	15.5	(6,437)	(4,601)	0	0	2.40
Class C	1,417,066	14.1	11.7	(7,345)	(17,986)	0	0	2.07
Greater Airport Area	15,661,793	26.0	18.4	(4,052)	(116,254)	168,137	0	2.58

Source: CBRE Research, Q3 2024.

FIGURE 3: Central Orange County Submarket Statistics by City

City	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)
Anaheim	5,415,658	23.1	16.7	(14,259)	(45,882)	168,137	0	2.50
Garden Grove	578,646	13.2	6.6	7,219	13,126	0	0	2.09
Orange	5,853,206	27.6	20.3	3,552	(12,348)	0	0	2.74
Santa Ana	10,654,743	25.2	18.2	19,843	63,651	0	0	2.53
Tustin	2,364,240	20.5	13.8	2,609	18,430	0	0	2.95
Greater Airport Area	15,661,793	26.0	18.4	(4,052)	(116,254)	168,137	0	2.58

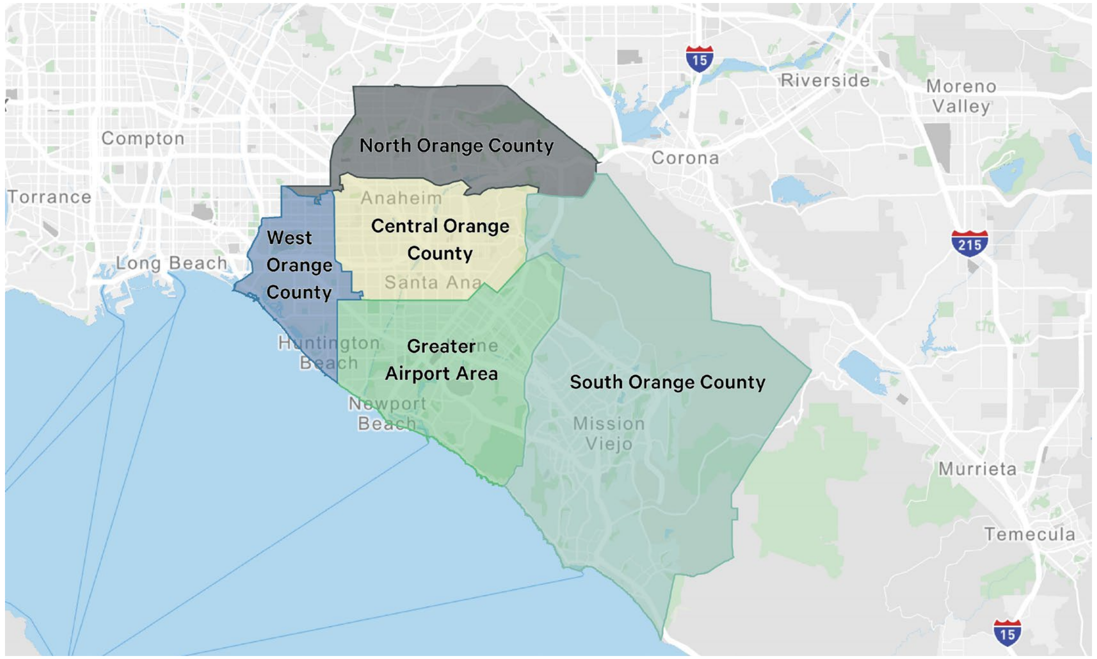
Source: CBRE Research, Q3 2024.

FIGURE 4: Key Transactions

Occupier	Industry Sector	Location	Total Sq. Ft.
CLIMATEC*	Industrial/ Technology	2150 Towne Centre Pl	24,708
APN Software Services	Technology	999 W Town and Country Rd	24,390
Absolutely Zero*	Financial Services	1 City Blvd W	19,059
Freeman Expositions*	Business Services	2170 Towne Centre Pl	15,618
County of Orange – Court Appointed Advocates*	Government	765 S The City Dr	15,272

*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.

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