Net absorption remains negative for ninth-straight quarter

▲ 14.9%
Vacancy Rate

▲ (188K)
Q4 SF Net Absorption

▶ 168K
SF Construction

▶ $2.85
FSG / Asking Lease Rate

Note: Arrows indicate change from previous quarter.

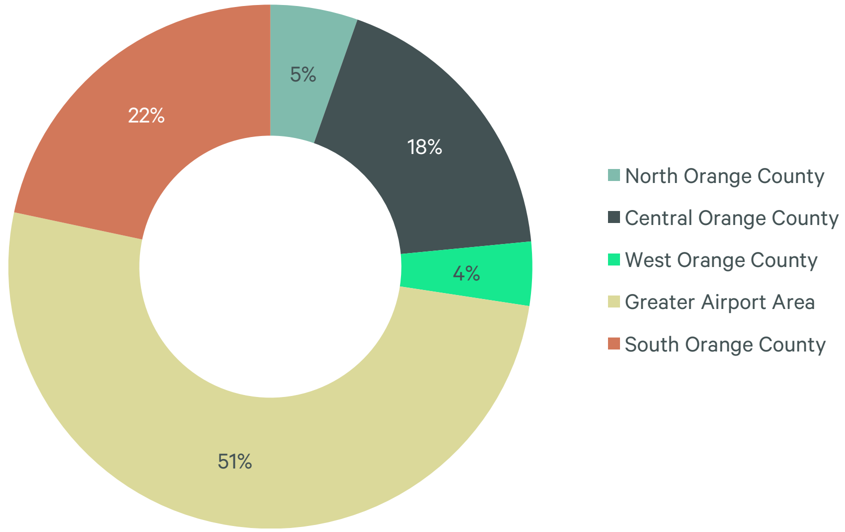
Market Overview

Although weaker than expected activity remained in the office market, economic indicators pointed to a bottoming out as the economy is primed for a 2025 turnaround. Asking rates stayed stagnant at $2.85 FSG per sq. ft. per month, however, landlords continued to provide aggressive incentives to commensurate transactions.

Lease activity was kept afloat by the diverse industry mix of transactions below the 10,000 sq. ft. range. In total, this comprised of nearly 80% of all activity in the county. The five deals over 50,000 sq. ft. did not keep track with the seven transactions recorded in Q3 3024. Activity was largely driven by technology and pharmaceutical companies throughout the Greater Airport Area (GAA) and the South OC submarkets.

In Q4 2024 net absorption amounted to negative 188,000 sq. ft., which brought the year-to-date net absorption to negative 979,000 sq. ft. This marked an improvement over 2023's negative 1.7 million sq. ft. of net absorption and indicated that momentum will continue to shift in coming quarters.

FIGURE 1: Vacant Space Distribution



Source: CBRE Research, Q4 2024.

LEASE RATE ANALYSIS

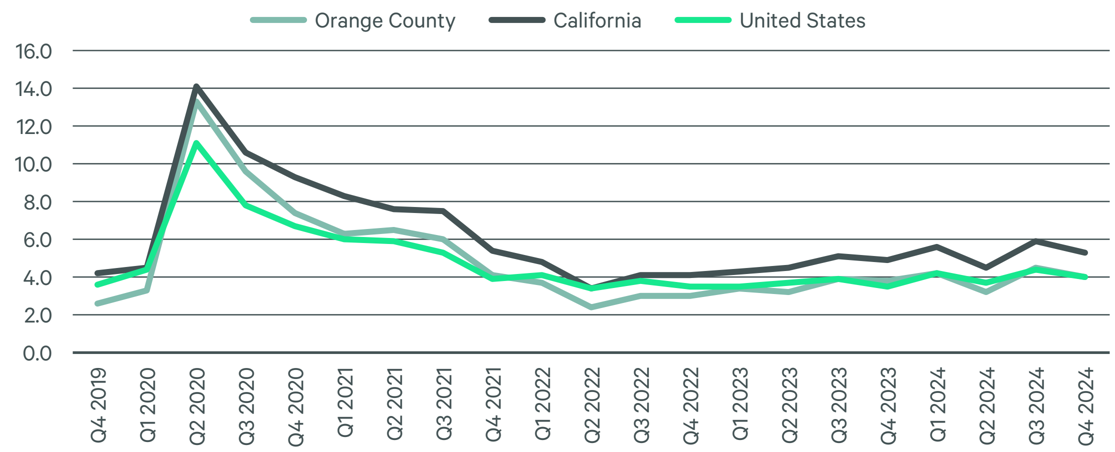
Average asking lease rates stayed steady in Q4 2024 from the prior quarter. Class A office space lowered to $3.10 FSG per sq. ft. per month, down $0.05 from the $3.15 FSG rate in Q4 2023. In the GAA market, after a slight increase earlier in the year, rates returned to $3.05 FSG per sq. ft. per month $0.01 below where it stood a year ago in Q4 2023. Overall, rates have stabilized but concessions (free rents and TI's) have continued to be the driving factor in transactions.

VACANCY & AVAILABILITY

Pockets of strong leasing activity were present, but higher-than-average vacancies remained stubbornly persistent. Examples like the Canvas property at 3070 Bristol St in Costa Mesa with vacancies above 50% have increased and cut across each of the five Orange County submarkets. In North OC, global material science company Avery Products, left 27,397 sq. ft. at 50 Pointe Dr in Brea. While multiple move-outs by smaller tenants, 10,000 sq. ft. or less, in Central OC and the South Coast Metro district of GAA had the largest statistical impact in terms of vacancy and availability. Central OC's vacancy rate decreased by 40 bps quarter-over-quarter to 18.0% yet increased 50 bps from Q4 2023's 17.5%. This gave Central OC the highest vacancy rate among the five submarkets due to various 10,000 sq. ft. occupier moves. When compared to the 350 bps slide seen over the past 24-month period countywide, it appeared the total amount of empty space on market reached a high-point and moved toward stabilization.

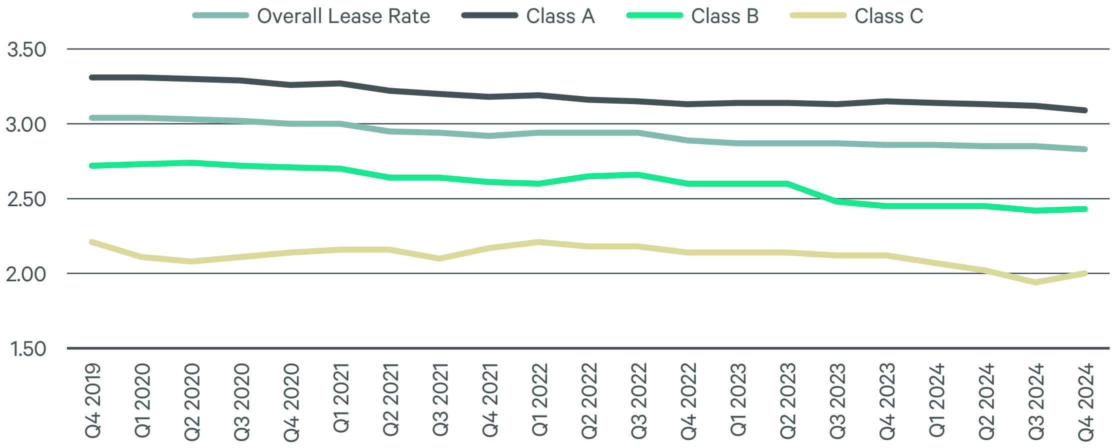
The availability rate remained relatively stable over the course of the year and only shifted 10 bps to 23.4% in Q4 2024. This was a strong sign that leasing in the larger stable market of GAA has proven a strong counterweight to the fluctuations and uncertainty in the smaller submarkets. Insurance, legal, financial services, and tech companies all have inked multi-year deals in the submarket in Q4 2024.

FIGURE 2: Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Q4 2024.

FIGURE 3: Average Asking Lease Rate ($PSF/MO/FSG)



Source: CBRE Research, Q4 2024.

EMPLOYMENT

The unemployment rate in Orange County was 4.0% in November 2024, down from 4.5% in August 2024, and above last year's estimate of 3.8%. OC's unemployment rate continued to stay below California's unadjusted unemployment rate of 5.3% and right in line with the nation's rate of 4.0%. Between November 2023 and November 2024, total nonfarm employment increased by 0.9%. Private education and health services recorded the largest increase in total nonfarm jobs this year, adding 11,900 jobs. Business services, government, financial services, and leisure and hospitality were the industries that also added to the total nonfarm increase.

NET ABSORPTION & ACTIVITY

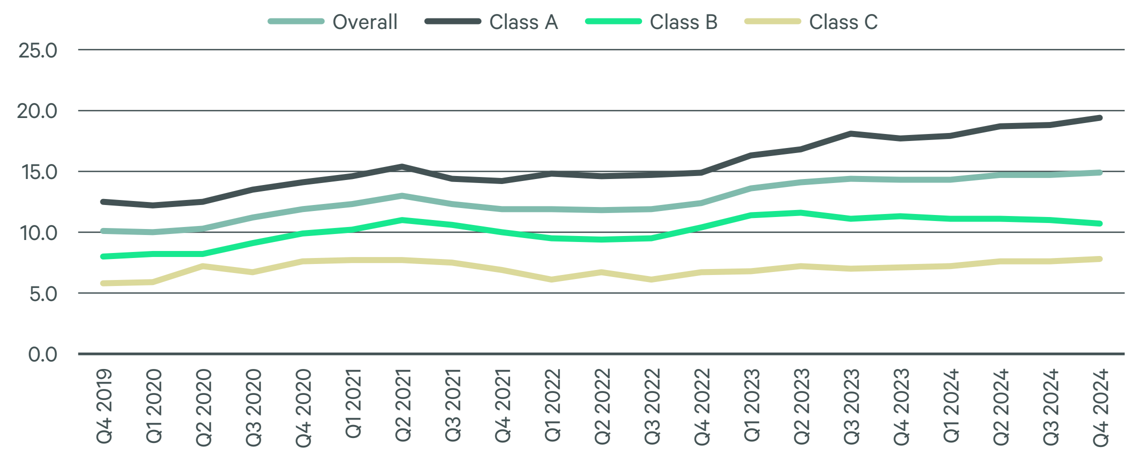
At negative 188,000 sq. ft., net absorption continued to decline, albeit at a much less accelerated rate. This marked the ninth straight quarter of negative absorption since Q3 2022 and brought the year-over-year close for 2024 to just under negative 1 million sq. ft. This was an improvement from the negative 1.7 million sq. ft. recorded in YTD 2023.

Large move-outs in each submarket left a sizeable increases in vacancies, while it placed additional downward pressure on asking rates. Vyaire Medical, a medical device company that filed for Chapter 11 bankruptcy protection this year, contributed another 160,047 sq. ft. of empty space to the market in Q4 2024 as part of a phased move-out from their Discovery Park headquarters at 510 & 520 Technology Dr in Irvine. Health and wellness technology company, Willow Laboratories took 63,440 sq. ft. in University Research Park at 121 Theory Dr in Irvine, and Tarsus Pharmaceuticals executed a 59,626 sq. ft. expansion deal at 17700 Laguna Canyon Rd in Irvine.

DEVELOPMENT

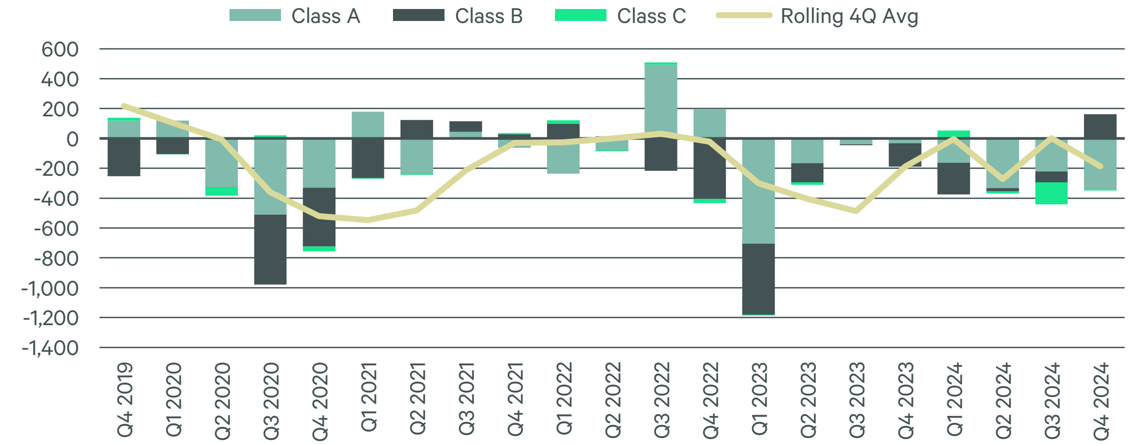
In the fourth quarter of 2024, there were no new office buildings delivered or under construction in the Orange County market. The only ongoing office project was OCVIBE, situated between Ball Road and Katella Avenue in Anaheim. The first phase of this project, a 168,000 square foot office building, is expected to be completed by April 2025. The recent wave of office demolitions is reducing the amount of office space, leading to a shift in the commercial real estate landscape. The absence of new office construction persisted due to high costs and low demand.

FIGURE 4: Vacancy Rate by Class (%)



Source: CBRE Research, Q4 2024.

FIGURE 5: Net Absorption by Class (SF in thousands)



Source: CBRE Research, Q4 2024.

INVESTMENT MARKET

OC investment sales transaction volume closed Q4 2024 at $298 million, a 4.4% increase year-over-year according to data from MSCI Real Capital Analytics and CBRE research data. Investment activity remained relatively flat due to ongoing economic challenges and investor reluctance caused by market uncertainty. A total of 21 Orange County office properties sold in Q4 2024 compared to the 12 properties that sold in Q3 2024. The largest office deal that transacted in Q4 2024 was 2600 Michelson Dr in Irvine. The 341,600 sq. ft. office building was sold by CBRE Investment Management and purchased by Gaines Investment Trust for roughly $42 million. Brea Plaza Office Park at 1698-1700 Greenbriar Ln was sold by Mercury Insurance Company to Blackwater Taverns Inc. The buyer submitted plans to redevelop the 164,908 sq. ft. property into 180 residential units.

MARKET OUTLOOK

The U.S. economy continues to exceed expectations. Much of this is due to a sturdy consumer who is enjoying increased household wealth, real income growth, and a resilient labor market. Consequently, CBRE is revising its outlook upward for 2025 annual average GDP growth by 60 basis points to 2.3%.

Typically, sturdy economic growth alongside Fed rate cuts would be rocket fuel for commercial real estate performance. The catch is capital markets have grown skeptical of just how low rates will go in 2025. The mix of sticky core inflation and future policy concerns are putting upward pressure on long-term rates. Nevertheless, real estate capital markets have made good progress in recent quarters. Lending spreads are tightening, and credit issuance is up.

Optimism for the Orange County market is growing among industry professionals. Class A space has proved to be a growth catalyst, while deal terms are steadily increasing in length across submarkets. With more clarity post-presidential election, the building blocks for growth have been set.

FIGURE 6: Market Statistics

Submarket	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)
North Orange County								
Class A	2,596,059	30.6	17.3	(95,752)	(139,712)	0	0	$2.74
Class B	5,208,901	12.8	7.2	27,584	(516)	0	0	$2.36
Class C	634,830	6.8	3.0	2,005	4,733	0	0	$2.15
North Orange County Total	8,439,790	17.8	10.0	(66,163)	(135,495)	0	0	$2.53
Central Orange County								
Class A	6,014,005	30.0	23.8	28,763	(50,793)	168,000	0	$2.85
Class B	8,230,722	24.0	15.2	26,161	21,560	0	0	$2.53
Class C	1,417,066	12.0	10.1	25,777	7,791	0	0	$2.06
Central Orange County Total	15,661,793	25.2	18.0	80,701	(21,442)	168,000	0	$2.64
West Orange County								
Class A	1,844,605	22.2	14.3	(11,044)	(9,640)	0	0	$3.14
Class B	2,394,590	18.0	14.0	29,570	(2,089)	0	0	$2.12
Class C	241,326	17.4	6.4	(3,103)	(5,183)	0	0	$1.14
West Orange County Total	4,480,521	19.7	13.7	15,423	(16,912)	0	0	$2.52
Greater Airport Area								
Class A	26,665,805	31.4	21.6	(332,425)	(884,181)	0	0	$3.24
Class B	21,233,362	16.3	9.6	102,270	(40,095)	0	0	$2.56
Class C	1,502,219	11.8	9.0	(30,071)	(34,799)	0	0	$2.11
Greater Airport Area Total	49,401,386	24.4	16.1	(260,226)	(959,075)	0	0	$3.05
South Orange County								
Class A	14,891,638	25.6	14.7	64,919	177,598	0	0	$2.94
Class B	11,330,169	20.4	10.3	(23,344)	(27,449)	0	0	$2.36
Class C	534,951	7.0	4.6	1,022	3,910	0	0	$2.21
South Orange County Total	26,756,758	23.1	12.6	42,597	154,059	0	0	$2.70
Orange County	**104,705,248**	**23.4**	**14.9**	**(187,668)**	**(978,865)**	**168,000**	**0**	**$2.85**

Source: CBRE Research, Q4 2024.

FIGURE 7: Key Transactions

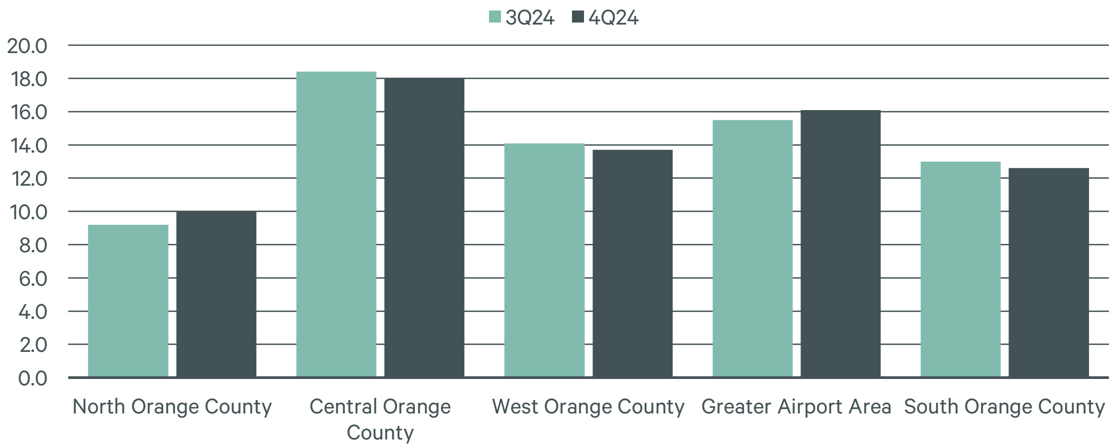
Occupier	Industry Sector	Location	Total Sq. Ft.
Willow Laboratories	Healthcare	121 Theory Dr	63,440
Tarsus Pharmaceuticals	Pharmaceuticals	17700 Laguna Canyon Rd	59,626
Acrisure	Insurance	611 Anton Blvd	59,409
Hyundai Glovis	Logistics	18191 Von Karman Ave	53,282
Bonfire Studios	Technology	18600 MacArthur Blvd	46,000

*Indicates Renewal. Source: CBRE Research, Q4 2024.

FIGURE 1: Historical Vacancy (%)

Source: CBRE Research, Q4 2024.

FIGURE 2: Vacancy by Area (%)

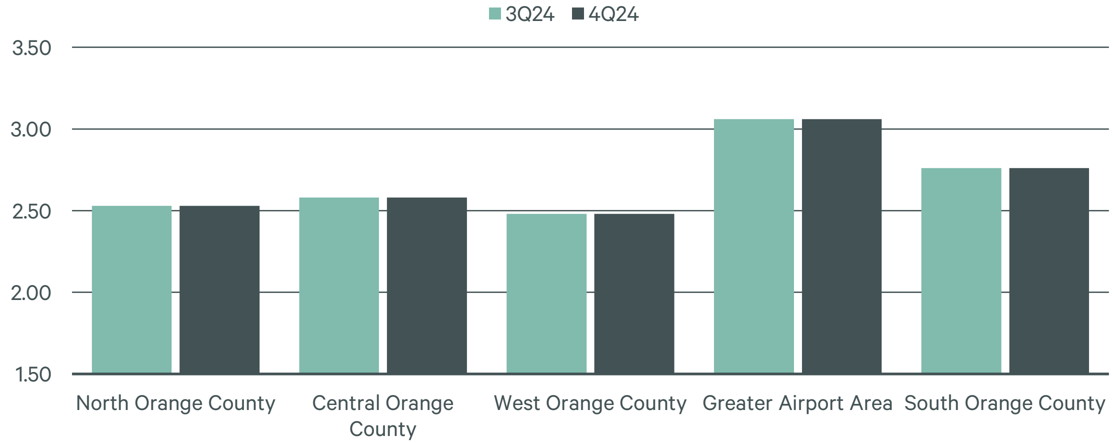


Source: CBRE Research, Q4 2024.

FIGURE 3: Historical Avg. Asking Lease Rate ($PSF/MO/FSG)

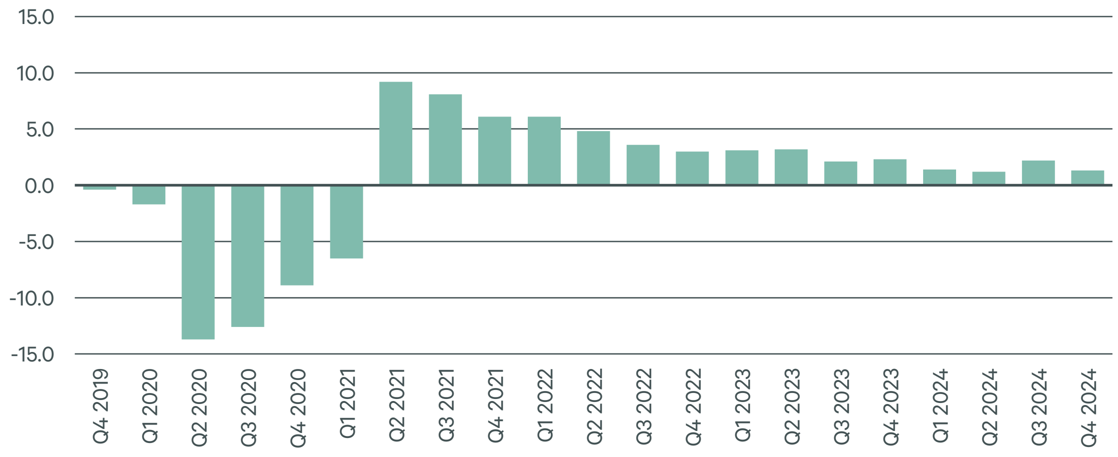
Source: CBRE Research, Q4 2024.

FIGURE 4: Avg. Asking Lease Rate by Area ($PSF/MO/FSG)



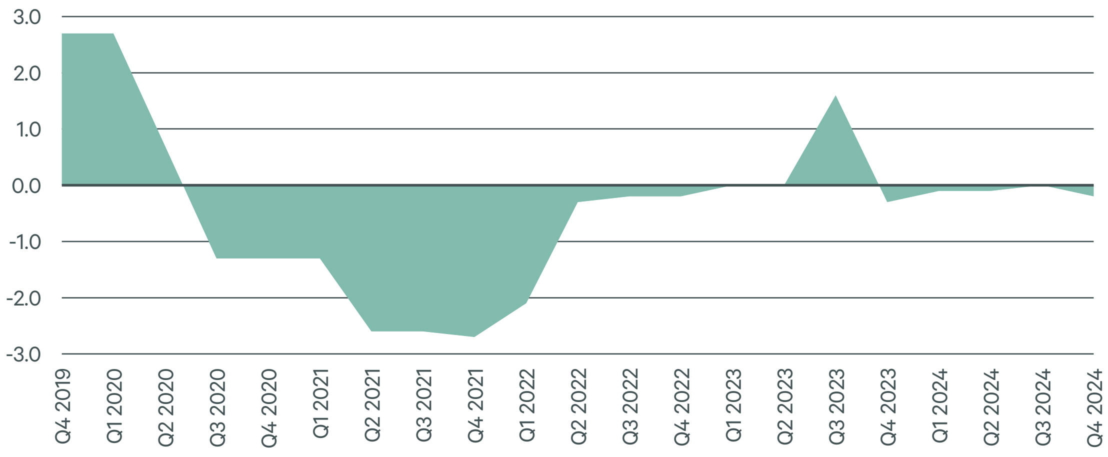
Source: CBRE Research, Q4 2024.

FIGURE 5: Year-Over-Year Job Growth (%)



Source: U.S. Bureau of Labor Statistics, Q4 2024.

FIGURE 6: Year-Over Year Rent Growth (%)



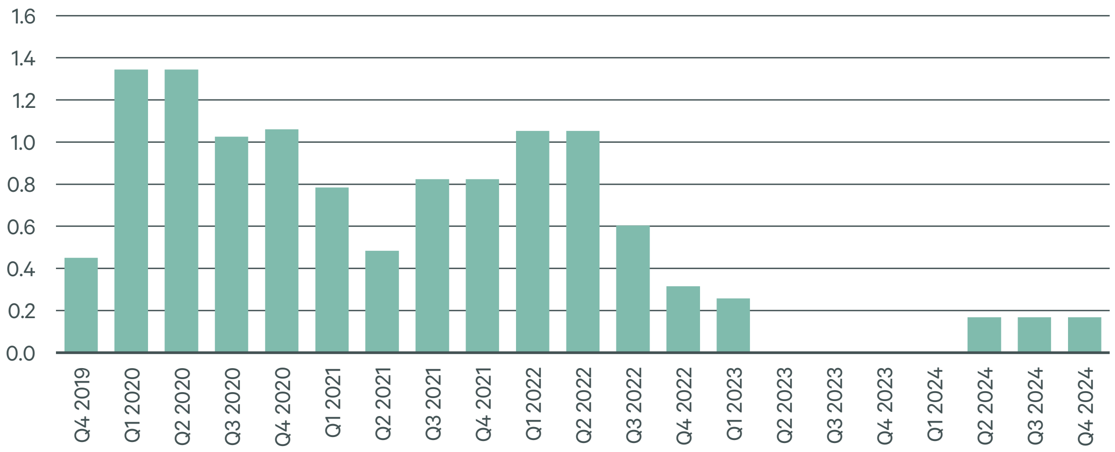
Source: CBRE Research, Q4 2024.

FIGURE 7: Key Market Statistics

Market	Vacancy (%)		Net Absorption (Sq. Ft.)		Average Asking Lease Rate (FSG)	
	Q4 2024	Q3 2024	Q4 2024	Q3 2024	Q4 2024	Q3 2024
North Orange County	10.0	9.2	(66,163)	(34,315)	$2.53	$2.53
Central Orange County	18.0	18.4	80,701	(4,052)	$2.61	$2.58
West Orange County	13.7	14.1	15,423	(30,271)	$2.51	$2.48
Greater Airport Area	16.1	15.5	(260,226)	(269,660)	$3.04	$3.06
South Orange County	12.6	13.0	42,597	118,276	$2.66	$2.76

Source: CBRE Research, Q4 2024.

FIGURE 8: Under Construction (SF in Millions)



Source: CBRE Research, Q4 2024.

FIGURE 9: Market Statistics by City

CITY	Bldg Count	Sq. Ft. RBA	Total Sq. Ft. Avail	Avail Rate (%)	Total Sq. Ft. Vacant	Total Vacancy Rate (%)	Direct Sq. Ft. Vacant	Direct Vacancy Rate (%)	Current Quarter Net Absorption	YTD Net Absorption	Sq. Ft. Avail Sublease	Sq. Ft. Vacant Sublease	Avg Asking Lease Rate ($)	Sq. Ft. Under Construction
Aliso Viejo	56	3,525,904	1,509,873	42.8	904,863	25.7	852,886	24.2	110,361	145,293	231,383	51,977	2.92	0
Anaheim	84	5,415,658	1,254,028	23.3	907,060	16.9	679,037	12.6	(3,238)	(49,120)	244,721	228,023	2.55	168,000
Brea	45	3,877,809	819,924	21.1	453,060	11.7	419,811	10.8	(63,904)	(73,840)	83,854	33,249	2.78	0
Buena Park	9	744,239	102,516	13.8	45,919	6.2	45,919	6.2	1,899	(14,704)	0	0	2.36	0
Corona del Mar	2	81,000	5,637	7.0	2,500	3.1	2,500	3.1	0	0	0	0	4.25	0
Costa Mesa	82	6,619,933	1,885,777	28.5	1,213,037	18.3	1,117,477	16.9	23,518	60,673	161,040	95,560	3.14	0
Cypress	28	2,017,261	232,059	11.5	144,416	7.2	131,759	6.5	32,459	6,218	12,657	12,657	1.99	0
Dana Point	1	31,376	0	0.0	0	0.0	0	0.0	0	0	0	0	0	0
Foothill Ranch	14	876,839	310,943	35.5	167,354	19.1	164,078	18.7	0	28,270	12,611	3,276	2.47	0
Fountain Valley	17	1,270,279	44,088	3.5	27,919	2.2	27,919	2.2	(5,008)	3,035	2,046	0	2.28	0
Fullerton	17	1,192,396	95,228	8.0	27,965	2.3	27,965	2.3	(3,122)	20,587	3,378	0	2.41	0
Garden Grove	32	578,646	75,705	13.1	39,212	6.8	39,212	6.8	(1,281)	11,845	0	0	2.06	0
Huntington Beach	27	1,179,180	439,812	37.3	337,008	28.6	312,702	26.5	(22,678)	(26,224)	70,370	24,306	2.86	0
Irvine	663	38,962,198	9,318,407	23.9	5,506,047	14.1	4,930,321	12.7	(286,112)	(958,201)	1,122,423	575,726	2.93	0
La Habra	4	122,212	3,883	3.2	3,133	2.6	3,133	2.6	961	961	0	0	1.79	0
La Palma	7	580,373	155,544	26.8	103,933	17.9	103,933	17.9	0	(55,872)	6,601	0	2.61	0
Laguna Beach	2	82,515	3,372	4.1	3,372	4.1	3,372	4.1	2,472	2,472	0	0	3.65	0
Laguna Hills	40	1,701,199	405,518	23.8	273,381	16.1	268,494	15.8	(4,987)	(23,619)	15,309	4,887	2.70	0
Laguna Niguel	8	638,551	152,339	23.9	90,137	14.1	83,878	13.1	(7,999)	(6,444)	11,080	6,259	2.45	0
Lake Forest	65	1,923,783	351,960	18.3	252,601	13.1	190,273	9.9	(33,116)	(28,592)	72,328	62,328	2.15	0
Los Alamitos	10	342,285	46,548	13.6	39,674	11.6	33,943	9.9	(1,424)	(7,689)	5,731	5,731	2.69	0
Mission Viejo	55	1,681,726	382,090	22.7	219,789	13.1	199,328	11.9	(168)	1,050	24,479	20,461	2.72	0
Newport Beach	175	9,687,672	2,021,390	20.9	1,311,542	13.5	1,191,005	12.3	(80,926)	(265,417)	283,923	120,537	3.35	0
Orange	73	5,853,206	1,546,533	26.4	1,174,543	20.1	1,109,794	19.0	14,448	2,100	268,685	64,749	2.85	0
Placentia	8	172,703	44,494	25.8	39,085	22.6	36,503	21.1	(9,020)	(21,104)	2,582	2,582	2.06	0
San Clemente	6	240,860	24,389	10.1	8,943	3.7	2,392	1.0	(2,392)	3,316	6,551	6,551	2.37	0
San Juan Capistrano	45	862,673	110,641	12.8	35,046	4.1	35,046	4.1	0	20,532	4,488	0	2.03	0
Santa Ana	161	10,654,743	2,498,307	23.4	1,809,303	17.0	1,740,276	16.3	151,554	229,316	239,982	69,027	2.53	0
Santa Margarita	18	308,666	23,486	7.6	20,840	6.8	20,840	6.8	0	2,107	2,646	0	2.52	0
Seal Beach	7	466,478	55,626	11.9	21,630	4.6	21,630	4.6	3,499	2,401	1,764	0	3.47	0
Stanton	2	82,424	32,637	39.6	10,476	12.7	10,476	12.7	(1,551)	(2,507)	0	0	0.97	0
Tustin	59	2,364,240	496,098	21.0	340,219	14.4	302,482	12.8	(15,027)	3,403	63,788	37,737	3.06	0
Westminster	8	315,679	55,193	17.5	41,312	13.1	41,312	13.1	5,118	10,889	0	0	2.48	0
Yorba Linda	6	285,542	21,657	7.6	5,617	2.0	5,617	2.0	7,996	0	0	0	2.20	0
ORANGE COUNTY TOTALS	**1,836**	**104,705,248**	**24,525,702**	**23.4**	**15,580,936**	**14.9**	**14,155,313**	**13.5**	**(187,668)**	**(978,865)**	**2,954,420**	**1,425,623**	**$2.85**	**168,000**

Source: CBRE Research, Q4 2024.

FIGURE 10: Market Statistics By Submarket

SUBMARKET	Bldg Count	Sq. Ft. RBA	Total Sq. Ft. Avail	Avail Rate (%)	Total Sq. Ft. Vacant	Total Vacancy Rate (%)	Direct Sq. Ft. Vacant	Direct Vacancy Rate (%)	Current Quarter Net Absorption	YTD Net Absorption	Sq. Ft. Avail Sublease	Sq. Ft. Vacant Sublease	Avg Asking Lease Rate ($)	Sq. Ft. Under Construction
North Orange County	122	8,439,790	1,505,098	17.8	840,699	10.0	797,176	9.4	(66,163)	(135,495)	104,107	43,523	$2.53	0
Central Orange County	259	15,626,793	3,942,147	25.2	2,815,002	18.0	2,460,136	15.7	80,701	(21,442)	703,029	354,866	$2.64	168,000
West Orange County	84	4,480,521	883,037	19.7	614,161	13.7	571,467	12.8	15,423	(16,912)	90,522	42,694	$2.52	0
Greater Airport Area	727	49,401,386	12,027,722	24.3	7,934,642	16.1	7,259,787	14.7	(260,226)	(959,075)	1,267,628	674,855	$3.05	0
South Orange County	644	26,756,758	6,167,698	23.1	3,376,432	12.6	3,066,747	11.5	42,597	154,059	789,134	309,685	$2.70	0
ORANGE COUNTY TOTALS	**1,836**	**104,705,248**	**24,525,702**	**23.4**	**15,580,936**	**14.9**	**14,155,313**	**13.5**	**(187,668)**	**(978,865)**	**2,954,420**	**1,425,623**	**$2.85**	**168,000**

Source: CBRE Research, Q4 2024.

FIGURE 11: Market Statistics By Building Type

BUILDING TYPE	Bldg Count	Sq. Ft. RBA	Total Sq. Ft. Avail	Avail Rate (%)	Total Sq. Ft. Vacant	Total Vacancy Rate (%)	Direct Sq. Ft. Vacant	Direct Vacancy Rate (%)	Current Quarter Net Absorption	YTD Net Absorption	Sq. Ft. Avail Sublease	Sq. Ft. Vacant Sublease	Avg Asking Lease Rate ($)	Sq. Ft. Under Construction
High-Rise	126	28,656,105	8,642,573	30.2	6,273,557	21.9	5,578,402	19.5	(293,794)	(815,000)	1,080,926	695,155	$3.10	0
Mid-Rise	196	21,535,400	6,080,674	28.2	3,930,482	18.3	3,667,784	17.0	(43,592)	(301,344)	739,441	262,698	$3.12	168,000
Low-Rise	1,514	54,513,743	9,802,455	18.0	5,376,897	9.9	4,909,127	9.0	149,718	65,766	1,134,053	467,770	$2.45	0
ORANGE COUNTY TOTALS	**1,836**	**104,705,248**	**24,525,702**	**23.4**	**15,580,936**	**14.9**	14,155,313	**13.5**	**(187,668)**	**(978,865)**	**2,954,420**	**1,425,623**	**$2.85**	**168,000**

Source: CBRE Research, Q4 2024.

FIGURE 12: Market Statistics By Building Class

BUILDING CLASS	Bldg Count	Sq. Ft. RBA	Total Sq. Ft. Avail	Avail Rate (%)	Total Sq. Ft. Vacant	Total Vacancy Rate (%)	Direct Sq. Ft. Vacant	Direct Vacancy Rate (%)	Current Quarter Net Absorption	YTD Net Absorption	Sq. Ft. Avail Sublease	Sq. Ft. Vacant Sublease	Avg Asking Lease Rate ($)	Sq. Ft. Under Construction
Class A	418	52,012,112	15,209,828	29.2	10,089,865	19.4	9,120,578	17.5	(345,539)	(906,728)	1,914,045	969,287	$3.10	168,000
Class B	1,207	48,397,744	8,850,262	18.3	5,158,120	10.7	4,703,338	9.7	162,241	(48,589)	1,030,767	454,782	$2.46	0
Class C	211	4,295,392	465,612	10.8	332,951	7.8	331,397	7.7	(4,370)	(23,548)	9,608	1,554	$2.02	0
ORANGE COUNTY TOTALS	**1,836**	**104,740,211**	**24,525,702**	**23.4**	**15,580,936**	**14.9**	**14,155,313**	**13.5**	**(187,668)**	**(978,865)**	**2,954,420**	**1,425,623**	**$2.85**	**168,000**

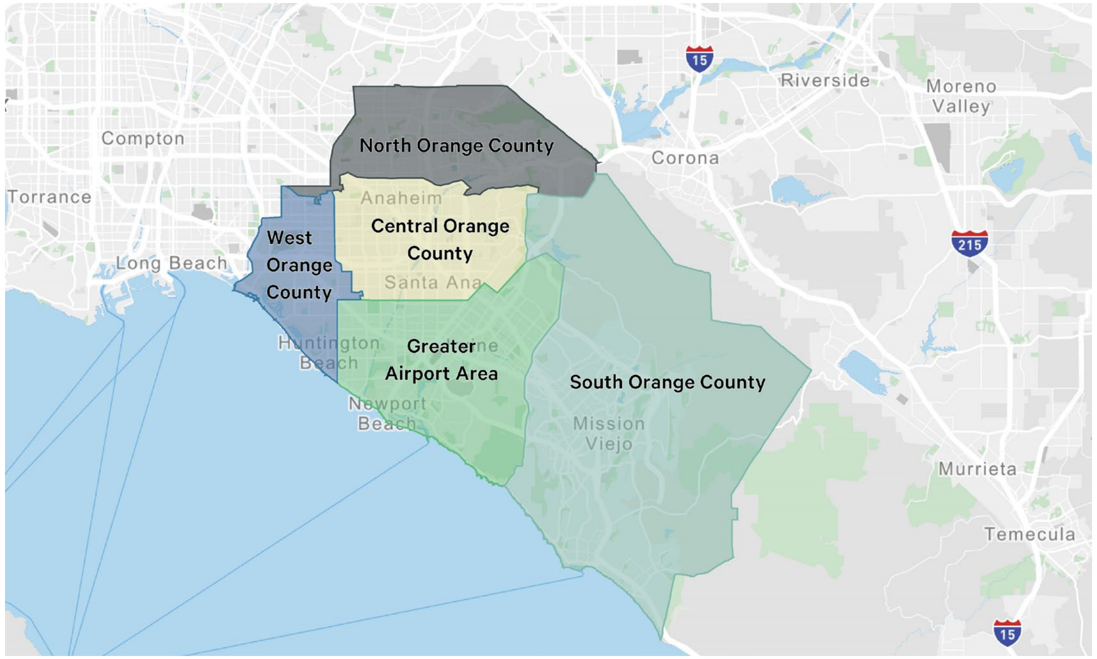
Source: CBRE Research, Q4 2024.

FIGURE 13: Market Statistics By Submarket

DISTRICT	Bldg Count	Sq. Ft. RBA	Total Sq. Ft. Avail	Avail Rate (%)	Total Sq. Ft. Vacant	Total Vacancy Rate (%)	Direct Sq. Ft. Vacant	Direct Vacancy Rate (%)	Current Quarter Net Absorption	YTD Net Absorption	Sq. Ft. Avail Sublease	Sq. Ft. Vacant Sublease	Avg Asking Lease Rate ($)	Sq. Ft. Under Construction
Airport Office Area	186	14,224,319	4,138,898	29.1	2,924,054	20.6	2,746,930	19.3	(188,465)	(553,039)	364,527	177,124	$3.08	0
Anaheim Hills	14	443,901	86,038	19.4	32,584	7.3	30,784	6.9	(973)	12,650	1,800	1,800	$2.38	0
Anaheim Stadium Area	39	2,397,902	632,823	26.4	453,996	18.9	438,880	18.3	(4,054)	10,599	21,914	15,116	$2.85	168,000
Downtown Anaheim	12	818,650	331,639	40.5	283,415	34.6	77,190	9.4	1,630	(17,523)	206,225	206,225	$2.31	0
Irvine Business Complex	116	6,120,517	1,403,380	22.9	972,845	15.9	852,963	13.9	(21,958)	(159,373)	166,353	119,882	$3.09	0
Irvine Spectrum	337	14,897,074	2,893,087	19.4	1,400,106	9.4	1,246,160	8.4	(21,574)	9,674	408,259	153,946	$2.71	0
Newport Center	51	3,494,984	403,320	11.5	170,705	4.9	140,869	4.0	(594)	10,913	87,262	29,836	$4.22	0
Park Center	57	2,297,768	753,373	32.8	597,055	26.0	571,293	24.9	(7,059)	(51,183)	38,698	25,762	$2.39	0
Santa Ana Civic Center	16	1,330,126	148,143	11.1	119,692	9.0	119,692	9.0	7,080	5,204	12,761	0	$2.57	0
South Coast Metro	74	7,978,430	2,340,111	29.3	1,629,707	20.4	1,535,592	19.2	68,194	6,611	194,032	94,115	$3.05	0
The City	9	1,717,417	567,173	33.0	561,021	32.7	561,021	32.7	(5,079)	3,561	0	0	$2.93	0
Town & Country	12	1,552,088	288,782	18.6	236,687	15.2	197,708	12.7	(24,696)	(11,643)	38,979	38,979	$2.98	0
Non-Submarket Area	913	47,432,072	10,538,935	22.2	6,199,069	13.1	5,636,231	11.9	(39,512)	(244,722)	1,413,610	562,838	$2.85	0
ORANGE COUNTY TOTALS	**1,836**	**104,705,248**	**24,525,702**	**23.4**	**15,580,936**	**14.9**	**14,155,313**	**13.5**	**(187,668)**	**(978,865)**	**2,954,420**	**1,425,623**	**$2.85**	**168,000**

Source: CBRE Research, Q4 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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