

FIGURES | GREATER AIRPORT AREA OFFICE | Q3 2024

Financial services firms and renewals drive activity

▲ 15.5%
Vacancy Rate

▲ -270K
SF Net Absorption

▶ 0
SF Construction

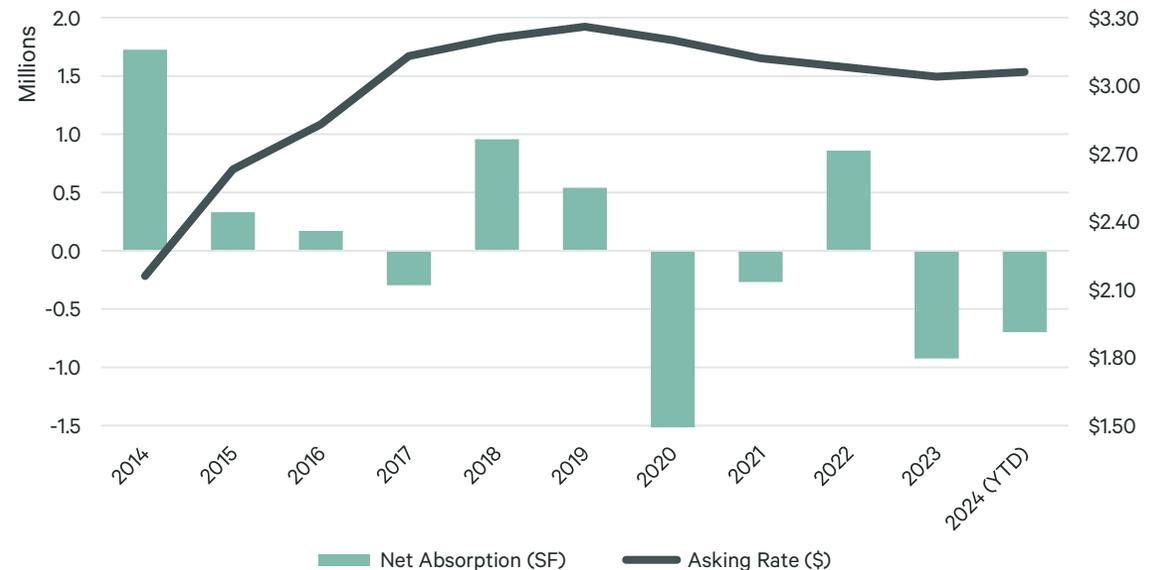
▲ \$3.06
FSG / Lease Rate

Note: Arrows indicate change from previous quarter.

SUBMARKET HIGHLIGHTS

- Renewals by financial service companies and large law firms continued to anchor leasing activity within the Greater Airport Area (GAA) submarket and accounted for the top four deals.
- Asking rates for the submarket ticked up a slight \$0.01 to \$3.06 FSG per sq. ft. per month quarter-over-quarter. This was the same rate increase year-over-year.
- The submarket accounted for 47% of the county’s overall office market inventory, and vacancy remained relatively stagnant. The vacancy rate increased a slight 10 bps from the prior quarter to 15.5% in Q3 2024.
- There were several large moveouts in Irvine. Engineering consultant firm Stantec moved out of 39,687 sq. ft. at 38 Technology Drive, while educational company McGraw Hill ALEKS moved out of 26,610 sq. ft. at 15460 Laguna Canyon Rd. Primoris Services, a construction and engineering firm, signed 31,706 sq. ft. of space at 7515 Irvine Center Drive.

FIGURE 1: Net Absorption & Asking Rate Trend



Source: CBRE Research, Q3 2024.

FIGURE 2: Greater Airport Area 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	26,665,805	31.9	20.3	(138,354)	(551,756)	0	0	\$3.25
Class B	21,233,325	16.6	10.1	(133,579)	(142,365)	0	0	\$2.58
Class C	1,502,219	9.7	7.0	2,273	(4,728)	0	0	\$1.89
Greater Airport Area	49,401,349	24.7	15.5	(269,660)	(698,849)	0	0	\$3.06

Source: CBRE Research, Q3 2024.

FIGURE 3: Greater Airport Area 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)
Corona Del Mar	81,000	7.0	3.1	0	0	0	0	\$4.25
Costa Mesa	6,619,933	29.7	18.7	(25,315)	37,155	0	0	\$3.13
Fountain Valley	1,270,279	3.2	1.8	9,238	8,043	0	0	\$2.40
Irvine	38,926,161	24.0	13.5	(118,000)	(729,691)	0	0	\$2.98
Newport Beach	9,687,672	20.0	12.7	(78,348)	(184,491)	0	0	\$3.36
Santa Ana	10,654,743	25.2	18.2	19,483	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	49,401,349	24.9	15.5	(269,660)	(698,849)	0	0	\$3.06

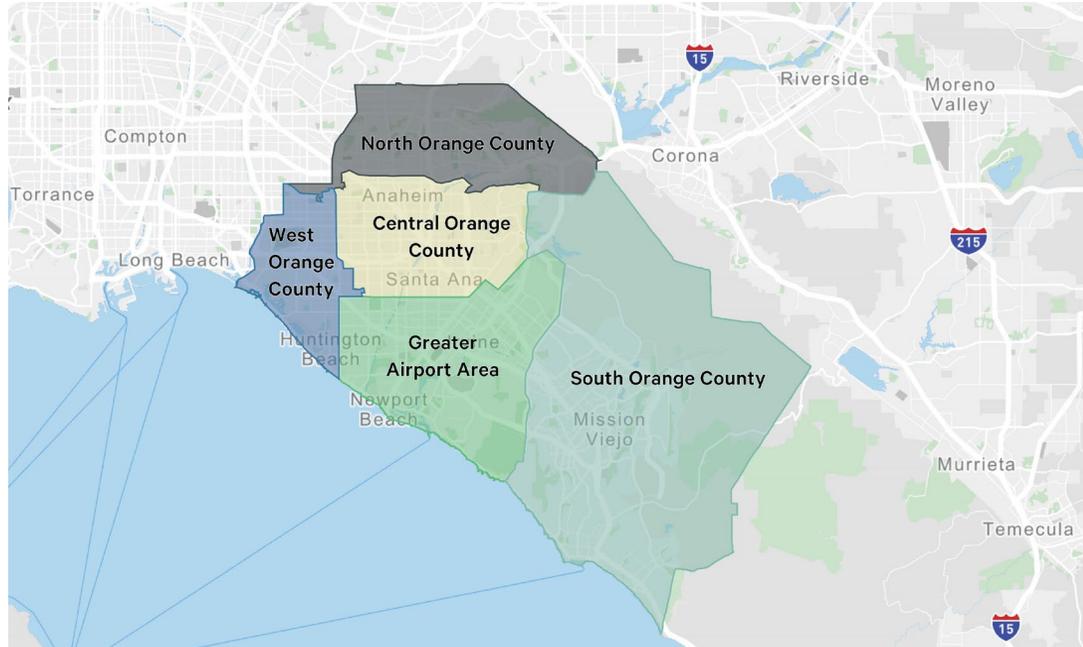
Source: CBRE Research, Q3 2024.

FIGURE 4: Key Transactions

Occupier	Industry Sector	Location	Total Sq. Ft.
Pacific Premier Bank*	Financial Services	17901 Von Karman Ave	115,000
JP Morgan Chase*	Financial Services	3 Park Plaza	59,904
Snell & Wilmer*	Legal	600 Anton Blvd	57,326
Wells Fargo Bank*	Financial Services	2030 Main St	52,958
TJ Maxx of CA*	Retail	18100 Von Karman Ave	24,234

*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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