

Orange County Retail Construction Report



CYPRESS VILLAGE

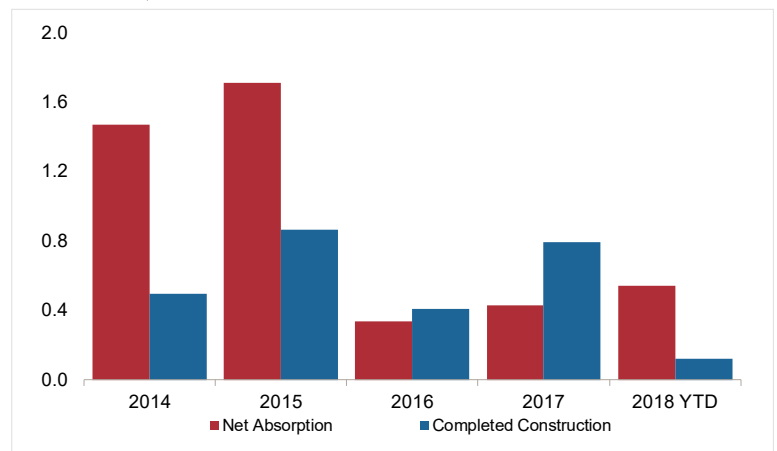
KEY STATISTICS MID-YEAR 2018

Market Size:	141,245,293 SF
Existing Available Space:	6,317,043 SF
Space Under Construction:	445,835 SF
Completed Construction in 2018 YTD:	120,868 SF
Largest Project Under Construction in 2018:	Tustin Legacy; Tustin; 220,000 SF retail building part of the mixed-use redevelopment of a former Marine base; delivers 4Q 2018
Largest Project Completed in 2018:	Cypress Village; Cypress; 16,433 SF strip center for food & beverage tenants; property is 89.0% occupied and offered for sale at \$13.5M or \$823/SF with a 4.85% cap rate

MARKET TRENDS

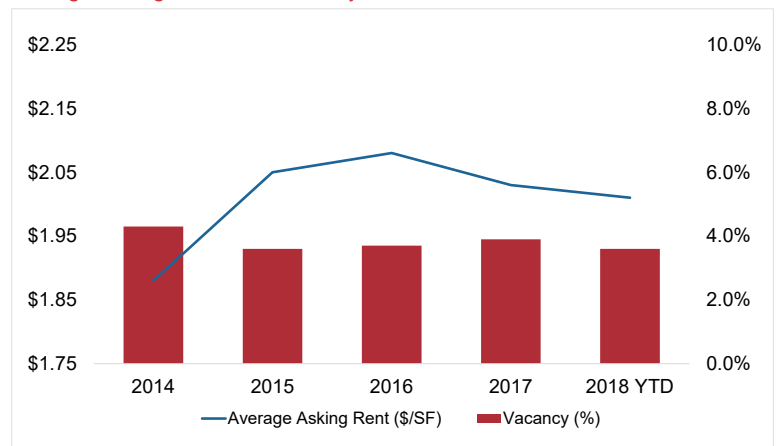
- The average asking rent increased 6.9% since 2014
- The vacancy rate dropped 60 basis points from 2014 to 3.6%
- Net absorption has totaled more than 3.0M SF since 2014
- Completed construction totaled nearly 2.2M SF since 2014

Net Absorption and Completed Construction
Millions of Square Feet



Source: NAI Capital Research, CoStar

Average Asking Rent* and Vacancy Rate



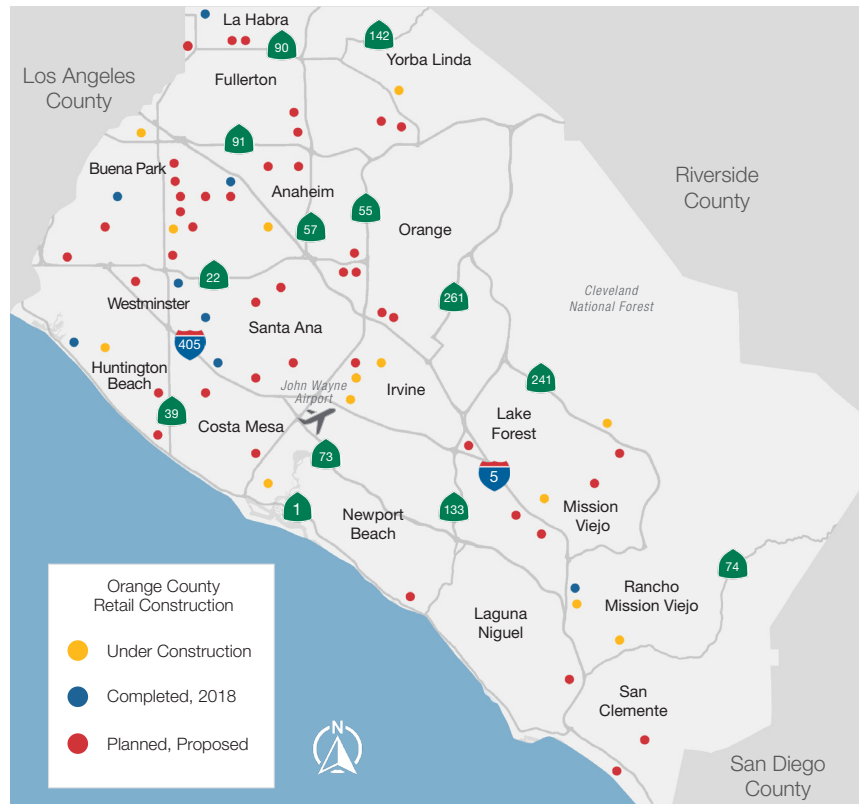
*Rents reflect buildings 5,000 SF or greater; quoted in \$/SF NNN on a monthly basis
Source: NAI Capital Research, CoStar

Projects To Watch In 2018



THE GATEWAY ANAHEIM

- **Portola Retail Center** is a 20,000 SF retail storefront building in Lake Forest developed by Landsea and Baldwin & Sons as part of the Portola Center mixed-use project. This building is 50.0% leased and build to suit spaces are available. The retail center delivers 3Q 2018.
- **Central Park West** is a 19,627 SF strip center in Irvine developed by Lennar Multifamily Investors LLC. This project lies within the 42-acre master planned community of the same name featuring three residential areas. The strip center delivers 3Q 2018.
- **Greenstreet Mission Viejo** is a 15,193 SF freestanding building in Mission Viejo developed by Greenstreet Development LLC. The project is an eco-friendly, upscale retail center with a full service Green Street auto spa. Four tenants pre-leased spaces at \$3.95/NNN and the building delivers 3Q 2018.
- **The Gateway Anaheim** is a 15,000 SF retail building in Anaheim developed by Nexus Companies. The project will be the only fast casual food court in the resort district and is 83.0% leased with Yogurtland as a confirmed tenant. This building delivers 4Q 2018.
- **Yorba Linda Town Center | Shops 1** is an 8,910 SF neighborhood center in Yorba Linda developed by Yorba Linda Redevelopment Agency in partnership with Zelman Development Co. This center is part of the 125,000 SF lifestyle center project and Bristol Farms along with Regal Cinemas are confirmed tenants. Shops 1 delivers 2Q 2019.



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