

# Office Market Outlook

## Orange County Q3 2024

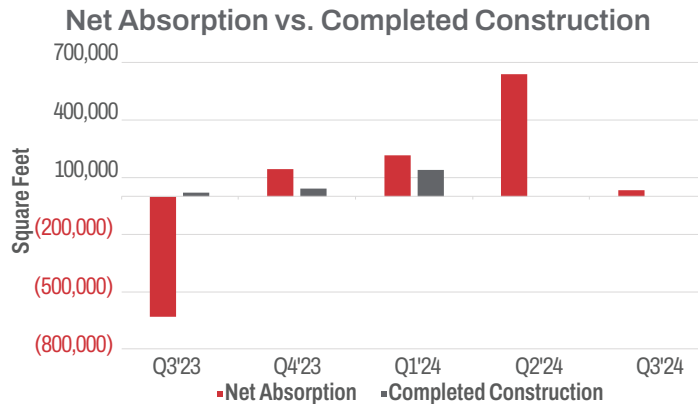
### MARKET STATISTICS\*

Submarket	Existing Total RBA (SF)	Under Construction (SF)	Total Available (%)	Total Vacancy (%)	Leasing Volume (SF)	YTD Leasing Volume (SF)	Sales Volume (SF)	YTD Sales Volume (SF)	Average Asking Rent (\$/SF NNN)	Average Sale Price (\$/SF)
Airport	73,529,172	44,832	18.6%	14.6%	1,378,348	3,968,235	473,486	1,285,351	\$2.89	\$259
Central	15,244,450	0	14.9%	12.8%	135,022	370,856	134,958	285,512	\$2.65	\$276
North	19,149,951	178,137	11.0%	8.3%	178,719	626,423	57,003	219,778	\$2.50	\$266
South	35,200,173	29,500	16.7%	12.9%	564,166	1,554,803	49,530	377,599	\$2.85	\$427
West	14,113,720	36,781	8.5%	6.7%	96,135	280,150	717,377	270,981	\$2.54	\$277
<b>Orange County</b>	<b>157,237,466</b>	<b>289,250</b>	<b>16.0%</b>	<b>12.6%</b>	<b>2,352,390</b>	<b>6,800,467</b>	<b>1,432,354</b>	<b>2,439,221</b>	<b>\$2.81</b>	<b>\$277</b>

\* RBA includes office buildings of all sizes. Rents reflect buildings of at least 20,000 square feet.

### LEASING TRENDS

The office market gained momentum in the third quarter, albeit at a slower rate compared to the prior quarter. However, it remained positive, keeping 2024 in positive net absorption. Year-to-date net absorption stood at 886,290 square feet. The supply of office space on the market is regaining organic growth, as no construction was completed this quarter.



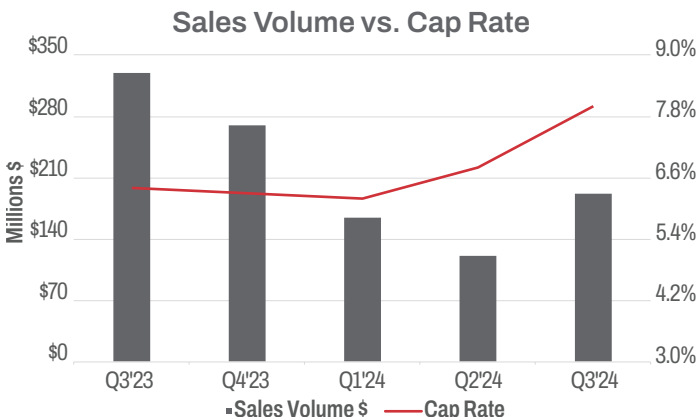
### Select Lease Transactions

Address	City	Submarket	Square Feet
3 Park Plaza	Irvine	Airport	160,524*
17901 Von Karman Ave	Irvine	Airport	115,438*
19510 Jamboree Rd	Irvine	Airport	108,696*
19520 Jamboree Rd	Irvine	Airport	87,542*
17800 Laguna Canyon R	Irvine	Airport	59,626

\*Renewal

### SALES TRENDS

Momentum shifted in the third quarter of 2024 as both users and investors found greater clarity following the Fed's interest rate cuts. This drove sales volume up by 59.5% quarter-over-quarter, though year-to-date sales volume remains 38.8% below Q3 2023 levels. While sales volume increased, the average cap rate rose by 160 basis points year-over-year, reaching 8.0% by the end of the third quarter.



### Select Sales Transactions

Address	City	Submarket	Square Feet
5 Peters Canyon Rd	Irvine	Airport	157,455
999 W Town and Country Rd	Orange	North	98,907
17101 Armstrong Ave	Irvine	Airport	57,301
2021 E 4th St	Santa Ana	Central	23,089
210 W 1st St	Santa Ana	Central	22,170