

Office Market Outlook

Orange County Q4 2024

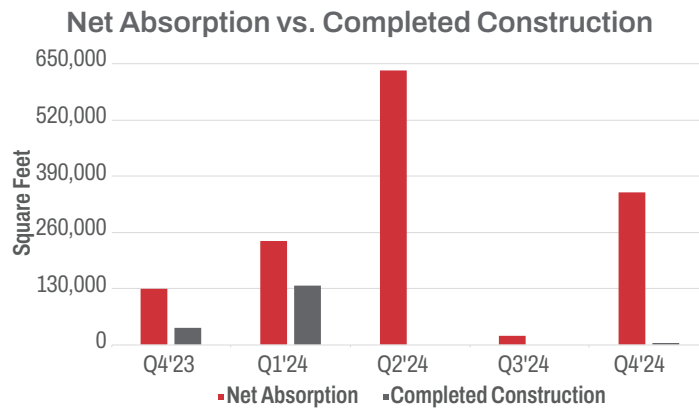
MARKET STATISTICS*

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	72,318,611	44,832	17.2%	13.9%	1,205,133	5,113,781	1,099,869	2,385,220	\$2.88	\$201
Central	15,246,858	5,853	14.5%	12.4%	87,920	458,756	55,366	340,878	\$2.72	\$244
North	19,099,779	178,137	11.8%	8.2%	107,612	738,035	60,338	280,116	\$2.48	\$281
South	35,184,503	29,500	17.1%	13.2%	337,802	1,861,814	295,446	673,045	\$2.94	\$306
West	14,099,916	31,585	8.1%	6.7%	100,282	380,432	63,264	334,245	\$2.44	\$109
Orange County	155,949,667	289,907	15.5%	12.3%	1,838,749	8,552,818	1,574,283	4,013,504	\$2.83	\$212

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

LEASING TRENDS

The office market gained positive momentum in 2024, with Q4 showing stronger growth compared to the prior quarter, maintaining positive net absorption for the year. Year-to-date net absorption exceeded 1.2 million square feet. The supply of new office space on the market is experiencing minimal growth as the market regains its strength

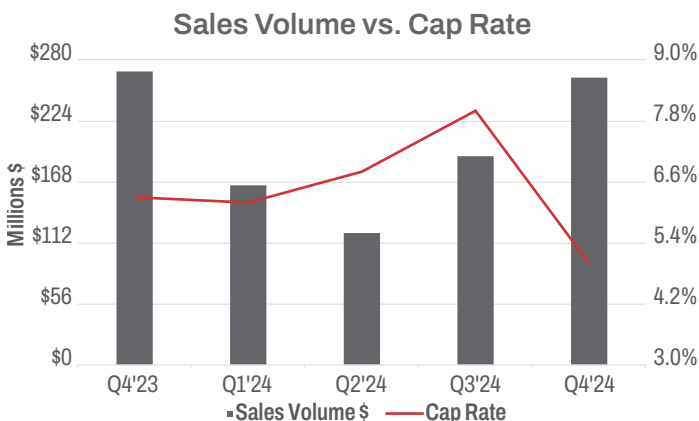


Select Lease Transactions

Address	City	Submarket	Square Feet
121 Theory Dr	Irvine	Airport	63,440
17700 Laguna Canyon Rd	Irvine	Airport	59,626
611 Anton Blvd	Costa Mesa	Airport	59,409
19520 Jamboree Rd	Irvine	Airport	53,282
25510 Commercentre Dr	Lake Forest	South	59,626

SALES TRENDS

The office sales market steadily gained momentum throughout 2024, as both users and investors gained greater confidence following the Fed's interest rate cuts and observed positive absorption. This drove sales volume up by 37.5% quarter-over-quarter, although year-to-date sales volume ended 30.1% below 2023 levels. With sales volume increasing, the average cap rate dropped by 130 basis points year-over-year, reaching 5.0% by the end of Q4.



Select Sales Transactions

Address	City	Submarket	Square Feet
2600 Michelson Dr	Irvine	Airport	310,925
18201 Von Karman Ave	Irvine	Airport	231,110
2677 N Main St	Santa Ana	Central	220,452
15131 Alton Pky	Irvine	Airport	189,500
Tustin Financial PLaza	Tustin	Central	185,000