

Retail Market Outlook

Orange County Q3 2024

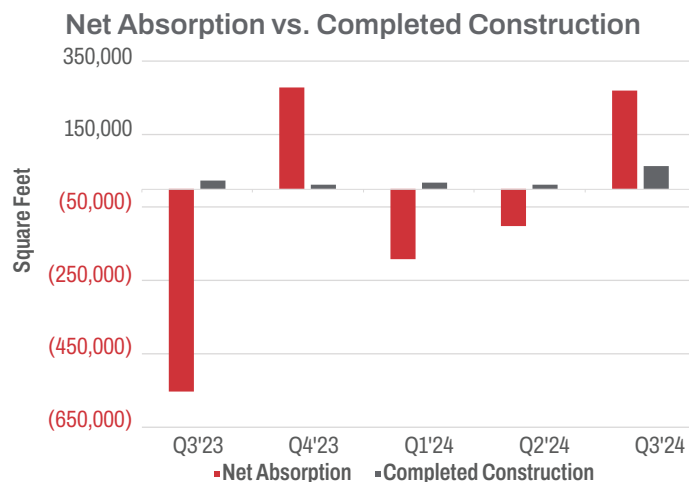
MARKET STATISTICS*

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	34,243,324	38,192	3.0%	3.0%	117,991	405,241	44,871	301,894	\$2.75	\$708
Central	14,261,978	5,885	6.1%	5.5%	65,883	157,672	11,601	159,510	\$2.28	\$286
North	32,114,521	21,845	4.6%	4.4%	144,426	449,705	183,631	419,312	\$2.13	\$199
South	28,974,873	86,654	5.0%	4.8%	116,007	433,897	66,343	112,604	\$2.87	\$767
West	32,483,034	34,212	3.5%	3.7%	123,332	540,068	78,883	283,278	\$2.45	\$583
Orange County	142,077,730	186,788	4.2%	4.1%	567,639	1,986,583	385,329	1,276,598	\$2.44	\$435

*RBA includes retail buildings of all sizes. Rents reflect buildings of at least 5,000 square feet. Rents are NNN unless otherwise noted.

LEASING TRENDS

In the third quarter, demand for retail space turned positive, pushing year-to-date net absorption into positive territory. With minimal new construction, the market primarily saw organic growth as vacated space was absorbed. In 2024, only 91,544 square feet of retail space was completed, while year-to-date net absorption reached 168,588 square feet.

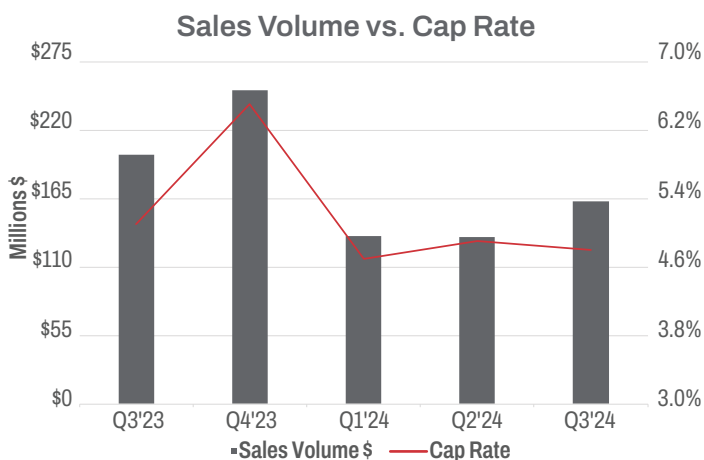


Select Lease Transactions

Address	City	Submarket	Square Feet
22999 Savi Ranch Pky: Spirit Halloween	Yorba Linda	North	25,074
31541 Santa Margarita Pky: Ace Hardware	Rancho Santa Margarita	South	23,714
14511-14591 Red Hill Ave: Dollar Tree	Tustin	Airport	23,200
11072-11076 Magnolia St: Fresh Farm Outlet	Garden Grove	West	20,000
27141 Aliso Creek Rd: County of Orange	Aliso Viejo	South	18,096

SALES TRENDS

In Q3 2024, the market saw a 21.4% increase in total sales volume compared to Q2. However, on a year-over-year basis, quarterly sales volume reflected a 30.3% decline, indicating renewed interest from users and investors seeking opportunities amid a shifting outlook for brick-and-mortar retail. The average cap rate reached 4.8%, marking a 30-basis-point decline from the previous year.



Select Sales Transactions

Address	City	Submarket	Square Feet
1308-1342 E Chapman Ave: Neighborhood Center	Fullerton	North	31,028
11100 Garden Grove Blvd: Freestanding Retail	Garden Grove	West	29,935
81 Auto Center Dr: Auto Dealership	Foothill Ranch	South	28,211
26711 Aliso Creek Rd: Storefront Retail	Aliso Viejo	South	24,986
16701 Beach Blvd: Auto Dealership	Huntington Beach	West	22,468