



Orange County industrial market report

Q1 2022

**AVISON
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Orange County Industrial market trends

01

Employment

- The Orange County area's **unemployment rate registered 3.7%** as of February 2022, which is below the rate of 7.4% during the COVID-19 pandemic in February of 2021 and down from the pandemic's peak of 14.9% in May 2020.
- **Total jobs have increased by 94,700 jobs** since February 2021. Seventy-seven percent of the 269,400 jobs lost between February and April 2020 have been recovered.

02

Vacancy & Activity

- Direct vacancies **concluded the first quarter at 2.2%**. Direct vacancies have decreased by 80 basis points since 1Q 2020, the start of the pandemic.
- **Leasing activity ramped up in the first quarter with 1,251,073 SF**, up 21.3% from the quarter prior.
- **Goodman Logistics Center** is set to be delivered in 3Q 2022. The project includes four state-of-the-art logistic facilities at a total of 1.5M SF.

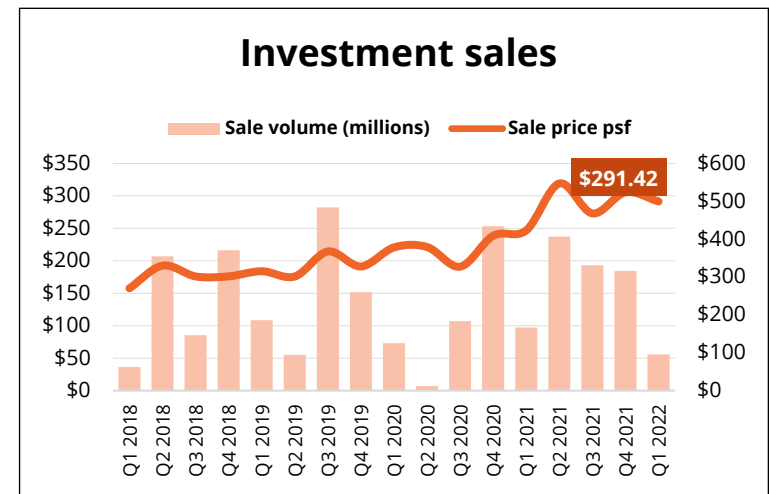
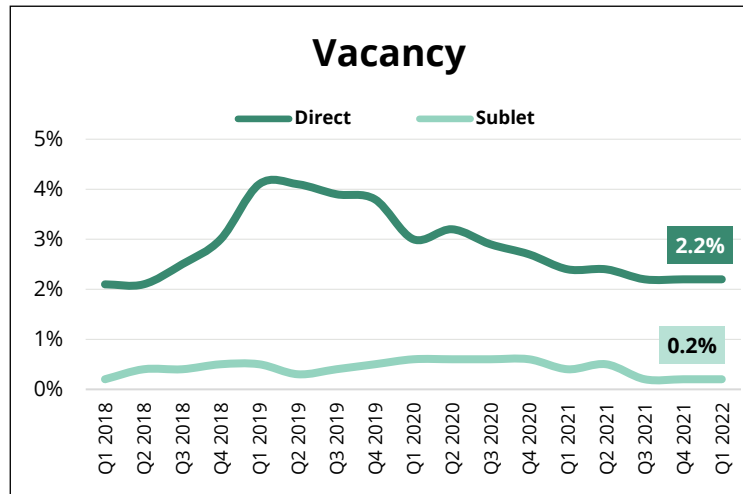
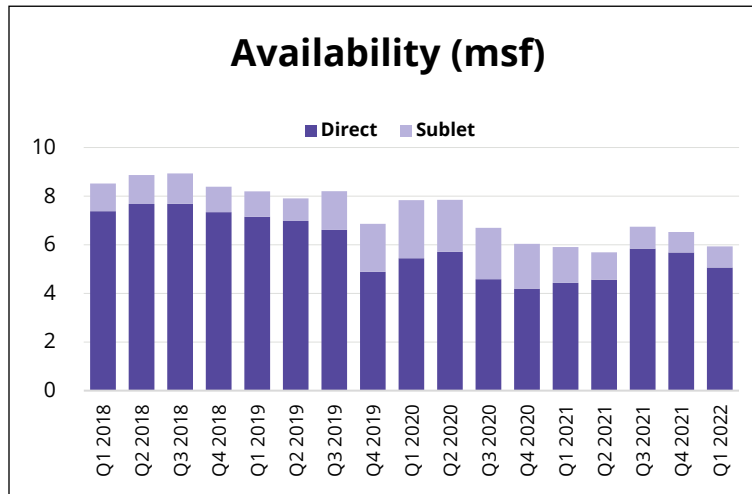
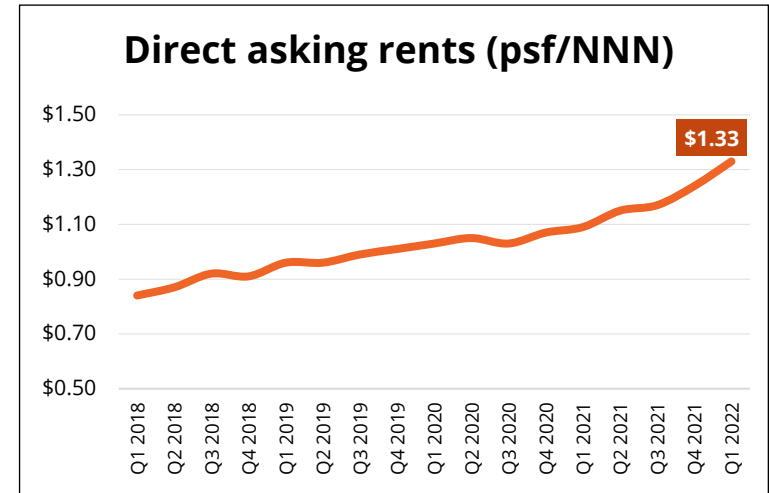
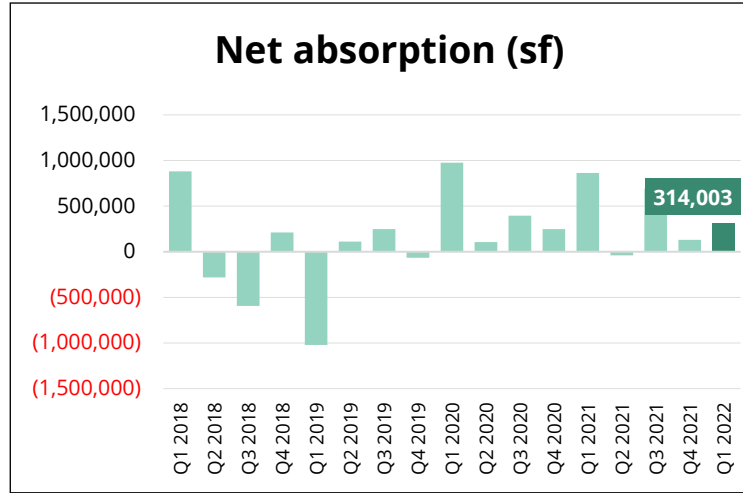
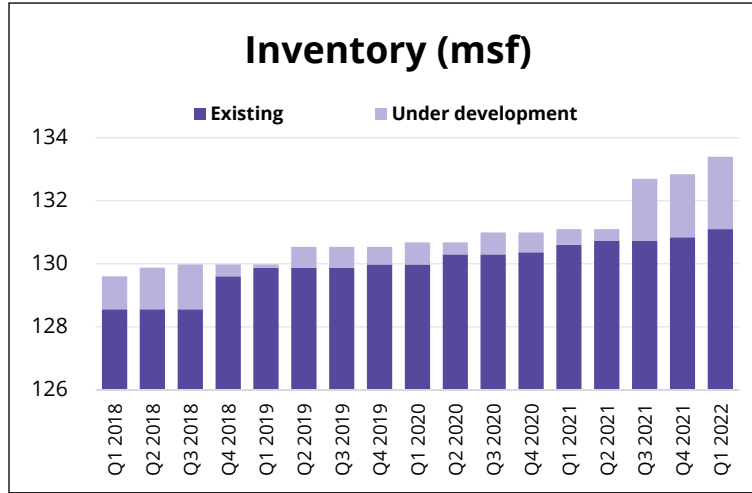
03

Pricing

- Industrial rents continue to spike, **up 22.02% year-over-year** to conclude the quarter at \$1.33/SF triple net.
- 8 properties traded hands with a total investment volume of over \$96M. Average sale prices at quarter end for **industrial space were at \$291.42/SF**.



Orange County Industrial market indicators



Orange County Industrial market activity

Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Term	Rent
Old World Industries	7300 Chapman Ave, Garden Grove	Jan 2022	196,309	New	Direct	10 yrs 3 mo	\$1.25 NNN
Pleaser Shoes	105 South Puente St, Brea	Mar 2022	184,000	New	Direct	3 years	\$1.56 NNN
RCUSA Holdings	5600-5640 Knott Ave	Jan 2022	183,958	Renewal	Direct	5 years	\$1.40 MG
Arbonne International LLC	9400 Jeronimo Rd, Irvine	Feb 2022	146,482	Renewal	Direct	3 years	\$1.64 NNN
Shock Doctor, Inc	11488 Slater Ave, Fountain Valley	Feb 2022	134,000	Renewal	Direct	5 years	\$1.35 NNN

Recent sales activity

Buyer	Address	Sale date	Sale price	Sale price psf	Cap rate	Seller
Bain Capital LP	5609 River Way, Buena Park	Mar 2022	\$30,162,353	\$229	N/A	Alticor Inc
Robinson Pharma, Inc	3501 W Segerstrom Ave, Santa Ana	Jan 2022	\$25,000,000	\$375	N/A	United Glass Blowing
EverWest Real Estate Investors	5410-5414 E La Palma Ave, Anaheim	Feb 2022	\$22,400,000	\$344	N/A	Legacy Property Management
Invesco Advisors, Inc	2301 Raymer Ave, Fullerton	Jan 2022	\$18,284,500	\$319	N/A	James WorldWide

Large contiguous space availabilities

Owner	Address	Date available	Block size	Floors	Asking rent	Landlord Broker
Bedrosian Tile & Stone	1123 Warner Ave, Tustin	Vacant	500,625	1	N/A	Cushman & Wakefield
Bedrosian Tile & Stone	1515 E Winston Rd, Anaheim	Vacant	375,000	1	N/A	Cushman & Wakefield
Goodman North America Management LLC	5757 Plaza Dr, Cypress	30 Days	315,509	2	N/A	Cushman & Wakefield
CenterPoint Properties	6800 Valley View St, Buena Park	30 Days	300,000	1	N/A	Cubework

Orange County Industrial market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent		
			W / D	Flex	1Q22	YTD	Construction	Total	W / D	Flex
Airport Area	29,454,274	3.10%	3.60%	1.00%	109,806	109,806	0	\$1.44	\$1.17	\$1.88
North County	60,909,982	1.50%	1.50%	0.50%	-175,880	-175,880	1,711,600	\$1.21	\$1.18	\$1.25
South County	19,841,172	3.50%	1.90%	6.50%	-104,573	-104,573	145,000	\$1.50	\$1.39	\$1.71
West County	20,899,628	3.20%	2.90%	4.90%	465,354	465,354	433,865	\$0.79	\$0.00	\$0.79
Market Total	131,105,056	2.40%	2.20%	0.20%	294,707	294,707	2,290,465	\$1.36	\$1.20	\$1.85

By Product Type	Inventory (sf)	Vacancy	1Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Warehouse / Distribution	110,420,886	2.20%	411,441	411,441	2,290,465	145,545
Flex	20,684,170	3.20%	-116,734	-116,734	0	92,813
Market Total	131,105,056	2.40%	294,707	294,707	2,290,465	238,358

For more market insights
and information visit
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