

Orange County

Office market snapshot

Q4 2023

New developments have attracted incoming tenants and market vacancy has decreased quarter-over-quarter for the first time since 2022. Vacancy Rates declined 40 basis points relative to last quarter 18.3% vs 18.7%.

187k sf

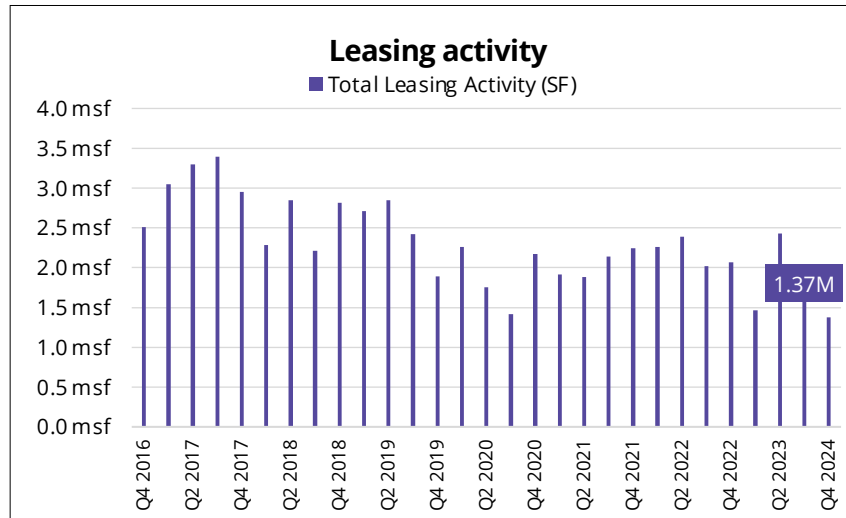
Net Absorption was on the positive side, 187,000 SF absorbed, for the first time since Q2 of 2022.

\$34.13

Asking rents remain stable as landlords continue to offer generous concessions packages in lieu of decreasing rents.

3.8%

Sublet availabilities have decreased, falling 30 basis points from the prior quarter.

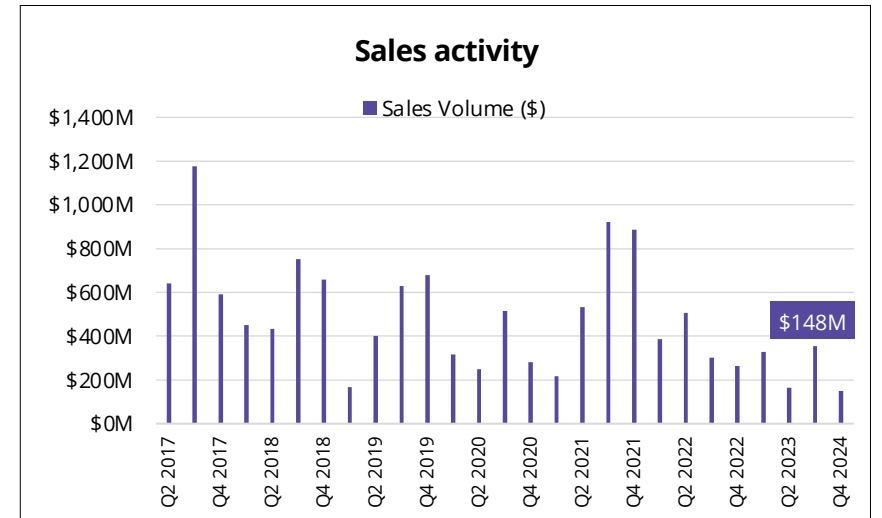


Leasing activity in Q4 dropped off slightly but remained stable when compared to activity in previous quarters. 1.4M square feet was leased in Q4 compared to 1.9M in Q2.

Note 1:

Note 2:

Source: Costar, AVANT by Avison Young



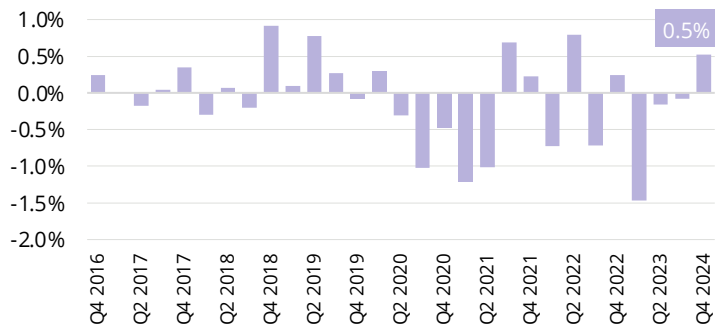
Q4 Sales activity cooled off after a huge bounce-back in volume in Q3.

Orange County

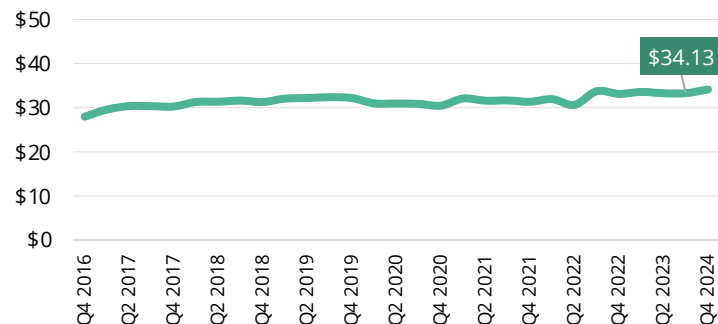
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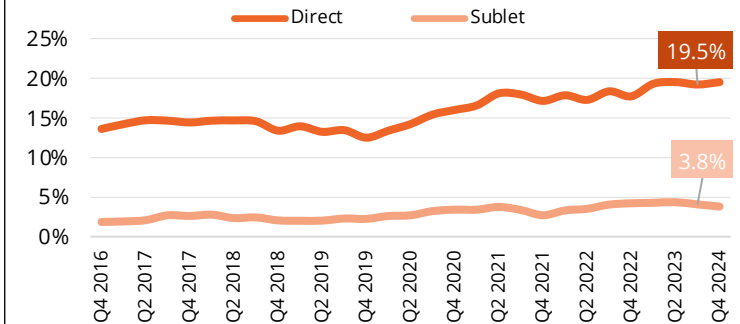
Net absorption as a % of inventory



Direct asking rents (psf/FS)



Availability



Recent leasing activity

| Tenant | Address | Size (sf) | Transaction type | Lease type |
|----------------------|------------------------|-----------|------------------|------------|
| Unknown | 1700 E Saint Andrew Pl | 171,330 | Direct | New |
| Canon U.S.A | 19500 Jamboree Rd | 92,893 | Direct | New |
| Helen Caloggero | 363 S Main St | 68,500 | Direct | New |
| Best Choice Products | 100 Bayview Dr | 53,478 | Direct | New |

Recent sales activity

| Buyer | Address | Sale price | Sale price psf | Seller |
|-------------------------------------|--------------------|--------------|----------------|---------------------------|
| Greenlaw Partners | 2050 Main St | \$57,500,000 | \$183 | AEW Capital Mgmt |
| Mimi W Liu | 3 Hutton Centre Dr | \$28,900,000 | \$144 | Cypress Office Properties |
| Easterly Government Properties | 1065 N Link | \$29,286,500 | \$307 | Hines |
| Real Estate Development Association | 330 Irvine Ave | \$18,500,000 | \$239 | Cress Capital LLC |

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Get in touch

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| | Existing inventory sf | Deliveries sf (YTD) | Under development sf | Direct availability | Sublet availability | Total availability | Net absorption % of inventory (QTD) | Net absorption % of inventory (YTD) | Annual direct asking rent psf FS |
|---------------------|-----------------------|---------------------|----------------------|---------------------|---------------------|--------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Airport Area | 51,178,315 | 0 | 0 | 24.4% | 3.4% | 27.83% | 0.12% | (1.63%) | \$34.91 |
| Central County | 16,422,614 | 0 | 0 | 22.112% | 4.28% | 26.4% | (0.11%) | 1.59% | \$26.34 |
| North County | 6,732,140 | 0 | 0 | 20.5% | 2.5% | 23% | 0.09% | (2.19%) | \$26.98 |
| South County | 19,306,567 | 258,395 | 0 | 22.5% | 5.39% | 27.91% | 0.03% | (2.65%) | \$32.29 |
| West County | 4,347,403 | 0 | 0 | 15.8% | 1.25% | 17.13% | (1.00%) | (3.35%) | \$27.88 |
| Market total | 97,987,039 | 258,395 | 0 | 19.50% | 3.8% | 23.30% | 0.52% | (1.32%) | \$34.13 |

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|---------------------|-----------------------|---------------------|----------------------|---------------------|---------------------|--------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Trophy | 2,304,757 | 0 | 0 | 11.60% | 5.20% | 16.8% | 1.33% | 2.98% | \$43.13 |
| Class A | 43,300,640 | 0 | 0 | 25.40% | 5.20% | 30.60% | 0.62% | (2.39%) | \$37.28 |
| Class B | 48,354,819 | 258,395 | 0 | 15.50% | 2.60% | 18.10% | 0.56% | (0.46%) | \$32.19 |
| Class C | 4,026,823 | 0 | 0 | 8.00% | 4.80% | 12.80% | (1.65%) | (2.49%) | \$23.82 |
| Market total | 97,987,039 | 258,395 | 0 | 19.50% | 3.8% | 23.30% | 0.52% | (1.32%) | \$34.13 |

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