

Orange County

Office market snapshot | Q2 2024

The Orange County office market is showing signs of improvement. Market-wide availabilities are stabilizing, leasing demand has remained firm with 1.5 MSF leased in Q2 2024, and average asking lease rates remain steady at \$34.89/SF. Tenants continue to reassess their office utilization as they deploy their new in-office work polices and have favored highly amenitized office buildings in order to attract employees back to the office.

0.06%

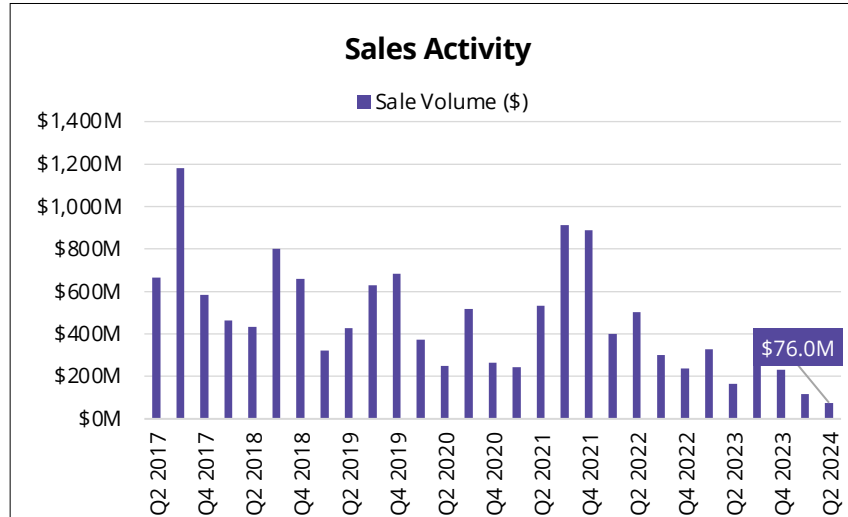
Net absorption rebounded from the prior quarter as leasing activities have displayed signs of recovery and tenants begin to implement their in-office work policies.

\$34.89

Average asking rental rates remained firm in the second quarter at \$34.89. Landlords continue to offer generous concession packages in lieu of decreasing rents.

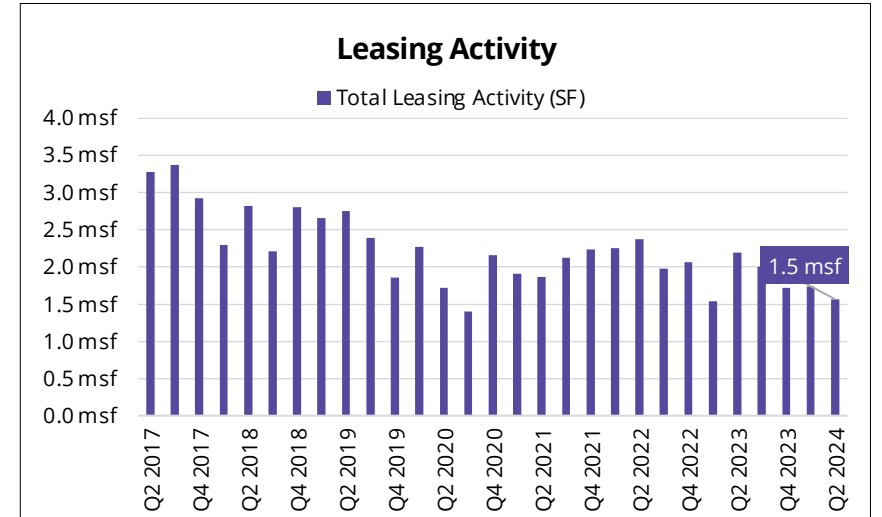
23.0%

Total availabilities have stabilized, concluding the second quarter at 23.0%.



Sales activities continued to cool down as owners remain pessimistic on investments until market conditions improve. Over \$76M in sales volume was reported in the second quarter, a 35.4% decline from Q1 2024.

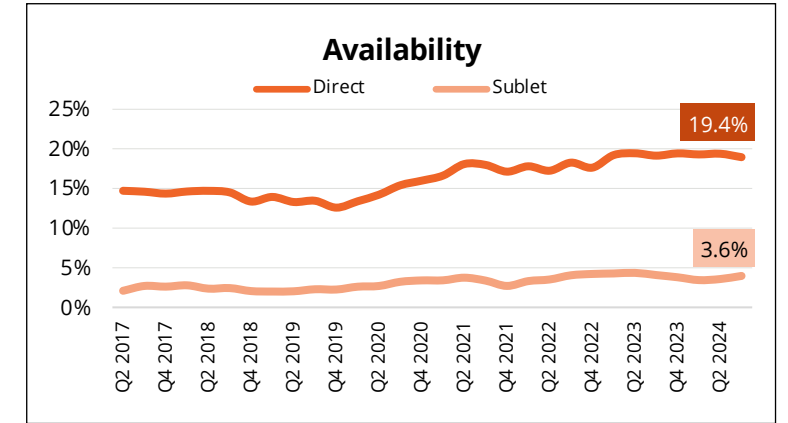
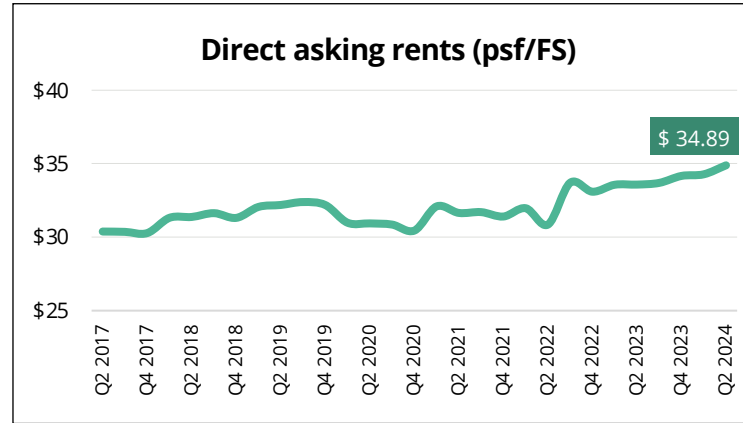
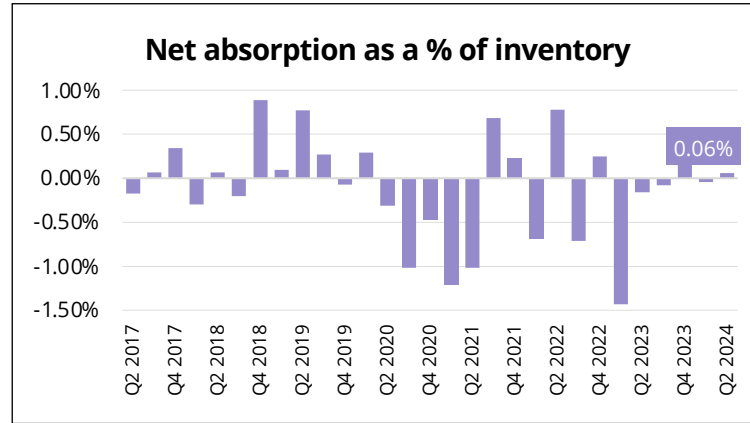
Note 1: Survey based on office buildings 20,000 SF+
Note 2:
Source: AVANT by Avison Young, Costar



Leasing activities slightly declined with 1.5 MSF leased in Q2 2024, which is down 9.6% when compared to the prior quarter. Tenants have leaned towards buildings with high amenities to implement their in-office work mandates and invite employees back to the office.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Fisher & Phillips, LLP	2050 Main St., Irvine	44,162	Direct	Renewal
CMRE Financial Services	3075 E Imperial Hwy., Brea	35,390	Direct	Renewal
Staar Surgical Company	25510 Commercentre Dr., Lake Forest	34,616	Direct	New

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
MGR Real Estate	2020 Main St., Irvine	\$53,715,000	\$198	PGIM, Inc
Hampton Tedder Electric	999 W Town and Country Rd., Orange	\$17,900,000	\$180	Sagard Real Estate
Al Bushala	640 N Tustin Ave., Santa Ana	\$4,400,000	\$150	Paul Terrence

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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	51,074,526	0	44,832	21.9%	3.3%	25.2%	(0.04%)	(0.42%)	\$35.64
Central County	16,429,361	0	0	15.4%	2.2%	17.6%	1.17%	(0.17%)	\$27.09
North County	6,732,102	0	0	14.1%	1.6%	15.7%	(1.32%)	(1.29%)	\$27.55
South County	19,265,212	0	0	19.5%	6.3%	25.8%	0.18%	1.35%	\$32.09
West County	4,299,813	0	0	11.3%	1.0%	12.3%	0.22%	0.78%	\$29.62
Market total	97,824,103	0	44,832	19.4%	3.6%	23.0%	0.06%	0.01%	\$34.89

	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
Trophy	2,304,757	0	0	13.1%	5.7%	18.8%	(3.82%)	(1.24%)	\$43.35
Class A	43,308,288	0	44,832	25.2%	5.1%	29.5%	0.36%	(0.06%)	\$37.26
Class B	48,219,572	0	0	15.4%	2.3%	17.7%	(0.07%)	0.15%	\$31.85
Class C	3,991,486	0	0	8.3%	0.9%	9.2%	0.61%	(0.01%)	\$22.75
Market total	97,824,103	0	44,832	19.4%	3.6%	23.0%	0.06%	0.01%	\$34.89

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