MARKETBEAT INDUSTRIAL SNAPSHOT

ORANGE COUNTY, CA

A Cushman & Wakefield Research Publication



ECONOMIC OVERVIEW

According to the California Employment Development Department, 50,700 jobs were added in Orange County in the past 12 months, an increase of 3.4%. The construction sector added 7,200 jobs, trade/transportation

& utilities grew by 5,500 jobs and manufacturing added 5,300 jobs. The unemployment rate in Orange County was 4.2% in May 2015, up from a revised 4.1% in April, but 100 bps lower than a year-ago estimate of 5.2%. This rate compares with an unadjusted unemployment rate of 6.2% for California and 5.3% for the nation during the same period. Meanwhile, the total container volume in Los Angeles-Long Beach dropped 1.7% year over year in the first five months of 2015 while import volume decreased 2.3% from a year ago.

VACANCY CONTINUES TO TREND DOWN

At midyear, the 891,004 square feet (sf) of net absorption was significantly higher than the 335,051 sf of occupancy gains recorded the same time last year. Positive demand pushed the county's overall vacancy rate down to 3.5%, 40 basis points (bps) lower than the rate from one year ago of 3.9%. Due to strong user demand, the market absorbed 6.9 million square feet (msf) of space since the start of 2011.

Competition for industrial space pushed rental rates higher and the average direct net rental rates increased to \$0.77 per square foot per month (psf/mo) during second quarter for an annual growth of 4.1%. Despite the tight market, leasing activity increased 4.6% from the same time last year to 6.0 msf. User sales activity increased 6.3% from last year to 2.1 msf, demonstrating strong user demand to purchase industrial buildings.

INVESTMENT ACTIVITY HEATS UP

Thanks to declining vacancy and rising asking rents, investors' confidence in the Orange County industrial market is growing. With positive market fundamentals, investors view vacant properties as opportunities to take advantage of strong demand from tenants to lease space at increasing rental rates. Competition to acquire core assets is growing as more investors target 100% leased properties in Orange County to increase stable cash flow in their portfolios.

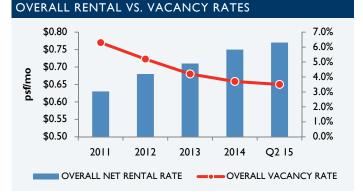
CUSHMAN & WAKEFIELD®

Q2 2015

OUTLOOK

Despite new construction completions delivering to the market, there continues to be a lack of available functional space in Orange County. Along with low vacancy, recently completed developments and projects currently under construction are pushing up rental rates and sale prices throughout the market. With local positive economic indicators, including healthy job growth, the industrial market is poised for strong growth.

STATS ON THE GO									
	Q2 2014	Q2 2015	Y-O-Y Change	12 MONTH FORECAST					
Overall Vacancy	3.9%	3.5%	-0.4 рр	-					
Direct Asking Rents (psf/mo)	\$0.74	\$0.77	4.1%						
YTD Leasing Activity (sf)	5,723,067	5,988,542	4.6%						







Cushman & Wakefield, Inc. – Lic. # 00616335 2020 Main Street, Suite 1000 Irvine, CA 92614 www.cushmanwakefield.com/knowledge For more information, contact: Jared Dienstag, Senior Analyst +1(949) 930 9239 jared.dienstag@cushwake.com The market terms and definitions in this report are based on NAIOP standards. No warranty or representation, express or implied, is made to the accuracy or completeness of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by our principals. © 2015 Cushman & Wakefield, Inc. All rights reserved.

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NUMBER NUMBER<	ORANGE COUNTY	, CA											
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Invine Spectrum I7,885,001 5.2% 585,356 36,365 26,382 0 (17,139) (41,97) §1,43 50,76 \$1,70 Lake F/KSMF. Ranch I21,49,300 4.5% 226,380 361,800 0 0 (25,504) (79,91) 50.3 50.75 50.75 Lagura Niguel/Lagura 8. 620,370 0.9% 0 0 0 0 NA \$1.0 \$1.05 \$1.05 \$1.06 \$0.85 \$1.17 \$0.86 \$0.47 \$0.86 N/A \$0.85 Siguel/Lagura Niguel/Lagura 8. 620,370 0.9% 1.04 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 \$0.86 \$1.10 <td< td=""><td></td><td></td><td></td><td>ACTIVIT</td><td></td><td>CONSTRUCTION</td><td></td><td></td><td>NET ADJUKTIION</td><td></td><td></td><td></td><td></td></td<>				ACTIVIT		CONSTRUCTION			NET ADJUKTIION				
Like FRSMF. Ranch 12,149,303 4.5% 236,380 361,808 0 0 (79,5)40 70,910 50.38 50.76 \$1.07 \$0.79 Laguna Hills/Aliso Viejo 3.790,210 3.3% 95,574 0 0 0 2.834 5.474 \$0.76 \$0.95 \$1.06 \$1.06 Laguna Niguel/Laguna B. 620,370 0.9% 0.0 0 0 0 0 0 \$1.07 \$1.08 \$0.85 Sigle Cap/S. Clemente/DP 3.797,315 2.84 40.42 31.077 0 \$5.190 \$1.16 \$0.86 \$1.10 \$0.08 \$1.10 \$0.05 \$1.09 \$0.51 \$1.09 \$0.61 \$1.39 \$1.01 \$0.07 \$0.93 \$1.00 \$0.62 \$1.10 \$0.52 \$1.10 \$0.62 \$1.10 \$0.52 \$1.10 \$0.62 \$1.09 \$0.64 \$1.10 \$0.64 \$1.05 \$1.05 \$1.05 \$1.05 \$1.05 \$1.05 \$1.05 \$1.05 \$0.62 \$0.64 \$0.64													
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Laguna Niguel/Laguna B.620,3700.9%0000000N/A\$1.20N/A\$0.85Mission Viejo1,425,3922.2%44,7990007,0209,132\$0.68\$0.94N/A\$0.68S.J. Cap/S. Clemence/DP3,979,3152.8%80,42431,0770050,906\$1.29\$1.19\$0.88\$1.13\$0.81Fountain Valley4,883,8691.0%\$52,0480172,71303,5213,521\$0.52\$1.10\$0.78\$0.93\$0.62South Ana33,638,2572.7%830,735127,85200(244,173)(21,741)\$0.89\$0.64\$1.10\$0.67Costa Mesa11,272,7572.2%265,63335,50000112,366133,04N/A\$1.02\$1.12\$0.63Newport Beach1,267,2392.1%9,726000115,759177,759\$0.79\$0.77\$0.92\$0.66GRAETE AIRPORT AREA84,872,4533.0%1,783,087378,552172,7130145,035254,198\$0.90\$0.74\$1.00\$0.63Garden Grove12,064,0542.2%153,0371.1%78,552172,7130145,035254,198\$0.90\$0.74\$1.00\$0.63Garden Grove12,064,0542.2%153,2071.1%78,552172,7130145,035254,198\$0.90\$0.74\$1.00 <t< td=""><td>Lake F/RSM/F. Ranch</td><td>12,149,303</td><td>4.5%</td><td>236,380</td><td>361,808</td><td>0</td><td>0</td><td>(95,504)</td><td>(79,910)</td><td>\$0.83</td><td>\$0.76</td><td>\$1.07</td><td>\$0.79</td></t<>	Lake F/RSM/F. Ranch	12,149,303	4.5%	236,380	361,808	0	0	(95,504)	(79,910)	\$0.83	\$0.76	\$1.07	\$0.79
Name Name <th< td=""><td>Laguna Hills/Aliso Viejo</td><td>3,790,210</td><td>3.3%</td><td>95,574</td><td>0</td><td>0</td><td>0</td><td>2,834</td><td>5,474</td><td>\$0.76</td><td>\$0.95</td><td>\$1.05</td><td>\$1.06</td></th<>	Laguna Hills/Aliso Viejo	3,790,210	3.3%	95,574	0	0	0	2,834	5,474	\$0.76	\$0.95	\$1.05	\$1.06
S.J. Cap/S. Chemente/DP 3.979.315 2.8% 80.424 31.077 0 0 50.906 50.906 51.29 \$1.16 \$0.86 SOUTH COUNTY 39.849.591 4.4% 1.042.533 429.250 26.382 0 (51.883) (56.385) \$1.19 \$0.88 \$1.39 Fountain Valley 4.883,869 1.0% 52.048 0 172,713 0 3,521 3,521 \$0.52 \$1.10 \$0.69 \$1.39 Tustin 9.202,420 7.2% 251,500 127,852 0 0 [54,534] [54,197] \$1.16 \$0.64 \$1.10 \$0.67 Costa Mesa 11,792,575 2.2% 265,633 35.500 0 0 112,366 133,04 NA \$0.94 N/A N/A Newport Beach 1.267,239 2.1% 97,26 0 0 0 115,759 177,759 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.77 \$0.79 \$0.71 <	Laguna Niguel/Laguna B.	620,370	0.9%	0	0	0	0	0	0	N/A	\$1.20	N/A	\$0.85
SOUTH COUNTY 39,849,591 4.4% 1,04,533 429,250 26,882 0 (51,883) (56,85) \$1.19 \$0.88 \$1.13 \$0.81 Fountain Valley 4,883,869 1.0% 52,048 0 172,713 0 3,521 3,521 \$0.52 \$1.10 \$0.96 \$1.39 Tussin 9,202,420 7.2% 251,500 127,852 0 0 154,534 154,197 \$1.01 \$0.78 \$0.93 \$0.62 Santa Ana 33,638,257 2.7% 830,735 125,907 0 0 (24,173) (217,611) \$0.89 \$0.64 \$1.10 \$0.67 Costa Mesa 11,792,575 2.2% 265,633 35,500 0 0 112,366 133,304 N/A \$1.04 \$0.67 Irvine 24,088,093 2.8% 373,445 89,303 0 115,759 177,759 \$0.77 \$0.92 \$0.56 GREATER AIRPORT 84,872,453 3.0% 1,783,087 378,562	Mission Viejo	1,425,392	2.2%	44,799	0	0	0	7,020	9,132	\$0.68	\$0.84	N/A	\$0.86
Fountain Valley4.883.8691.0%52,0480172,71303.5213.5215.02\$1.105.0,62\$1.30Tustin9,202,4207.2%251,500127,85200154,534154,197\$1.01\$0.78\$0.62Santa Ana33,638,2572.7%830,735125,90700(24,1,73)(21,7611)\$0.89\$0.64\$1.10\$0.67Costa Mesa11,792,5752.2%265,63335,50000112,366133,304N/A\$1.02\$1.12\$0.63Newport Beach1,267,2392.1%9,7260003.0283.028N/A\$0.99\$0.74\$1.02\$1.56GREATER AIRPORT AREA84,872,4533.0%1,783,087378,562172,7130145,035254,198\$0.90\$0.74\$1.00\$0.63AREA Seal Beach996,1050.0%000000N/AN/AN/AN/AHundington Beach13,350,0883.3%197,99398,9340144,754459,115N/A\$0.80\$0.84\$1.05Garden Grove12,064,0542.2%153,220152,2800083,625129,311\$1.04\$0.70N/A\$0.65Gyress6,309,8513.1%376,643125,540011,86511,865\$1.25N/A\$0.59Gyress6,309,8513.1%175,097000<	S.J. Cap/S. Clemente/DP	3,979,315	2.8%	80,424	31,077	0	0	50,906	50,906	\$1.29	\$1.07	\$1.16	\$0.86
Tustin 9.202.420 7.2% 251,500 127.852 0 0 154,534 154,197 \$1.01 50.78 50.93 \$0.62 Santa Ana 33,638,257 2.7% 830,735 125,907 0 0 (214,173) (217,611) \$0.89 \$0.64 \$1.10 \$0.67 Costa Mesa 11,792,575 2.2% 265,633 35,500 0 0 112,366 133,04 N/A \$1.12 \$0.63 Newport Beach 1,267,239 2.1% 9.726 0 0 0 115,759 177.759 \$0.79 \$0.77 \$0.92 \$0.63 GREATER AIRPORT 84.872,453 3.0% 1,783,067 378,562 172,713 0 145,035 254,198 \$0.90 \$0.74 N/A N/A AREA Seal Beach 896,105 0.0% 0 0 0 0 0 N/A \$0.74 N/A N/A AREA Seal Beach 896,105 0.0% 0 0	SOUTH COUNTY	39,849,591	4.4%	1,042,533	429,250	26,382	0	(51,883)	(56,385)	\$1.19	\$0.88	\$1.13	\$0.81
Santa Ana33,638,2572.7%830,735125,90700(244,173)(217,611)50.89\$0.64\$1.10\$0.67Costa Mesa11,792,5752.2%265,63335,50000112,366133,304N/A\$1.02\$1.12\$0.63Newport Beach1,267,2392.1%9,7260003.0283.028N/A\$0.97\$0.77\$0.92\$0.56GREATER AIRPORT AREA84,872,4533.0%1,783,087378,562172,7130145,035254,198\$0.90\$0.74\$1.00\$0.63Greate Area896,1050.0%00000N/AN/AN/AN/AAreaAssociations1,783,087378,562172,7130145,035254,198\$0.90\$0.74\$1.00\$0.63Greate Grove2,515,0371,1%765,54700000N/AN/AN/AHuntington Beach13,300,0883.3%197,99398,9340144,754459,115N/A\$0.80\$0.84\$0.63Garden Grove12,064,0542.2%152,220152,2800083,625129,311\$1.44\$0.70N/A\$0.74Cypress6,309,8513.1%376,64312,5540039,30739,307N/A\$0.65\$1.05VEST COUNTY41,244,4172.5%1,160,645263,7680144,754765,168 <td< td=""><td>Fountain Valley</td><td>4,883,869</td><td>1.0%</td><td>52,048</td><td>0</td><td>172,713</td><td>0</td><td>3,521</td><td>3,521</td><td>\$0.52</td><td>\$1.10</td><td>\$0.96</td><td>\$1.39</td></td<>	Fountain Valley	4,883,869	1.0%	52,048	0	172,713	0	3,521	3,521	\$0.52	\$1.10	\$0.96	\$1.39
Costa Mesa11,792,5752.2%265,63335,5000112,366133,304N/A\$1.02\$1.12\$0.63Newport Beach1,267,2392.1%9,726003,0283,028N/A\$0.94N/AN/AIrvine24,088,0932.8%373,44589,30300115,759177,759\$0.79\$0.77\$0.92\$0.663GREATER AIRPORT84,872,4533.0%1,783,087378,562172,7130145,035254,198\$0.90\$0.74\$1.00\$0.63AREA896,1050.0%00000000N/AN/AN/AN/AWestminster2,515,0371.1%78,54700000(20,892)N/A\$0.08\$0.84\$0.63Garden Grove12,064,0542.2%153,220152,2800083,625129,311\$1.04\$0.70N/A\$0.57Los Alamitos/Stanton4,075,1930.2%179,14500011,86511,865\$1.25N/A\$1.25\$0.51WEST COUNTY41,244,4172.5%1,6645263,7680144,754765,168789,962\$1.07\$0.66\$1.06\$0.62Anaheim50,319,2413.6%63,743276,586481,8210743(19,778)\$0.73\$0.72\$0.87\$0.58Orange14,001,4491.2%129,17149,3990 <td>Tustin</td> <td>9,202,420</td> <td>7.2%</td> <td>251,500</td> <td>127,852</td> <td>0</td> <td>0</td> <td>154,534</td> <td>154,197</td> <td>\$1.01</td> <td>\$0.78</td> <td>\$0.93</td> <td>\$0.62</td>	Tustin	9,202,420	7.2%	251,500	127,852	0	0	154,534	154,197	\$1.01	\$0.78	\$0.93	\$0.62
Newport Beach1,267,2392.1%9,726003,0283,028N/A\$0,94N/AN/AIrvine24,088,0932.8%373,44589,30300115,759177,759\$0,79\$0,77\$0,92\$0,56GREATER AIRPORT84,872,4533.0%1,783,087378,562172,7130145,035254,198\$0,09\$0,74\$1.00\$0,63Seal Beach896,1050.0%000000N/AN/AN/AN/AWestminster2,515,0371.1%78,5470000(20,892)N/A\$0,074\$1,04\$0,63Garden Grove12,064,0542.2%153,220152,2800083,625129,311\$1.04\$0,70N/A\$0,57Los Alamitos/Stanton4,075,1930.2%179,145000111,855112,56N/A\$0.86\$1.05N/ACypress6,309,8513.1%376,64312,5540039,30739,307N/A\$0,59\$0,99\$0,94La Palma2,034,0893.7%175,097000114,55511.865\$1.15N/A\$1.05\$0,66\$1.66\$0,62Anaheim50,319,2413.6%53,743276,586481,8210743(19,778)\$0,73\$0,72\$0,87\$0,58Grare Grove14,001,4491.2%129,17149,3990	Santa Ana	33,638,257	2.7%	830,735	125,907	0	0	(244,173)	(217,611)	\$0.89	\$0.64	\$1.10	\$0.67
Irvine24,088,0932.8%373,44589,30300115,759177,759\$0.79\$0.77\$0.92\$0.64GREATER AIRPORT AREA84,872,4533.0%1,783,087378,562172,7130145,035254,198\$0.09\$0.74\$1.00\$0.63AREA Seal Beach896,0150.0%000000N/AN/AN/AWestminster2,515,0371.1%78,5470000(20,892)N/A\$0.74\$1.00\$0.63Graden Grove12,064,0542.2%153,220152,2800083,625129,311\$1.04\$0.70N/A\$0.57Los Alamitos/Stanton4.075,1930.2%179,145000118,65112,55N/A\$0.66\$1.05N/ACypress6.309,8513.1%376,64312,5540039,30739,307N/A\$0.59\$0.99\$0.94La Palma2.034,0893.7%175,09700118,6511.865\$1.25N/A\$1.25\$0.51WEST COUNTY41,244,4172.5%1,160,645263,7680144,754765,168789,962\$1.07\$0.66\$1.06\$0.62Anaheim50,319,2413.6%55,3743276,586481,8210743(19,778)\$0.75\$0.87\$0.87\$0.75Fullerton18,732,7506.0%298,60285,48000	Costa Mesa	11,792,575	2.2%	265,633	35,500	0	0	112,366	133,304	N/A	\$1.02	\$1.12	\$0.63
GREATER AIRPORT AREA 84,872,453 3.0% 1.783,087 378,562 172,713 0 145,035 254,198 \$0.0 \$0.74 \$1.00 \$0.63 AREA 896,105 0.0% 0 0 0 0 0 0 0 0 0 0 N/A	Newport Beach	1,267,239	2.1%	9,726	0	0	0	3,028	3,028	N/A	\$0.94	N/A	N/A
AREA Seal Beach896,1050.0%0000000N/AN/AN/AWestminster2,515,0371.1%78,547000(20,892)N/A\$0.4N/AN/AHuntington Beach13,350,0883.3%197,99398,9340144,754459,115459,115N/A\$0.09\$0.63\$0.63Garden Grove12,064,0542.2%153,220152,2800083,625129,311\$1.04\$0.70N/A\$0.57Los Alamitos/Stanton4,075,1930.2%179,145000171,256171,256N/A\$0.86\$1.05N/ACypress6,309,8513.1%376,64312,5540039,30739,307N/A\$0.59\$0.99\$0.94La Palma2,034,0893.7%175,09700144,754765,168789,962\$1.05\$0.66\$1.06VEST COUNTY41,244,4172.5%1,160,645263,7680144,754765,168789,962\$1.07\$0.66\$1.06Garage14,001,4491.2%129,17149,399003,16727,056\$0.90\$0.84\$1.85\$0.71Fullerton18,732,7506.0%298,60285,48000(471,133)(429,981)N/A\$0.57\$1.09\$0.53Brea/La Habra13,530,2825.7%248,695522,1720358,128173,062	Irvine	24,088,093	2.8%	373,445	89,303	0	0	115,759	177,759	\$0.79	\$0.77	\$0.92	\$0.56
Westminster2,515,0371.1%78,5470000(20,892)N/A\$0.74N/AN/AHuntington Beach13,350,0883.3%197,99398,9340144,754459,115459,115N/A\$0.80\$0.84\$0.63Garden Grove12,064,0542.2%153,220152,2800083,625129,311\$1.04\$0.70N/A\$0.57Los Alamitos/Stanton4,075,1930.2%179,145000171,256N/A\$0.86\$1.05N/ACypress6,309,8513.1%376,64312,5540039,30739,307N/A\$0.59\$0.99\$0.94La Palma2,034,0893.7%175,09700144,754765,168789,962\$1.07\$0.66\$1.06\$0.62WEST COUNTY41,244,4172.5%1,160,645263,7680144,754765,168789,962\$1.07\$0.66\$1.06\$0.62Garage14,001,4491.2%129,17149,399003,16727,056\$0.90\$0.84\$1.85\$0.71Fullerton18,732,7506.0%298,60285,48000(471,133)(429,981)N/A\$0.57\$1.09\$0.53Brea/La Habra13,530,2825.7%248,695522,1720358,128173,062173,062\$0.95\$0.74\$0.87\$1.09Placentia/Yorba Linda6,746,4772.9% <t< td=""><td></td><td>84,872,453</td><td>3.0%</td><td>1,783,087</td><td>378,562</td><td>172,713</td><td>0</td><td>145,035</td><td>254,198</td><td>\$0.90</td><td>\$0.74</td><td>\$1.00</td><td>\$0.63</td></t<>		84,872,453	3.0%	1,783,087	378,562	172,713	0	145,035	254,198	\$0.90	\$0.74	\$1.00	\$0.63
Huntington Beach13,350,0883.3%197,99398,9340144,754459,115459,115N/A\$0.80\$0.84\$0.63Garden Grove12,064,0542.2%153,220152,2800083,625129,311\$1.04\$0.70N/A\$0.57Los Alamitos/Stanton4,075,1930.2%179,145000171,256171,256N/A\$0.86\$1.05N/ACypress6,309,8513.1%376,64312,5540039,30739,307N/A\$0.59\$0.99\$0.94La Palma2,034,0893.7%175,097000111,865\$1.25N/A\$1.25\$0.51WEST COUNTY41,244,4172.5%1,160,645263,7680144,754765,168789,962\$1.07\$0.66\$1.06\$0.62Anaheim50,319,2413.6%653,743276,586481,8210743(19,778)\$0.73\$0.72\$0.87\$0.58Orange14,001,4491.2%129,17149,399003,16727,056\$0.90\$0.84\$1.85\$0.71Fullerton18,732,7506.0%298,60285,48000(471,133)(429,981)N/A\$0.57\$1.09\$0.53Brea/La Habra13,530,2825.7%248,695522,1720358,128173,062173,062\$0.95\$0.74\$0.87\$0.70Placentia/Yorba Linda6,746,4772	Seal Beach	896,105	0.0%	0	0	0	0	0	0	N/A	N/A	N/A	N/A
Garden Grove12,064,0542.2%153,220152,2800083,625129,311\$1.04\$0.70N/A\$0.57Los Alamitos/Stanton4,075,1930.2%179,145000171,256N/A\$0.86\$1.05N/ACypress6,309,8513.1%376,64312,5540039,307N/A\$0.59\$0.99\$0.94La Palma2,034,0893.7%175,09700011,86511,865\$1.25N/A\$1.25\$0.51WEST COUNTY41,244,4172.5%1,160,645263,7680144,754765,168789,962\$1.07\$0.66\$1.06\$0.62Anaheim50,319,2413.6%653,743276,586481,8210743(19,778)\$0.73\$0.72\$0.87\$0.58Orange14,001,4491.2%129,17149,399003,16727,056\$0.90\$0.84\$1.85\$0.71Fullerton18,732,7506.0%298,60285,48000(471,133)(429,981)N/A\$0.57\$1.09\$0.53Brea/La Habra13,530,2825.7%248,695522,1720358,128173,062173,062\$0.95\$0.74\$0.87\$0.70Placentia/Yorba Linda6,746,4772.9%179,55714,1360073,19273,192\$0.75\$0.83\$0.83\$1.16Buena Park12,572,4464.4%492,5093	Westminster	2,515,037	1.1%	78,547	0	0	0	0	(20,892)	N/A	\$0.74	N/A	N/A
Los Alamitos/Stanton4,075,1930.2%179,145000171,256171,256N/A\$0.86\$1.05N/ACypress6,309,8513.1%376,64312,5540039,30739,307N/A\$0.59\$0.99\$0.94La Palma2,034,0893.7%175,09700011,86511,865\$1.25N/A\$1.25\$0.51WEST COUNTY41,244,4172.5%1,160,645263,7680144,754765,168789,962\$1.07\$0.66\$1.06\$0.62Anaheim50,319,2413.6%653,743276,586481,8210743(19,778)\$0.73\$0.72\$0.87\$0.58Orange14,001,4491.2%129,17149,399003,16727,056\$0.90\$0.84\$1.85\$0.71Fullerton18,732,7506.0%298,60285,48000(471,133)(429,981)N/A\$0.57\$1.09\$0.53Brea/La Habra13,530,2825.7%248,695522,1720358,128173,062\$0.75\$0.83\$0.83\$1.16Buena Park12,572,4464.4%492,50933,3460073,19273,192\$0.75\$0.83\$0.83\$1.16NORTH COUNTY115,902,6454.0%2,002,277981,119481,821358,128(130,712)(96,771)\$0.76\$0.72\$0.98\$0.58	Huntington Beach	13,350,088	3.3%	197,993	98,934	0	144,754	459,115	459,115	N/A	\$0.80	\$0.84	\$0.63
Cypress6,309,8513.1%376,64312,5540039,30739,307N/A\$0.59\$0.99\$0.94La Palma2,034,0893.7%175,09700011,86511,865\$1.25N/A\$1.25\$0.51WEST COUNTY41,244,4172.5%1,160,645263,7680144,754765,168789,962\$1.07\$0.66\$1.06\$0.62Anaheim50,319,2413.6%653,743276,586481,8210743(19,778)\$0.73\$0.72\$0.87\$0.58Orange14,001,4491.2%129,17149,399003,16727,056\$0.90\$0.84\$1.85\$0.71Fullerton18,732,7506.0%298,60285,48000(471,133)(429,981)N/A\$0.57\$1.09\$0.53Brea/La Habra13,530,2825.7%248,695522,1720358,128173,062173,062\$0.95\$0.74\$0.87\$0.70Placentia/Yorba Linda6,746,4772.9%179,55714,1360073,192\$0.75\$0.83\$0.83\$1.16Buena Park12,572,4464.4%492,50933,3460090,25779,678N/AN/AN/A\$0.60NORTH COUNTY115,902,6454.0%2,002,277981,119481,821358,128(130,712)(96,771)\$0.75\$0.98\$0.58	Garden Grove	12,064,054	2.2%	153,220	152,280	0	0	83,625	129,311	\$1.04	\$0.70	N/A	\$0.57
La Palma2,034,0893.7%175,09700011,86511,865\$1.25N/A\$1.25\$0.51WEST COUNTY41,244,4172.5%1,160,645263,7680144,754765,168789,962\$1.07\$0.66\$1.06\$0.62Anaheim50,319,2413.6%653,743276,586481,8210743(19,778)\$0.73\$0.72\$0.87\$0.58Orange14,001,4491.2%129,17149,399003,16727,056\$0.90\$0.84\$1.85\$0.71Fullerton18,732,7506.0%298,60285,48000(471,133)(429,981)N/A\$0.57\$1.09\$0.53Brea/La Habra13,530,2825.7%248,695522,1720358,128173,062\$10,52\$0.75\$0.83\$0.83\$1.16Buena Park12,572,4464.4%492,50933,3460090,25779,678N/AN/AN/A\$0.60NORTH COUNTY115,902,6454.0%2,002,277981,119481,821358,128(130,712)(96,771)\$0.76\$0.72\$0.98\$0.58	Los Alamitos/Stanton	4,075,193	0.2%	179,145	0	0	0	171,256	171,256	N/A	\$0.86	\$1.05	N/A
WEST COUNTY 41,244,417 2.5% 1,160,645 263,768 0 144,754 765,168 789,962 \$1.07 \$0.66 \$1.06 \$0.62 Anaheim 50,319,241 3.6% 653,743 276,586 481,821 0 743 (19,778) \$0.73 \$0.72 \$0.87 \$0.58 Orange 14,001,449 1.2% 129,171 49,399 0 0 3,167 27,056 \$0.90 \$0.84 \$1.85 \$0.71 Fullerton 18,732,750 6.0% 298,602 85,480 0 0 (471,133) (429,981) N/A \$0.57 \$1.09 \$0.53 Brea/La Habra 13,530,282 5.7% 248,695 522,172 0 358,128 173,062 \$173,062 \$0.75 \$0.83 \$0.83 \$1.16 Buena Park 12,572,446 4.4% 492,509 33,346 0 0 73,192 \$0.75 \$0.83 \$0.83 \$1.16 NORTH COUNTY 115,902,645 4.0% 2,002,277 981,119 481,821 358,128 (130,712) (96,771) \$0.72	Cypress	6,309,85 I	3.1%	376,643	12,554	0	0	39,307	39,307	N/A	\$0.59	\$0.99	\$0.94
Anaheim50,319,2413.6%653,743276,586481,8210743(19,778)\$0.73\$0.72\$0.87\$0.58Orange14,001,4491.2%129,17149,399003,16727,056\$0.90\$0.84\$1.85\$0.71Fullerton18,732,7506.0%298,60285,48000(471,133)(429,981)N/A\$0.57\$1.09\$0.53Brea/La Habra13,530,2825.7%248,695522,1720358,128173,062\$0.95\$0.74\$0.87\$0.70Placentia/Yorba Linda6,746,4772.9%179,55714,1360073,19273,192\$0.75\$0.83\$0.83\$1.16Buena Park12,572,4464.4%492,50933,3460090,25779,678N/AN/AN/A\$0.68NORTH COUNTY115,902,6454.0%2,002,277981,119481,821358,128(130,712)(96,771)\$0.76\$0.72\$0.98\$0.58	La Palma	2,034,089	3.7%	175,097	0	0	0	11,865	11,865	\$1.25	N/A	\$1.25	\$0.5 I
Orange 14,001,449 1.2% 129,171 49,399 0 0 3,167 27,056 \$0.90 \$0.84 \$1.85 \$0.71 Fullerton 18,732,750 6.0% 298,602 85,480 0 0 (471,133) (429,981) N/A \$0.57 \$1.09 \$0.53 Brea/La Habra 13,530,282 5.7% 248,695 522,172 0 358,128 173,062 \$0.95 \$0.74 \$0.87 \$0.70 Placentia/Yorba Linda 6,746,477 2.9% 179,557 14,136 0 0 73,192 \$0.75 \$0.83 \$0.83 \$1.16 Buena Park 12,572,446 4.4% 492,509 33,346 0 0 90,257 79,678 N/A N/A \$0.60 NORTH COUNTY 115,902,645 4.0% 2,002,277 981,119 481,821 358,128 (130,712) (96,771) \$0.72 \$0.98 \$0.58	WEST COUNTY	41,244,417	2.5%	1,160,645	263,768	0	144,754	765,168	789,962	\$1.07	\$0.66	\$1.06	\$0.62
Fullerton 18,732,750 6.0% 298,602 85,480 0 0 (471,133) (429,981) N/A \$0.57 \$1.09 \$0.53 Brea/La Habra 13,530,282 5.7% 248,695 522,172 0 358,128 173,062 \$0.95 \$0.74 \$0.87 \$0.70 Placentia/Yorba Linda 6,746,477 2.9% 179,557 14,136 0 0 73,192 \$0.75 \$0.83 \$0.83 \$1.16 Buena Park 12,572,446 4.4% 492,509 33,346 0 0 90,257 79,678 N/A N/A \$0.60 NORTH COUNTY 115,902,645 4.0% 2,002,277 981,119 481,821 358,128 (130,712) (96,771) \$0.76 \$0.72 \$0.98 \$0.58	Anaheim	50,319,241	3.6%	653,743	276,586	481,821	0	743	(19,778)	\$0.73	\$0.72	\$0.87	\$0.58
Brea/La Habra 13,530,282 5.7% 248,695 522,172 0 358,128 173,062 \$0.95 \$0.74 \$0.87 \$0.70 Placentia/Yorba Linda 6,746,477 2.9% 179,557 14,136 0 0 73,192 73,192 \$0.75 \$0.83 \$0.83 \$1.16 Buena Park 12,572,446 4.4% 492,509 33,346 0 0 90,257 79,678 N/A N/A \$0.80 \$0.58 NORTH COUNTY 115,902,645 4.0% 2,002,277 981,119 481,821 358,128 (130,712) (96,771) \$0.76 \$0.72 \$0.98 \$0.58	Orange	14,001,449	1.2%	129,171	49,399	0	0	3,167	27,056	\$0.90	\$0.84	\$1.85	\$0.7I
Placentia/Yorba Linda 6,746,477 2.9% 179,557 14,136 0 0 73,192 \$0.75 \$0.83 \$0.83 \$1.16 Buena Park 12,572,446 4.4% 492,509 33,346 0 0 90,257 79,678 N/A N/A N/A \$0.60 NORTH COUNTY 115,902,645 4.0% 2,002,277 981,119 481,821 358,128 (130,712) (96,771) \$0.76 \$0.72 \$0.98 \$0.58	Fullerton	18,732,750	6.0%	298,602	85,480	0	0	(471,133)	(429,981)	N/A	\$0.57	\$1.09	\$0.53
Buena Park I2,572,446 4.4% 492,509 33,346 0 0 90,257 79,678 N/A N/A N/A \$0.60 NORTH COUNTY I15,902,645 4.0% 2,002,277 981,119 481,821 358,128 (130,712) (96,771) \$0.76 \$0.72 \$0.98 \$0.58	Brea/La Habra	13,530,282	5.7%	248,695	522,172	0	358,128	173,062	173,062	\$0.95	\$0.74	\$0.87	\$0.70
NORTH COUNTY 115,902,645 4.0% 2,002,277 981,119 481,821 358,128 (130,712) (96,771) \$0.76 \$0.72 \$0.98 \$0.58	Placentia/Yorba Linda	6,746,477	2. 9 %	179,557	14,136	0	0	73,192	73,192	\$0.75	\$0.83	\$0.83	\$1.16
	Buena Park	12,572,446	4.4%	492,509	33,346	0	0	90,257	79,678	N/A	N/A	N/A	\$0.60
TOTALS 281,869,106 3.5% 5,988,542 2,052,699 680,916 502,882 727,608 891,004 \$1.02 \$0.75 \$1.04 \$0.64	NORTH COUNTY	115,902,645	4.0%	2,002,277	981,119	481,821	358,128	(130,712)	(96,771)	\$0.76	\$0.72	\$0.98	\$0.58
	TOTALS	281,869,106	3.5%	5,988,542	2,052,699	680,916	502,882	727,608	891,004	\$1.02	\$0.75	\$1.04	\$0.64

* RENTAL RATES REFLECT ASKING \$PSF/MONTH

HT= HIGH TECH MF = MANUFACTURING OS = OFFICE SERVICE W/D = WAREHOUSE/DISTRIBUTION

MARKET HIGHLIGHTS				
SIGNIFICANT Q2 2015 LEASE TRANSACTIONS	SUBMARKET	TENANT	PROPERTY TYPE	SQUARE FEET
6101-6131 Knott Avenue, Buena Park	Buena Park	Wheel Pros	Warehouse/Distribution	272,548
1930 Malvern Street, Fullerton*	Fullerton	PSS Worldwide Medical	Manufacturing	147,950
20 Icon, Foothill Ranch	Lake F/RSM/F. Ranch	Cox Communications	Manufacturing	102,299
6450 Caballero Boulevard, Buena Park*	Buena Park	Metals USA	Warehouse/Distribution	96,096
701 Sally Place, Fullerton*	Fullerton	Carolina Logistics	Warehouse/Distribution	85,172
SIGNIFICANT Q2 2015 SALE TRANSACTIONS	SUBMARKET	BUYER	PURCHASE PRICE / \$PSF	SQUARE FEET
3172 Nasa Street, Brea	Brea/La Habra	TSW Alloy Wheels	\$21,146,034 / \$137	154,916
409 Saturn Street, Brea	Brea/La Habra	EVGA Corporation	\$14,817,584 / \$137	107,942
415 Saturn Street, Brea	Brea/La Habra	Suheung-America Corporation	\$13,164,408 / \$138	95,270
27234 Camino Capistrano, Laguna Niguel (2 buildings)	Laguna Niguel/Laguna B.	William H. Griffith Trust	\$12,500,000 / \$146	85,373
950-1150 Central Avenue, Brea (3 buildings)	Brea/La Habra	Guthrie Development	\$11,760,000 / \$140	84,000
SIGNIFICANT Q2 2015 CONSTRUCTION COMPLETIONS	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET (% LEASED)
Nasa Business Park, Brea (3 buildings)	Brea/La Habra	TSW Alloy Wheels, EVGA Corporation, Suheung-America Corporation	Q2 2015	358,128 (100%)
17322-17332 Gothard Street, Huntington Beach (2 buildings)	Huntington Beach	N/A	Q2 2015	144,754 (0%)
SIGNIFICANT PROJECTS UNDER CONSTRUCTION	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET (% LEASED)
Anaheim Concourse, Anaheim (6 buildings)	Anaheim	N/A	Q4 2015	481,821 (0%)
Southpark Business Center, Fountain Valley (2 buildings)	Fountain Valley	N/A	Q4 2015	172,713 (0%)
16450 Scientific Way, Irvine	Irvine Spectrum	N/A	Q4 2015	26,382 (0%)

* RENEWAL - NOT INCLUDED IN LEASING ACTIVITY STATISTICS