

MIDQUARTER SNAPSHOT

Office Q3 2021 Orange County



MARKET ACTIVITY

KEY TAKE AWAYS

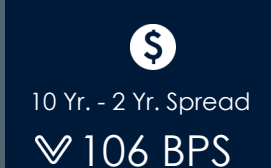
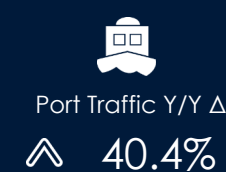
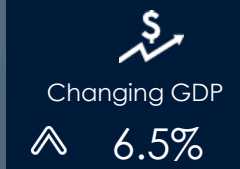
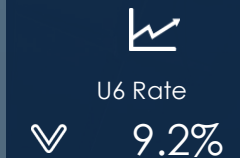
ECONOMIC OUTLOOK

MARKET

- **Vacancy Rate:** Increased by 20 BPS since Q2 to 17.3%.
- **Net Absorption:** Has totaled -195K SF thus far in Q3.
- **Office Supply:** 180K SF has been delivered in Q3. Under construction now stands at 1.02M SF.
- **Sales:** Four sale transactions thus far into Q3 with a total volume of \$183.1M. The City Tower property in Orange sold for \$150.5M.
- **Asking Rents:** Saw an increase of \$0.01 PSF to a rate of \$2.76 PSF.

ECONOMIC OUTLOOK

- **GDP:** The U.S. economy grew at a rate of 6.5% in Q2. Concerns over the "delta" variant have slightly weakened the growth trajectory, with forecasted increase of 6.0% in Q3.
- **Inflation:** Concerns over inflation grow louder as the latest CPI showed an increase of 5.28%. Due to this, the FOMC indicated rate hikes are likely to occur sooner than previously anticipated.
- **Infrastructure:** The Senate has passed a \$1T infrastructure package. The timeline of this legislation passing in the House is uncertain.



EXPERIENCE IN A CHANGING MARKET

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