

# MIDQUARTER SNAPSHOT

## Office Q4 2022 Orange County



### MARKET ACTIVITY

### KEY TAKE AWAYS

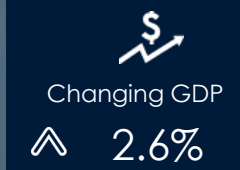
### ECONOMIC OUTLOOK

#### MARKET

- **Vacancy Rate:** Increased by 47 BPS since Q3.
- **Net Absorption:** Negative start to Q4, totaling over -399K SF.
- **Office Supply:** Under construction revised to 393K SF.
- **Sales:** Seven (7) sales thus far into Q4 for a total volume of \$133.7M. The median price PSF in Q4 is \$272.15.
- **Asking Rents:** Declined slightly by \$0.01 PSF from Q3 to a rate of \$2.71 PSF.

#### ECONOMIC OUTLOOK

- **Interest Rates:** At their November meeting, the FOMC decided to increase interest rates by another 75 bps to a range of 3.75%-4.0%. Projections of an additional increase of 50 bps before the end of the year with the fed funds rate ending 2022 at a mid-point of 4.4%.
- **Inflation:** The latest CPI shows slight signs of moderation from peak inflation.
- **Supply Chain:** According to the Freightos Baltic Index, the cost to ship a container from China/East Asia to North America West Coast declined 13% since Q3, at \$2,563 per container. Since the start of 2022, these rate have declined over 81%.



EXPERIENCE IN A CHANGING MARKET

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