

ALLWESTNews

Innovative Solutions For Your Commercial Real Estate Needs

ABOUT US

Allwest provides commercial and industrial professional real estate services in Orange County, California. With over two decades of experience in the real estate industry, we provide you with the best service and experience, like no one else can. The Allwest professional team is dedicated to your satisfaction with every transaction by utilizing innovative solutions and many years of real estate experience.

Orange County Multi-Family Market Unlikely to Change in the Near Term



The Orange County multifamily market saw its inventory expand by more than 12% in the past decade, almost all within the luxury slice. Developers often had little choice, as the cost of development has continued to surge, and numerous supply constraints have provided additional obstacles to new construction.

The construction pipeline is beginning to empty, as two of the most significant projects under construction have

begun delivering units. 2019 saw the least amount of units break ground in a 12-month period since 2011. That trend is unlikely to change in the near term, especially considering the current restrictions surrounding the corona virus pandemic.

While rent growth picked up in 2019, that trend is already coming to an end as rental rates have already begun to drop as management communities look to attract renters despite the current crisis. Sales investment has slowed significantly in 2020 as landlords and investors try to navigate the current economic environment.

*For complete report email
info@allwestproperties.com*

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	64,205	10.2%	\$2,427	\$2,379	622	0	3,541
3 Star	87,866	5.2%	\$2,011	\$1,998	(128)	0	80
1 & 2 Star	95,419	4.0%	\$1,678	\$1,670	(151)	0	0
Market	247,490	6.0%	\$2,038	\$2,015	343	0	3,621

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.2%	4.7%	6.8%	6.5%	2009 Q4	2.8%	2000 Q2
Absorption Units	2,184	2,200	1,054	6,016	2010 Q2	(651)	2009 Q2
Delivered Units	5,550	2,688	1,735	6,149	2020 Q1	93	2011 Q4
Demolished Units	17	78	82	429	2016 Q2	0	2019 Q4
Asking Rent Growth (YOY)	-0.4%	2.7%	0.9%	7.1%	2001 Q1	-6.1%	2009 Q4
Effective Rent Growth (YOY)	0%	2.7%	0.9%	7.1%	2001 Q1	-6.2%	2009 Q4
Sales Volume	\$962 M	\$1B	N/A	\$2.1B	2016 Q3	\$290.4M	2009 Q1

This information is contained from CoStar.com. Properties are sold/listed by various brokers/agents. If your property is currently listed for sale, this is not intended as a solicitation.

ALLWEST PROPERTIES INC

Featured Property

Newport Beach Office Space



FOR LEASE - 4 Private offices and 4 cubicles, 2 shared conference rooms, lobby, kitchen and copy room.

CONTACT US

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If you would like to get a free market study or list of available commercial or industrial properties please fill out the form below and we will respond to you shortly. We take pride in offering excellent customer service and look forward to discussing your real estate needs in Orange County, CA and surrounding areas.

Orange County Large Industrial Space Quickly Leased

While Orange County will never be considered an industrial hub, proximity to the Los Angeles and Long Beach ports, supply constraints, and the continuing redevelopment from industrial to other property types kept fundamentals tight over the past few years.

Vacancies remain low, despite the negative annual absorption, though they have begun to rise in 2020. Rent growth continued to trend above the historical average, but the current slowdown will continue to impact. With many companies seeking larger footprints look to L.A. or the Inland Empire for space, the few large spaces that do become available have been quickly leased. With a minimal amount of new inventory delivering the past few years, and few new projects looking to break ground in an economic downturn, the county is more likely to see the loss of industrial supply than an expansion.

While investors remained active in 2019 and pushed sales volume to record highs, with rent growth likely to continue to slow in the near term, price growth is expected to flatten and trading slow significantly. *For complete report email info@allwestproperties.com*

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	155,720,718	3.2%	\$13.30	5.2%	336,735	72,232	434,906
Specialized Industrial	76,671,783	2.4%	\$13.34	3.8%	(168,774)	0	51,939
Flex	68,047,899	4.3%	\$17.65	6.3%	(256,188)	0	338,200
Market	300,440,400	3.2%	\$14.30	5.1%	(88,227)	72,232	825,045

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.3%	4.7%	3.6%	7.4%	2002 Q4	2.4%	2016 Q4
Net Absorption SF	744 K	1,160,763	372,974	9,185,795	1998 Q2	(7,405,182)	2009 Q3
Deliveries SF	188 K	1,917,236	1,296,645	8,689,033	1999 Q2	0	2012 Q3
Rent Growth	4.1%	3.8%	3.9%	9.0%	1998 Q3	-7.0%	2009 Q4
Sales Volume	\$2.9 B	\$1.2B	N/A	\$3.1B	2019 Q3	\$476.5M	2009 Q4

HOUSING

San Diego May Lose Half of Affordable Rental Units by 2040

Half of San Diego's affordable rental units could be eliminated over the next two decades because of tear-downs of older apartments and expiring rent restrictions on subsidized housing, boosting pressure on the city to ramp up supply during California's housing crisis.

San Diego for decades has struggled to keep up with demand for housing as the population has grown along with development costs and rents. Job losses and rent payment issues created by the coronavirus pandemic could worsen the climate for new apartment construction in the region and across the state.

Before the pandemic, San Diego already had a deficit of 140,000 housing units affordable to working families and California was about 4 million units short of projected housing requirements, according to city and state officials.

BUSINESS

Design Firm Gensler Plans to Lay Off 109 in Southern California

Global architecture and design firm Gensler has filed notice with the state that it is laying off more than 100 at three Southern California offices, the latest sign of nationwide job cuts spurred largely by the coronavirus pandemic.

Notices filed May 21 with the California Employment Development Department show the firm is permanently laying off a total of 109 workers -- 78 in Los Angeles, 16 in San Diego and 15 in Newport Beach.

"Every business around the globe is facing incredible and unexpected economic disruption and making tough decisions," said Gensler spokeswoman Kimberly Beals in an emailed statement to CoStar News. "Gensler is no exception."

For complete story email us at info@allwestproperties.com

GOVERNMENT

California 'Split-Roll' Measure That Could Raise Commercial Property Taxes Qualifies for November Ballot

California election officials said a ballot measure aimed at reforming the state's landmark Proposition 13 tax law to allow for higher property taxes on commercial properties has officially qualified for the Nov. 3 statewide ballot.

The measure, which is expected to raise \$12 billion a year for schools and local governments, is officially known as the California Schools and Local Communities Funding Act of 2020 and better known as the split-roll tax initiative. It received more than 1.17 million valid petition signatures, well surpassing the 997,139 signatures necessary to get the measure into the hands of the voters, according to the California Secretary of State's Office, which administers state elections and political campaigning.



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