

# ORANGE COUNTY OFFICE MARKET Yardi® Matrix

## Market Analysis

Third Quarter 2019

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
Jeff.Adler@Yardi.com  
(800) 866-1124 x2403

#### Jack Kern

Director of Research and  
Publications  
Jack.Kern@Yardi.com  
(800) 866-1124 x2444

#### Chris Nebenzahl

Senior Analyst  
Chris.Nebenzahl@Yardi.com  
(800) 866-1124 x2200

#### Veronica Grecu

Senior Real Estate Market Analyst  
Veronica.Grecu@Yardi.com  
(306) 955-1855 x7583

### Author

#### Razvan Cimpean

Senior Associate Editor  
Razvan-I.Cimpean@Yardi.com

Aggregated and anonymized  
expense and lease expiration  
data is available to Yardi Matrix  
subscribers. Please contact us  
for details!

For more information please contact:

#### Ron Brock, Jr.

Industry Principal, Matrix  
JR.Brock@Yardi.com  
(480) 663-1149 x2404

## Momentum Stays High



Bolstered by Orange County's affordable cost of doing business compared to neighboring Los Angeles, its office fundamentals remained strong throughout the first two quarters of 2019. Demand endured, pushing down the vacancy rate to 11.7% as of July. Additionally, coworking companies were attracted to the metro's expanding office sector, leasing some 2 million square feet, equal to almost 2% of the metro's office stock. WeWork recently signed a 52,500-square-foot lease at Granite Properties' 100 Bayview in the John Wayne Airport submarket.

Growth in the metro's office-using employment sector picked up the pace, and professional and business services added 8,200 jobs year-over-year through June. The sector accounted for 19.2% of total employment—more than any other sector in the metro. Meanwhile, jobs in the financial activities sector, which represents 7.1% of total jobs, decreased by 1.1% year-over-year through June, a loss of 1,300 positions.

Rising demand and limited availability of high-quality stock in the metro—such as the Irvine Business Complex and Irvine Spectrum—fueled expansion of development activity over the past two quarters. More than 1.6 million square feet have come online since the beginning of the year, and developers are expected to add another 204,500 square feet by year's end. There was 625,400 square feet underway as of July, representing 0.6% of the metro's inventory, as well as 245,300 square feet of owner-occupied office space under construction.