



KMAN BUSINESS CENTER

50 - 4320 N. HARBOR BLVD.
0 - 210 E. LAMBERT ROAD

Annual Report 2024

Voit
REAL ESTATE SERVICES

ZEHNER HILL
INDUSTRIAL GROUP



YEAR IN REVIEW

Perhaps the best way to describe 2024 market conditions is to compare it to the way a V8 performs when it's running down the highway on 6 cylinders. It delivers sluggish performance and makes us wonder what's going to go wrong next and if we will make it to our destination at all. That uncertainty is not a good feeling, but it's one that comes to mind as we look back on 2024. No matter how hard we all stomped on the gas pedal, everything took longer to make happen.

Buildings offered only for lease sat empty for months with little interest from qualified tenants, as the overall number of lease requirements in circulation ran at much slower pace than we experienced for more than a decade. The market first tapped the brakes back in late 2022 when inflation and interest rates spiked. The leasing market has been "off-throttle" since then. In 2024, transaction count declined as did total square footage leased, and leasing activity was concentrated in the smaller size ranges. There was still too much economic uncertainty for bigger tenants to feel comfortable enough to make new long-term commitments on space. The sense of urgency they had when vacancy was at 1% was absent in 2024, as tenants had a broader choice of higher quality spaces to choose from.



Landlords hung on to their asking rates as best they could, but showed willingness to offer concessions like free rent, tenant improvement dollars and signing bonuses as the year wore on. They even offered incentives to brokers representing active tenants to attract attention to their vacant spaces.

The sale market took an even bigger hit in 2024. Investors and owner/users struggled to make sense of new acquisitions with the increase in mortgage rates. Demand fell off significantly, which most experts thought would precipitate a correction in valuations. However, supply fell along with demand and kept the two in relative balance throughout the year. As a result, pricing held near the record high that was fueled the flow of cheap money that finally shut off in the last half of 2022.

Higher mortgage rates put the brakes on both investor and owner/user properties throughout the year. Existing owner/users were loath to seek out growth opportunities and trade their 3% mortgages in for new ones at 6.5%. That didn't and still doesn't make sense to do, which tells us that the sale market is not going to change much until either rates or pricing heads lower.



All that said, there are still enough buyers out there to absorb the slow trickle of buildings that do make it to the market for sale, as a disproportionate share of available inventory is offered for lease only. Sales prices are just under the record high of 2022, which means sellers can still expect a premium price if they are realistic and patient.

To sum it up, 2024 was a year we are glad to see only in the rear view mirror. Business owners are more optimistic and the fog of uncertainty is lifting enough for many of them to get back on the throttle again. But, turning a big market around is like turning around an aircraft carrier. It could take a while and we have a new set of variables to consider as we look ahead.

2024 HIGHLIGHTS

26

Sale Transactions

141

Lease Transactions

2,647,143 SF

Total Volume

\$302,133,031

Total Consideration

INDUSTRIAL SALE
REPRESENTED BUYER & SELLER
\$16,000,000



PROVIDENCE SQUARE
1570-1576 / 1588 - 1594 N BATAVIA STREET
Orange, CA
65,088 SQ. FT. BUSINESS PARK

INDUSTRIAL LEASE
REPRESENTED LANDLORD
\$3,520,228



450 DELTA STREET
BREA, CA
62,650 SQ. FT. INDUSTRIAL BUILDING

INDUSTRIAL LEASE
REPRESENTED LANDLORD
\$1,918,100



1550 MAGNOLIA STREET
CORONA, CA
39,431 SQ. FT. INDUSTRIAL UNIT

INDUSTRIAL LEASE
REPRESENTED LANDLORD
\$8,715,291



16253 ORNELAS STREET
CITY OF INDUSTRY, CA
39,780 SQ. FT. INDUSTRIAL BUILDING

INDUSTRIAL SALE
REPRESENTED SELLER
\$5,300,000



2980 E BLUE STAR
ANAHEIM, CA
14,550 SQ. FT. INDUSTRIAL BUILDING

INDUSTRIAL SALE
REPRESENTED BUYER
\$14,767,000



14312 FRANKLIN AVENUE
TUSTIN, CA
37,289 SQ. FT. INDUSTRIAL BUILDING

INDUSTRIAL SALE
REPRESENTED BUYER
\$6,300,000



3431 E. LA PALMA AVENUE
ANAHEIM, CA

16,900 SQ. FT. INDUSTRIAL BUILDING

INDUSTRIAL LEASE
REPRESENTED TENANT
\$16,054,685



29101 THE OLD ROAD
VALENCIA, CA

75,055 SQ. FT. INDUSTRIAL BUILDING

INDUSTRIAL LEASE
REPRESENTED LANDLORD
\$2,250,216



1030-1040 E ARMANDO STREET
ANAHEIM, CA

22,425 SQ. FT. INDUSTRIAL BUILDING



ZEHNER HILL TEAM SNAPSHOT

8

Team Members

81 YRS

Real Estate Overall
Experience

\$5.8B+

Consideration

5,000+

Transactions



COMPANY SINCE INCEPTION

Founded

1971

Newport Beach
California

\$64.1B+

In Transactions

\$43.3B+

Sales Transactions

58.2K+

Transactions

20.5K+

Lease Transactions

138

Brokers

6

Offices

All statistics as of December 31, 2024.

THE TEAM



Mitch Zehner
Executive Vice President

37
Years Experience



Michael Zehner
Senior Vice President

13
Years Experience



Adam Hill
Senior Vice President

13
Years Experience



Reed Rutter
Associate

3
Years Experience



Ryan Fischer
Associate

2
Years Experience



Chris Drzyzga
Senior Vice President

13
Years Experience



Sabas Vargas
Executive Client Coordinator

25
Years Experience



Ashley Rush
Executive Client Coordinator

7
Years Experience



PLATFORM CAPABILITIES

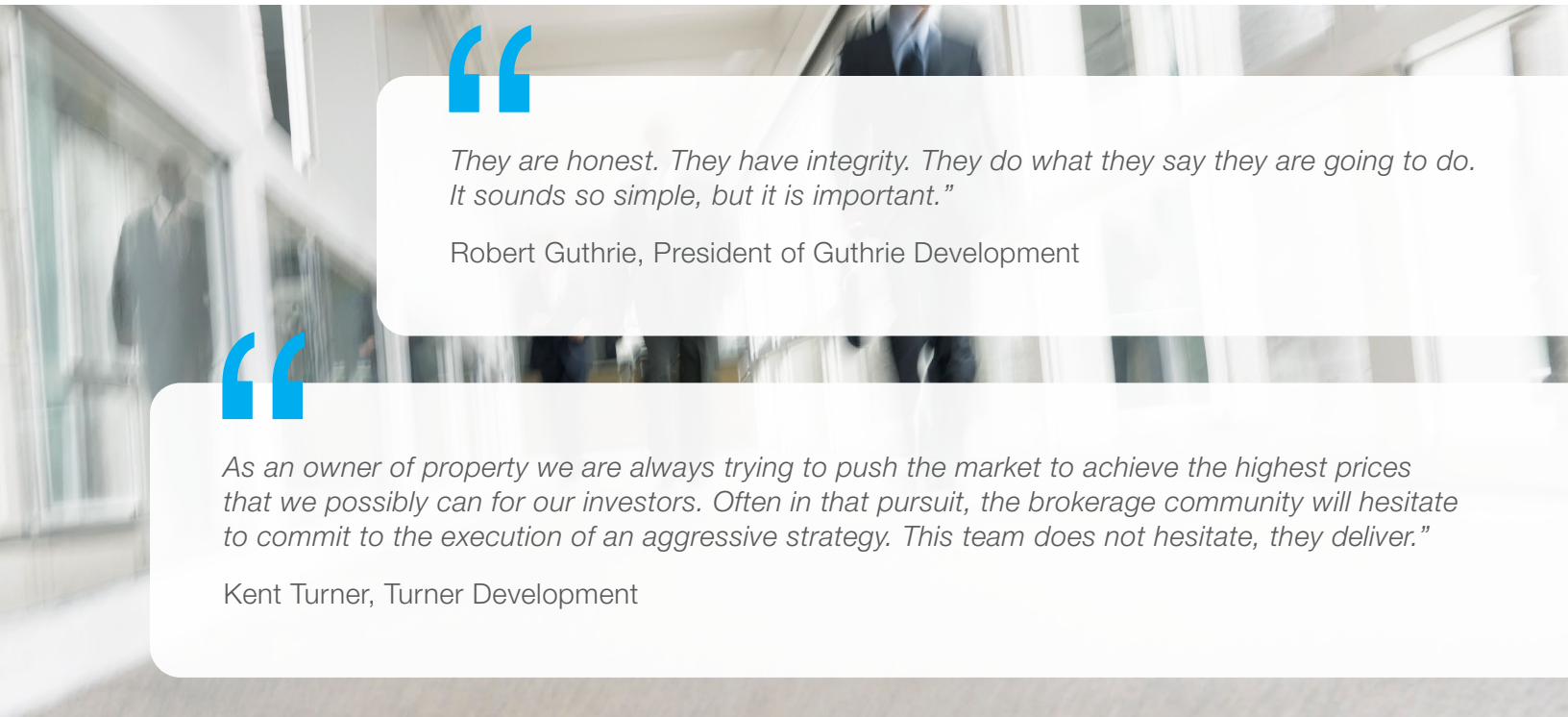
Investment Sales

Owner/User Sales

Landlord/Tenant Leases

Development Services

Financial Analysis/Valuation



“

They are honest. They have integrity. They do what they say they are going to do. It sounds so simple, but it is important.”

Robert Guthrie, President of Guthrie Development

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As an owner of property we are always trying to push the market to achieve the highest prices that we possibly can for our investors. Often in that pursuit, the brokerage community will hesitate to commit to the execution of an aggressive strategy. This team does not hesitate, they deliver.”

Kent Turner, Turner Development



FOCUS.

Industrial properties are our main focus be it investments or lease, no square footage is too small.



TECHNOLOGY.

Proprietary owner/client database to reach client with new opportunities in the real estate market.



TRACK RECORD.

Over 81 years combined in the industry our track record speaks for itself.



CLIENT SERVICE.

We value all our client relationships, be it Institutional or a small tenant. We treat them with respect.



