ORANGE COUNTY, CA

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
96.3%	$2,922	30.2%
DOWN 10 BPS YOY	UP 3.9% YOY	UP 40 BPS YOY

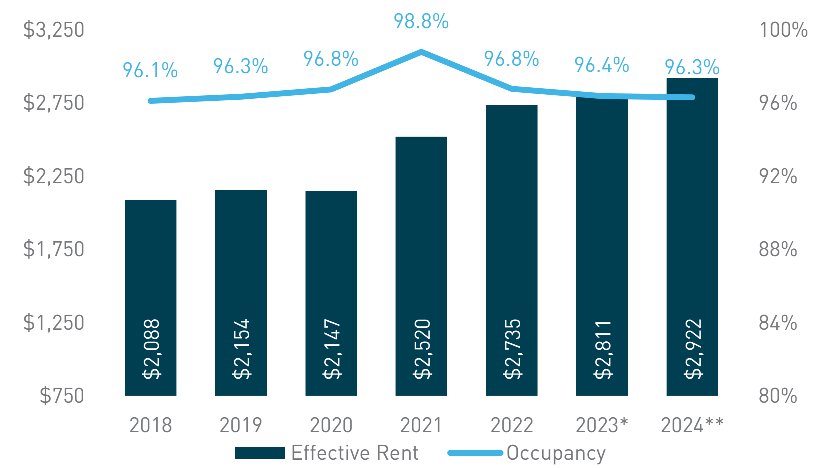
Orange County Apartment Occupancy and Rent Growth Expected to Lead Most Metros

The high cost to develop and the scarcity of available land have historically tempered Orange County's multifamily pipeline. The county's apartment inventory is forecast to grow 1.4% in 2024, compared to 3.5% nationwide. New deliveries are expected to total 3,882 units countywide in 2024, in line with the 3,823-unit annual average in the five years preceding the pandemic. Coupled with healthy apartment demand, a clear advantage of the measured inventory growth is the county's projected fourth-quarter 2024 occupancy rate of 96.3%, one of the highest projected rates among the largest metros in the country. The highest occupancy rates in the county are forecast in the contiguous Buena Park/Cypress, Garden Grove/Westminster, and West Anaheim submarkets, which because of their more affordable rents are sought after by budget-minded renters. The greatest leasing activity in 2024 is expected to take place in the submarkets with the most deliveries: South Irvine, Tustin/West Santa Ana, and West Irvine, which are home to large employment hubs with world-renowned companies. Apartment demand in these submarkets is predicted to trail deliveries, resulting in year-over-year reductions in occupancy by the fourth quarter—though the occupancy rate is expected to remain above 95% in all three submarkets. Countywide, operators are anticipated to raise average monthly effective rent to $2,922 by year-end, a projected 3.9% increase—a greater rate of increase than most metros in the country.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

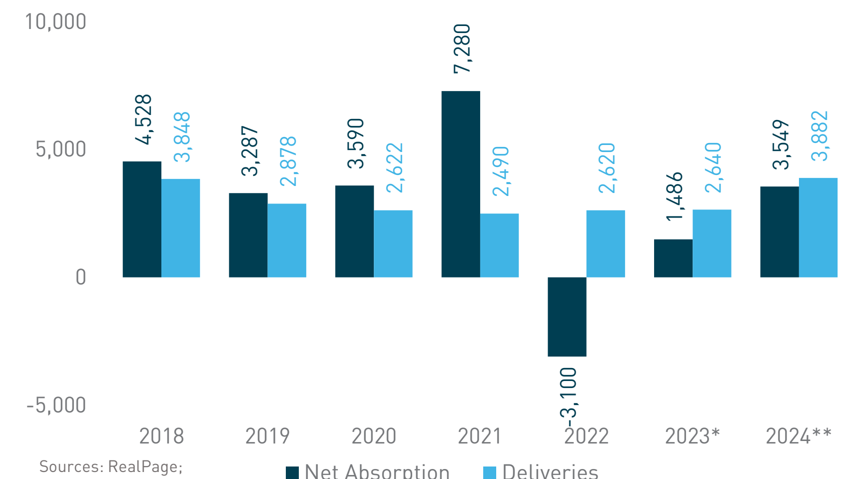


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

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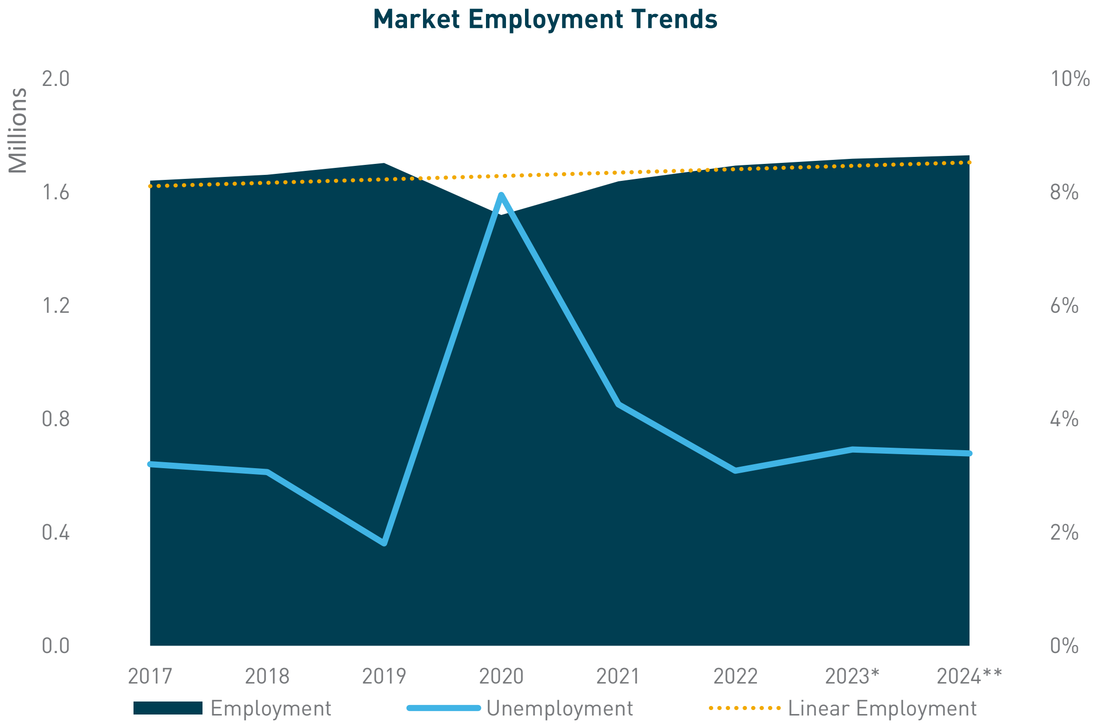
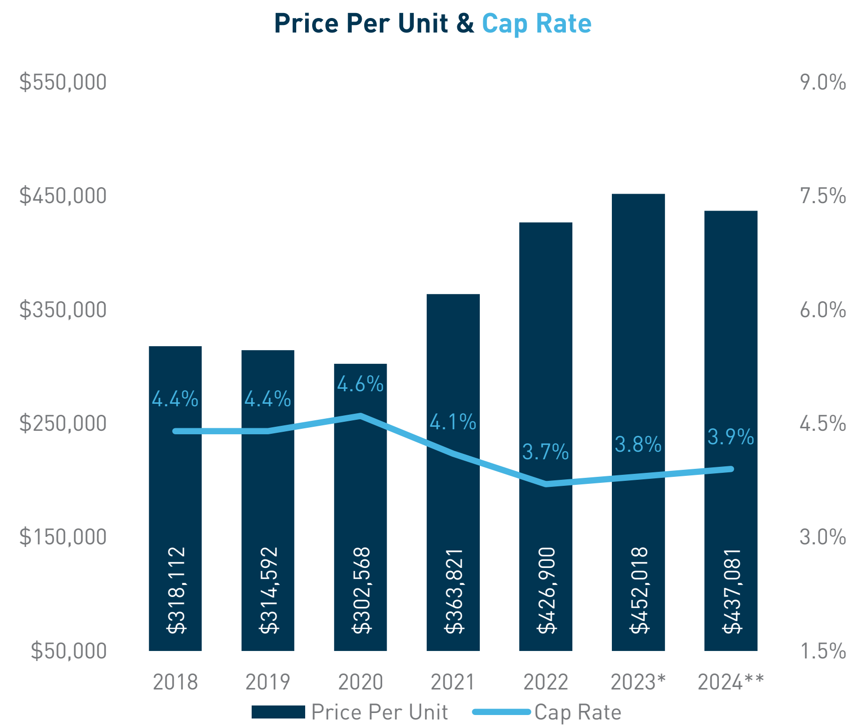
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT
(DEC. 2024)
1,730,500
UP 0.7% YOY

UNEMPLOYMENT
(DEC. 2024)
3.4%
DOWN 10 BPS YOY

MEDIAN HOUSEHOLD INCOME
(DEC. 2024 SAAR)
$116,113
UP 2.7% YOY

PRICE PER UNIT
(2024 AVG.)
$437,081
DOWN 3.3% YOY

CAP RATE
(2024 AVG.)
3.9%
UP 10 BPS YOY