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ORANGE COUNTY, CA

MULTIFAMILY MARKET REPORT | MID-YEAR

2025

Jobs Added / Lost

LAST 12 MONTHS
8,900

0.5% YOY

Unemployment

JUNE 2025
3.8%

10 BPS YOY

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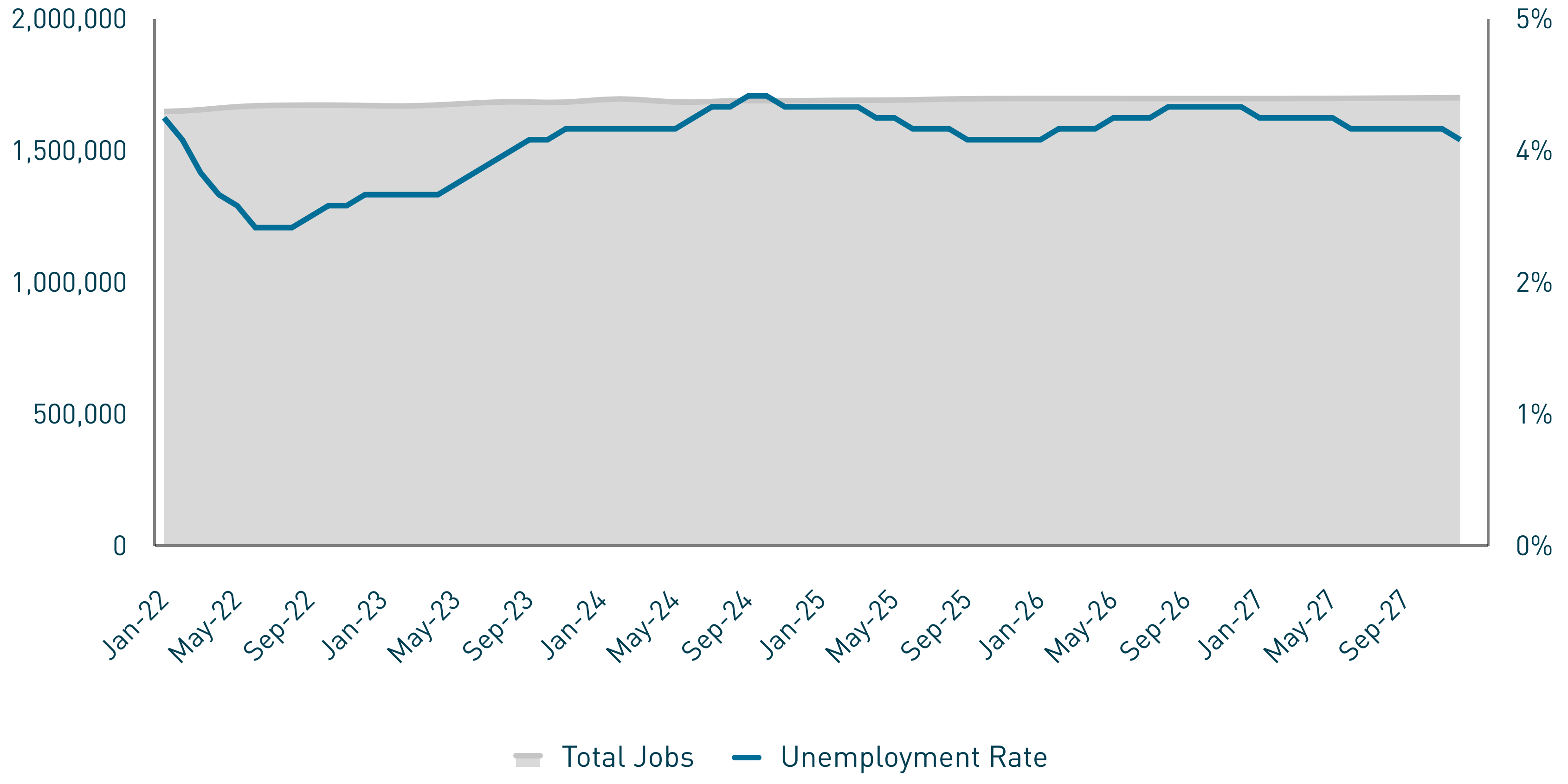
Employment

Local government agencies, healthcare institutions, and tourism kept Orange County employment growing in the last year. Overall county employment expanded 0.5% year over year, as 8,900 net new workers were hired through June 2025. The private education and healthcare sector led growth, with 12,700 newly filled positions. The social assistance subsector—which includes individual and family services, community food and housing services, emergency assistance, vocational rehabilitation services, and child day care—was a key contributor, expanding 6.9%. Payrolls also increased in the ambulatory healthcare services subsector, which grew 3.6% as home healthcare centers, physicians' and dentists' offices, and outpatient care centers hired new workers. Employment in the local healthcare industry will be boosted by the opening of the 73-bed City of Hope cancer specialty hospital in Irvine in late 2025. The other significant area of employment expansion was in the government sector, which had 2,800 net new workers, a 1.7% annual increase. While there was contraction in federal and state agencies, local government agencies offset those job losses by augmenting payrolls by 3.6% through June 2025. The leisure and hospitality industry also contributed to overall employment expansion. Restaurants, hotels, and theme parks filled 1,900 new jobs in the last 12 months, a 0.8% gain. Vibrant tourism supported the leisure and hospitality industry in 2024. Over 26 million people visited Anaheim in 2024, while Santa Ana reported a 4.8% annual increase in tourism expenditures.

Employment Trends



Source: Moody's Analytics

In the News

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Deliveries & Absorption

2025 Year to Date

DELIVERIES
1,166 UNITS

ABSORPTION
1,153 UNITS

2025 Total*

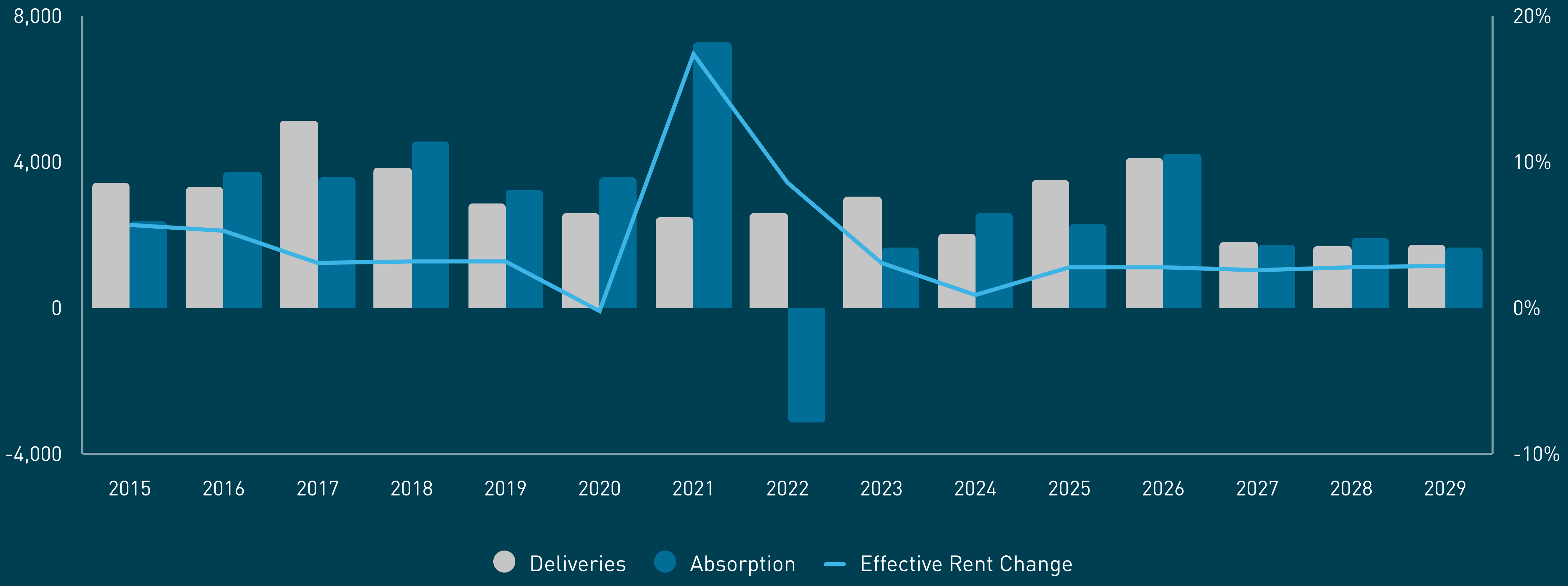
DELIVERIES
3,494 UNITS

ABSORPTION
2,298 UNITS

**Projected*

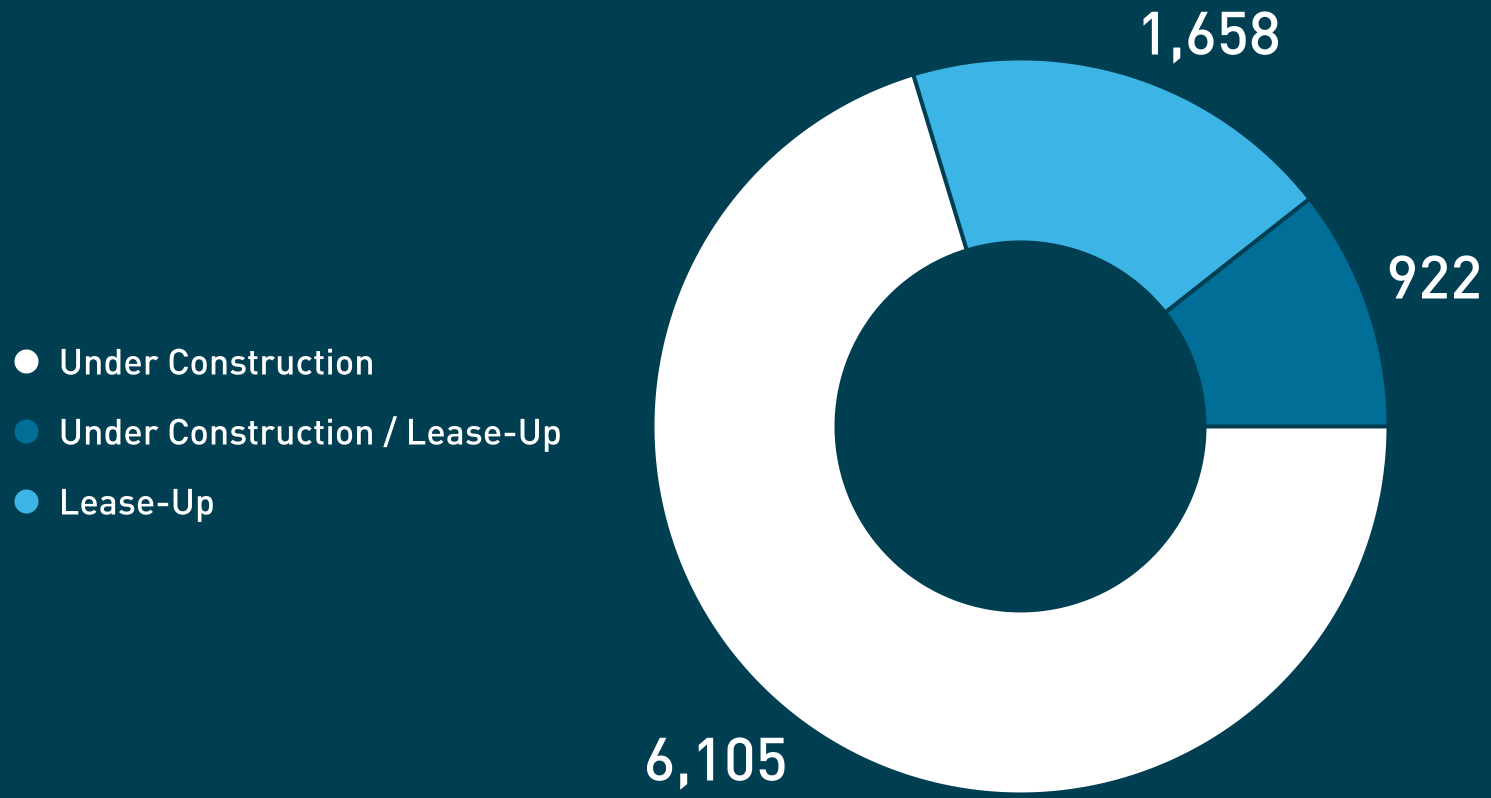
With much of Orange County developed, limited land is available for multifamily expansion. This environment typically contributes to fewer annual apartment deliveries compared to other U.S. counties with similar populations. Builders completed 1,166 apartment units in the first half of 2025, part of 2,820 units delivered during the last four quarters. Nearly one-third of the completions since mid-2024 are among four apartment communities at The Row at Redhill development in Santa Ana. From mid-2025 through the end of 2026, 6,445 apartment units are expected to be delivered in Orange County. Nearly half of those units will be delivered in the North Irvine submarket, as The Irvine Company, which owns numerous properties in Orange County, completes four apartment communities ranging in size from 313 units to 1,261 units. Countywide, apartment deliveries are projected to drop off significantly from 2027 through 2029, averaging just 1,736 units annually. Renters absorbed a net 3,869 apartment units in the last four quarters. From now through year-end 2026, net absorption is projected to total 5,382 units. More than three-quarters of this absorption is expected to take place among the North Irvine and South Irvine submarkets, which will have many new, amenity-rich apartments come online. Renters in these two submarkets enjoy short commutes to numerous large employers nearby.

Deliveries, Absorption, & Effective Rent Change



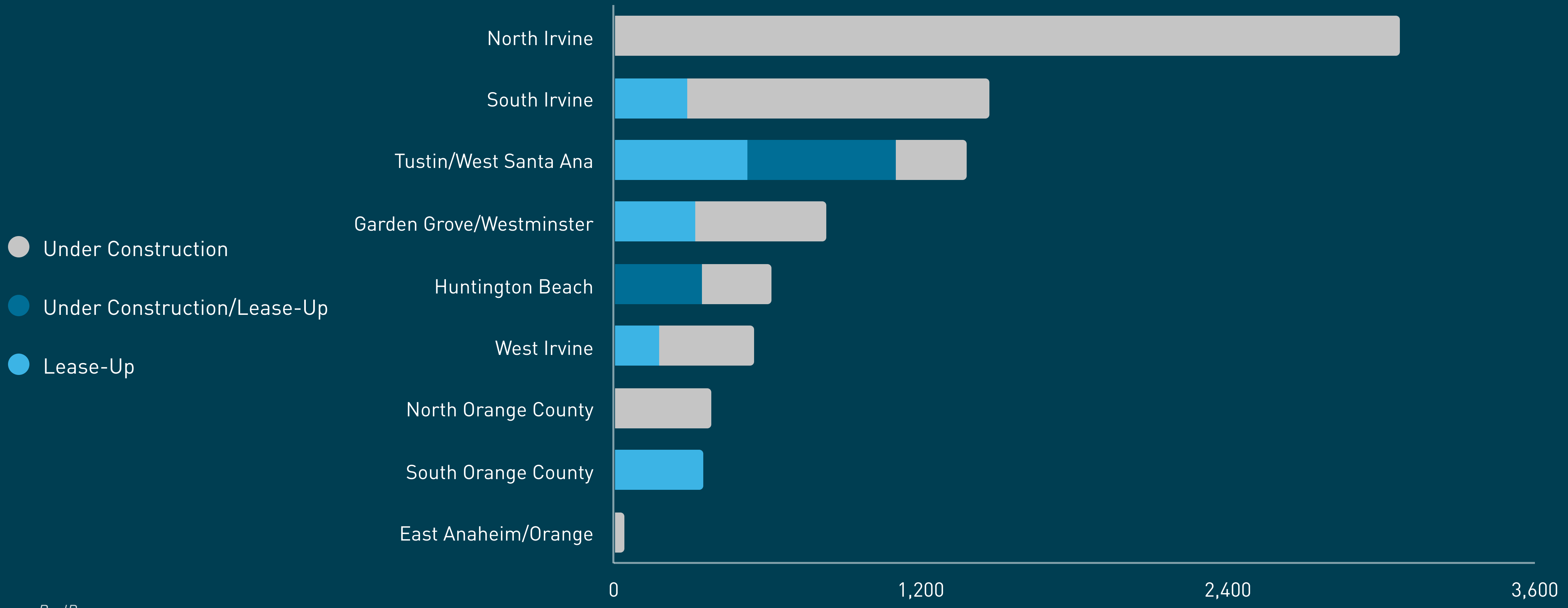
Source: RealPage

Orange County, CA, Pipeline



Source: RealPage

Largest Submarket Pipelines



Source: RealPage

Effective Rent

Q2 2025
$2,888

3.0% YOY

Occupancy

Q2 2025
96.5%

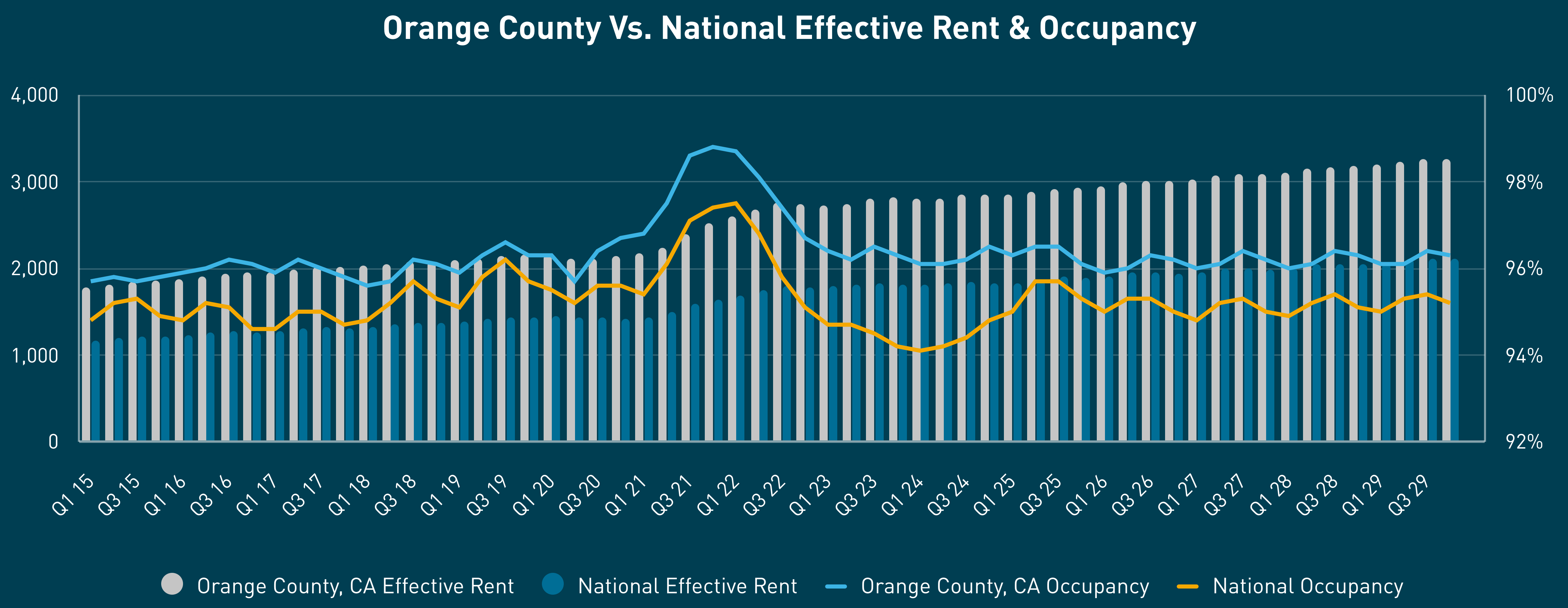
50 BPS YOY

Rent & Occupancy

Leasing activity among existing apartment communities was brisk, and net absorption outpaced deliveries during the last four-quarter period, helping boost Orange County's apartment occupancy rate 40 points to 96.5% in the second quarter of 2025. This rate exceeded the 96.0% annual average occupancy in the five years preceding the pandemic. Return-to-office mandates in the last year brought back some workers who during the pandemic had moved to lesser-costly areas in Los Angeles County and the Inland Empire. Additionally, the University of California, Irvine and California State University, Fullerton drive apartment demand in the county. Approximately 71% of UC Irvine's 37,300 students and 97% of Cal State Fullerton's 43,700 students live off campus. Average monthly effective rent increased 3.0% since the second quarter of 2024, reaching $2,888 in the second quarter of 2025. Operators were able to achieve this rent appreciation while reducing the 11.3% share of units offering concessions in mid-2024 to 6.5% of units in mid-2025. And while Orange County's average apartment rent is among the highest in the nation, even the $3,252 average effective rent at Class A apartments is considered an excellent value compared to monthly payments on a median single-family home price of $1.4 million in June 2025. Orange County's estimated median household income of $119,600 in 2025 translates into an affordable 32.6% rent share of wallet for a typical Class A apartment.

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.

Rent & Occupancy



Source: RealPage

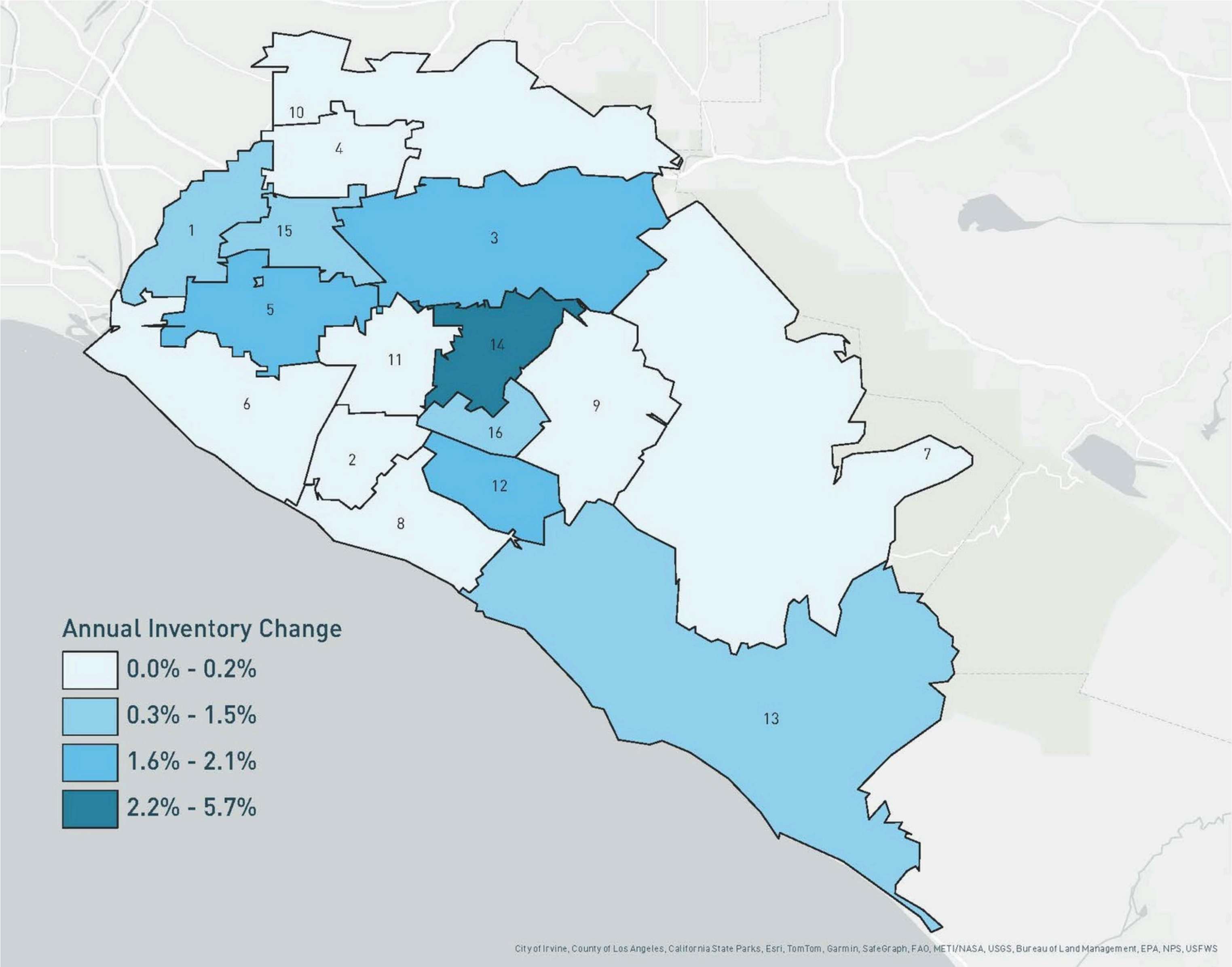
Rent & Occupancy

Submarket Performance

Submarket Name	Q2 25 Occupancy	YOY (BPS)	Q2 25 Effective Rent	YOY
Buena Park/Cypress	97.6%	70	$2,463	2.3%
Costa Mesa	97.0%	70	$2,862	3.4%
East Anaheim/Orange	97.2%	110	$2,787	3.7%
Fullerton	96.7%	100	$2,485	1.4%
Garden Grove/Westminster	96.8%	60	$2,484	4.5%
Huntington Beach	97.0%	10	$2,893	3.4%
Mission Viejo/Lake Forest	96.7%	30	$2,780	0.3%
Newport Beach	96.6%	90	$3,645	4.1%
North Irvine	94.7%	-180	$3,187	1.9%
North Orange County	96.0%	80	$2,694	3.5%
Santa Ana	97.4%	200	$2,799	5.9%
South Irvine	96.1%	-40	$3,280	2.9%
South Orange County	96.1%	120	$3,069	1.8%
Tustin/West Santa Ana	97.1%	90	$2,779	2.1%
West Anaheim	97.0%	80	$2,361	2.2%
West Irvine	96.3%	-40	$3,081	1.4%

Source: RealPage

Submarket Mid-Year 2025 Annual Inventory Change

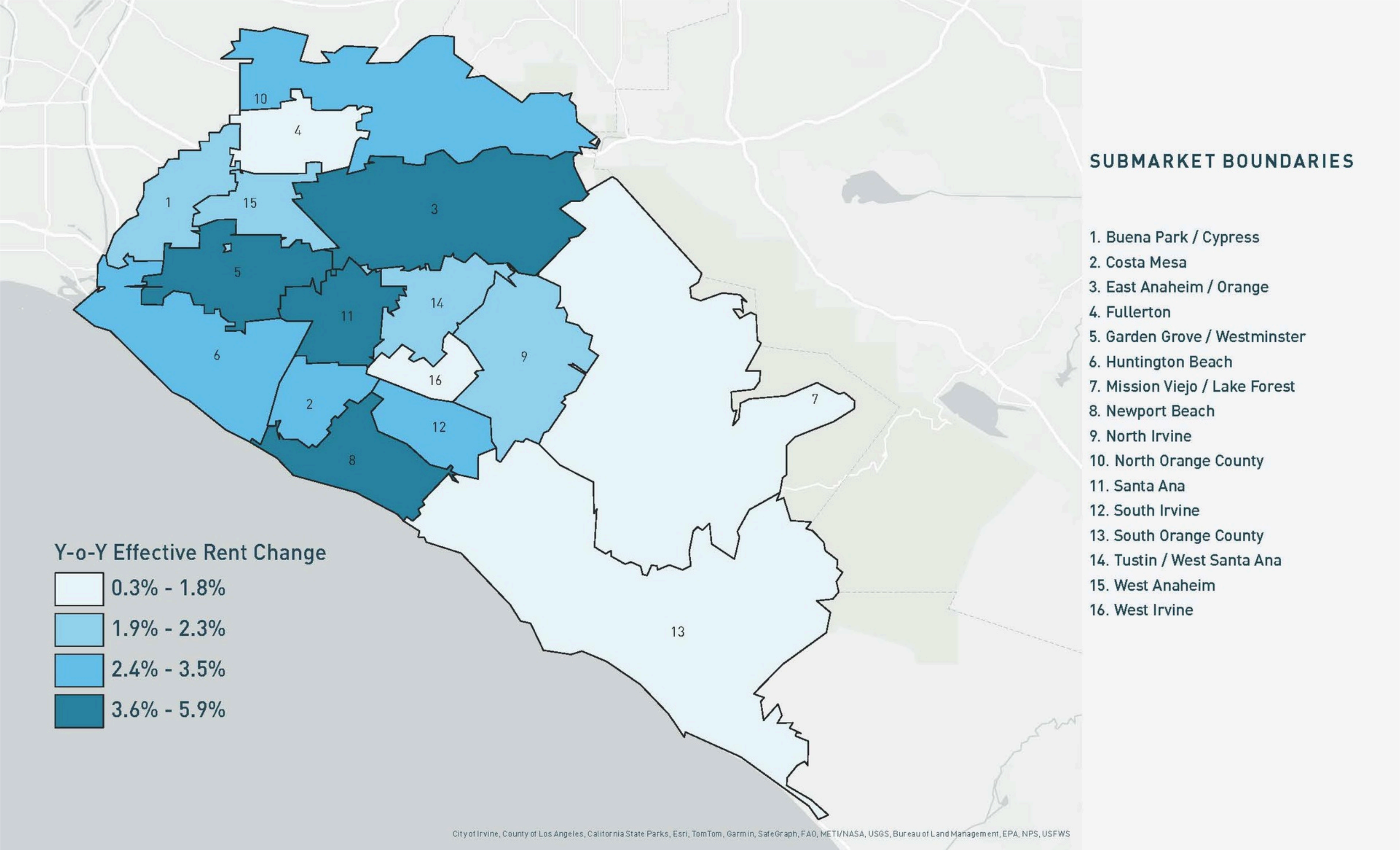


SUBMARKET BOUNDARIES

1. Buena Park / Cypress
2. Costa Mesa
3. East Anaheim / Orange
4. Fullerton
5. Garden Grove / Westminster
6. Huntington Beach
7. Mission Viejo / Lake Forest
8. Newport Beach
9. North Irvine
10. North Orange County
11. Santa Ana
12. South Irvine
13. South Orange County
14. Tustin / West Santa Ana
15. West Anaheim
16. West Irvine

Source: RealPage

Submarket Mid-Year 2025 Annual Effective Rent Change



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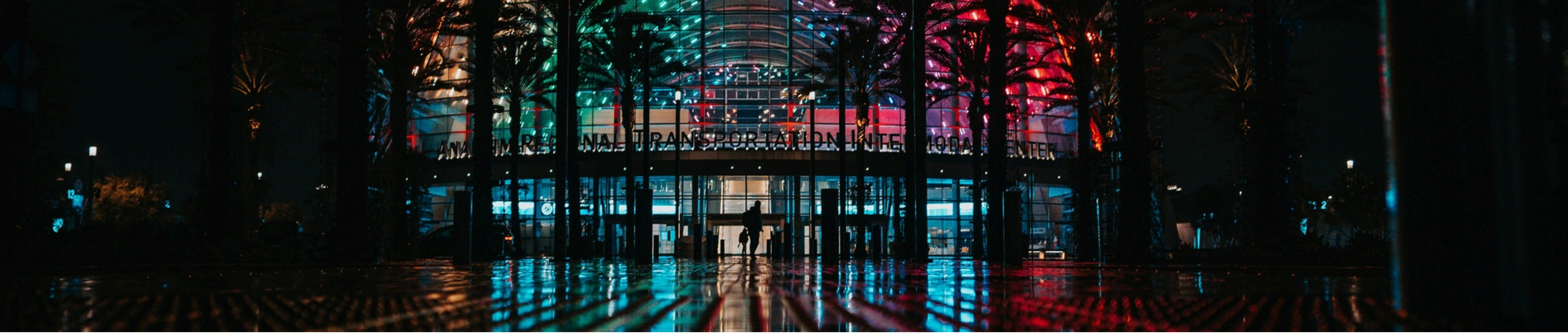

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