

Office Market Outlook

Orange County Q1 2025

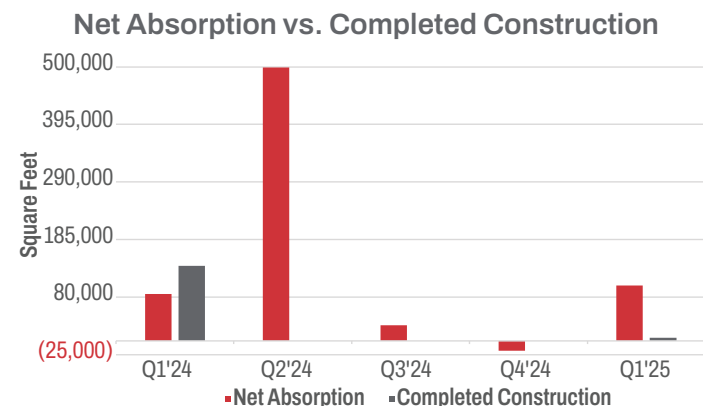
MARKET STATISTICS*

Submarket	Existing Total RBA (SF)	Under Construction (SF)	Total Available (%)	Total Vacancy (%)	Leasing Volume (SF)	YTD Leasing Volume (SF)	Sales Volume (SF)	YTD Sales Volume (SF)	Average Asking Rent (\$/SF NNN)	Average Sale Price (\$/SF)
Airport	73,222,613	44,832	17.1%	13.7%	946,943	946,943	619,178	619,178	\$2.84	\$244
Central	15,180,183	5,853	14.8%	12.5%	165,321	165,321	13,180	13,180	\$2.70	\$282
North	19,063,855	178,137	12.5%	9.5%	137,644	137,644	34,368	34,368	\$2.52	\$267
South	35,114,415	80,057	17.9%	12.9%	428,065	428,065	349,415	349,415	\$2.88	\$221
West	14,023,163	41,281	8.1%	7.0%	99,010	99,010	162,371	162,371	\$2.46	\$473
Orange County	156,604,229	350,160	15.7%	12.3%	1,776,983	1,776,983	1,178,512	1,178,512	\$2.80	\$240

* RBA includes office buildings of all sizes. Rents reflect buildings of at least 20,000 square feet.

LEASING TRENDS

The office market gained positive momentum in Q1 2025, showing stronger growth compared to the prior quarter and starting the year with positive net absorption. Net absorption totaled 101,380 square feet. Meanwhile, the supply of new office space grew minimally as the market continued to regain strength.



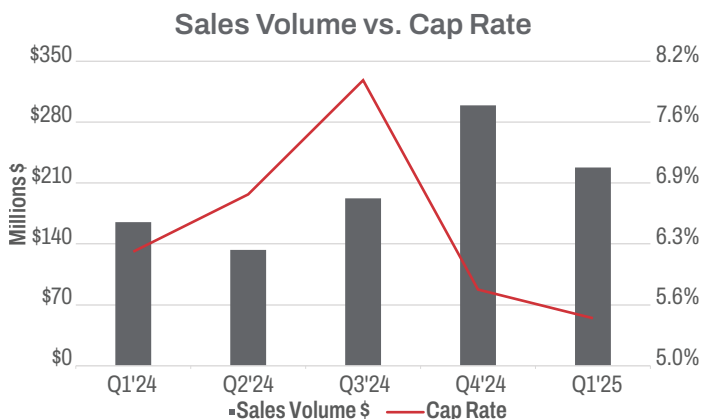
Select Lease Transactions

Address	City	Submarket	Square Feet
510 Technology Dr	Irvine	Airport	54,406
18191 Von Karman Ave	Irvine	Airport	53,282*
333 City Blvd W	Orange	North	44,815*
1620 Sunflower Ave	Costa Mesa	Airport	38,202
18101 Von Karman Ave	Irvine	Airport	36,666*

*Renewal

SALES TRENDS

The office sales market remained uneven at the start of the year, as confidence among users and investors wavered in anticipation of Fed rate cuts and improving absorption. As a result, sales volume declined 23.7% quarter over quarter, though year-to-date volume remained 38.3% higher than in Q1 2024. With sales activity gaining some traction, the average cap rate fell by 30 basis points from the previous quarter—70 basis points below last year—reaching 5.5% to start 2025.



Select Sales Transactions

Address	City	Submarket	Square Feet
Mission Ridge: 2 Prop. Sold	Mission Viejo	South	232,000
SoCo Harbor: 4 Office Properties Sold	Santa Ana	Central	151,791
Newport Summit: 2 Prop. Sold	Irvine	Airport	111,544
27401 Los Altos	Mission Viejo	South	71,464
15101 Red Hill Ave	Tustin	Central	51,065