

Office Market Outlook

Orange County Q3 2025

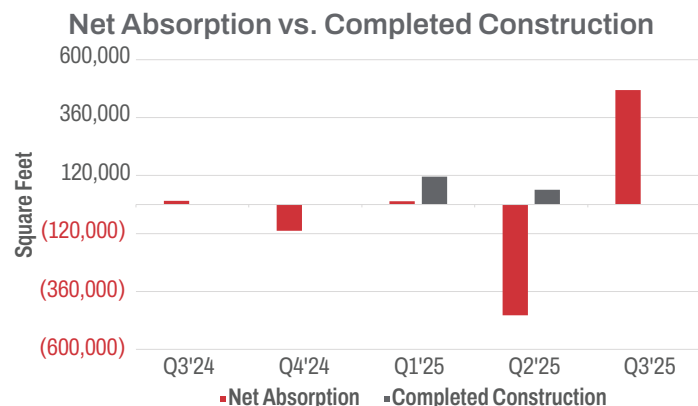
MARKET STATISTICS*

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	72,962,629	108,942	15.8%	14.2%	1,222,202	3,390,501	354,248	1,516,904	\$2.91	\$292
Central	15,195,625	0	13.3%	12.5%	130,791	422,989	121,704	623,213	\$2.65	\$192
North	18,861,425	178,137	11.1%	8.9%	165,042	547,368	149,688	621,044	\$2.44	\$193
South	35,069,291	80,057	17.1%	12.4%	402,195	1,218,479	40,496	591,204	\$2.74	\$519
West	14,227,019	47,172	8.9%	6.9%	74,417	279,652	15,632	188,434	\$2.47	\$358
Orange County	156,315,989	414,308	14.6%	12.4%	1,994,647	5,858,989	681,768	3,540,799	\$2.77	\$263

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

LEASING TRENDS

The office market saw fundamentals stabilize in Q3, ensuring net absorption for 2025 remained in positive territory at 28,903 square feet year-to-date. The scarcity of new space is a key factor keeping vacancy constrained. No new construction was completed this quarter, leaving the YTD total at 176,711 square feet. This minimal delivery schedule indicates that any current market demand is absorbing existing supply.



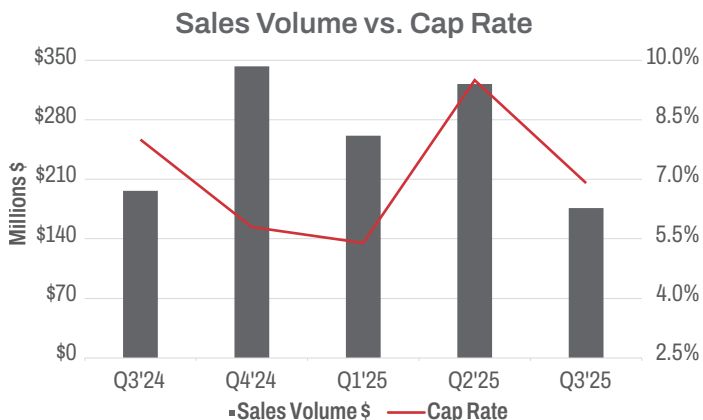
Select Lease Transactions

Address	City	Submarket	Square Feet
2300 Main St	Irvine	Airport	133,745
840 Newport Center Dr*	Newport Beach	Airport	99,000
3515 Harbor Blvd	Costa Mesa	Airport	83,195
701 S Parker St	Orange	North	48,657
17911 Von Karman Ave	Irvine	Airport	44,214

*Renewal

SALES TRENDS

Sales momentum was severely constrained in Q3 2025, driving volume down 45.3% quarter-over-quarter and leaving year-over-year volume 48.6% below Q3 2024 levels. A dip in the cap rate indicates that the limited number of transactions that occurred were driven by higher quality assets trading at significantly increased valuations, even as overall market volume remains suppressed.



Select Sales Transactions

Address	City	Submarket	Square Feet
2099 S State College Blvd	Anaheim	North	123,577
2100-2200 W Orangewood Ave	Orange	North	109,644
895 Dove St	Newport Beach	Airport	108,112
17542 E 17th St	Tustin	Central	90,932
1820 E 1st St	Santa Ana	Central	62,006