MARKETBEAT
ORANGE COUNTY
RETAIL Q2 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
$115,700 Median HH Income	▲	▲
0.2% Population Growth	▼	▲
3.9% Unemployment Rate	▲	–

Source: BLS

U.S. ECONOMIC INDICATORS

	YOY Chg	Outlook
1.4% GDP Growth	▼	▲
2.4% Consumer Spending Growth	▼	▲
2.0% Retail Sales Growth	▼	–

Source: BEA, Census Bureau

ECONOMIC OVERVIEW

Between May 2024 and May 2025, total nonfarm employment in Orange County (OC) increased by 7,000 jobs, or 0.4% year-over-year (YOY). Private education and health services reported the largest increase, gaining 12,400 jobs (+4.5% YOY). Job gains were widespread, with numerous additional industries reporting gains: health care and social assistance (+11,700 jobs), government (+3,200 jobs), other services (+1,600 jobs), and leisure and hospitality (+1,500 jobs). Six sectors reported employment decreases YOY, losing 11,700 jobs, and offering a partial offset to the broader gains. During the same time, the monthly unemployment rate increased from 3.3% last year to 3.6% and is currently just below the quarterly average of 3.9%.[1] All employment sectors are projected to grow at a combined growth rate of 1.0% in 2025 and 0.8% in 2026 compared to the 5-year historical average of 0.0%.[2]

SUPPLY AND DEMAND

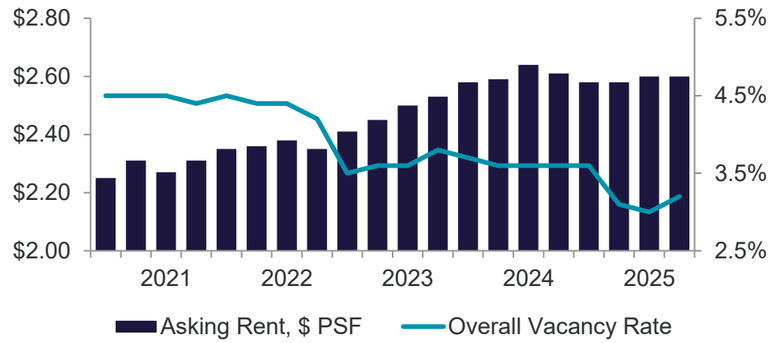
The overall vacancy rate rose by 20 basis points (bps) quarter-over-quarter (QOQ) to 3.2%, though it remains 40 bps lower YOY. This marks a notable improvement from the five-year quarterly average of 3.9% (-70 bps) and the peak rate of 6.4% (-320 bps) recorded in Q1 2012. In Q2 2025, tenants vacated a total of 157,393 square feet (sf) across all center types, with neighborhood centers accounting for the majority at 119,721 sf. In contrast, community centers demonstrated resilience by recording 57,184 sf of positive absorption during the quarter.

New leasing activity declined to 477,599 sf, a drop of 23.1% QOQ, and 28.5% YOY. OC recorded 111,577 sf of active new construction across four projects, following minimal deliveries of just 6,813 sf in 2024, reflecting a continued trend of limited new supply. Notably, OC has not seen over 100,000 sf of under construction since Q4 2018.[3]

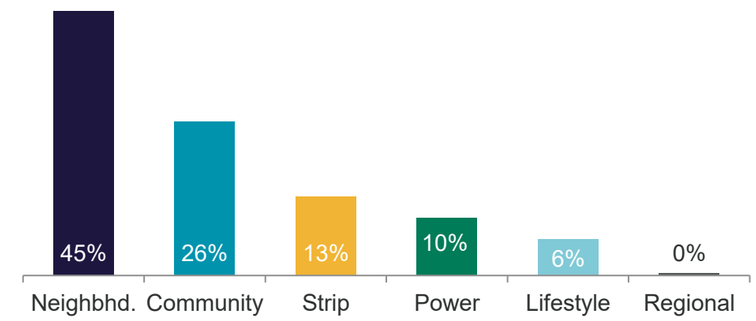
PRICING

In Q2 2025, average asking rents held steady at $2.60 per square foot (psf) per month on a triple net basis, unchanged QOQ and down 0.4% YOY. Current rates are 1.5% below the peak recorded in Q1 2024. Among center types, strip centers posted the highest average rent at $2.71 psf, while neighborhood centers remained the most affordable at $2.48 psf.

OVERALL VACANCY & ASKING RENT



TOTAL AVAILABILITY BY PRODUCT TYPE



ORANGE COUNTY
RETAIL Q2 2025

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY** (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (All Center Types)*
North County	24,299,925	1,006,459	22,053	4.2%	-133,772	-41,778	272,795	0	$2.26
Greater Airport Area	15,230,394	162,416	15,719	1.2%	-14,898	-30,566	72,764	28,000	$4.81
South County	21,857,465	865,463	55,557	4.2%	-28,663	-94,242	207,858	53,365	$2.89
West County	21,549,472	504,703	8,976	2.4%	21,736	44,997	298,589	30,212	$2.58
Central County	14,678,247	493,576	3,428	3.4%	-1,796	-30,416	246,264	0	$2.41
Community	24,021,147	718,244	19,342	3.1%	57,184	44,742	386,364	4,000	$2.70
Lifestyle	4,748,069	156,387	0	3.3%	13,273	11,832	69,255	0	N/A
Neighborhood	30,858,183	1,380,353	70,665	4.7%	-119,721	-78,655	371,106	81,365	$2.48
Power	12,290,768	316,920	4,657	2.6%	-87,985	-149,801	67,575	0	$2.54
Regional	13,894,513	12,097	6,757	0.1%	8,634	39,251	21,414	0	N/A
Strip	11,802,823	448,616	4,312	3.8%	-28,778	-19,374	182,556	26,212	$2.71
OC TOTALS	**97,615,503**	**3,032,617**	**105,733**	**3.2%**	**-157,393**	**-152,005**	**1,098,270**	**111,577**	**$2.60**

**Rental rates reflect weighted triple net asking $psf/month. **Renewals not included in leasing statistics.*

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
5899 Lincoln Ave.	Buena Park/La Palma	Burlington	35,675	Direct
2307-2311 S. Bristol St.	Santa Ana	Sprouts Farmers Market	30,690	Direct
724-796 N. Brea Blvd.	Brea/La Habra	Sky Zone	23,000	Direct
901-939 S. Brookhurst St.	North/East Anaheim	Blink Fitness	16,310	Direct
18300 Yorba Linda Blvd.	Placentia/Yorba Linda	Planet Fitness	15,109	Direct

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $ PSF
Fullerton MetroCenter	Fullerton	Kite Realty Group Trust / Space Investment Partners	395,629	$118.5M / $300
3500 W. MacArthur Blvd.	Santa Ana	Kimco Realty Corporation / Terreno Realty	134,400	$49.5M / $368
24011-24031 Marguerite Pkwy.	Mission Viejo	Cadence Capital Investments / Margeratte 88, LLC	51,312	$11.6M / $227
369 E. 17th St.	Costa Mesa	Space Investment Partners / Asana Partners	39,334	$25.7M / $653

Sources: [1] www.bls.gov Anaheim-Santa Ana-Irvine MD (Orange County). [2]Lightcast forecast for Orange County, CA as of 7/2025. [3]CoStar.

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