MARKETBEAT
ORANGE COUNTY
RETAIL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
$116,500 Median HH Income	▲	▲
0.1% Population Growth	▼	▲
4.2% Unemployment Rate	▲	▲

Source: BLS

U.S. ECONOMIC INDICATORS

	YOY Chg	Outlook
0.7% GDP Growth	▼	▲
1.6% Consumer Spending Growth	▼	▲
-0.4% Retail Sales Growth	▼	–

Source: BEA, Census Bureau

ECONOMIC OVERVIEW

Between August 2024 and August 2025, total nonfarm employment in Orange County (OC) increased by 5,200 jobs, or 0.3% year-over-year (YOY), reflecting modest but steady labor market growth. Private education and health services led all industries with 14,400 new jobs (+4.5% YOY). Employment growth was also recorded in government (+2,900), leisure and hospitality (+1,400) and other services (+1,200). However, these gains were offset by declines across six sectors totaling 14,700 jobs. Retail sector lost 1,300 jobs (-0.9% YOY).

The unemployment rate edged up to 4.6%, compared to 4.5% one year earlier, though it remains 30 basis points (bps) above the quarterly average of 4.2%.[1] All employment sectors in OC are projected to grow at a combined rate of 1.0% in 2025 and 0.8% in 2026, compared to the five-year historical average of 0.1%.[2]

SUPPLY AND DEMAND

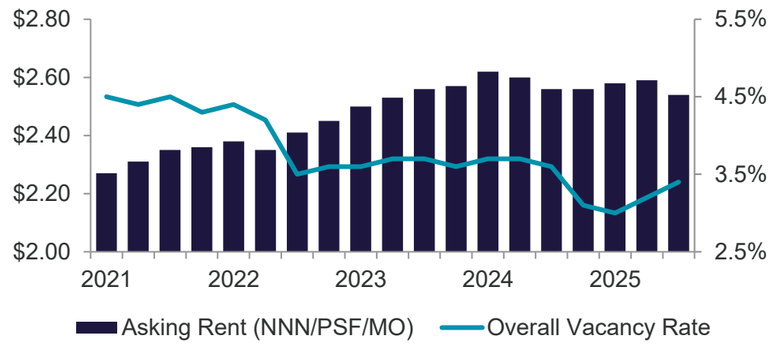
The market's overall vacancy rate ticked up modestly to 3.4% in Q3, a 20-bps quarterly rise but still 20 bps below last year's level. Even with the recent uptick, vacancy remains well under both the five-year average of 3.8% and the 6.4% peak in early 2012, signaling a broadly stable market. Retail absorption strengthened notably in Q3 2025, with tenants occupying 286,837 square feet (sf) – the market's best performance since Q3 2022. Regional centers were the primary driver, adding nearly 279,000 sf of leased space, while power centers lagged, posting 123,000 sf of negative absorption as demand softened.

New leasing activity declined to 308,984 sf, a drop of 29.6% QOQ, and 51.3% YOY. This was the lowest quarterly level of new leasing activity since Q2 2020. OC recorded 103,577 sf of active new construction across four projects, following minimal deliveries of just 36,439 sf in 2025 YTD, reflecting a continued trend of limited new supply.[3]

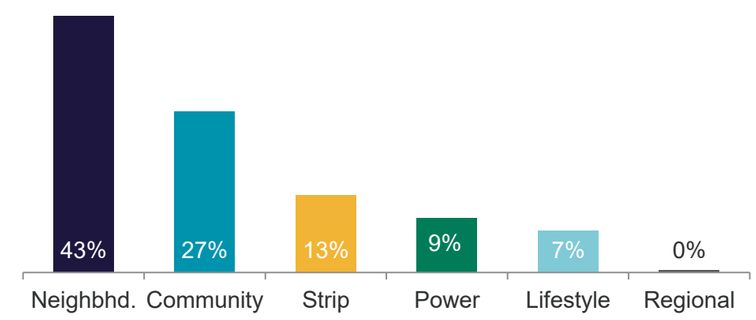
PRICING

Average asking rents across retail centers declined to $2.54 per square foot (psf) per month on a triple net basis, representing a 1.9% quarterly and 0.8% annual decrease. Current rates are 3.1% below the peak recorded in Q1 2024. Among center types, lifestyle centers posted the highest average rent at $3.25 psf, while neighborhood centers remained the most affordable at $2.37 psf.

OVERALL VACANCY / ASKING RENT



TOTAL AVAILABILITY BY PRODUCT TYPE



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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	24,415,271	1,021,923	28,130	4.3%	-6,479	-47,904	347,964	20,000	$2.25
Greater Airport Area	15,589,584	165,216	15,719	1.2%	32,490	1,924	127,318	0	$4.66
South County	21,748,245	1,003,785	18,883	4.7%	-42,204	-134,707	242,725	53,365	$2.87
West County	21,645,993	535,010	15,198	2.5%	-1,119	43,878	355,623	30,212	$2.53
Central County	14,639,663	509,378	3,428	3.5%	304,149	273,733	314,379	0	$2.40
Community	23,881,277	842,809	33,968	3.7%	-62,728	-13,409	454,646	24,000	$2.60
Lifestyle	4,748,069	199,411	0	4.2%	-43,654	-31,822	72,757	0	$3.25
Neighborhood	30,951,928	1,413,788	34,119	4.7%	101,422	8,268	470,316	53,365	$2.37
Power	12,249,303	305,587	4,657	2.5%	24,145	-123,221	97,436	0	$2.54
Regional	14,172,425	12,097	5,942	0.1%	278,815	318,066	16,113	0	N/A
Strip	12,035,754	461,620	2,672	3.9%	-11,163	-20,958	276,741	26,212	$2.75
OC TOTALS	**98,038,756**	**3,235,312**	**81,358**	**3.4%**	**286,837**	**136,924**	**1,388,009**	**103,577**	**$2.54**

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

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
13095-13321 Jamboree Rd.	Parkcenter Area	Undisclosed	21,445	New
901 S. Coast Dr.	Costa Mesa	Kids Empire	14,385	New
27450 Alicia Pkwy.	Laguna Niguel/Laguna Beach	Undisclosed	6,000	New
17850-17870 Newhope St.	Fountain Valley	Undisclosed	5,444	New
16275 Harbor Blvd.	Fountain Valley	Undisclosed	5,400	New

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $ PSF
Westar/Rancho Mission Viejo Company Portfolio	RSM/Coto De Caza/Ladera Ranch/RMV	Wester Associates c/o Rancho Mission Viejo Company / Regency Centers	627,101	$357M / $569
30501-30505 Avenida de las Flores	RSM/Coto De Caza/Ladera Ranch/RMV	Dan Goode RSM, LP / Red Mountain Group	51,872	$9.4M / $181
Pique at Angel Stadium	Stadium Area	BCTC Corporation / Vista Emerald LLC	15,710	$11.3M / $719

Sources: [1] www.bls.gov Anaheim-Santa Ana-Irvine MD (Orange County). [2]Lightcast forecast for Orange County, CA as of 9/2025. [3]CoStar.

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