

Orange County's multifamily market softens as occupancy and leasing activity decline



Note: Arrows indicate change from previous quarter.

Source: CBRE Econometric Advisors, Q1 2026.

MARKET HIGHLIGHTS

— The Orange County multifamily market closed Q1 2026 with an occupancy rate of 96.1%. This marked a 10-bps decline from Q4 2025, driven by newly delivered vacant space.

— There was positive absorption of 371 units in Q1 2026, compared to 940 units of positive absorption in Q4 2025. West Irvine made up majority of the net absorption, totaling 327 units. Vacancy rose modestly during Q1 2026, yet positive absorption in the market indicated that leasing demand remained intact.

— There were 461 units delivered in Q1 2026, compared to 1,642 units in Q4 2025. With rising construction costs and broad economic headwinds, development activity dwindled while completions fell sharply quarter-over-quarter.

— The overall average rent per unit per month for multifamily in Orange County ended Q1 2026 at \$2,896, representing no change from Q4 2025 as landlords had minimal pricing power as renters grappled with elevated costs of living which decreased demand.

— The total multifamily investment sales in Q1 2026 amounted to \$197.8 million in total volume, compared to \$452.3 million in Q4 2025. The quarter-over-quarter decline largely reflected smaller transaction sizes during Q1 2026.



Source: CBRE Econometric Advisors, Q1 2026.

Market Overview

FIGURE 2: Market Statistics by Submarket

Market	Inventory (Units)	Rent Per Unit Per Month	Completions (Units)	Completions Last 12 mos	Net Absorption (Units)	Net Absorption Last 12 mos	Vacancy Rate (%)
Total Market	259,607	\$2,896	461	3,000	371	2,550	3.9
Buena Park/Cypress	12,335	\$2,564	0	0	(67)	(89)	3.3
Costa Mesa	15,418	\$2,921	0	0	13	(25)	3.1
East Anaheim/Orange	27,533	\$2,653	48	60	(9)	26	3.5
Fullerton	14,126	\$2,508	0	65	71	133	3.2
Garden Grove/Westminster	20,240	\$2,522	0	40	(36)	80	3.1
Huntington Beach	20,150	\$2,870	0	369	(20)	369	3.3
Mission Viejo/Lake Forest	11,774	\$2,806	0	0	(25)	(25)	3.7
Newport Beach	10,563	\$3,626	0	36	15	(98)	4.2
North Irvine	13,460	\$3,210	5	713	(8)	767	5.4
North Orange County	13,965	\$2,704	0	0	89	(46)	4.0
Santa Ana	20,064	\$2,679	0	0	90	(43)	4.0
South Irvine	11,462	\$3,238	0	921	(49)	790	4.4
South Orange County	21,600	\$3,102	0	0	30	(132)	4.4
Tustin/West Santa Ana	12,580	\$2,863	37	142	30	161	3.1
West Anaheim	21,620	\$2,442	0	89	(53)	126	3.7
West Irvine	12,717	\$3,090	371	565	327	517	4.0

Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 3: Market Statistics by Building Vintage

Year Built	Avg Rent	% Rent Growth (Y-o-Y)	Occupancy Rate (%)	Occupancy Change (Y-o-Y)
Built 1960s	\$2,601	4.5%	96.6	-0.1%
Built 1970s	\$2,597	0.9%	96.7	0.0%
Built 1980s	\$2,821	2.4%	96	-0.1%
Built 1990s	\$3,076	2.7%	96.2	-0.6%
Built 2000s	\$3,176	3.6%	95.9	-0.1%
Built 2010s	\$3,420	0.4%	95.3	-0.5%

Source: CBRE Econometric Advisors, Q1 2026.

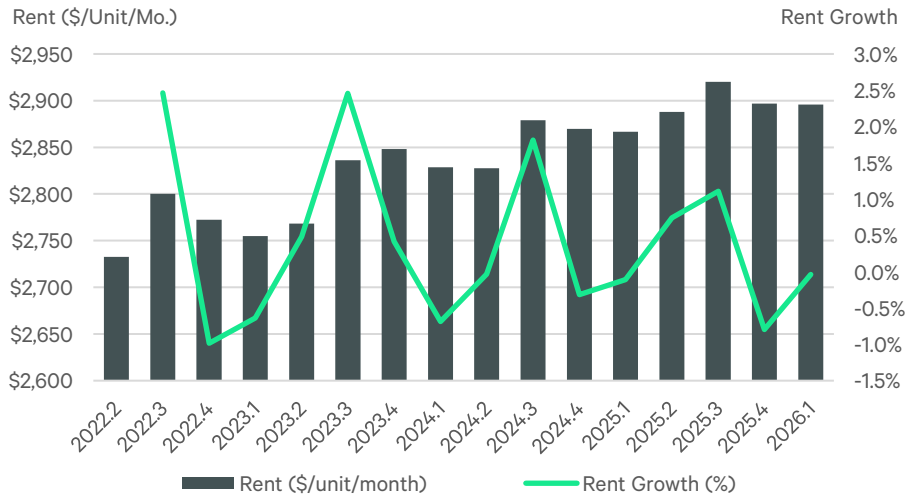
FIGURE 4: Market Statistics by Unit Type

Unit Type	Avg. Rent	% Rent Growth (Y-o-Y)
Studio	\$2,316	2.6%
1 Bedroom	\$2,590	2.6%
2 Bedroom	\$3,203	2.5%
3 Bedroom	\$4,058	2.4%

Source: CBRE Econometric Advisors, Q1 2026.

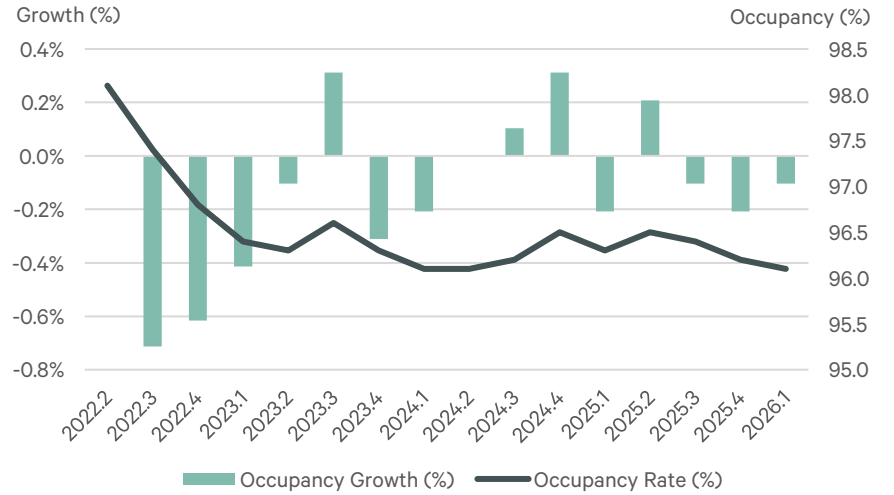
Average Rents and Occupancy

FIGURE 5: Rent Change Q-o-Q and Average Rent Trend



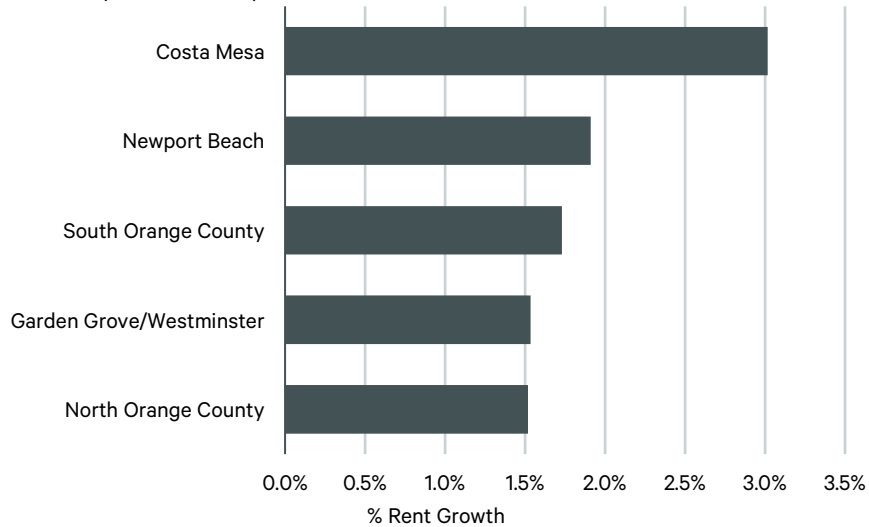
Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 6: Occupancy Change Q-o-Q and Occupancy Rate Trend



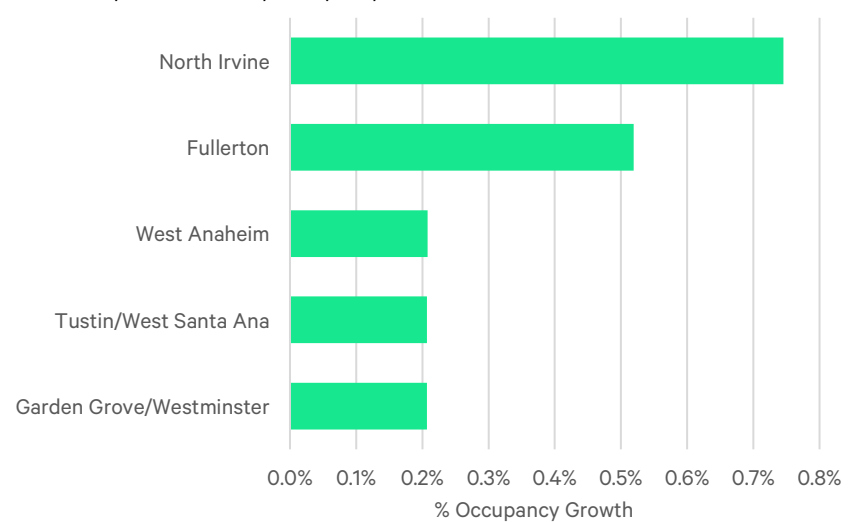
Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 7: Top Submarkets by Rent Growth Y-o-Y



Source: CBRE Econometric Advisors, Q1 2026.

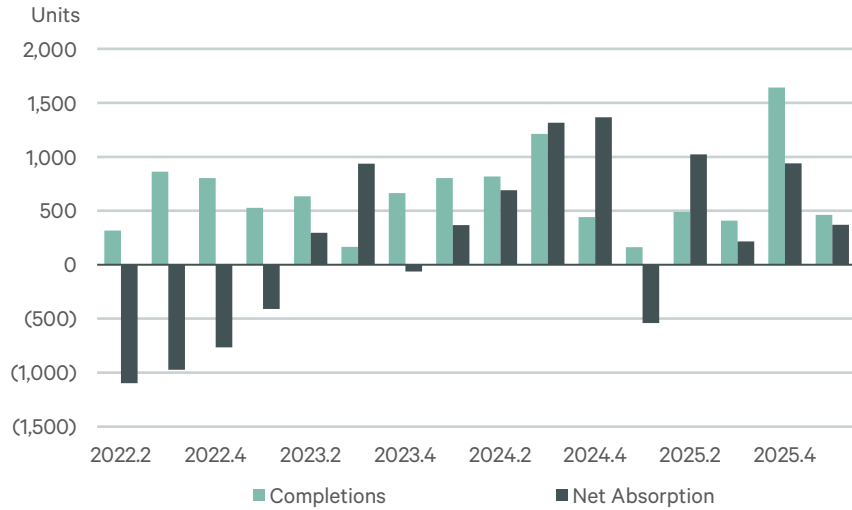
FIGURE 8: Top Submarkets by Occupancy Growth Y-o-Y



Source: CBRE Econometric Advisors, Q1 2026.

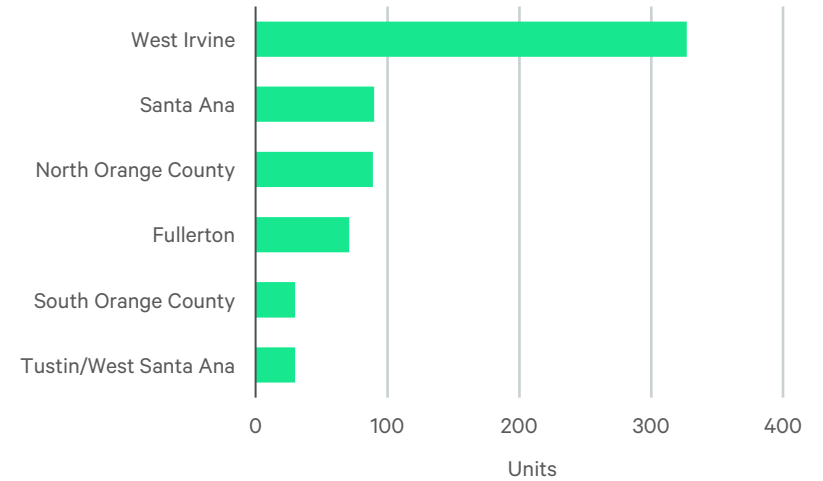
Construction, Net Absorption, and Detail by Inventory Type

FIGURE 9: Completions and Net Absorption



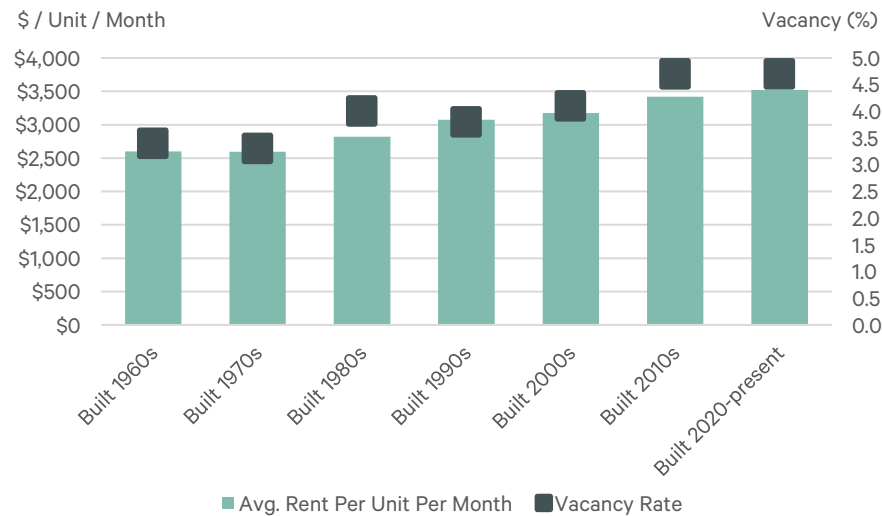
Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 10: Top Submarkets by Net Absorption



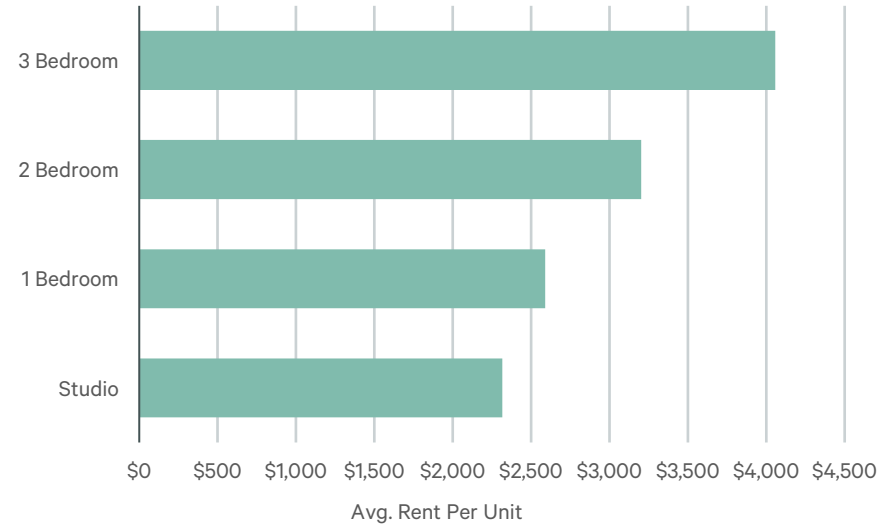
Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 11: Rent and Vacancy by Property Vintage



Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 12: Average Rent By Unit Size



Source: CBRE Econometric Advisors, Q1 2026.

Investment Sales

FIGURE 13: Multifamily Investment Sale Volume



Source: MSCI Real Capital Analytics, Q1 2026.

FIGURE 15: Multifamily Investment Sale Price Per Unit



Source: MSCI Real Capital Analytics, Q1 2026.

FIGURE 14: Q1 2026 Largest Sale Transactions by # of Units

Buyer	Property Name	City	Units	Sale Price	Price / Unit
Undisclosed	Park Grove	Garden Grove	245	\$84,000,000	\$342,857
Undisclosed	Casa Andini	Buena Park	24	\$7,630,000	\$317,917
Undisclosed	2220 Kenrich Court	La Habra	16	\$3,700,000	\$231,250
Dunbar RE Investments	Mauna Loa Lambert Apar Brea		68	\$27,250,000	\$400,735
Mahdek Property Partner	Casa de Oro Apartments	Costa Mesa	37	\$14,250,000	\$385,135
D/D DE Clark Family Tru:	334 Forest Avenue	Laguna Beac	28	\$5,750,000	\$205,357
PMW 120 Communities L	120-140 E Montwood Ave	La Habra	28	\$7,650,000	\$273,214
RS Real Estate Plus	Villa Monaco Apartments	La Habra	20	\$5,850,000	\$292,500
Matthew P Hoyt	19@18th	Costa Mesa	19	\$7,925,000	\$417,105
JFIG MONTE VISTA LLC	The Bungalows on Monte	La Habra	18	\$6,400,000	\$355,556
Grand Vista ONE LLC	1901 East Wilshire Avenue	Fullerton	14	\$3,150,000	\$225,000
Ihab Abuwarda	Bishop Villas	Santa Ana	12	\$3,825,000	\$318,750

Source: MSCI Real Capital Analytics, Q1 2026.

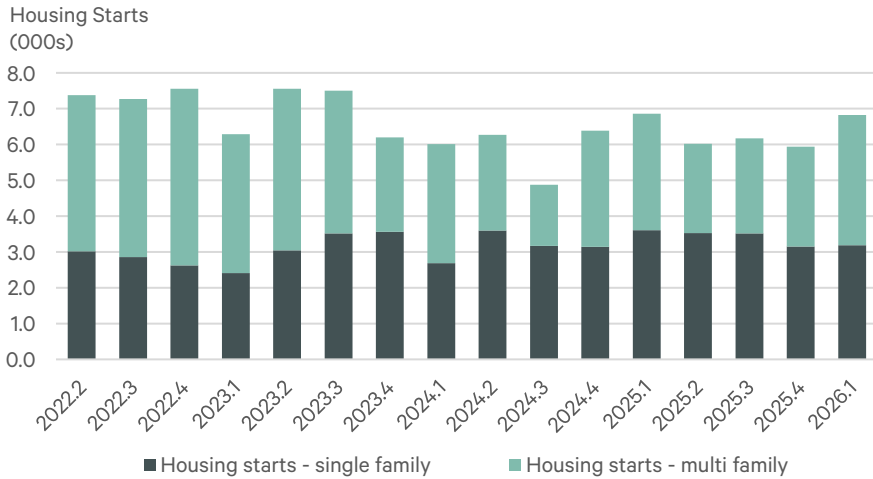
FIGURE 16: Q1 2026 Multifamily Investment Sales by Building Vintage

Year Built	Volume (\$)	Property Count	Total Units	Avg. PPU
Pre-1960	\$20,765,000	4	59	\$351,949
1960s	\$142,175,000	6	395	\$359,937
1970s	\$20,105,000	4	74	\$271,689
1980s	\$0	0	0	\$0
1990s	\$0	0	0	\$0
2000s	\$0	0	0	\$0
2010 - present	\$0	0	0	\$0
Grand Total	\$183,045,000	14	528	\$327,858

Source: MSCI Real Capital Analytics, Q1 2026.

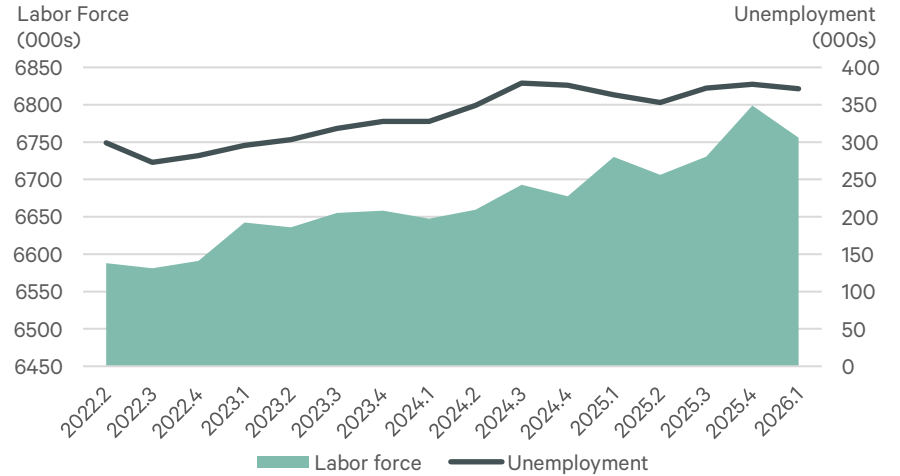
Economic Overview

FIGURE 17: Housing Starts



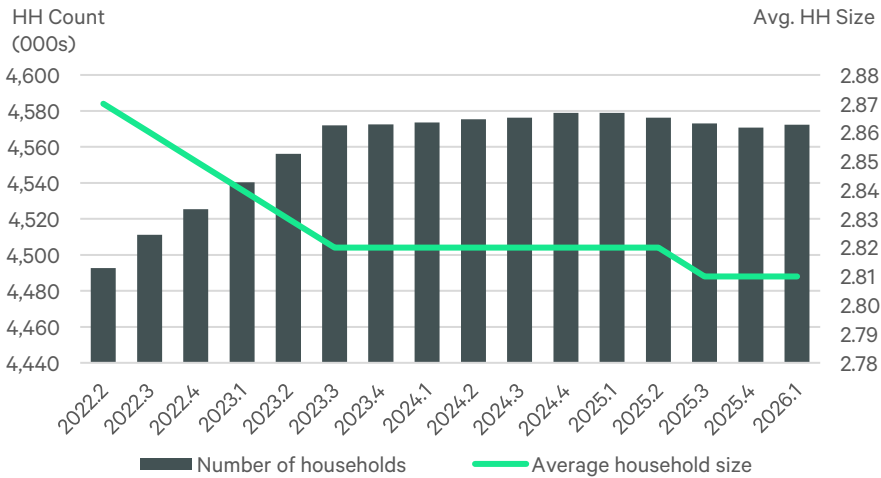
Source: Oxford Economics, Q1 2026.

FIGURE 18: Unemployment



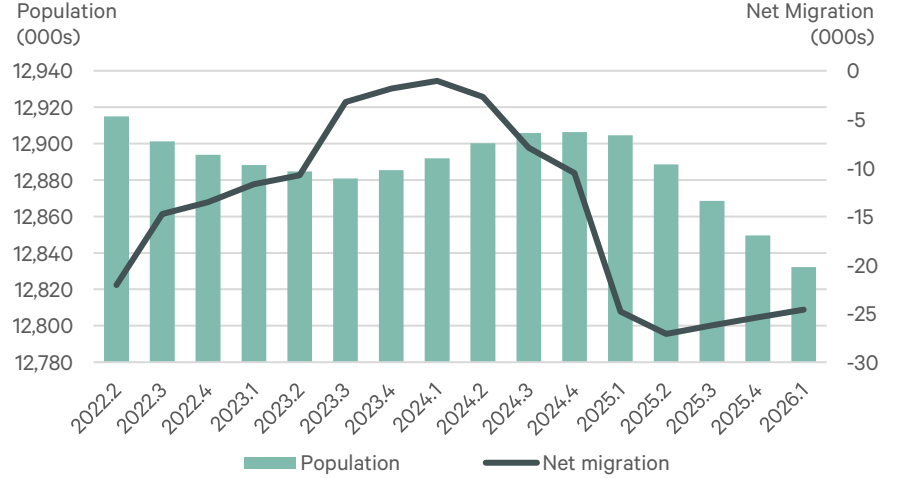
Source: Oxford Economics, Q1 2026.

FIGURE 19: Household Count & Average Size



Source: Oxford Economics, Q1 2026.

FIGURE 20: Total Population & Net Migration



Source: Oxford Economics, Q1 2026.

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Multifamily Definitions

- Stock units Total count of market-rate, multifamily units in structures containing five or more units. Does not include condos.
- Occupied Stock units Total count of occupied multifamily units.
- Rentable Completions units Change in rentable stock from one period to the next due to the construction of new multifamily units. Only includes market-rate units in structures containing five or more units. Does not include condos. A structure is considered complete when 60% or more of the building has been occupied.
- Net Absorption units Change in occupied stock from one period to the next.— Vacancy Rate % Unoccupied units expressed as a percent of rentable stock.
- Average Rent - Rent \$/unit/month, \$/SF/month Average price for multifamily space. Estimated from a sample of institutionally managed, market-rate properties with five or more units. Does not include condos. Properties must appear in current and previous quarterly sample ("same-store") to count toward this average. Rent levels represent effective rates that account for the impact of concessions offered in the form of free-rent periods or prorated discounts. Other leasing incentives such as reduced deposits, amenity upgrades and merchandise giveaways are not accounted for in the effective rent calculations.

Market Definition

Orange County consists of Buena Park/Cypress, Costa Mesa, East Anaheim/Orange, Fullerton, Garden Grove/Westminster, Huntington Beach, Mission Viejo/Lake Forest, Newport Beach, North Irvine, North Orange County, Santa Ana, South Irvine, South Orange County, Tustin/West Santa Ana, West Anaheim, and West Irvine.

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