

Fitness, entertainment, & discount stores lead largest positive net absorption since 2022

▼ 3.8%

Availability Rate

▲ 547K

SF Net Absorption (000s)

▼ 0K

SF Completed (000s)

▲ \$2.57

Avg. Asking Rent (NNN)

Note: Arrows indicate change from previous quarter.

Source: CBRE Econometric Advisors, Q4 2024.

MARKET HIGHLIGHTS

— The Orange County retail market closed Q4 2024 with an availability rate of 3.8%. This represented a negative 0.4% decrease from Q3 2024. Continued demand with limited and non-growing supply led to the decrease in availability alongside positive net absorption.

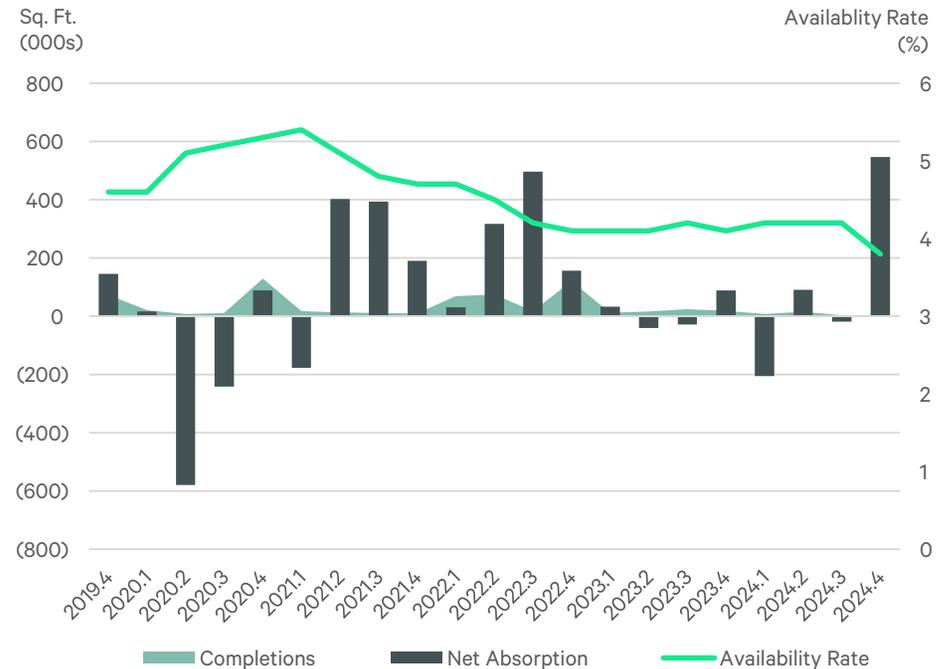
— Net absorption in Q4 2024 was 547,000 sq. ft., compared to negative 19,000 sq. ft. in Q3 2024. This was the largest space absorption quarter-over-quarter since Q1 2021 as retailers recognized the importance of a physical store to accompany online shopping.

— Increased construction costs, permitting delays, and less land availability led to a decrease in new space deliveries from 3,000 sq. ft. in Q3 2024 to 0 sq. ft. in Q4 2024.

— The average NNN asking rate ended Q4 2024 at \$2.57, a \$0.03 increase from the previous quarter, and a \$0.13 increase from last year. Increased demand with limited construction and space availability meant space demanded higher rents.

— The total retail investment sales in Q4 2024 amounted to \$164.7 million in total volume, compared to \$188.4 million in Q3 2024. Owners may be waiting for a better lending environment for buyers, as well as continued positivity in the market to get the best price for their asset.

FIGURE 1: Completions, Net Absorption, and Availability Rate



Source: CBRE Econometric Advisors, Q4 2024.

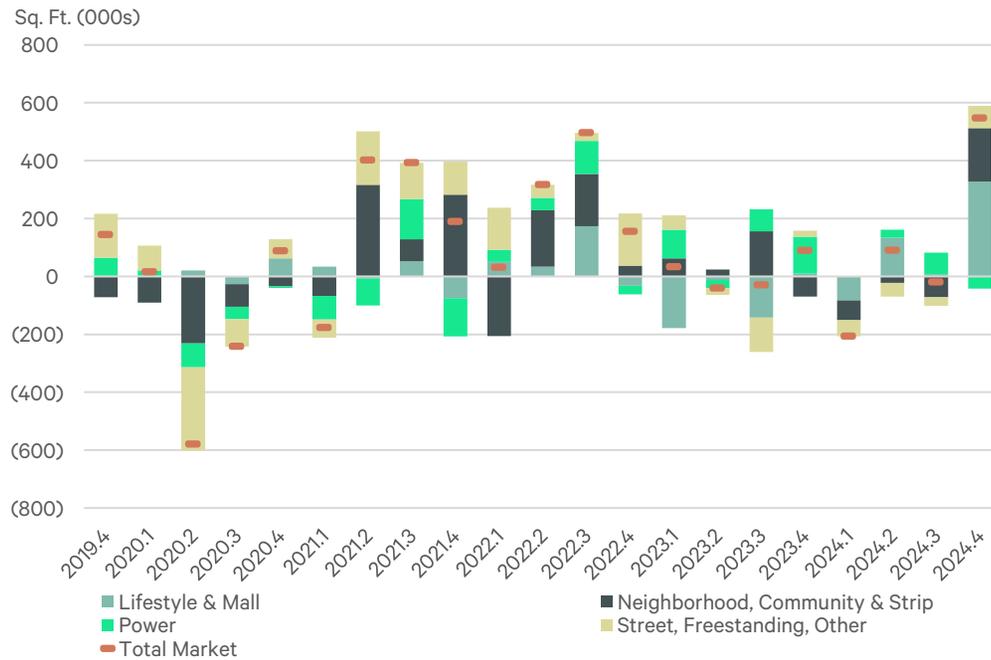
Market Overview

FIGURE 2: Market Statistics by Product Type

Market	Inventory (SF, 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Lifestyle & Mall	16,784	1.2	328	-	\$0.00
Neighborhood, Community & Strip	66,710	5.1	184	-	\$2.50
Power	12,340	2.4	(42)	-	\$3.13
Street, Freestanding, Other	38,355	3.1	77	-	-
Total Market	134,189	3.8	547	-	\$2.57

Source: CBRE Econometric Advisors, Q4 2024.

FIGURE 3: Net Absorption by Center Type



Source: CBRE Econometric Advisors, Q4 2024.

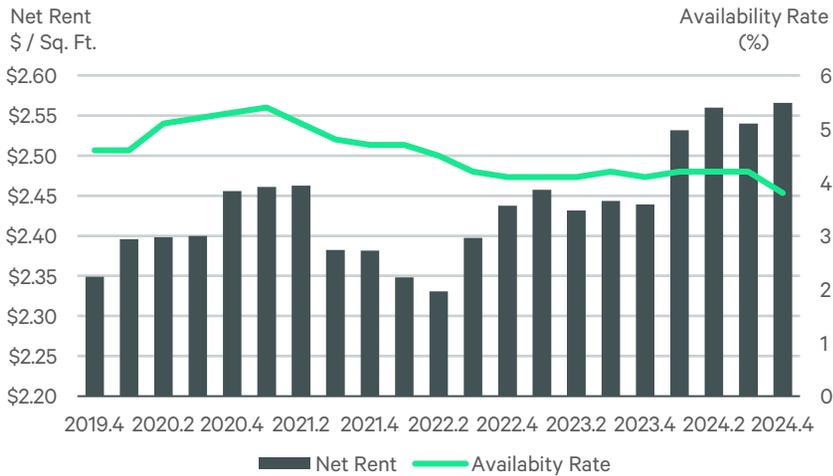
FIGURE 4: Market Statistics by Submarket

Market	Inventory (SF 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Total Market	134,189	3.8	547	-	\$2.57
Central Coast	22,366	1.9	93	-	\$4.47
Central Orange Co	51,572	3.6	352	-	\$2.31
North County	23,337	4.5	85	-	\$2.37
Outlying Orange Co	116	11.2	1	-	-
South County	23,530	5.4	12	-	\$2.95
West County	13,268	3.4	4	-	\$2.84

Source: CBRE Econometric Advisors, Q4 2024.

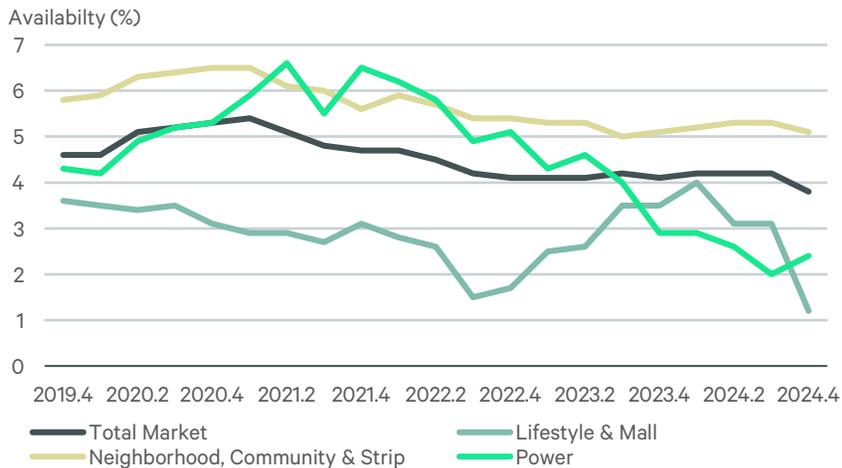
Asking Rents & Availability

FIGURE 5: Net Asking Rent and Availability Rate



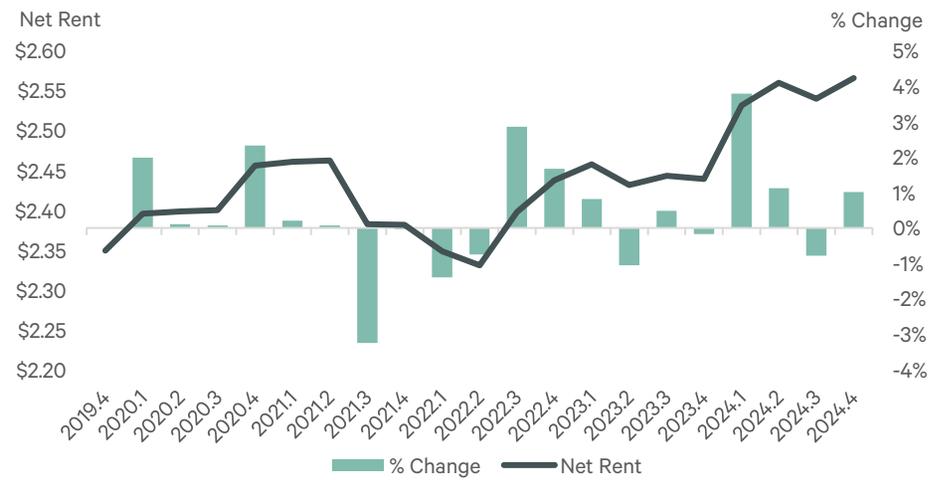
Source: CBRE Econometric Advisors, Q4 2024.

FIGURE 7: Availability by Center Type



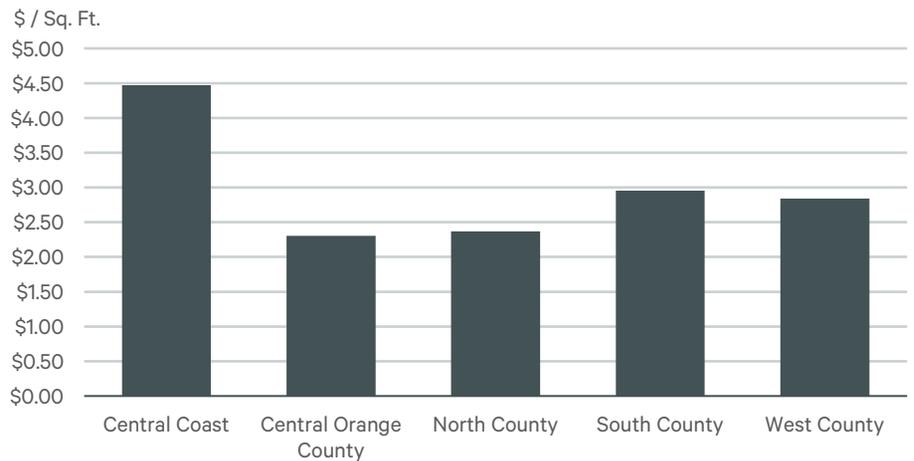
Source: CBRE Econometric Advisors, Q4 2024.

FIGURE 6: Net Rent and % Change



Source: CBRE Econometric Advisors, Q4 2024.

FIGURE 8: Top 5 Submarket by Net Rent



Source: CBRE Econometric Advisors, Q4 2024.

Investment Sales

FIGURE 9: Retail Investment Sale Volume



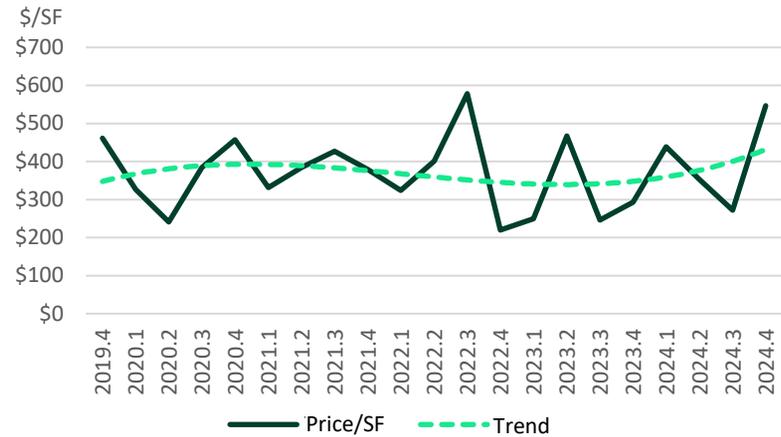
Source: MSCI Real Capital Analytics, Q4 2024.

FIGURE 11: Q4 2024 Sale Transactions

Buyer	Property Name	City	Building SF	Sale Price	Price / SF
	Plaza Empresa	Rancho San	88,413	\$42,880,000	\$485
Angelo Gordon & Co.	fmr Orchard Supply	Buena Park	44,110	\$25,100,000	\$569
Chiao Family	Marc Pridmore Designs	Costa Mesa	40,000	\$12,800,000	\$320
Curblin Properties	Santa Margarita Marketplace	Rancho San	29,418	\$22,903,333	\$779
Chien Dinh Duong; Huong Tr	19001 Bushard Street	Huntington	20,000	\$7,000,000	\$350
Raed Ali	820 East Imperial Highway	Brea	19,500	\$5,500,000	\$282
TriStar Realty Group LLC	580 W La Habra Boulevard	La Habra	17,689	\$3,200,000	\$181
DC Anaheim 2 Property LLC	CVS (Retail Condo)	Anaheim	16,000	\$28,000,000	\$1,750
Golden Star Trading Inc	Dollar Tree	Garden Grov	14,820	\$6,800,000	\$459
New Omni Bank	International City Bank	Irvine	6,000	\$4,350,000	\$725
ACP Management	Coast Market	Laguna Bear	5,300	\$6,149,000	\$1,160

Source: MSCI Real Capital Analytics, Q4 2024.

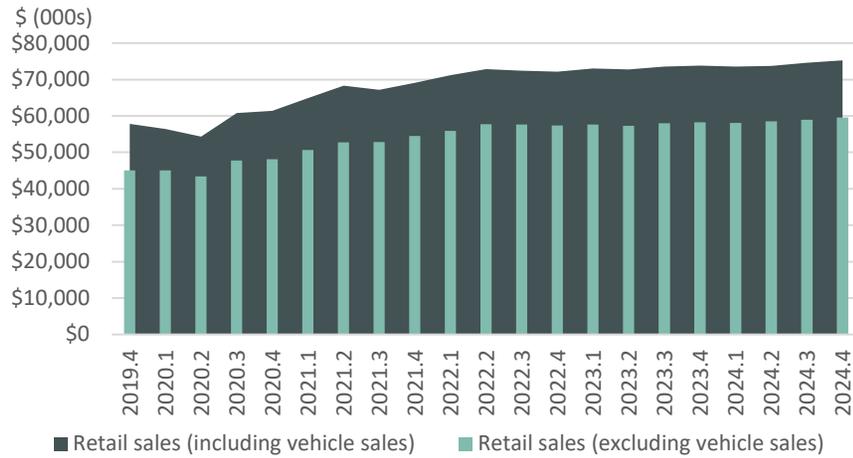
FIGURE 10: Retail Investment Sale Price Per Sq. Ft.



Source: MSCI Real Capital Analytics, Q4 2024.

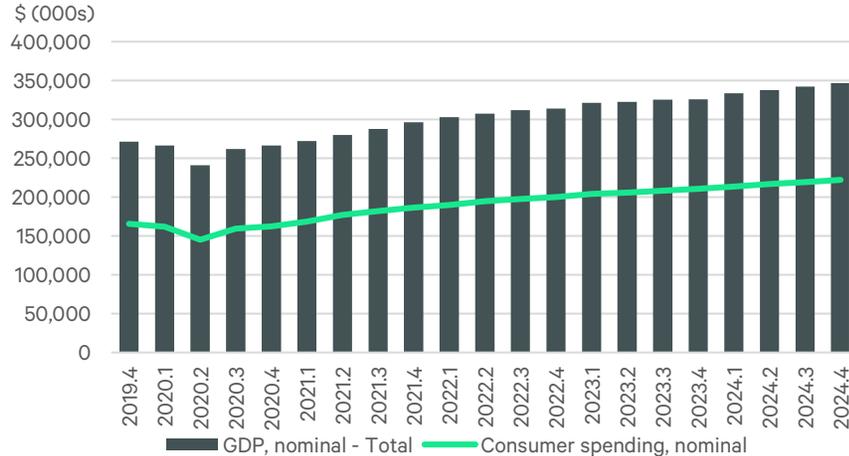
Economic Overview

FIGURE 12: Total Retail Sales



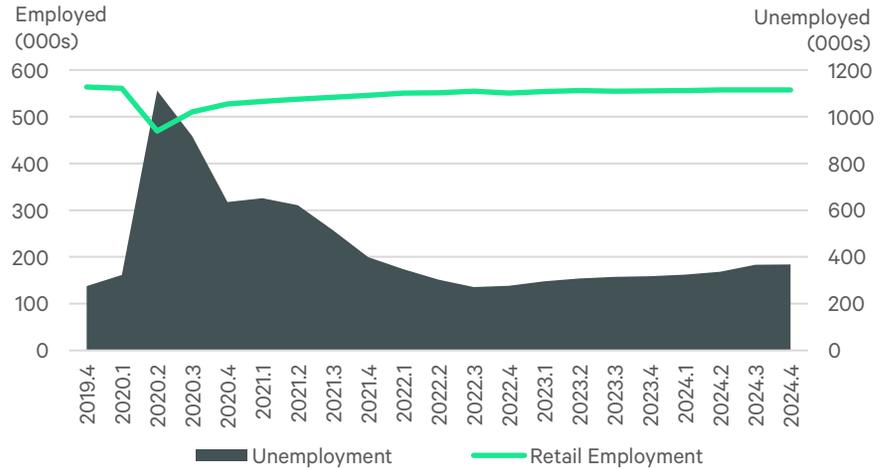
Source: Oxford Economics, Q4 2024.

FIGURE 14: GDP & Consumer Spending



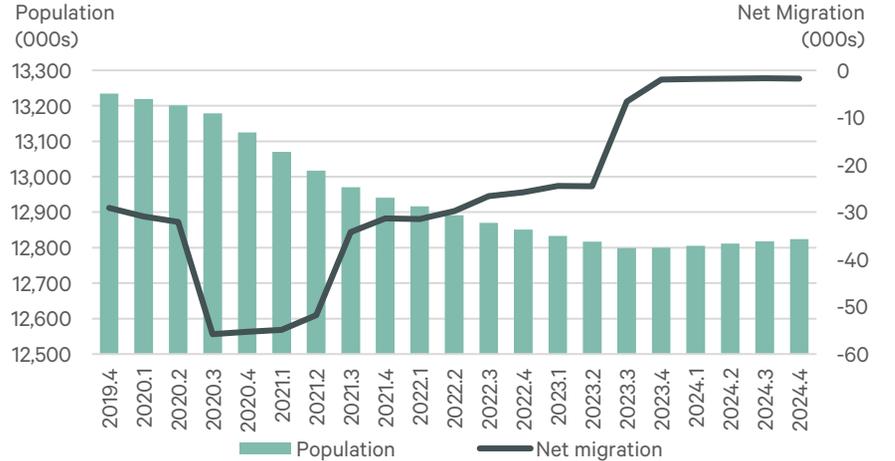
Source: Oxford Economics, Q4 2024.

FIGURE 13: Retail Employment vs. Unemployment



Source: Oxford Economics, Q4 2024.

FIGURE 15: Total Population & Net Migration



Source: Oxford Economics, Q4 2024.

Contacts

Conrad Smith

Field Research Analyst
conrad.smith@cbre.com

Deepa Shah

Research Manager
deepa.shah@cbre.com

CBRE Econometric Advisors

Daniel Diebel

Economist
daniel.diebel@cbre.com

Retail Definitions

Neighborhood, community and strip centers are groupings of buildings where there is most often an anchor property (except strip). Neighborhood properties are the largest ranging from 125,000 to 400,000 sq. ft., followed by community at 30,000 to 125,000 sq. ft., and strip with 30,000 or less sq. ft.

Lifestyle are upscale national-chain specialty stores with dining and entertainment in an outdoor setting. Lifestyle centers range from 150,000 to 500,000 sq. ft. Malls, including both regional and super regional malls, can provide a wide range of goods and services. Regional malls are built around full-line department stores and usually range over 300,000 sq. ft. Super regional malls are usually over 750,000 sq. ft. with more department stores.

Power Centers are category-dominant anchors, including discount department stores, off-price stores, and wholesale clubs, with only a few small tenants. They range from 250,000 to 600,000 sq. ft. and have multiple anchors.

Freestanding Retail are single-tenant occupied retail buildings. All other variables may vary.

Market Standard

Beginning Q2 2024, CBRE has revised our market coverage for the Orange County quarterly Retail Figures report. This market area is larger than the area covered in previous CBRE Orange County Figures reports. Additionally, statistical metrics are based on data from CBRE Econometric Advisors. This statistical property data set differs from that used in the CBRE Orange County Retail Figures reports published prior to Q2 2024.

© Copyright 2024 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE's Global Chief Economist.