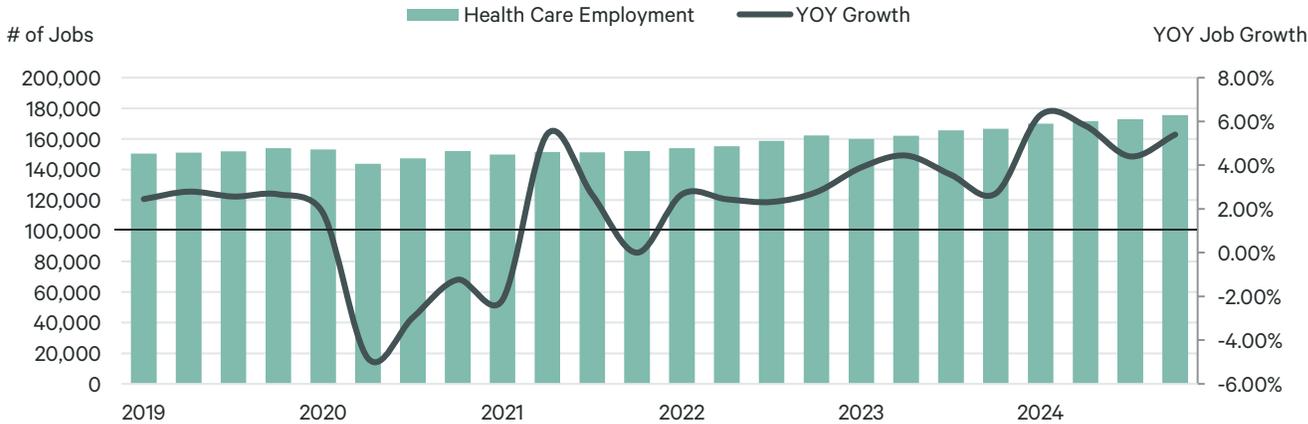


Medical Outpatient Report

The Orange County health care industry experienced a slowdown during Q4 2024. By November 2024, health care employment had risen to 175,600 jobs, marking a quarter-over-quarter increase of 2,700 jobs and a year-over-year growth of 5.4%. The average asking lease rate dropped by one cent to \$2.83 NNN per sq. ft. The West OC submarket recorded the highest net absorption with 3,754 sq. ft., while the Greater Airport Area had the highest asking rate at \$3.20 NNN per sq. ft. per month. The vacancy rate rose to 6.5% from 6.3% in Q3 2024, and the availability rate increased by 10 basis points to 10.4%. Despite the Orange County market experiencing negative net absorption of 15,096 sq. ft. in Q4 2024, the year-to-date total remained positive at 19,852 sq. ft.

FIGURE 1: Health Care Employment



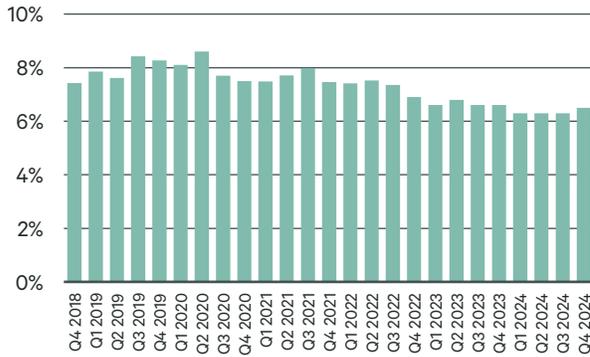
Source: CA EDD, November 2024.

FIGURE 2: Available Space Distribution by Submarket

SUBMARKET	RBA	OVERALL VACANCY (%)	OVERALL AVAILABILITY (%)	NET ABSORPTION	UNDER CONSTRUCTION	AVG. ASKING LEASE RATE (\$PSF/MO/NNN)
NORTH ORANGE COUNTY	944,138	6.6%	9.7%	(1,283)	0	\$2.53
CENTRAL ORANGE COUNTY	2,772,928	5.8%	11.6%	(8,903)	0	\$2.57
WEST ORANGE COUNTY	1,264,882	1.6%	6.5%	3,754	5,196	\$2.51
GREATER AIRPORT AREA	3,041,594	6.3%	10.2%	(6,330)	0	\$3.20
SOUTH ORANGE COUNTY	2,751,260	9.5%	11.3%	(2,334)	29,500	\$2.89
ORANGE COUNTY TOTALS	10,774,802	6.5%	10.4%	(15,096)	34,696	\$2.83

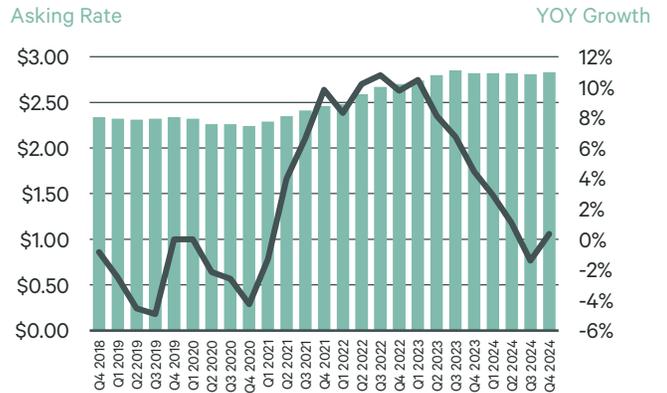
Source: CBRE Research, Q4 2024.

FIGURE 3: Overall Vacancy (%)



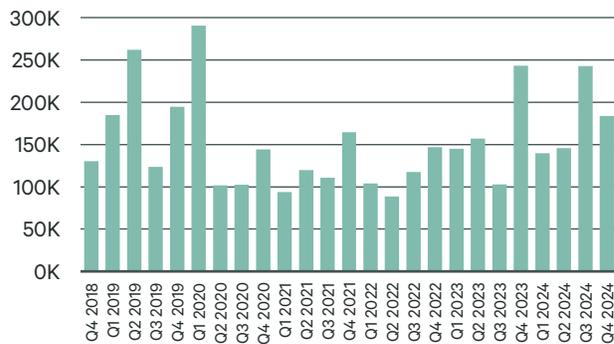
Source: CBRE Research, Q4 2024.

FIGURE 4: Average Asking Lease Rate (\$/PSF/MO/NNN)



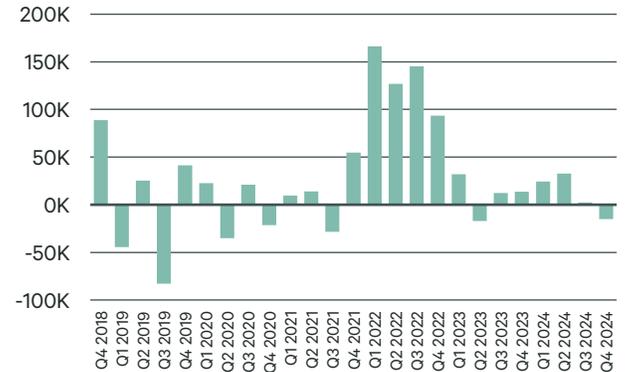
Source: CBRE Research, Q4 2024.

FIGURE 5: Leasing Activity



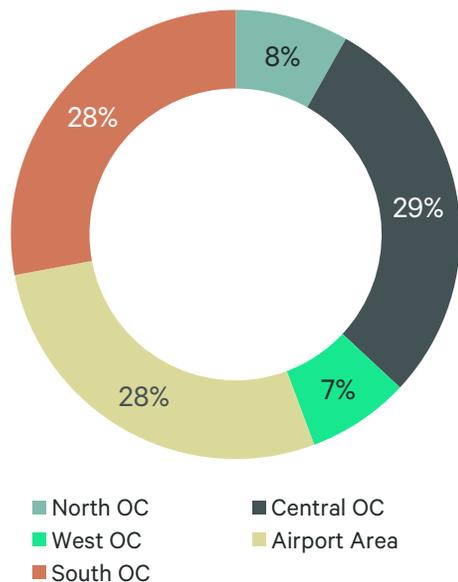
Source: CBRE Research, Q4 2024.

FIGURE 6: Net Absorption



Source: CBRE Research, Q4 2024.

FIGURE 7: Available Space Distribution



Source: CBRE Research, Q4 2024.

FIGURE 8: Top Orange County Medical Employers

NAME	# of OC Employees
Kaiser Permanente – Anaheim	13,680
Hoag Memorial Hospital	8,081
UCI Medical Center	6,240
CHOC Children's	5,399
Providence St. Joseph's Hospital	3,175
Providence Mission Hospital	2,650
Providence St. Jude Medical Center	2,581
Fountain Valley Regional Hospital	2,038
MemorialCare – Saddleback	1,766
MemorialCare – Orange Coast	1,861

Source: Orange County Business Journal, February 2024.

FIGURE 9: Market Statistics

CITY	# OF BLDGS	TOTAL RBA	DIRECT AVAIL SF	SUBLEASE AVAIL SF	TOTAL AVAIL SF	TOTAL AVAIL %	DIRECT VACANT SF	SUBLEASE VACANT SF	TOTAL VACANT SF	OVERALL VACANCY %	NET ABSORPTION	CONST DELIVERIES	U/C BLDGS	WEIGHTED AVG ASKING LEASE RATE (NNN)
ALISO VIEJO	7	179,000	8,272	1,577	9,849	5.5%	1,518	0	1,518	0.9%	0	0	0	\$2.84
ANAHEIM	27	935,433	51,487	0	51,487	5.5%	36,803	0	36,803	3.9%	(10,596)	0	0	\$2.01
BREA	3	60,703	12,181	0	12,181	20.1%	12,181	0	12,181	20.1%	0	0	0	\$0.00
BUENA PARK	4	59,874	0	0	0	0	0	0	0	0	0	0	0	\$0.00
COSTA MESA	7	197,910	31,764	0	31,764	16.1%	17,615	0	17,615	9.0%	0	0	0	\$1.97
CYPRESS	2	38,150	0	0	0	0	0	0	0	0	0	0	0	\$0.00
DANA POINT	2	21,526	0	0	0	0	0	0	0	0	0	0	0	\$0.00
FOOTHILL RANCH	3	72,000	2,946	0	2,946	4.1%	0	0	0	0	0	0	0	\$0.00
FOUNTAIN VALLEY	18	757,418	74,225	3,431	77,656	10.3%	49,436	3,431	52,867	7.0%	(3,212)	0	0	\$2.47
FULLERTON	10	347,808	37,911	0	37,911	10.9%	17,553	0	17,553	5.1%	1,800	0	0	\$3.02
GARDEN GROVE	11	284,665	27,203	0	27,203	9.6%	5,121	0	5,121	1.8%	0	0	0	\$2.24
HUNTINGTON BEACH	24	797,163	58,511	0	58,511	7.3%	14,081	0	14,081	1.8%	2,490	0	0	\$2.46
IRVINE	33	1,332,877	159,541	5,320	164,861	12.4%	115,523	4,820	120,343	9.0%	(6,053)	0	23,500	\$3.23
LA HABRA	3	36,167	1,500	0	1,500	4.2%	300	0	300	0.8%	0	0	0	\$2.28
LA PALMA	2	58,812	12,523	0	12,523	21.3%	12,523	0	12,523	21.3%	0	0	0	\$1.87
LAGUNA BEACH	2	70,000	17,812	0	17,812	25.5%	15,107	0	15,107	21.6%	0	0	0	\$1.53
LAGUNA HILLS	10	500,954	40,002	500	38,187	8.1%	38,622	500	39,122	7.8%	(4,055)	0	0	\$3.22
LAGUNA NIGUEL	3	70,597	10,778	0	10,778	15.3%	10,778	0	10,778	15.3%	0	0	0	\$3.47
LAGUNA WOODS	1	41,280	0	0	0	0	0	0	0	0	0	0	0	\$0.00
LAKE FOREST	3	44,043	9,959	0	9,959	22.6%	5,459	0	5,459	12.4%	0	0	0	\$2.12
LOS ALAMITOS	8	286,186	23,712	0	23,712	8.3%	6,622	0	6,622	2.3%	1,264	0	5,196	\$2.63
MISSION VIEJO	16	678,603	114,808	0	114,808	16.9%	93,662	0	93,662	14.0%	1,319	0	0	\$2.73
NEWPORT BEACH	27	928,947	73,799	3,916	77,715	8.5%	48,975	820	49,795	5.4%	1,248	0	0	\$5.44
ORANGE	18	786,028	78,402	11,253	89,655	11.4%	43,322	10,528	53,850	6.9%	5,480	0	0	\$2.84
PLACENTIA	4	103,724	10,097	0	10,097	9.7%	8,179	0	8,179	7.9%	0	0	0	\$2.32
SAN CLEMENTE	5	81,000	12,575	0	12,575	9.7%	10,452	0	10,452	8.0%	2,089	0	6,000	\$2.87
SAN JUAN CAPISTRANO	3	130,000	0	0	0	0	0	0	0	0	0	0	0	\$0.00
SANTA ANA	39	84,111	122,379	0	122,379	10.4%	74,347	0	74,347	6.3%	(6,870)	0	0	\$1.83
SANTA MARGARITA	2	1,178,461	0	0	0	0	0	0	0	0	0	0	0	\$0.00
TUSTIN	20	444,219	97,263	0	97,263	22.0%	37,864	0	37,864	8.5%	0	0	0	\$3.22
WESTMINSTER	9	143,383	0	0	0	0	0	0	0	0	0	0	0	\$0.00
YORBA LINDA	2	23,760	0	0	0	0	0	0	0	0	0	0	0	\$0.00
ORANGE COUNTY TOTALS	328	10,774,802	1,089,650	25,997	1,115,647	10.4%	676,043	20,099	696,142	6.5%	(15,096)	0	34,696	\$2.83

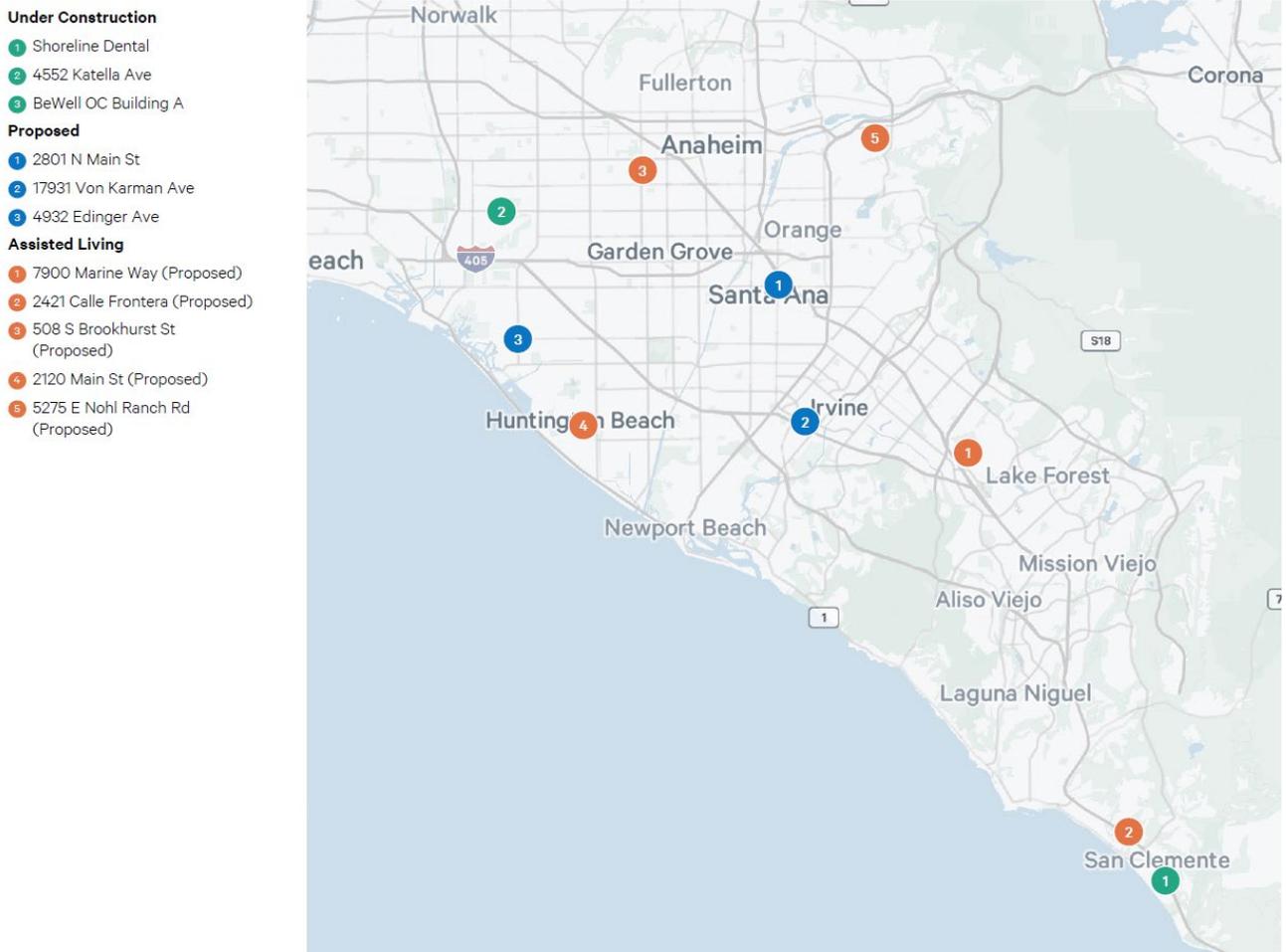
SUBMARKET	# OF BLDGS	TOTAL RBA	DIRECT AVAIL SF	SUBLEASE AVAIL SF	TOTAL AVAIL SF	TOTAL AVAIL %	DIRECT VACANT SF	SUBLEASE VACANT SF	TOTAL VACANT SF	OVERALL VACANCY %	NET ABSORPTION	CONST DELIVERIES	U/C BLDGS	WEIGHTED AVG ASKING LEASE RATE (NNN)
NORTH ORANGE COUNTY	34	944,138	91,142	0	91,142	9.7%	62,386	0	62,386	6.6%	(1,283)	0	0	\$2.53
CENTRAL ORANGE COUNTY	87	2,772,928	309,695	11,253	320,948	11.6%	150,805	10,528	161,333	5.8%	(8,903)	0	0	\$2.57
WEST ORANGE COUNTY	43	1,264,882	82,223	0	82,223	6.5%	20,703	0	20,703	1.6%	3,754	0	5,196	\$2.51
GREATER AIRPORT AREA	92	3,041,594	297,849	12,167	310,016	10.2%	182,218	9,071	191,289	6.3%	(6,330)	0	0	\$3.20
SOUTH ORANGE COUNTY	72	2,751,260	308,741	2,577	311,318	11.3%	259,931	500	260,431	9.5%	(2,334)	0	29,500	\$2.89
ORANGE COUNTY TOTALS	328	10,774,802	1,089,650	25,997	1,115,647	10.4%	676,043	20,099	696,142	6.5%	(15,096)	0	34,696	\$2.83

Source: CBRE Research, Q4 2024.

DEVELOPMENT PIPELINE

In Q4 2024, Orange County experienced an increase in the construction and development of medical and healthcare properties. During this time, three buildings were under construction, with a combined total of 34,696 square feet. Shoreline Dental in San Clemente, a 6,000 square foot medical office, is expected to be completed during in Q1 2025. BeWell OC Building A, a 23,500 square foot medical office, is slated for completion in March 2025, and the 5,196 square foot medical office at 4552 Katella Ave is anticipated to be finished early this year. Additionally, there are plans for 228,000 square feet of medical office space and 448,416 square feet of assisted living facilities throughout the county.

FIGURE 10: Development Pipeline Locations



Note: Map shows assisted living development, but only true medical office is included in construction amounts
 Source: CBRE Research, Q4 2024.

Contacts

Connor Wilde

Field Research Analyst
 Orange County
 connor.wilde@cbre.com

Sean Freeman

Senior Research Analyst
 Orange County
 sean.freeman@cbre.com

Deepa Shah

Research Manager
 Orange County, Inland Empire
 deepa.shah@cbre.com