

Tight supply sustains rent growth in Orange County Retail Market

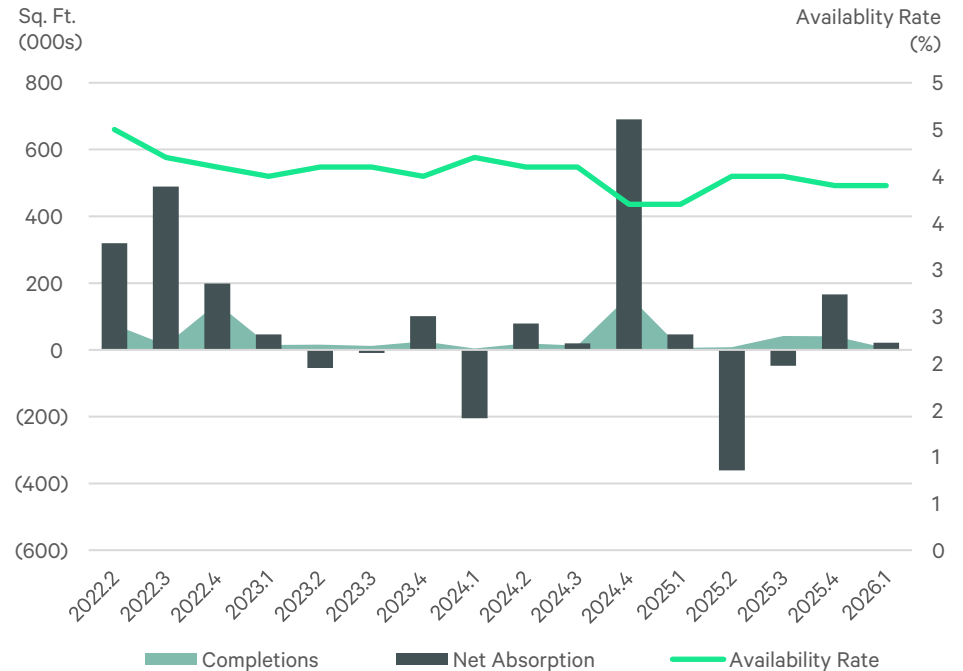
▶ 3.9% ▼ 21K ▼ 5K ▲ \$2.56
 Availability Rate SF Net Absorption (000s) SF Completed (000s) Avg. Asking Rent (NNN)

Note: Arrows indicate change from previous quarter.
 Source: CBRE Econometric Advisors, Q1 2026.

MARKET HIGHLIGHTS

- The Orange County retail market recorded an availability rate of 3.9%, remaining flat quarter-over-quarter, as strong tenant demand, limited development activity, and the demolition of obsolete malls and big-box properties continued to constrain available inventory.
- Net absorption slowed to 21,000 sq. ft. in Q1 2026, down from 166,000 sq. ft. in the prior quarter, reflecting a 15% decline in leasing volume, as retailers faced increasingly tight market conditions with limited space available to accommodate demand.
- Only 5,000 sq. ft. of construction delivered in Q1 2026, down from 41,000 sq. ft. last quarter, reflecting ongoing challenges from site availability and elevated development costs.
- The overall average net asking rent increased by \$0.02 quarter-over-quarter to \$2.56 NNN per. sq. ft. per month in Q1 2026. The increase was driven by leasing activity concentrated in the Central Coast submarket, highlighting continued competition for high-quality, well-located retail space.
- Total retail investment sales surged more than 75% to \$436.1 million in Q1 2026, up from \$103.0 million in Q4 2025. The increase was fueled by several large shopping center transactions exceeding \$40 million, including Pavilion Plaza, Seacliff Village, and Gateway Shopping Center, along with the \$107 million sale of Westminster Mall, which is slated for redevelopment.

FIGURE 1: Completions, Net Absorption, and Availability Rate



Source: CBRE Econometric Advisors, Q1 2026.

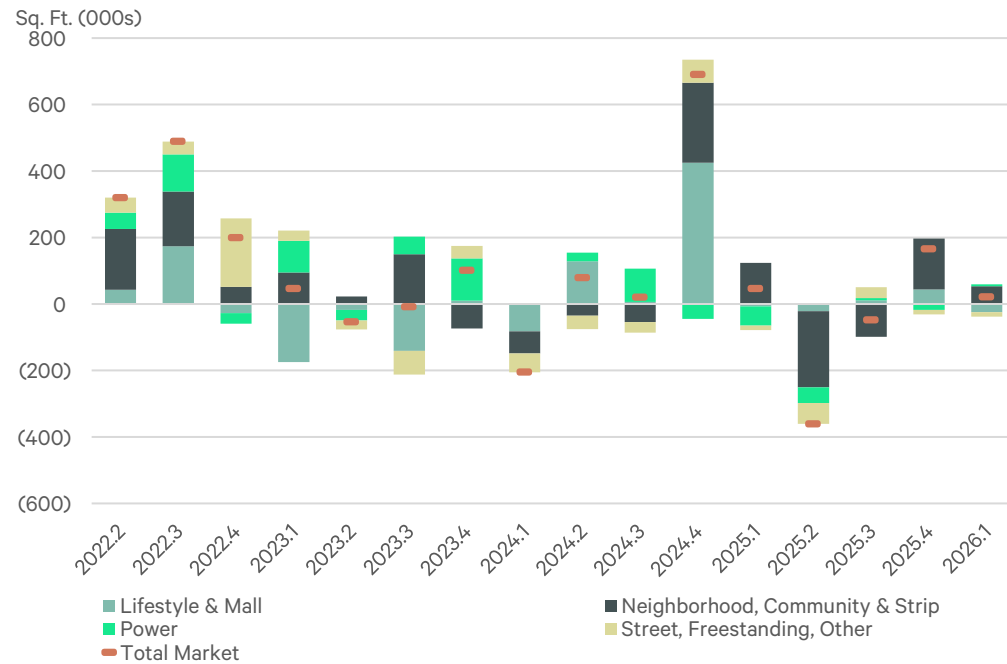
Market Overview

FIGURE 2: Market Statistics by Product Type

Market	Inventory (SF, 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Lifestyle & Mall	16,820	1.2	(25)	-	\$3.25
Neighborhood, Community & Strip	66,896	5.1	53	-	\$2.57
Power	12,225	3.2	6	-	\$1.90
Street, Freestanding, Other	38,348	3.2	(13)	5	-
Total Market	134,289	3.9	21	5	\$2.56

Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 3: Net Absorption by Center Type



Source: CBRE Econometric Advisors, Q1 2026.

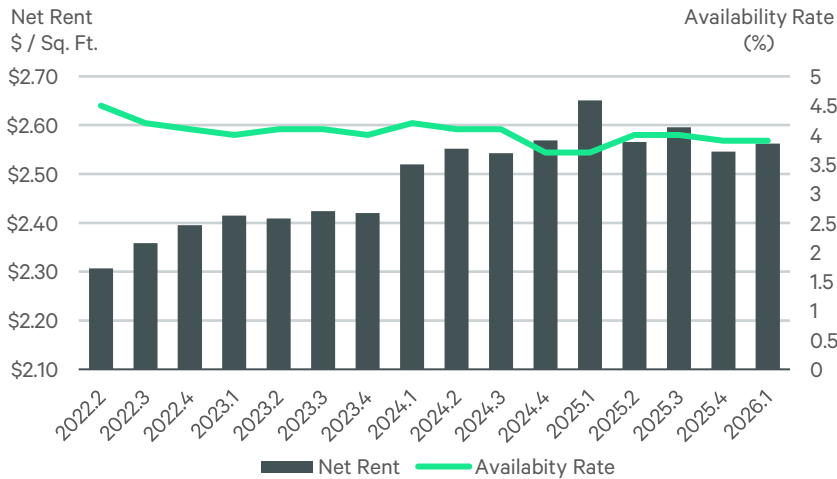
FIGURE 4: Market Statistics by Submarket

Market	Inventory (SF 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Total Market	134,289	3.9	21	5	\$2.56
Central Coast	23,043	1.8	(11)	-	\$4.92
Central Orange Co.	50,864	3.4	4	3	\$2.23
North County	23,223	4.8	13	-	\$2.41
Outlying Orange Co.	113	9.7	4	-	-
South County	23,981	6.4	(38)	-	\$3.00
West County	13,065	3.0	49	2	\$2.67

Source: CBRE Econometric Advisors, Q1 2026.

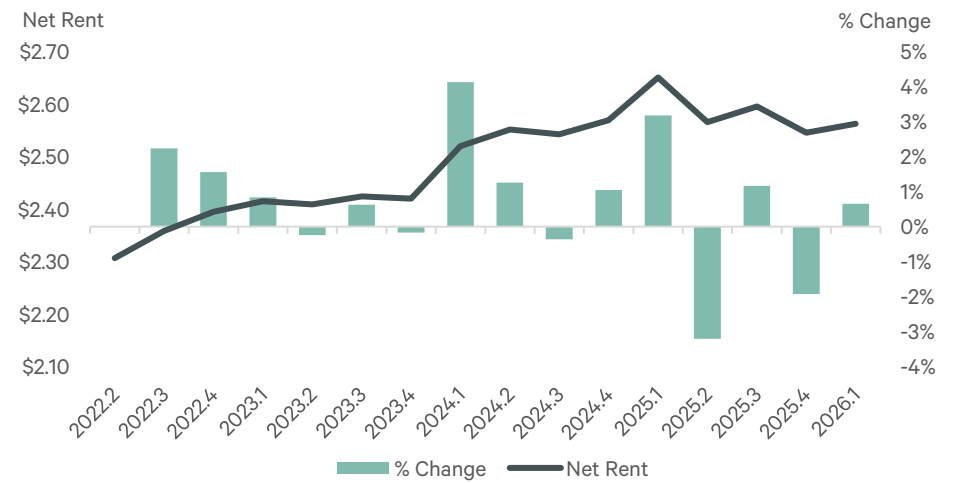
Asking Rents & Availability

FIGURE 5: Net Asking Rent and Availability Rate



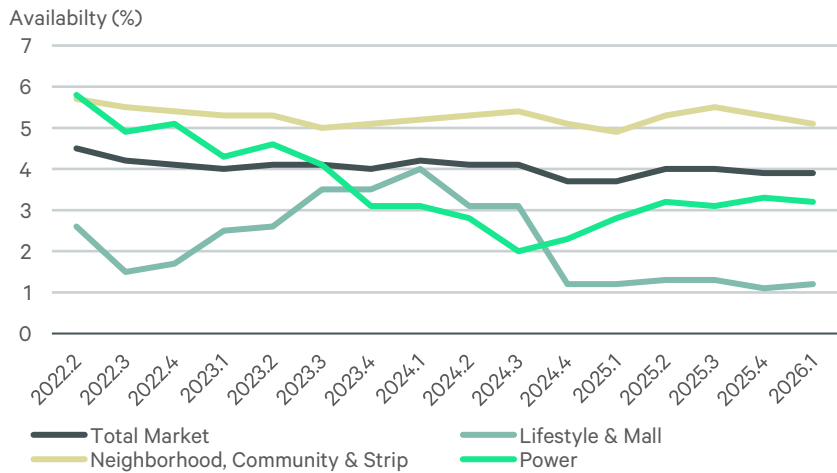
Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 6: Net Rent and % Change



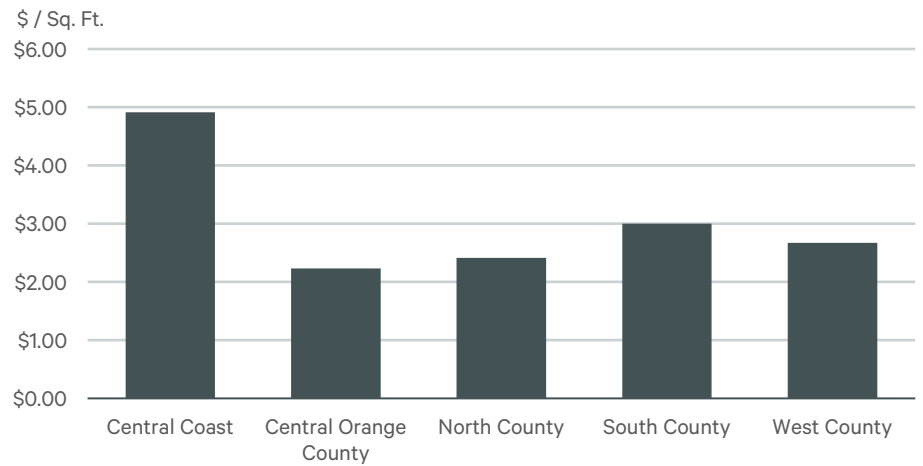
Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 7: Availability by Center Type



Source: CBRE Econometric Advisors, Q1 2026.

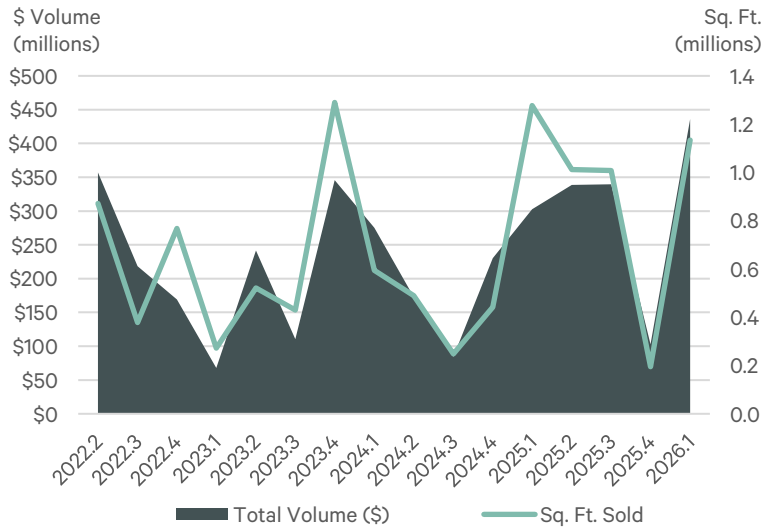
FIGURE 8: Top 5 Submarket by Net Rent



Source: CBRE Econometric Advisors, Q1 2026.

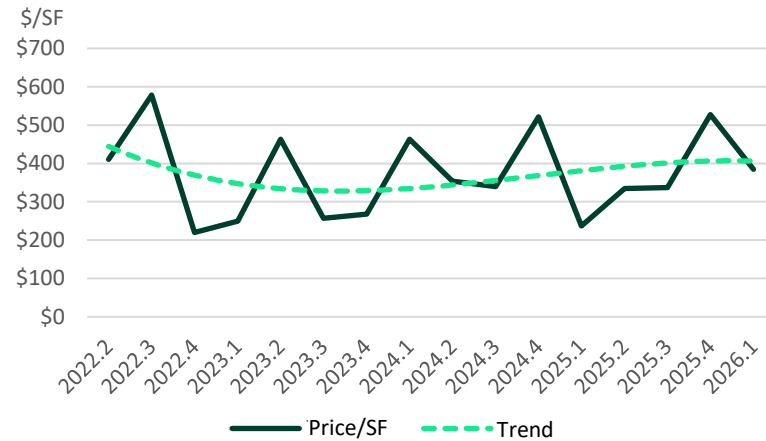
Investment Sales

FIGURE 9: Retail Investment Sale Volume



Source: MSCI Real Capital Analytics, Q1 2026.

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



Source: MSCI Real Capital Analytics, Q1 2026.

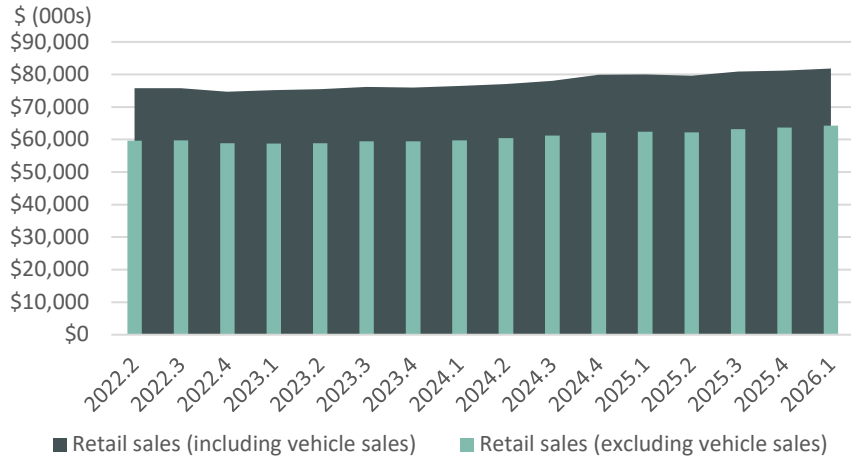
FIGURE 11: Q1 2026 Sale Transactions

Buyer	Property Name	City	Building SF	Sale Price	Price / SF
TIAA-CREF	Pavilion Plaza West	Garden Grov	66,094	\$40,700,000	\$616
Shopoff Props Trust	Westminster Mall	Westminster	444,153	\$107,318,340	\$242
Shopoff Props Trust	JCPenney	Westminster	152,567	\$36,863,957	\$242
Asana Partners	Seacliff Village	Huntington	259,000	\$151,000,000	\$583
Asana Partners	Gateway Shopping Center	Mission Viej	82,500	\$51,000,000	\$618
Than Thi Ngoc Dinh; Dave Lc	121 S Harbor Boulevard	Santa Ana	66,534	\$10,250,000	\$154
Standard ON Warner LLC	1201 E Warner Avenue	Santa Ana	14,972	\$2,500,000	\$167
J & O Investments II LP	Citibank	Anaheim	11,734	\$4,100,000	\$349
Saint Kilian Church	25533 Marguerite Parkway	Mission Viej	8,580	\$4,250,000	\$495
Thu Ngo	Bank of America	Garden Grov	6,961	\$4,630,000	\$665
Hong Nguyen	7942 14th Street	Westminster	6,412	\$2,550,000	\$398
7Eleven Stores	16795 McFadden Avenue	Tustin	5,530	\$3,000,000	\$542

Source: MSCI Real Capital Analytics, Q1 2026.

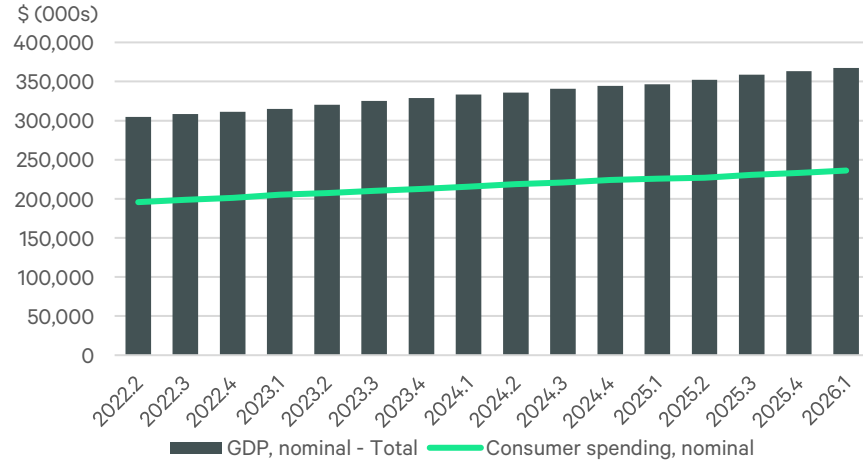
Economic Overview

FIGURE 12: Total Retail Sales



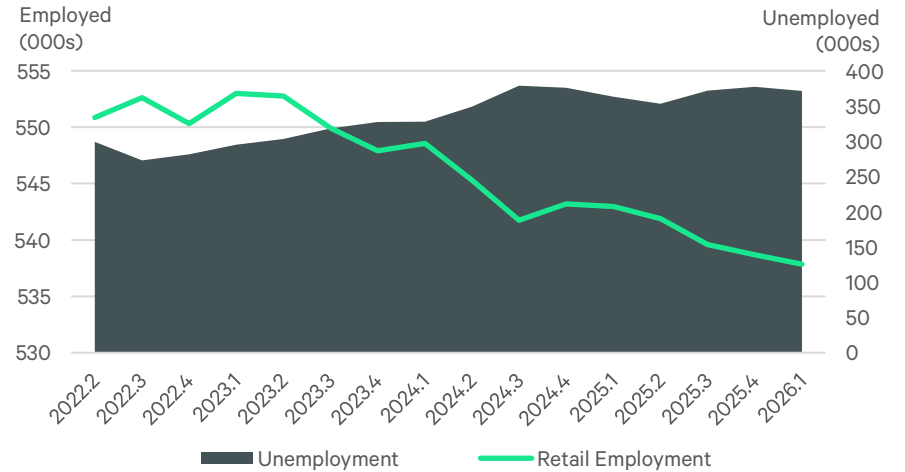
Source: Oxford Economics, Q1 2026.

FIGURE 14: GDP & Consumer Spending



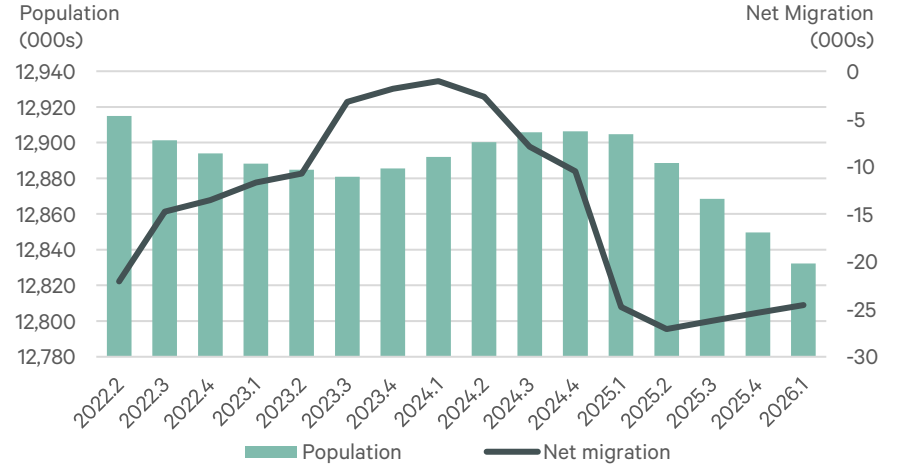
Source: Oxford Economics, Q1 2026.

FIGURE 13: Retail Employment vs. Unemployment



Source: Oxford Economics, Q1 2026.

FIGURE 15: Total Population & Net Migration



Source: Oxford Economics, Q1 2026.

Contacts

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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 Definition

The Orange County market consists of Central Coast, Central Orange County, North County, South County, West County, and Outlying Orange County.

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