

Demand outpaces supply as availability tightens and leasing activity holds steady

▼ 3.9%

Availability Rate

▲ 176K

SF Net Absorption (000s)

▼ 31K

SF Completed (000s)

▼ \$2.51

Avg. Asking Rent (NNN)

Note: Arrows indicate change from previous quarter.

Source: CBRE Econometric Advisors, Q4 2025.

MARKET HIGHLIGHTS

–The Orange County retail market closed Q4 2025 with an availability rate of 3.9%, a decrease of 10 basis points (bps) from the previous quarter. With demand holding strong and minimal new development in the pipeline, availability is expected to remain low in the near term.

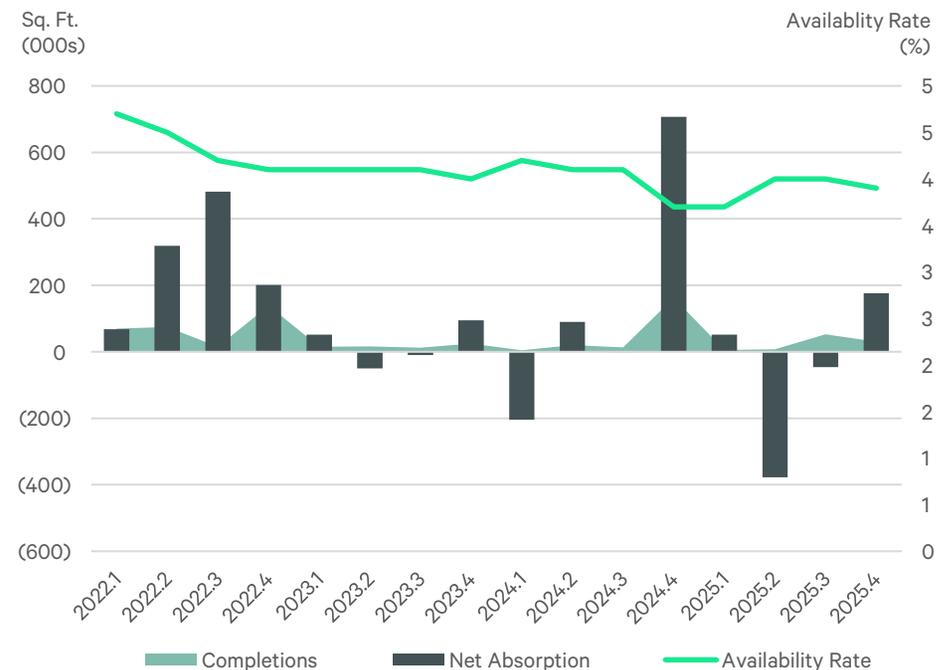
–Net absorption improved to 176,000 sq. ft. in Q4 2025, reversing the negative 46,000 sq. ft. recorded in Q3 2025, an improvement of more than 550,000 sq. ft. over the past two quarters. The recovery is largely due to the new leasing of space vacated during the wave of retailer bankruptcies earlier in 2025.

–A total of 31,000 sq. ft. delivered in Q4 2025, down from 53,000 sq. ft. in Q3 2025. While developers remained interested, constrained site availability and elevated construction costs continued to challenge new ground-up development in the county.

–The overall average net asking rent declined by \$0.05 quarter-over-quarter to \$2.51 in Q4 2025. The decline stemmed from the Central County submarket, where rents fell \$0.14 as over 70% of the newly available space consisted of lower quality, Class C product.

–Retail investment sales totaled \$84.7 million in Q4 2025, declining after the elevated \$339.4 million recorded in Q3 2025. This quarter’s activity shifted toward smaller deals, with no transactions above \$40 million recorded this quarter as compared to five in the previous quarter.

FIGURE 1: Completions, Net Absorption, and Availability Rate



Source: CBRE Econometric Advisors, Q4 2025.

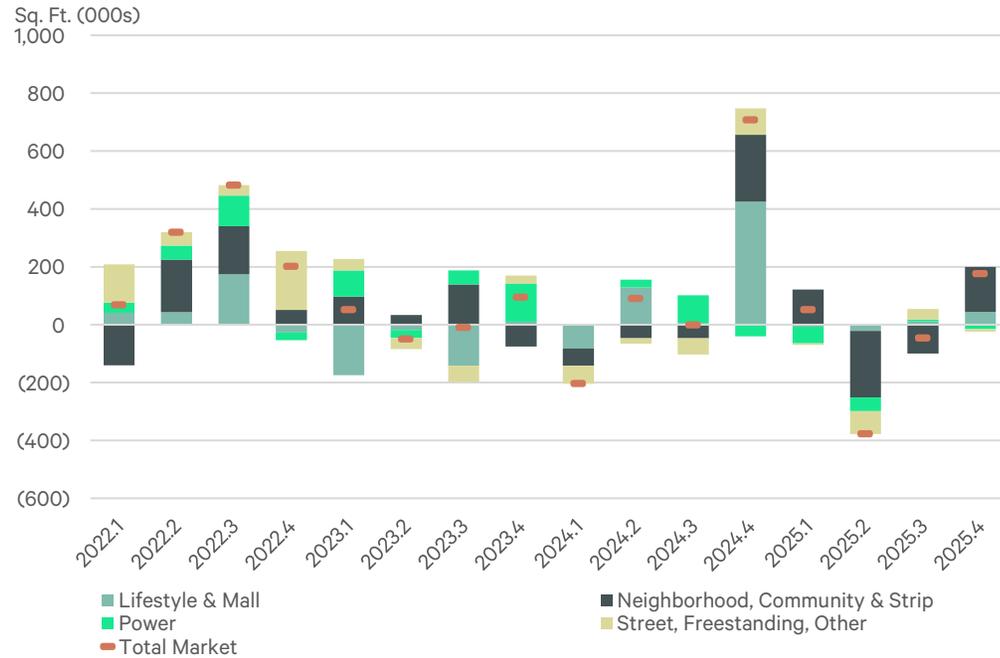
Market Overview

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	1.1	44	-	\$3.25
Neighborhood, Community & Strip	66,952	5.3	156	24	\$2.52
Power	12,273	3.3	(15)	-	\$1.99
Street, Freestanding, Other	38,528	2.9	(9)	7	-
Total Market	134,573	3.9	176	31	\$2.51

Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 3: Net Absorption by Center Type



Source: CBRE Econometric Advisors, Q4 2025.

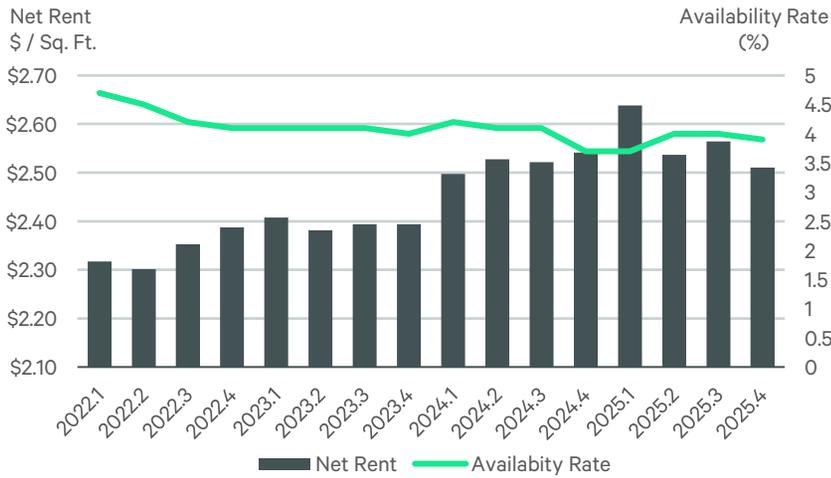
FIGURE 4: Market Statistics by Submarket

Market	Inventory (SF 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Total Market	134,573	3.9	176	31	\$2.51
Central Coast	22,998	1.8	44	-	\$4.06
Central Orange Co.	51,009	3.5	9	7	\$2.20
North County	23,421	4.9	108	24	\$2.30
Outlying Orange Co.	113	13.3	(1)	-	-
South County	23,974	6.3	42	-	\$2.95
West County	13,058	3.4	(26)	-	\$2.89

Source: CBRE Econometric Advisors, Q4 2025.

Asking Rents & Availability

FIGURE 5: Net Asking Rent and Availability Rate



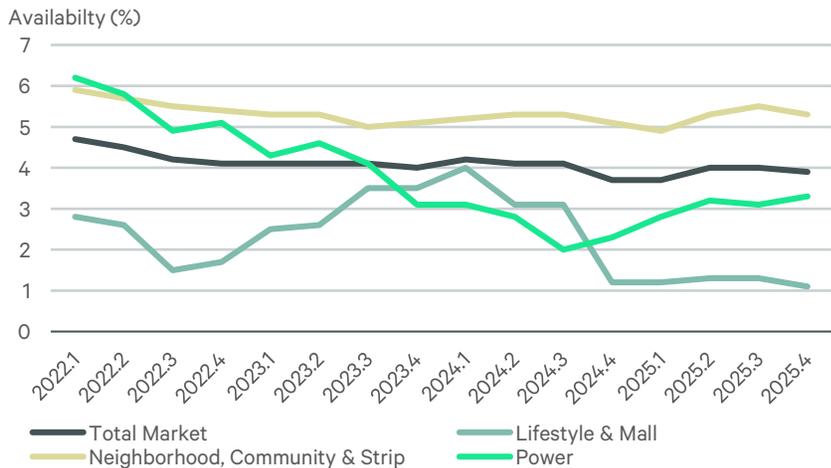
Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 6: Net Rent and % Change



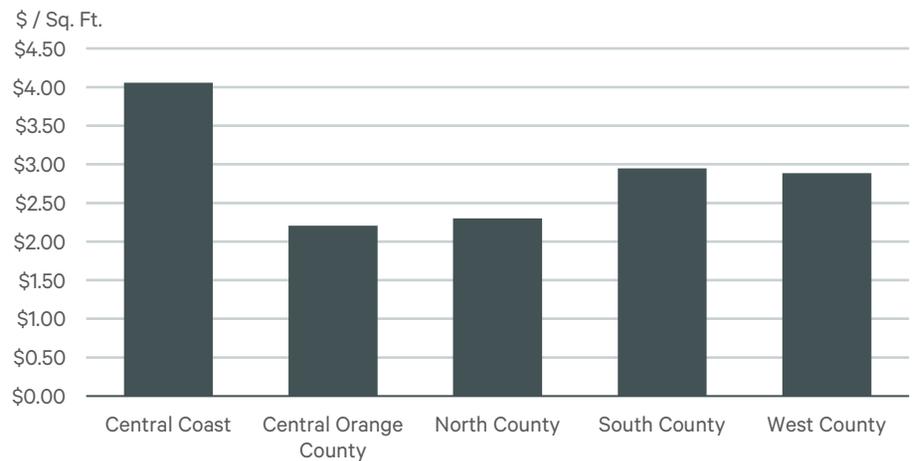
Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 7: Availability by Center Type



Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 8: Top 5 Submarket by Net Rent



Source: CBRE Econometric Advisors, Q4 2025.

Investment Sales

FIGURE 9: Retail Investment Sale Volume



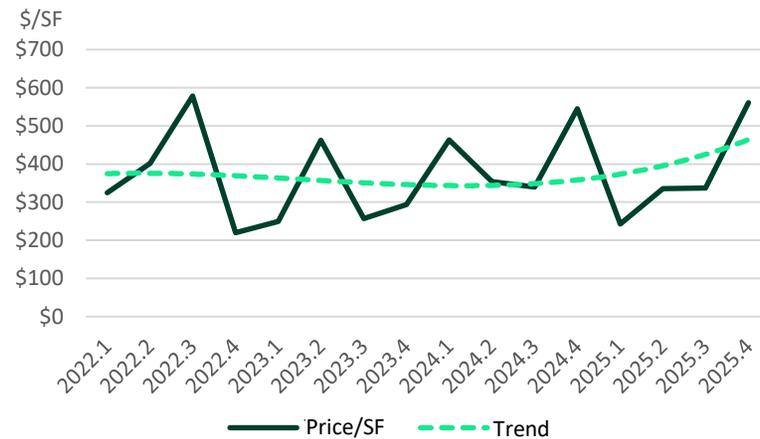
Source: MSCI Real Capital Analytics, Q4 2025.

FIGURE 11: Q4 2025 Sale Transactions

Buyer	Property Name	City	Building SF	Sale Price	Price / SF
United Pentecostal Church L	Sav More Thrift	Santa Ana	30,000	\$3,000,000	\$100
Scott A Tistaert	Ace Hardware	Placentia	24,000	\$9,000,000	\$375
Investment Concepts	Plaza Pacifica Center	San Clemente	23,779	\$21,000,000	\$883
Dan Daftari	Rancho Ortega Plaza	San Juan Capistrano	23,122	\$9,200,000	\$398
30 Centerpointe LLC	30 Centerpointe Drive	La Palma	21,176	\$9,000,000	\$425
MPC Vulcan LLC	1973 17th Street	Santa Ana	8,000	\$6,200,000	\$775
Mike Meghpara; Nita Meghpara	3528 W 1st Street	Santa Ana	7,497	\$4,150,000	\$554
Golden Dragon Holdings Inc	1540 Superior Avenue	Costa Mesa	5,100	\$6,250,000	\$1,225
Basraon LLC	2244 Fairview Road	Costa Mesa	4,780	\$3,298,000	\$690
Loving John G M Trust	1400 Glenneyre Street	Laguna Beach	3,582	\$6,500,000	\$1,815
Michael Cho	23221 Lake Center Drive	Lake Forest	0	\$7,125,000	\$0

Source: MSCI Real Capital Analytics, Q4 2025.

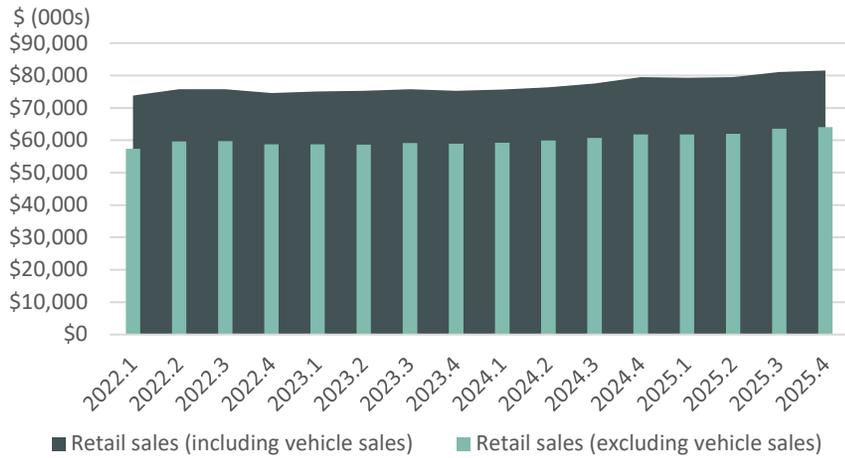
FIGURE 10: Retail Investment Sale Price Per Sq. Ft.



Source: MSCI Real Capital Analytics, Q4 2025.

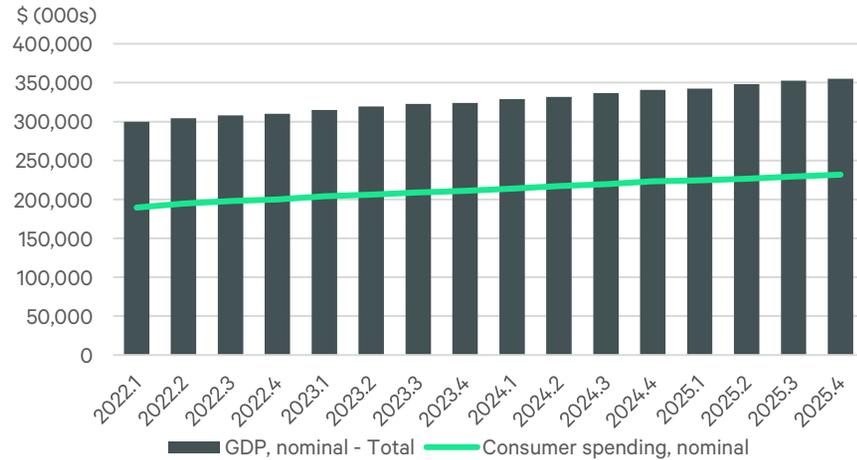
Economic Overview

FIGURE 12: Total Retail Sales



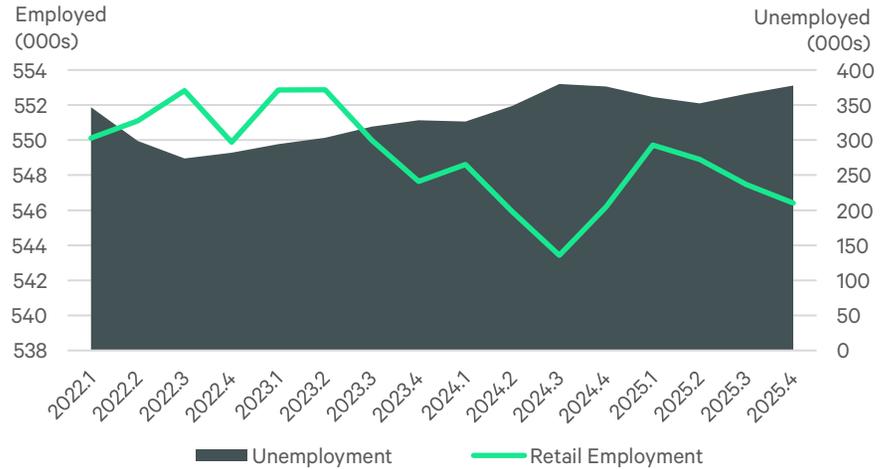
Source: Oxford Economics, Q4 2025.

FIGURE 14: GDP & Consumer Spending



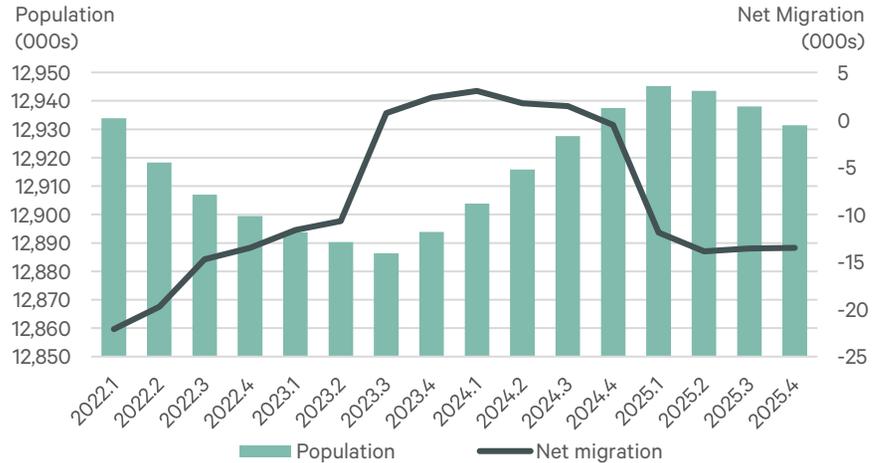
Source: Oxford Economics, Q4 2025.

FIGURE 13: Retail Employment vs. Unemployment



Source: Oxford Economics, Q4 2025.

FIGURE 15: Total Population & Net Migration



Source: Oxford Economics, Q4 2025.

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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