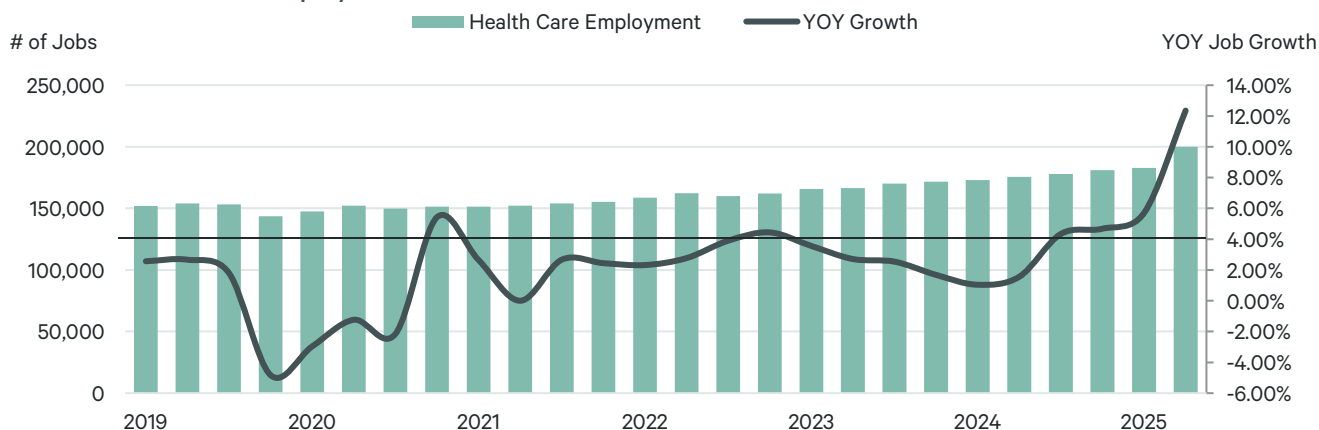


Medical Outpatient Figures

In Q1 2026, Orange County’s medical office sector softened as continued market headwinds drove negative net absorption and a slowdown in leasing activity. However, asking lease rates increased from \$2.86 FSG to \$2.94 as new, Class A medical office space was listed on the market and drove average asking rates higher. As of early 2026, healthcare employment reached 200,000 jobs, marking a quarter-over-quarter increase of 17,200 jobs and a year-over-year growth of 12.4%. The vacancy rate increased 80 basis points (bps) to 8.3% and the availability rate increased 10 bps quarter-over-quarter to 11.5%. Ongoing tenant move-outs at the sub-10,000 sq. ft. space were a catalyst of the vacancy increase as demand waned due to ongoing economic uncertainty affecting occupiers’ willingness to make long-term commitments. Despite the increase in consumer healthcare spending in recent years, the OC market showed continued negative total net absorption - ending at 21,594 sq. ft. of space becoming newly vacant in Q1 2026. The negative absorption was caused by the continuation of the “flight-to-quality” trend, where older assets with limited amenities continued to lose occupants.

FIGURE 1: Health Care Employment



Source: OCBJ, Jan 2026.

FIGURE 2: Available Space Distribution by Submarket

SUBMARKET	RBA	OVERALL VACANCY (%)	OVERALL AVAILABILITY (%)	NET ABSORPTION	UNDER CONSTRUCTION	AVG. ASKING LEASE RATE (\$PSF/MO/FSG)
NORTH ORANGE COUNTY	1,050,938	6.5%	8.1%	2,182	15,196	\$2.65
CENTRAL ORANGE COUNTY	2,867,757	8.3%	11.5%	(8,633)	0	\$2.50
WEST ORANGE COUNTY	1,374,790	5.8%	10.0%	3,891	0	\$2.40
GREATER AIRPORT AREA	3,060,432	8.2%	12.6%	(29,057)	0	\$3.54
SOUTH ORANGE COUNTY	2,751,062	10.5%	12.4%	10,023	37,400	\$3.05
ORANGE COUNTY TOTALS	11,104,979	8.3%	11.5%	(21,594)	52,596	\$2.94

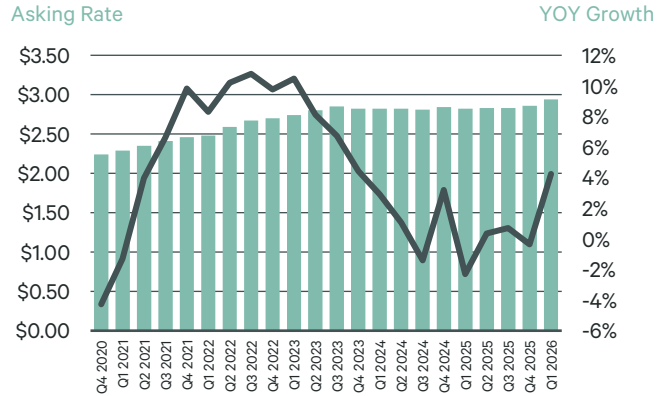
Source: CBRE Research, Q1 2026.

FIGURE 3: Overall Vacancy (%)



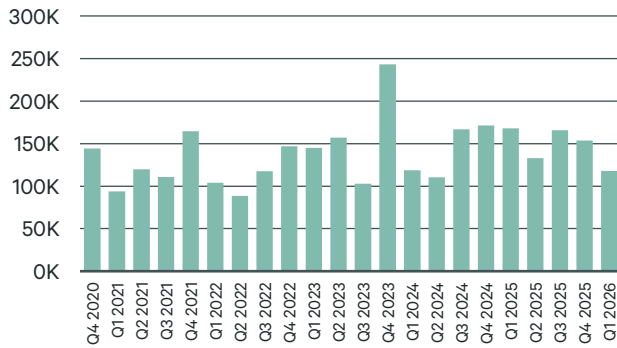
Source: CBRE Research, Q1 2026.

FIGURE 4: Average Asking Lease Rate and YoY Growth (\$/PSF/MO/FSG)



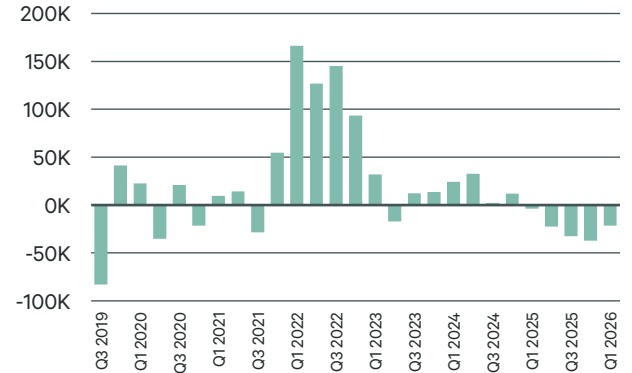
Source: CBRE Research, Q1 2026.

FIGURE 5: Leasing Activity



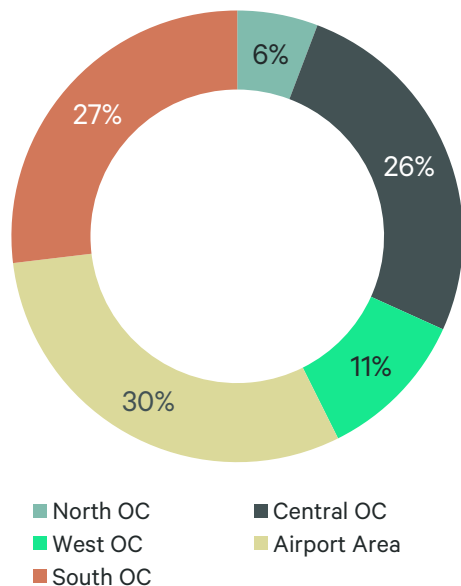
Source: CBRE Research, Q1 2026.

FIGURE 6: Net Absorption



Source: CBRE Research, Q1 2026.

FIGURE 7: Available Space Distribution



Source: CBRE Research, Q1 2026.

FIGURE 8: Top Orange County Medical Employers

NAME	# of OC Employees
Providence	25,155
Kaiser Permanente	10,293
Hoag	8,081
UCI Medical Center	7,000
MemorialCare	6,326
CHOC Children's Hospital	5,555
Keck Medicine of USC	5,000
Fountain Valley Regional Hospital	1,700
City of Hope	1,700
Anaheim Regional Medical Center	1,200

Source: Orange County ACFR & CA EDD, June 2025.

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 (FSG)
ALISO VIEJO	7	179,000	3,611	3,704	7,315	4.1%	1,518	2,127	3,645	2.0%	(2,127)	0	0	\$2.43
ANAHEIM	27	935,435	57,839	0	57,839	6.2%	46,591	0	46,591	5.0%	204	0	0	\$2.32
BREA	4	167,503	11,656	0	11,656	7.0%	11,656	0	11,656	7.0%	0	0	0	\$3.33
BUENA PARK	4	59,874	0	0	0	0%	0	0	0	0%	0	0	0	\$0.00
COSTA MESA	7	197,910	34,207	0	34,207	17.3%	21,125	0	21,125	10.7%	(3,510)	0	0	\$2.09
CYPRESS	3	69,735	5,474	0	5,474	14.4%	5,474	0	5,474	14.4%	26,111	31,585	0	\$2.58
DANA POINT	2	21,526	0	0	0	0%	0	0	0	0%	0	0	0	\$0.00
FOOTHILL RANCH	3	72,000	3,446	0	3,446	4.8%	500	0	500	0.7%	0	0	0	\$0.00
FOUNTAIN VALLEY	18	757,418	73,106	1,143	74,249	9.8%	51,161	0	51,161	6.8%	2,074	0	0	\$2.60
FULLERTON	10	347,808	38,128	0	38,128	11.0%	28,543	0	28,543	8.2%	1,978	0	0	\$3.39
GARDEN GROVE	12	289,492	34,221	0	34,221	11.8%	12,139	0	12,139	4.2%	0	0	0	\$2.36
HUNTINGTON BEACH	24	797,163	75,169	0	75,169	9.4%	52,241	0	52,241	6.6%	(18,207)	0	0	\$2.59
IRVINE	34	1,351,715	213,721	7,620	221,341	16.4%	162,125	6,320	168,445	12.5%	(11,023)	0	37,400	\$3.42
LA HABRA	3	36,167	1,500	0	1,500	4.2%	300	0	300	0.8%	0	0	10,000	\$2.37
LA PALMA	2	58,812	12,523	0	12,523	21.3%	12,523	0	12,523	21.29 %	0	0	0	\$1.95
LAGUNA BEACH	2	70,000	17,368	0	17,368	24.8%	14,663	0	14,663	21.0%	0	0	0	\$1.61
LAGUNA HILLS	10	500,954	19,639	820	20,459	4.1%	18,259	500	18,759	3.7%	9,529	0	0	\$3.08
LAGUNA NIGUEL	3	70,597	7,666	0	7,666	10.9%	7,666	0	7,666	10.9%	1,550	0	0	\$3.55
LAGUNA WOODS	1	41,280	0	0	0	0%	0	0	0	0%	0	0	0	\$0.00
LAKE FOREST	3	44,043	7,047	0	7,047	16.0%	2,547	0	2,547	5.8%	1,488	0	0	\$2.53
LOS ALAMITOS	9	316,509	31,704	0	31,704	10.0%	8,896	0	8,896	2.8%	0	0	5,196	\$2.68
MISSION VIEJO	16	678,405	105,094	0	105,094	15.5%	90,767	0	90,767	13.4%	10,266	0	0	\$2.83
NEWPORT BEACH	27	928,947	135,623	5,322	140,945	15.4%	102,712	2,226	104,938	11.5%	(26,036)	0	0	\$5.62
ORANGE	19	876,028	129,249	2,822	132,071	15.1%	105,687	2,097	107,784	12.3%	(6,699)	0	0	\$2.99
PLACENTIA	4	103,724	7,217	0	7,217	7.0%	5,217	0	5,217	5.0%	0	0	0	\$2.66
SAN CLEMENTE	5	130,000	16,655	0	16,655	12.8%	14,532	0	14,532	11.2%	(4,080)	0	0	\$3.03
SAN JUAN CAPISTRANO	3	84,111	0	0	0	0 %	0	0	0	0%	0	0	0	\$0.00
SANTA ANA	39	1,178,461	134,745	0	134,745	11.4%	81,013	0	81,013	6.9%	(1,934)	0	0	\$1.98
SANTA MARGARITA	2	81,000	3,468	0	3,468	4.3%	0	0	0	0%	2,835	0	0	\$2.37
STANTON	1	48,000	21,340	3,870	25,210	52.5%	8,996	3,870	12,866	26.8%	(4,013)	0	0	\$1.26
TUSTIN	20	444,219	49,322	0	49,322	11.1%	39,714	0	39,714	8.9%	0	0	0	\$2.71
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	335	11,104,979	1,250,738	25,301	1,276,039	11.5%	906,565	17,140	923,705	8.3%	(21,594)	31,585	52,596	\$2.94

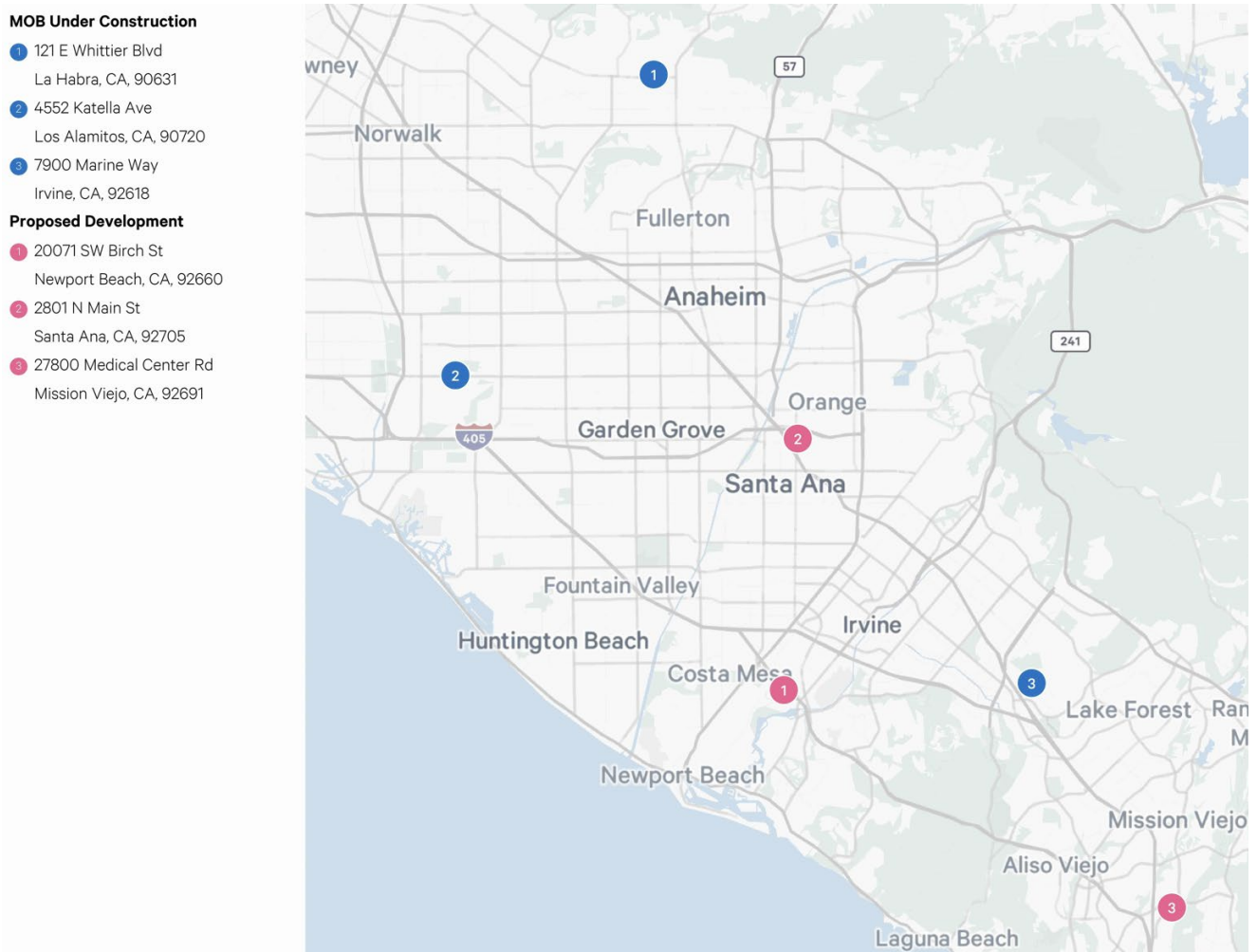
SUBMARKET	# OF BLDGS	TOTAL RBA	DIRECT AVAIL SF	SUBLEASE AVAIL SF	TOTAL AVAIL SF	TOTAL AVAIL %	DIRECT VACANT SF	SUBLEASE VACANT SF	TOTAL VACANT SF	OVERALL VACANCY %	NET ABSORPTION	CONST DELIVERIES	U/C BLDGS	WEIGHTED AVG ASKING LEASE RATE (FSG)
NORTH ORANGE COUNTY	35	1,050,938	84,756	0	84,756	8.1%	67,963	0	67,963	6.5%	2,182	0	15,196	\$2.65
CENTRAL ORANGE COUNTY	89	2,867,757	325,599	2,822	328,421	11.5%	235,091	2,097	237,188	8.3%	(8,633)	0	0	\$2.50
WEST ORANGE COUNTY	46	1,374,790	133,687	3,870	137,557	10.0%	75,607	3,870	79,477	5.8%	3,891	31,585	0	\$2.40
GREATER AIRPORT AREA	93	3,060,432	373,993	11,285	385,278	12.6%	242,470	7,046	249,516	8.2%	(29,057)	0	0	\$3.54
SOUTH ORANGE COUNTY	72	2,751,062	332,703	7,324	340,027	12.4%	285,434	4,127	289,561	10.5%	10,023	0	37,400	\$3.05
ORANGE COUNTY TOTALS	335	11,104,979	1,250,738	25,301	1,276,039	11.5%	906,565	17,140	923,705	8.3%	(21,594)	31,585	52,596	\$2.94

Source: CBRE Research, Q1 2026.

DEVELOPMENT PIPELINE

In Q1 2026, Orange County had three medical and healthcare buildings under construction, totaling roughly 53,000 sq. ft. The 5,200 sq. ft. owner-user development in Los Alamitos is projected to deliver in June, 2026. This project is designed to attract top medical tenants and allow them collaborate on the layout to use the building as a customized facility. In addition, the 10,000 sq. ft. orthodontics development at 121 E Whittier Blvd in La Habra is set to deliver May, 2026. The BeWell OC construction project at 7900 Marine Way, Irvine features 37,400 sq. ft. of medical office space that is now expected to deliver in July, 2026. In addition, 273,000 sq. ft. of medical office space has been proposed across the market, where redevelopment is in process to attract major healthcare tenants and increase demand for in-person care.

FIGURE 10: Development Pipeline Locations



Note: Map shows assisted living and proposed development, but only true medical office is included in construction amounts
 Source: CBRE Research, Q1 2026.

Contacts

Ryan Siebert

Research Analyst
 Orange County
 ryan.siebert@cbre.com

Rick Cozart

Research Manager
 Orange County, Inland Empire
 rick.cozartii@cbre.com