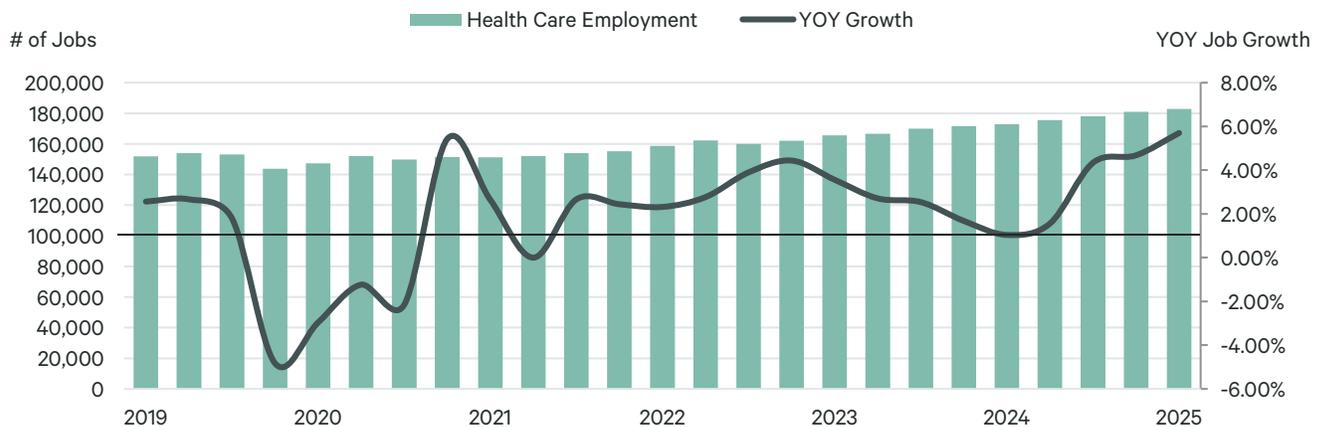


Asking lease rates hold steady as net absorption decreased to close 2025

In Q4 2025, Orange County’s medical office sector saw mixed signals as net absorption remained negative while leasing activity slightly increased. However, asking lease rates remained stable at \$2.83 FSG in Q4 2025 and medical outpatient buildings were still a focal point for investors. By December 2025, healthcare employment reached 182,800 jobs, marking a quarter-over-quarter increase of 1,800 jobs and a year-over-year growth of 5.7%. The vacancy rate increased 40 basis points (bps) to 7.5% and the availability rate increased 30 bps quarter-over-quarter to 11.4%. The Orange County market showed negative total net absorption for the fourth consecutive quarter, ending at 37,285 sq. ft. of space becoming vacant. The negative net absorption was driven by sub-10,000 sq. ft. move outs across the market. Due to limited development and consistent demand, the OC medical office sector is showing strength moving into 2026.

FIGURE 1: Health Care Employment



Source: CA EDD, Nov 2025.

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	944,138	6.2%	8.0%	(6,212)	10,000	\$2.37
CENTRAL ORANGE COUNTY	2,772,930	6.8%	12.6%	(5,056)	0	\$2.57
WEST ORANGE COUNTY	1,264,882	3.4%	8.2%	(5,941)	0	\$2.41
GREATER AIRPORT AREA	3,060,432	7.2%	11.2%	(5,456)	0	\$3.18
SOUTH ORANGE COUNTY	2,751,062	10.9%	12.9%	(14,620)	80,057	\$2.97
ORANGE COUNTY TOTALS	10,793,444	7.5%	11.4%	(37,285)	90,057	\$2.83

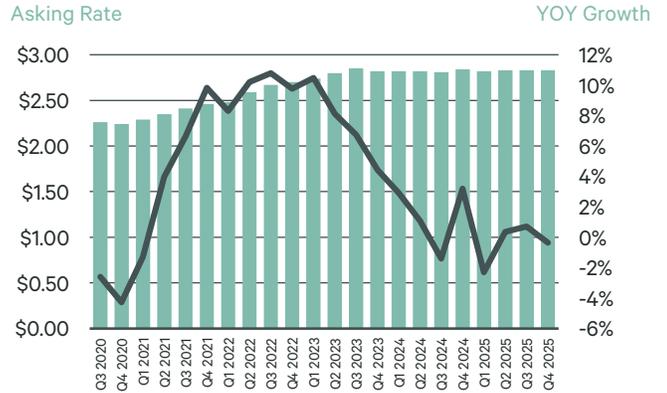
Source: CBRE Research, Q4 2025.

FIGURE 3: Overall Vacancy (%)



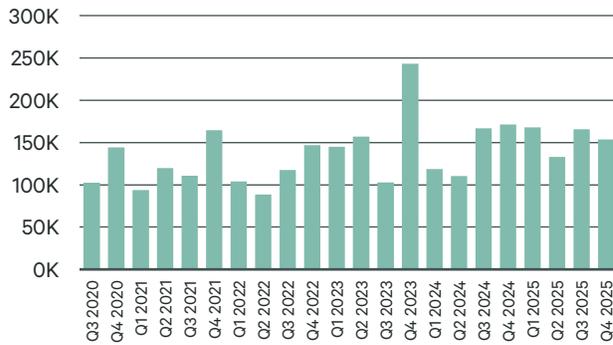
Source: CBRE Research, Q4 2025.

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



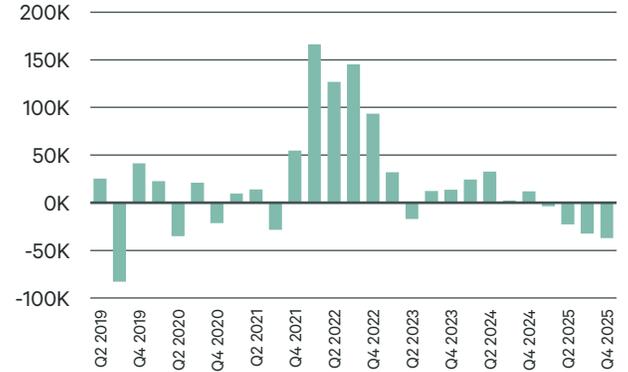
Source: CBRE Research, Q4 2025.

FIGURE 5: Leasing Activity



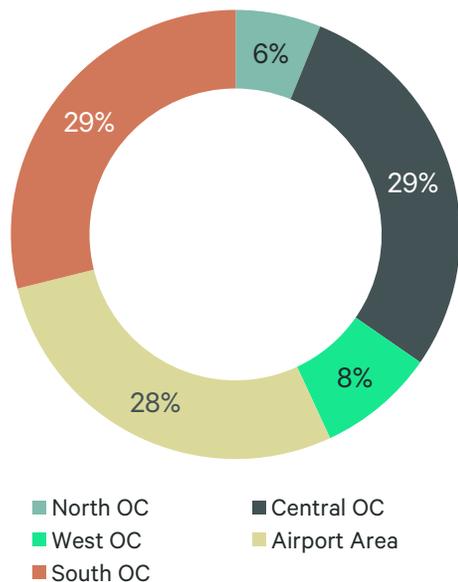
Source: CBRE Research, Q4 2025.

FIGURE 6: Net Absorption



Source: CBRE Research, Q4 2025.

FIGURE 7: Available Space Distribution



Source: CBRE Research, Q4 2025.

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	8,272	1,577	9,849	5.5%	1,518	0	1,518	0.9%	0	0	42,657	\$2.84
ANAHEIM	27	935,435	60,207	0	60,207	6.4%	46,795	0	46,795	5.0%	0	0	0	\$2.23
BREA	3	60,703	0	0	0	0%	0	0	0	0%	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	8.9%	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	3,446	0	3,446	4.8%	500	0	500	0.7%	0	0	0	\$0.00
FOUNTAIN VALLEY	18	757,418	75,180	0	75,180	9.9%	53,235	0	53,235	7.0%	0	0	0	\$2.51
FULLERTON	10	347,808	40,106	0	40,106	11.5%	30,521	0	30,521	8.8%	(5,376)	0	0	\$3.31
GARDEN GROVE	11	284,665	34,221	0	34,221	12.0%	12,139	0	12,139	4.3%	0	0	0	\$2.17
HUNTINGTON BEACH	24	797,163	74,767	0	74,767	9.4%	34,034	0	34,034	4.3%	(5,941)	0	0	\$2.31
IRVINE	34	1,351,715	201,830	6,820	208,650	15.4%	151,102	6,320	157,422	11.7%	(11,702)	0	37,400	\$3.32
LA HABRA	3	36,167	1,500	0	1,500	4.2%	300	0	300	0.8%	0	0	10,000	\$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	17,368	0	17,368	24.8%	14,663	0	14,663	21.0%	0	0	0	\$1.53
LAGUNA HILLS	10	500,954	29,168	820	29,988	6.0%	27,788	500	28,288	5.7%	149	0	0	\$3.16
LAGUNA NIGUEL	3	70,597	7,666	0	7,666	10.9%	9,216	0	9,216	10.9%	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	8,535	0	8,535	19.4%	4,035	0	4,035	9.2%	1,424	0	0	\$2.27
LOS ALAMITOS	8	286,186	28,711	0	28,711	10.0%	8,896	0	8,896	3.1%	0	0	0	\$2.66
MISSION VIEJO	16	678,405	115,360	0	115,360	17.0%	101,033	0	101,033	14.9%	(1,881)	0	0	\$2.80
NEWPORT BEACH	27	928,947	98,004	3,846	101,850	11.1%	78,152	750	78,902	8.6%	1,544	0	0	\$5.27
ORANGE	18	786,028	96,299	1,655	97,954	12.5%	60,457	930	61,387	7.8%	(5,056)	0	0	\$2.94
PLACENTIA	4	103,724	7,217	0	7,217	7.0%	5,217	0	5,217	5.0%	(836)	0	0	\$2.57
SAN CLEMENTE	5	130,000	12,575	0	12,575	9.7%	10,452	0	10,452	8.0%	(1,275)	0	0	\$2.89
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	131,911	0	131,911	11.2%	79,079	0	79,079	6.7%	(5,500)	0	0	\$1.88
SANTA MARGARITA	2	81,000	5,828	2,835	8,663	10.7%	0	2,835	2,835	3.5%	(2,835)	0	0	\$2.29
TUSTIN	20	444,219	105,322	0	105,322	23.71%	39,714	0	39,714	8.9%	0	0	0	\$3.18
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	329	10,793,444	1,207,780	17,553	1,225,333	11.4%	798,984	11,335	810,319	7.5%	(37,285)	0	90,057	\$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 (FSG)
NORTH ORANGE COUNTY	34	944,138	75,282	0	75,282	8.0%	58,489	0	58,489	6.2%	(6,212)	0	10,000	\$2.37
CENTRAL ORANGE COUNTY	87	2,772,930	347,579	1,655	349,234	12.6%	187,927	930	188,857	6.8%	(5,056)	0	0	\$2.57
WEST ORANGE COUNTY	43	1,264,882	103,478	0	103,478	8.2%	42,930	0	42,930	3.4%	(5,941)	0	0	\$2.41
GREATER AIRPORT AREA	93	3,060,432	334,820	8,666	343,486	11.2%	214,889	5,570	220,459	7.2%	(5,456)	0	0	\$3.18
SOUTH ORANGE COUNTY	72	2,751,062	346,621	7,232	353,853	12.9%	294,749	4,835	299,584	10.9%	(14,620)	0	80,057	\$2.97
ORANGE COUNTY TOTALS	329	10,793,444	1,207,780	17,553	1,225,333	11.4%	798,984	11,335	810,319	7.5%	(37,285)	0	90,057	\$2.83

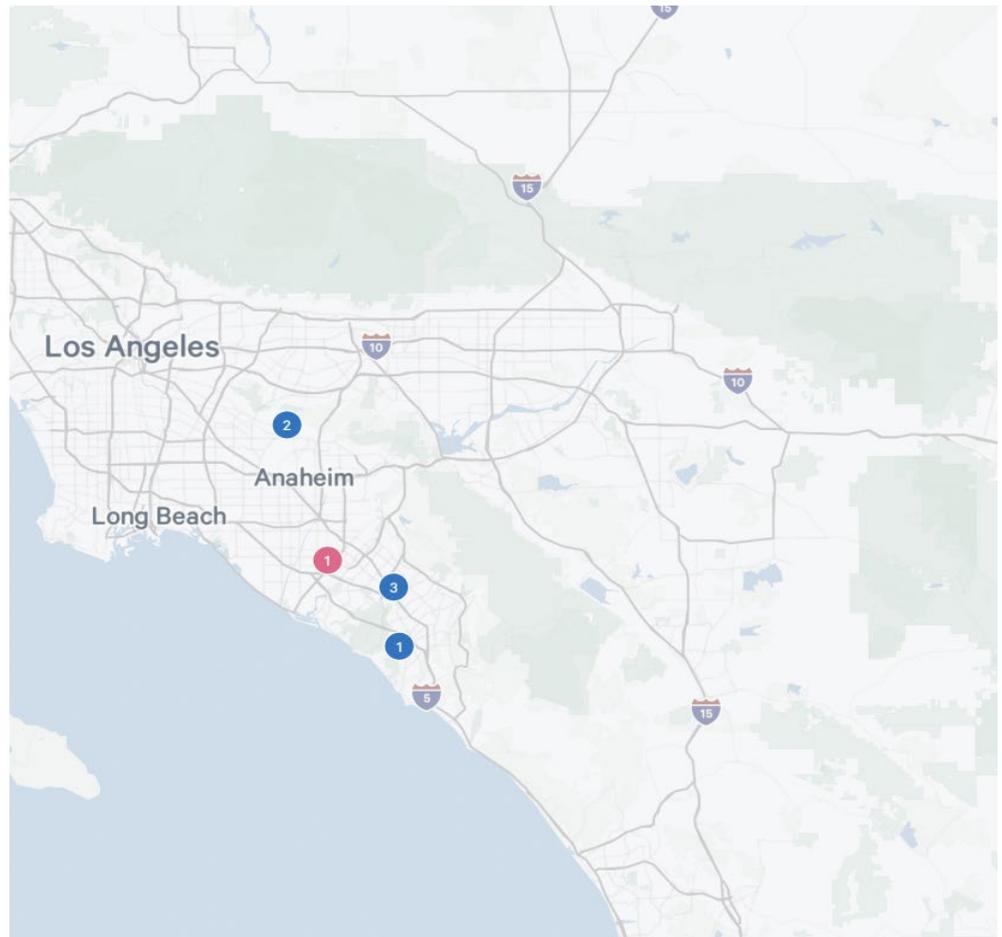
Source: CBRE Research, Q4 2025.

DEVELOPMENT PIPELINE

In Q4 2025, Orange County had three medical and healthcare buildings under construction, totaling roughly 90,000 sq. ft. Kaiser Permanente purchased 43,000 sq. ft. of land for office development in Aliso Viejo. Early stages of the project are underway with full completion expected in late 2027. In addition, the 10,000 sq. ft. orthodontics development at 121 E Whittier Blvd in La Habra is set to deliver January, 2026. The BeWell OC construction project at 7900 Marine Way, Irvine features 37,400 sq. ft. of medical office space that is also expected to deliver in January, 2026. In addition, 150,000 sq. ft. of medical office space has been proposed at 2801 N Main Street in Santa Ana, where redevelopment is in process to attract major healthcare tenants and create a patient-centric experience.

FIGURE 10: Development Pipeline Locations

- MOB Under Construction**
- 1 800 Freedom Ln
Aliso Viejo, CA, 92656
- 2 121 E Whittier Blvd
La Habra, CA, 90631
- 3 7900 Marine Way
Irvine, CA, 92618
- Proposed Development**
- 1 2801 S Main St
Santa Ana, CA, 92707



Note: Map shows assisted living and proposed development, but only true medical office is included in construction amounts
 Source: CBRE Research, Q4 2025.

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