

MARKET FUNDAMENTALS

	YOY Chg	Outlook
\$126,300 Median HH Income*	▲	▲
-0.2% Population Growth*	▲	▼
3.9% Unemployment Rate*	▼	▲

U.S. ECONOMIC INDICATORS

	YOY Chg	Outlook
1.6% GDP Growth*	▼	▲
1.5% Consumer Spending Growth*	▼	▲
1.0% Retail Sales Growth*	▼	▬

Source: BEA, Census Bureau
*Q3 2026

ECONOMIC OVERVIEW

Between August 2025 and August 2026, total nonfarm employment in Orange County (OC) increased by 4,300 jobs, or 0.3% year-over-year (YOY), as private-sector hiring outpaced public-sector losses. Private-sector employment grew by 8,100 jobs (+0.5% YOY), led by private education and health services (+10,100 jobs, +3.5% YOY) and leisure and hospitality (+5,100 jobs, +2.1% YOY). Government reported the largest decline, shedding 3,800 jobs YOY, while employment also contracted in professional and business services (-3,500 jobs), construction (-1,700 jobs) and manufacturing (-1,400 jobs). Consumer-facing industries remained a bright spot, with food services and drinking places adding 3,400 jobs (+2.3% YOY) and retail trade adding 1,300 jobs (+0.9% YOY). The monthly unemployment rate was 4.4% in August 2026, down from 4.6% in August 2025 and above the Q3 2026 average of 3.9%.¹ Looking ahead, total employment is projected to grow 0.9% in 2026 and 0.7% in 2027, below the five-year historical average of 1.7%.² Continued hiring in consumer-facing sectors should support steady retail demand across the OC market.

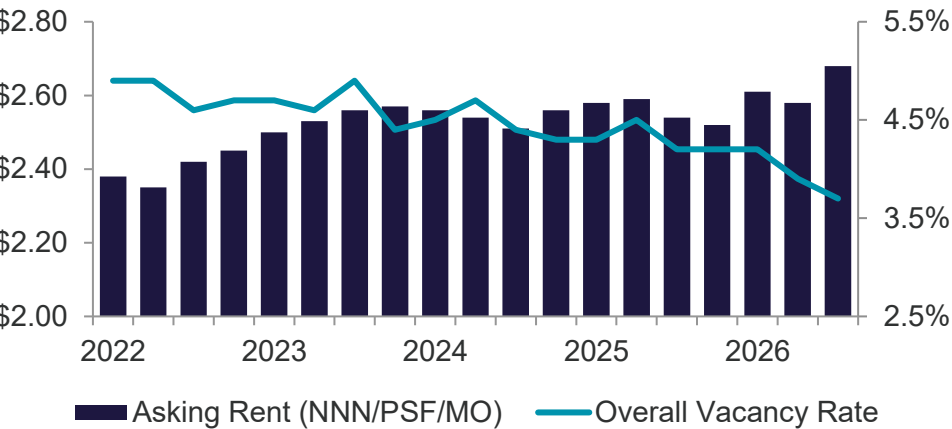
SUPPLY AND DEMAND

Overall vacancy in OC declined to 3.7% in Q3 2026, down 20 basis points (bps) quarter-over-quarter (QOQ) and 50 bps YOY, marking its lowest level since Q4 2018 and remaining well below the 10-year quarterly average of 4.3%. The market posted 156,404 square feet (sf) of positive net absorption, its fifth consecutive quarter of occupancy gains, led by South County (+145,859 sf) and power centers (+142,845 sf), bringing year-to-date net absorption to 490,827 sf. Lifestyle centers were the exception, giving back 118,232 sf as vacancy rose to 7.6%. Leasing activity totaled 413,074 sf, down 13.7% QOQ and 14.4% YOY, remaining below the 10-year quarterly average of 640,697 sf. New supply remained limited, with no deliveries during the quarter and 114,600 sf under construction across eight buildings.³

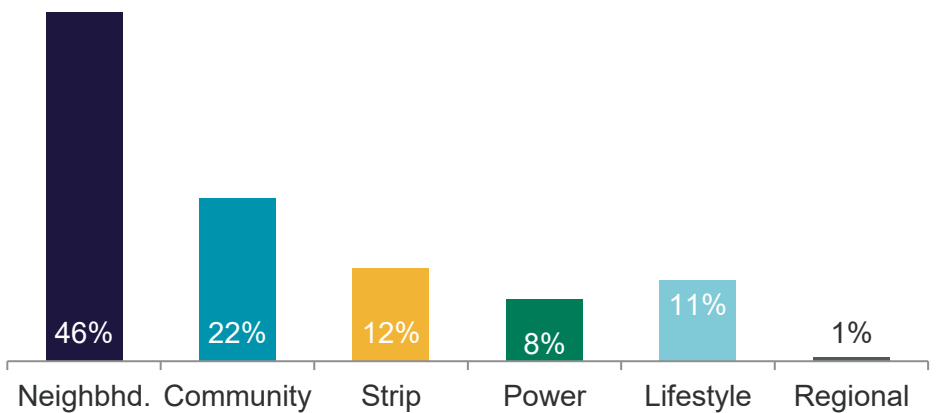
PRICING

The overall average asking rent rose 3.9% QOQ and 5.5% YOY to a record high of \$2.68 per square foot (psf) per month on a triple-net basis. Lifestyle centers commanded the highest average asking rent among center types at \$4.18 psf, while power centers remained the most affordable at \$1.98 psf. The Greater Airport Area remained the most expensive submarket at \$5.17 psf, underscoring continued pricing strength in OC’s premier retail locations.

OVERALL VACANCY / ASKING RENT



TOTAL AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY** (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (All Center Types)*
North County	24,132,921	1,244,342	20,503	5.2%	-59,460	-17,327	481,109	15,126	\$2.64
Greater Airport Area	15,387,974	249,072	10,912	1.7%	26,498	39,437	142,444	0	\$5.17
South County	21,646,919	1,046,454	5,157	4.9%	145,859	317,092	354,607	50,000	\$2.94
West County	20,206,318	503,800	43,558	2.7%	18,178	50,081	265,705	26,212	\$2.39
Central County	14,492,092	412,002	4,661	2.9%	25,329	101,544	170,432	23,262	\$2.35
Community	23,552,558	713,562	15,922	3.1%	55,547	187,658	311,877	23,262	\$2.57
Lifestyle	4,617,386	350,798	1,885	7.6%	-118,232	-81,008	19,531	0	\$4.18
Neighborhood	30,878,845	1,427,844	49,990	4.8%	41,956	156,985	630,678	15,126	\$2.44
Power	12,200,988	303,549	4,657	2.5%	142,845	169,432	128,735	0	\$1.98
Regional	12,766,909	274,154	8,765	2.2%	0	-3,325	93,350	50,000	\$3.00
Strip	11,849,538	385,763	3,572	3.3%	34,288	61,085	230,126	26,212	\$2.78
OC TOTALS	95,866,224	3,455,670	84,791	3.7%	156,404	490,827	1,414,297	114,600	\$2.68

*Rental rates reflect weighted triple net (NNN) asking \$psf/month. **Renewals not included in leasing statistics.

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
43-109 Via Pico Plaza	South County	Mariners Church	25,908	New
16300-16348 Beach Blvd.	West County	Teso Life	17,962	New
3816-3923 S. Bristol St.	Central County	Umi Sushi & Seafood Buffet	12,307	New
621-697 N. Euclid St.	North County	Concentra	11,600	New
2465-2485 E. Imperial Hwy.	North County	Skechers	10,000	New

KEY SALE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Enderle Center	Central County	Bruce A. & Scott W. Enderle / Burnham USA Equities	132,000	\$34.6M / \$262
Peninsula Marketplace	West County	Blackstone / Westwood Financial	95,416	\$46.6M / \$488
Village Center	South County	Buie Stoddard Group / Alanna Cajthaml	86,023	\$20.9M / \$243

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Sources: ¹ www.EDD.gov Anaheim-Santa Ana-Irvine MD (Orange County). ²Lightcast forecast for Orange County, CA as of October 2026. ³CoStar.