



MULTIFAMILY REPORT

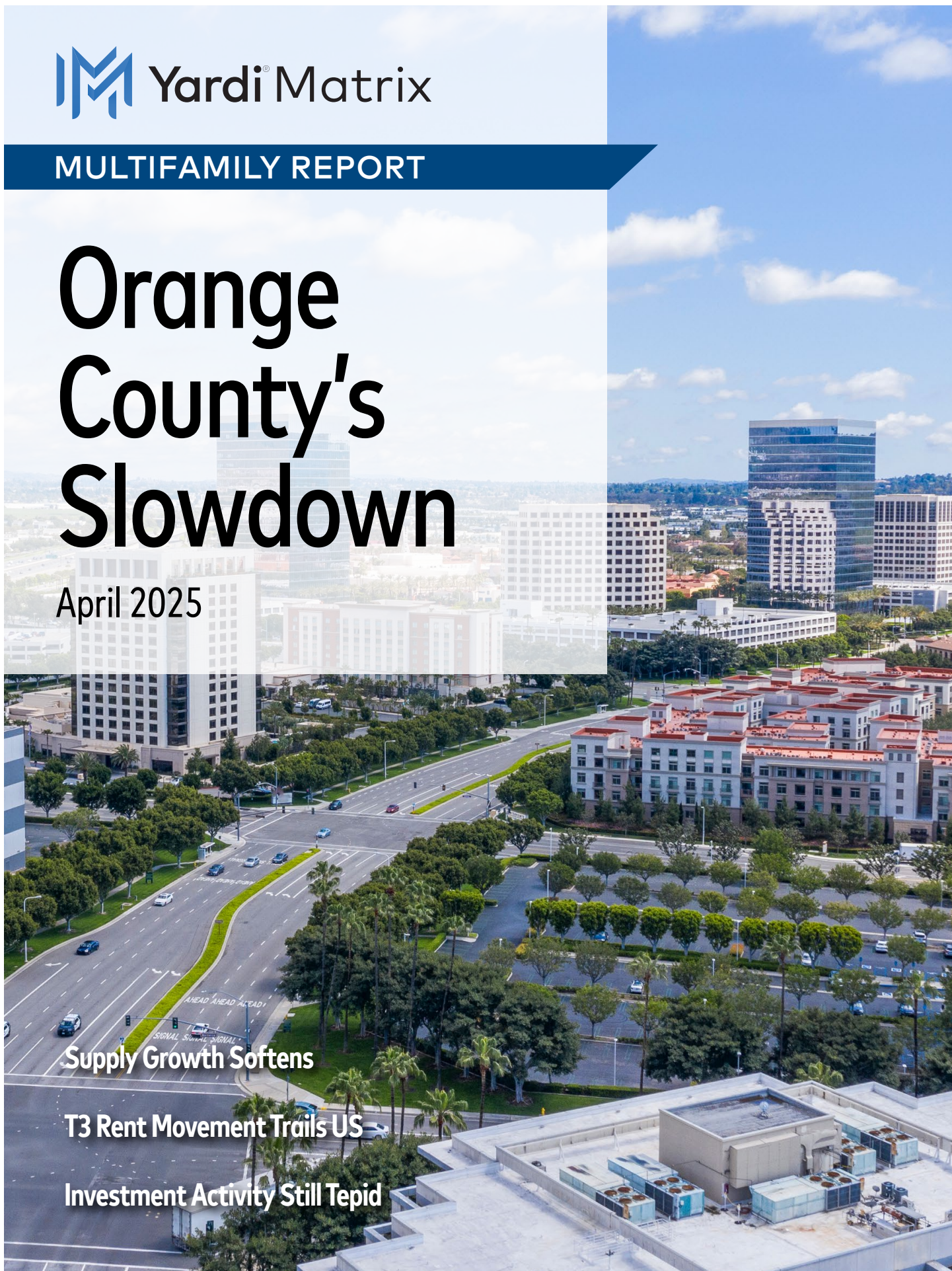
Orange County's Slowdown

April 2025

Supply Growth Softens

T3 Rent Movement Trails US

Investment Activity Still Tepid



ORANGE COUNTY MULTIFAMILY



Moderation Across Fundamentals

Orange County multifamily fundamentals moderated across the board at the start of 2025. The average advertised asking rent fell 0.2%, on a trailing three-month basis through February, to \$2,821, trailing the U.S. rate, which was flat, at \$1,751. Occupancy in stabilized properties inched down 10 basis points year-over-year, to 96.5% as of February, still well above the 94.5% national rate.

Employment growth also moderated slightly, at 1.1% as of December 2024, 20 basis points behind the national rate. The county added 10,900 net jobs over 12 months. Meanwhile, unemployment stood at 4.1% in January, slightly higher than the 4.0% U.S. rate, but well below the 5.4% state figure. Last year, four sectors lost jobs in Orange County, with mining, logging and construction (-4,100 jobs) and manufacturing (-3,000) accounting for most of the losses. During this time, job gains were led by education and health services (9,200) and trade, transportation and utilities and leisure and hospitality (2,400 jobs each). An office-to-industrial redevelopment trend is taking shape in the area. Projects include Terreno Realty Corp.'s redevelopment of an office property into a distribution building in Santa Ana.

Developers had 8,235 units under construction as of February, on the heels of the slowest year for deliveries in at least a decade. Transaction activity also continued at a slower pace. The total for last year hit \$780 million, with the price per unit at \$355,287.

Market Analysis | April 2025

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Recent Orange County Transactions

The Royce



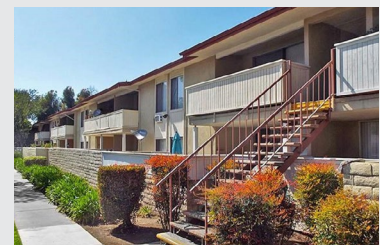
City: Irvine, Calif.
Buyer: BlackRock
Purchase Price: \$248 MM
Price per Unit: \$475,962

Horizon



City: Santa Ana, Calif.
Buyer: Bridge Investment Group
Purchase Price: \$129 MM
Price per Unit: \$318,227

The Arbors



City: Santa Ana, Calif.
Buyer: Post Investment Group
Purchase Price: \$41 MM
Price per Unit: \$254,688

Las Palmas



City: Fullerton, Calif.
Buyer: Borstein Enterprises
Purchase Price: \$40 MM
Price per Unit: \$188,679