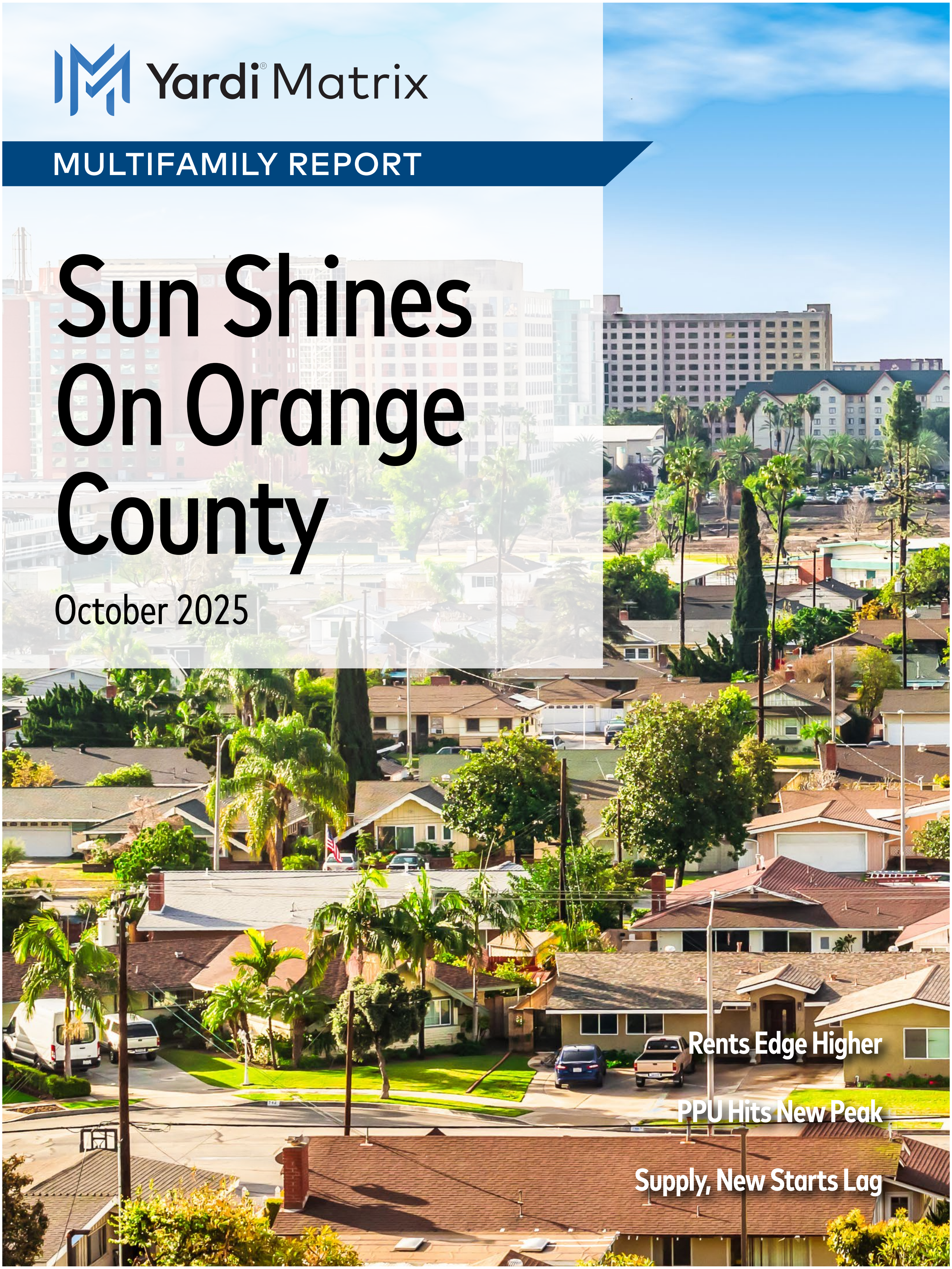
Yardi® Matrix

MULTIFAMILY REPORT

Sun Shines On Orange County

October 2025



Rents Edge Higher

PPU Hits New Peak

Supply, New Starts Lag

ORANGE COUNTY MULTIFAMILY

Yardi Matrix

Supply Muted, Rents See Uptick

While the U.S. multifamily market entered its seasonal cooling phase, Orange County hit a new peak. Advertised asking rents in the metro rose 0.3%, on a trailing three-month basis through August, to $2,857, while the U.S. rate inched up 0.1%, to $1,755. The county remained one of the tightest rental markets in the U.S., with occupancy in stabilized properties at 96.5% as of July, down 20 basis points year-over-year.

Employment growth posted its first uptick since late 2024, up 0.1% as of June, yet still well behind the 0.8% national rate. Unemployment reached 4.8% in July, above the 4.2% national figure but below California's 5.5% rate. Job growth was sustained by four sectors, with education and health services (13,500 jobs) and leisure and hospitality (3,200) recording the highest gains. Six other sectors lost 9,100 jobs combined, led by financial activities (-2,400) and professional and business services (-2,200). The UCI Health — Irvine inpatient tower is slated to open in December. Meanwhile, at the multibillion-dollar OCVibe, the parking and ridesharing facility is set to open this year, with the market hall, office building and concert venue to follow in 2026.

Supply cooled in Orange County this year, with 511 units coming online through August and another 7,736 units underway. Investment remained moderate, with sales reaching $533 million through August, and the price per unit jumping by one-third.

Market Analysis | October 2025

Contacts

Jeff Adler
Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.
Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x14006

Doug Ressler
Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc
Senior Associate Editor

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Recent Orange County Transactions

Citron

City: Anaheim, Calif.
Buyer: MG Properties
Purchase Price: $144 MM
Price per Unit: $458,599

Coventry Court Luxury Senior

City: Tustin, Calif.
Buyer: Jonathan Rose Cos.
Purchase Price: $83 MM
Price per Unit: $345,833

Huntington Breeze

City: Huntington Beach, Calif.
Buyer: WSW Property Ventures
Purchase Price: $35 MM
Price per Unit: $307,018

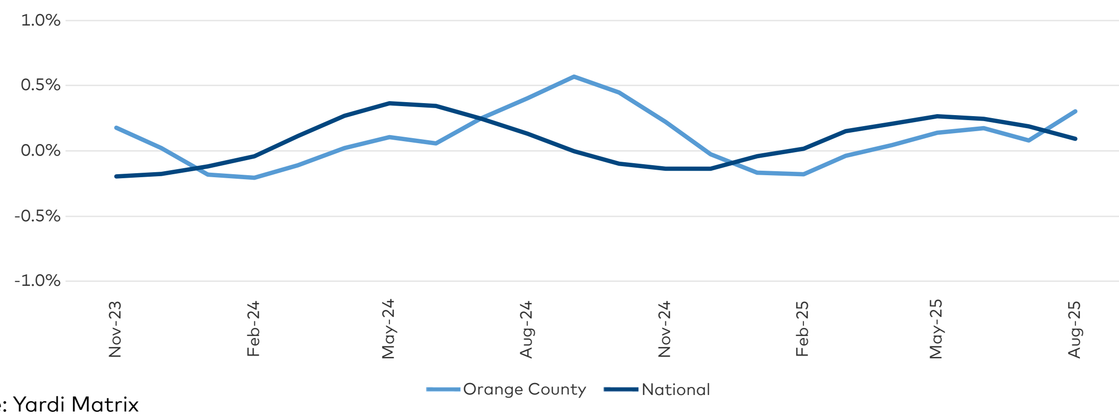
Vista del Sol

City: Garden Grove, Calif.
Buyer: Strattford Residential
Purchase Price: $16 MM
Price per Unit: $315,542

RENT TRENDS

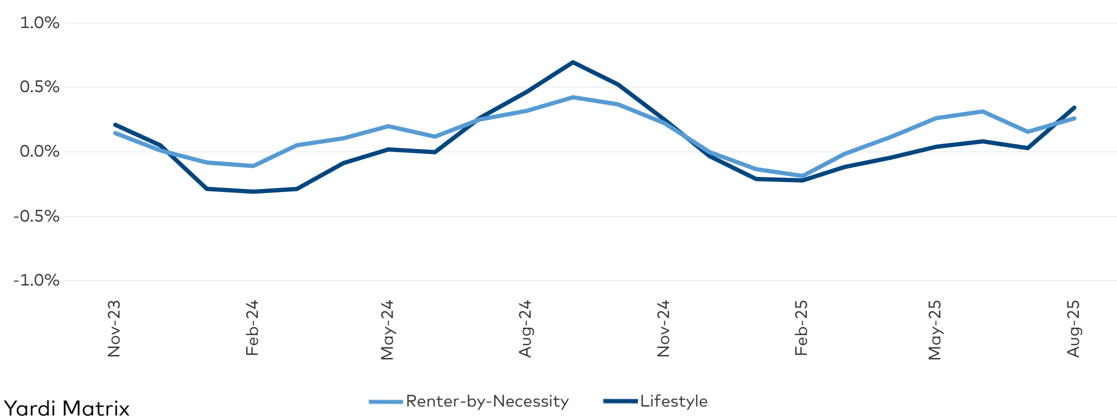
- Orange County advertised asking rents increased 0.3%, on a trailing three-month (T3) basis through August, to $2,857. It surpassed the national rate, which decelerated to 0.1%, reaching an average of $1,755. Typically, the metro follows the U.S. seasonal trend with a roughly two-month lag. The U.S. rate records the highest increases from April to July, and Orange County rent growth regularly peaks between August and October. The metro outperformed on a year-over-year basis too, with rents up 1.5%, double the 0.7% U.S. rate.
- Lifestyle asking rents posted the second increase for the past nine months in August, up 0.3% to $3,220. Working-class Renter-by-Necessity rates rose 0.3% to $2,561, having recorded only four contractions over the past 24 months.
- The occupancy rate in stabilized properties decreased 20 basis points year-over-year, to 96.5% in July, reflecting one of the tightest rental markets in the U.S. The decline was attributed solely due to a 40-basis-point drop in RBN occupancy, to 96.5%, while Lifestyle occupancy remained unchanged at 96.6%.
- Only three of the 26 submarkets tracked by Yardi Matrix recorded slides year-over-year through August, including Yorba Linda (-0.1% to $2,793) and Brea (-1.1% to $2,629). Growth was highest in La Habra (5.0% to $2,417), with high performers also including Anaheim Hills (3.6% to $2,913), Santa Ana (2.8% to $2,737) and Newport Beach (2.6% to $3,706). The latter, plus South Irvine ($3,275), North Irvine ($3,183) and West Irvine ($3,170), were the metro's priciest submarkets.

Orange County vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Orange County Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Orange County employment inched up a marginal 0.1% as of June, well behind the 0.8% U.S. rate. Although small, the increase marked the first uptick in the metro since December 2024. Meanwhile, the metro's unemployment rate climbed to 4.8% in July, the highest it's been since 2021 and lagging the 4.2% national rate, according to Bureau of Labor Statistics data. Even so, the market's jobless rate was lower than the state's 5.5% and outperformed all other major California markets.

- Orange County added 11,900 net jobs in the 12 months ending in June, with just four sectors in the black. Education and health services led gains (13,500 jobs), followed by leisure and hospitality (3,200) and government (2,800). The other six sectors lost 9,100 jobs combined, with the steepest dips recorded in financial activities (-2,400), professional and business services (-2,200) and manufacturing (-2,100).

- Notable projects underway include the opening of the third and final building within the UCI Health — Irvine medical campus, scheduled to open in December. The seven-story, 144-bed facility is the nation's first all-electric hospital. Meanwhile, the parking and rideshare building within the $4 billion OC Vibe mixed-use project is set to open in 2025, followed by the new market hall, office building and concert venue in 2026.

Orange County Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	284.4	16.8%
70	Leisure and Hospitality	239.6	14.1%
90	Government	167.9	9.9%
80	Other Services	57.1	3.4%
40	Trade, Transportation and Utilities	257.6	15.2%
50	Information	20.7	1.2%
15	Mining, Logging and Construction	105.5	6.2%
30	Manufacturing	153.4	9.0%
60	Professional and Business Services	310.1	18.3%
55	Financial Activities	100.9	5.9%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Orange County gained just 7,879 residents between 2019 and 2022, for a 0.2% increase, while the U.S. rate was up 2.0%.

- Although population growth in the county was muted, it still outperformed San Diego (-0.8%) and San Francisco (-0.2%).

Orange County vs. National Population

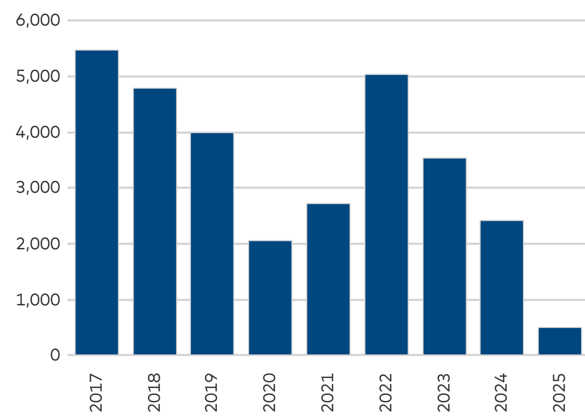
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Orange County	3,168,044	3,170,345	3,182,923	3,175,227

Source: U.S. Census

SUPPLY

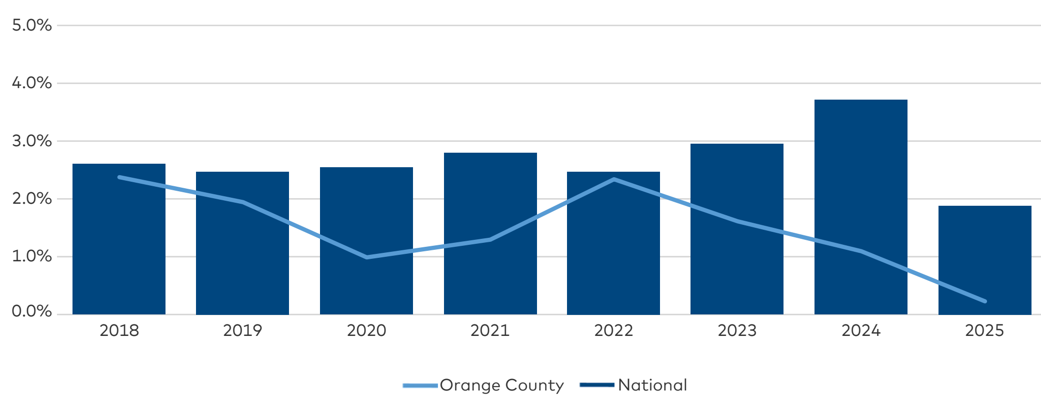
- Orange County's limited supply growth slowed down even further in 2025. Deliveries through August totaled just 511 units, or 0.2% of existing stock. By comparison, the U.S. pace softened to 1.9%.
- Developers had 7,736 units underway in August, and another 35,000 in the planning and permitting stages. Lifestyle units accounted for 88.9% of projects under construction, with RBN down to 3.6% and fully affordable to 7.5%.
- Development costs and financing constraints are keeping construction starts at low levels in Orange County. Only three projects broke ground in 2025 through August, totaling 1,135 units, in line with the 1,173 units across five properties that started construction during the same interval in 2024.
- Developers were active in 12 of the 26 submarkets tracked by Yardi Matrix as of August, with the top three accounting for two-thirds of the pipeline. Each had more than 1,000 units underway: North Irvine (2,157 units), South Irvine (2,063 units) and Tustin (1,100 units).
- The largest project delivered in 2025 through August was the 321-unit Cloud House in Stanton, built with help from a $100 million construction loan from Guardian Life Insurance Co. The property is owned by Bonnani Development and includes 6,136 square feet of retail.
- The largest project underway as of August and nearing completion was Irvine Co.'s 1,261-unit rental addition to The Market Place, its open-air shopping center in Irvine. It includes 211 affordable units and is slated for completion by mid-2026.

Orange County Completions (as of August 2025)



Source: Yardi Matrix

Orange County vs. National Completions as a Percentage of Total Stock (as of August 2025)



Source: Yardi Matrix

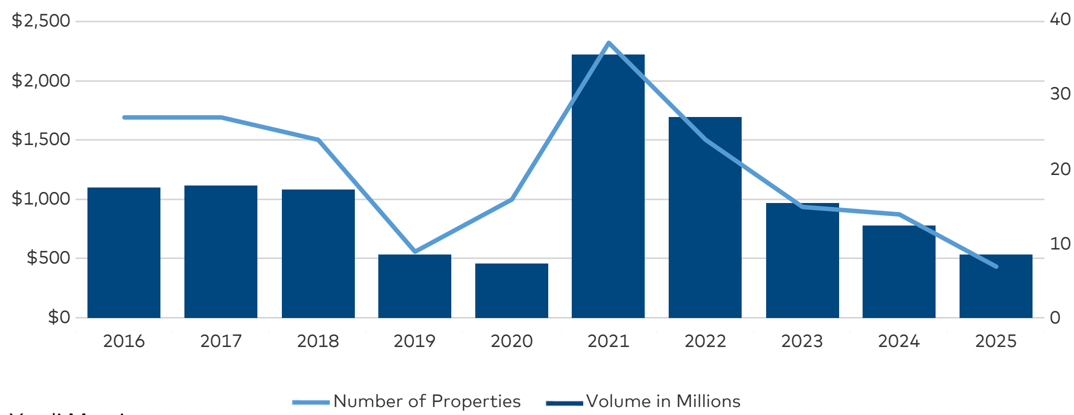
TRANSACTIONS

- Investment activity remained moderate in Orange County, with $533 million in multifamily assets trading this year through August, on track to match 2024's total of $780 million.

- The sales composition was balanced across asset classes, with the number of deals involving Lifestyle assets and RBN properties nearly equal. The average price per unit in Orange County rose by a significant 33.8% year-to-date, to $475,458 as of August, a new high for the market. Meanwhile, the U.S. rate increased 8.2%, to $209,364.

- Notable recent sales include MG Properties' $144 million acquisition ($458,599 per unit) of Citron, a 314-unit asset in Anaheim, from Anton Development. This was the second multifamily price tag to pass the $100 million mark in the market during the first three quarters. The first was Crescent Heights' $239.6 million buy ($686,476 per unit) of the 349-unit Skyline OC in Santa Ana from Essex Property Trust.

Orange County Sales Volume and Number of Properties Sold (as of August 2025)



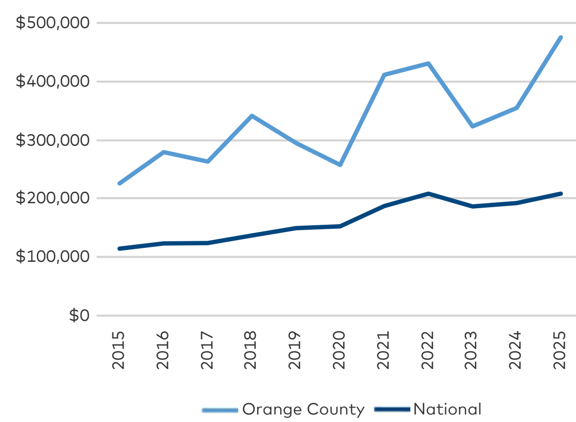
Source: Yardi Matrix

Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Santa Ana	384
South Irvine	248
Anaheim–Central	144
Tustin	83
Fullerton–North	40
Huntington Beach	35
Garden Grove	16

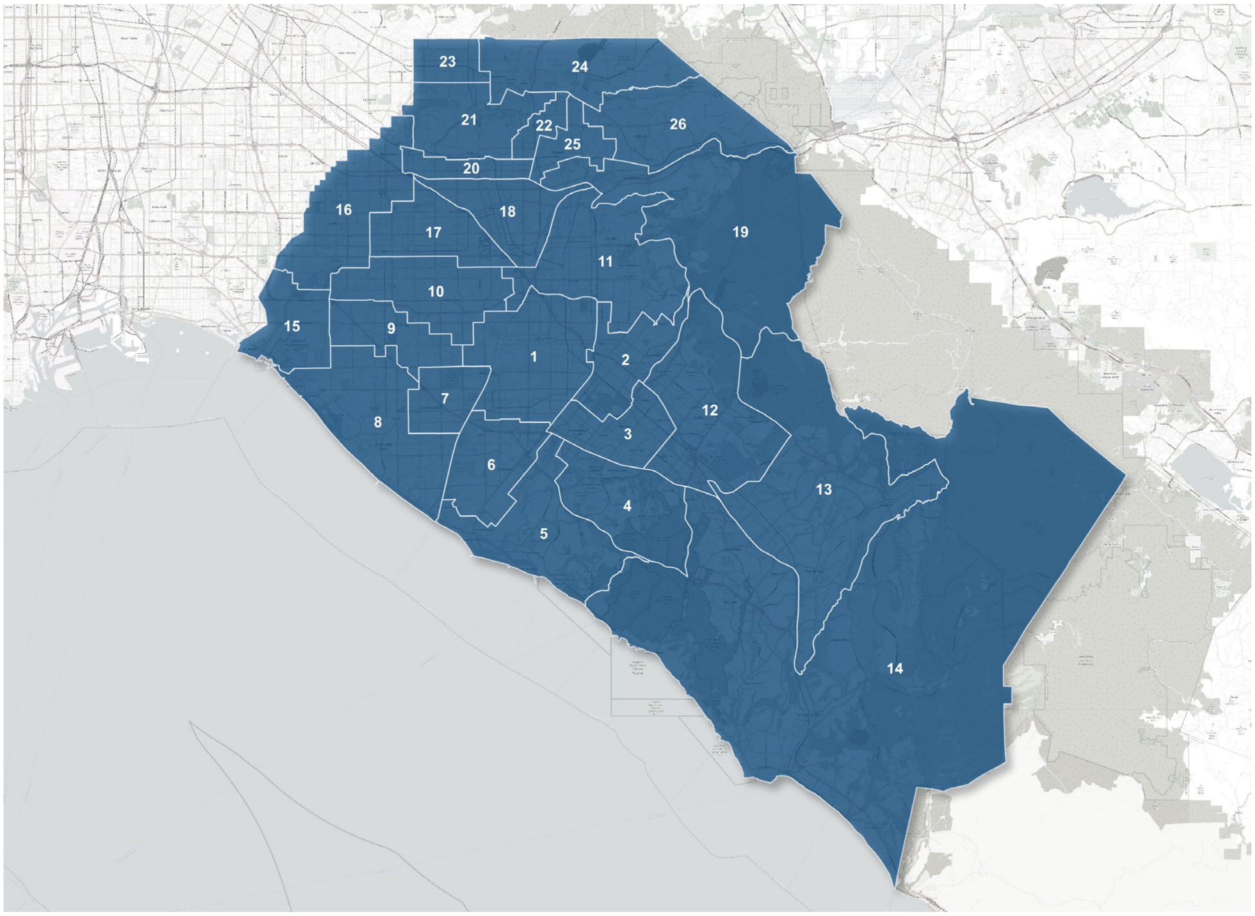
Source: Yardi Matrix
[1] From September 2024 to August 2025

Orange County vs. National Sales Price per Unit



Source: Yardi Matrix

ORANGE COUNTY SUBMARKETS



Area No.	Submarket
1	Santa Ana
2	Tustin
3	Central Irvine
4	South Irvine
5	Newport Beach
6	Costa Mesa
7	Fountain Valley
8	Huntington Beach
9	Westminster
10	Garden Grove
11	Orange
12	West Irvine
13	Mission Viejo–Lake Forest

Area No.	Submarket
14	South Orange County
15	Seal Beach
16	Buena Park–Cypress
17	Anaheim–West
18	Anaheim–Central
19	Anaheim Hills
20	Fullerton–South
21	Fullerton–North
22	Fullerton–University
23	La Habra
24	Brea
25	Placentia
26	Yorba Linda

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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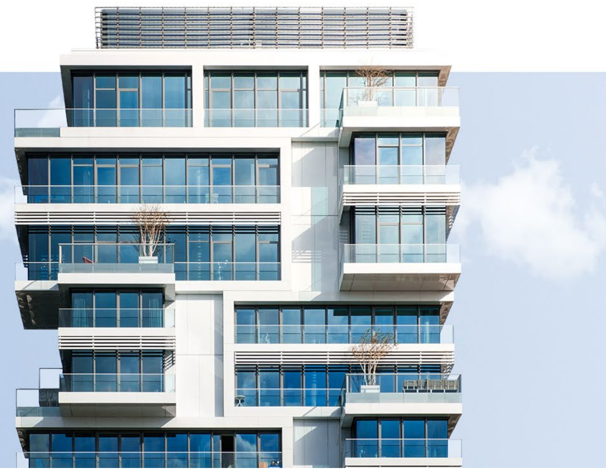
Yardi Matrix



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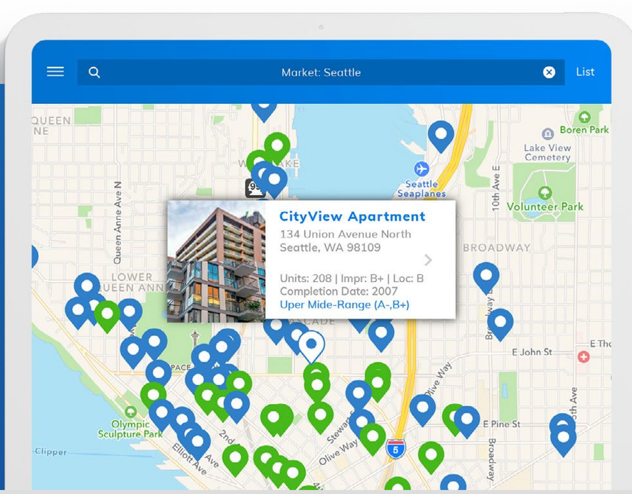
MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23 million units**, covering over **92% of the U.S. population.**

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