

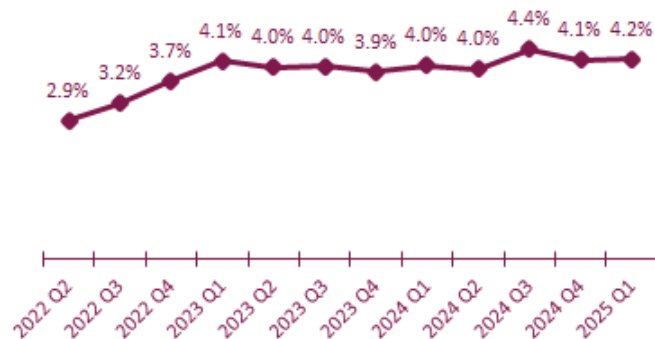
Orange County First Quarter 2025 Multifamily Market Report

	Units	Vacancy	Unit Absorption		Units Delivered		Units Under Const.
			Q4	TTM	Q4	TTM	
Anaheim	38,632	4.7%	0.1%	0.4%	0	721	777
Central OC East of I-5	10,197	3.8%	-0.2%	1.2%	0	0	0
Central OC West of I-5	43,048	4.2%	0.0%	0.8%	321	321	0
Costa Mesa	17,586	4.2%	-0.3%	0.3%	0	200	0
Huntington Beach/Seal Beach	17,559	3.5%	0.0%	-0.2%	0	0	380
Irvine	43,471	4.0%	0.6%	2.0%	0	1,100	4,197
Newport Beach	9,445	2.6%	0.1%	0.7%	0	0	0
North County	39,136	3.9%	0.1%	0.9%	0	0	380
South County	31,521	5.3%	0.2%	0.9%	0	347	18
Tustin	9,941	2.9%	-0.1%	0.1%	0	0	0
Orange County Total	259,916	4.1%	0.2%	0.8%	0	2,837	5,301

Source: CoStar – 2025 Q1 Data

Vacancy

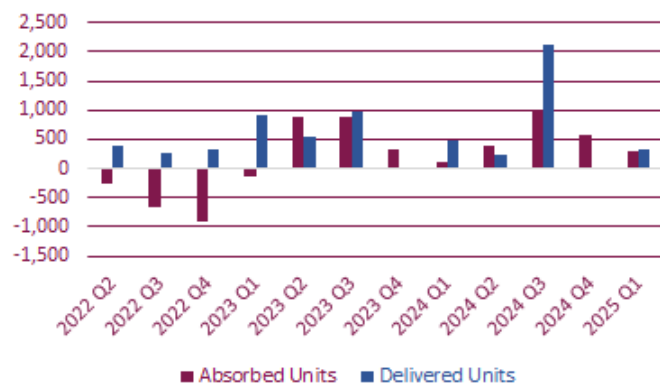
The Orange County multifamily market finished 2025 Q1 with a 4.2% vacancy rate. The vacancy rate in the market has ranged from 2.9% to 4.4%, with an average of 3.9%, over the past three years. Vacancy in Q1 was highest in the South County submarket (5.3%), and lowest in the Newport Beach submarket (2.6%).



Source: CoStar

Absorption & Deliveries

Absorption has been positive for the past eight quarters. During the same period, deliveries have slightly outpaced absorption, mostly attributed to atypically high deliveries in 2024 Q3.



Source: CoStar



APARTMENT VALUATION

The Most Reliable Approach to Multifamily Valuation in Los Angeles County and Orange County

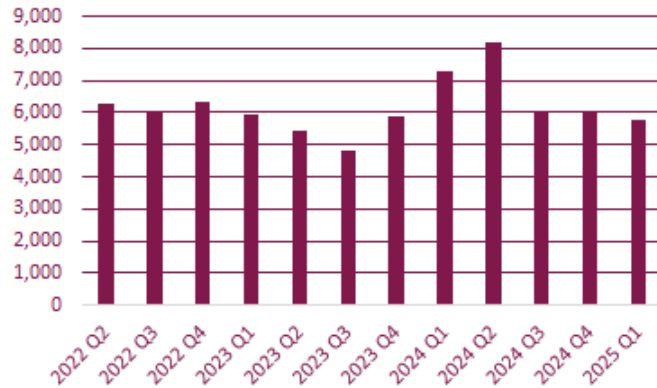
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Units Under Construction

As of the end of 2025 Q1, there were 5,752 units under construction in the Orange County Market.



Source: CoStar

Housing

	2020	2021	2022	2023	2024
Median Home Price ¹	\$950,000	\$1,182,500	\$1,131,760	\$1,300,000	\$1,362,000
YoY Change	13.1%	24.5%	-4.3%	14.9%	4.8%
Median Condo/Townhouse Price ²	\$620,445	\$734,966	\$759,443	\$750,900	\$779,500
YoY Change	3.2%	18.5%	3.3%	-1.1%	3.8%
Average Mortgage Rate ³	3.10%	2.96%	5.34%	6.81%	6.72%
Housing Units ⁴					
Single Detached Units	565,348	566,672	568,434	570,763	573,186
Single Attached Units	139,540	140,465	141,546	143,166	144,754
Two to Four Units	93,577	93,852	94,433	94,541	94,581
Five Plus Units	299,159	302,319	305,792	309,290	312,718
Mobile Homes	32,161	32,166	32,175	32,183	32,186
County Total	1,129,785	1,135,474	1,142,380	1,149,943	1,157,425
Average Asking Rent ⁵					
Studio / Bachelor Units	\$1,710	\$1,988	\$2,037	\$2,108	\$2,153
1 BR Units	\$1,898	\$2,232	\$2,288	\$2,357	\$2,412
2 BR Units	\$2,308	\$2,704	\$2,770	\$2,894	\$2,944
3 BR Units	\$2,878	\$3,266	\$3,356	\$3,591	\$3,656
Market Average / Unit	\$2,153	\$2,501	\$2,573	\$2,679	\$2,682
% of Median Household Income	26%	30%	29%	29%	-

¹ California Association of Realtors – Median Price Reported for Sales Closed in December of Each Year

² CRMLS – Median Price Reported for Sales Closed in December of Each Year

³ Freddie Mac

⁴ State of California Department of Finance

⁵ CoStar

The median single-family home price has risen an average 10.8% per year since the end of 2020, while condominiums and townhomes have risen an average of 6.4% per year. As of December 2024, the median single-family home price in Orange County was \$1,362,000, an increase of 4.8% compared to December 2023. Rising home prices have priced many of the county's residents out of home ownership. The increase in mortgage interest rates since mid-2022 has only served as an additional hurdle to home ownership in Orange County.

Average effective rents increased 0.8% to \$2,703 per month in 2025 Q1 compared to the end of 2024.

Demographics

	2020	2021	2022	2023	2024
Population (January Est.) ⁶	3,186,989	3,172,352	3,158,071	3,141,065	3,150,835
YoY Change	0.1%	-0.5%	-0.5%	-0.5%	0.3%
Households ⁷	1,074,105	1,078,876	1,086,032	1,093,116	1,100,269
YoY Change	2.9%	0.4%	0.7%	0.7%	0.7%
Average Household Size ⁸	2.92	2.90	2.86	2.83	2.81
Median Household Income ⁹	\$98,786	\$100,210	\$106,047	\$109,768	-
YoY Change	3.2%	1.4%	5.8%	3.5%	-

The population of Orange County rebounded in 2024 after several years of decline. The number of households and median household income in the county both continued their rise.

Multifamily Sale Trends

	2021	2022	2023	2024	2025 YTD
Sales Volume (\$ Billions)	\$3.9	\$2.8	\$1.4	\$1.8	\$0.2
Transactions	288	192	124	161	32
Average Price Per Unit	\$388,704	\$387,116	\$368,680	\$382,288	\$306,539
Median Price Per Unit	\$319,000	\$345,833	\$337,302	\$333,333	\$347,813
Average Actual Cap Rate	4.1%	3.9%	4.1%	4.7%	4.4%
Median Actual Cap Rate	4.0%	3.9%	4.2%	4.5%	4.3%
Average GRM	16.1	17.2	16.1	14.8	14.6
Median GRM	15.7	16.8	15.8	14.7	13.7

⁶ State of California Department of Finance

⁷ State of California Department of Finance

⁸ State of California Department of Finance

⁹ United States Census Bureau (2023 data not released as of publication of this report)



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Sales volume declined significantly in 2023 before rebounding in 2024 to \$1.8 billion. Average price per unit increased 3.7% in 2024 after declining 4.8% in 2023. Median price per unit declined 1.2% in 2024 following a 2.5% decline in 2023. As of 2025 Q1, median price per unit was \$306,539 and the average actual cap rate was 4.4% in Orange County.

About Apartment Valuation

Apartment Valuation was formed by Aaron Soave, MAI in response to high demand for reliable appraisal services from a variety of client types, including attorneys, financial institutions, financial advisors, government agencies, insurance companies, estates / trusts, and individuals. Aaron Soave, MAI has more than 19 years of experience appraising commercial properties, and specializes in the valuation of apartment properties in Southern California. Aaron Soave, MAI holds a certified general appraisal license from the State of California ([license #3001269](#)), and is a designated member of the Appraisal Institute.