QUASAR

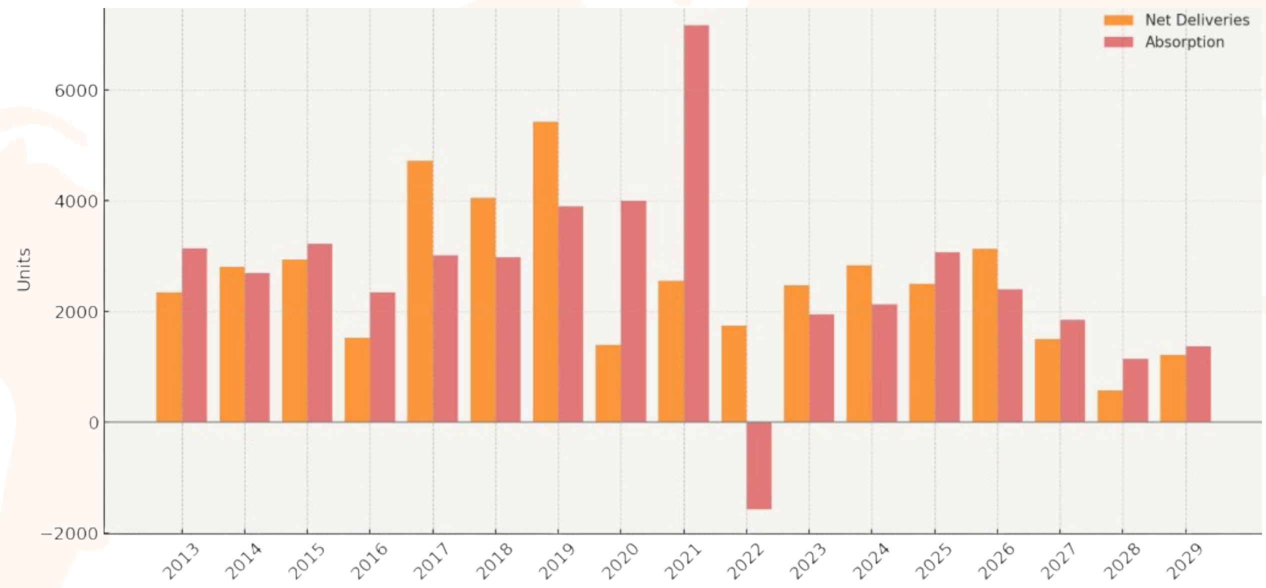
2025

Orange County Multifamily

Market Report

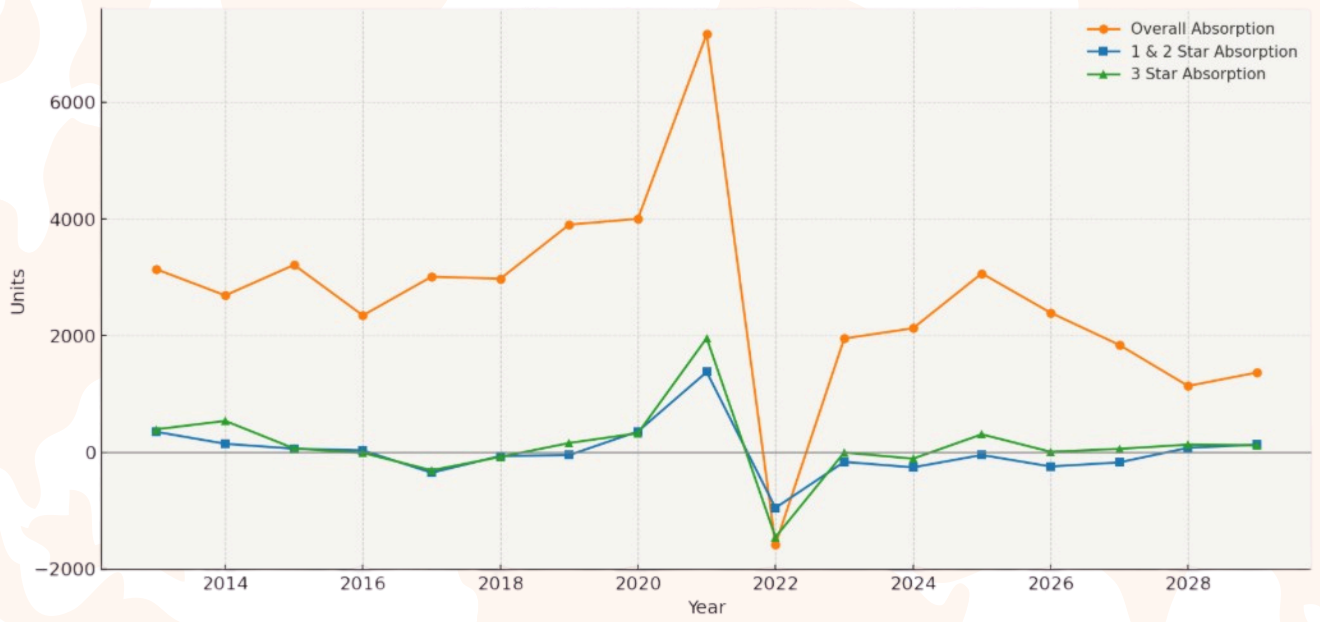
Orange County's multifamily market continues to demonstrate resilience, supported by strong employment expansion and steady housing demand. With vacancies remaining low, rent growth is expected to accelerate towards 2% by the end of 2025. At the same time, acquisition yields in the county rank among the lowest nationwide, reflecting both robust market fundamentals and the influence of a deep pool of local investors.

Overall supply and demand (2013-2029)



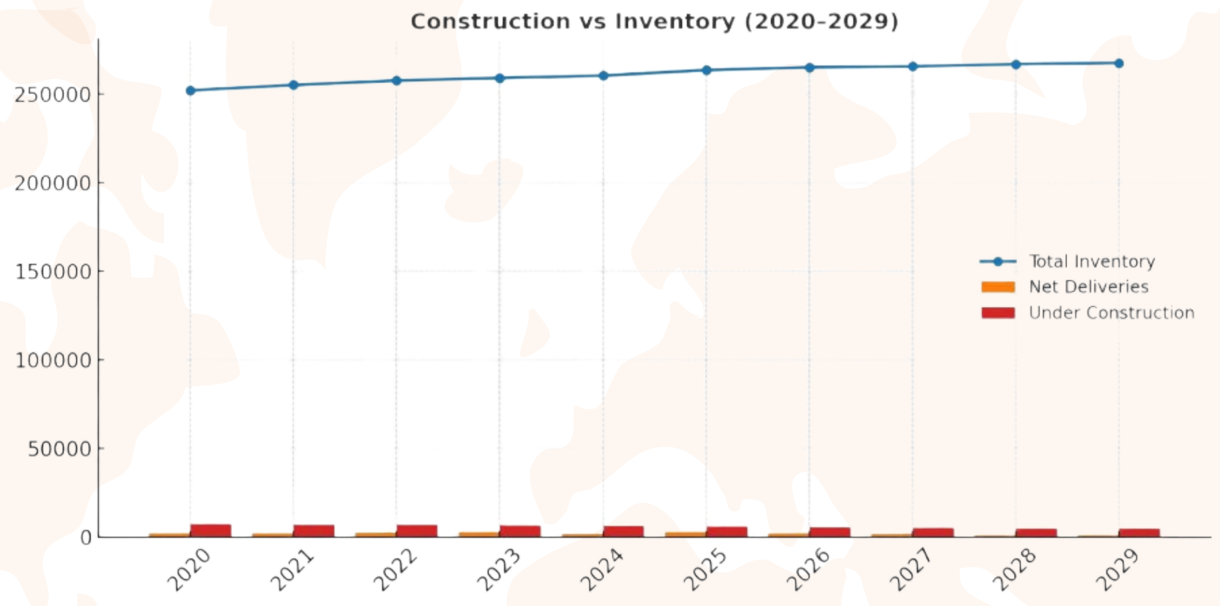
The Overall Supply & Demand (2013–2029) chart highlights cyclical shifts in Orange County's multifamily market. The market corrected in 2022 with absorption falling into negative territory at –1,580 units, reflecting oversupply. In recent years, the data points to stabilization with moderate annual absorption in the 2,000–3,000 unit range.

Absorption trends by rating (2013-2029)



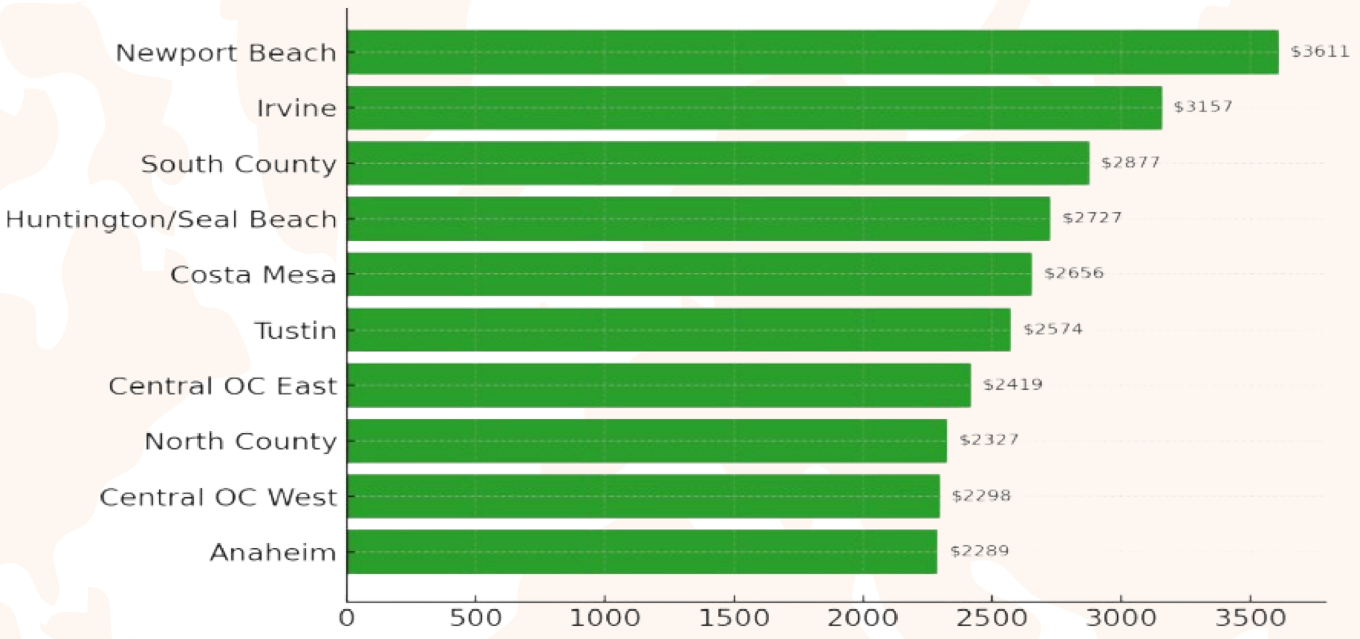
The Absorption Trends by Rating (2013–2029) reveal contrasting dynamics between property tiers. In comparison to overall absorption, absorption trends for 1, 2, and 3-Star product reflect consistently high demand for such stock.

Construction vs Inventory (2020–2029)



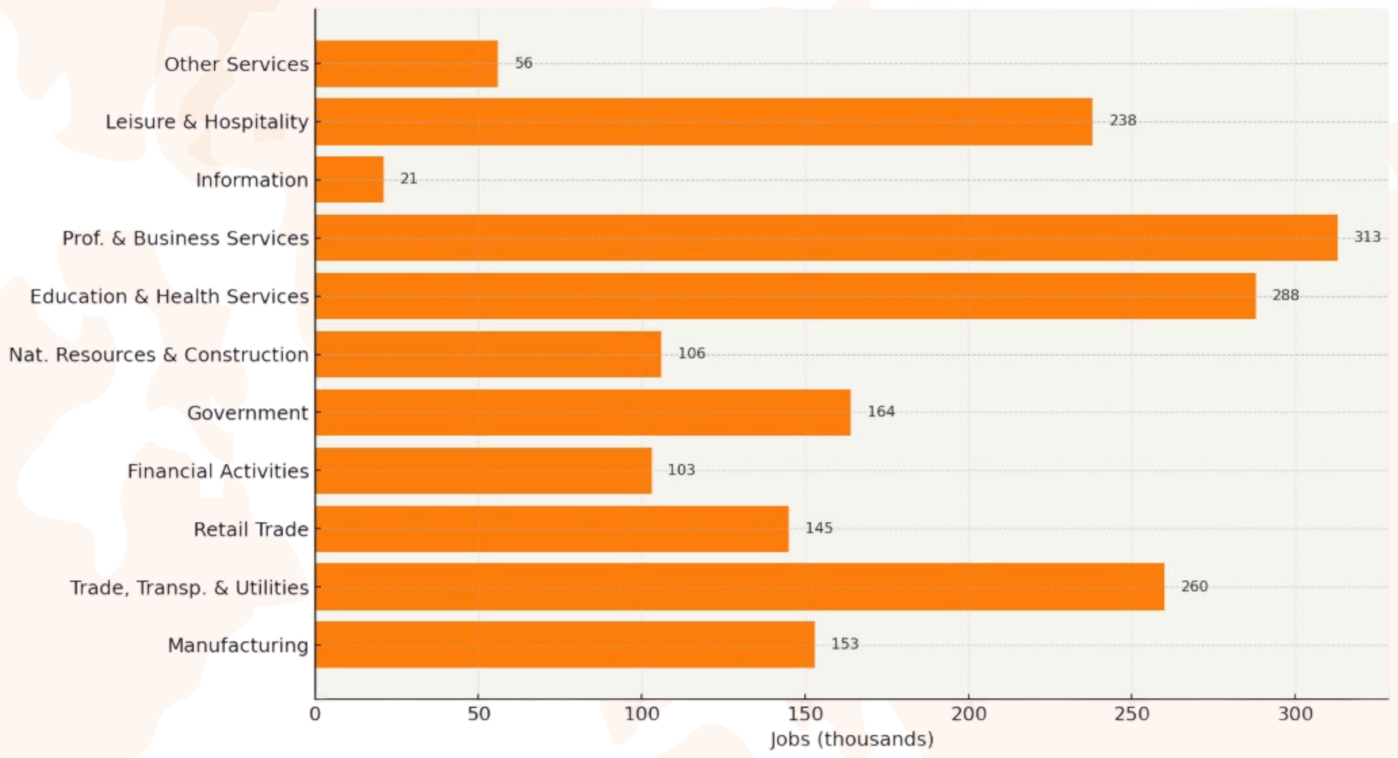
The Construction vs Inventory (2020–2029) chart illustrates limited growth in total inventory. Net deliveries peaked in 2025 but are expected to trend downward, while the under-construction pipeline shows a gradual decline, reflecting a constricted supply pipeline.

Effective Rent by Submarket (Q2 2025)



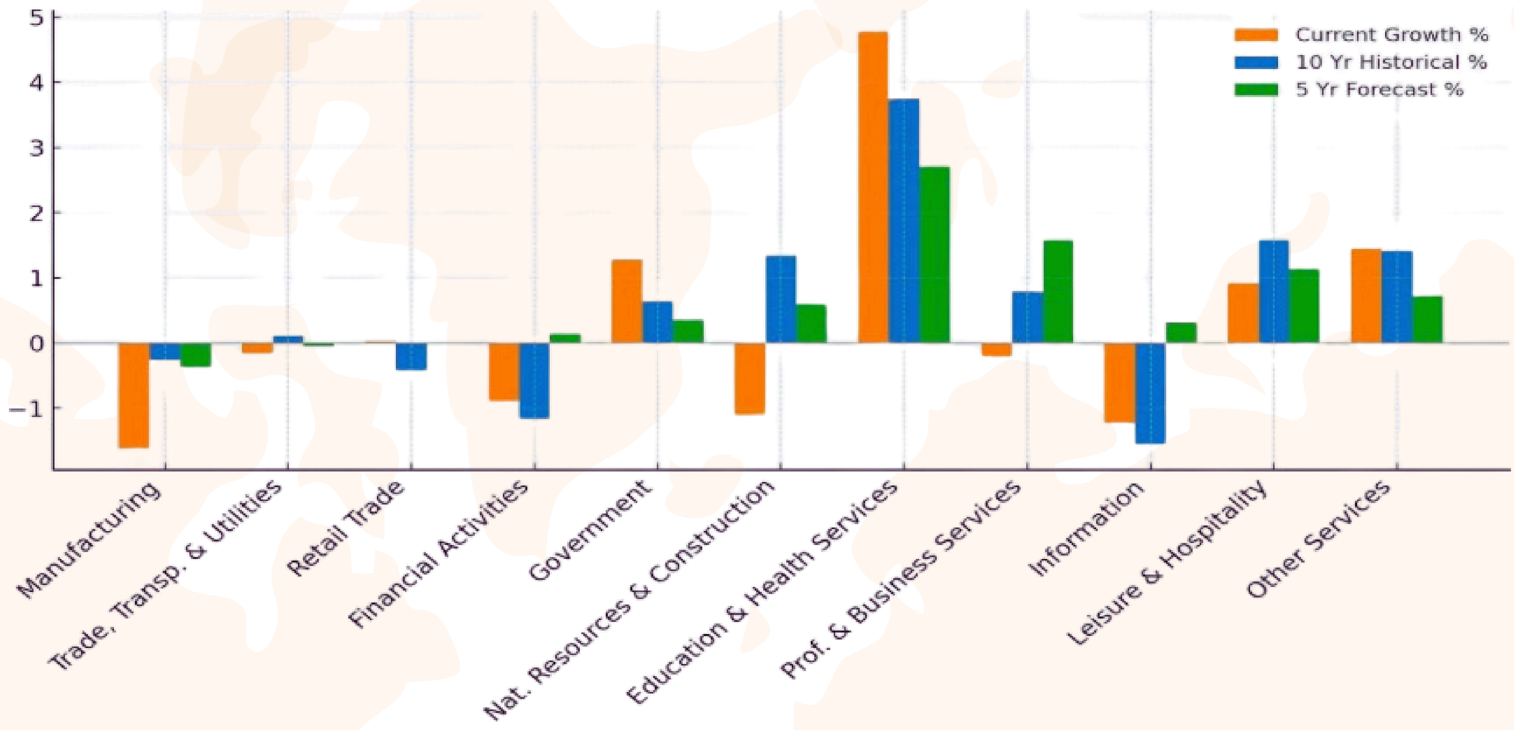
Effective Rent by Submarket (Q2 2025) Newport Beach leads with the highest rents at $3,611, which is typical for coastal cities. It's followed by Irvine at $3,157, likely due to higher incomes supported by Irvine's innovation and health science-driven economy. Overall, Orange County boasts low volatility in terms of rental income between different submarkets.

Employment by Industry (Jobs in Thousands)



The Employment by Industry chart shows Orange County's diverse labor market, led by the following industries: 1) Professional & Business Services, 2) Education & Health Services, 3) Trade, Transportation, and Utilities, and 4) Leisure and Hospitality.

Employment Growth by Industry



The Employment Growth by Industry (%) chart reveals that the second-largest industry (Education & Health Services) in Orange County is the standout sector with strong current and 5-year forecast growth, signaling significant structural demand. The fourth-largest, Leisure & Hospitality, maintain steady positive contributions both currently and forecasted. The largest industry, Professional and Business Services, however, reflects a current declining job growth but steady 5-year growth. Thus, the Orange County economy is in the expansion phase of the economic cycle, boasting moderate job growth.

Comparison of Orange County Multifamily Market Reports – 2025

Metric	Data Source: Colliers	Data Source: CBRE	Data Source: CoStar	Analysis: Quasar
Occupancy / Vacancy	96.2% occupancy (↑0.1% QoQ, flat YoY)	96.5% occupancy (↑0.3% QoQ)	3.7% vacancy (≈96.3% occupancy)	**Decreasing vacancy rates**
Average Rent	$2,644 per unit (+1.8% YoY)	$2,906 per unit (+0.8% QoQ)	$2,760 market avg (+1.8% YoY asking rent growth)	**Low-to-Moderate Rent Growth**
Net Absorption	574 units Q2 2025	569 units Q2 2025	1,139 units Q2 2025 (rebound from -517 in Q1); 2,889 units absorbed over trailing 12 months	**Moderate Overall Absorption**
New Supply / Completions	465 units delivered Q2 2025	489 units delivered Q2 2025	435 units delivered Q2 2025	**Low New Construction**
Total Inventory	275,572 units	257,091 units	258,710 units	**Low Supply**
Sales Volume	$686M YTD (↓24% YoY)	$548M in Q2 2025 ($159M in Q1)	$1.4B in 2024; ~$700M 1H 2025	**Increasing Quarterly Sales Volume**
Employment Growth	-	-	-	**Moderate Job Growth**
Key Notes	Steady rents, moderate absorption, investor caution	Rebound in absorption, big Q2 investment activity	Longer horizon trends: demand sustained, Irvine leads construction	**Orange County is currently in the Recovery phase of the real estate cycle**

Recomendation:

This is an ideal time to consider buying, selling, or expanding portfolios in Orange County. The region is currently in the Recovery phase of the real estate cycle, and the above dynamics position the County as one of the most stable and attractive markets for multifamily investment.

Sources of data for this report: CBRE, CoStar and Colliers

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Anaheim Multifamily

Analytics & Opportunities

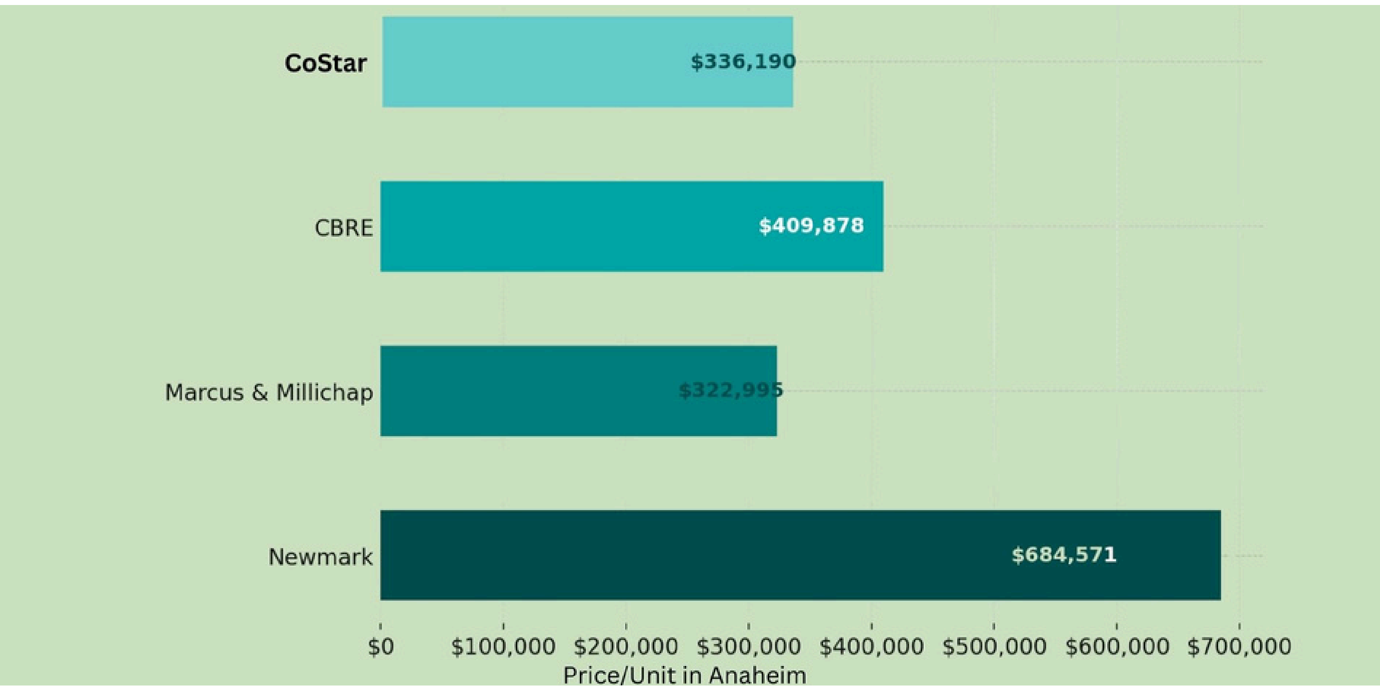
Anaheim continues to position itself as one of the most active multifamily submarkets in Orange County, ranking **second in submarket sales** transactions from August 2024 to August 2025 (Source: Costar). The trend shows **increasing deal activity and sales volume**, but with **declining average price per unit**, suggesting smaller deals are driving the market. **Cap rates are also ticking downward**, showing competitive pricing and strong investor appetite (Fig. 1).

Figure 1. Anaheim Sales Indicators

Date	Volume	Deals	Turnover	Avg. Price/unit	Avg. Price	Avg. Cap rate
July 15, 2025	$181.6M	17	1.3%	**$388,898**	**$12,107,689**	**5.4%**
Aug 25, 2025	$199.7M	22	1.4%	**$370,440**	**$9,075,788**	**5.4%**
Sep 11, 2025	$206.9M	26	3.5%	**$336,190**	**$8,275,893**	**5.3%**

Larger and smaller transactions are actively playing out across Anaheim, leading to a range of deal values (Fig. 2).

Figure 2. Range of Deal Values

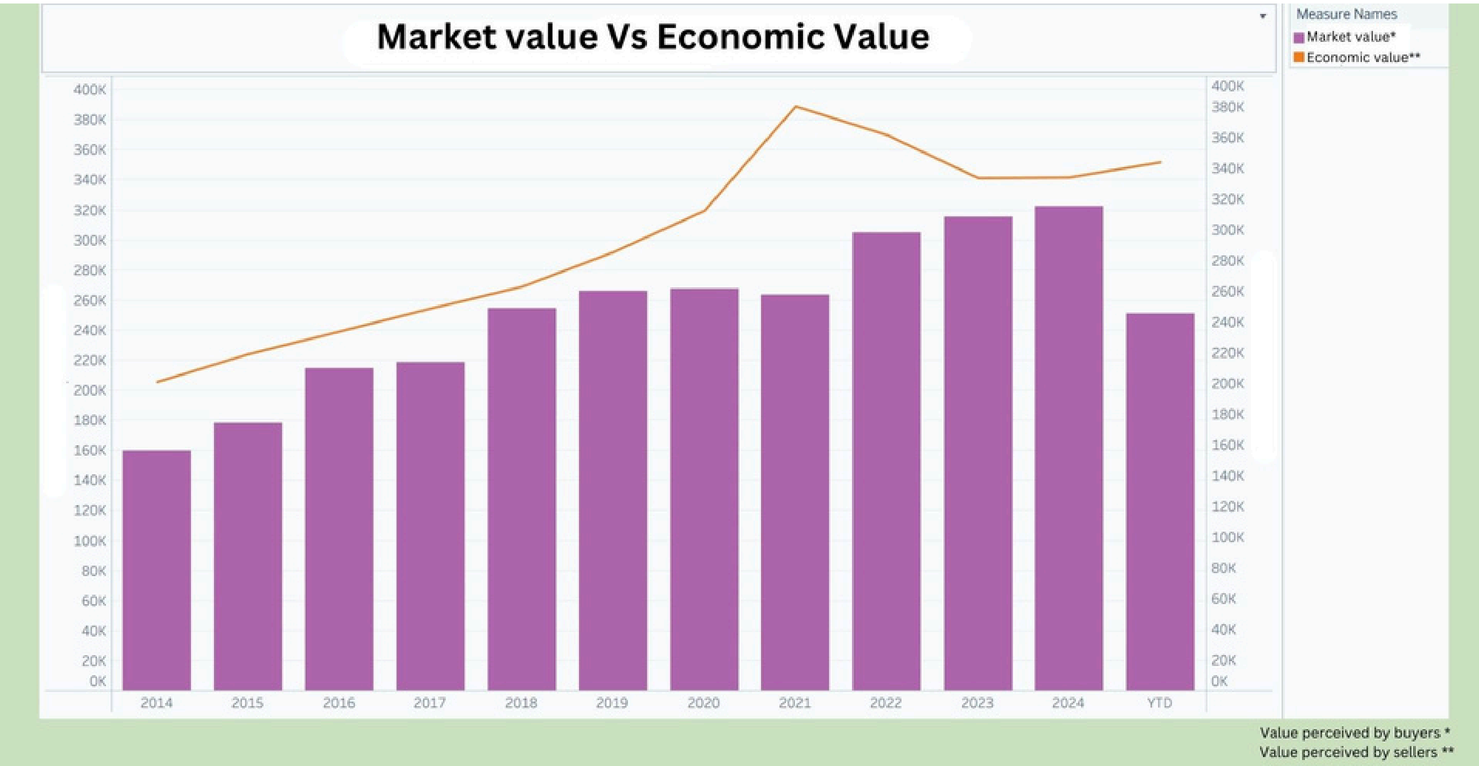


Like other Orange County submarkets, Anaheim boasts strong occupancy, and with the second highest absorption rate in the County, Anaheim enjoys strong demand, as well. While rent growth is the lowest in the County, low prices per unit signal **great value-add opportunities for a longterm investment portfolio** (Fig. 3).

Figure 3. Orange County Comparison

Metric	CoStar Q2, 2025	CBRE Q2, 2025	Colliers Q2, 2025	Anaheim Ranking
Occupancy	96-97%	96.5%	96.2%	2nd Lowest
Absorption	2,890	-	1,139	2nd Highest
Rent levels	$2,788	$2,906	$2,644	Lowest
Rent growth	1.4%	+0.8%	+1.8%	Lowest
Sales volume	$400M	$548M	4686.4M	3rd Highest
Price/unit	$381k/unit	$410k/unit	$402k/unit	Lowest

The gap between market value and economic value has widened once again in 2025 in Anaheim (Fig. 4). Currently, **sellers are pricing properties above what buyers are willing to pay** with properties trading well below asking, making this an **ideal time for investors looking to jump into the market.**



Clusters Sales Activity

Analysis of Anaheim sales from Aug 2024 – Aug 2025 (Figs. 5 & 6) shows concentrated activity across **key areas:**

- **The Colony** – **Steady deal flow**, particularly in vintage properties (65–75 years old).
- **North Anaheim** – **Strong turnover along La Palma Avenue (highest price per unit in sale),** with medium sized assets trading actively.
- **South Anaheim** – Notable clusters of sales along **Ball Road, Broadway (highest median price per unit), and Lincoln Avenue (lowest median price per unit)**

Properties in the 20-year margin (75-55 years old) remain attractive, **balancing value and stability.**

Figure 5. Anaheim - Median Price/Unit & Range

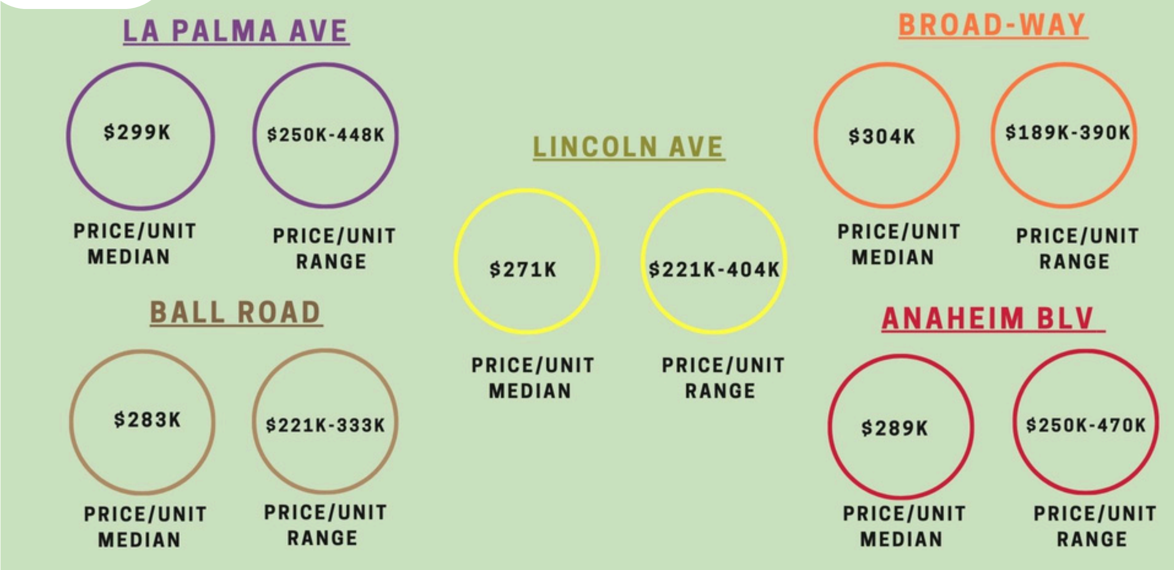


Figure 6. Sale Transactions

SOUTH ANAHEIM
PRICE/UNIT

Sale Date	
2024 August	299,688
2024 September	325,000
2024 October	322,676
2024 November	319,318
2025 January	315,625
2025 February	342,500
2025 March	280,893
2025 May	296,591
2025 June	275,000

THE COLONY
PRICE/UNIT

Sale Date	
2024 August	294,643
2025 February	759,375
2025 March	359,375
2025 April	470,000
2025 July	245,161
2025 August	263,333

NORTH ANAHEIM
PRICE/UNIT

Sale Date	
2024 August	294,643
2025 February	759,375
2025 March	359,375
2025 April	470,000
2025 July	245,161
2025 August	263,333

Further analysis of the cap rates, NOI, and sale price over past 12 months' sales (see Appendix A-E) is used to pinpoint which locations reflect greatest opportunity for investors:

- **Broadway (South Anaheim), Lincoln Avenue (South Anaheim), and La Palma Ave (North Anaheim) currently represent prime locations for investment**
- Ball Road is heading towards a peak, with price correction following soon afterwards
- The Colony will likely experience price correction in the future

Comps Analysis

Analysis of relevant (6-8 unit) "comps" (comparables) across the above clusters (The Colony, South Anaheim, and North Anaheim) reflect highest price per SF across N Harbor Blvd (Fig. 7). Smaller properties (by GBA) appear to be trading for higher price/SF, signaling buyers' willingness to pay a premium for prime locations (Fig. 8).

Fig. 7 Comps Price/SF by Location

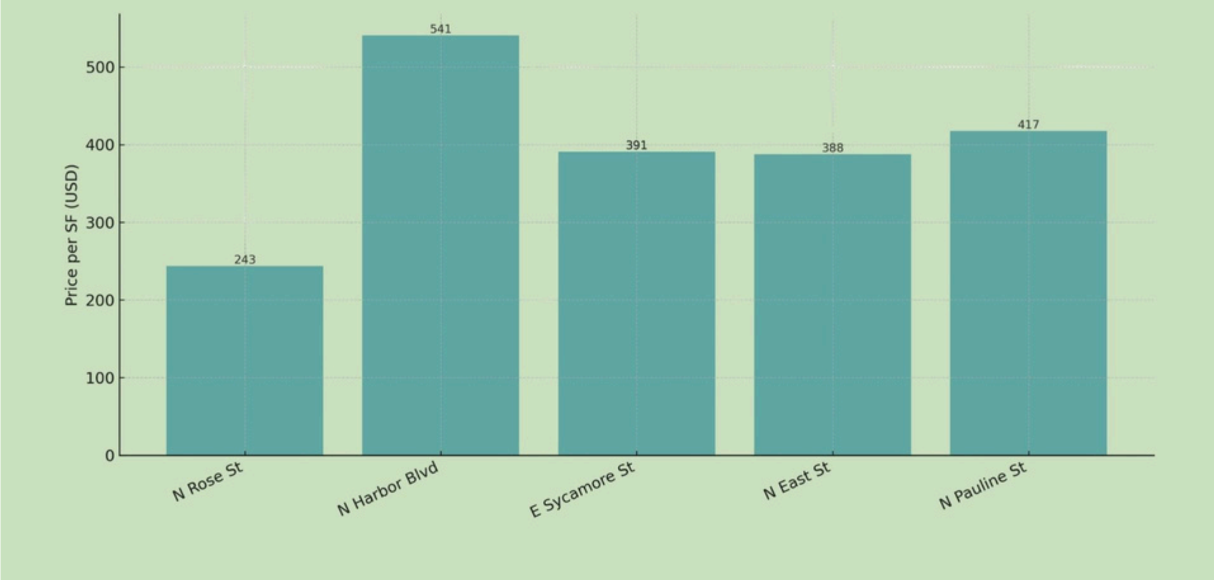
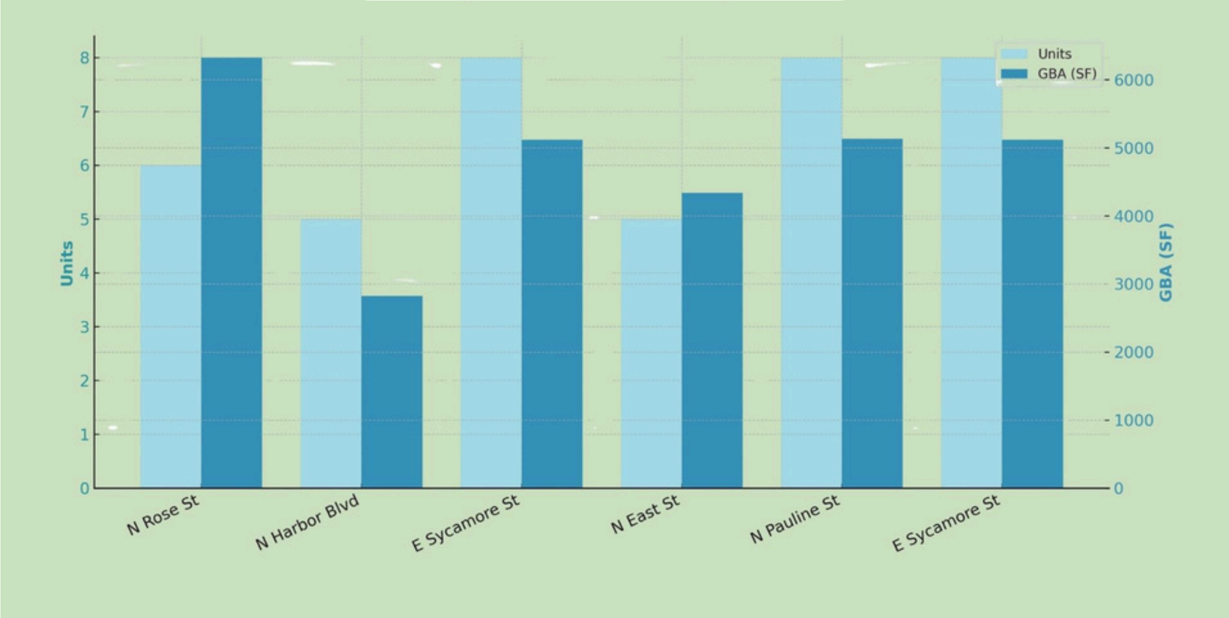


Fig. 8 Comps Unit vs Comps GBA



Key takeaways for sellers

For sellers, **proper pricing** is critical:

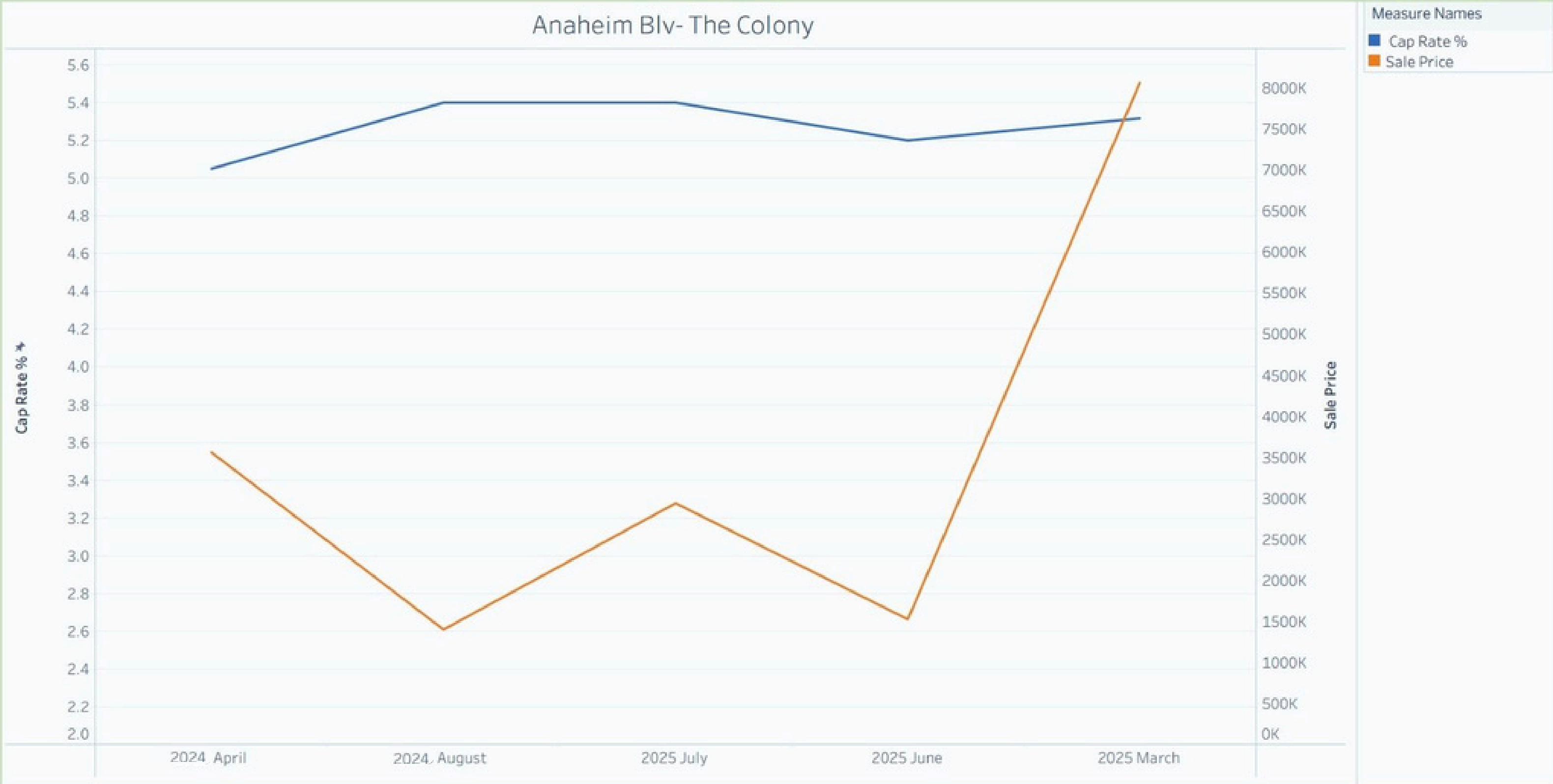
- If you're in a **1031 exchange – Overpricing risks exceeding the 180-day deadline.** Selling at the right property value ensures maximum reinvestment funds for stronger replacement opportunities.
- Timing is Everything – Correct pricing supports timely sales. The **more days a property stays on the market due to incorrect valuation and pricing, the more buyers have negotiation leverage,** pulling the pricing downwards.
- Capture serious buyers – **Cap rates are compressing, reflecting strong buyer demand. A well-priced property attracts serious buyers,** giving you negotiation power.

Key Takeaways for Buyers

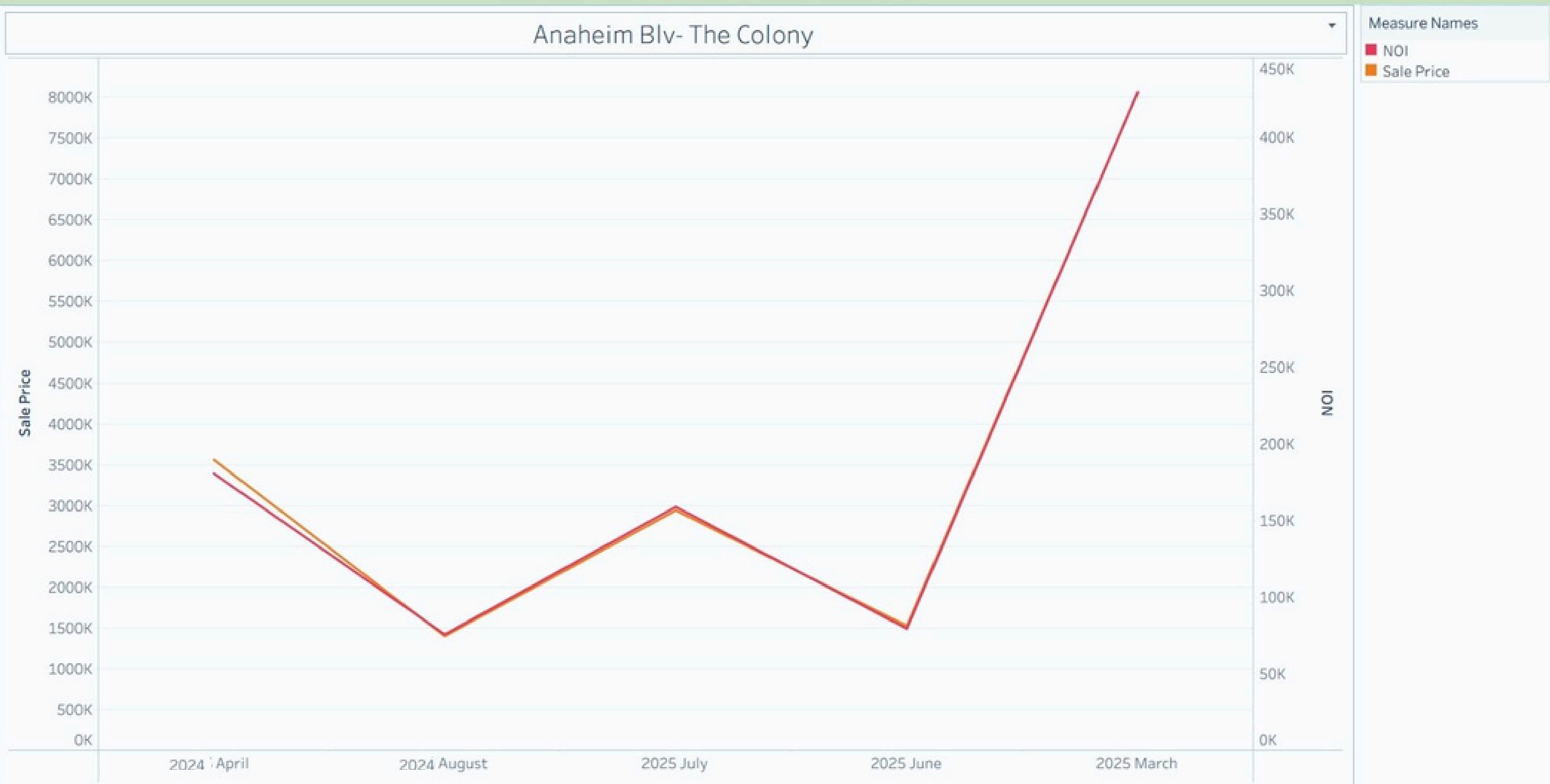
- Buyers' market – Anaheim is a **high-activity submarket with consistent deal flow,** with avg. price per unit month-by-month decreasing.
- Capture lucrative deals: **Understanding NOI, DSCR, and lending conditions is essential.** Buyers who move quickly and make informed offers on fairly priced assets will be best positioned to secure properties.
- Market for long-term asset holders: With Anaheim's turnover increasing and average price per unit trending downward, there are **more investment opportunities available for properties that offer stability and room for value-add strategies.**

Appendix A

CAP RATE VS SALE PRICE

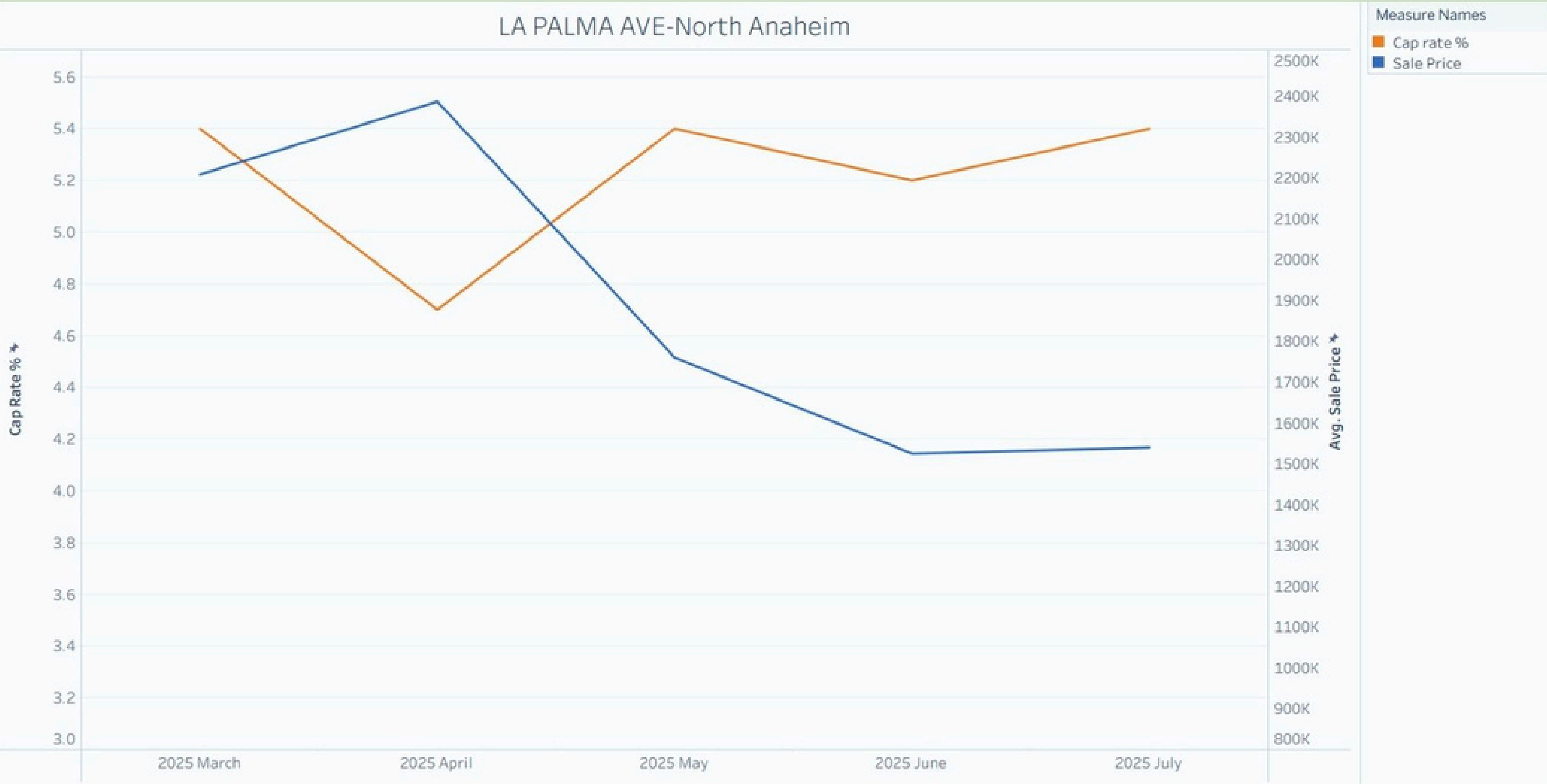


NOI VS SALE PRICE

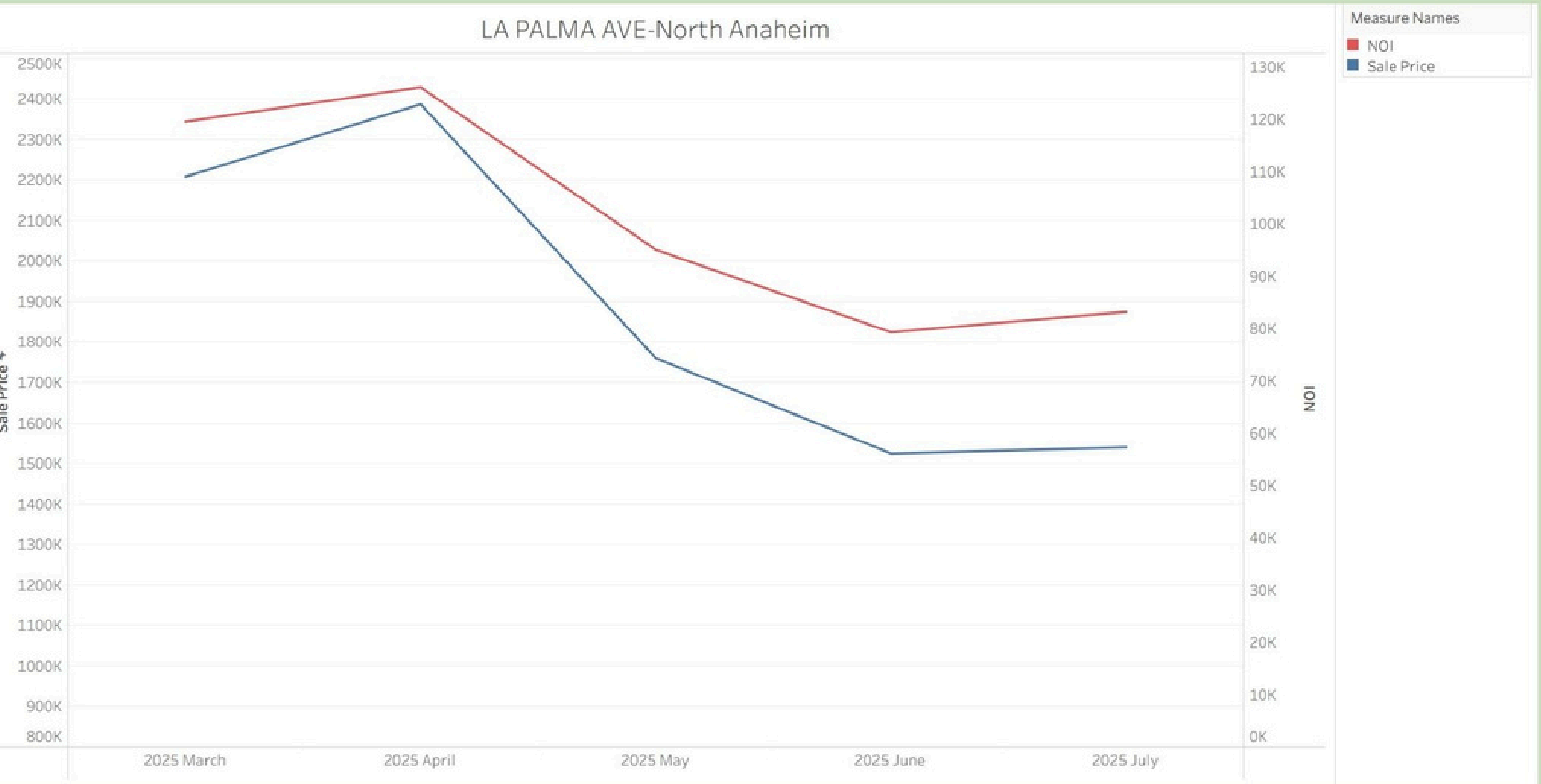


Appendix B

CAP RATE VS SALE PRICE



NOI VS SALE PRICE



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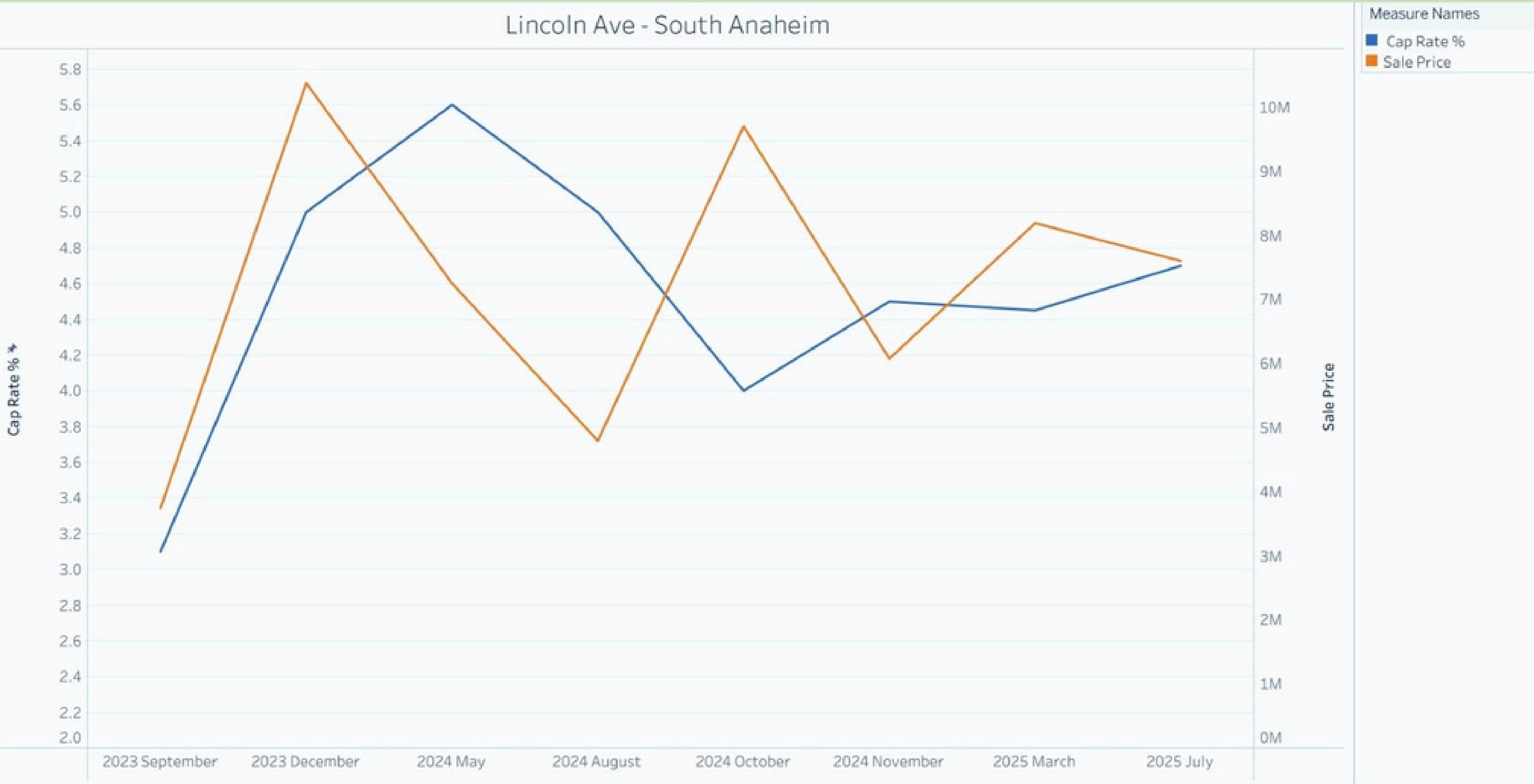
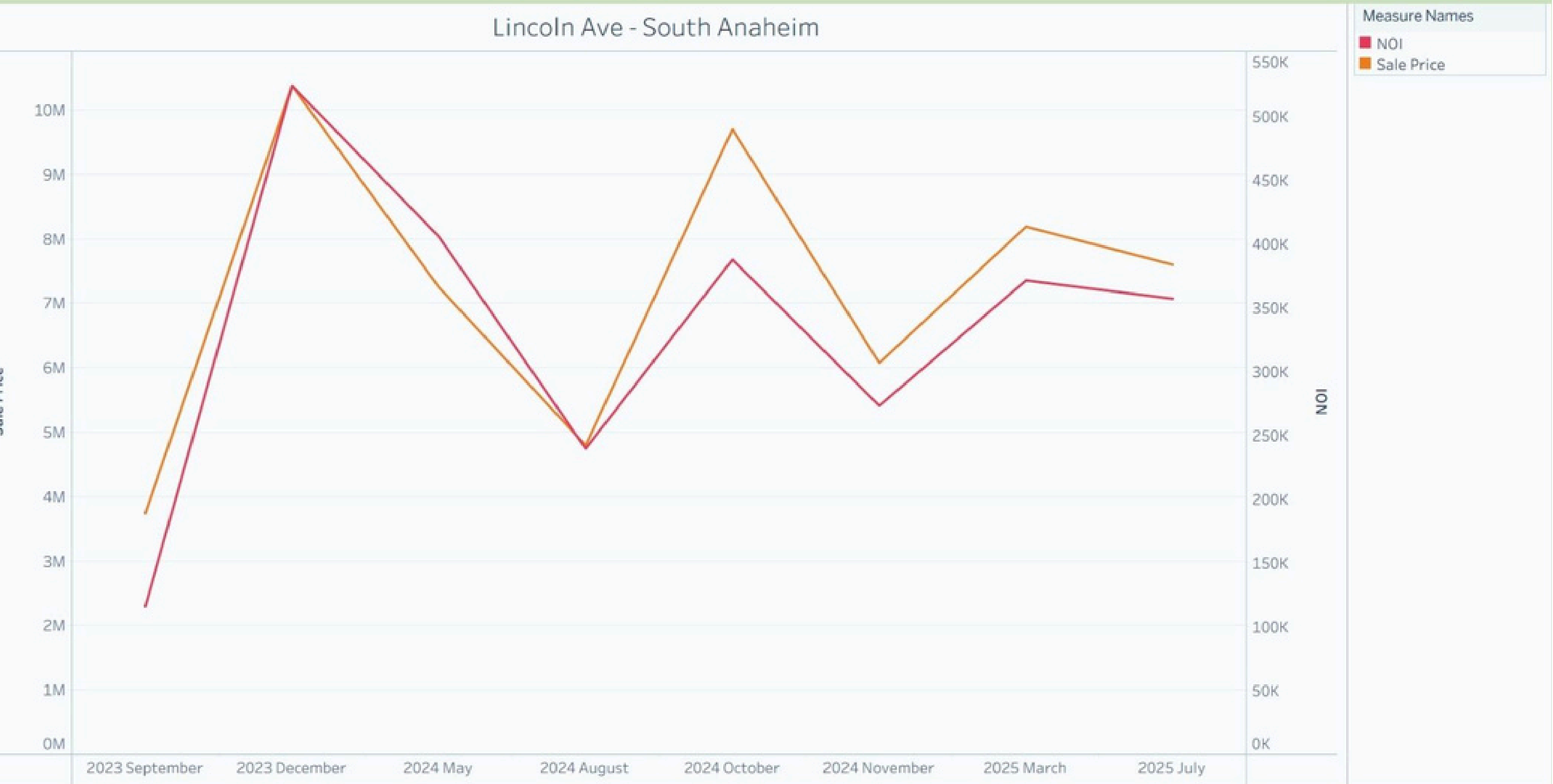
Appendix C

CAP RATE VS SALE PRICE



NOI VS SALE PRICE



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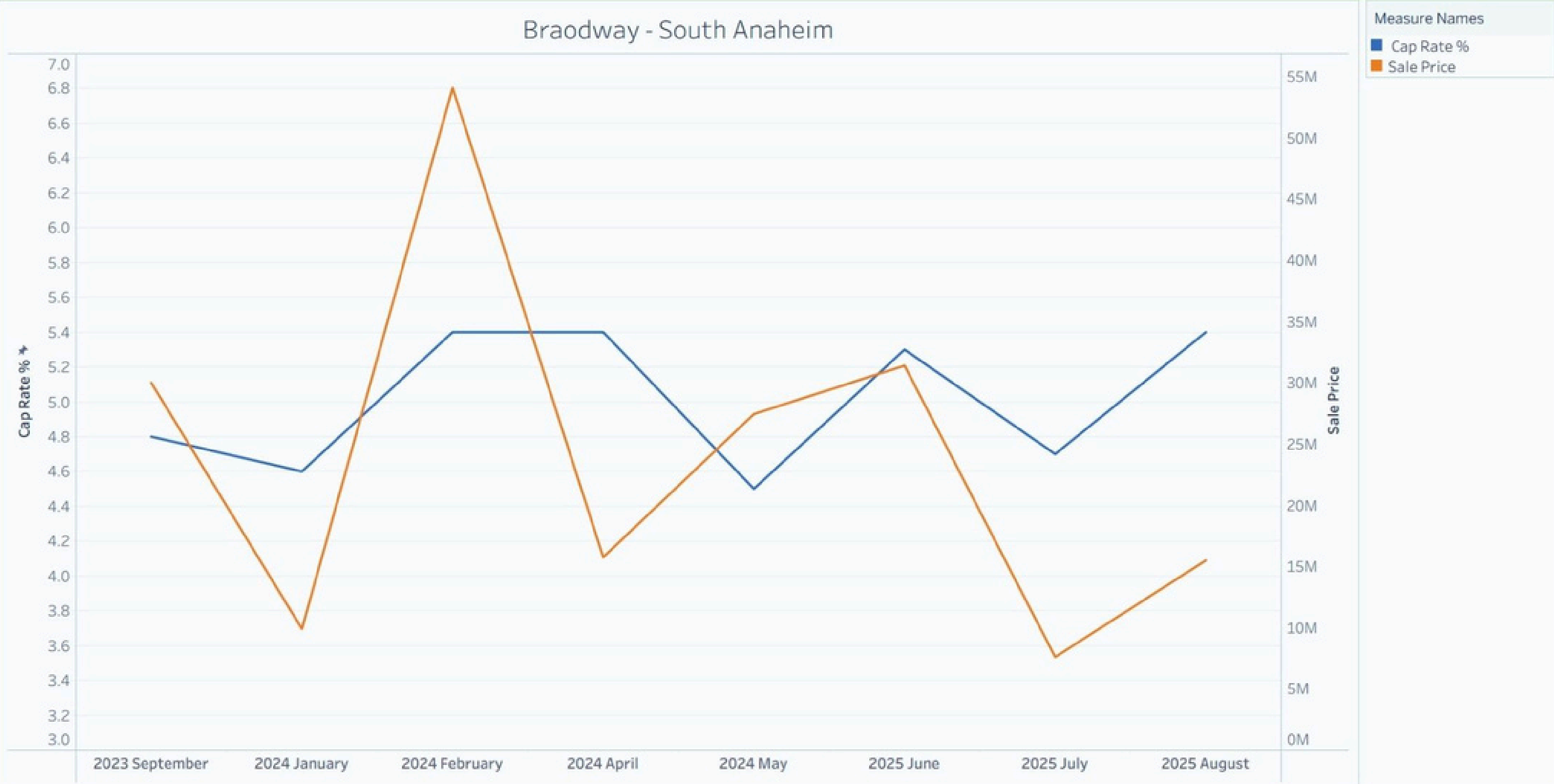
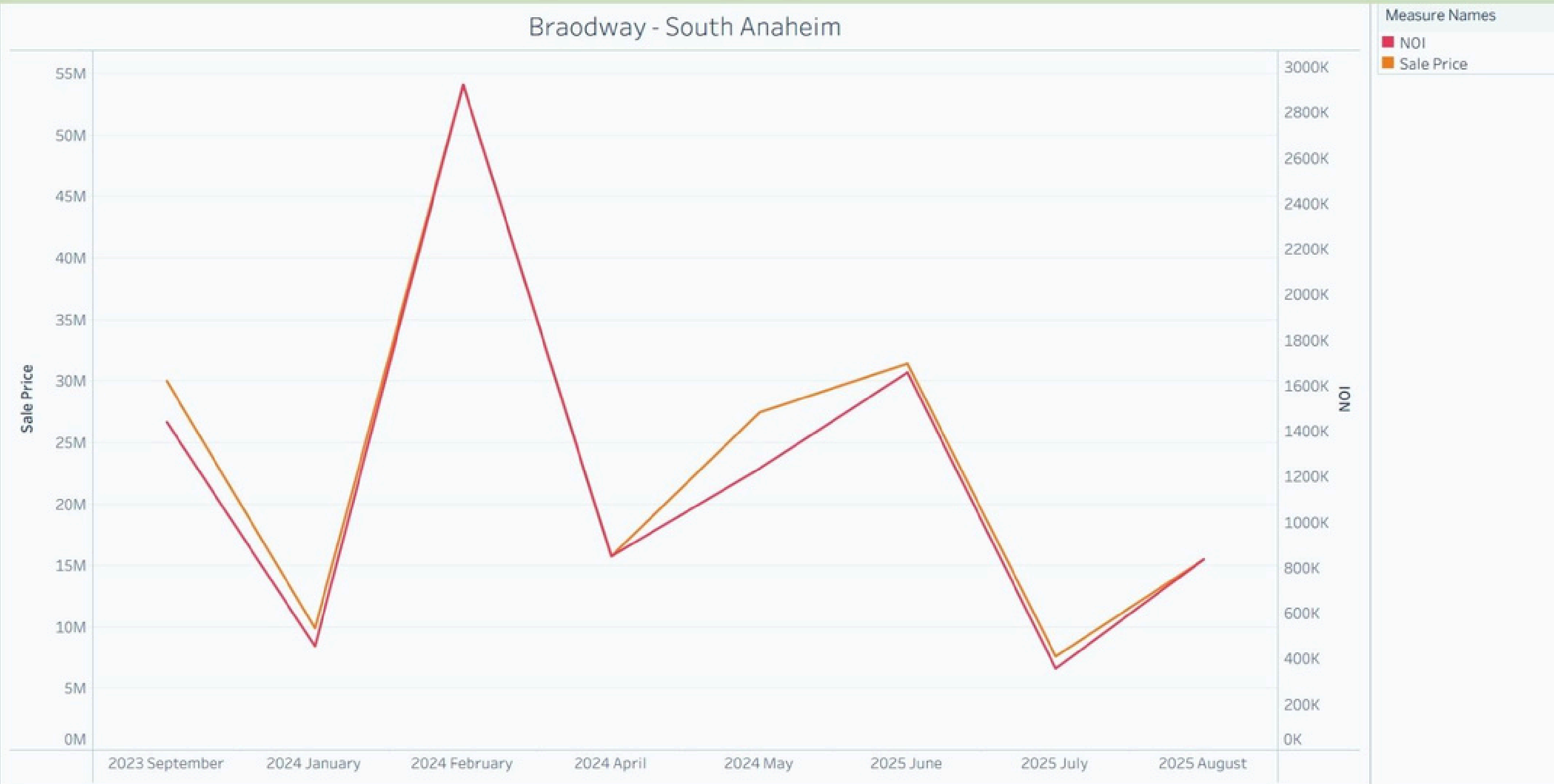
Appendix D

CAP RATE VS SALE PRICE

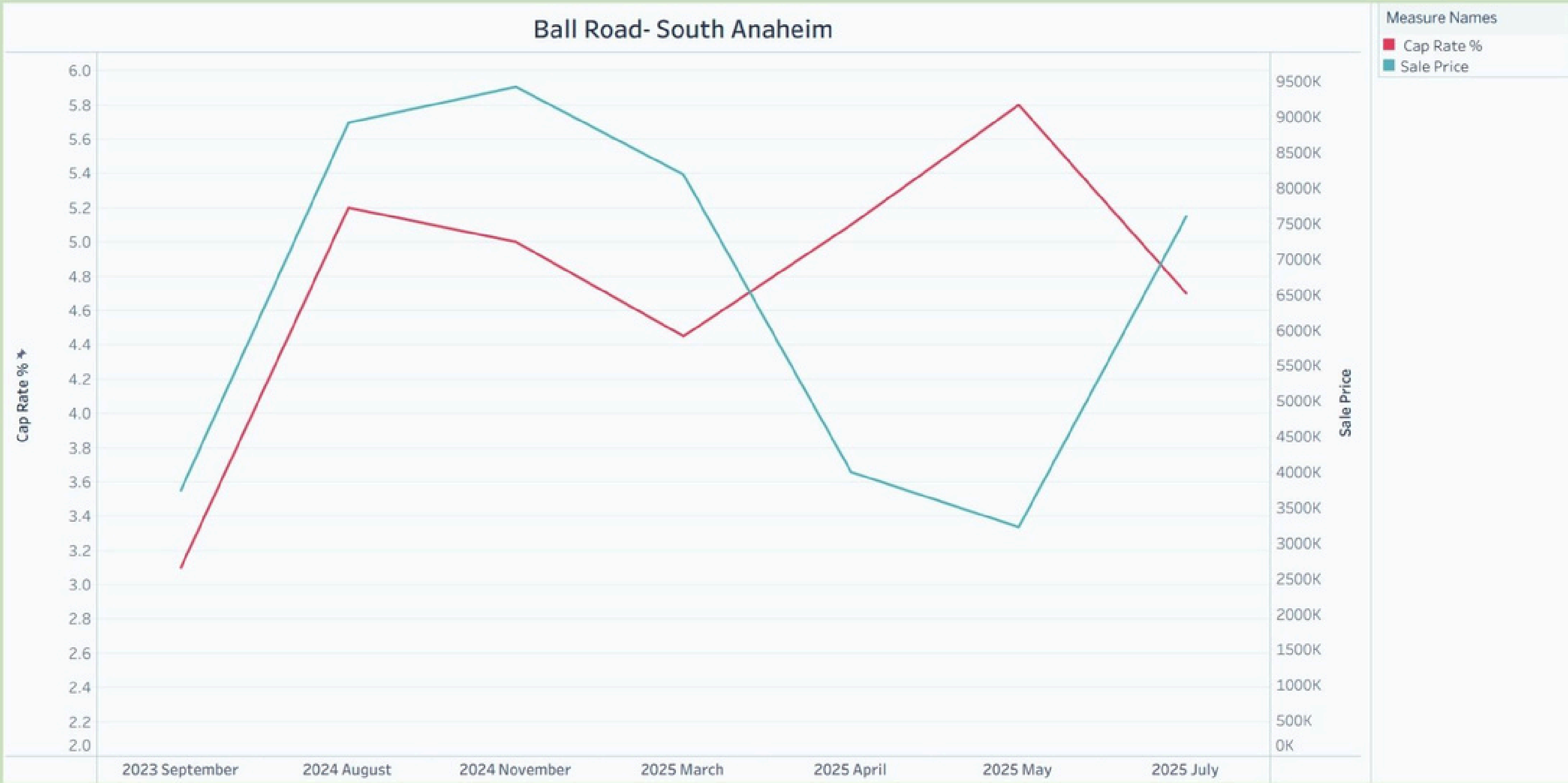


NOI VS SALE PRICE



Appendix E

CAP RATE VS SALE PRICE



NOI VS SALE PRICE