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STREAMLINING APPROVALS AND BOOSTING HOUSING SUPPLY IN ANAHEIM

In last week's edition, I pointed out the significant opportunity I see within Anaheim for future housing development. But what is the City doing to encourage housing production on the entitlement and approvals side? And what can developers do on their end to tackle the entitlement challenge and fulfill market demand? These are the questions I'll be answering this week.

Faster Approvals, More Housing

Two recent studies show how streamlining approval processes, creating more by-right mechanisms for development, and reducing uncertainty can unlock more housing. Development Approval Timelines, Approval Uncertainty, and New Housing Supply: Evidence from Los Angeles* (Gabriel & Kung, 2024) estimates that a **25% reduction in both approval time and uncertainty would increase housing production by 33%**. Does Discretion Delay Development? (Manville, Monkkonen, Gray & Phillips, 2023) also used data from Los Angeles to find that b**y-right projects were permitted 28 % faster and offered greater approval certainty than discretionary projects.**

For reference, here are key estimates from the Gabriel & Kung study:

Average approval time across all projects	**652 days (1.8 years)**
Projects completed vs. started (2010-2022)	**71,532 completed vs. 120,213 started**
25 % reduction in expected approval time	**+7,375 units (10.3 % gain)**
25 % reduction in uncertainty of approval times	**+1,545 units (2.2 % gain)**
25 % reduction in mean approval time	**+11.4 % increase in project starts**
25 % reduction in volatility of approval times	**+8.5 % increase in project starts**
Combined effect (25 % reduction in mean & volatility)	**+33 % completed units (≈23,634 additional units)**

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Current Processing Timelines in Anaheim

Below are the current processing timelines in Anaheim. Per a draft of the Proposed 2021-2029 Housing Element, the City's permit review and processing timeline is consistent with the processing timeline of nearby cities such as Buena Park, Santa Ana, Fullerton and Yorba Linda.

Project type / approval process	Average timeline
Single-family by-right project	7–9 months on average from application to approval
By-right multifamily project	9–12 months on average
Planning entitlement processing (multifamily & new tract of single-family projects)	383 days (≈12.8 months)
Time between building permit application and issuance for projects requiring entitlement processing	393 days (≈13.1 months)
Average time from entitlements to permit approval	Roughly 1–2 months

Anaheim Housing Element (2021–2029) – Key Strategies

But the figures above are just average figures, and more complex projects can have even longer approval timelines. So what is the City doing to improve that?

Fortunately, Anaheim has proposed changes to its Housing Element focused on creating more by-right opportunities, objective standards, and streamlining. These changes should reduce approval times and uncertainty, and align the City more closely with research that shows such reductions benefit housing production.

Key changes (proposed) include:

- **Removal of subjective language** from findings of approval to increase approval certainty
- B**y-right rezoning:** Allowing more by-right housing developments through the application of the Residential Opportunity Overlay on additional sites, and rezoning "High Resource Areas" (areas supporting positive economic, educational, and health outcomes) to multiple-family residential use
- Encourage the production of **high-density housing within the City's** Platinum Triangle Master Land Use Plan
- **Streamlined approvals:** Implementing SB 35 procedures that to process development projects with at least 50% affordable units through a streamlined permit process (i.e., 90 days for projects with up to 150 units)
- **Density bonuses & incentives:** Raising the local density bonus to 50 % (80 % for 100 % affordable projects)

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Conclusions and Recommendations

The proposed changes are certainly good news for the road ahead in Anaheim, and they're priming the City as a market that developers and investors must look into.

But let's face it. Navigating entitlements is rarely straightforward; it still involves multiple agencies, technical reviews and often lengthy back-and-forth discussions. A successful project for us means **flexibility in entitlement strategy. Scenario planning is a must: I've always prepared Plans A, B, and C for my clients. State and local density bonus laws are excellent tools, but creative leveraging is needed.** The different levers (incentives, concessions, waivers, parking reductions) are available to everyone, but it's knowing when, where, and how to pull them that gets a project going.

Strong community relations are just as important. Community outreach from the get-go is something I would advise and have prioritized for my clients' projects. After all, coordinating with local officials is key, but we have to remember who the City serves: the community. Canvassing the community early is crucial as I mentioned, but developers need to understand that building longterm, fruitful relationships with the community should be an ongoing focus for them. To do that, **developers can tap into the network of a community-focused consultant who's always out and about in the community, like my team and I are.**

At the end of the day, navigating the many moving parts—entitlement, community relations and compliance—with confidence, is easier said than done. **If you're a developer in need of trusted guidance for confident development decisions, please feel free to contact me.**

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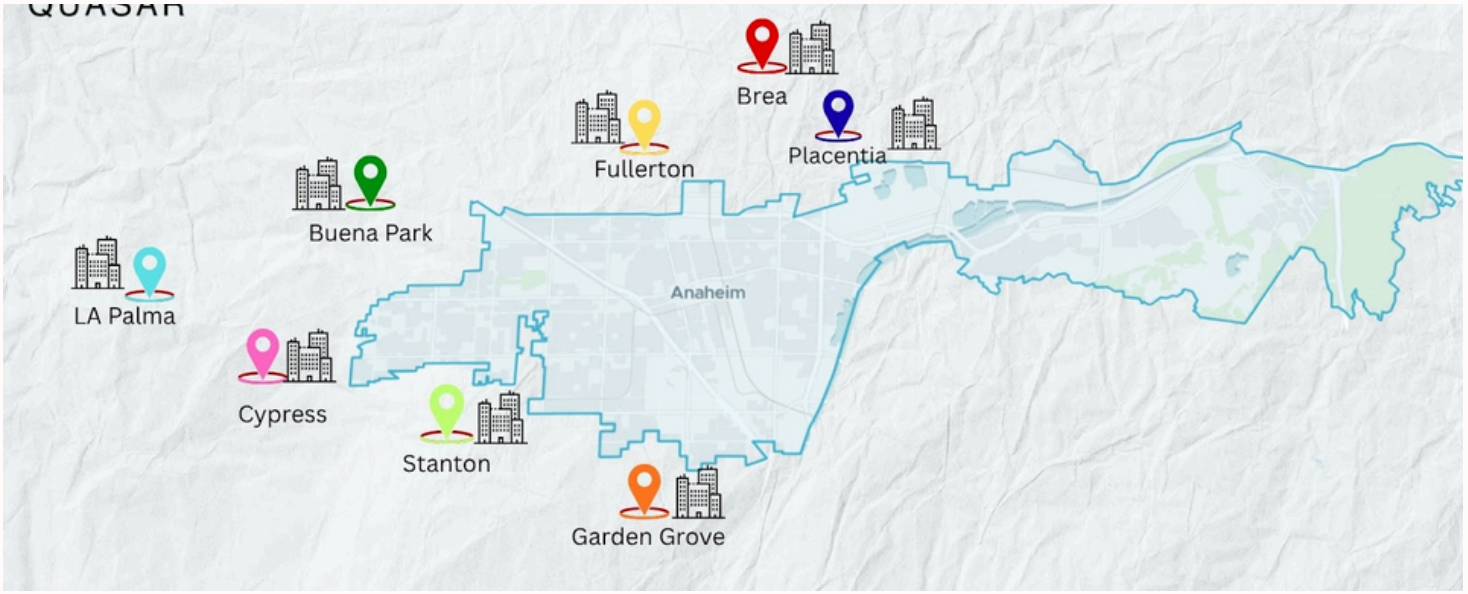
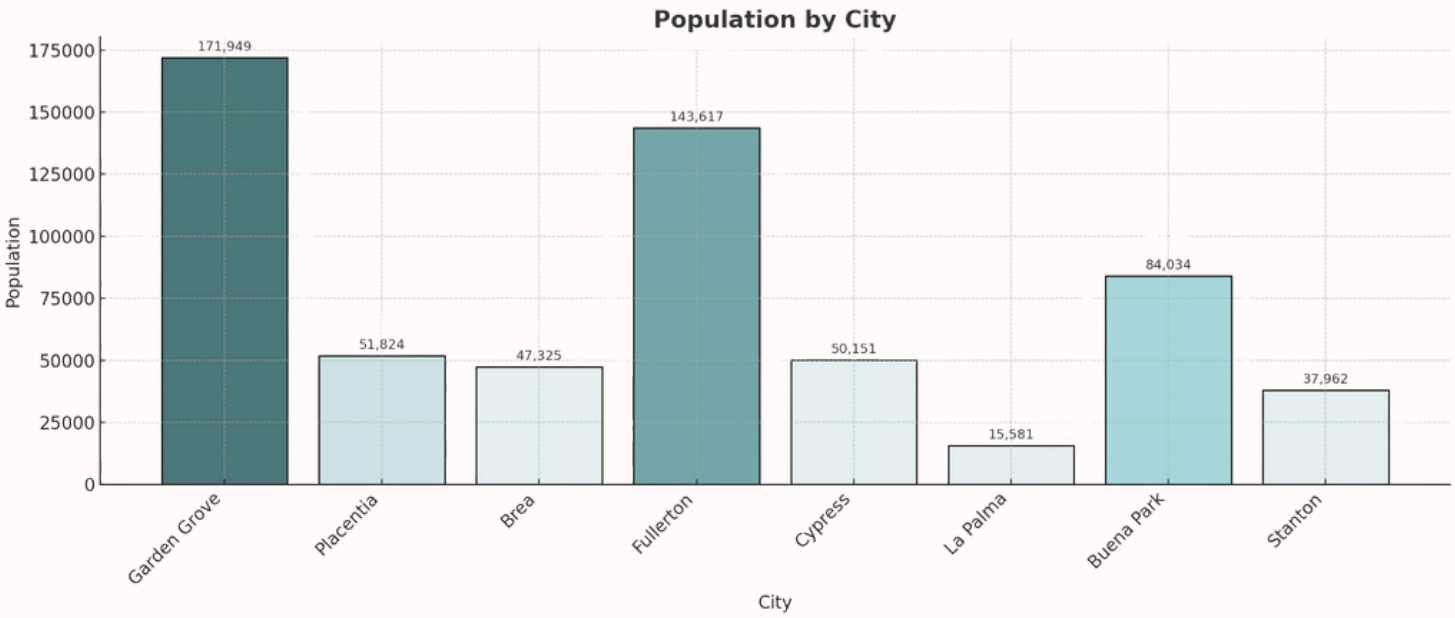
ORANGE COUNTY CITIES AROUND ANAHEIM

Anaheim's neighboring cities (Pictured below) reflect positive spillover effects with varied investment and development outlooks.



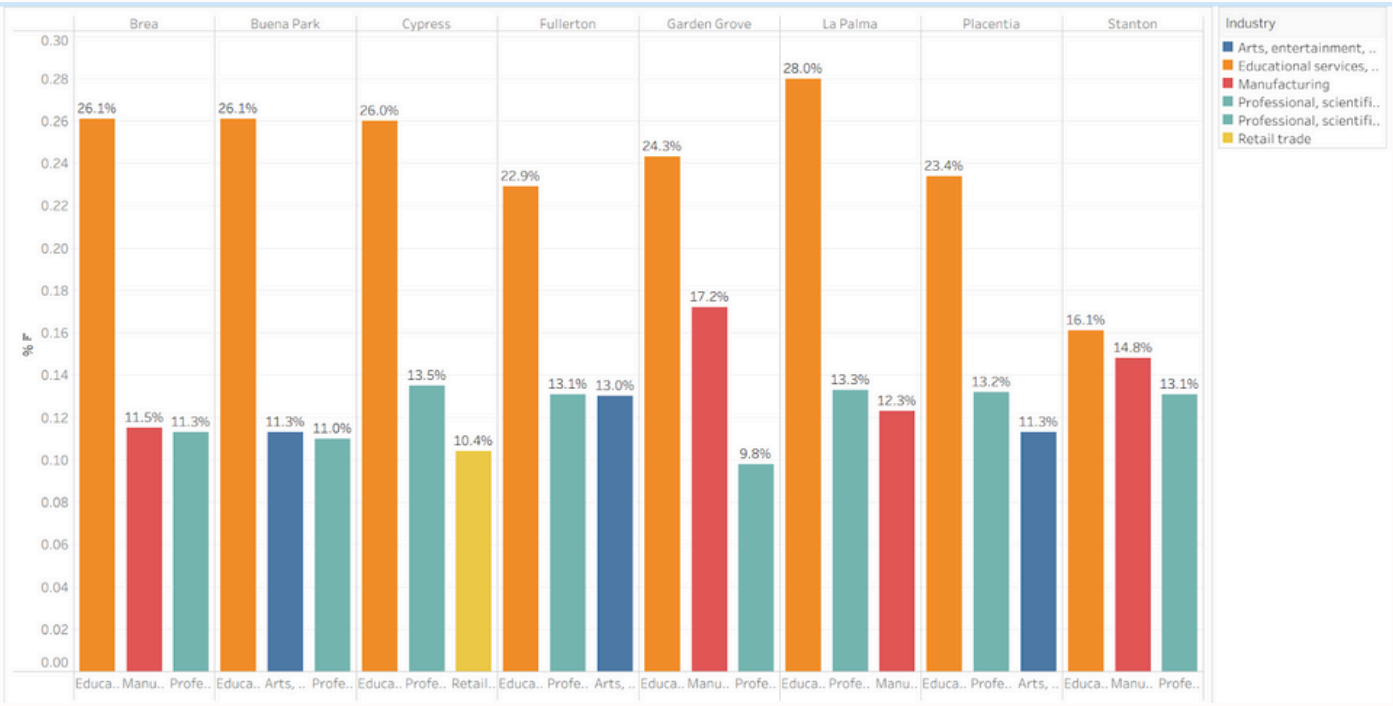
POPULATION & INCOME

While Brea and Cypress perform significantly above state averages for income levels, Garden Grove and Fullerton contain large urban centers, and with the largest population sizes, present greater demand and absorption capacity. Buena Park, on the other hand, supports both a modest population size as well as above-state average income level, positioning it as a stable development environment.



INDUSTRY EMPLOYMENT MIX

Educational Services, Health care and Social Assistance dominates across all cities. Manufacturing is present in the top 3 industries of Brea, Garden Grove, La Palma, and Stanton, while Cypress is the only city that relies on retail trade.



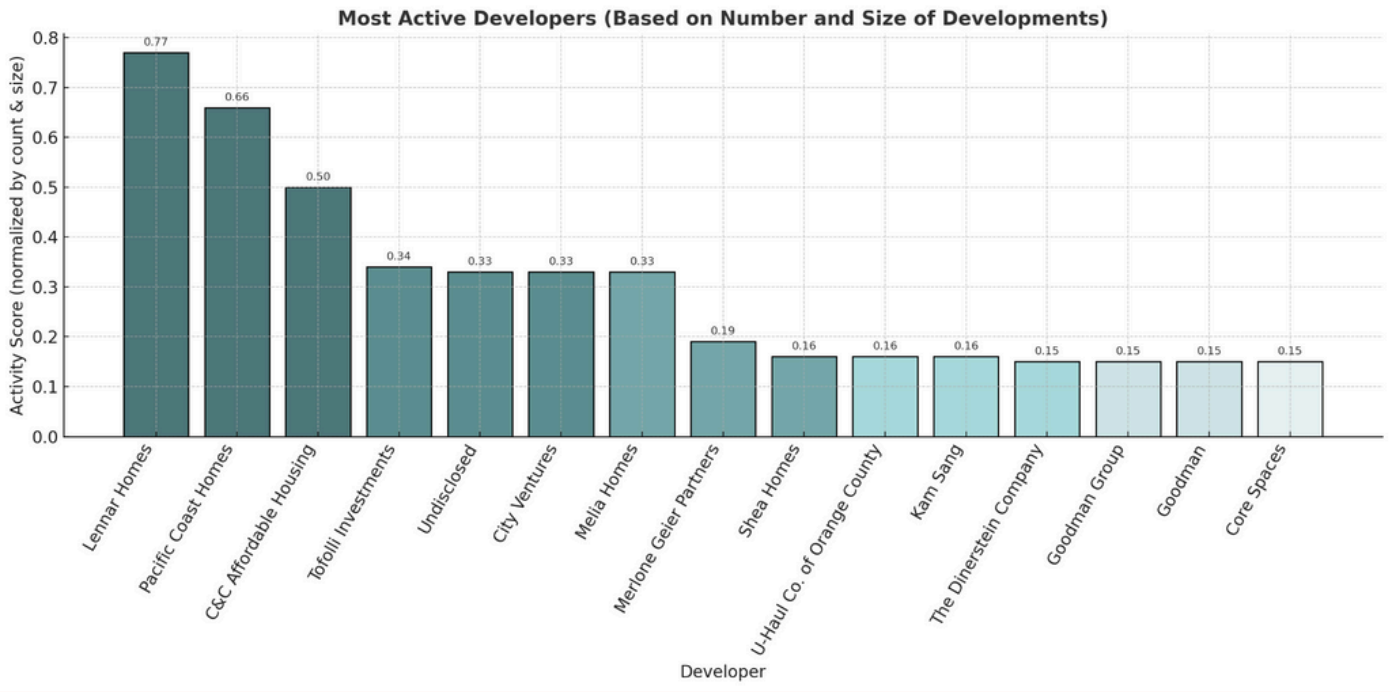
KEY ENTITLEMENT UPDATES & DEVELOPMENT ACTIVITY

Key land use policies and changes, summarized below, reflect trend towards allowing higher density residential and mixed-use across all cities. Notably, Buena Park has introduced several new overlays in this regard.

City	Key Land Use/Planning Changes & Policies
Garden Grove	Significant increase to Planning and Building fees
Fullerton	Revised development standards to mazimize density potential for multi-family and mixed-use
Buena Park	New Housing Incentive Overlays for higher density multifamily housing, New Mixed-use overlays, and Increased maximum density bonus up to 50% for Affordable Housing
Stanton	Support development of mixed-use along transit corridors, Complete redevelopment of Tina/Pacific Neighborhood, & & Develop infill development overlay district
Cypress	Remove CUP requirement for multifamily projects with four or more units in the RM-15 and RM-20 zones and replace with streamlined site plan review process
Brea	Brea Core Specific Plan allowing for development of 4,752 residential units and 6,379,588 square feet of non-residential uses, Brea Core Overlay increasing maximum densities in mixed-use zones
Placentia	Encouraging redevelopment in Old Town area, Transit-Oriented-Development District, industrial areas, southern parts of the City, and major roadway corridors
La Palma	Adopt new permit software system and online submittal portal to streamline and expedite permitting processes

ACTIVE DEVELOPERS

- Brea and Fullerton show the most active overall development pipeline, while Buena Park, Placentia, and Garden Grove have modest but notable project activity.
- Industrial development is most active within Brea and Fullerton (see Appendix D)
- A mix of regional developers and national firms reflects both local engagement and outside investment.



TRANSACTIONAL ACTIVITY

Garden Grove and Fullerton showcase the highest number of multifamily transactions, while Buena Park and Cypress have experienced high volume of land transactions, signaling increasing development potential (see Appendices A to C for NOI, sale price, and cap rate comparisons in Buena Park, Garden Grove, and Fullerton).

MULTIFAMILY PROPERTIES

City	Transactions (2024-2025)	Price / SF RANGE	UNIT RANGE	Median Price /unit	Nearest SubMarket
Garden Grove	21	$193-$705	4-52	$316,875	Garden Grove
Fullerton	15	$321-$569	4-14	$342,857	Fullerton
Buena Park	5	$292-$495	4-28	$310,833	Buena Park
Stanton	3	$380-$438	4-10	$387,500	Stanton South Anaheim Garden
Cypress	3	$357-$403	4-12	$445,833	cypress South anaheim/stanton
Brea	2	$427-$545	8-18	$404,166	Brea-Olinda Fullerton /La Habra
Placentia	0	-	-	-	North County
LA Palma	0	-	-	-	-

LAND PROPERTIES

City	Transactions (2024-2025)	Land / SF RANGE	Price / SF RANGE	Nearest SubMarket
Beuna Park	12	15.68K-110.2K	$30- 156.2	Santa ana/North east Anaheim/Stanton/East Orange /Buena Park area/cypress/westminister/Main place area
Cypress	10	15.6K-173.8K	$54-$134K	Santa ana/North east Anaheim/Stanton/East Orange /Buena Park area/cypress/westminister
Brea	9	15.6K-173.8K	$54-$157K	Santa ana/North east Anaheim/Stanton/East Orange /Buena Park/Main place area/cypress/westminister
Stanton	9	15.68K-85.81K	$56-$156	Santa ana/North east Anaheim/Stanton/East Orange /Buena Park/Main place area
Placentia	9	18.7K-198.2K	$54- 156.2	Santa ana/westminster/Stanton/Cypress/Buena Park/Main place area/placentia
LA Palma	2	13k-15.6K	$67- 133.9	north east Anaheim/ civic center Area

Recommendations

- Investment Hotspots: Fullerton, Brea, Buena Park
- Current Development Hotspots (Demand for townhomes, BTR, mixed use): Buena Park, Cypress, Placentia
- Emerging Development centers: Stanton, La Palma

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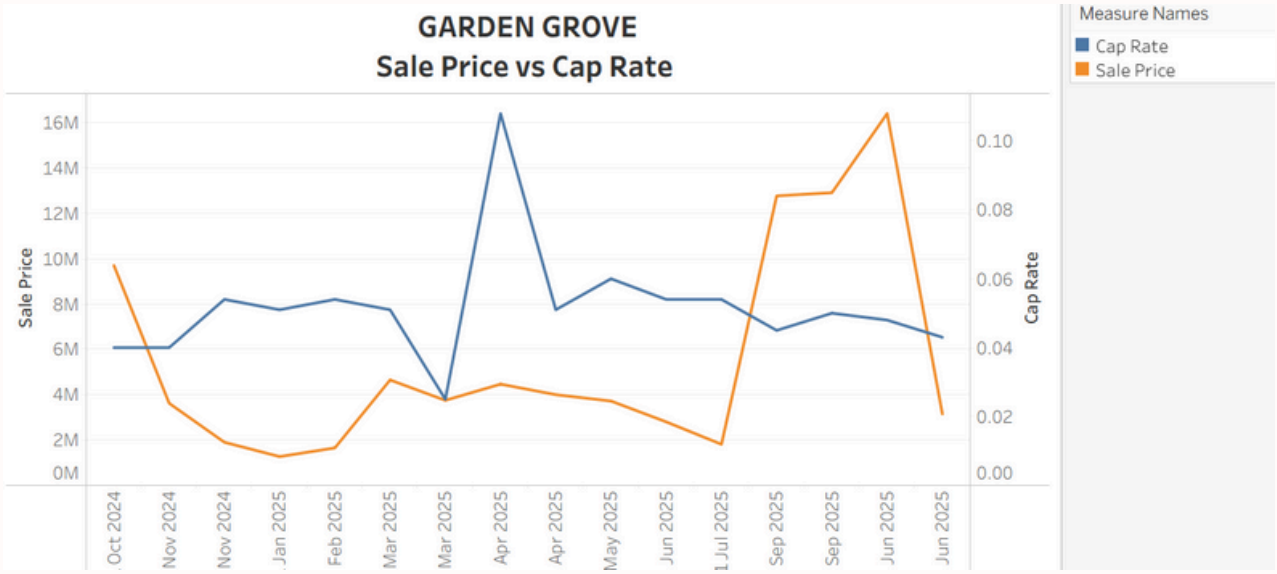
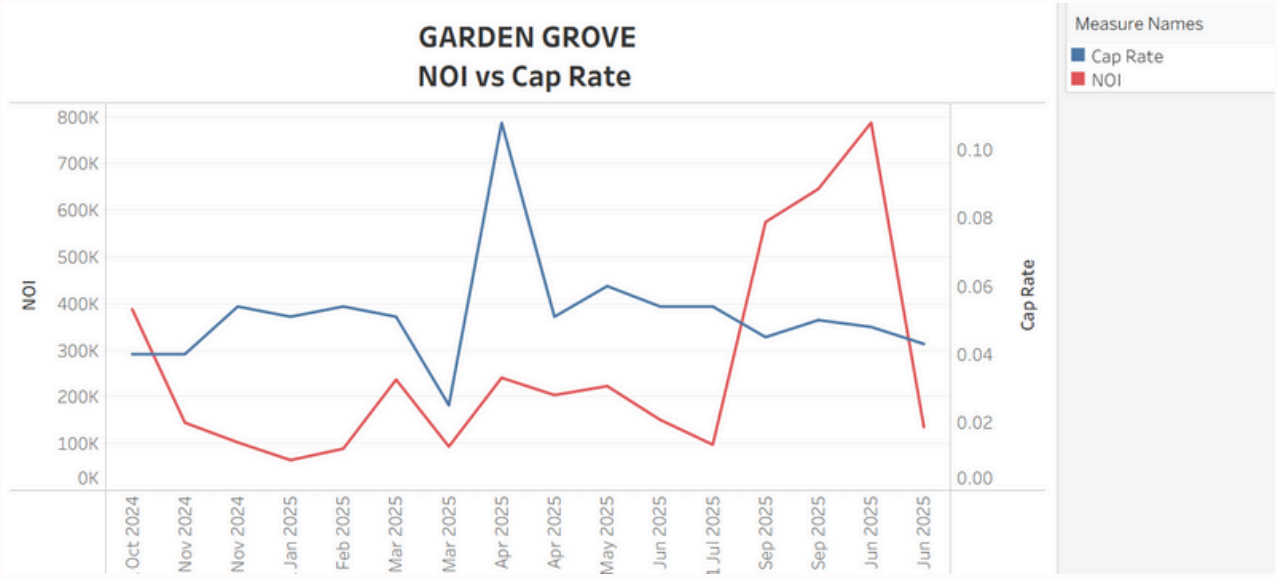
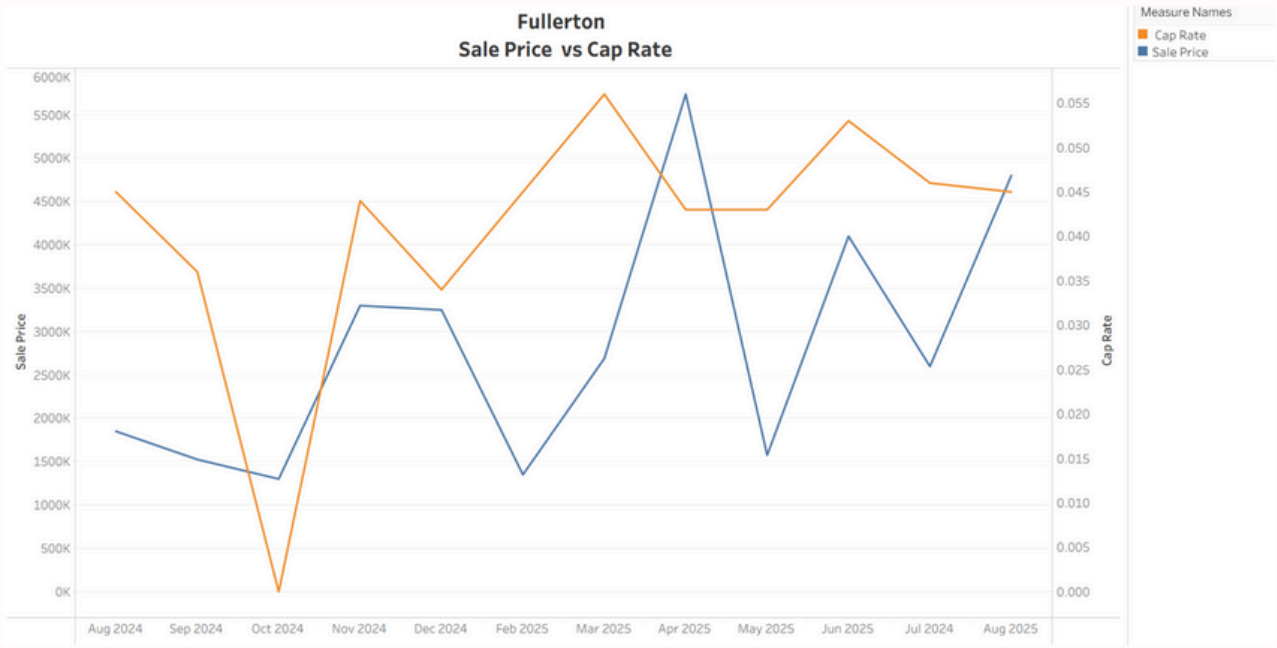
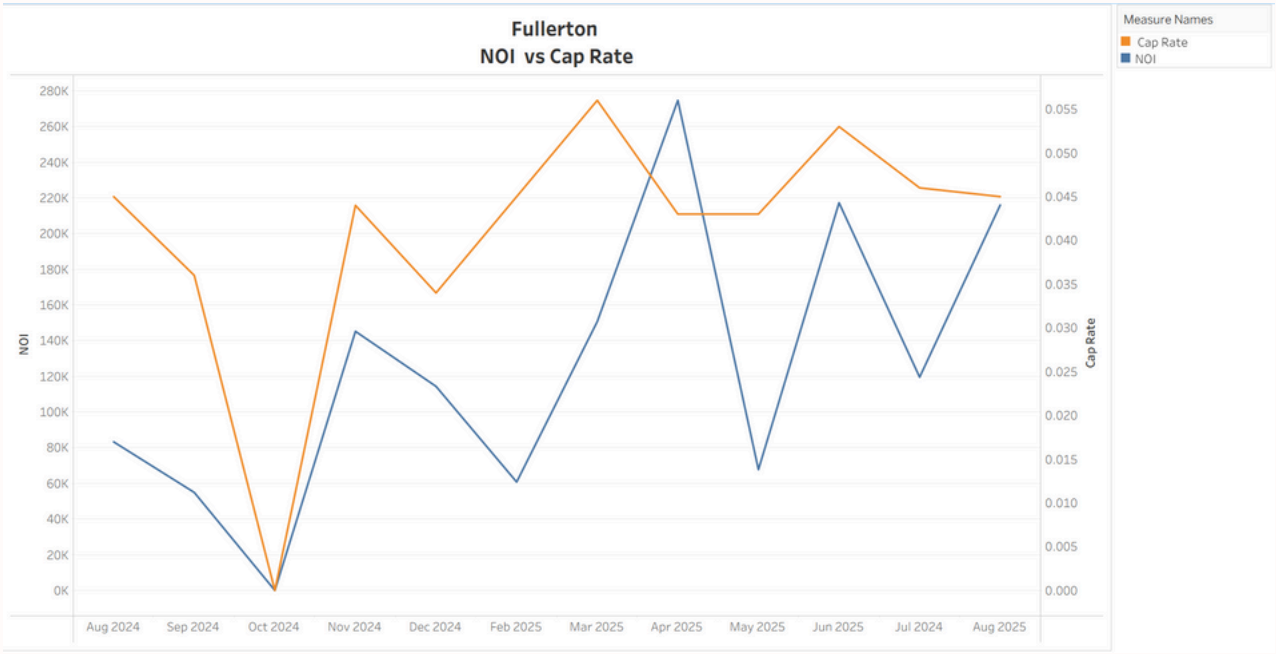
Appendix A



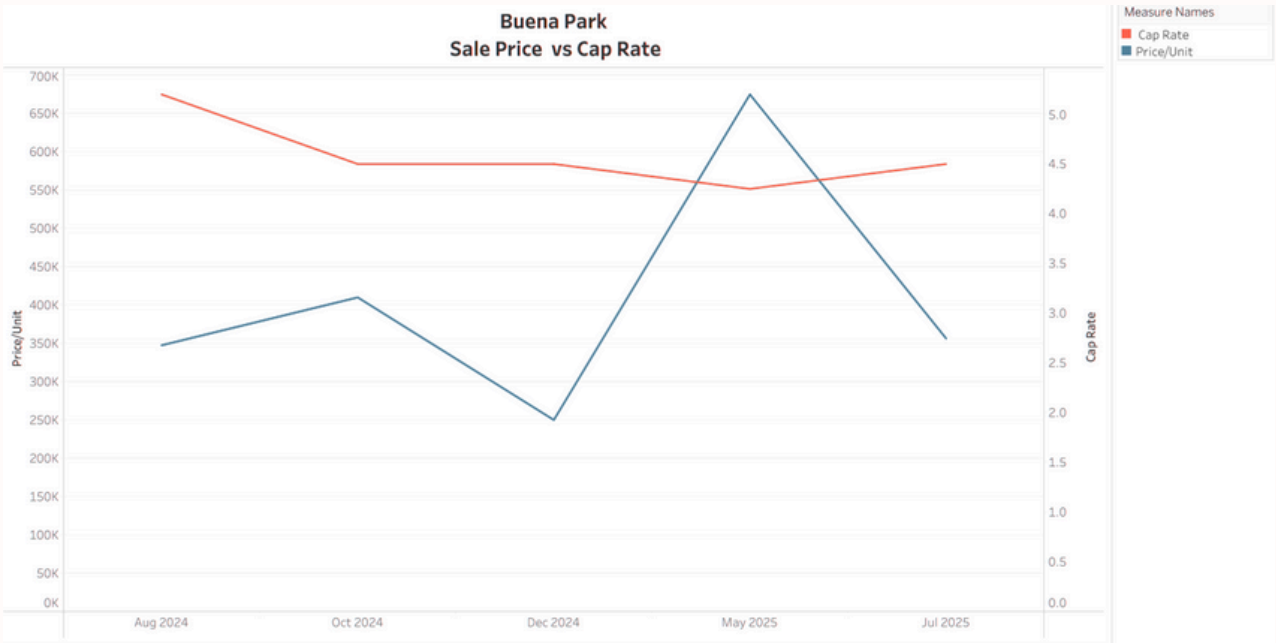


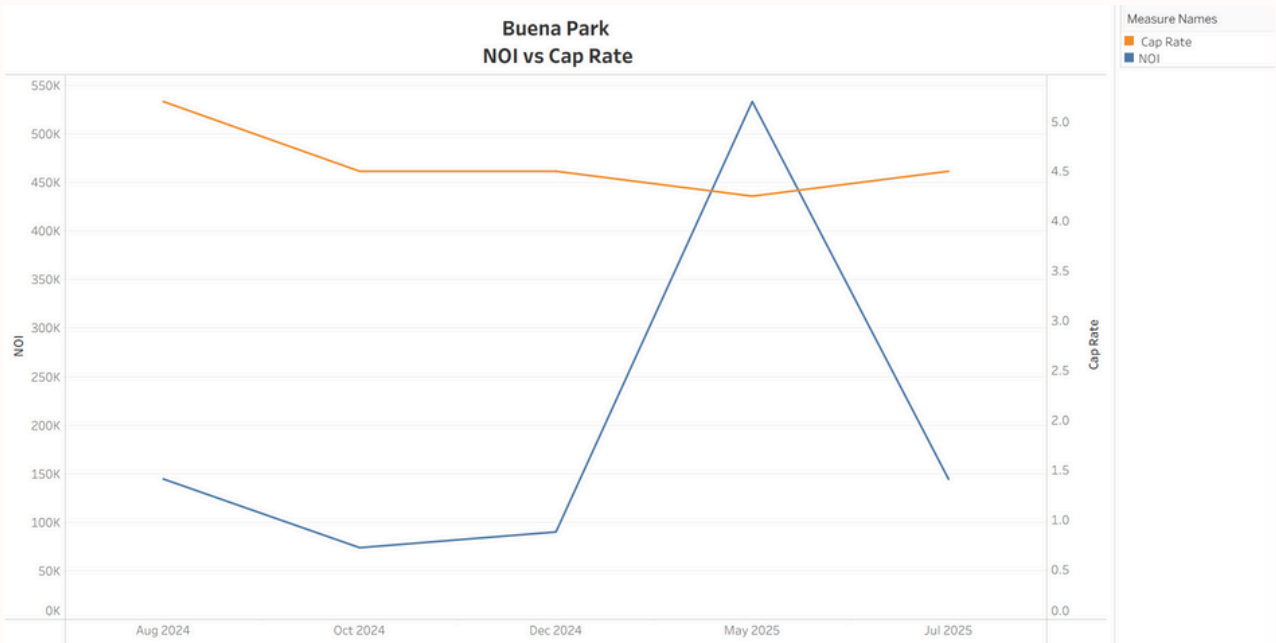
Appendix B



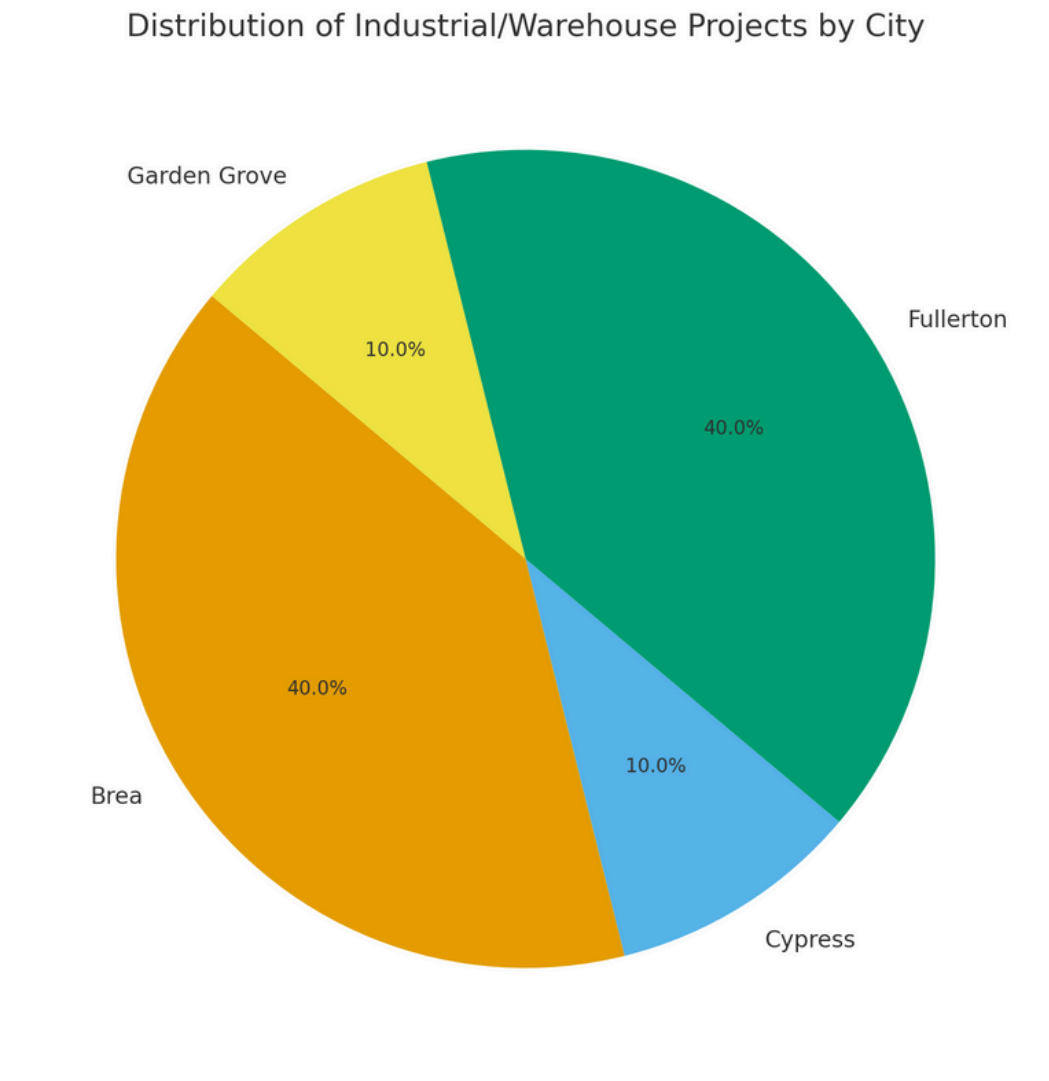

Fullerton
NOI vs Cap Rate
Measure Names
Cap Rate
NOI
280K
260K
240K
220K
200K
180K
160K
140K
120K
100K
80K
60K
40K
20K
0K
NOI
0.055
0.050
0.045
0.040
0.035
0.030
0.025
0.020
0.015
0.010
0.005
0.000
Cap Rate
Aug 2024
Sep 2024
Oct 2024
Nov 2024
Dec 2024
Feb 2025
Mar 2025
Apr 2025
May 2025
Jun 2025
Jul 2024
Aug 2025

Appendix C


Buena Park
Sale Price vs Cap Rate
Measure Names
Cap Rate
Price/Unit
700K
650K
600K
550K
500K
450K
400K
350K
300K
250K
200K
150K
100K
50K
0K
Price/Unit
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
Cap Rate
Aug 2024
Oct 2024
Dec 2024
May 2025
Jul 2025


Buena Park
NOI vs Cap Rate
Measure Names
Cap Rate
NOI
550K
500K
450K
400K
350K
300K
250K
200K
150K
100K
50K
0K
NOI
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
Cap Rate
Aug 2024
Oct 2024
Dec 2024
May 2025
Jul 2025

Appendix D


Distribution of Industrial/Warehouse Projects by City
Garden Grove
10.0%
Fullerton
40.0%
40.0%
Brea
10.0%
Cypress

QUASAR

How Quasar Builds Smarter Client Partnerships

Listening-first: Quasar's process starts with understanding the client's "why." Before discussing returns or property types, we align each investment decision with long-term goals — stability, growth, and capital preservation

A stepping stone for every relationship: Our client process follows a structured framework — from research and location analysis to financial engineering and negotiation — ensuring that every stage of the investment journey is transparent and measurable

Due diligence before investment: In-depth research and location intelligence drive decisions, reducing uncertainty across market cycles. This approach replaces guesswork with data-driven clarity, enabling clients to anticipate shifts instead of reacting to them

Purpose-driven planning that adapts: Quasar helps clients think and plan strategically — developing asset business plans, hold and exit strategies, and value-add improvements backed by evidence, not assumptions

Checking for red flags: From legal clearances to financial stress-testing, our "Red Flags and Deal Breakers" framework builds confidence through due diligence, partnerships, and full transparency

How Quasar's Process Differs

While others focus on quick transactions or short-term results, Quasar operates through client framework that ensures consistency, foresight, and measurable outcomes.

- We begin by defining the purpose
- Our process empowers clients through robust research, actionable insights.
- We assess market realities before any capital is deployed
- Every project is treated as a business plan.
- Rather than relying on surface-level ROI, we evaluate deal viability using asset-level metrics
- Quasar guides clients through zoning, approvals, financing, and construction
- We proactively identify hidden risks — legal, or structural
- Finally, we equip clients with the tools to negotiate effectively

Key Takeaways

- Every client plan follows a repeatable, evidence-based framework.
- At Quasar, we empower our clients through education to approach every opportunity with a clarity in mindset and confidence.
- Risk is managed, not ignored through partnership with other specialists.
- Value is created through research, not speculation.
- Success doesn't end at closing — it evolves through performance tracking and adaptation.

Final Guidance

For Quasar, guidance means showing clients not just where to invest — but how to think, plan, and grow. By following this advisory model, we ensure every decision aligns with a clear purpose, resilient process, and lasting performance.

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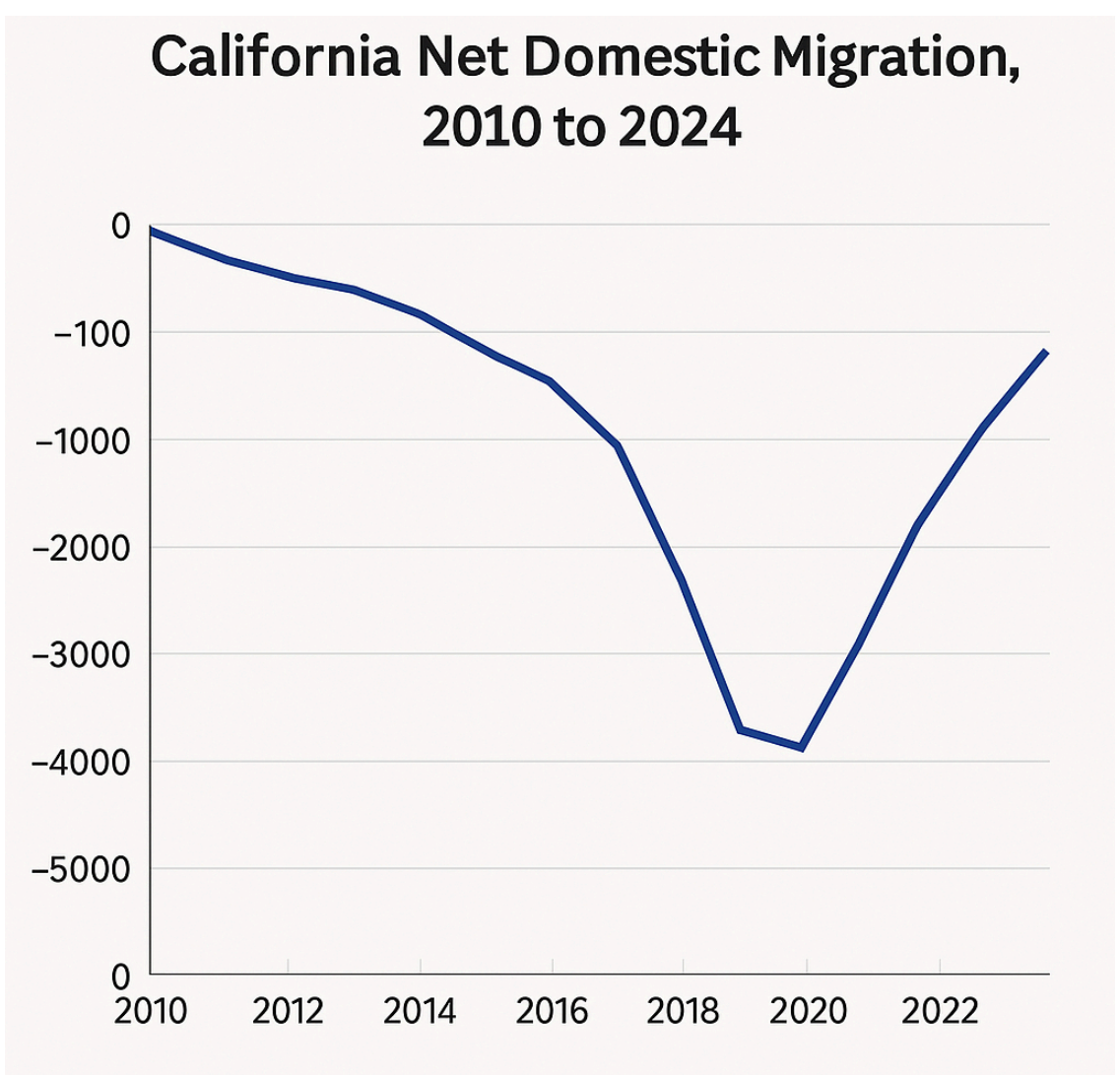
The New Shape of California Migration and Implications for Commercial Real Estate

Commercial real estate in Southern California has experienced a shift. Retail corridors are stabilizing in unexpected places. Industrial demand keeps building inland. Office footprints are flattening in the coastal cores while new hybrid hubs emerge. These changes aren't random; they are the direct result of California's evolving migration patterns.

In this edition, I break down:

1. **Where Californians are actually moving**
2. **Why they're moving**
3. **What this means for CRE opportunities in L.A., Orange County, and the Inland Empire**

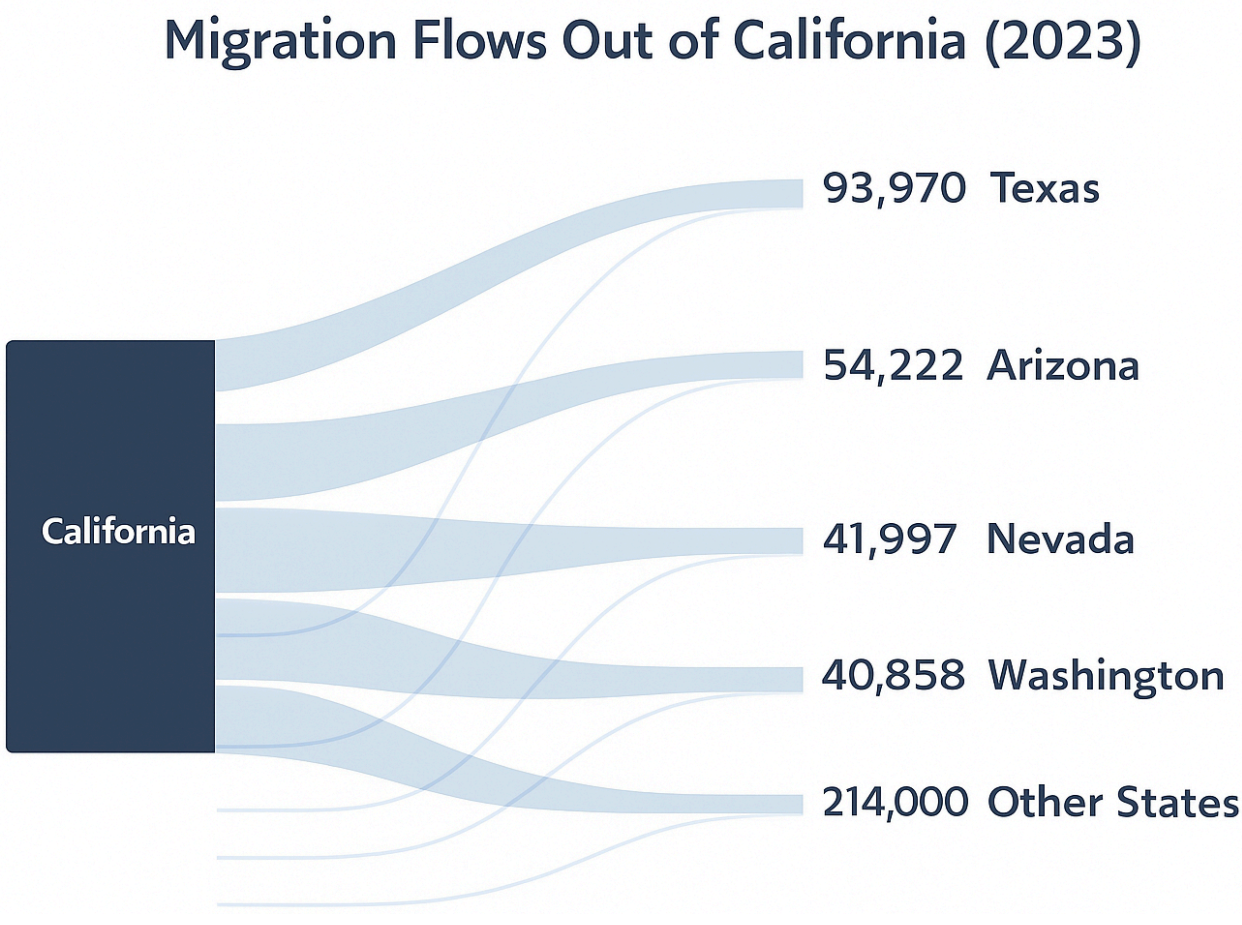
The Migration Reality Check: What the Latest Numbers Show



California vs. Other States (2023–2024)

The newest population and migration numbers give a sharper picture than ever:

- California's net domestic migration loss fell below 200,000 in 2023–24 — dramatically lower than the pandemic peak.
- The largest population flows in the entire country in 2023 were:
  - California → Texas: 93,970 movers
  - California → Arizona: 54,222 movers
- From 2010–2023, California saw a net domestic loss of ~2.5 million residents
- Moving-industry indicators echo these patterns: California ranked dead last in U-Haul one-way move-ins in 2024, the fifth consecutive year.
- Despite this, California's total population grew by ~49,000 in 2023–24, thanks to strong international immigration and natural increase (surplus of births over deaths).



Within California: County-Level Migration (2024)

Recent Census-based county migration data show net gains in inland counties and continued losses along the coast.

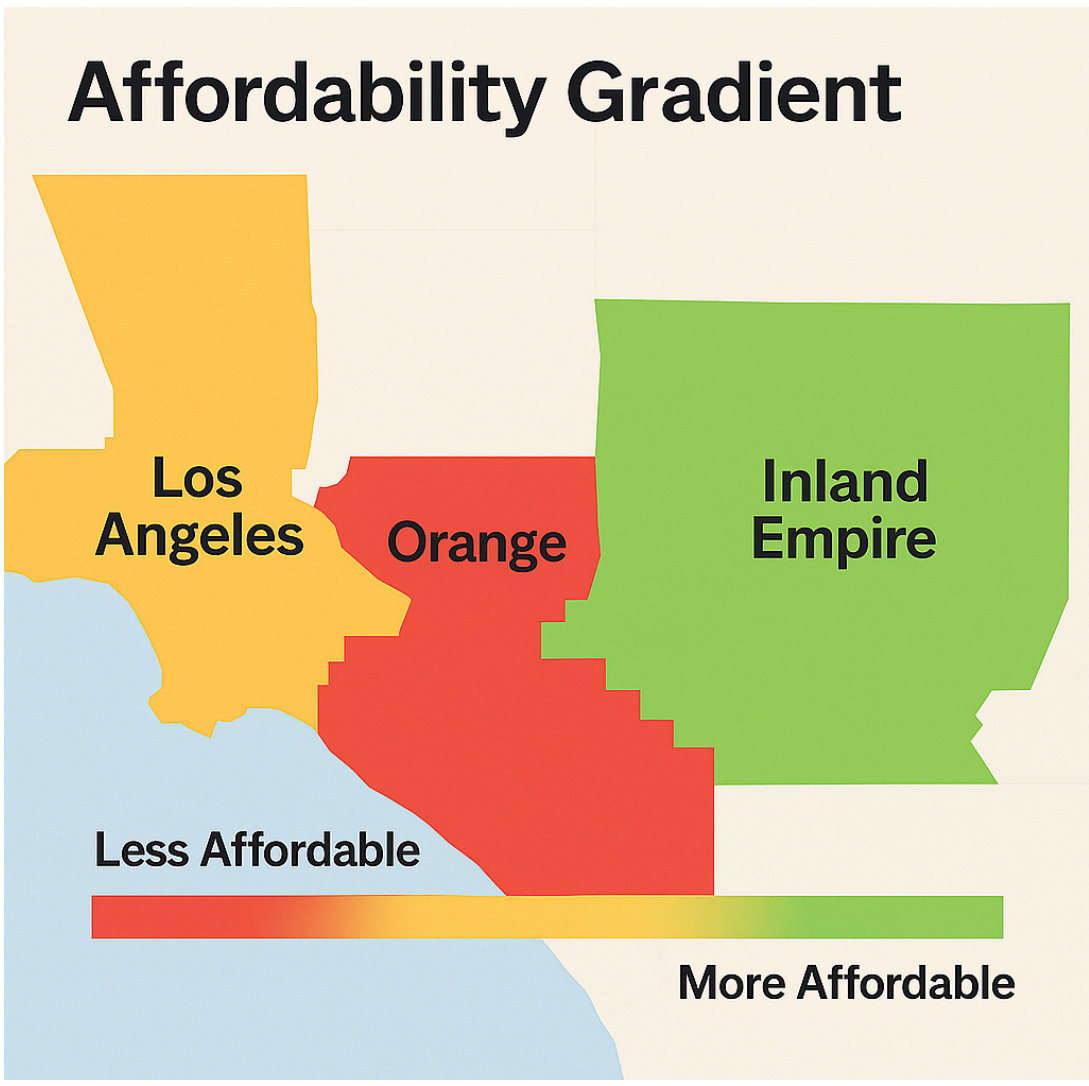
→ Top Net Migration Counties (2024)
- Santa Clara: +22,610
- Riverside: +18,546
- Sacramento: +11,818

→ Largest Net Out-Migration (2024)
- Monterey: –2,032
- Santa Cruz: –1,575
- Fresno: –1,574

Within California: County-Level Migration (2024)

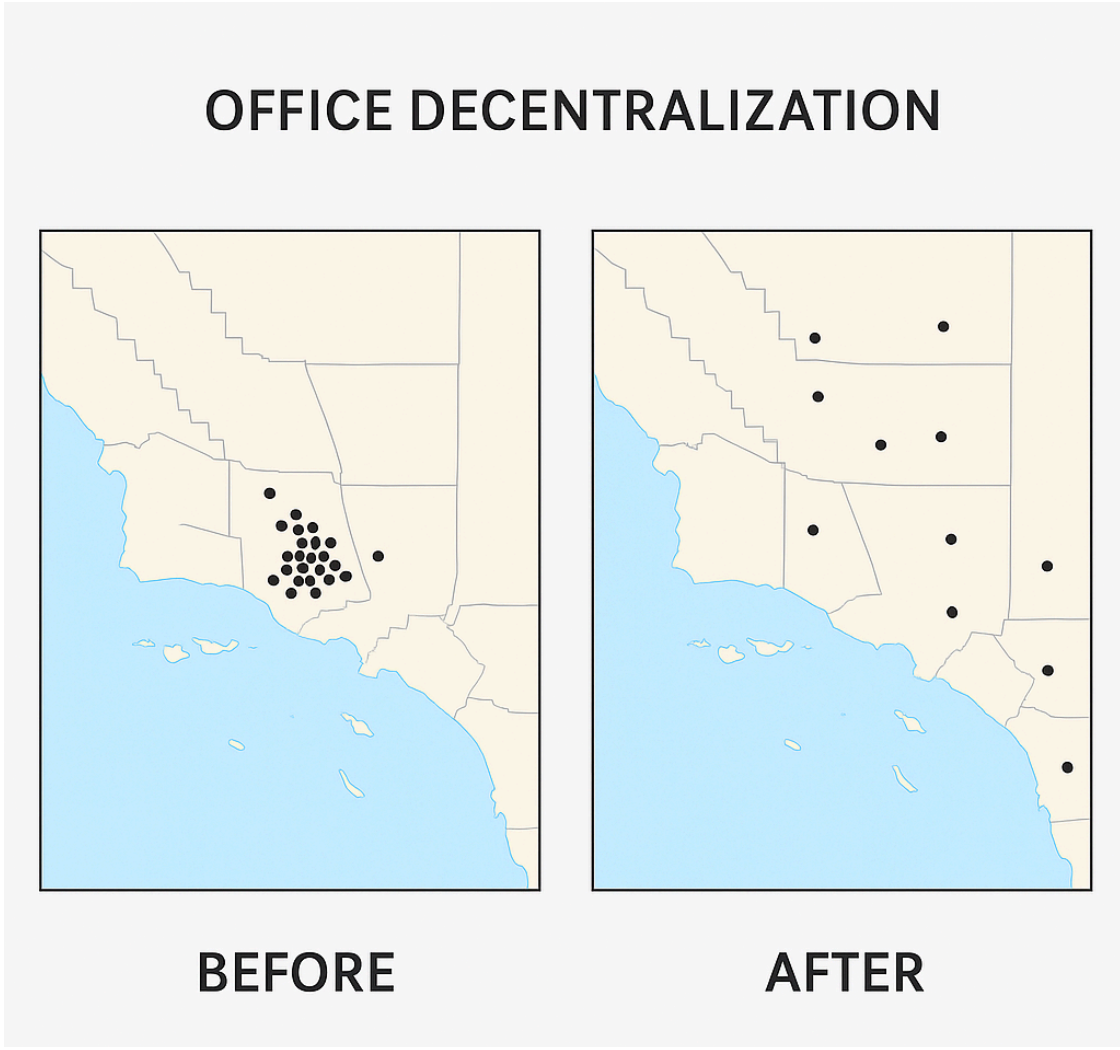
- LA County added ~28,000 residents (overall), but domestic outmigration still exceeded domestic inflow.
- 7 of California's 10 largest cities grew—including San Diego and Bakersfield—but San Francisco, San Jose, and Anaheim saw slight declines.
- Meanwhile, the Inland Empire continues to show the strongest population and housing growth in SoCal.

Why These Shifts Are Happening



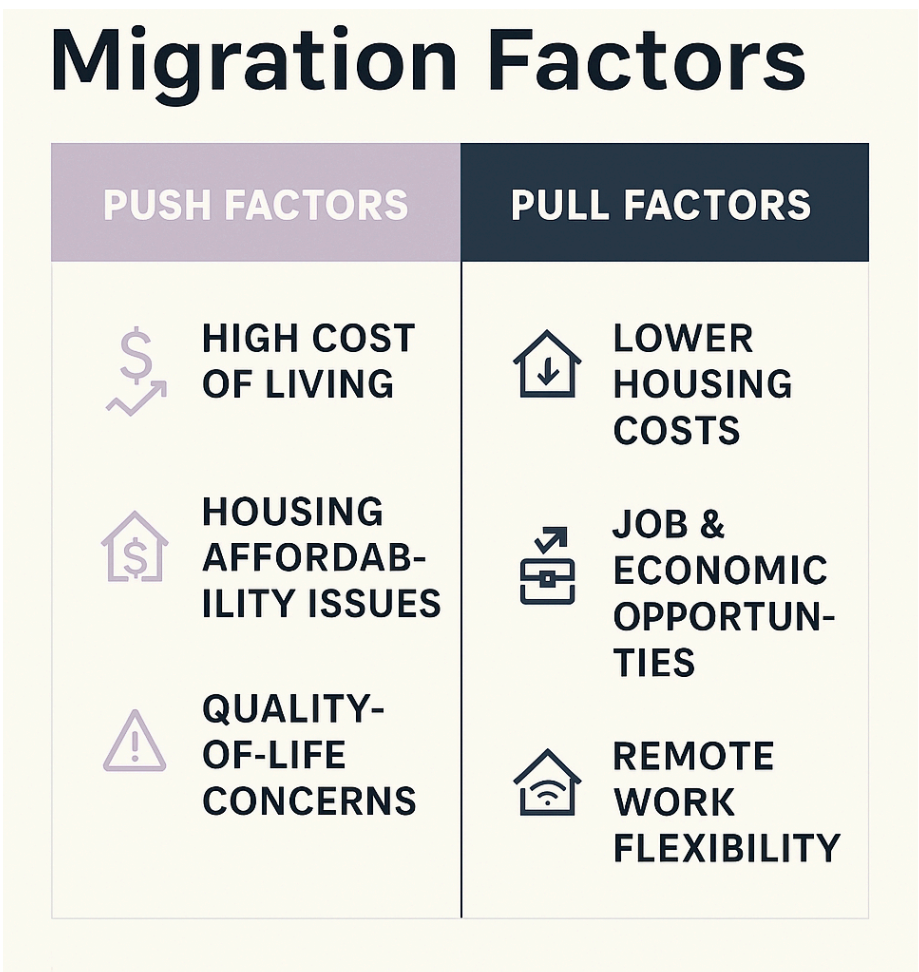
The Detailed Breakdown

Reason	Explanation
Reason #1: Housing Costs in Coastal Counties Are No Longer Tenable	• 45% of Californians say housing costs made them seriously consider moving (PPIC 2023). • 75% of those prefer to move out of state rather than within CA. • Median listing price in Orange County grew 40% in 2024 from the previous two years. • Los Angeles County: High rates of cost burden, with 30–50%+ of income spent on housing. Implication: Those unable or unwilling to pay coastal premiums shift inland or out of state.
Reason #2: Remote & Hybrid Work Changed the Geography of Opportunity	• Remote work explains nearly all Bay Area outmigration and a major share of LA outmigration — mostly higher-income movers (PPIC 2024) • Remote workers can keep CA salaries while living in lower-cost CA regions (Inland Empire, Sacramento) or lower-tax states (Texas, Florida, Nevada) • Remote/hybrid makes no-income-tax states far more competitive. Implication: When job location becomes flexible, housing cost differences decide where people live. Office decentralization occurs (see below) and mixed-use models emerge.



Reason #3: Inland Empire Offers the Best Cost-to-Space Ratio in Southern California	• Inland Empire is one of the fastest-growing metros in the U.S., reaching around 4.7M residents by late 2023. • In Riverside, home prices are $555k median (Aug 2023), requiring approx. $151k in income -- much cheaper than LA/OC. • Inland Empire is now a logistics powerhouse (warehousing, e-commerce distribution). • Strong population and job growth create stable CRE demand. **Implication:** Inland Empire is now an economic engine, not just a bedroom community.
Reason #4: Residents in LA & OC Are Reaching a Breaking Point on Cost of Living	• 51% of Orange County residents considered leaving in the last 4 years. — 78% cite housing costs. — 76% cite overall cost of living. • Per LA's 2024 Quality of Life Index, cost of living and housing are the top negative factors. **Implication:** Sentiment aligns with migration data — coastal households increasingly seek affordability inland or out of state.
Reason #5: Outmigration Is Selective — High Earners Stay, Middle Earners Leave	• High-income buyers continue to support OC & LA prices due to preferences for luxury coastal living. • Middle-income households, renters, and first-time buyers show highest mobility to the Inland Empire or out of state. **Implication:** Coastal counties can lose population yet still have high housing prices due to wealthy residents and supply constraints.

Summary of Push vs. Pull Migration Factors



What This Means for Commercial Real Estate in Southern California

CRE Theme	Why It Matters	Practical CRE Implication
A. Inland Empire Industrial & Retail = Growth Engine	Population + job growth; logistics remains critical; more households = more retail/healthcare demand	Inland Empire is a *long-term bet*, not speculation — strongest runway for industrial, retail, and service CRE
B. OC & LA: High Cost, High-Affluent Stability	Wealthy buyers stay; coastal amenities retain value; boutique/hybrid office remains in demand	Premium retail, medical office, and flex office remain strong; tight supply = stable rents
C. Office Decentralization Toward Suburban Hubs	Remote work shifts office needs; companies locate closer to dispersed workers	Suburban office repositioning rises — opportunities in OC, South LA, and IE
D. Multifamily Follows Affordability	IE remains most affordable; LA/OC still supply-constrained	Strongest absorption in IE; development opportunities in Riverside, SB, Menifee, Victorville, Ontario Ranch, Eastvale

Final Takeaway: Migration Is Reshaping the SoCal CRE Map

The data shows a clear pattern:

- LA & OC: high-cost, high-amenity, selective outmigration
- Inland Empire: affordability + jobs + space = sustained population inflow
- California overall: domestic outmigration moderating but still significant, enabled by remote work and cost pressures

Following migration patterns keys you in to how supply and demand are likely to change, and it's these patterns that form trends in the CRE market. Analyzing these patterns thus forms a core part of understanding the where, when, and how of new construction, development, and investment opportunities.

Sources: California Department of Finance, U.S. Census ACS 2023 State-to-State Flows (released Oct 2024), PPIC 2025, U-Haul Growth Index 2024, AP reporting, PPIC 2023, UC Berkeley OBI analysis, OC Affordable Housing Needs Report 2024, LA County 2024 Community Health Profile, CSUSB 2024 Regional Report, SFGate, IE State of the Region 2024, UCLA QOL 2024–25, Moneywise, Nerdwallet

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Consumer Behavior & Expectations: Market Trends & Predictions for the Inland Empire and Southern Nevada Markets

Recent trends in the Inland Empire, Henderson, and Las Vegas markets reflect widening differences across asset classes. Based on our proprietary vacancy and cap-rate analysis (Appendices A-L), as well as external benchmarks, this report highlights which sectors are stabilizing and which remain under pressure. Overall, the supply and demand dynamics in these markets highlight the need for comprehensive analysis of consumption patterns as well as economic drivers before committing to investment or development.

Recommendations

1. ***Consumer Behavioral Patterns: Investors and developers need to carefully consider, study, and predict consumer behavioral patterns to avoid the imbalances we now see in the Industrial sector across all markets, and in the Retail sector in Inland Empire***

During the pandemic years (2020-2021), consumer spending skewed heavily towards online shopping that spiked demand for logistics use facilities. However, in 2022, as the economy reopened, consumers shifted to experiential retail instead. This shift was foreseeable, as people naturally gravitated towards community and life events that had been otherwise difficult to participate in due to lockdowns and other public health measures. Predictably, industrial vacancy rates jumped significantly after 2022. The shift to experiential spending may also explain the retail imbalances between Inland Empire and Henderson/Las Vegas., with the latter being tourist hubs.

2. ***Economic and Legal Factors: Consumer expectations, as well as regulatory hurdles, pose 2026 as a year of uncertainty***

Investors and developers need to account for consumer expectations, as well. With Amazon reporting its biggest Black Friday Weekend Sales in December, 2025 (Forbes), it's also important to remember that these sales may have been driven by inflation-sensitive consumers who are expecting a challenging 2026 due to recessionary pressures and job market fears. Uncertainty surrounding tariffs could be a renewed concern in 2026, and laws like AB98/SB415 are also posing regulatory limits to logistics use developments. For the residential market, if inflation continues and job losses worsen, consumers may have to dip into savings. This is true especially as the current economy is less diverse and is depending largely on AI and tech to fuel growth, which poses serious future risk. Thus, even if mortgage rates decline, consumers may not have the funds necessary to enter the for-sale market.

Bottomline: It's crucial for investors and developers to perform a careful analysis and study of consumer behavior, consumer expectations, AND economic and regulatory factors before committing capital. Short-term trends should not be pursued over long-term strategy. This is the time to work with your consultants to develop YOUR strategy.

Below, I'll be covering Quasar's 2026 predictions and diving deep into the aforementioned markets.

Key Takeaways and Quasar's 2026 Predictions

Market	Key Takeaways and Quasar's 2026 Predictions
Inland Empire	• **Multifamily:** Demand is still strong as signaled by high absorption rate, while supply is balancing => **positive investment outlook for 2026** • **Industrial:** excess supply in recent years + demand forecasts are volatile => **caution advised in 2026** • **Office:** Demand for A-class office and conversions leading to lowering vacancy rates => **investors should be selective in 2026** • **Retail:** Rising Vacancy rates + negative net absorption; **Market Correction will continue into 2026**

Key Takeaways and Quasar's 2026 Predictions (Continued)

Market	Key Takeaways and Quasar's 2026 Predictions
Henderson	• **Multifamily:** Characterized by market volatility => **caution advised in 2026** • **Industrial:** Massive oversupply + demand forecasts are volatile => **caution advised in 2026** • **Office:** Market remains volatile + low demand => **caution advised in 2026** • **Retail**: strongest sector with stable demand => **positive investment outlook for 2026**
Las Vegas	• **Multifamily:** Demand slowly stabilizing but still low => **caution advised in 2026** • **Industrial:** Excess supply + demand forecasts are volatile => **caution advised in 2026** • **Office:** Lowering supply and low demand => **caution advised in 2026** • **Retail:** General + Power Centers outperform => **positive investment outlook for 2026**

Comprehensive Market Trends

Sector	Market	2025 Vacancy	Recent trend	2025 Cap Rate	2023-2025 Trend
Multifamily	**Inland Empire**	~7%	**Stable**	~7%	**Stable**
	Henderson	9-10%	**Increasing**	~5%	**Increasing**
	Las Vegas	~10%	**Increasing**	5%+	**Stable**
Industrial	**Inland Empire**	8-9%	**Stable**	<5%	**Stable**
	Henderson	12%+	**Increasing**	~5.6%	**Increasing**
	Las Vegas	~12%	**Increasing**	<6%	**Increasing**
Office	**Inland Empire**	~5%	**Decreasing**	~9%	**Increasing**
	Henderson	~9%	**Decreasing**	~8.6%	**Increasing**
	Las Vegas	~10%	**Stable**	~8.6%	**Increasing**
Retail	**Inland Empire**	6-7%	**Increasing**	~6.3–6.5%	**Stable**
	Henderson	4-5%	**Increasing**	6%+	**Decreasing**
	Las Vegas	5+%	**Decreasing**	~6.3%	**Decreasing**

Inland Empire Construction, Delivery & Absorption Trends

Sector	Key Trends
Industrial	Immediate jump in vacancy rates since 2022, leading to softening absorption, construction, and delivery levels in recent years
Multifamily	Cyclical absorption with strong spikes and recent moderation; Construction slowing down 2023-2025 but still higher than pre-pandemic levels
Retail	Low/negative absorption 2023-2025 due to market correction after post-pandemic boom; Construction and delivery levels still modest and stable in 2024-2025
Office	Slight uptick in construction in 2024-2025, with absorption levels significantly increasing during 2023 - 2025, indicating demand for A-class office

Henderson Construction, Delivery & Absorption Trends

Sector	Key Trends
Multifamily	Significant number of deliveries from 2024-2025; however, sharp decline in construction from 2023-2025
Industrial	During entire 2015-2025 period, construction levels peaked in 2023 and 2025; Immediate jump in vacancy rates since 2022, leading to softening absorption, with delivery levels halved in 2025
Retail	Negative net absorption in 2025; Construction and delivery levels considerably slowed down in 2025
Office	Construction appears to be stalled as delivery levels remain extremely low throughout 2019-2025

Las Vegas Construction, Delivery & Absorption Trends

Sector	Key Trends
Industrial	Highest absorption in 2024, but construction and deliveries slowing down after immediate jump in vacancy rate from 2022
Multifamily	Highest absorption level post-pandemic in 2024; Construction and deliveries slowing down after 2022 peaks, but still significant
Retail	Deliveries generally match absorption; no major overbuilding; steady demand evident
Office	Lowest absorption levels in entire 10-year period (2015-2025) in 2023; Construction levels significantly reduced in 2025

Leading Industry Forecasts

Sector	Quasar	Leading Industry Forecasts (Sources: CBRE/JLL)
Multifamily	IE strong, LV slowly stabilizing, Henderson weak	Similar: MF stabilizes, supply-heavy markets lag
Industrial	Oversupply across all markets + demand factors are volatile	Matches: Oversupply until late 2026
Office	Demand only in select submarkets and asset classes in IE; weak in Henderson and LV	Matches: Office remains weakest sector through 2026
Retail	Strongest sector (LV best performer)	Matches: Retail remains top performer, low supply

Sources: Quasar Proprietary Analytics, CoStar, CBRE, JLL

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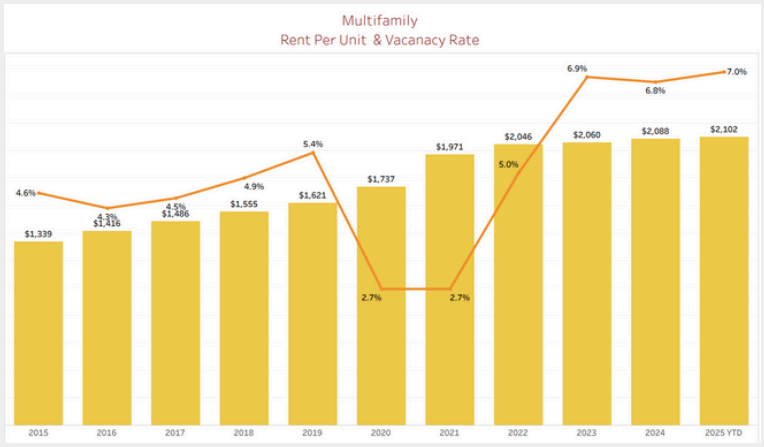
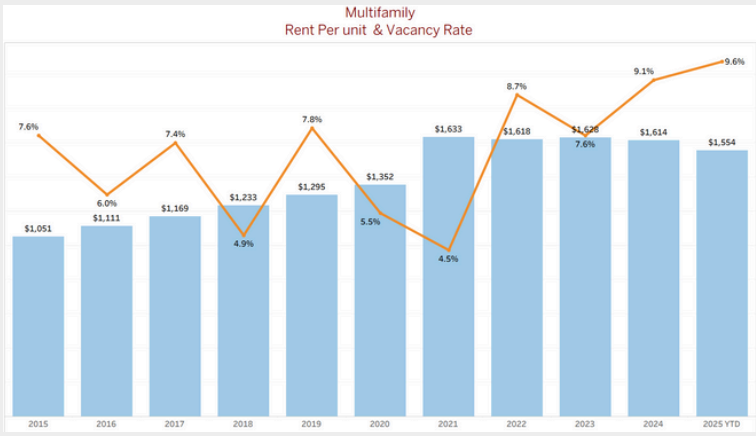
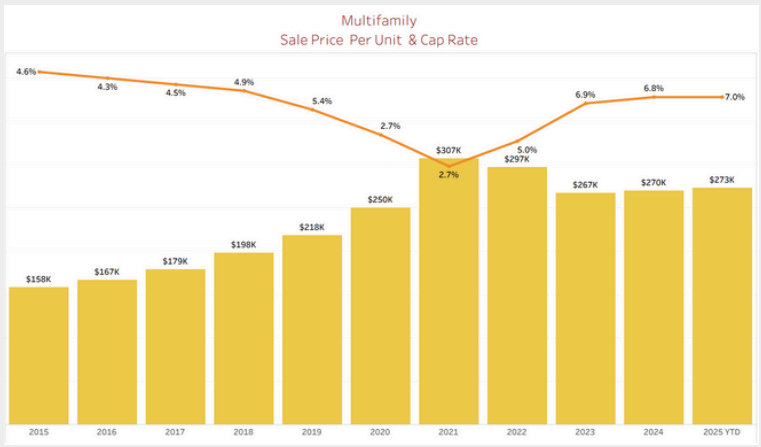
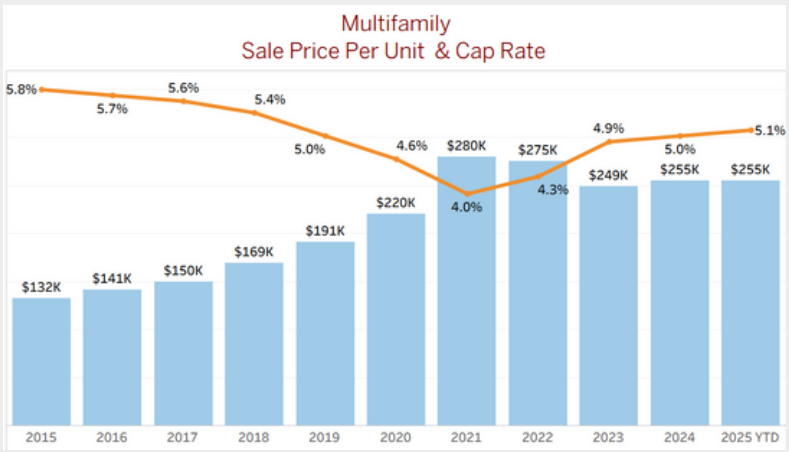
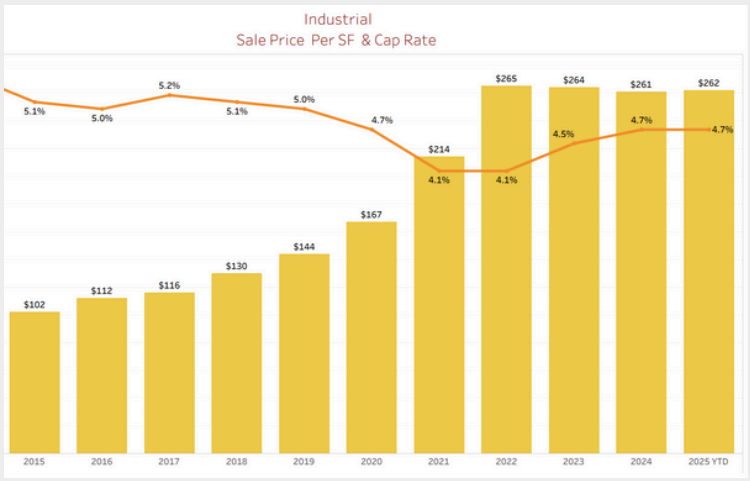
Appendix A: Inland Empire, CA vs Henderson, NV

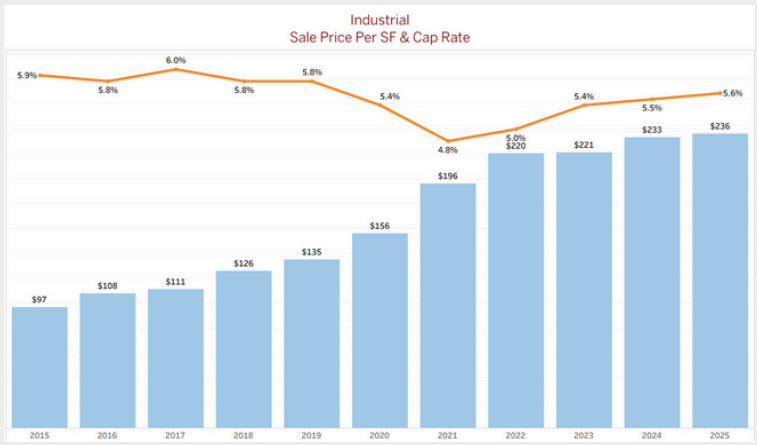


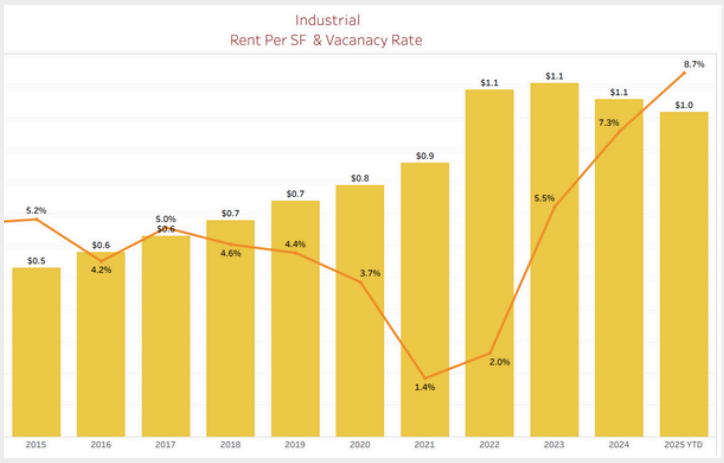


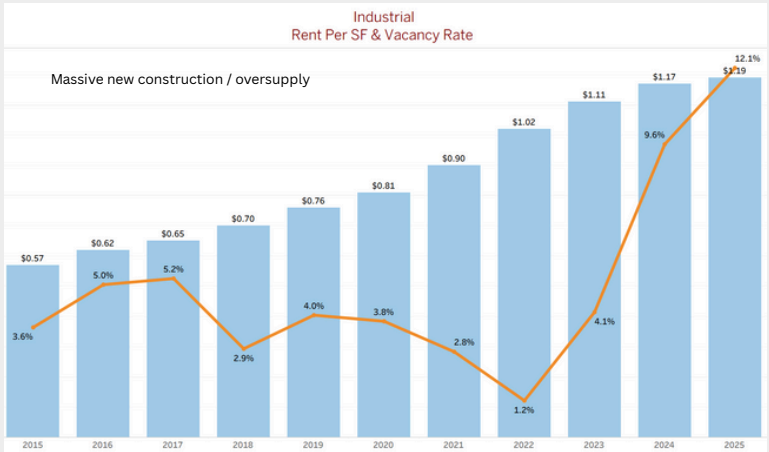












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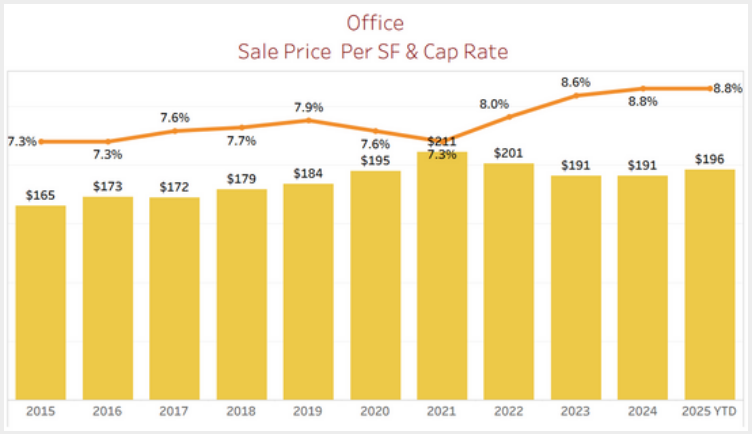
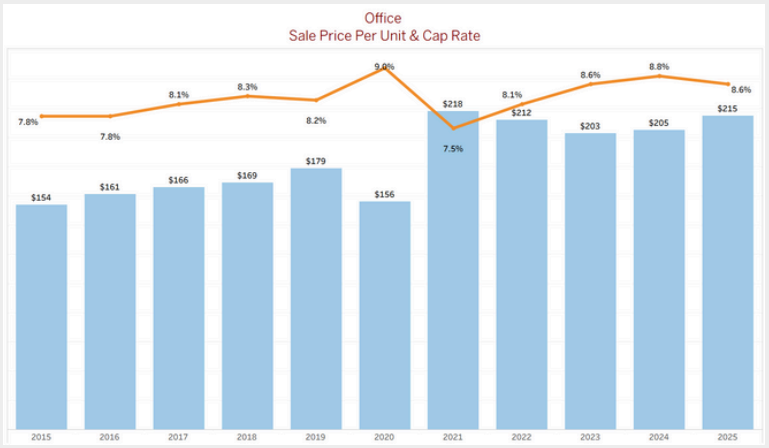
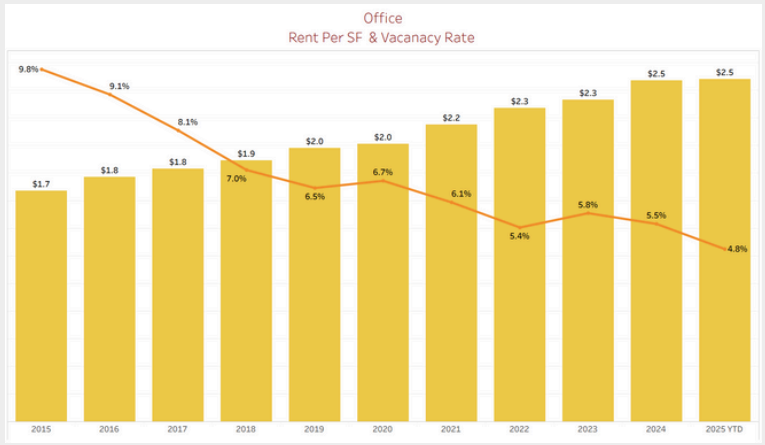
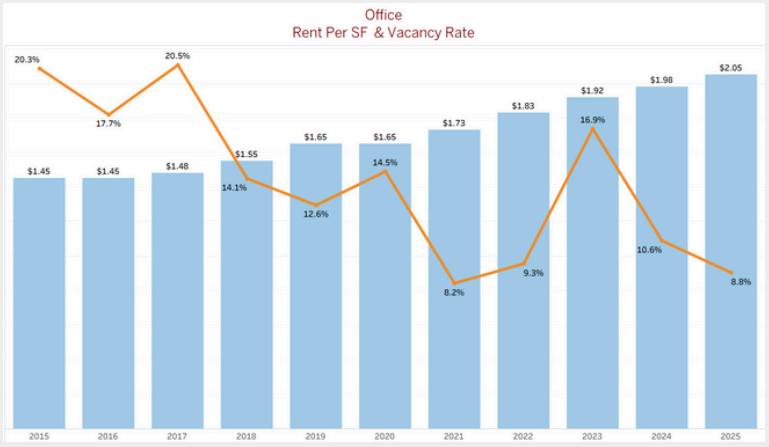
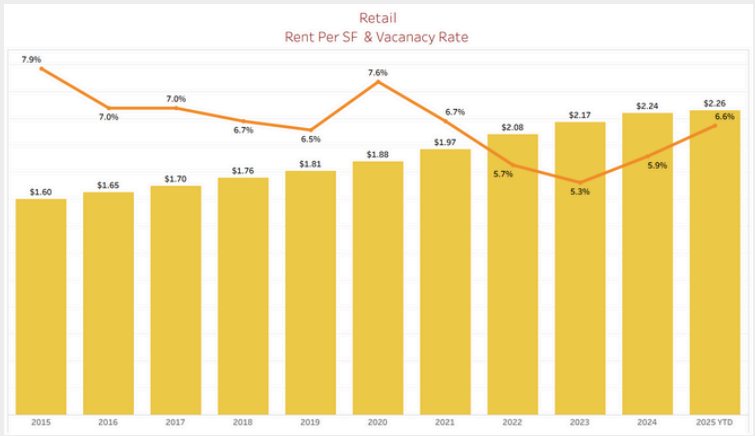
Appendix B: Inland Empire, CA vs Henderson, NV

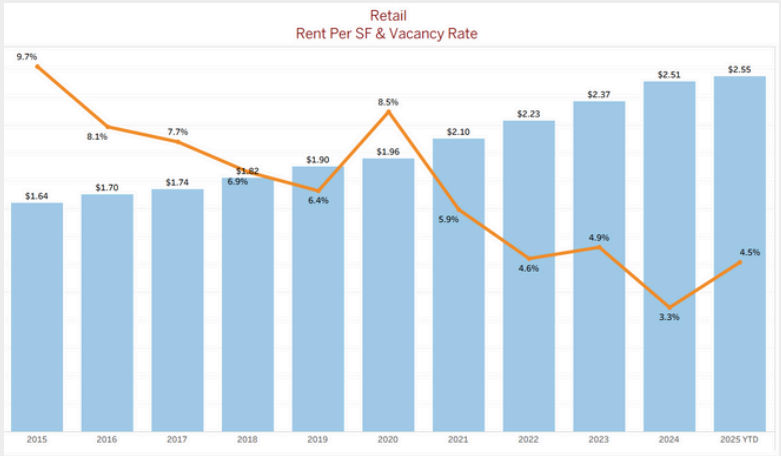


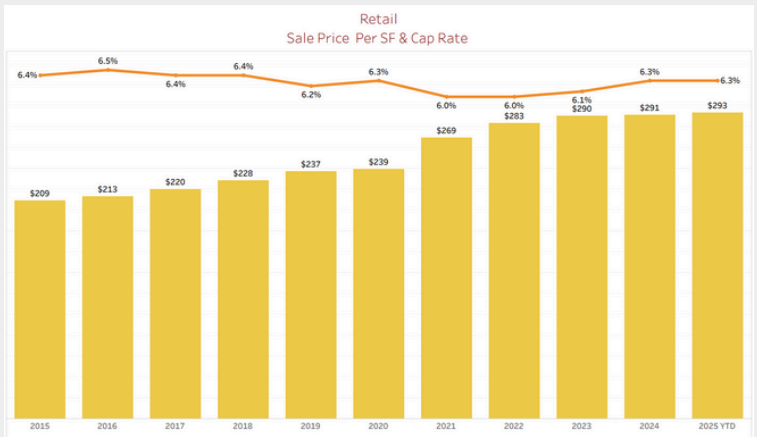


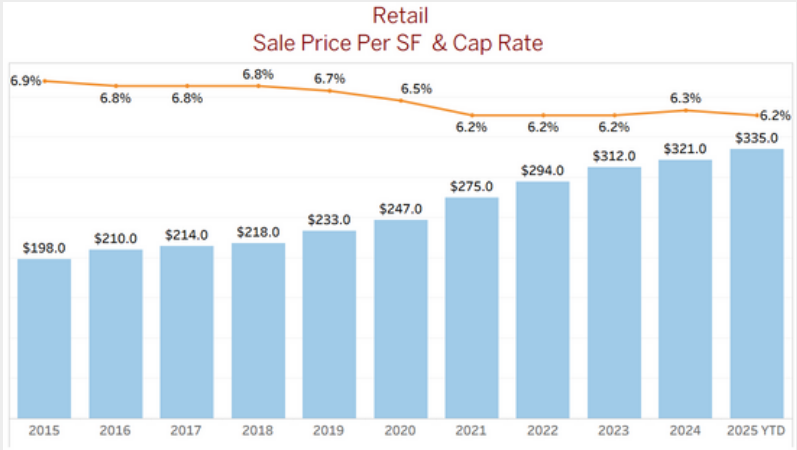




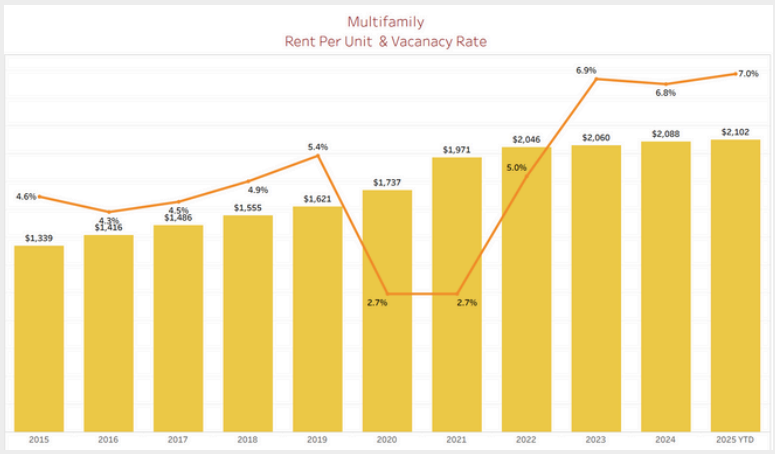


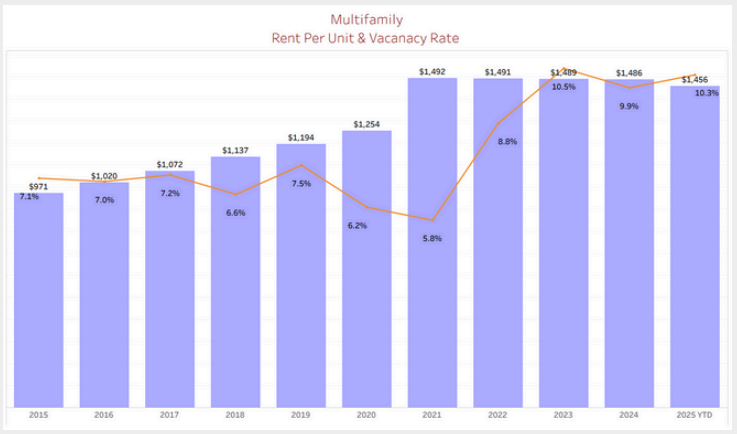


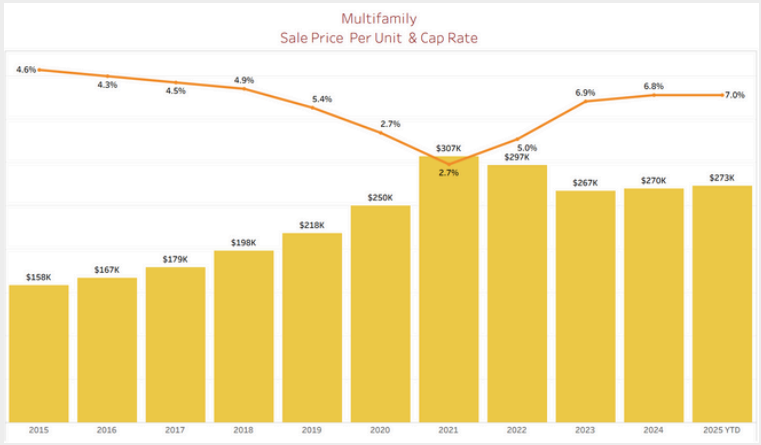


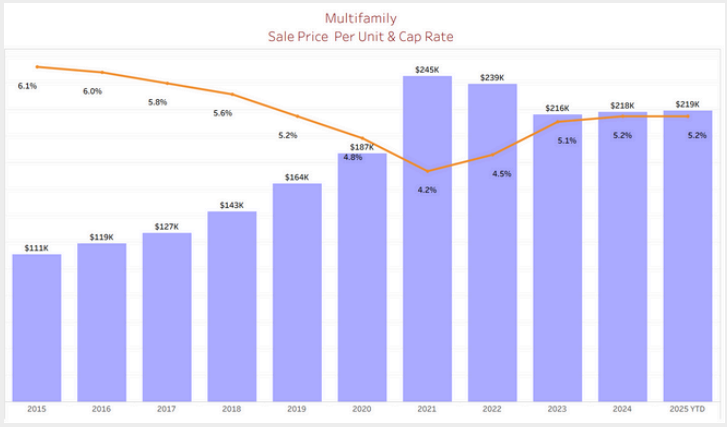


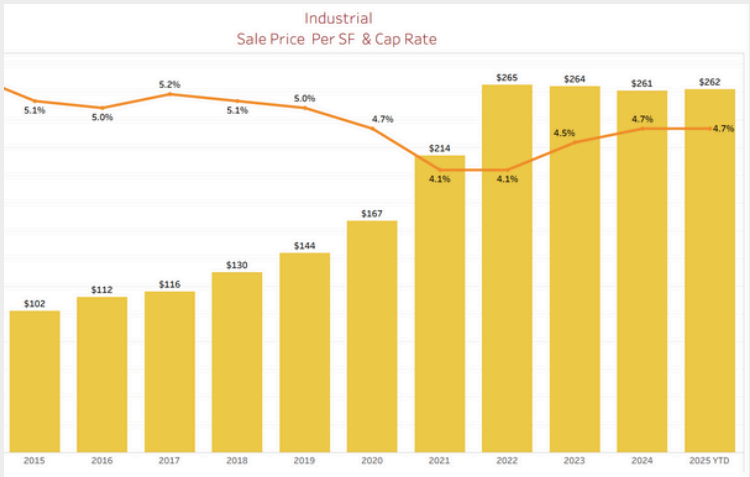
Appendix C: Inland Empire, CA vs Las Vegas, NV

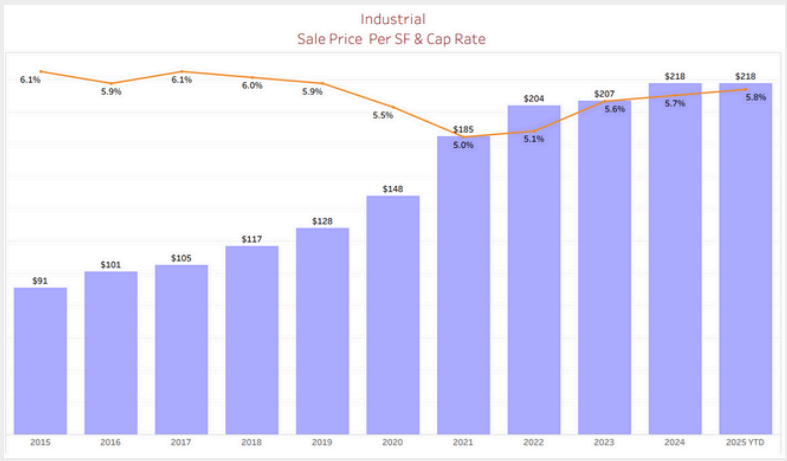


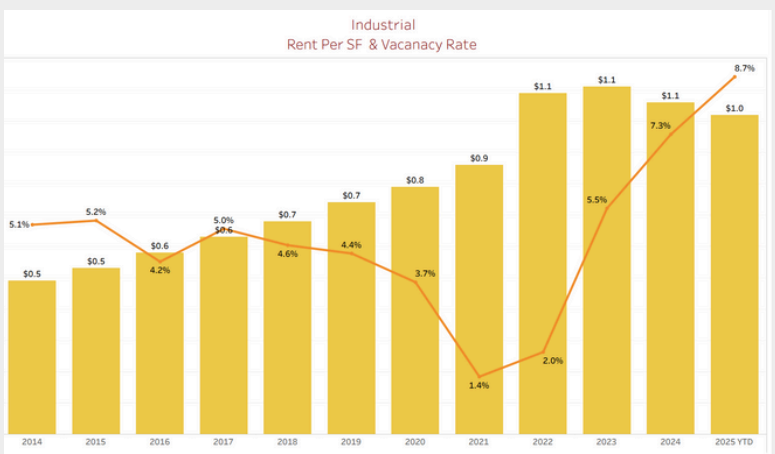


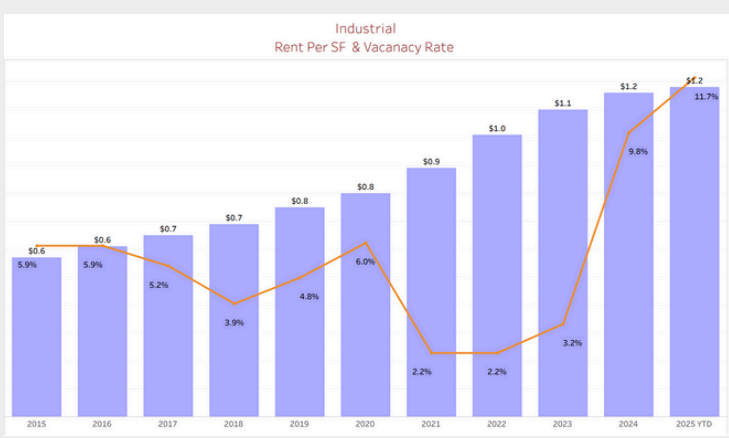




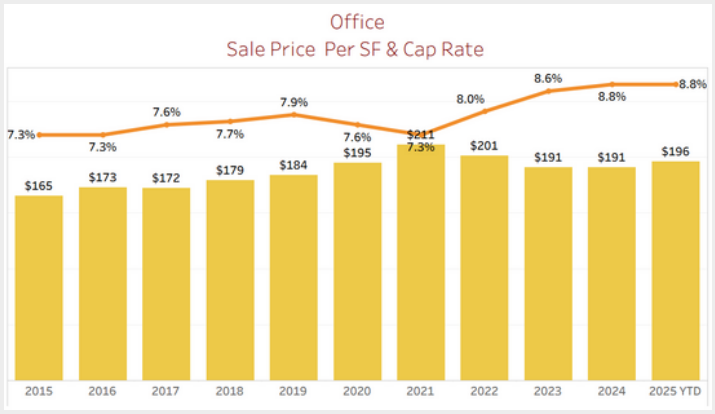


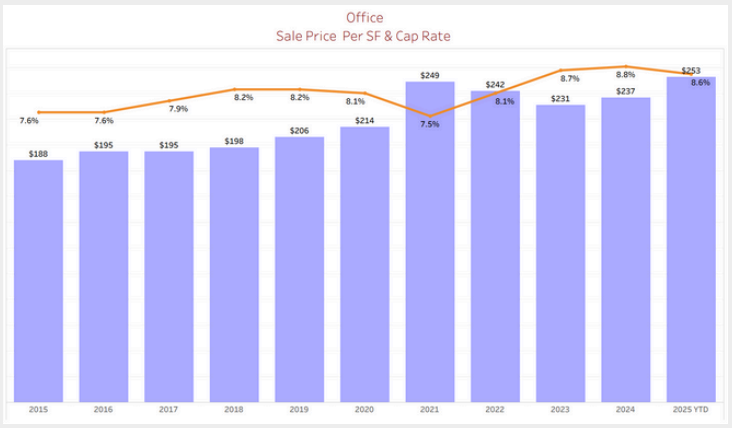


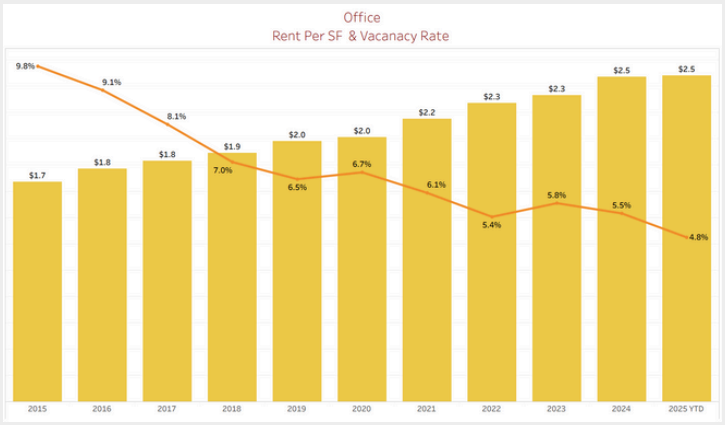


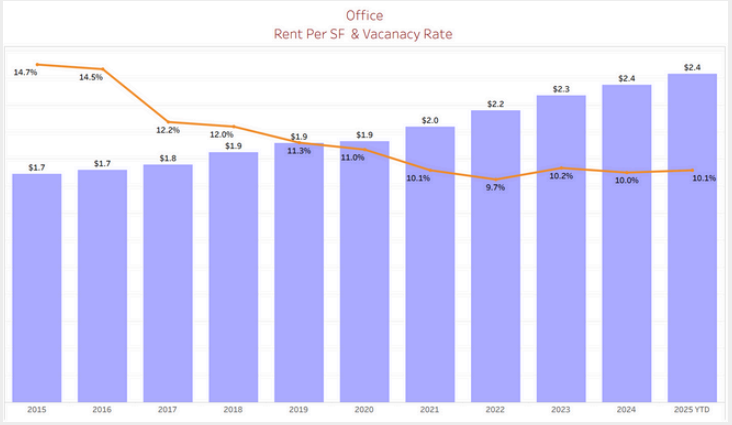


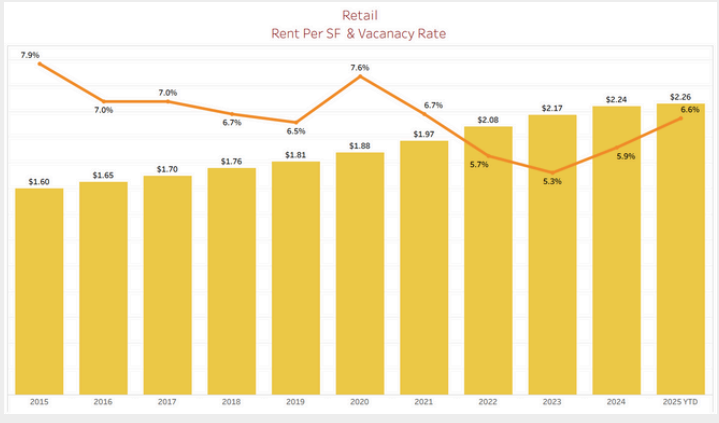
Appendix D: Inland Empire, CA vs Las Vegas, NV

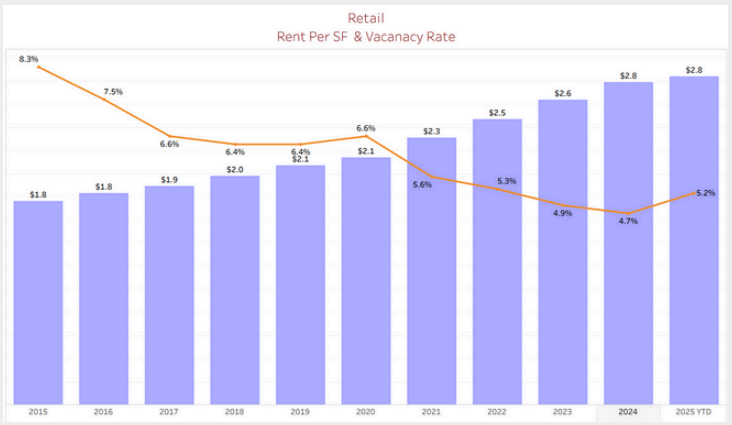


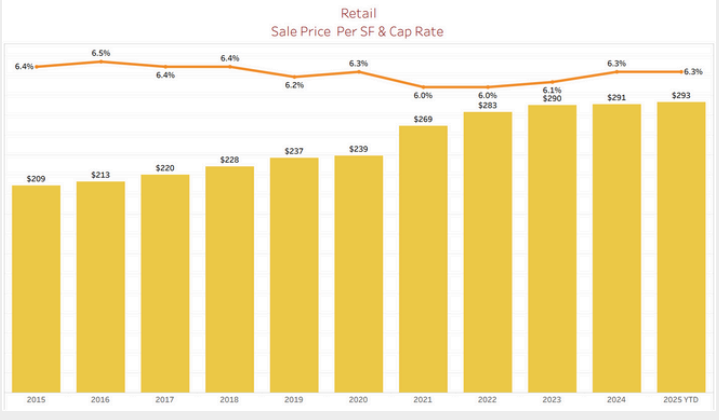


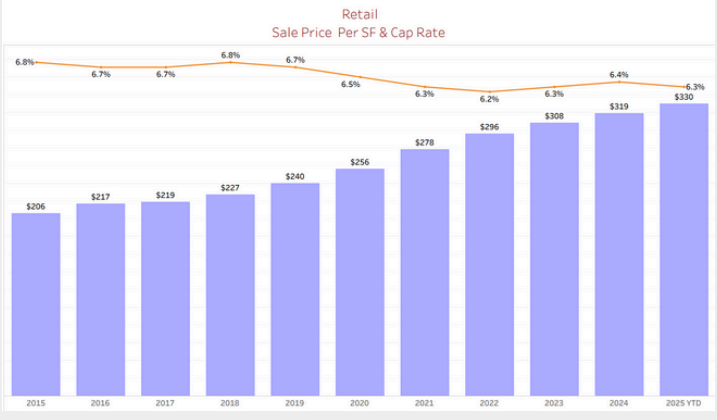




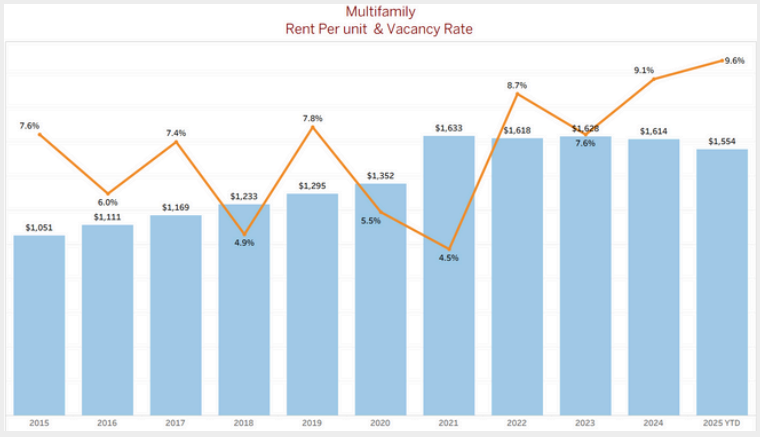


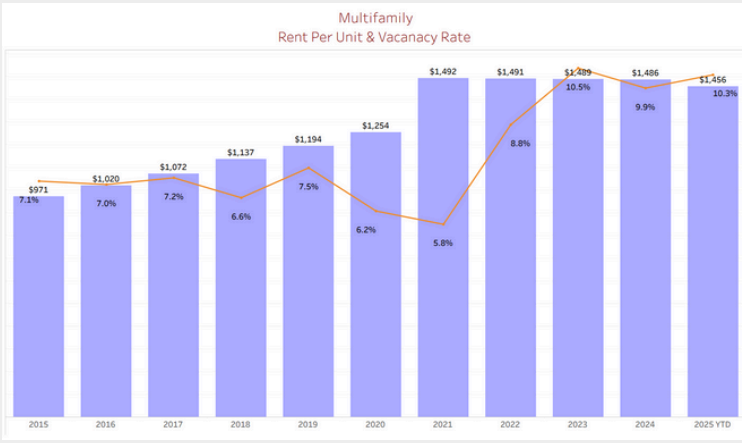


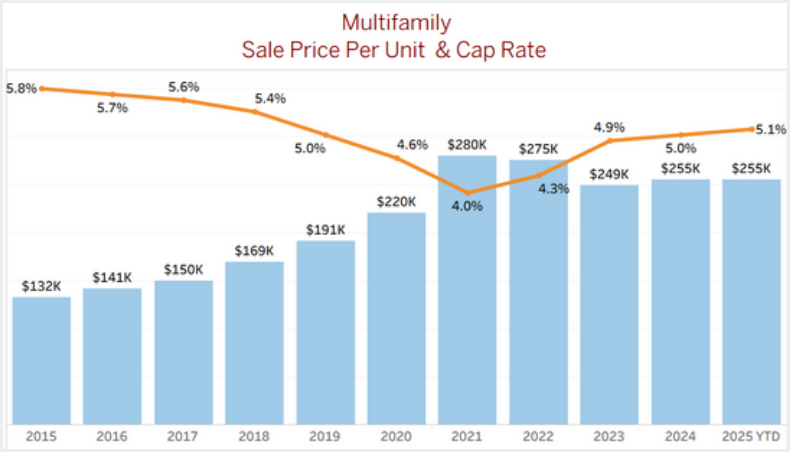


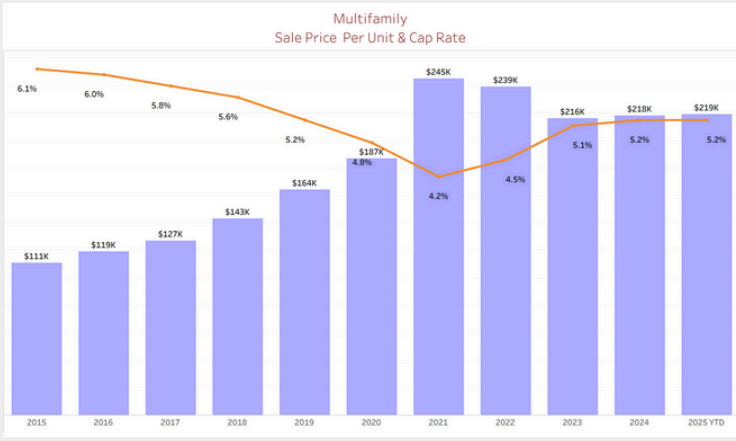


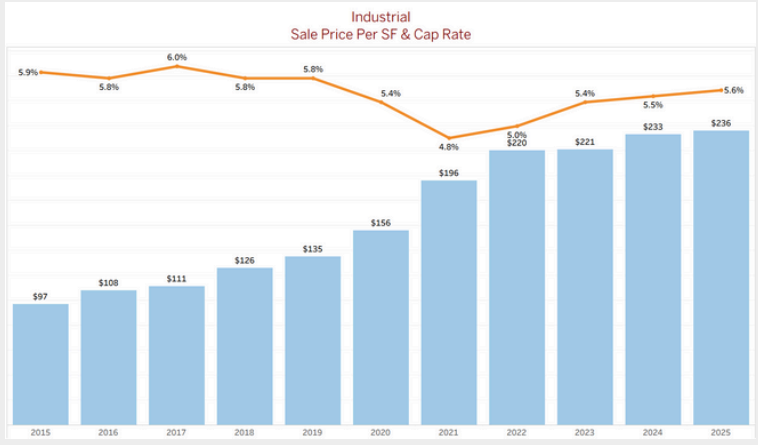
Appendix E: Henderson, NV vs Las Vegas, NV

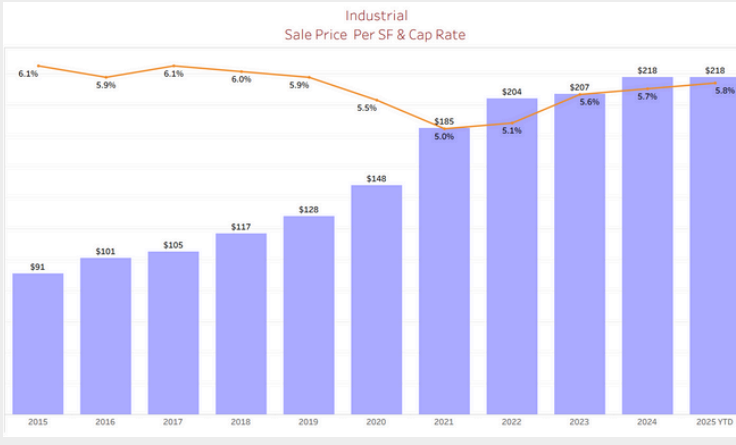


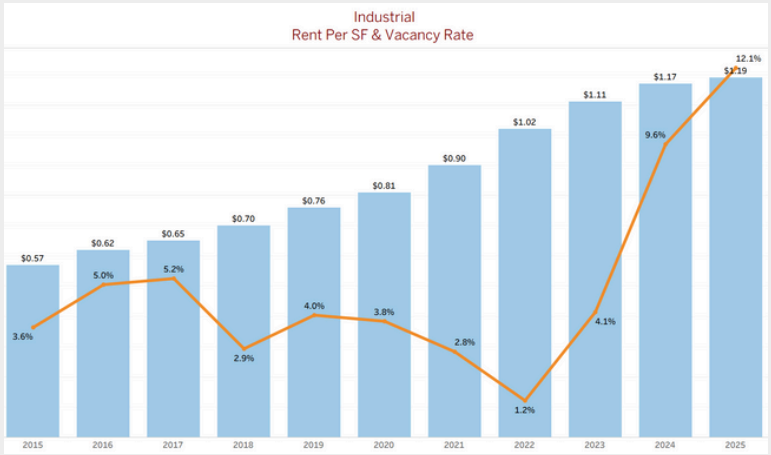


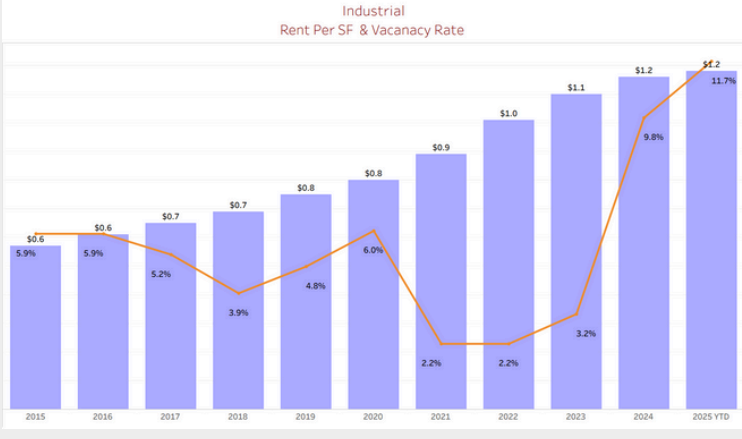




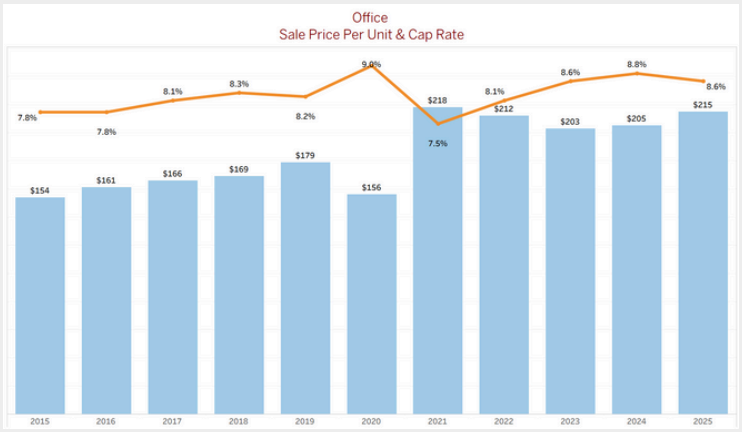


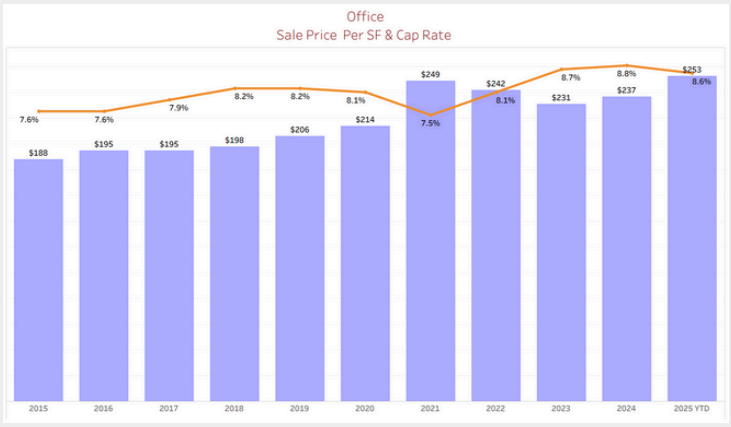


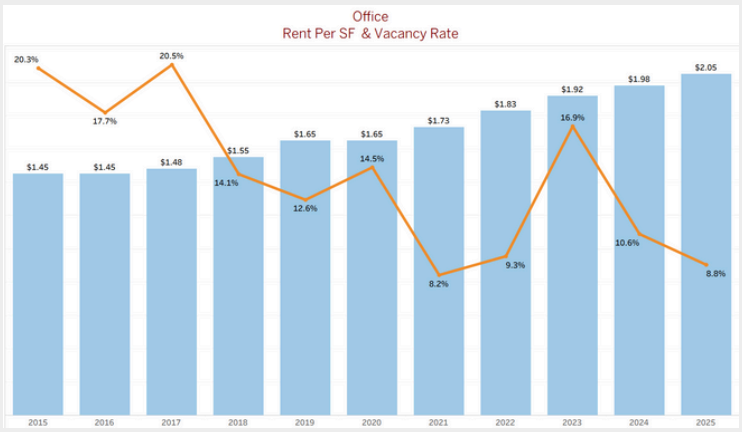


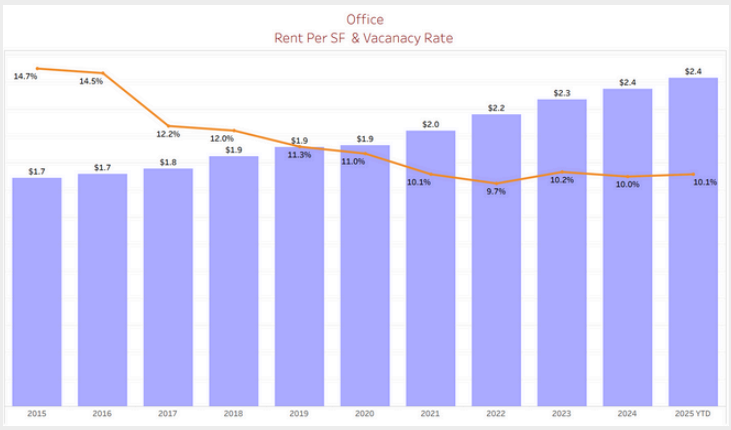


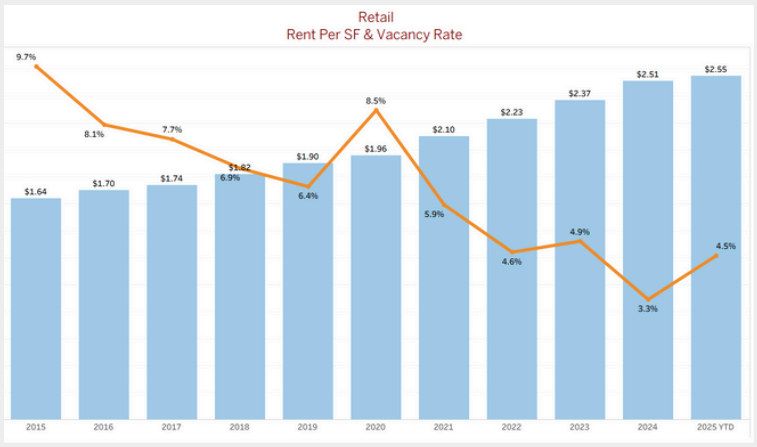
Appendix F: Henderson, NV vs Las Vegas, NV

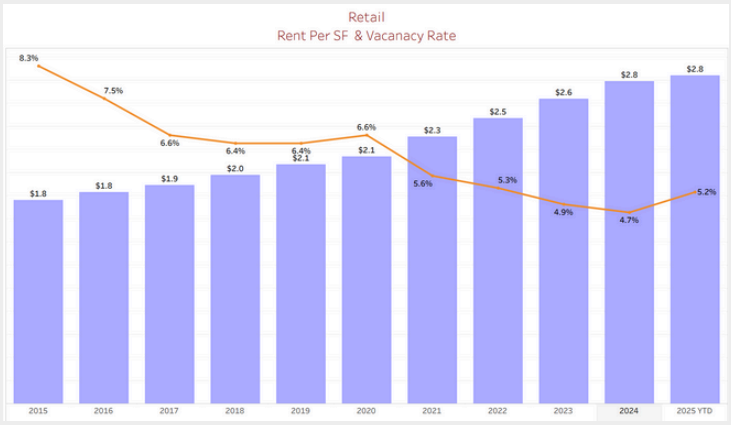


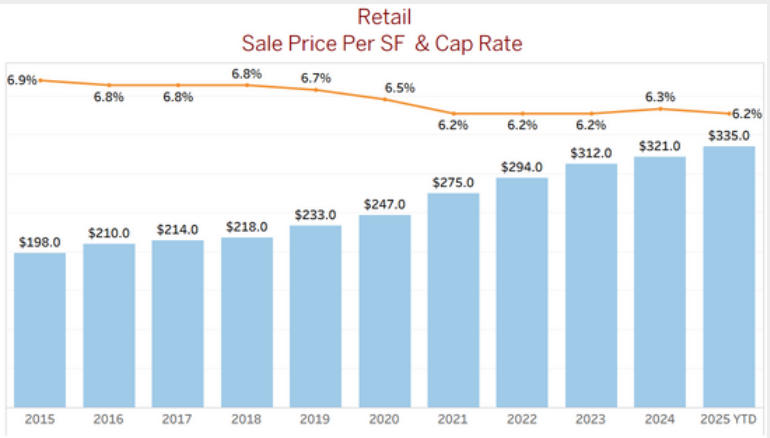


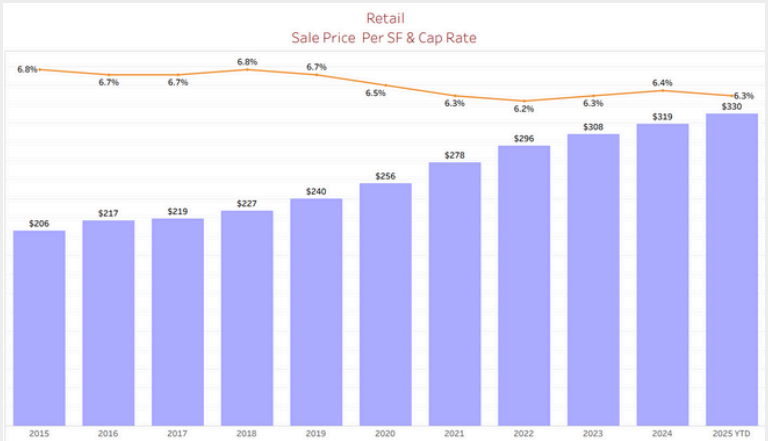






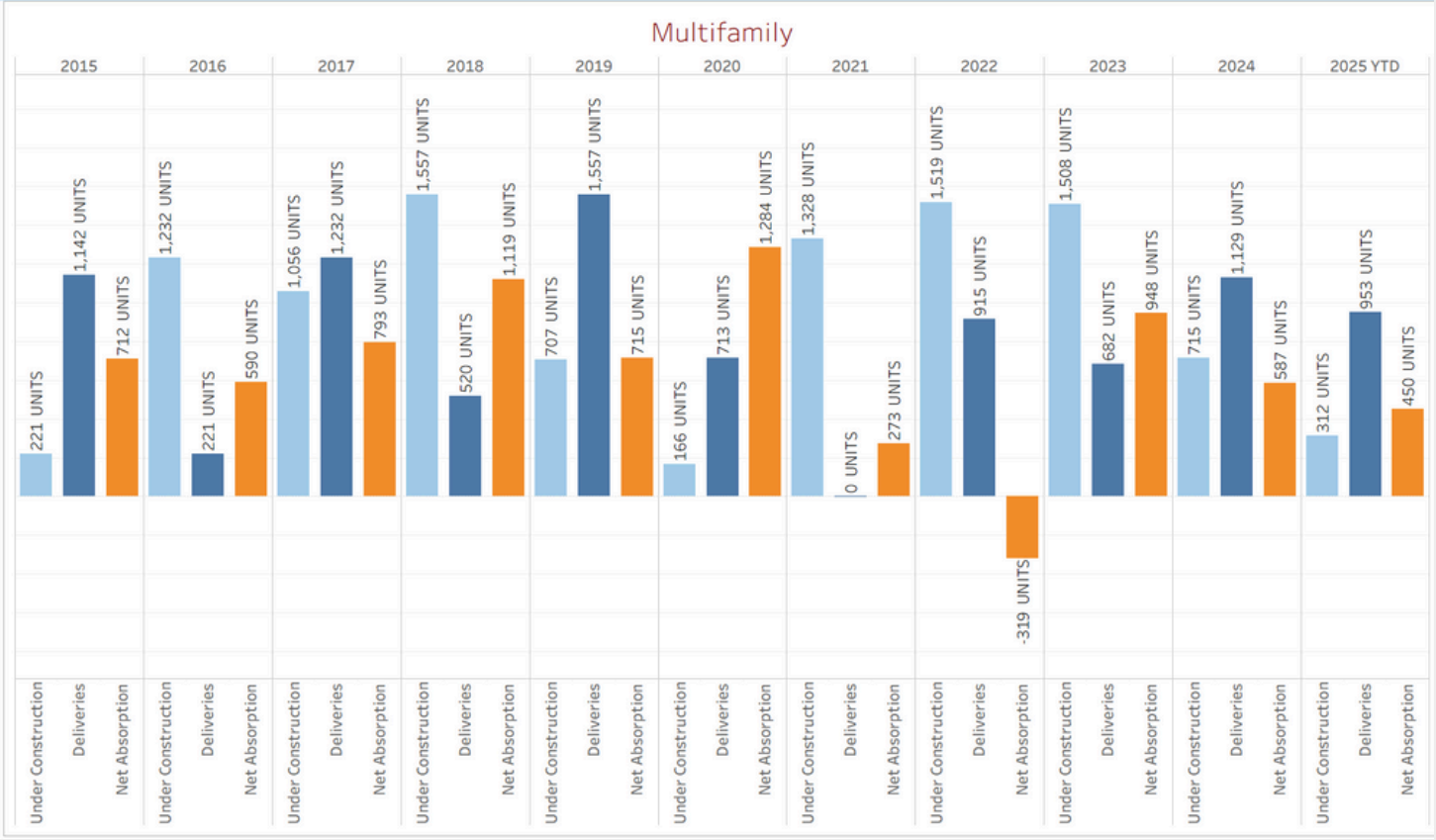


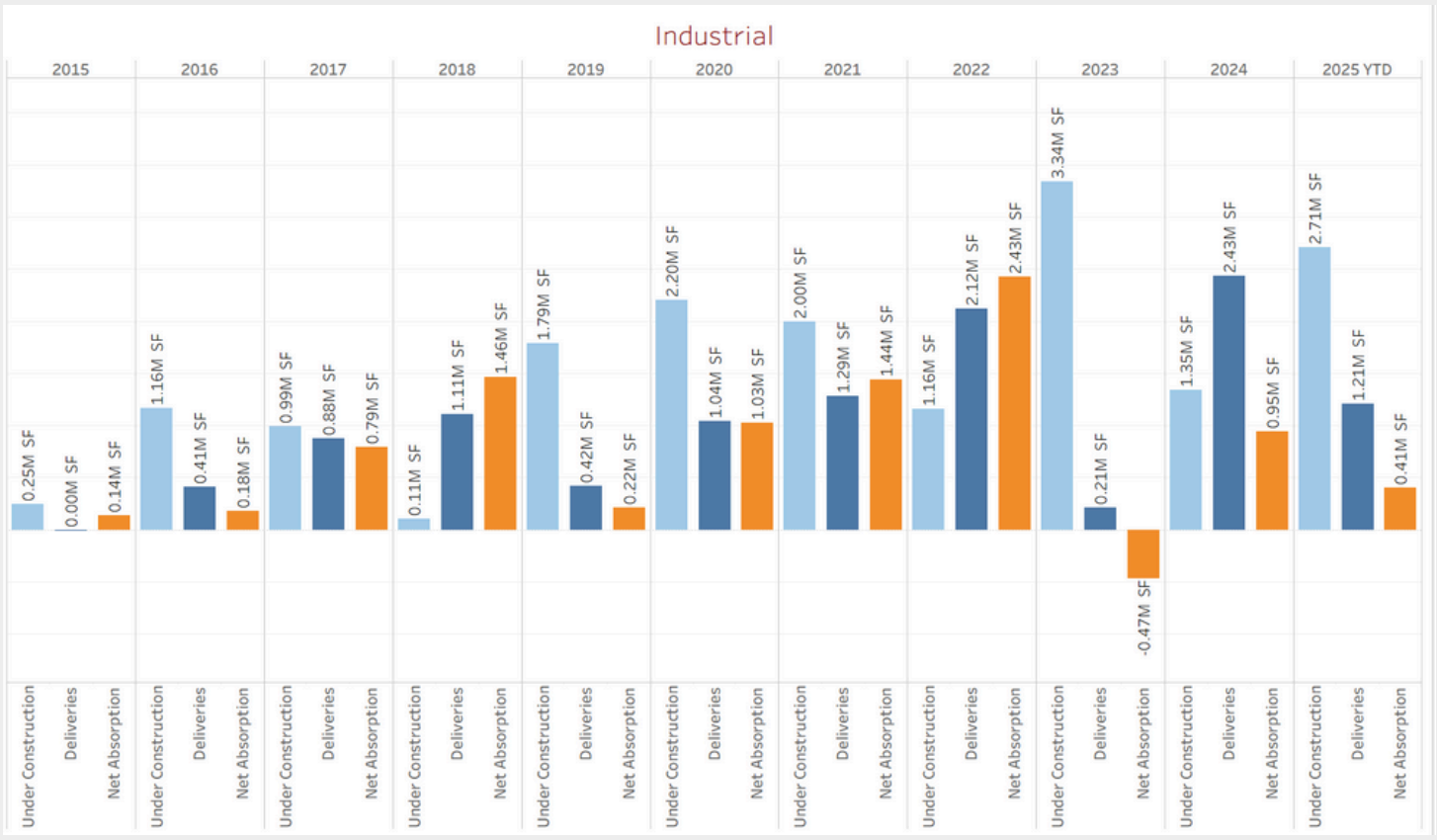




Appendix G: Henderson, NV

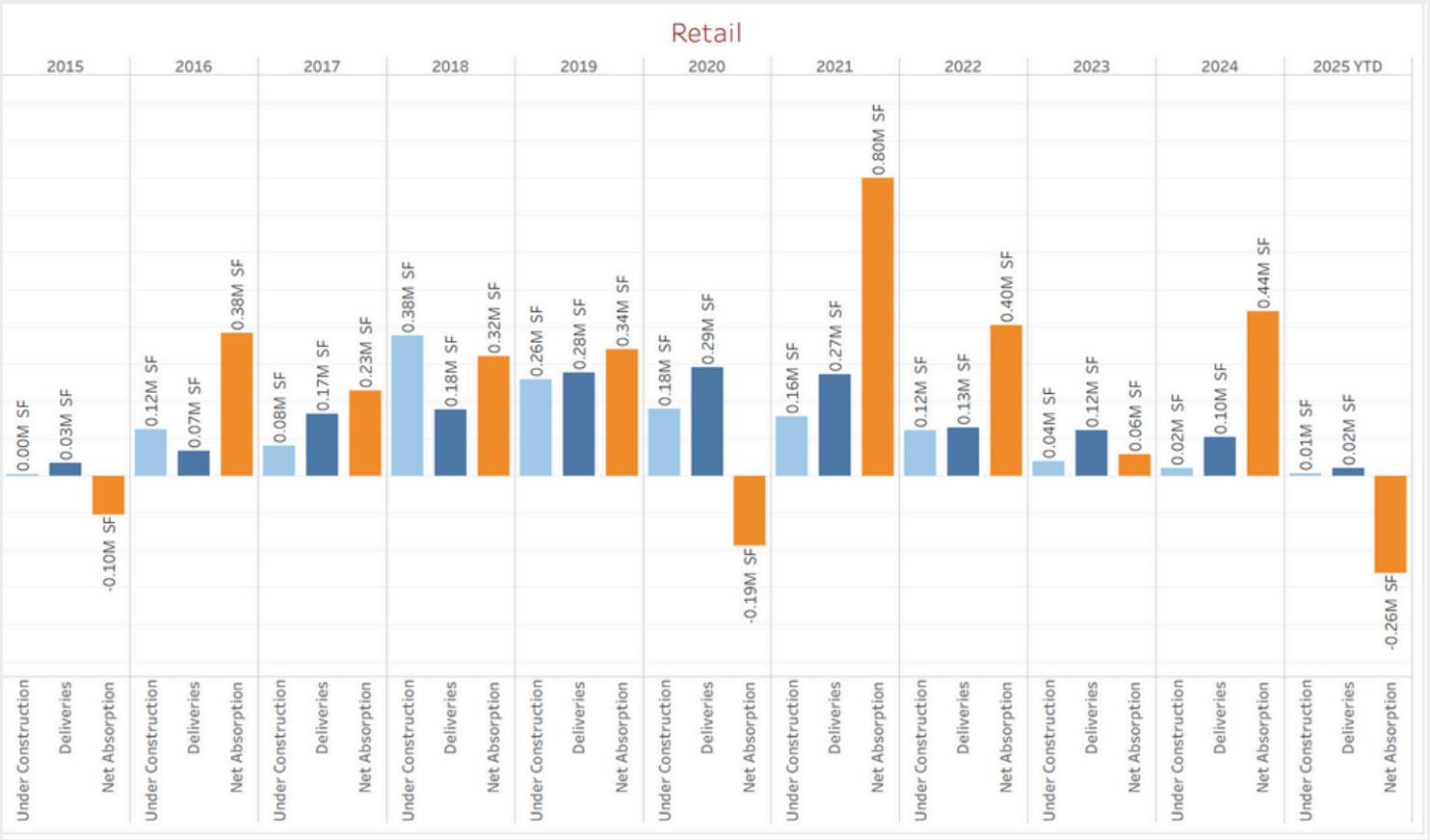
Under Construction, Deliveries and Net Absorption

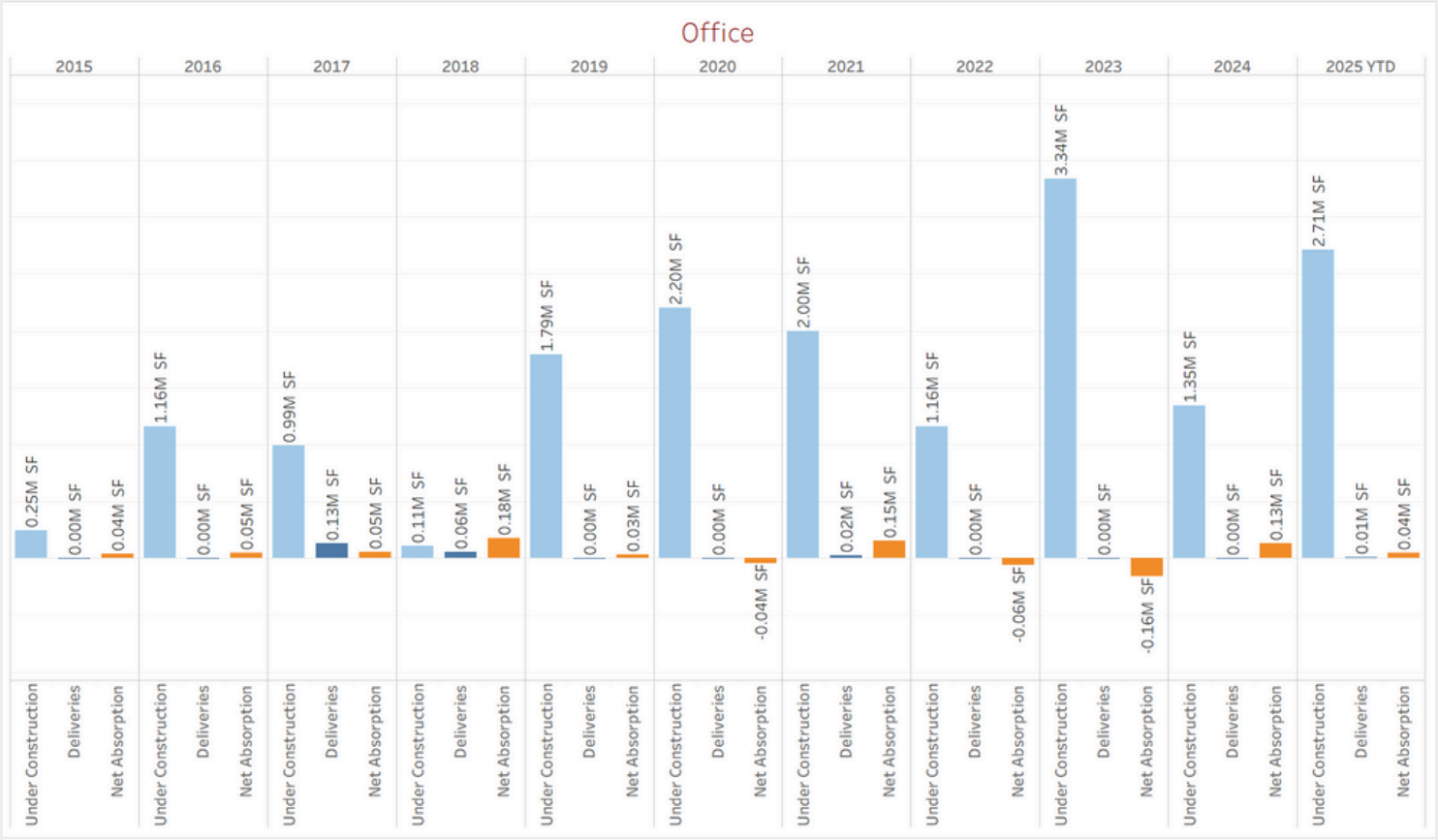




Appendix H: Henderson, NV

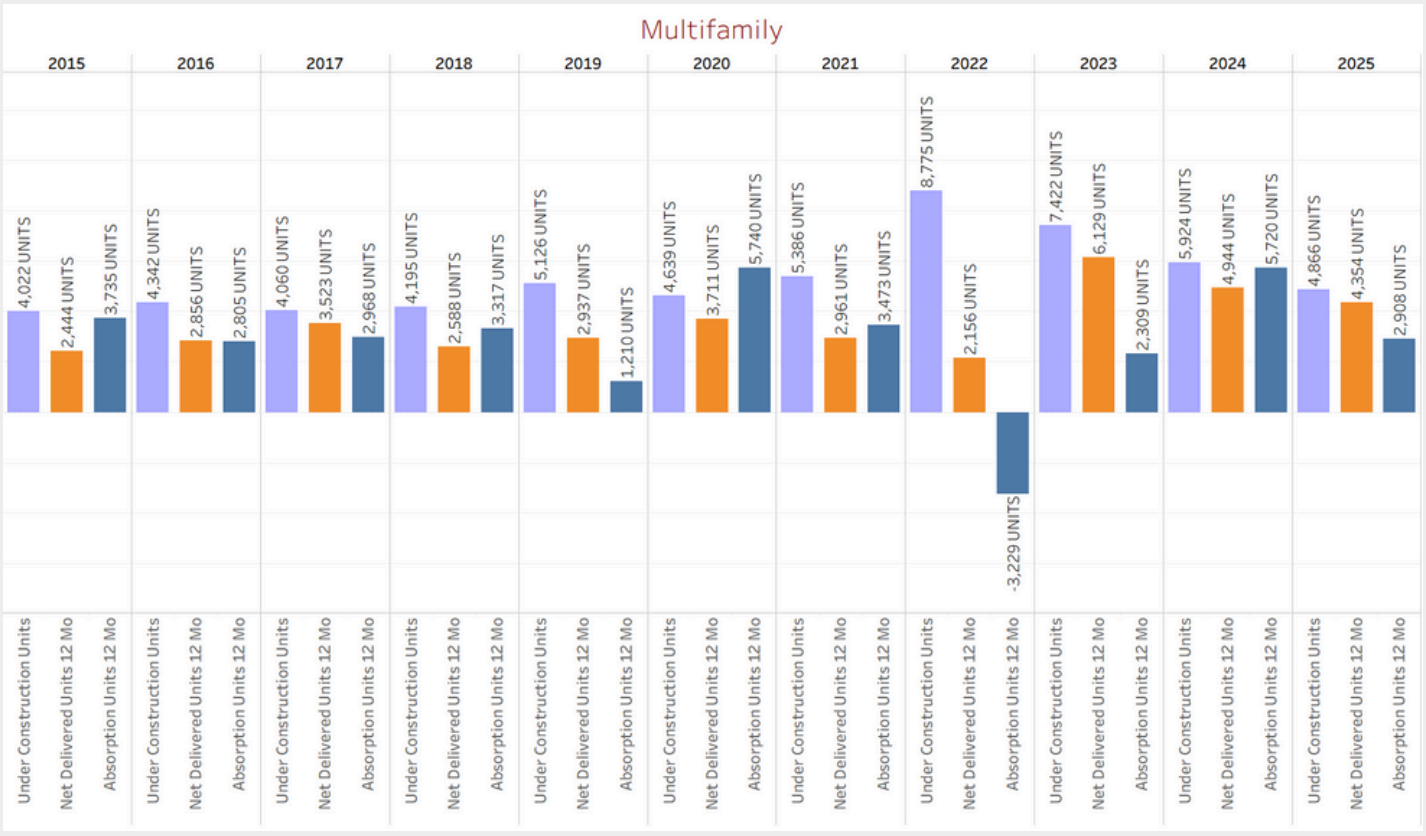
Under Construction, Deliveries and Net Absorption

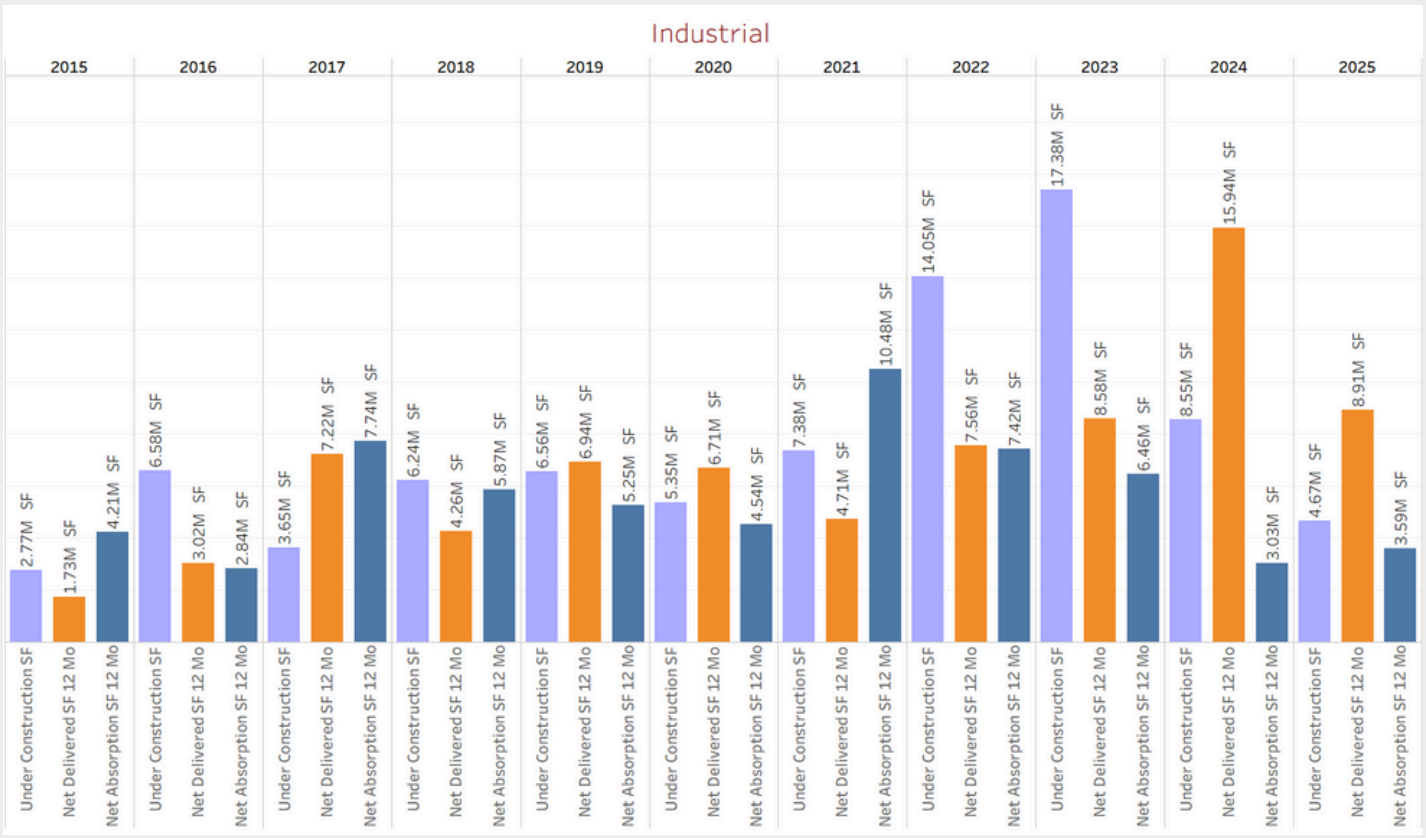




Appendix I: Las Vegas

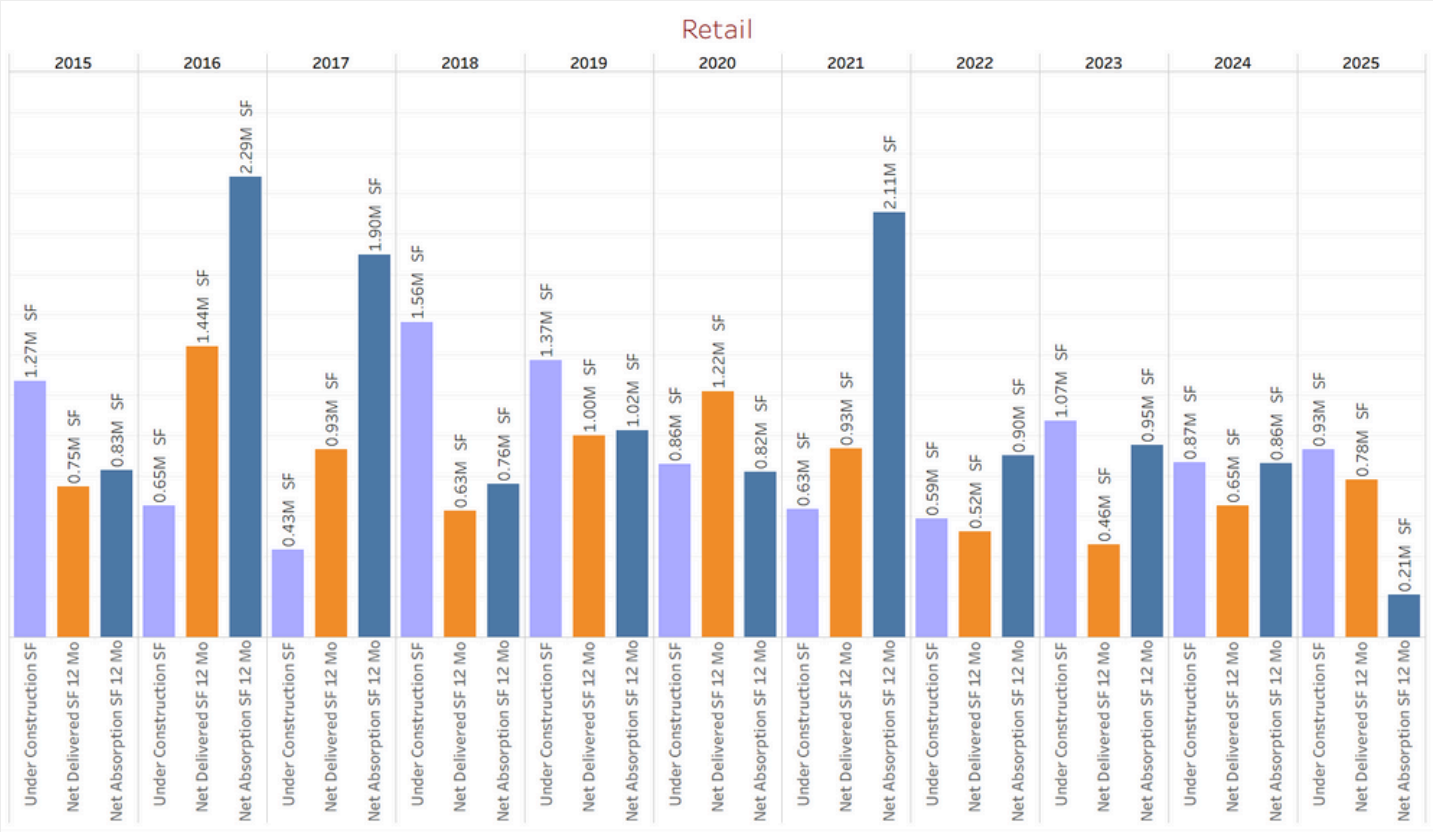
Under Construction, Deliveries and Net Absorption

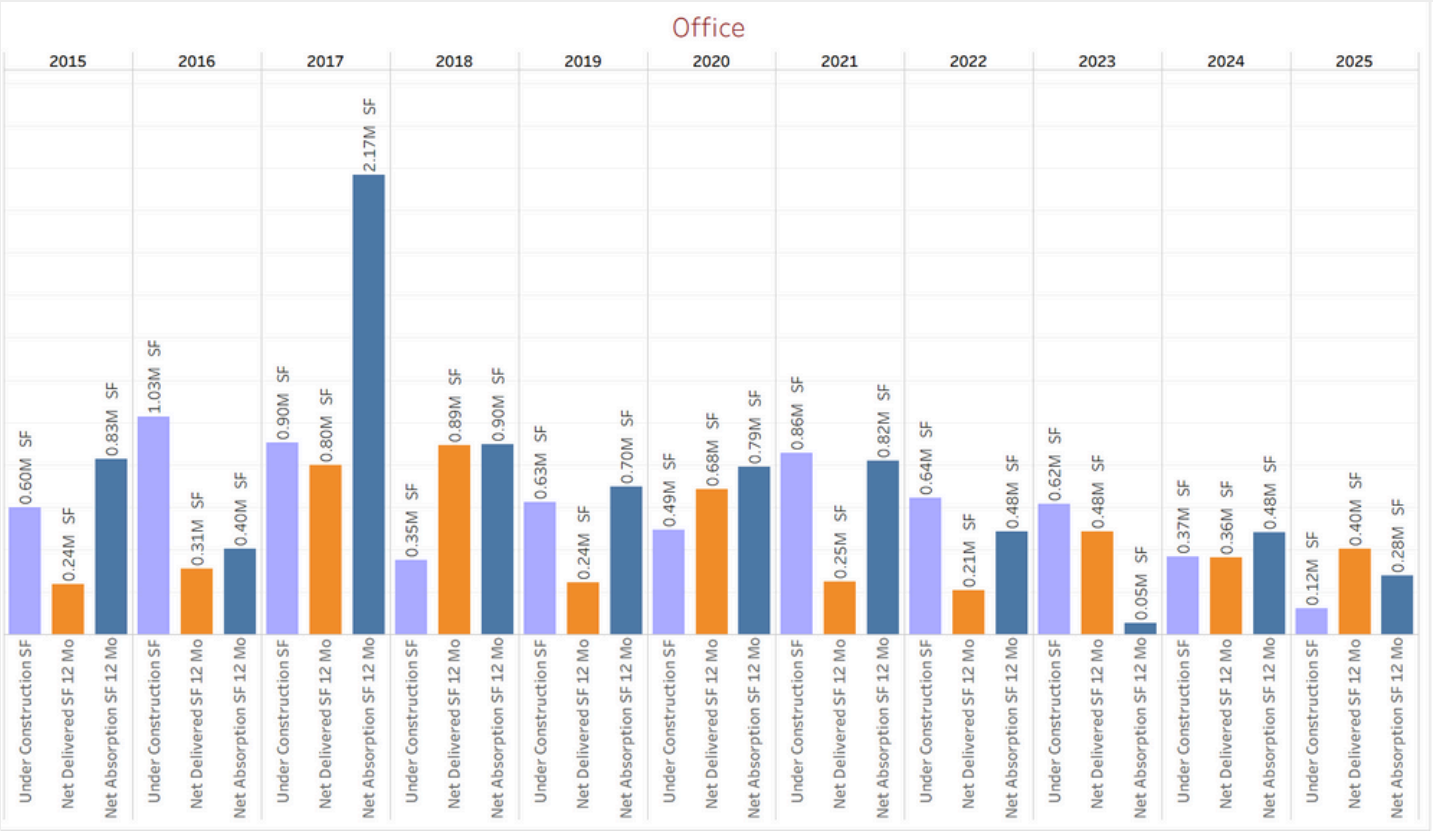




Appendix J: Las Vegas

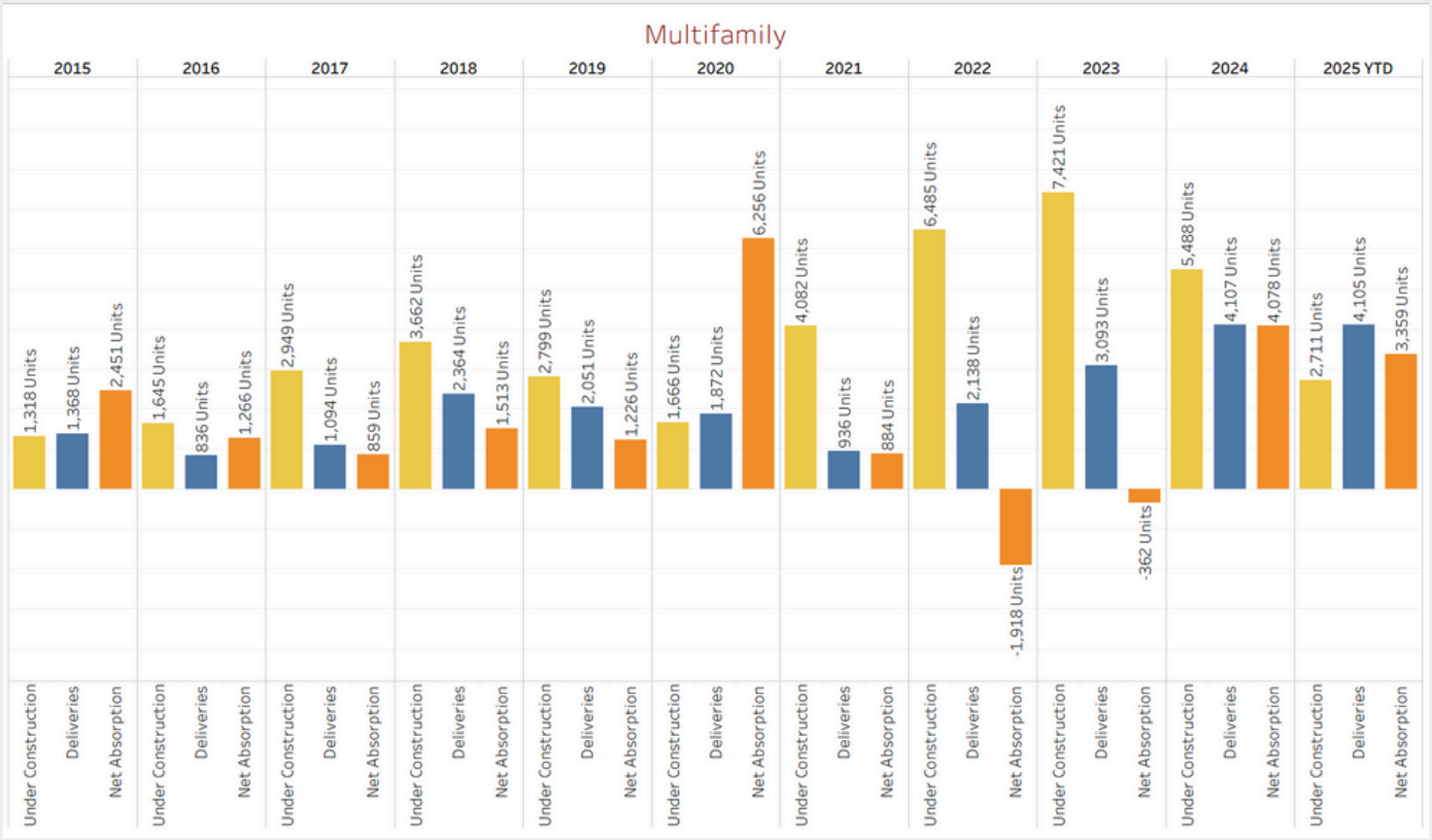
Under Construction, Deliveries and Net Absorption

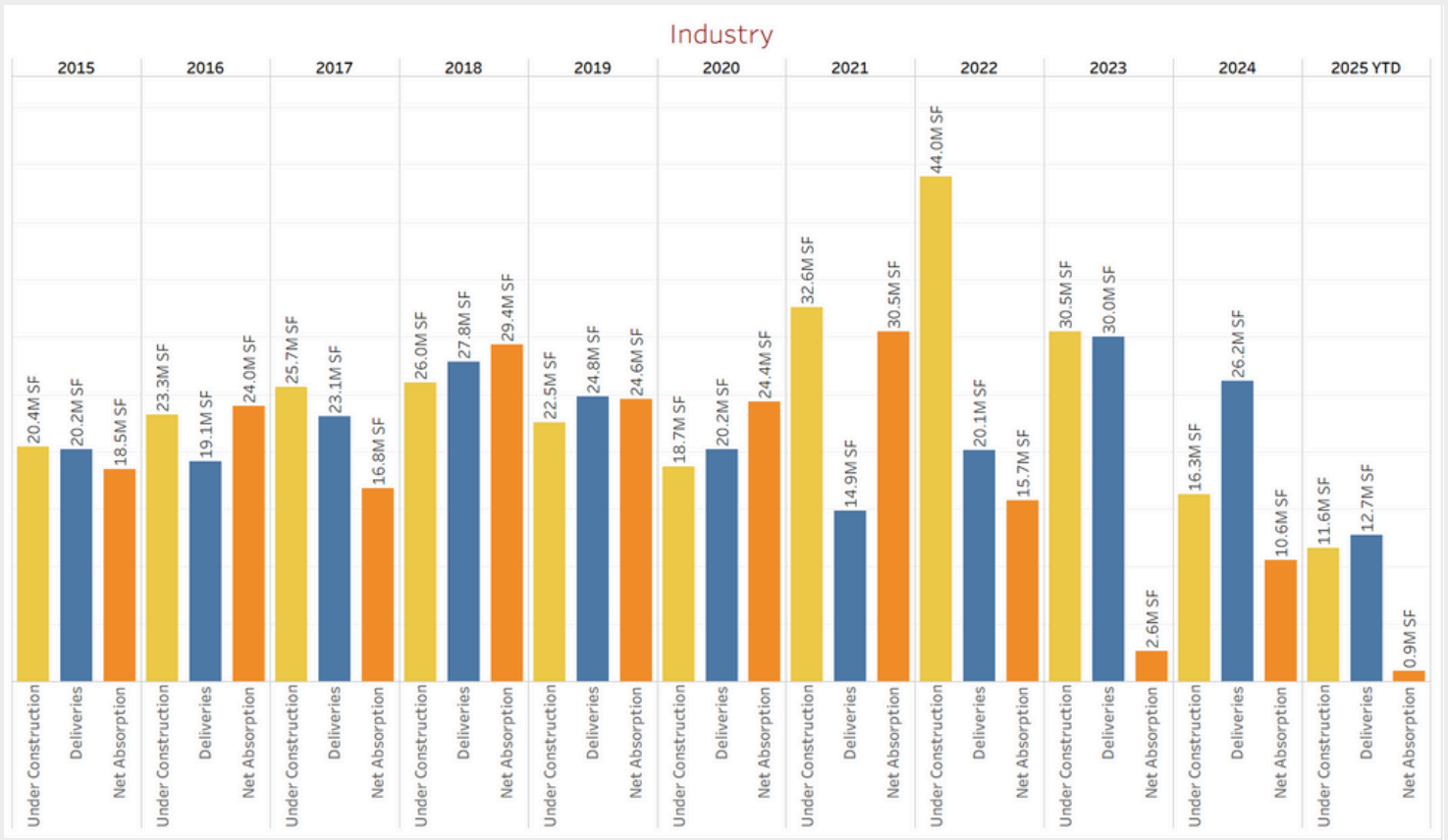




Appendix K: Inland Empire

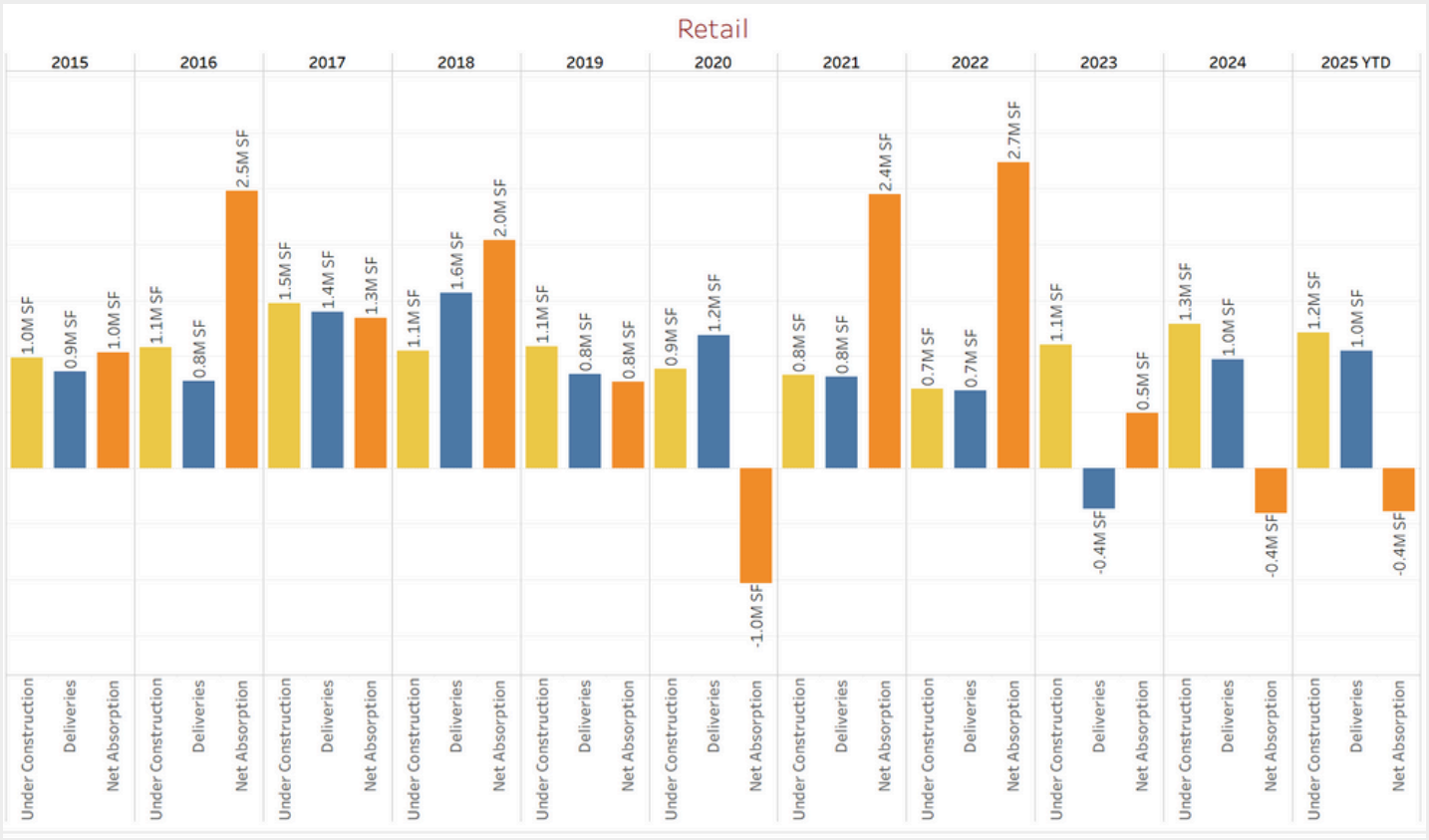
Under Construction, Deliveries, and Net Absorption

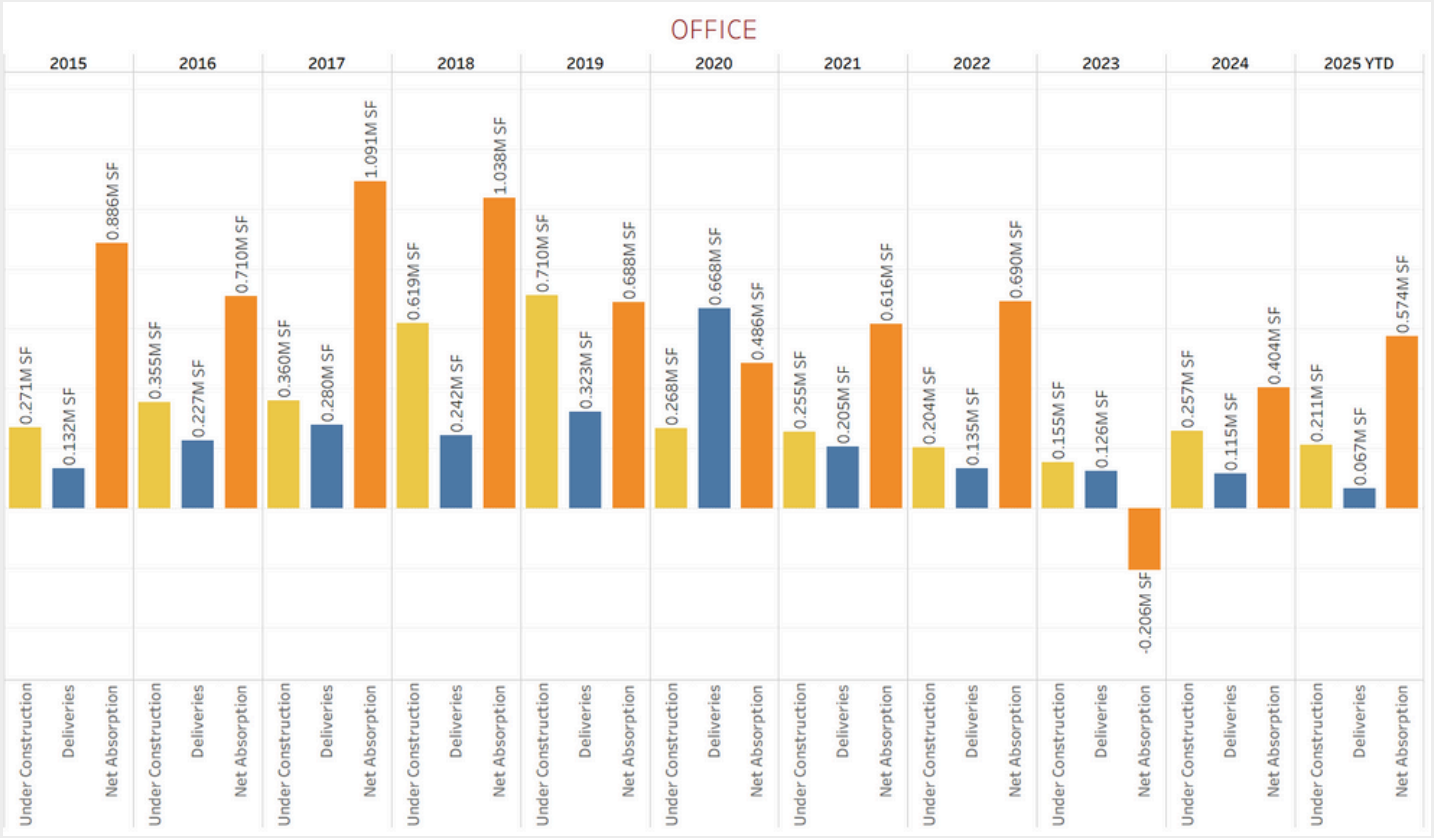




Appendix L: Inland Empire

Under Construction, Deliveries, and Net Absorption





SoCal Deep Dive:

Market Trends and 2026 Predictions

Orange County | San Bernardino County | Riverside County

Market Overview

While narratives often treat the Southern California region as a single market, a deeper review of pricing, rents, vacancy, and capital flows across Orange County, San Bernardino County, and Riverside County reveals three distinct investment environments. This outlook combines Quasar's proprietary market analysis (Appendices A-N) with industry benchmark data to provide a clear, practical view of current conditions and where the market is heading.

Market Metrics

Asset Class	Metric	Orange County	San Bernardino County	Riverside County
Industrial	Sale Price ($/SF)	$255	$185	$175
	Cap Rate (%)	5.30%	6.50%	6.70%
	Asking Rent ($/SF)	$1.55	$0.95	$0.90
	Vacancy Rate (%)	3.70%	5.50%	5.80%
Retail	Sale Price ($/SF)	$447	$305	$295
	Cap Rate (%)	5.40%	6.80%	6.90%
	Asking Rent ($/SF)	$3.26	$2.05	$2.00
	Vacancy Rate (%)	4.30%	6.00%	6.20%
Office	Sale Price ($/SF)	$295	$185	$175
	Cap Rate (%)	6.90%	7.80%	8.00%
	Asking Rent ($/SF)	$2.49	$1.85	$1.80
	Vacancy Rate (%)	15.10%	14.70%	15.30%
Multifamily	Sale Price ($/Unit)	$735,000	$425,000	$415,000
	Cap Rate (%)	4.90%	5.70%	5.80%
	Asking Rent ($/Unit)	$2,743	$2,150	$2,100
	Vacancy Rate (%)	4.10%	5.50%	5.70%

Deep Dive: Orange County

Perspective	Key Takeaways
Quasar Insights	• Premium pricing across all asset classes. • Retail and multifamily remain particularly resilient.
Industry Benchmarks	• Core-market due to limited land availability, constrained new supply, and strong institutional ownership. • Lower cap rates reflect long-term confidence rather than weakness.
Investor Implication	Best suited for capital preservation and long-term holds.

Deep Dive: San Bernardino County

Perspective	Key Takeaways
Quasar Insights	• Strong mix of affordability, steady rent growth, and stable occupancy. • Office and multifamily assets outperform broader regional trends.
Industry Benchmarks	• Diversified tenant base anchored by government, healthcare, and education. • Consistent absorption.
Investor Implication	Attractive for investors seeking growth without excessive volatility.

Deep Dive: Riverside County

Perspective	Key Takeaways
Quasar Insights	• Region’s highest yield profile. • However, performance varies meaningfully by submarket.
Industry Benchmarks	• Confirms Riverside’s yield-driven profile. • Buyer base dominated by owner-users and private investors rather than institutions.
Investor Implication	Careful asset and location selection is critical to drive returns.

Sector Spotlight: Industrial

Industrial investment activity is strongest in a few key cities, with Anaheim, Santa Ana, Riverside, Fontana, and Ontario leading in sales volume, showing these markets remain highly liquid and in demand. Orange County cities trade at much higher prices per square foot, reflecting limited supply and strong demand for well-located, infill industrial properties. Riverside and San Bernardino counties offer more affordable pricing while still seeing high transaction activity, making them attractive for investors seeking better cash flow or value-add opportunities. Overall, investors appear split between paying a premium for stability in Orange County and pursuing growth and yield in the Inland Empire.

Regional Perspective: One Market, Three Strategies

Taken together, both proprietary and industry data point to a clear regional structure

- Orange County leads in liquidity and pricing power
- San Bernardino County offers balance, stability, and growth
- Riverside County provides yield and selective upside

These distinctions are becoming more pronounced and are expected to persist.

Investor Outlook & Predictions: 2025–2026

1. Capital Will Continue to Prioritize Liquidity

Institutional capital is expected to remain concentrated in Orange County, particularly in industrial and multifamily assets. Supply constraints and exit certainty will continue to support pricing, even if near-term rent growth remains muted.

2. Inland Empire Rent Growth Will Outpace Coastal Markets

Affordability pressures will limit rent acceleration in Orange County, while San Bernardino and Riverside benefit from population growth and tenant migration. Inland Empire rent growth is expected to remain stronger through 2026.

4. Yield Strategies Will Gain Momentum

As interest rates stabilize, investors are expected to seek yield spreads in Inland Empire markets. Riverside and select San Bernardino submarkets are well positioned to attract this capital.

5. Asset Quality Will Drive Outcomes

Across all counties, well-located, functional assets will outperform. Obsolete inventory especially in office will continue to face pricing pressure, conversion, or removal from inventory.

Closing Perspective

Southern California is no longer a single-story market, and as previous editions of this newsletter have highlighted, this is largely driven by broader trends in the economy, employment, and migration. Orange County's economy is dependent on the medical, tech, and education industries . The tech industry in particular is seeing strong tailwinds nationwide, and this growth continues to fuel demand for Orange County real estate, investments, and living despite the premium prices.

However, workforce in other industries that support the local and regional infrastructure (manufacturing, law enforcement and public education to name a few) is not seeing the same level of job growth and/or may be more inflation-sensitive, thus finding Orange County unaffordable. This in turn is leading to out-migration, even though growth-positive industries and higher-wage jobs are still prominently based in Orange County.

To make affordability possible, it's thus important to spread out the presence of growth-positive industries throughout the region, while also encouraging the diversification of the regional economy and promoting industries that currently lag behind.

Sources: Quasar Proprietary Analytics, CoStar, CBRE, JLL

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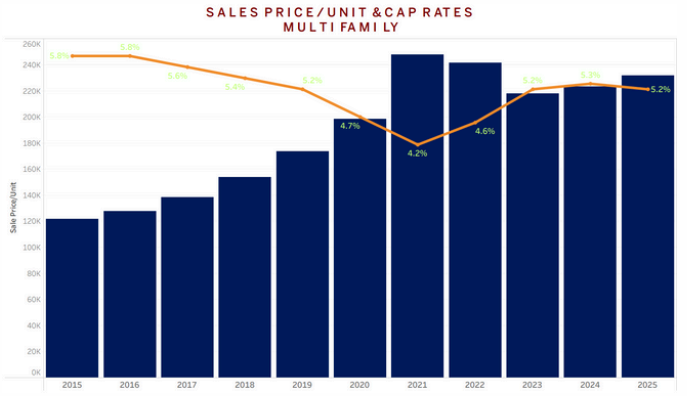
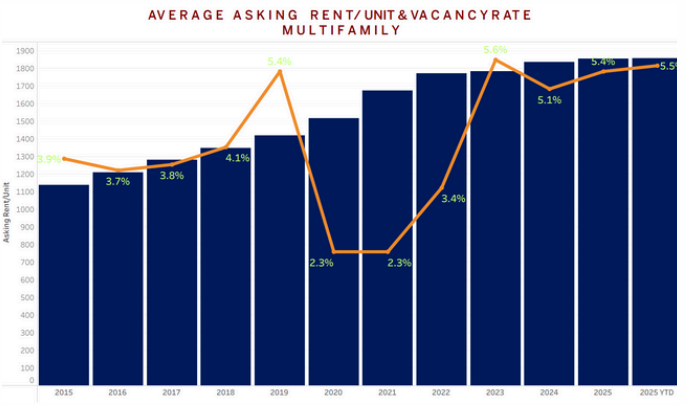
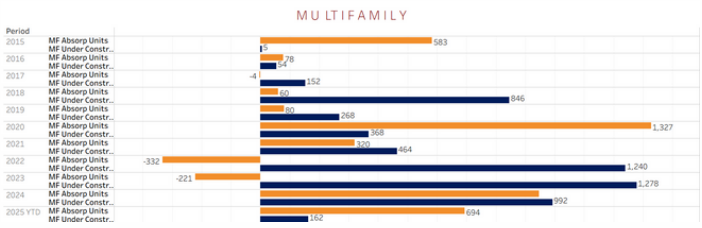
Appendix A: San Bernardino Multifamily

2025 YTD

Multifamily	$231K	5.2%	$1855	5.5%
Property Type	Price/Unit	Cap Rate	Asking Rent/Unit	Vacancy Rate







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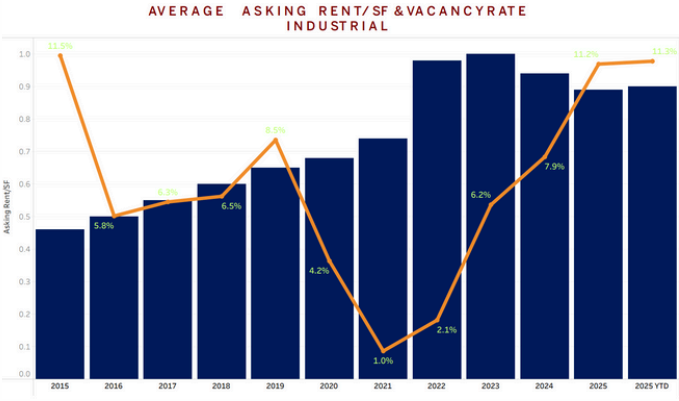
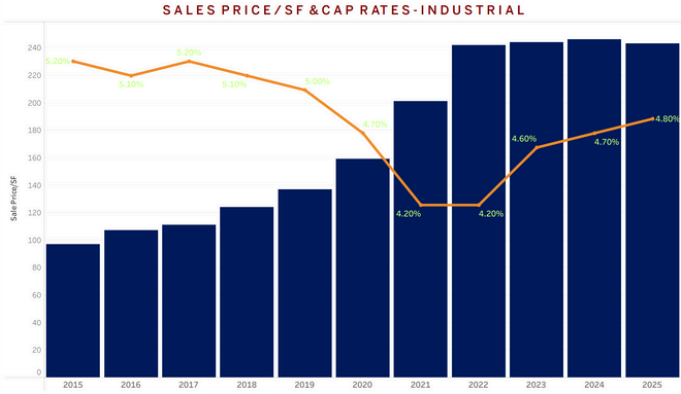
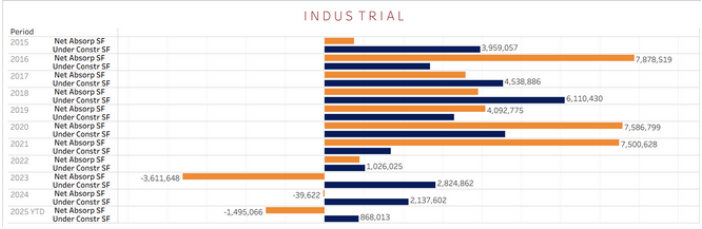
Appendix B: San Bernardino Industrial

2025 YTD

Industrial	$243	4.8%	$0.896	11.3%
Property Type	Price/SF	Cap Rate	Asking Rent/SF	Vacancy Rate







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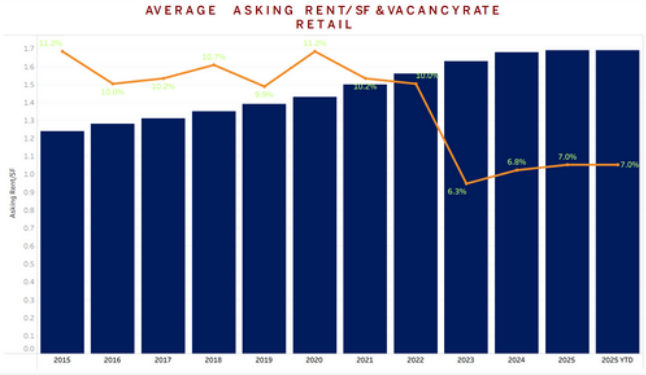
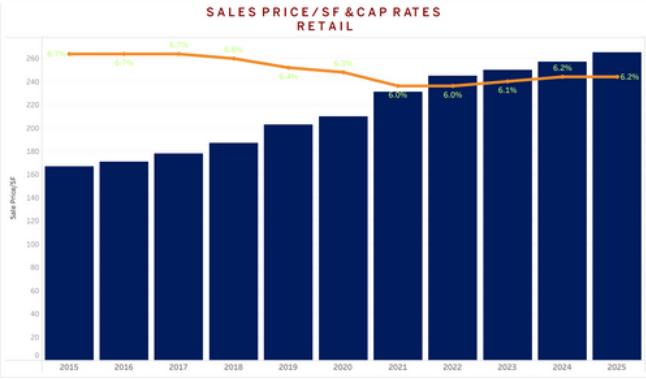
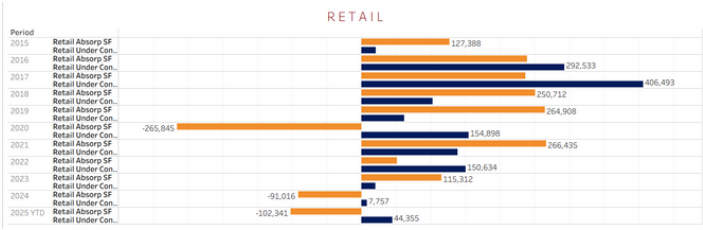
Appendix C: San Bernardino Retail

2025 YTD				
Retail	**$264.7**	**6.2%**	**$1.69**	**7.0%**
Property Type	Price/SF	Cap Rate	Asking Rent/SF	Vacancy Rate







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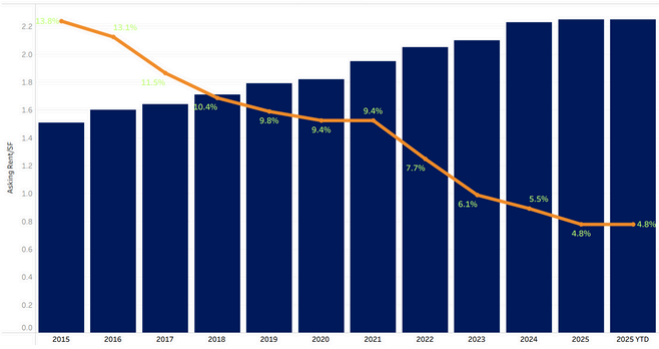
Appendix D: San Bernardino Office

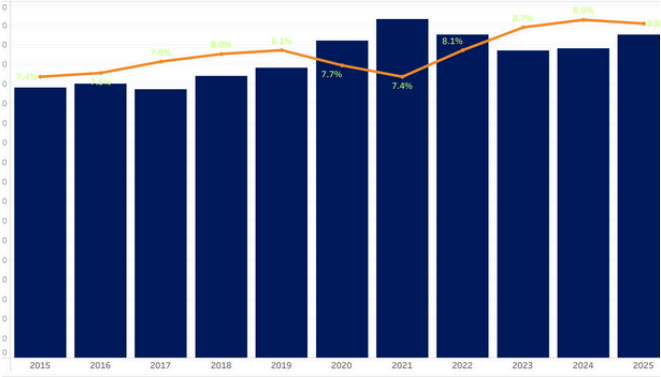
2025 YTD

Office	$165	8.8%	$2.25	4.8%
Property Type	Price/SF	Cap Rate	Asking Rent/SF	Vacancy Rate

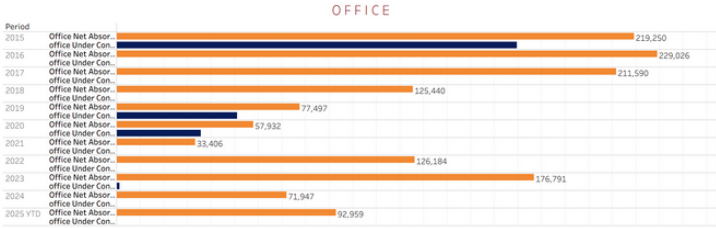
AVERAGE ASKING RENT/SF & VACANCY RATE
OFFICE



SALES PRICE/SF & CAP RATES
OFFICE



OFFICE



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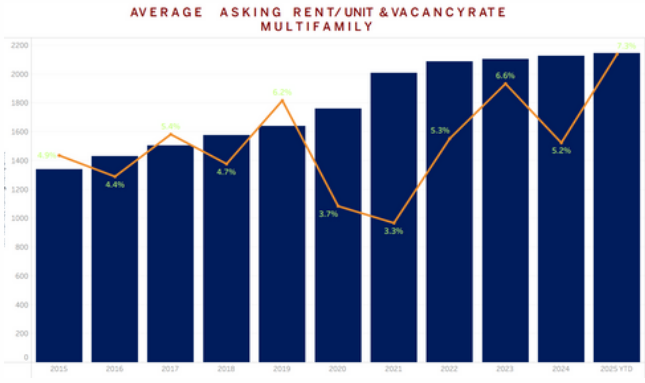
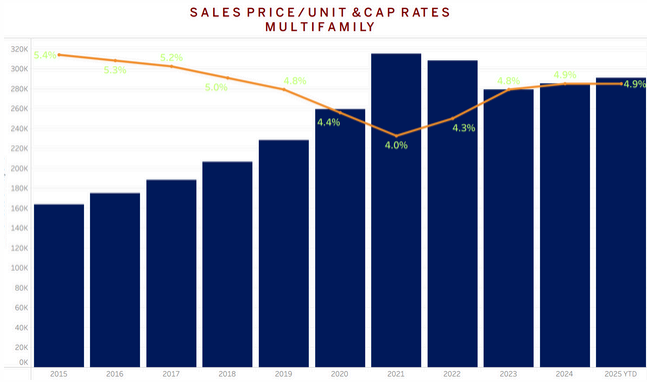
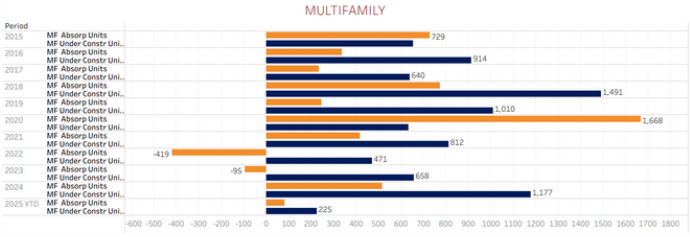
Appendix E: Riverside Multifamily

2025 YTD

Multifamily	$291.03K	4.92%	$2144	7.3%
Property Type	Price/Unit	Cap Rate	Asking Rent/Unit	Vacancy Rate



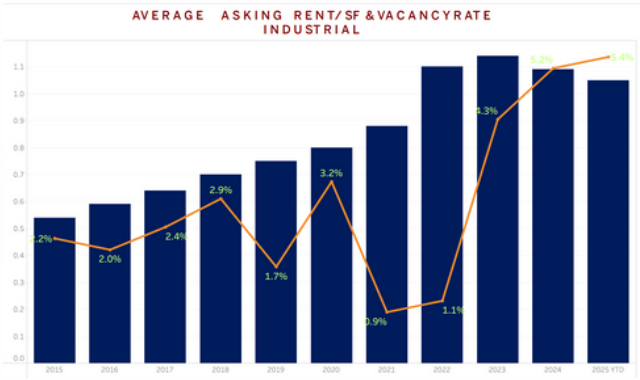


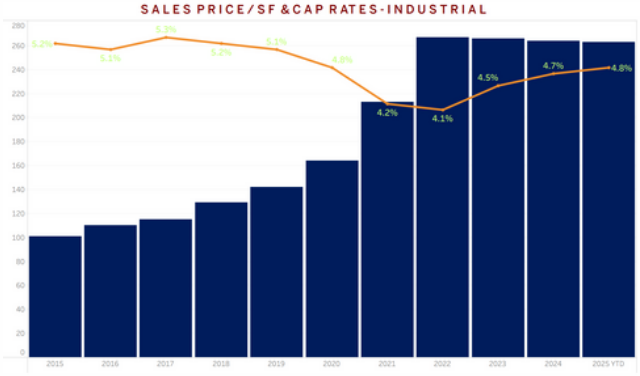


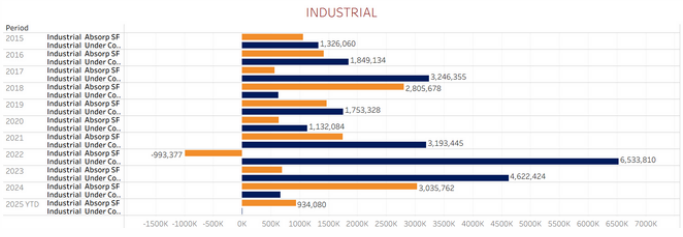
Appendix F: Riverside Industrial

2025 YTD

Industrial	$263	4.79%	$1.05	5.4%
Property Type	Price/SF	Cap Rate	Asking Rent/SF	Vacancy Rate



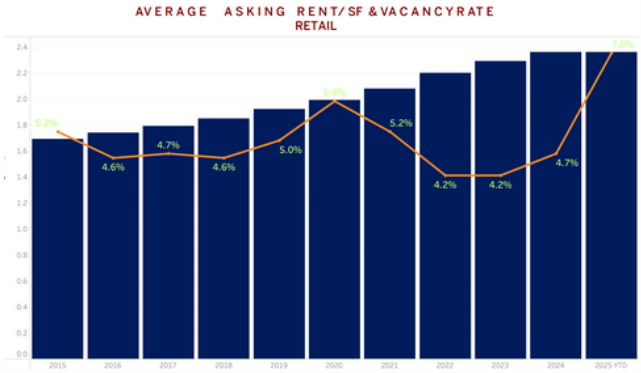


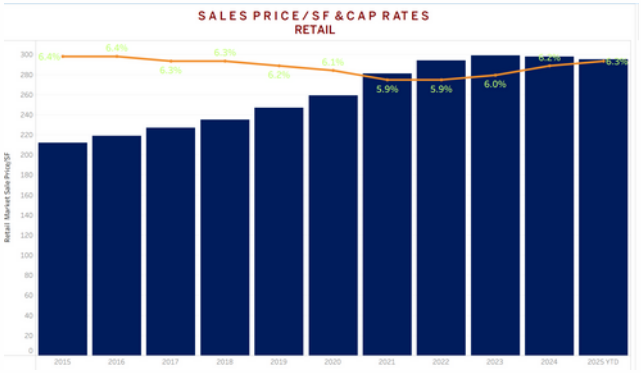


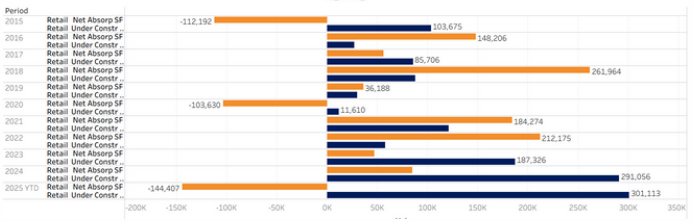
Appendix G: Riverside Retail

2025 YTD

Retail	$295	6.3%	$2.36	7.0%
Property Type	Price/SF	Cap Rate	Asking Rent/SF	Vacancy Rate

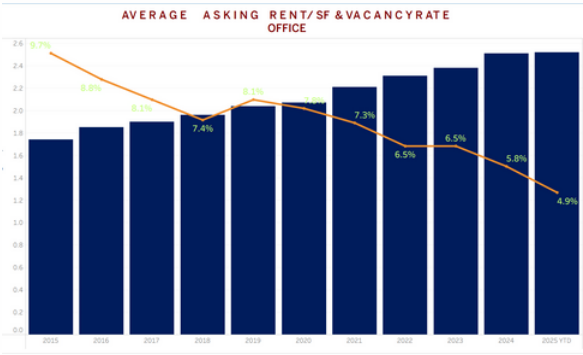


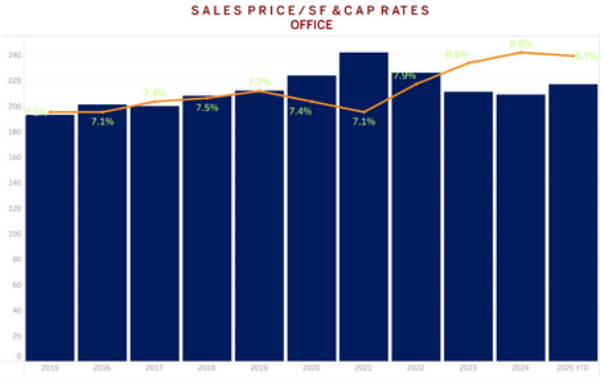


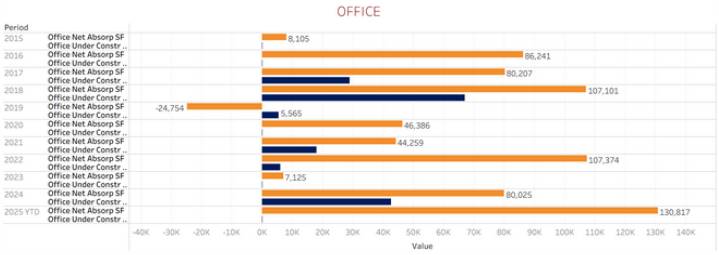


Appendix H: Riverside Office

2025 YTD				
Office Property Type	$217 Price/SF	8.7% Cap Rate	$2.52 Asking Rent/SF	4.9% Vacancy Rate



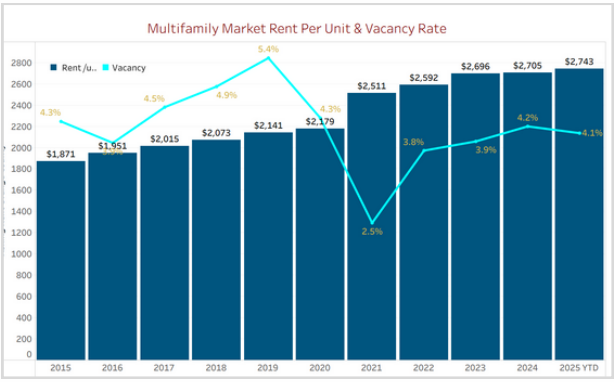


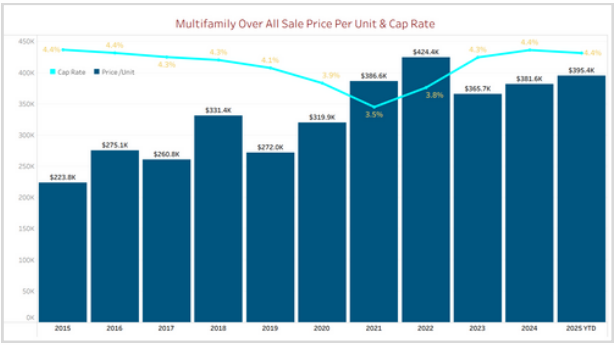


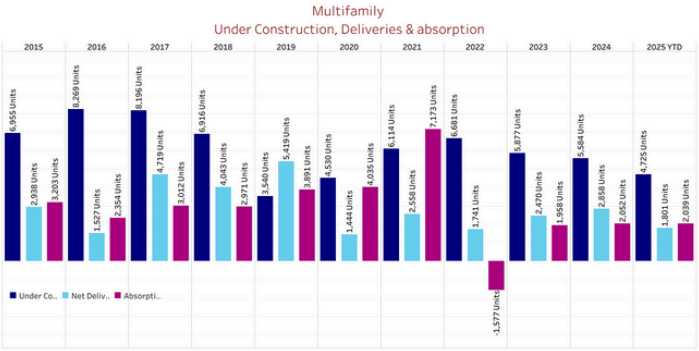
Appendix I: Orange County Multifamily

2025 YTD

Multifamily	$395.37K	4.4%	$2743	4.1%
Property type	Price/Unit	Cap Rate	Asking Rent /Unit	Vacancy Rate





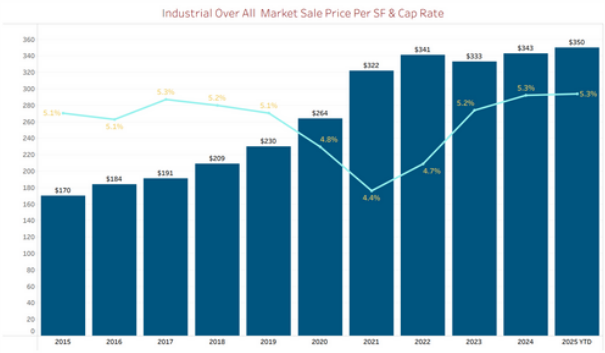


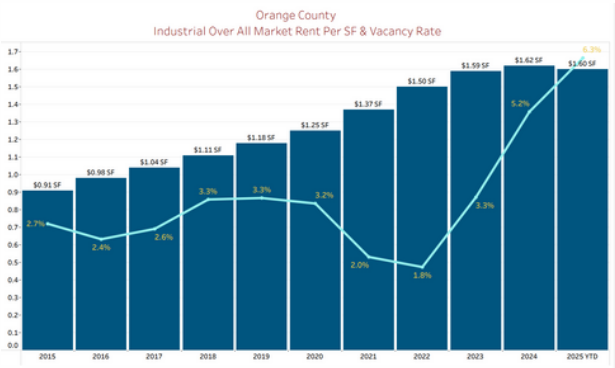
QUASAR

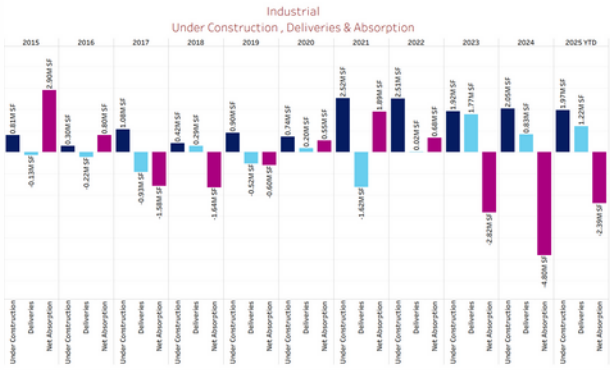
Appendix J: Orange County Industrial

2025 YTD

Industrial	$350	5.33%	$1.6	6.33%
Property Type	Price/SF	Cap Rate	Asking rent/SF	Vacancy





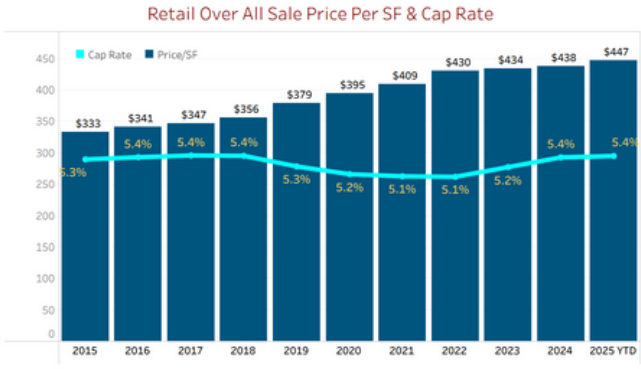


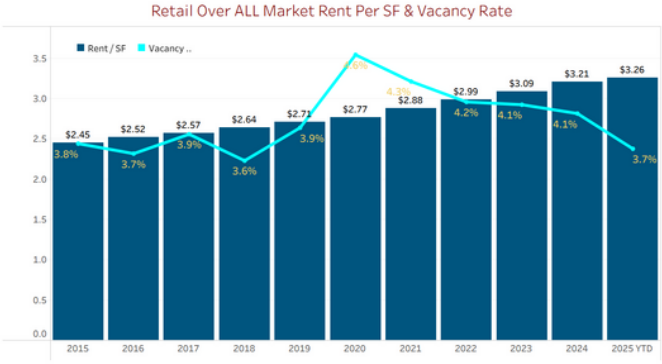
QUASAR

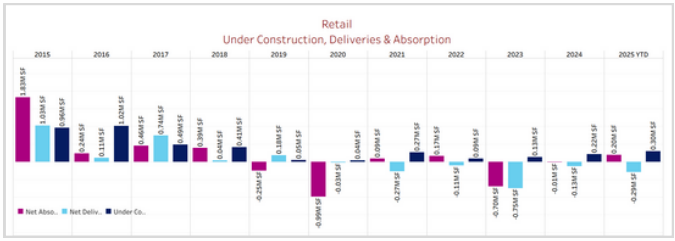
Appendix K: Orange County Retail

2025 YTD

Retail	$447.0	5.4%	$3.26	3.7%
Property Type	Price/SF	Cap Rate	Asking Rent / SF	Vacancy rate



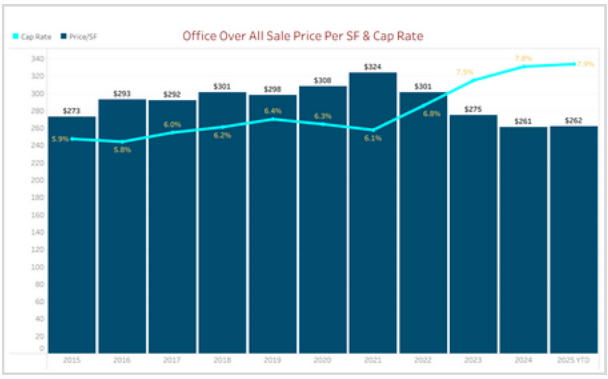


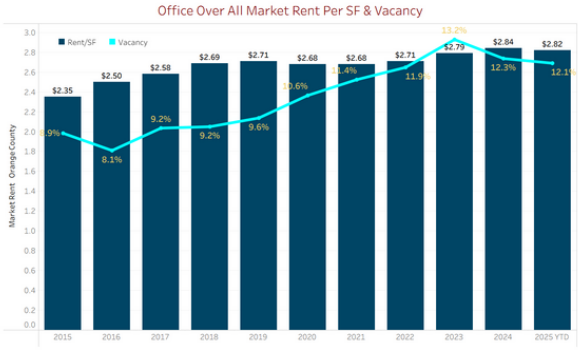


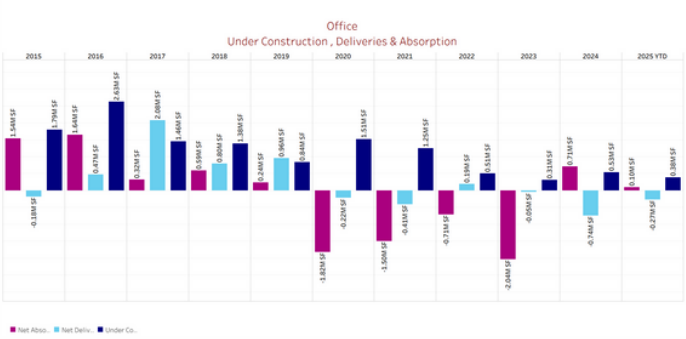
Appendix L: Orange County Office

2025 YTD

Office	$262	7.90%	$2.82	12.11%
Property type	Price/SF	Cap Rate	Asking Rent / SF	Vacancy



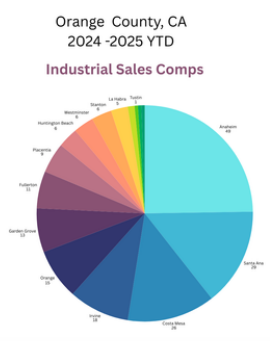




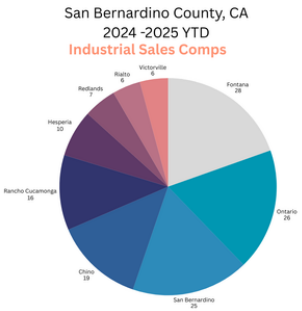
QUASAR

Appendix M: Industrial Transactions by County

City	Industrial Sales Transactions
Anaheim	49
Santa Ana	29
Costa Mesa	26
Irvine	18
Orange	15
Garden Grove	13
Fullerton	11
Placentia	9
Huntington Beach	6
Westminster	6
Stanton	6
La Habra	5
Newport Beach	2
Tustin	1
Laguna Beach	1
Fountain Valley	1



City	Industrial Sales Transactions
Fontana	28
Ontario	26
San Bernardino	25
Chino	19
Rancho Cucamonga	16
Hesperia	10
Redlands	7
Rialto	6
Victorville	6



City	Industrial Sales Transactions
Riverside	29
Corona	23
Temecula	18
Lake Elsinore	16
Murrieta	12
Palm Springs	10
Palm Desert	9
Perris	8
Indio	6
Moreno Valley	5
Hemet	4
Menifee	3

QUASAR

Appendix N: Industrial Transactions Overall

City	Industrial Sales Transactions	Market Price Per SF	County
Anaheim	**49**	$332	Orange County, CA
Santa Ana	**29**	$338	Orange County, CA
Riverside	**29**	$263	Riverside County, CA
Fontana	**28**	$281	San Bernardino County, CA
Costa Mesa	**26**	$410	Orange County, CA
Ontario	**26**	$281	San Bernardino County, CA
Long Beach	**26**	$347	Los Angeles, CA
San Bernardino	**25**	$243	San Bernardino County, CA
Corona	**23**	$295	Riverside County, CA
Irvine	**18**	$376	Orange County, CA
Temecula	**18**	$281	Riverside County, CA
Orange	**15**	$341	Orange County, CA