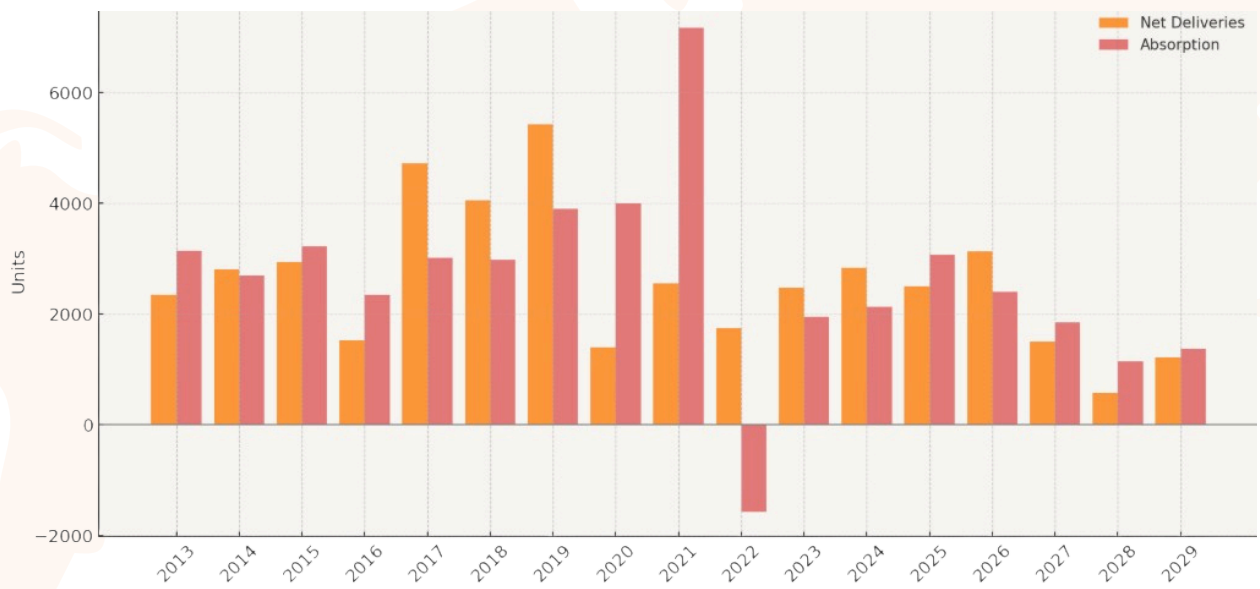


Orange County Multifamily Market Report

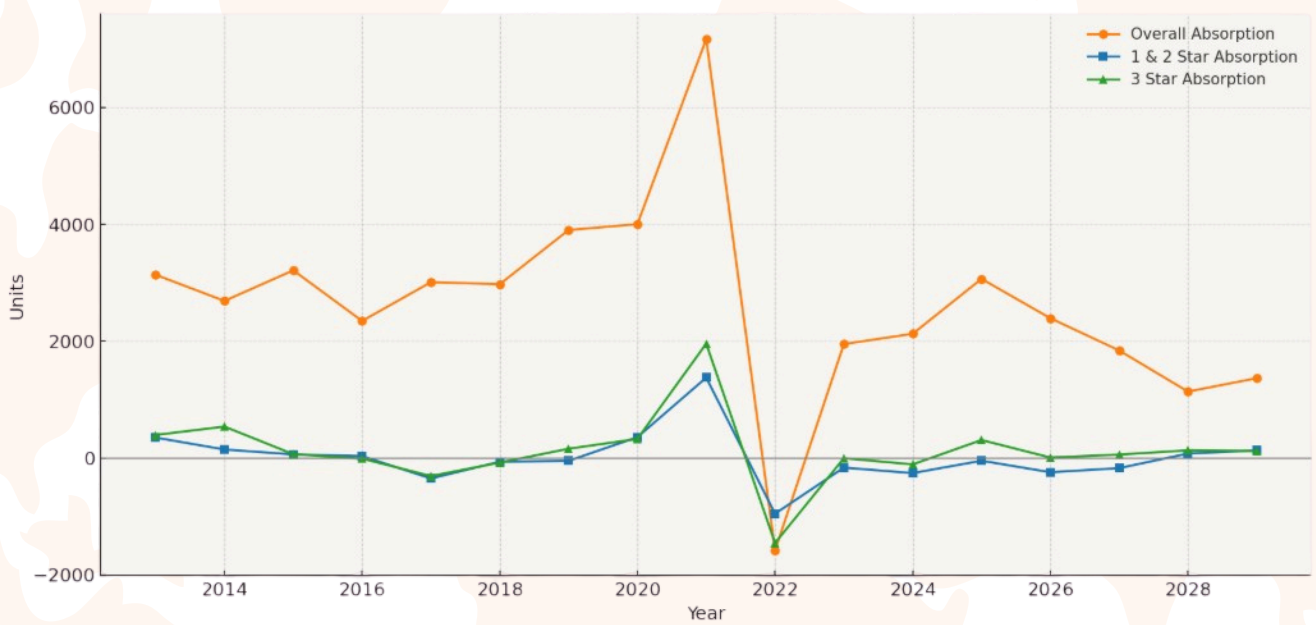
Orange County’s multifamily market continues to demonstrate resilience, supported by strong employment expansion and steady housing demand. With vacancies remaining low, rent growth is expected to accelerate towards 2% by the end of 2025. At the same time, acquisition yields in the county rank among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

Overall supply and demand (2013-2029)



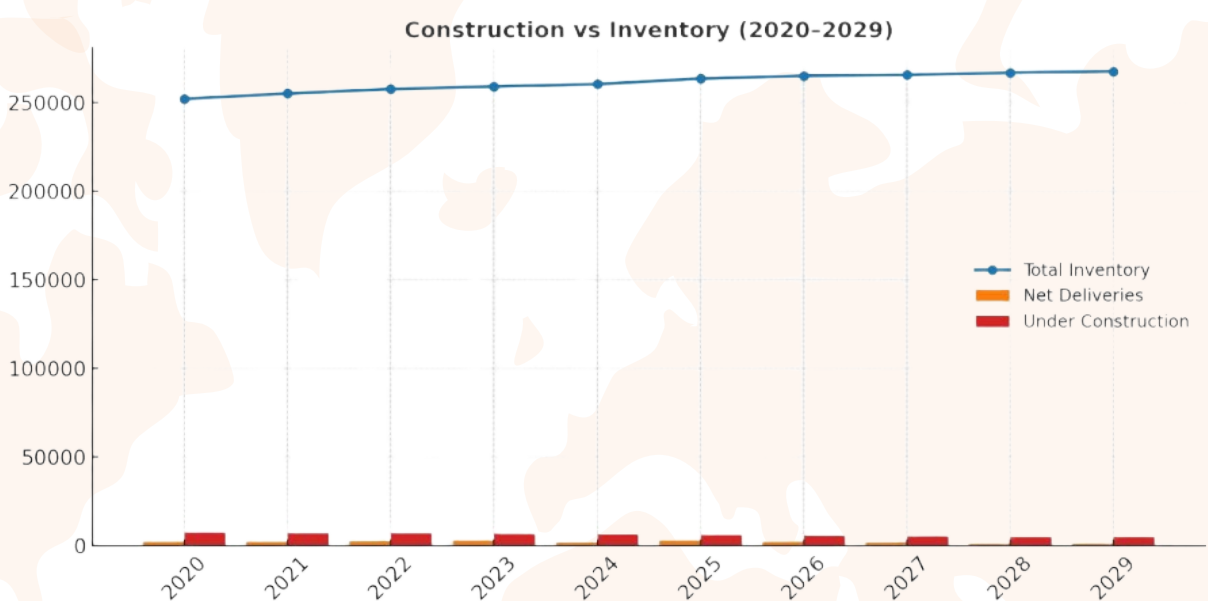
The Overall Supply & Demand (2013–2029) chart highlights cyclical shifts in Orange County’s multifamily market. The market corrected in 2022 with absorption falling into negative territory at –1,580 units, reflecting oversupply. In recent years, the data points to stabilization with moderate annual absorption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

Absorption trends by rating (2013-2029)



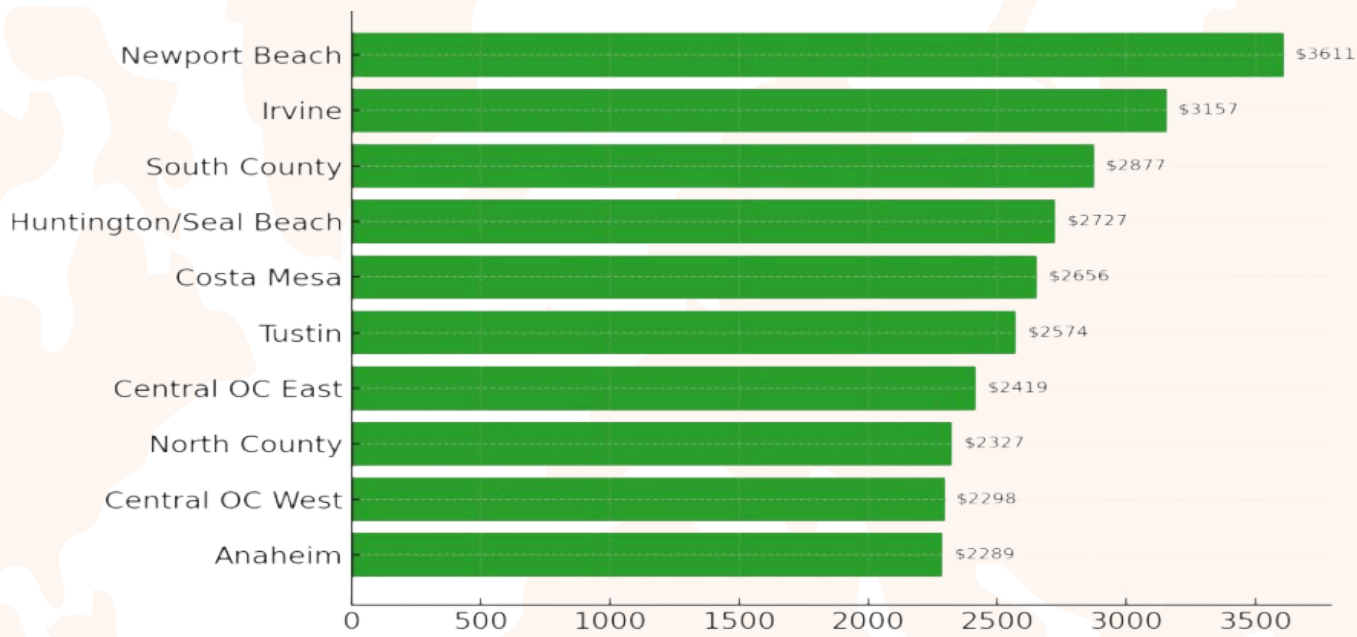
The Absorption Trends by Rating (2013–2029) reveal contrasting dynamics between property tiers. In comparison to overall absorption, absorption trends for 1, 2, and 3-Star product reflect consistently high demand for such stock.

Construction vs Inventory (2020-2029)



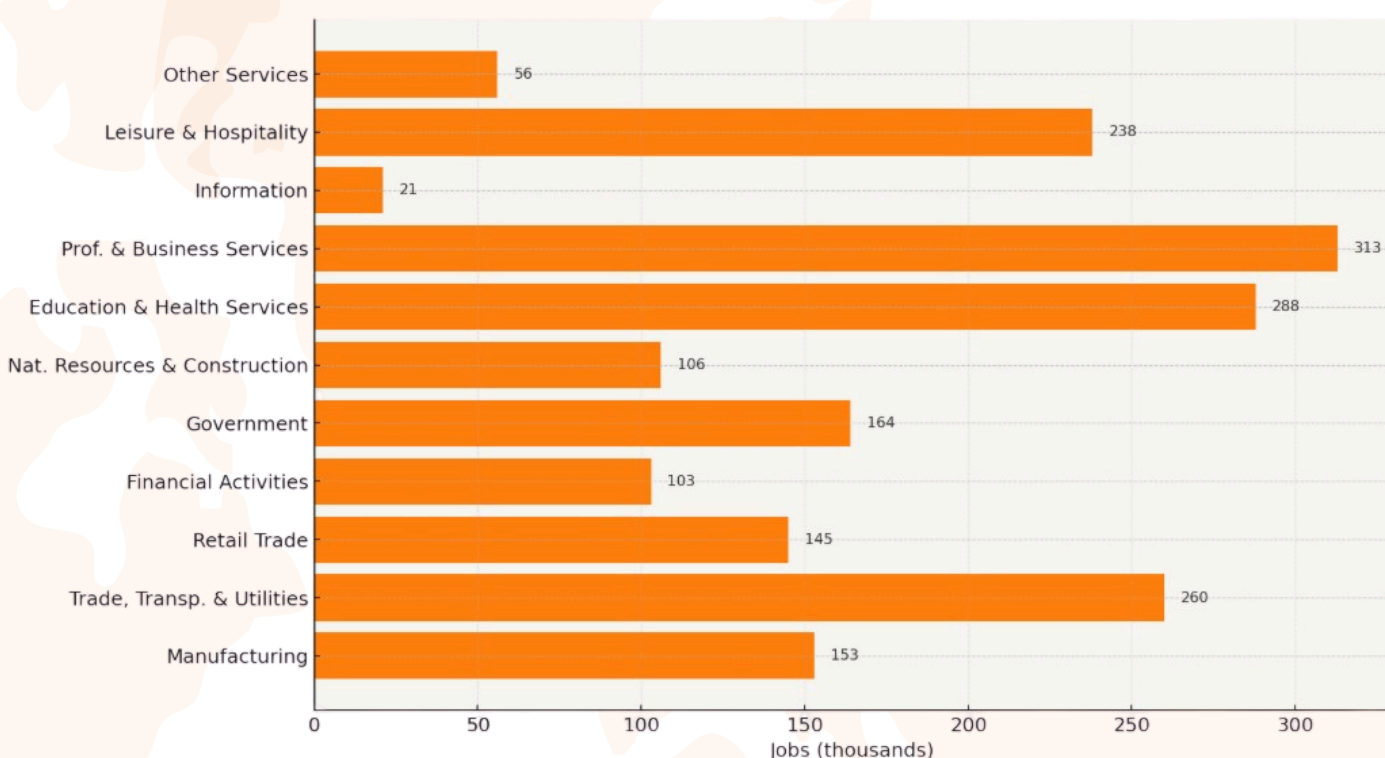
The Construction vs Inventory (2020–2029) chart illustrates limited growth in total inventory. Net deliveries peaked in 2025 but are expected to trend downward, while the under-construction pipeline shows a gradual decline, reflecting a constricted supply pipeline.

Effective Rent by Submarket (Q2 2025)



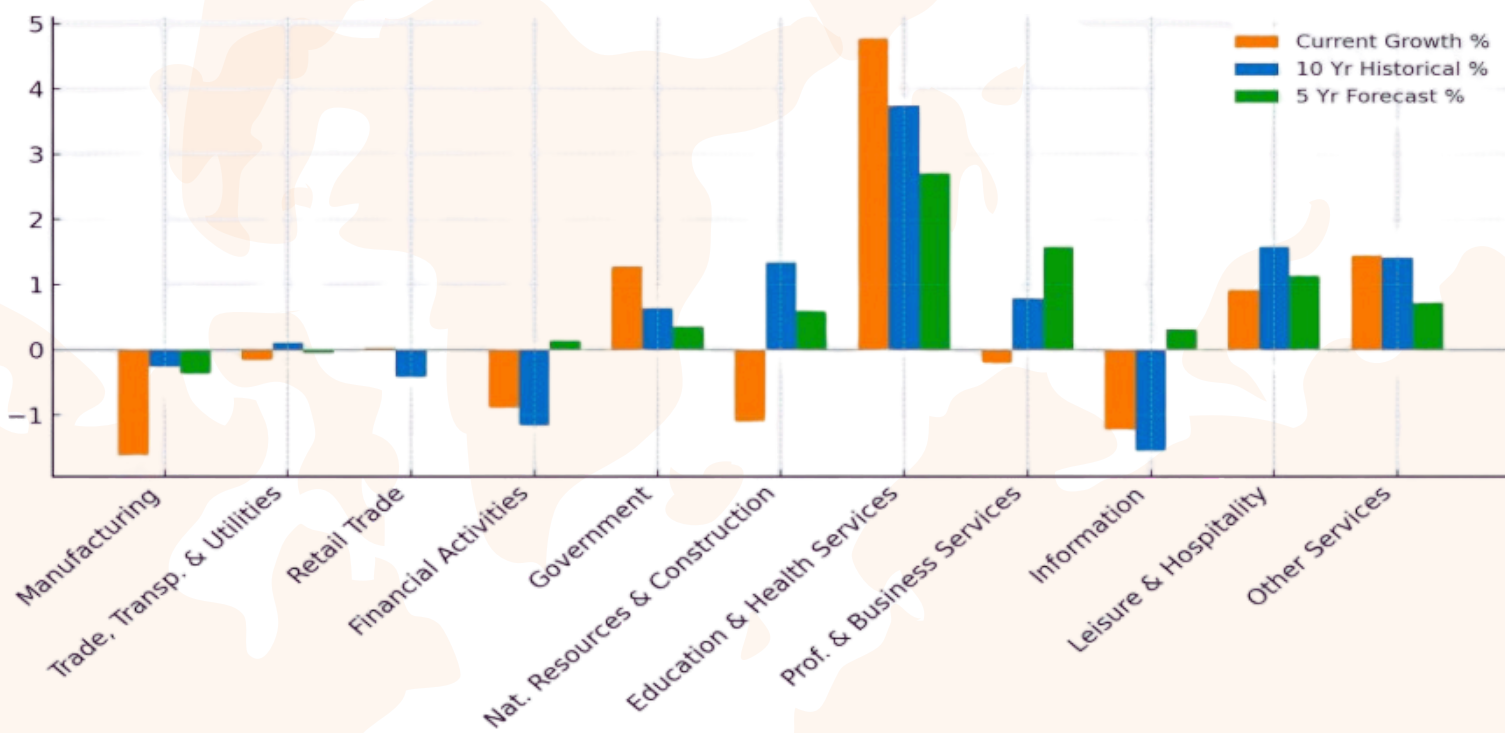
Effective Rent by Submarket (Q2 2025) Newport Beach leads with the highest rents at \$3,611, which is typical for coastal cities. It's followed by Irvine at \$3,157, likely due to higher incomes supported by Irvine's innovation and health science-driven economy. Overall, Orange County boasts low volatility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

Recommendation:

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

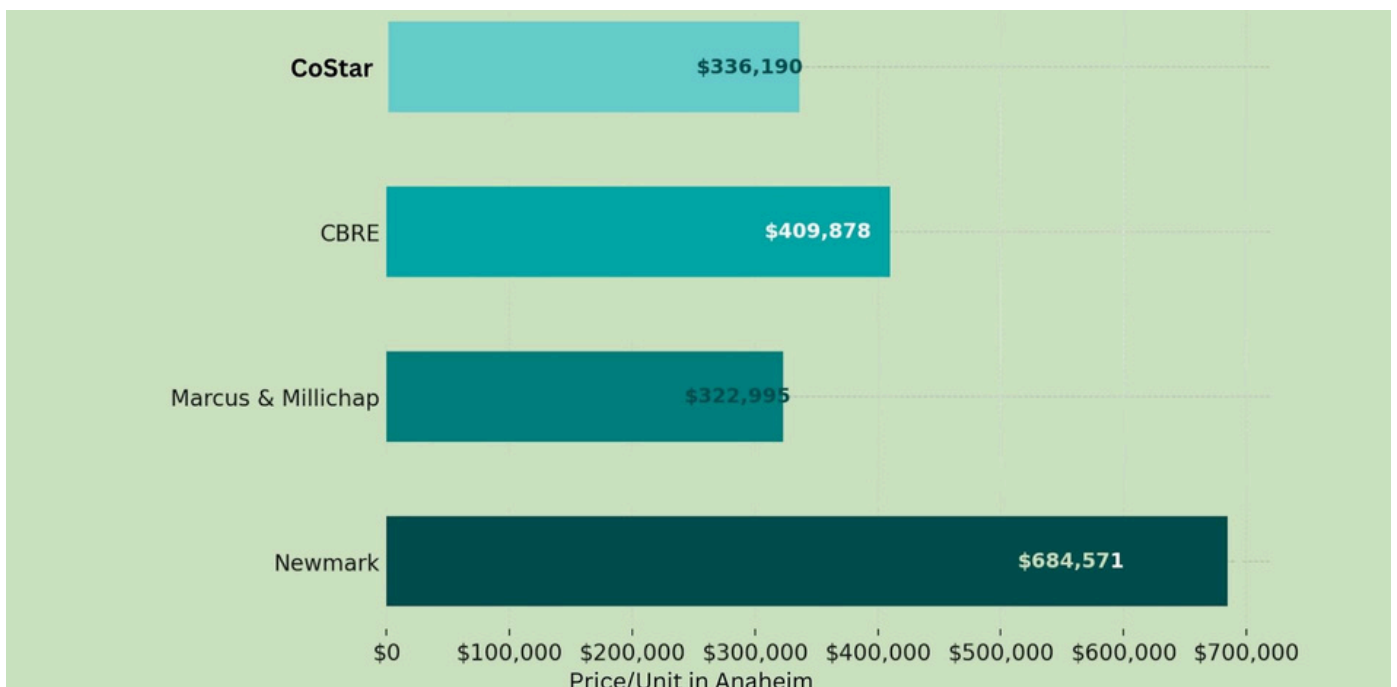
Anaheim continues to position itself as one of the most active multifamily submarkets in Orange County, ranking **second in submarket sales** transactions from August 2024 to August 2025 (Source: Costar). The trend shows **increasing deal activity and sales volume**, but with **declining average price 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

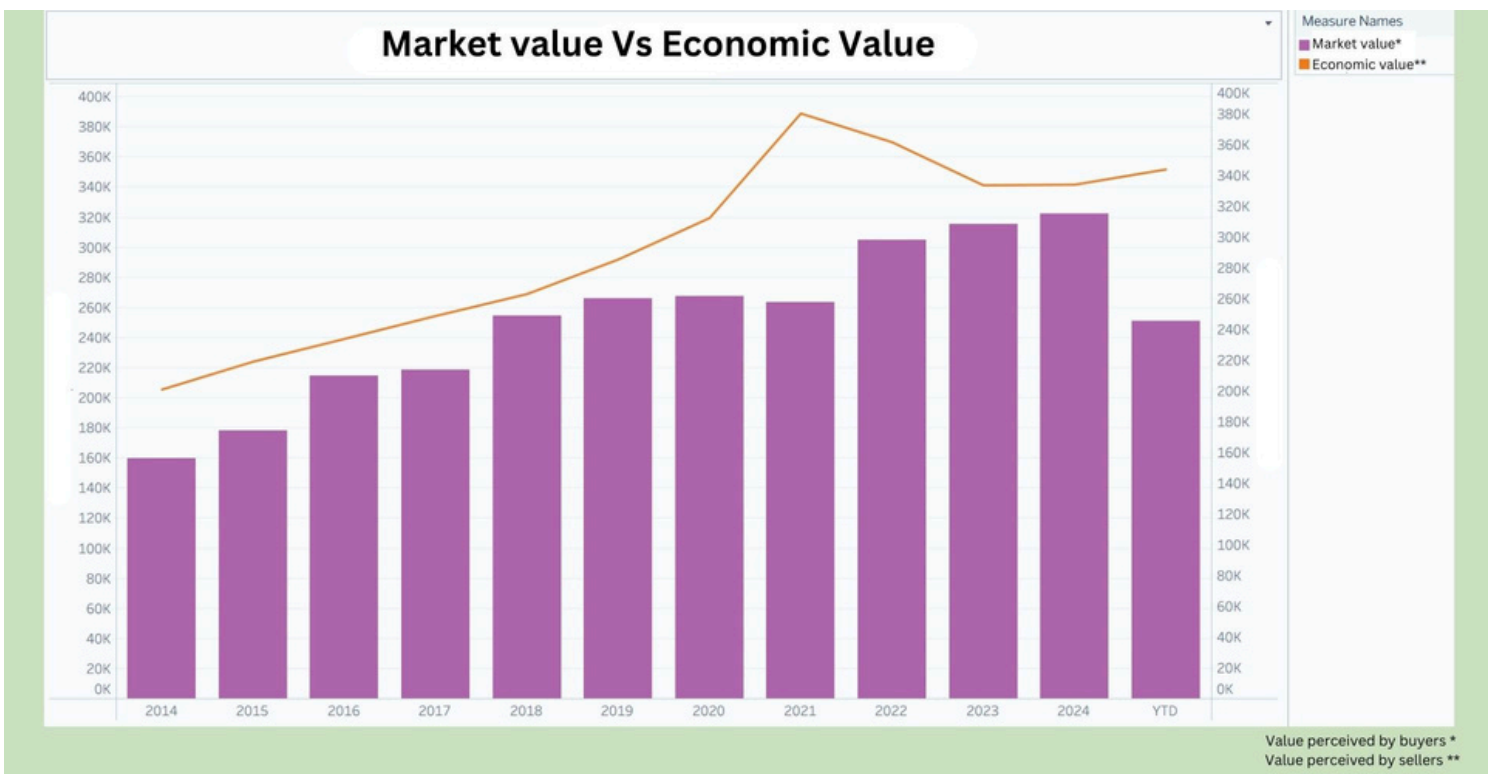


Like other Orange County submarkets, Anaheim boasts strong occupancy, and with the second highest absorption rate in the County, Anaheim enjoys strong demand, as well. While rent growth is the lowest in the County, low prices per unit signal **great value-add opportunities for a longterm investment portfolio**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

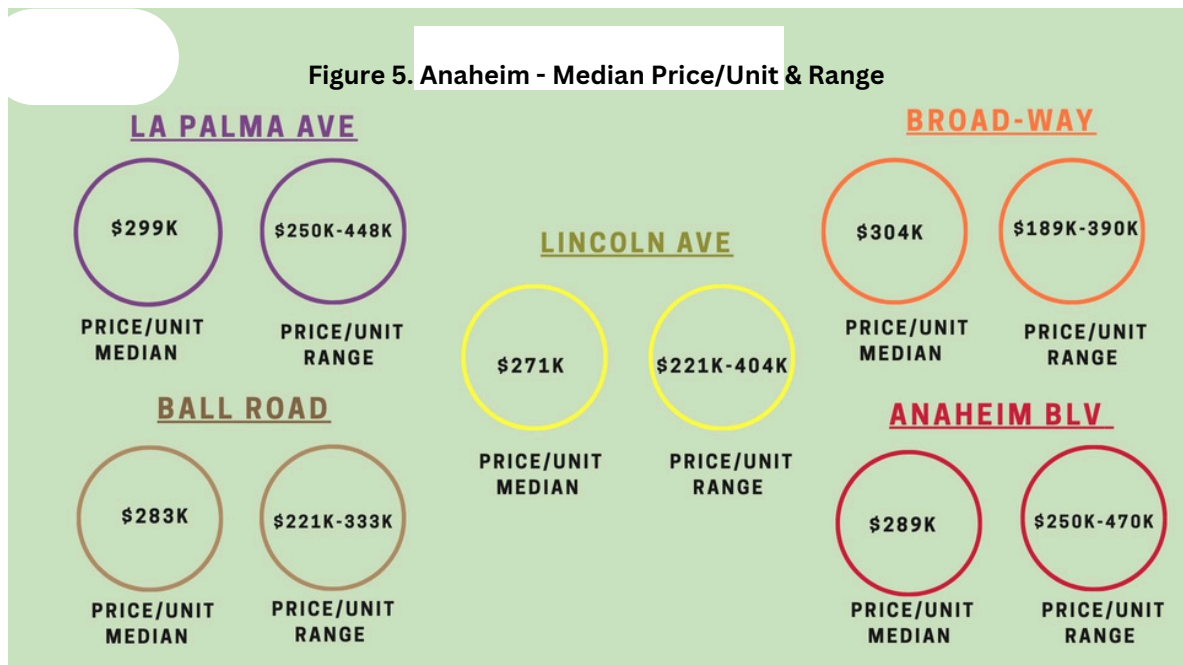


Figure 6. Sale Transactions

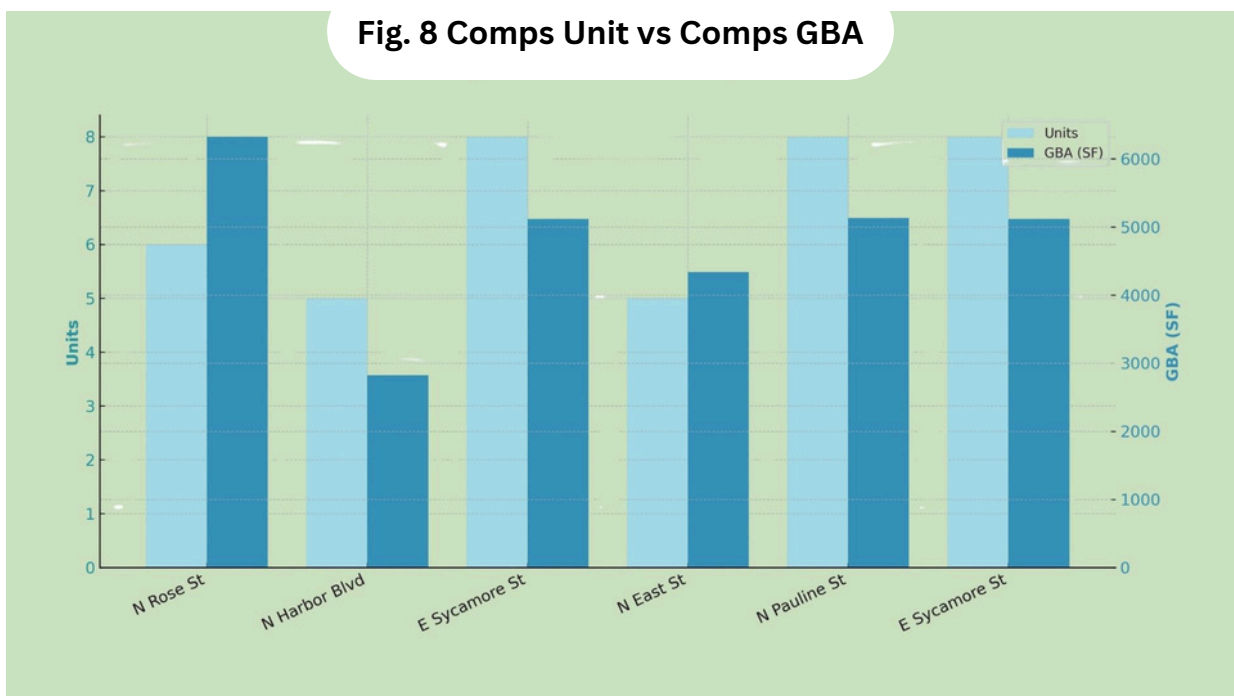
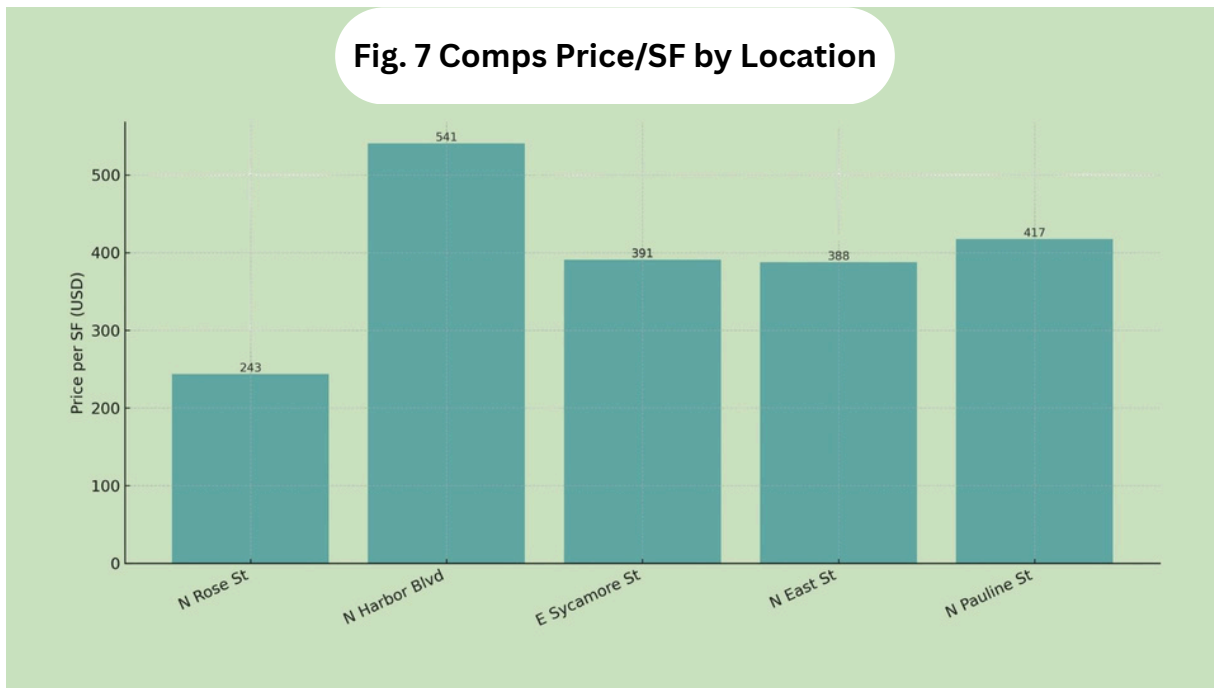
SOUTH ANAHEIM		THE COLONY		NORTH ANAHEIM	
Sale Date	PRICE/UNIT	Sale Date	PRICE/UNIT	Sale Date	PRICE/UNIT
2024 August	299,688	2024 August	294,643	2024 August	294,643
2024 September	325,000	2025 February	759,375	2025 February	759,375
2024 October	322,676	2025 March	359,375	2025 March	359,375
2024 November	319,318	2025 April	470,000	2025 April	470,000
2025 January	315,625	2025 July	245,161	2025 July	245,161
2025 February	342,500	2025 August	263,333	2025 August	263,333
2025 March	280,893				
2025 May	296,591				
2025 June	275,000				

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).



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.**

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Appendix A

CAP RATE VS SALE PRICE

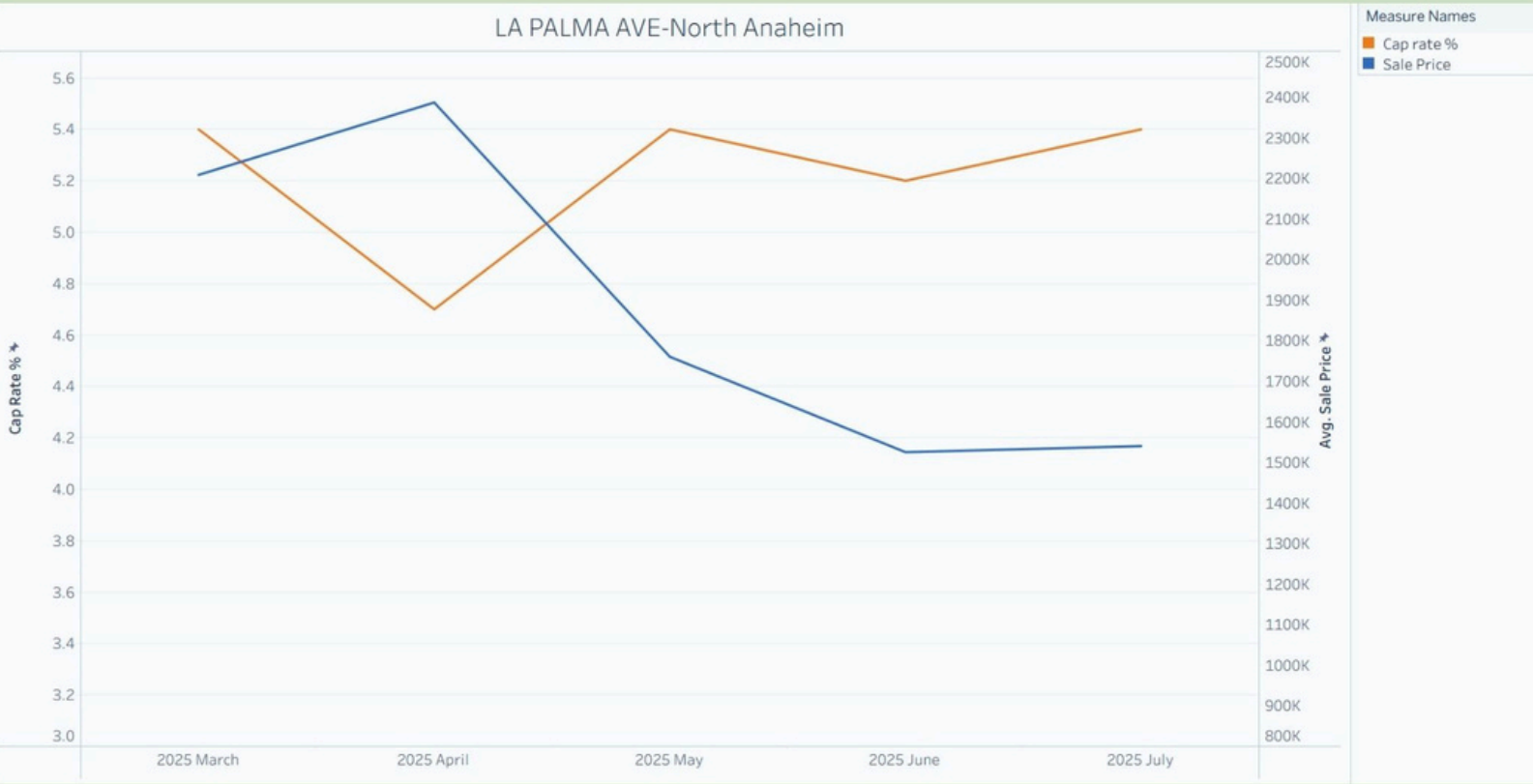


NOI VS SALE PRICE

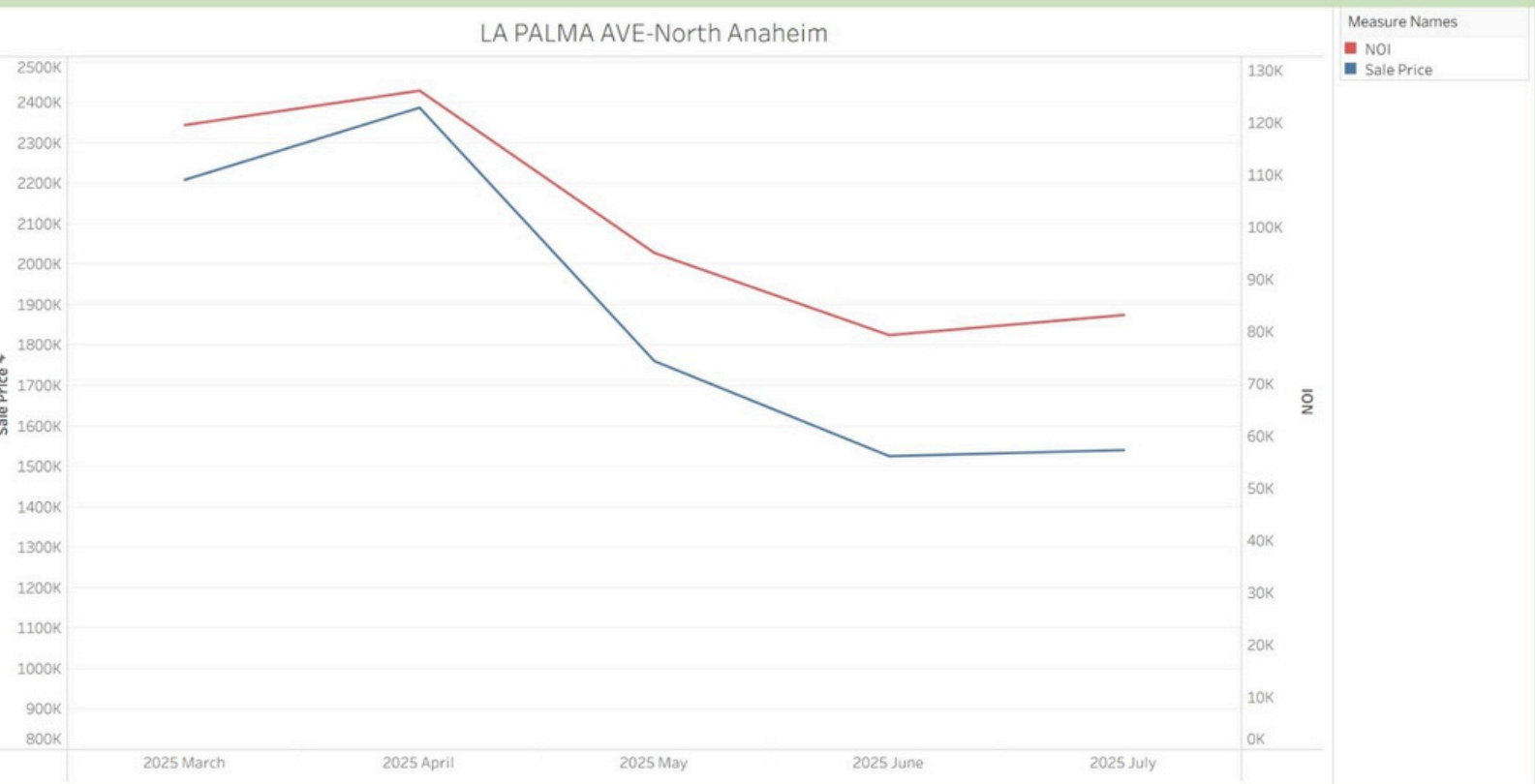


Appendix B

CAP RATE VS SALE PRICE

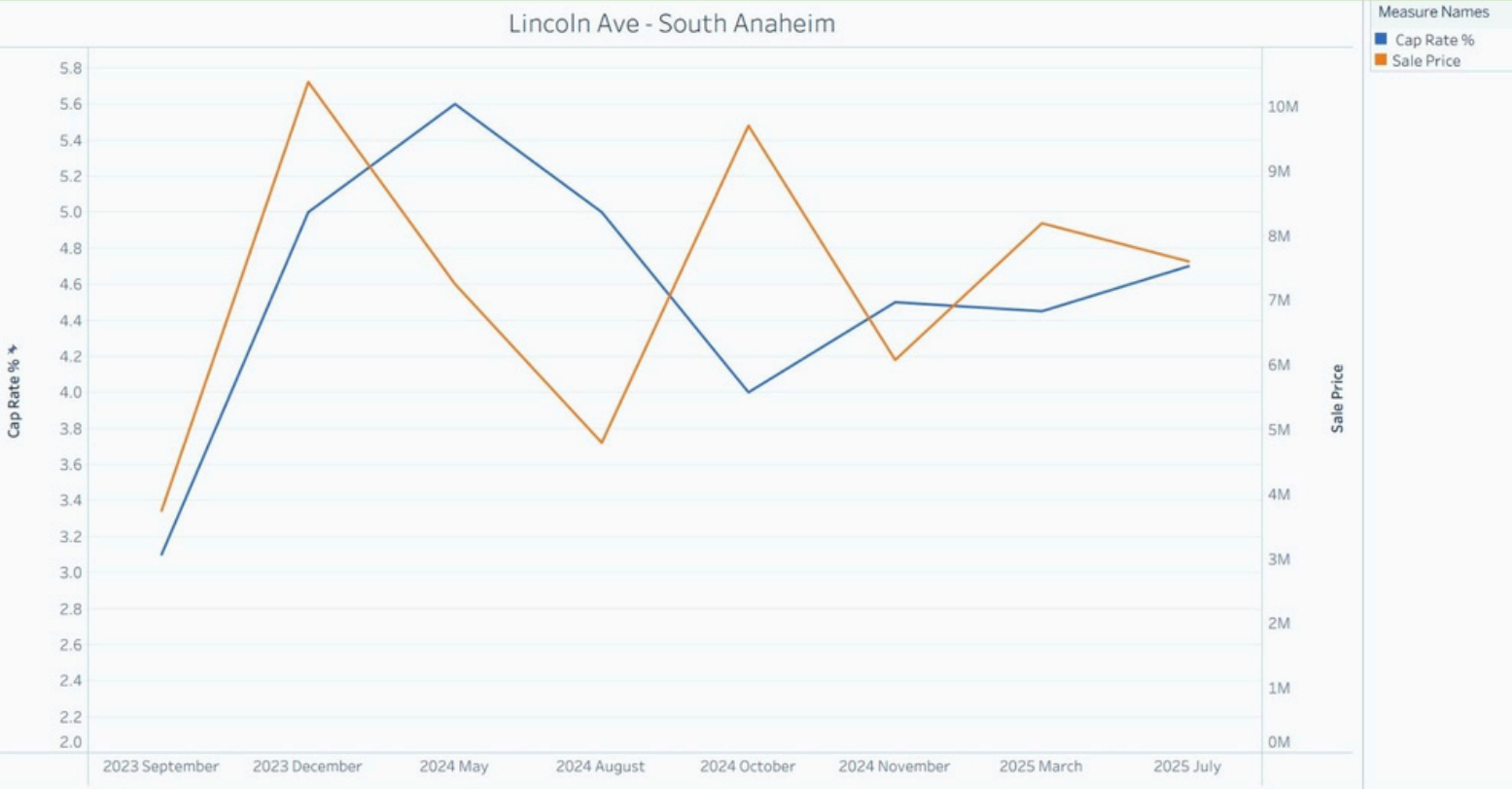


NOI VS SALE PRICE

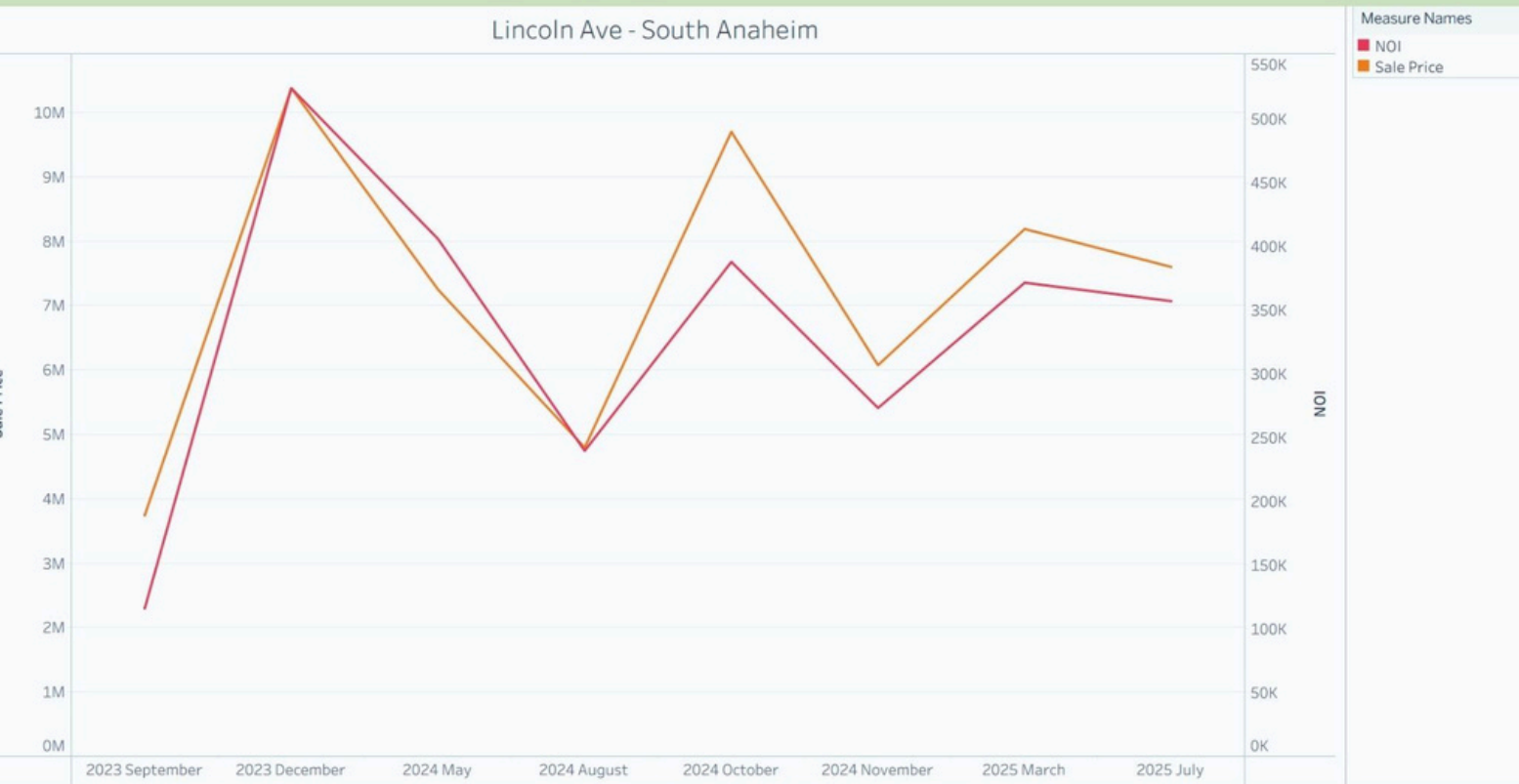


Appendix C

CAP RATE VS SALE PRICE



NOI VS SALE PRICE



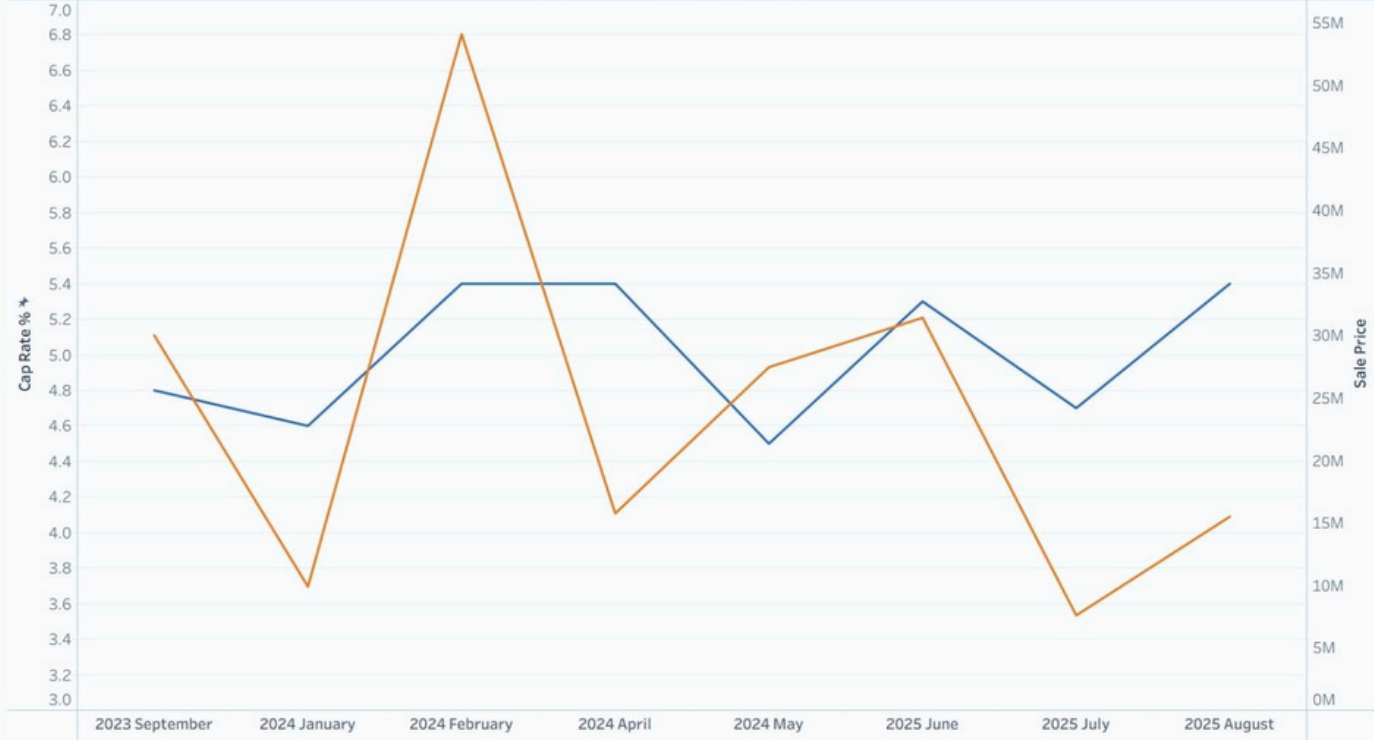
Appendix D

CAP RATE VS SALE PRICE

Braodway - South Anaheim

Measure Names

- Cap Rate %
- Sale Price



NOI VS SALE PRICE

Braodway - South Anaheim

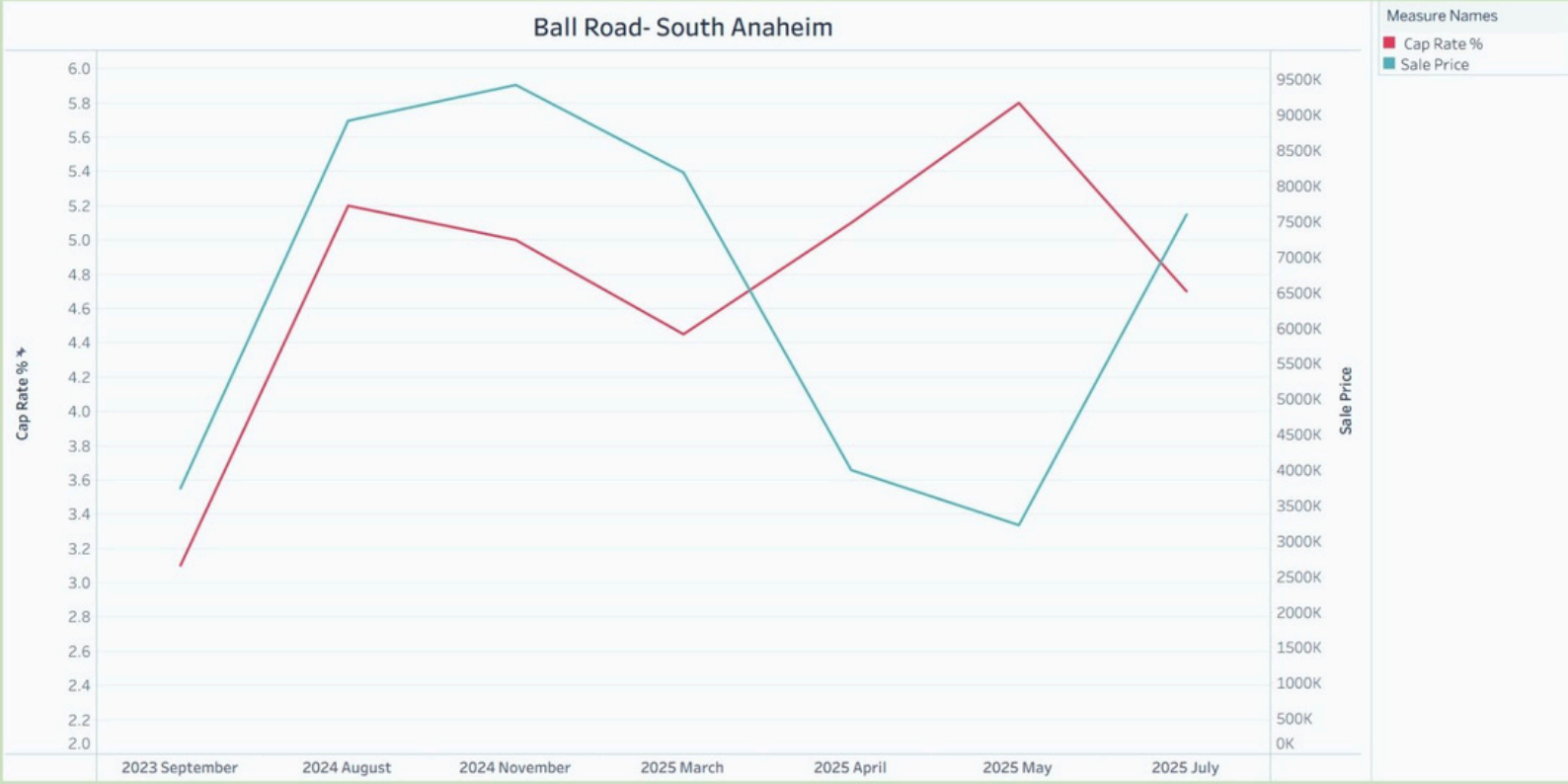
Measure Names

- NOI
- Sale Price



Appendix E

CAP RATE VS SALE PRICE



NOI VS SALE PRICE

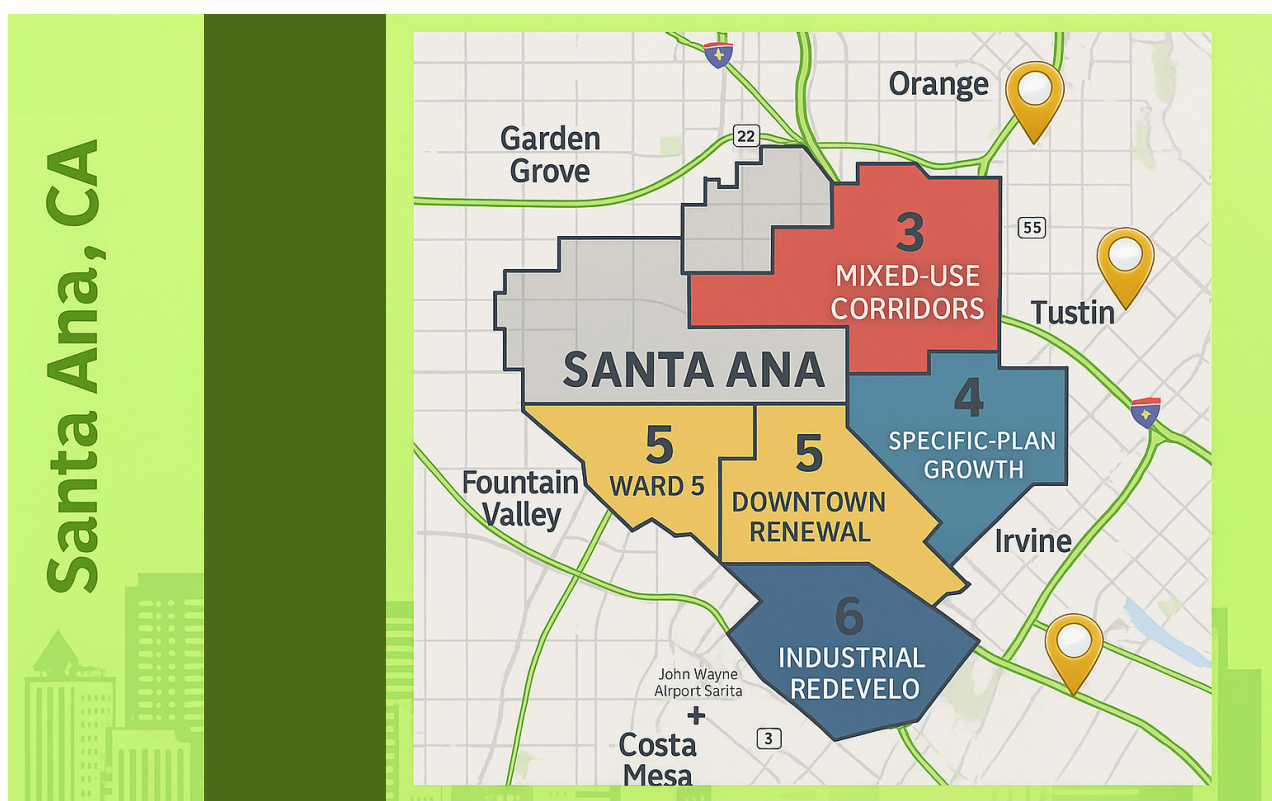


Evaluating Opportunities in Santa Ana

Santa Ana, the civic hub and well-connected gateway of Orange County, is a dynamic city with major housing investment momentum, strategic location, and diverse workforce. Yet the resilience and sustainability of its economic development depend on rebalancing residential growth with quality job creation. By cultivating tech and innovation corridors, partnering public and private entities, and leveraging its county-seat status, Santa Ana can transition from a bedroom community to a regional employment and innovation hub at the center of Orange County.

Summary of Key Recommendations

Priority	Goal	Action Focus
Job Creation	Expand employment density	Integrate innovation uses into mixed-use zones
Innovation & Tech	Develop R&D and manufacturing corridors	Replicate South Coast Tech Center model
Regional Competitiveness	Attract firms priced out of Irvine / Tustin	Promote affordable workforce base
Civic Hub Advantage	Capitalize on county-seat status	Civic tech and public-private partnerships
Affordability Risk	Lower rent burden	Create jobs near housing centers



Income & Key Demographics

Santa Ana, the civic hub and well-connected travel gateway of Orange County, has experienced a rapid pace of development since the city updated its General Plan in 2022 (City of Santa Ana). While that is good news, it is vital that the City align its development goals with a robust focus on incentivizing job creation within in-demand, high-paying innovation sectors for sustained economic vitality.

City	Population (2024 / 2025)	Median Household Income (2023)	Median Age
Santa Ana	316,184 (2024)	\$88,354	34.3 yrs
Tustin	78,863 (2024)	\$108,435	36.8 yrs
Orange	137,941 (2024)	\$116,945	36.9 yrs
Irvine	318,683 (2024)	\$129,647	33.9 yrs
Costa Mesa	110,000 (2023)	\$110,073	36.5 yrs

Santa Ana's income level is well below that of its neighboring cities, as well as below Orange County's median household income (\$117, 707, 2023, Source: Census Reporter). Thus, attracting innovation industries that have increasing labor demand and offer high-paying jobs should be a major focus point for the city's economic development prospects.

Industry Employment Mix

City	Top Employment Sectors (2023 – 2024)	Key Characteristics
Santa Ana	Manufacturing · Health Care & Social Assistance · Retail Trade	Strong industrial base
Tustin	Service	Professional-heavy workforce dominated by private-sector employment (High-paying jobs 70.6%; Low-paying jobs 14.3%)
Orange	Healthcare & Education	Chapman University, CHOC, St. Joseph Hospital
Irvine	Professional & Innovation Services · Education · Healthcare	Tech & Finance Corporate HQ. 94 % high-paying workforce · high-income profile. Educational hub. Hoag Hospital.
Costa Mesa	Retail Trade · Arts & Entertainment · Hospitality	Consumer and service economy

Santa Ana’s employment base is diverse but weighted toward mid-wage sectors. The city should thus incentivize innovation projects to open the economy to high-wage sectors, as well.

Development by Corridor – 2025 Update

Corridor / Area	# of Projects	Project Type(s)	Nearest City / Regional Link	Example Projects
Harbor Blvd	4+	Mixed-use, Townhomes	Near Garden Grove / Costa Mesa	101 N Harbor (Mixed-use 181 res units); 510–520 N Harbor (Townhomes).
4th Street	3+	Mixed-use, Commercial + Residential	Central Santa Ana → Orange corridor	409 E 4th (169 res units + commercial); 1801 E 4th (644 res units + commercial).
Sunflower / Sandpointe	2	Large Mixed-Use	Border with Costa Mesa / South Coast Plaza	The Village Specific Plan (1,583 res units + office + retail).
Bristol / Dyer Road	2	Mixed-Use + Industrial Redev.	Near Irvine / Costa Mesa	Related Bristol Specific Plan (3,750 res units + hotel + senior living).
Red Hill / Warner	1	Industrial → Mixed-Use	Between Tustin & Irvine	Warner Red Hill Mixed-Use (1,100 res units + retail).
Broadway / Cabrillo Park	2	Mixed-Use + Office Conversion	Downtown core	The Madison (260 res units + commercial); One Broadway Plaza (602 res units + office).

Approximate count of housing developments by type (available through public descriptions): 1) Townhomes = 439; 2) Single-family and detached = 84; 3) Multifamily = 3,465. Most corridors feature housing-led projects with limited high-wage employment creation – an imbalance that needs correction via increased focus on incentivizing innovation and agglomeration.

Housing Projects (3 – 5 Year Pipeline)

Project	Location	Units / Program	Status
The Village Specific Plan	1561 W Sunflower Ave	1,583 res + office + retail	Public Hearing
Related Bristol SP	3600 S Bristol St	3,750 res + hotel + senior	Public Hearing
Warner Red Hill Mixed-Use	2300 S Red Hill Ave	1,100 res + retail	Under Construction
Central Pointe Mixed-Use	1801 E 4th St	644 res + commercial	Under Construction
4th & Mortimer	409 E 4th St	169 res + commercial	Permits Issued
3rd & Broadway	201 W 3rd St	171 res + hotel	Permits Issued

Border Cities Development (Within 3 – 5 Years):

- Tustin: Bonita Townhomes, Yorba St Residential, KB Home (Newport Ave).
- Fountain Valley: Moiola Park Residences (74 homes + park), Our Lady of Guadalupe Senior Housing (29 units).

Santa Ana has the largest housing pipeline in central OC, but there is far less presence of innovation industries that would offer permanent, gainful employment within in-demand sectors for its residents. In addition, further supply of workforce housing should be encouraged.

Bottomline

1. Not Enough Projects Creating Jobs

Over 9,000 new residential units are planned or under construction, but few projects generate high-paying, permanent jobs. Housing dominates the pipeline, while innovation and other high-tech employment uses lag behind. Santa Ana must pair housing with office, light industrial, and innovation uses to balance its growth.

2. Investment in High-Tech & Innovation Sectors

The South Coast Technology Center (City of Santa Ana 2025) is a flagship model for tech investment. Converting underused spaces into research and production spaces can position Santa Ana for quality job creation. Similar initiatives are needed to form what could be the city's first Innovation Corridor.

3. Neighboring Cities Are Overpriced – Opportunity for Santa Ana

Median household income comparison shows Santa Ana (\$88 k) well below Irvine (\$129 k) and Tustin (\$108 k). This makes Santa Ana a prime target for business relocation and entrepreneurial investment, offering a large workforce base and lower cost structure. The city should market itself as the affordable business core within Orange County.

4. Leverage County-Seat Status

As the county seat, Santa Ana houses the Courthouse, Civic Center, and key county agencies. This foundation supports growth in public-private partnerships, legal services, and civic-tech projects – sectors well-suited to downtown redevelopment zones. By aligning new office and mixed-use development with government functions, Santa Ana can anchor long-term employment.

5. Mitigate Rent-to-Income & Commuter Risks

Median gross rent (\$2,340/month) and rent-to-income ratio (~38 %) show household pressure. Meanwhile, many residents commute to jobs in Irvine and Tustin. Encouraging job nodes within residential corridors – like Harbor and 4th Street – can shorten commutes and strengthen the local economy. Projects like The Village and Central Pointe should reserve space for co-working and startup tenancy.

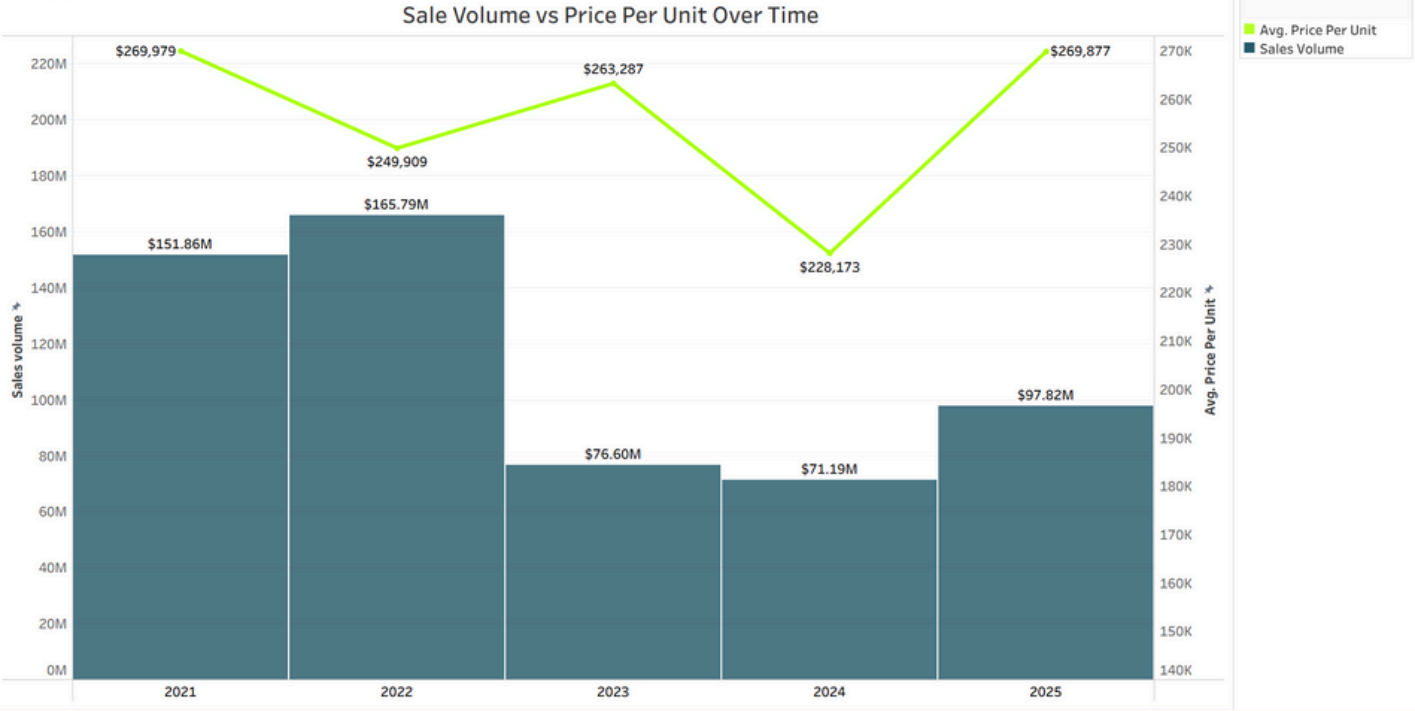
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Recommendations for Santa Ana's Development

Santa Ana is on the verge of a new turn in its development journey as a city. But real estate development is cyclical and long-term. A wave of investment and development actions effectuated now can have a time horizon of 10-12 years before we see the next wave. For instance, in the past 12 years, a total of 38 multifamily and industrial properties have been demolished in Costa Mesa (see Demolished Properties-Costa Mesa, Appendix) to make for room for new development. However, economic uncertainty is difficult to predict, and that is certainly the case with the economy in 2025, that has been riddled with uncertainty from tariff policies to a depressed job market. At the same time, wages have also remained stagnant for years. Thus, the question arises whether the current rapid pace of development in Santa Ana, especially, and the considerable incoming supply will be supported by economic fundamentals. Demand for housing is strong, but affordability, wages, and employment numbers remain an issue.

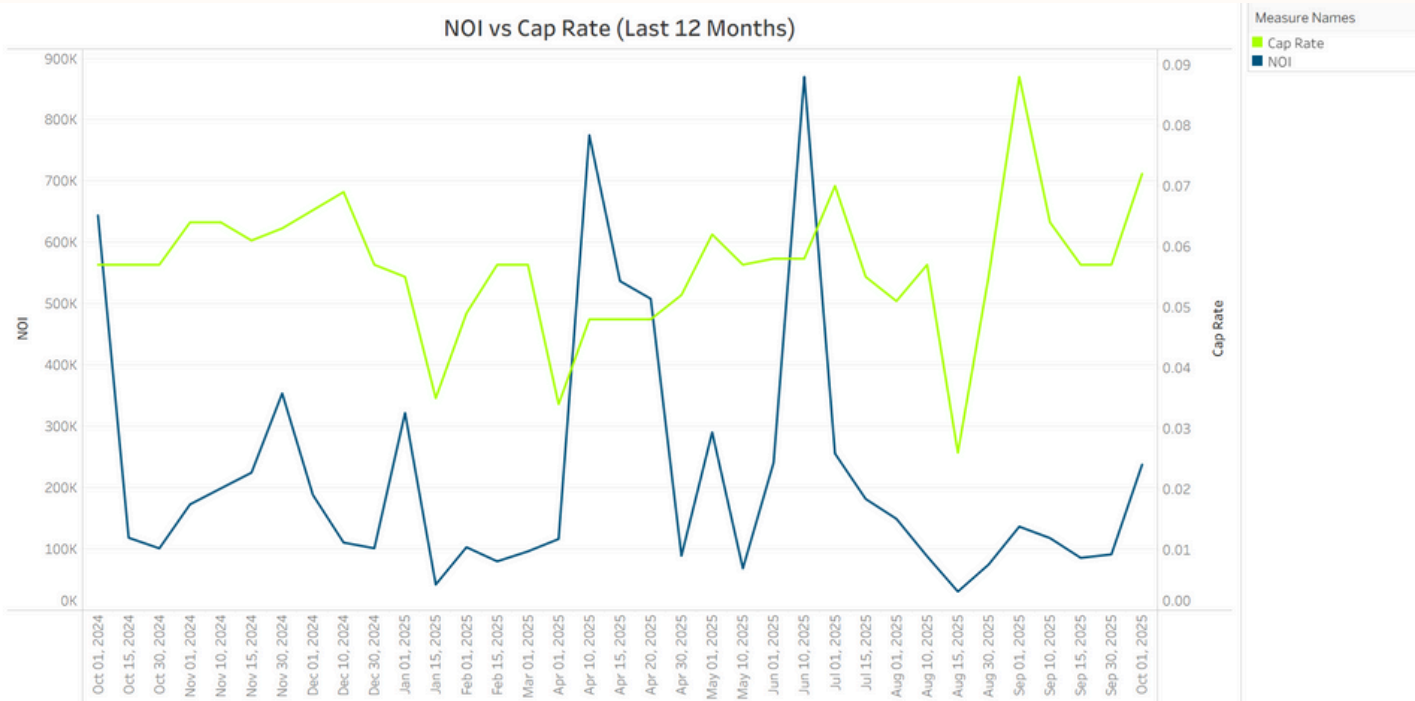
With developments envisioned for years in advance, what can all stakeholders do to plan better? Here are my recommendations, combining principles of operational management, accounting, finance, and economics:

- **LIFO/FIFO:** choice between newer lower-cost "inventory" or real estate stock vs older higher-cost in inflationary environment)
- **Underwrite economic uncertainty into financial analysis**
- **SIX Sigma and lean methodology for "waste management"** (i.e. avoid oversupply): move beyond assumptions and rely on data to make informed decisions and reduce waste
- **Supply/demand and economies of scale:** while developers benefit from economies of scale, demand must be carefully measured through wages, job creation, and net migration



Market Performance

Sales momentum improved from the previous year. The Sale Volume vs. Price Per Unit Over Time chart shows an upswing in 2025, with average price per unit reaching \$209,877, and volume rebounding to nearly \$98 million, up from \$71 million in 2024. The NOI vs. Cap Rate data indicates consistent income performance, with cap rates maintaining near 5.7% through the period.



Incoming Supply

As reported in our 'Evaluating Opportunities in Santa Ana' 2025 report, Santa Ana is experiencing major housing development momentum, with at least 3,465 multifamily units of incoming supply (count based on public descriptions).

Retail

Retail assets remain among Santa Ana's strongest commercial performers.

- **Net Absorption:** +13,000 SF (12-month).
- **Inventory:** 7.1 M SF with virtually no new deliveries.
- **Asking Rent:** \$34/SF annually (+1.7% YoY).
- **Sales Volume:** 22 properties (~240,000 SF) traded for \$86.6 M total; average price \$416/SF; cap rate 5.4%.
- As of Q4 2025, **vacancy** was 4.7%, decreasing 0.2 points year-over-year.

Neighborhood centers lead rent growth (+2.6%), while power centers remain soft (+1.5%) .

Industrial

Industrial development continues to center on redevelopment and adaptive reuse of obsolete office or light-industrial buildings. Developers remain active in repositioning underutilized parcels for logistics, manufacturing, and distribution.

Key Projects

- **Rexford Industrial – Pacific Corporate Center:** 370,000 SF acquired in 2021 for \$105M; planned industrial park redevelopment upon office lease expirations in 2032.
- **Terreno Realty – 1720 E Garry Ave:** Converting three outdated offices into a 91,500 SF distribution facility; completion early 2025; stabilized cap rate 5.1%.
- **Dune Real Estate Partners – Harbor Logistics Center:** 162,700 SF; completion Q1 2025; offered for lease or sale.
- **Hines – 3130 S Fairview St:** 82,200 SF completed Q2 2024; features 30' clear height, eight dock-high doors, and secured yard; acquired 2022 for \$20.2M (~\$5.1M/acre).

Market Dynamics

Industrial land remains scarce, and zoning constraints continue to limit new construction. Tenant renewals show moderate rent escalations compared to pre-pandemic rates. Redevelopment of older office and commercial sites remains a key driver of new industrial supply.

Office

Santa Ana’s office market recorded:

- Vacancy rate 14.3% as of Q4 2025, marking a 1.4-point increase year-over-year
- No new construction is currently active
- Rents: Average asking rent is ~\$29.00/SF, below the metro average of \$34.00/SF.
- Transactions: 10 properties sold in the past 12 months for a combined \$43.6 million; average price \$222/SF (vs. metro \$261/SF).
- Cap Rates: Average 7.9%, aligned with metro benchmarks.

Negative absorption and stabilized rents suggest a slow recovery phase, with limited development expected near-term .

Summary of All Sectors

Sector	Market Trend	Vacancy / Cap Rate	Pricing Snapshot
Retail	Stable demand, tight vacancy	4.7% / 5.4%	Avg \$416/SF
Office	High vacancy, stabilizing rents	14.3% / 7.9%	Avg \$222/SF
Industrial	Driven by redevelopments	5.2% / ~5-6%	Land-scarce market
Multifamily	Active mid-size deals	2.6% / 5.7%	\$240K median per unit

Neighboring Cities

Santa Ana remains one of the most active and moderately priced markets in central Orange County in terms of multifamily and land transactions:

Sales Past 12 Months Multifamily Apartments (5-100 units)

City	Transaction	Sale price Range	Price Per SF Range	Price Per Unit Range	Unit Range	Sub-Market
Santa Ana	36	\$1.175M-\$16.140M	\$138-\$589.63	\$ 139.8K-570K	4-82	Santa Ana
Costa Mesa	17	\$1.88 M-\$11.65 M	\$158.69-\$822.80	\$234.41K-\$661.5K	5-22	Costa Mesa
Orange	9	\$1.21 M-\$3.12 M	\$172.35-\$1138.85	\$151.25K- 486.67K	6-20	Orange
Tustin	3	\$1.39 M-\$3.95 M	\$196.48 -\$406.44	\$275K-\$437K	5-36	Tustin
Irvine	0	0	0	0	0	Irvine

Sales Past 12 Months Land Property

City	Transactions	Land Sf Range	Price Per SF Range	Submarket
Irvine	11	38,333-2,482,920	\$22.24-\$500.49	Irvine
Santa Ana	10	6,621-110,207	\$33.76-\$164.26	Santa Ana
Orange	6	12,870-124,385	\$70.15-\$109.38	Orange
Tustin	1	148,104	\$122	Tustin
Costa Mesa	1	19,602	\$82	Costa Mesa

Bottomline

- ***Santa Ana remains one of the most active and moderately priced markets***
- ***Costa Mesa follows Santa Ana in multifamily deal activity, with 17 transactions***
- ***Retail strongest commercial performer in Santa Ana***
- ***Real estate development is cyclical and long-term.***
- ***Economic uncertainty is difficult to predict.***

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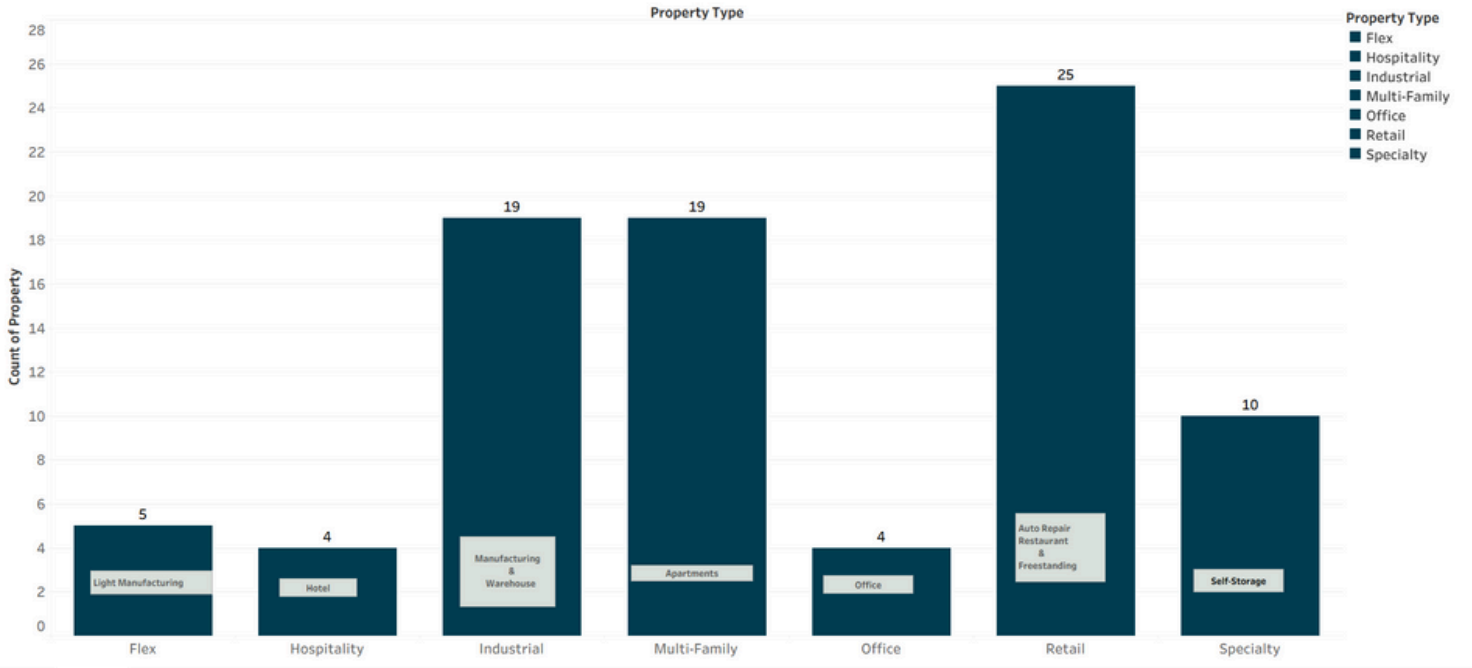
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Appendix

Demolished Properties - Costa Mesa



Coastal Areas Market Report (Long Beach--Laguna Beach)

The commercial real estate markets of Long Beach, Newport Beach, Huntington Beach, and Laguna Niguel/Laguna Beach continue to demonstrate sturdy fundamentals across both retail and multifamily sectors. As of Q4 2025, retail assets across these coastal cities maintain low vacancy rates and steady rent growth, while the multifamily sector benefits from high absorption and low vacancy.

Market stability is reinforced by constrained new supply, sustained employment fundamentals, and coastal positioning. Despite the cap rate compression (stemming from persistent investor demand), valuation differentials persist across submarkets due to variations in property class, accessibility, and tenant composition. Although the overall housing market in the US has been sluggish, the coastal area market is seeing stabilized fundamentals and a balanced outlook of both caution and optimism among developers and investors.

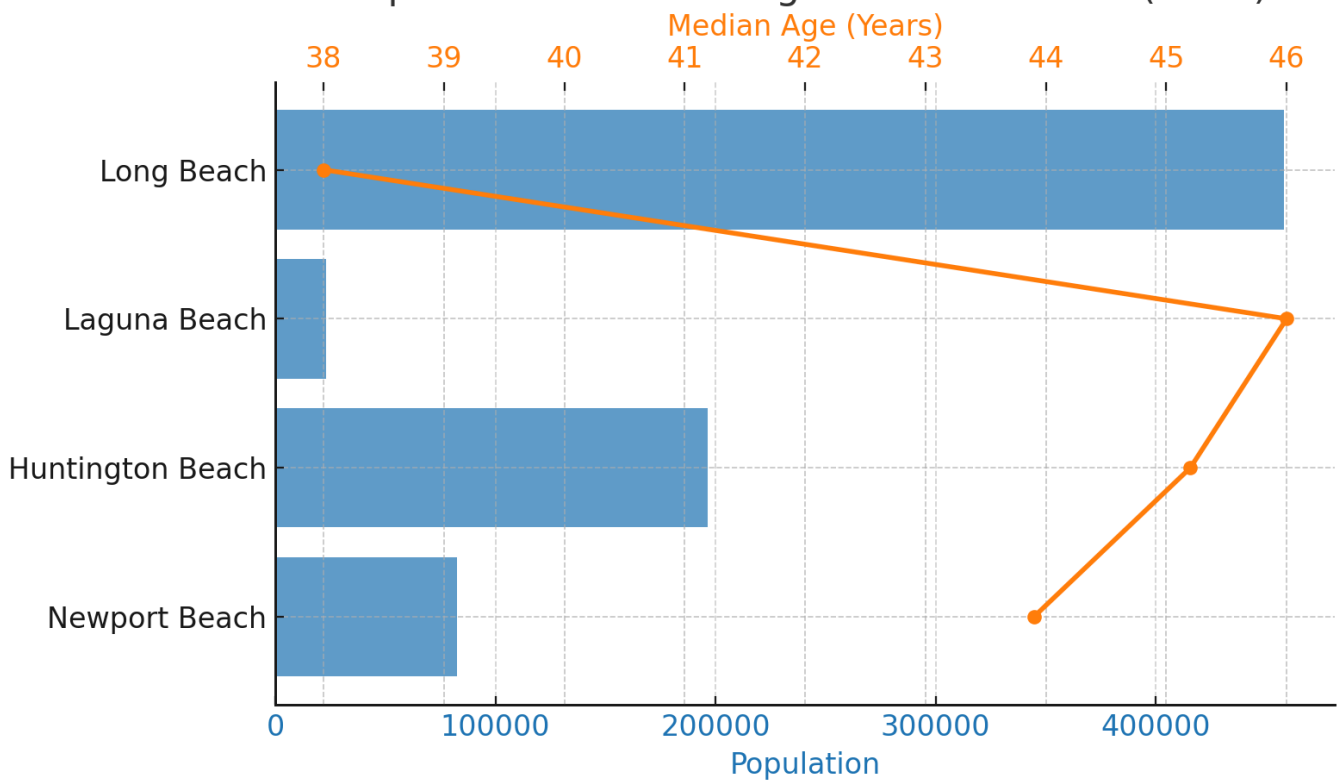
Demographics & Employment

The coastal corridor of Orange County and nearby Long Beach represent some of Southern California’s most stable yet demographically mature regions. Despite slight population declines across most cities, the area maintains high affluence and quality-of-life indicators, underpinned by a strong concentration of professional residents and limited land for new development.

City	Population (2025)	Median Age	1-Year Change	Median Household Income (2024–25 est.)	Key Observation
Laguna Beach	23,000	46.0 yrs	–	\$148,486	Small, high-income enclave with stable population
Newport Beach	82,654	43.9 yrs	▼ 0.4%	\$142,463	High-income, low-growth coastal hub
Huntington Beach	196,276	45.2 yrs	▼ 0.7%	\$118,078	Balanced family demographics; aging population
Long Beach	458,491	38.0 yrs	▼ 0.8%	\$82,838	Younger, more urbanized labor base

Coastal populations are largely stable, supported by limited housing turnover and low new construction. The median age exceeds 43 years in all but Long Beach, underscoring a mature resident profile with high homeownership and income stability.

Population & Median Age – Coastal Cities (2025)

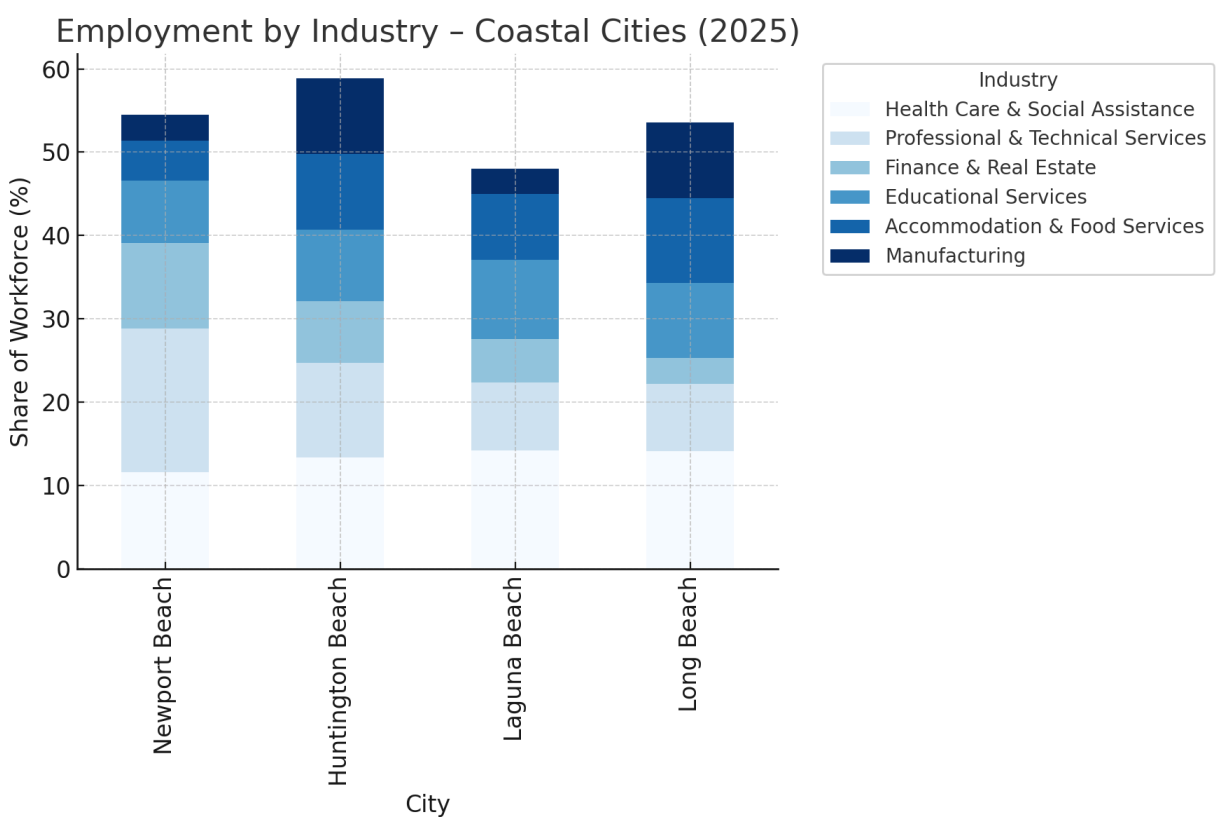


Employment Overview

Employment trends across the coastal cities highlight a strong labor market, supported by professional, healthcare, and service-oriented industries, with employment levels remaining steady overall.

City	Employed Residents	Top Industries	Labor Characteristics
Laguna Beach	13,000 (est.)	Arts, Education, Healthcare	High share of creative and service professionals
Newport Beach	42,583	Professional, Technical, and Finance	95% salaried; 22% self-employed
Huntington Beach	104,000	Healthcare, Manufacturing, Technical Services	Mix of industrial and service employment
Long Beach	232,000	Education, Healthcare, Public Sector	Large institutional and logistics workforce

Professional and healthcare sectors lead regional employment, providing over 35% of all jobs across the coastal region. Newport Beach and Laguna Beach reflect prevalence of high-skill occupations, while Huntington Beach and Long Beach vary across technical and logistics labor.



Sector I: Housing

Owner vs. Renter Composition

Coastal housing markets reflect high ownership rates in cities with lower-count populations, while lower home ownership rates exist in high-density, urbanized zones. Owner occupancy exceeds 65% in Newport and Laguna Beach, while Long Beach skews renter-heavy due to its larger multifamily base.

City	Owner-Occupied	Renter-Occupied	Housing Profile
Long Beach	45%	55%	Apartment and mixed-use density
Huntington Beach	56%	44%	Balanced ownership mix
Newport Beach	67%	33%	Predominantly single-family and luxury condos
Laguna Beach	68%	32%	High-value coastal homes

The ownership concentration in the southern submarkets correlates with higher wealth indicators and limited housing turnover, with the latter likely resulting from limited supply and a high-price environment. Additionally, aging populations in southern submarkets may want to continue legacy ownership of their assets. Conversely, Long Beach's rental-heavy market supports stronger multifamily absorption and consistent rent demand.

Multifamily Rent Analysis

The coastal multifamily market continues to exhibit stable rent performance with minimal concessions and sustained tenant demand. Asking rents have risen modestly across most submarkets, averaging +1.4% year-over-year growth, with Newport Beach maintaining the highest rent levels in Southern California, followed by Laguna Beach’s boutique coastal market.

Submarket	Average Rent (per Unit)	Annual Rent Growth	Vacancy Rate	Market Type
Long Beach / Ports	\$1,953	0.20%	5.20%	Urban Workforce
Huntington Beach / Seal Beach	\$2,742	0.80%	5.00%	Mature Coastal
Laguna Beach	\$3,083	1.20%	~4.8%	Boutique Coastal Multifamily
Newport Beach	\$3,686	3.30%	2.10%	Luxury Coastal

Laguna Beach demonstrates strong rental pricing supported by affluent demographics, limited inventory, and high demand for coastal living. Newport Beach continues to lead the coastal corridor with luxury pricing and around 2 % vacancy, while Huntington Beach and Long Beach maintain steady growth supported by diverse employment and affordability advantages.

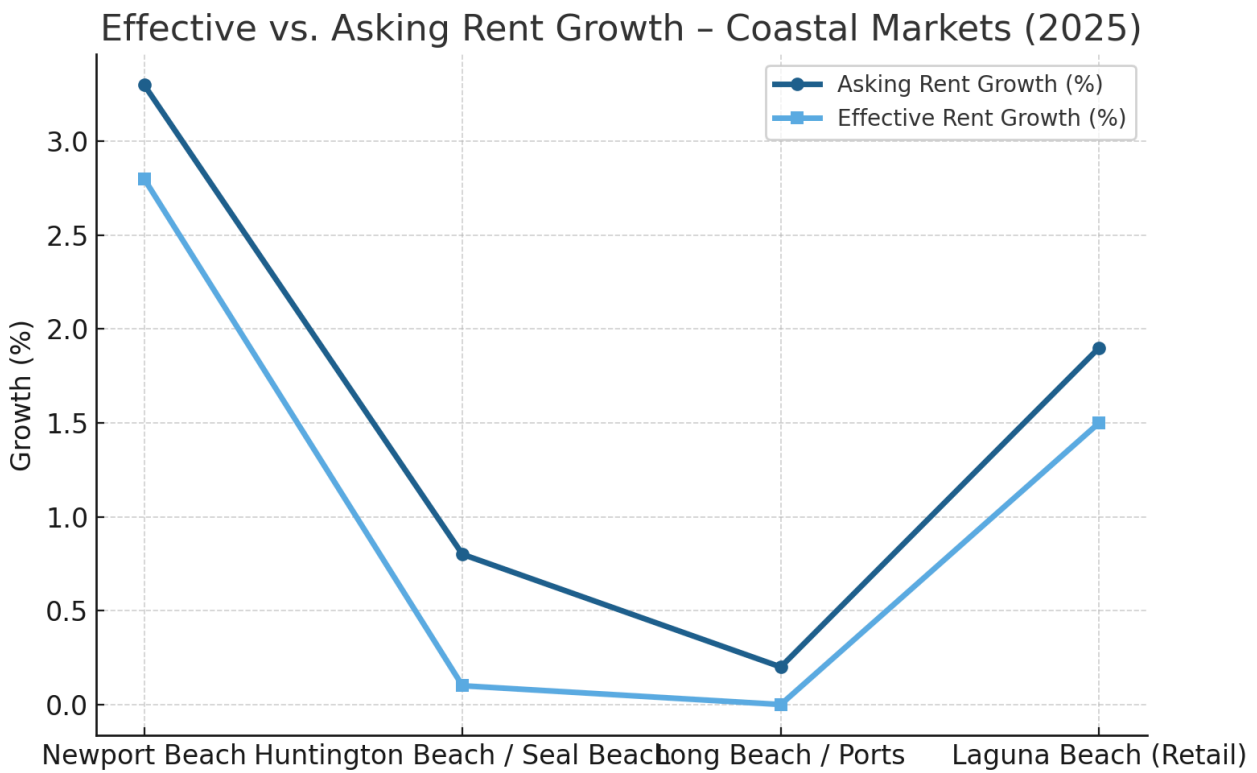
Section II: Retail

Asking Rent vs. Effective Rent

Effective rent performance closely mirrors asking rent growth, as concessions remain minimal in prime submarkets. The coastal average effective rent growth stands near +1.2% year-over-year, led by Newport Beach and supported by Laguna Beach.

Submarket	Asking Rent Growth	Effective Rent Growth	Notable Trend
Long Beach / Ports	0.20%	0.00%	Competitive pricing; strong absorption
Huntington Beach / Seal Beach	0.80%	0.10%	Stable occupancy; limited new supply
Laguna Beach	1.90%	1.50%	Tenant stability and seasonal turnover balance
Newport Beach	3.30%	2.80%	Highest rent retention due to low vacancy

Effective rent trends confirm the stability of the coastal leasing environment. Rent growth is modest but consistent, with long-term pricing power across Class A and coastal-adjacent properties.



Retail Rent Analysis

The coastal retail market maintains steady rent performance, supported by strong tenant demand, limited new construction, and high barriers to entry. Asking rents increased modestly across all submarkets over the past 12 months, averaging +1.7% growth, with Newport Beach and Laguna Beach commanding the highest rental levels.

Submarket	Vacancy Rate	Rent (\$/SF)	Rent Growth (YoY)	Net Absorption (SF, 12 mo)	Market Type
Newport Beach	1.90%	\$4.18	1.50%	+66.1K	Premium Coastal Retail
Huntington Beach	3.00%	\$3.19	1.70%	+27K	Lifestyle / Community Retail
Laguna Niguel/Laguna Beach	4.90%	\$4.38	1.90%	-28.7K	Boutique Coastal Retail
Long Beach (Downtown)	5.40%	\$2.99	-2.30%	-19.9K	Urban Core Retail

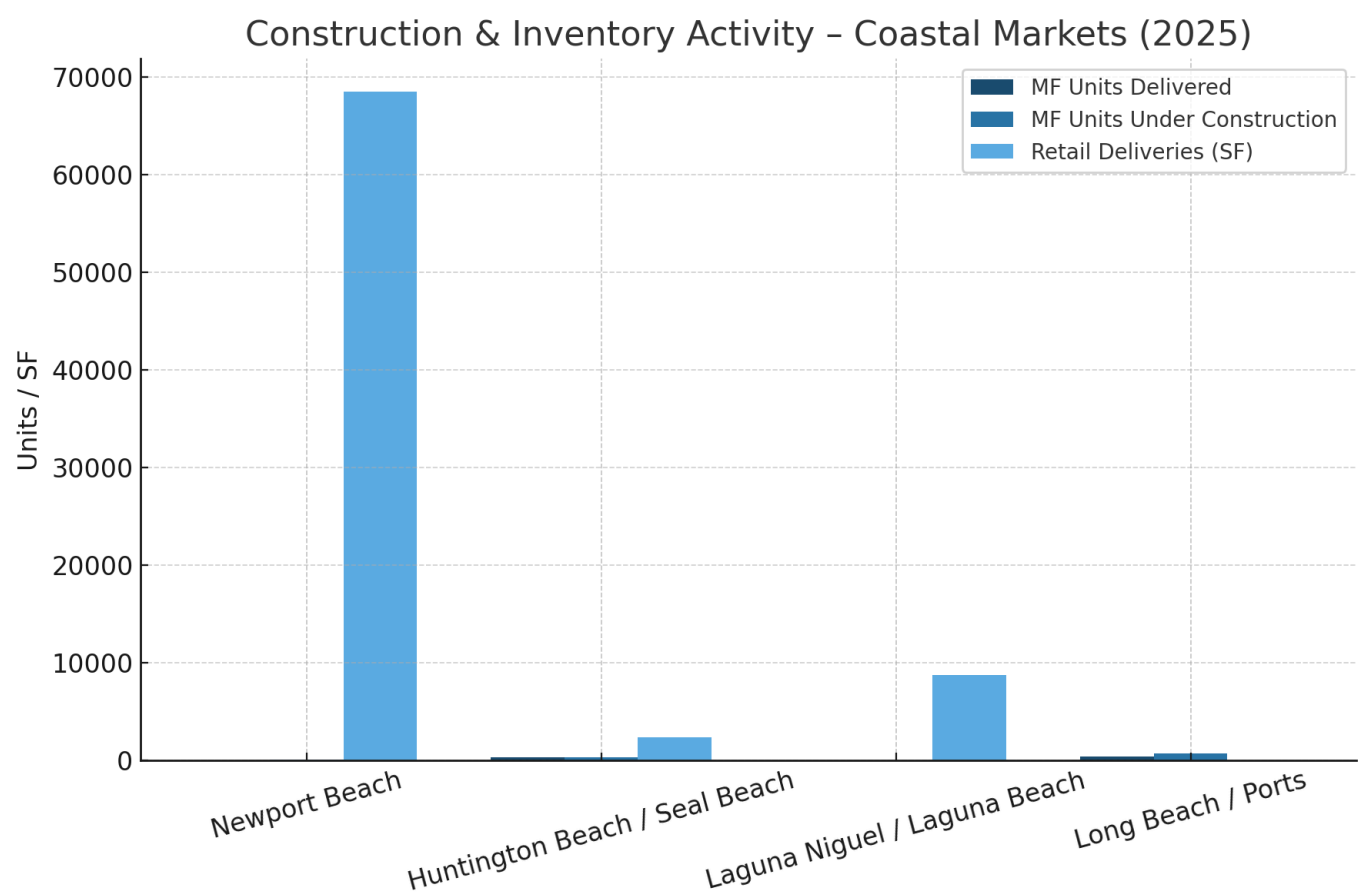
Retail rents remain stable, with Newport Beach and Laguna Beach leading in rate levels due to luxury tenancy and limited available stock. Huntington Beach exhibits balanced growth driven by family-centered shopping centers, while Downtown Long Beach continues to stabilize.

New Inventory: Housing and Retail

Construction across coastal markets remains constrained, with development activity concentrated in a few large-scale mixed-use or multifamily projects. As of Q4 2025, total new multifamily supply under construction in the coastal corridor is approximately 1,200 units, with retail development below historical averages.

Submarket	Multifamily Units Under Construction	Retail Deliveries (12 Mo)	Key Project
Newport Beach	120 proposed	68.5K SF delivered	1470 Jamboree Rd (Mixed-use)
Huntington Beach / Seal Beach	346 delivered; 300 planned	2.4K SF delivered	Bella Terra Residential
Laguna Niguel / Laguna Beach	0 units	8.8K SF delivered	Peppertree Lane redevelopment
Long Beach / Ports	408 delivered; 750 pipeline	None	Alexan West End

The coastal pipeline remains below replacement rate, sustaining tight inventory conditions and long-term rent stability. Retail deliveries are minimal, with a focus on renovation and repositioning rather than new construction.



Recommendations

The Coastal Area markets reflect strong market fundamentals supported by stable employment, affluent demographics, and limited new inventory. Low vacancy and modest rent growth expected through 2026.

- **Retail Outlook:** Steady recovery with potential rent growth due to constrained pipeline. Premium assets best positioned in Newport Beach, while community grocery stores or smaller, independent groceries best positioned in Long Beach.
- **Multifamily Outlook:** Low vacancy to continue due to limited completions; potential for moderate rent gains in luxury and boutique assets. With highest population count of younger and urbanized labor, Long Beach best positioned for risk-averse investors looking for reasonable rental income.
- **Investment Climate:** Long-term holding strategies recommended for both sectors as cap rates are likely to remain low given low supply and high replacement costs.

Quasar's analysis positions the Coastal Orange County market as one of the most stable investment environments in Southern California, particularly for rent preservation and portfolio diversification.

Sources: dof.ca.gov; CensusReporter; Datausa; City of Newport Beach; City of Long Beach; City of Laguna Beach, City of Huntington Beach; CoStar Market Reports; Quasar Research

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Coastal Investment Opportunities: Long Beach--Laguna Beach

Market Overview

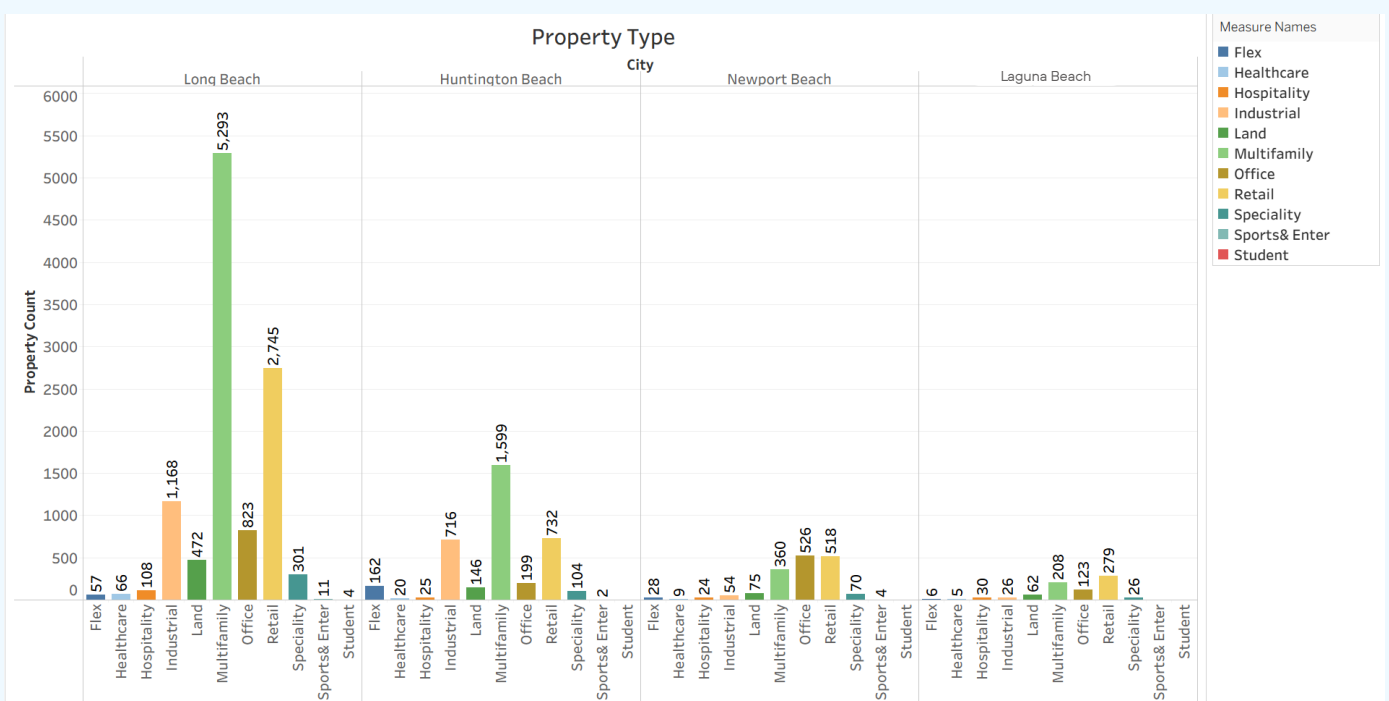
Long Beach emerges as the central hub of residential and commercial activity (including industrial), with the largest property base in the Long Beach--Laguna Beach corridor. This diversity not only drives liquidity but also positions Long Beach as a nucleus of redevelopment and mixed-use growth. **Huntington Beach** follows as a balanced market with steady retail and multifamily markets, reflecting consistent investor confidence and long-term stability. **Newport Beach**, though smaller in overall inventory, distinguishes itself with concentrated, high-value assets that attract institutional buyers and private equity interest. Meanwhile, **Laguna Beach** stands apart as a boutique market defined by limited inventory yet remarkably high property values—an environment where exclusivity sustains premium pricing despite low transaction volumes.

Table: Inventory by City and Property Type

City	Multifamily	Retail	Industrial	Office	Land	Flex
Long Beach	5293	2745	1168	823	472	57
Huntington Beach	1599	732	716	199	146	162
Newport Beach	360	518	54	526	75	28
Laguna Beach	208	279	26	123	62	6

City	Student	Hospitality	Healthcare	Specialty	Sports & Enter.	Total properties
Long Beach	4	108	66	301	11	11048
Huntington Beach	-	25	20	104	2	3705
Newport Beach	-	24	9	70	4	1668
Laguna Beach	-	30	5	26	-	765

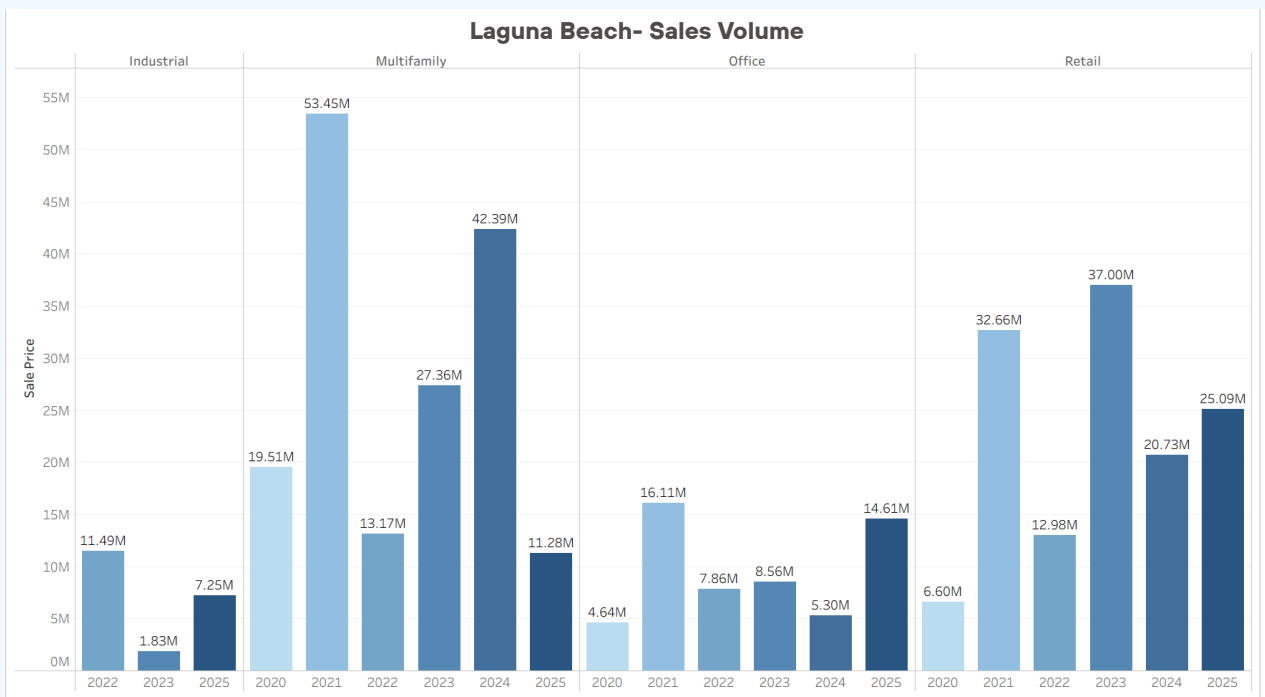
Figure: Inventory by City and Property Type



City-Specific Insights

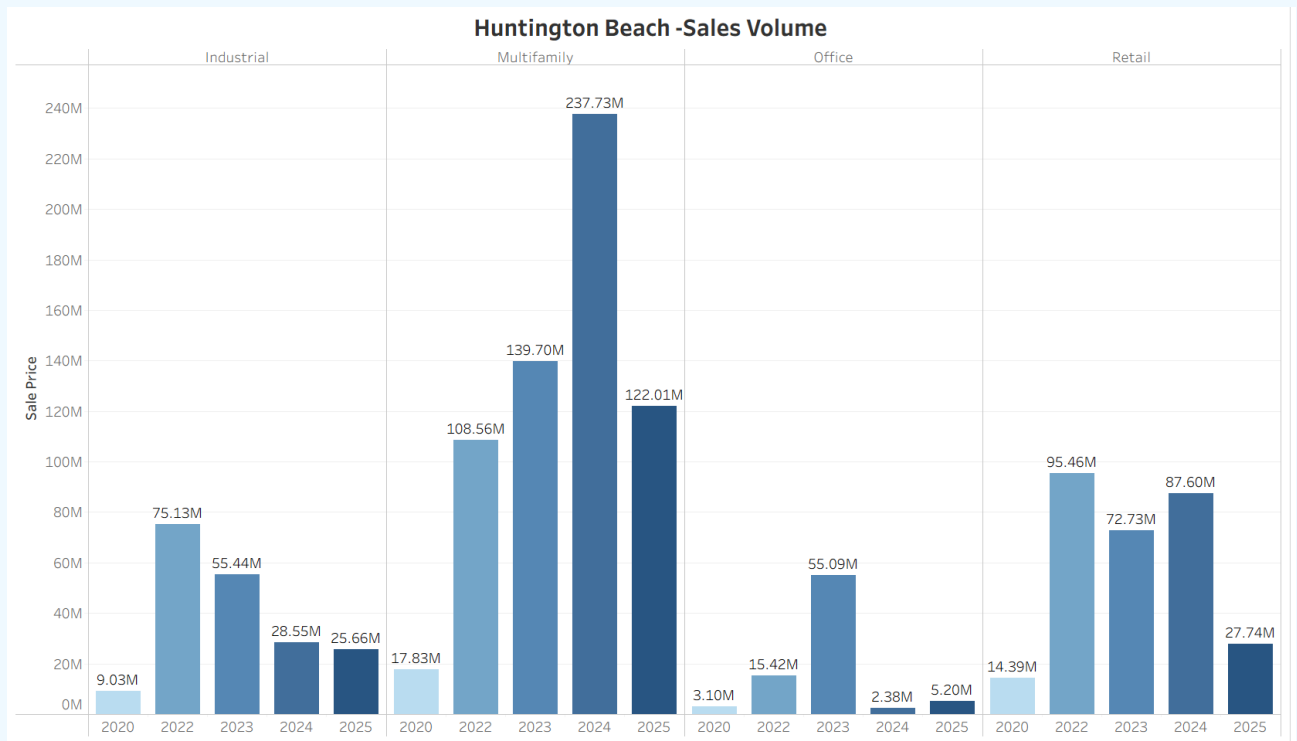
Laguna Beach

Laguna’s market is “small but premium,” where scarcity and scenic appeal ensure sustained investor interest and stable capital values. Average deal sizes in Laguna Beach remain substantial, with strong investment velocity in the retail sector in 2025. Preceded by a strong 2024 for multifamily deals, the current year has seen an expected softening in the multifamily sector, as well as a strong uptick in the office sector.



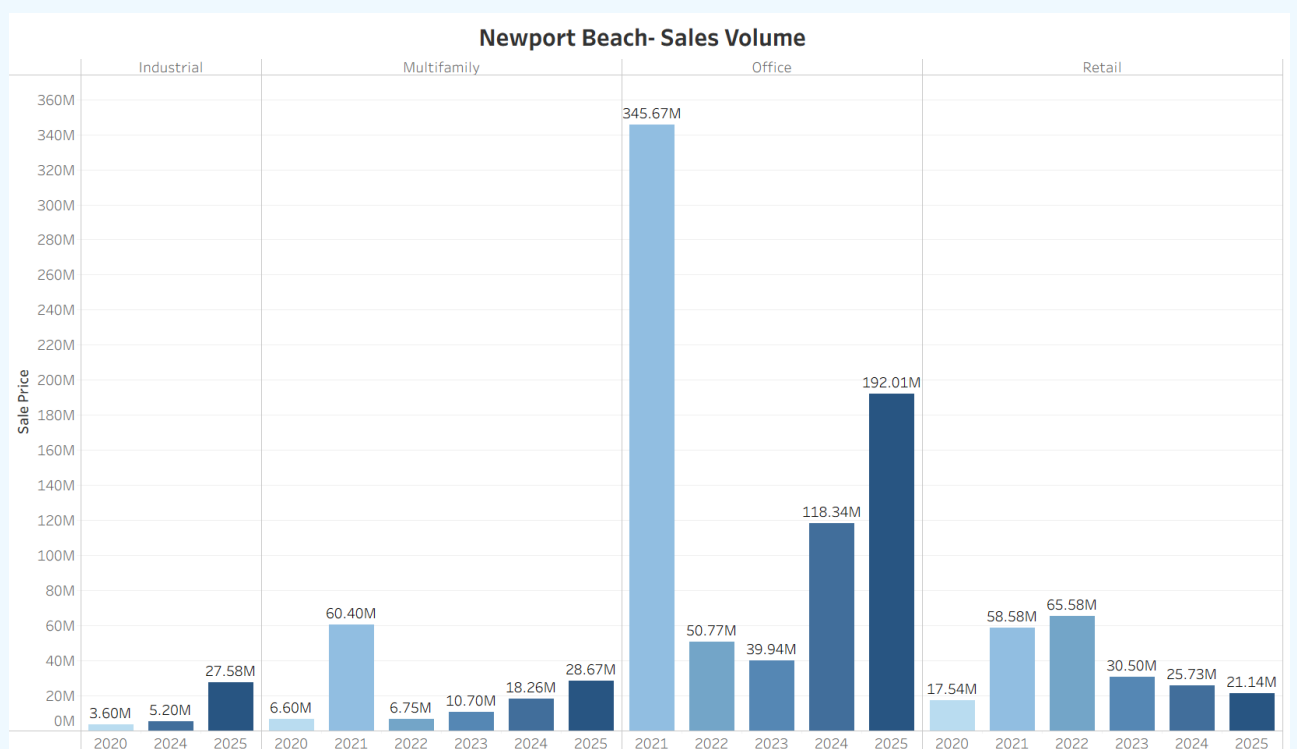
Huntington Beach

Huntington Beach reflects a market of balance and steady expansion. Multifamily assets have seen a consistent upward trajectory, with 2025 deal levels comparable to previous years'. Retail transactions halved in 2024, but still contribute robustly to overall activity in 2025, supported by resilient local demand and consumer stability. Overall, Huntington Beach continues to attract multifamily development while maintaining a stable retail core. This consistency marks it as one of the most dependable submarkets in the coastal region.



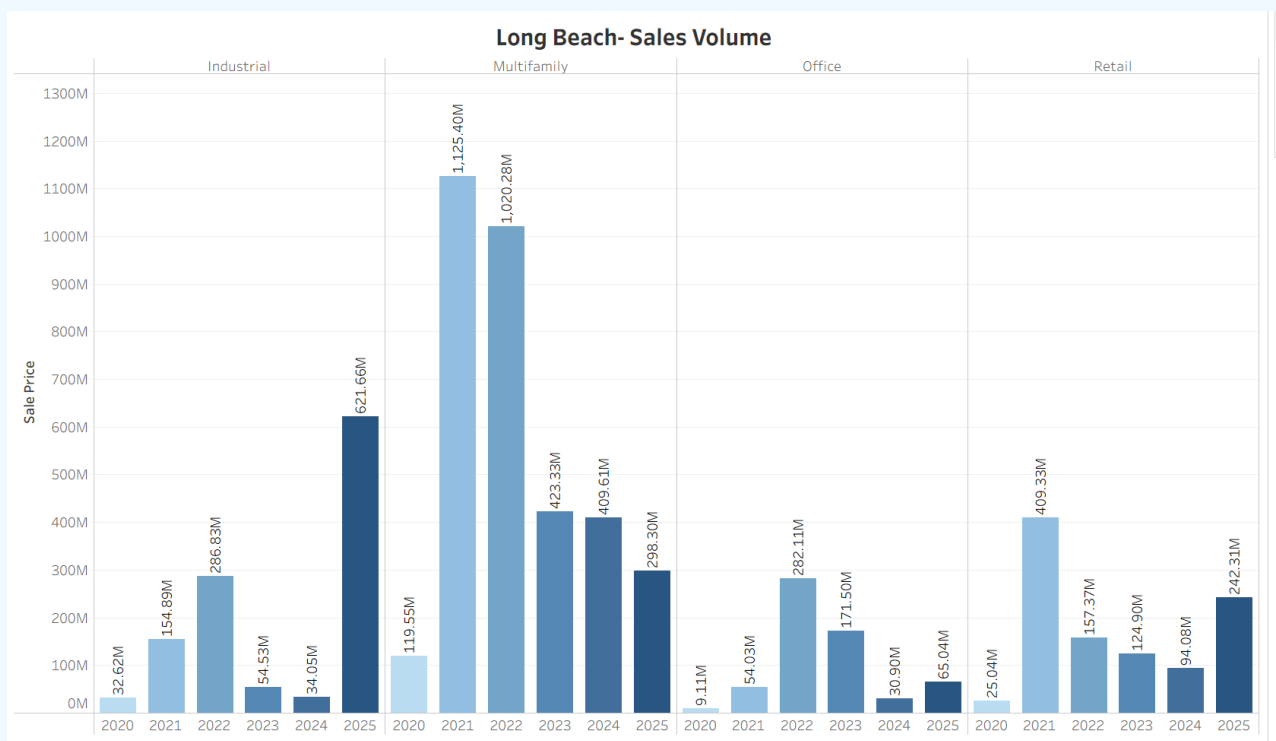
Newport Beach

In contrast, Newport Beach’s performance is defined by a few landmark transactions that significantly influence total volume, especially in the office sector, and overall reflecting the presence of luxury holdings and long-term institutional ownership. Newport’s enduring prestige and limited supply continue to underpin high asset valuations and investor competition.



Long Beach

Long Beach stands at the heart of coastal transformation, with a dynamic balance of redevelopment, affordability, and scale. The city not only leads in total property count but also in demolition and reconstruction activity, signaling strong redevelopment momentum. Sales activity remains vigorous across property types, with multifamily, retail, and industrial assets trading consistently in the past three-year period. The city's affordability relative to its neighbors continues to attract investors seeking volume and long-term appreciation potential.



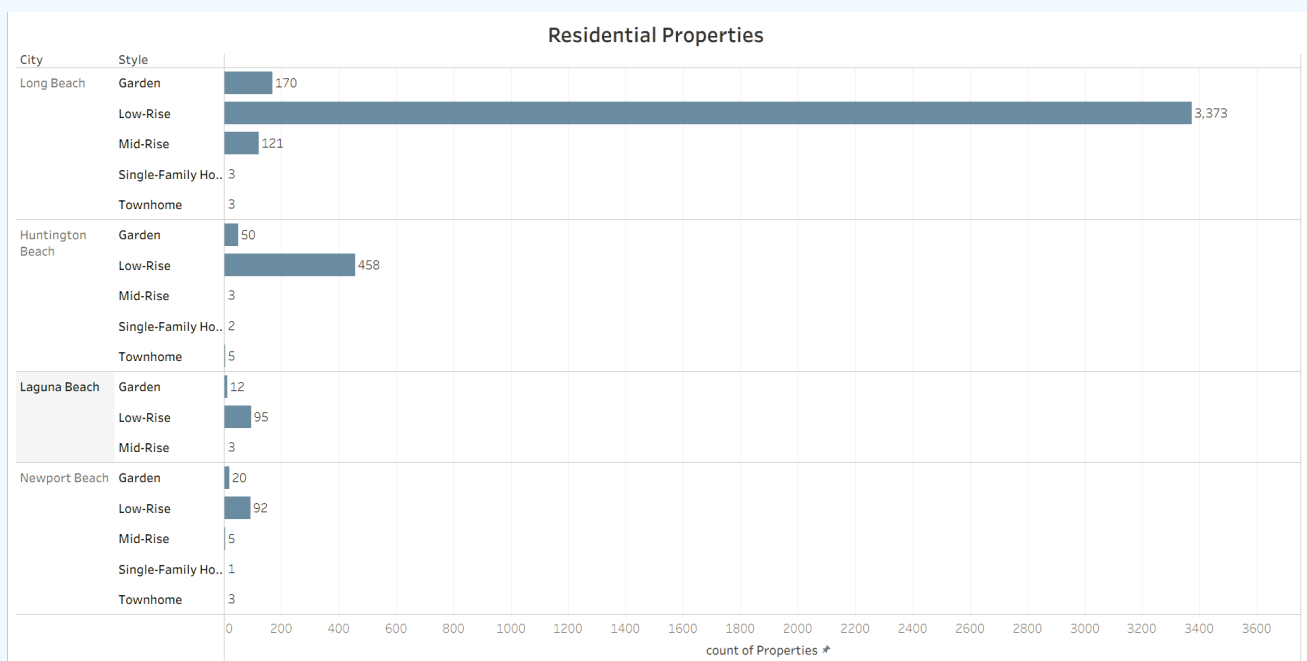
Multifamily Investment Patterns

The Long Beach market reveals both liquidity and range, while Huntington Beach shows moderate pricing levels and consistent investor engagement. In Laguna Beach, a handful of sales command the highest per-unit prices, while Newport Beach maintains a similar trend for luxury tiers. These figures affirm that as inventory declines and exclusivity increases, price per unit rises sharply.

City	Transaction	Sale Price Median	Sale price Range	Price Per SF Range	Price Per Unit Range	Unit Range	SubMarket
Long Beach	190	\$2.0M	\$0.795M-\$13.99M	\$156.90-\$954.12	\$100K-\$644.75K	4-45	Bixby Knolls/Downtown Long Beach/Belmont Heights/Wrigley/Westside Long Beach/Signal Hill
Huntington Beach	47	\$2.28M	\$1.5M-\$9.91M	\$163.43-\$1,072.92	\$341.67K- \$668.75K	4-21	Huntington Beach/Goldenwest/Yorktown/Oak View/Garfield
Laguna Beach	6	\$3.95M	\$2.8M-\$7.38M	\$750.79-\$1,315.79	\$560K- \$937.5K	4-12	Laguna Beach
Newport Beach	3	\$4.0M	\$2.6M-\$13.05M	\$683.18-\$1,587.30	\$650K-\$666K	4-20	Cliff Haven/West Newport Beach/Balboa Peninsula Point

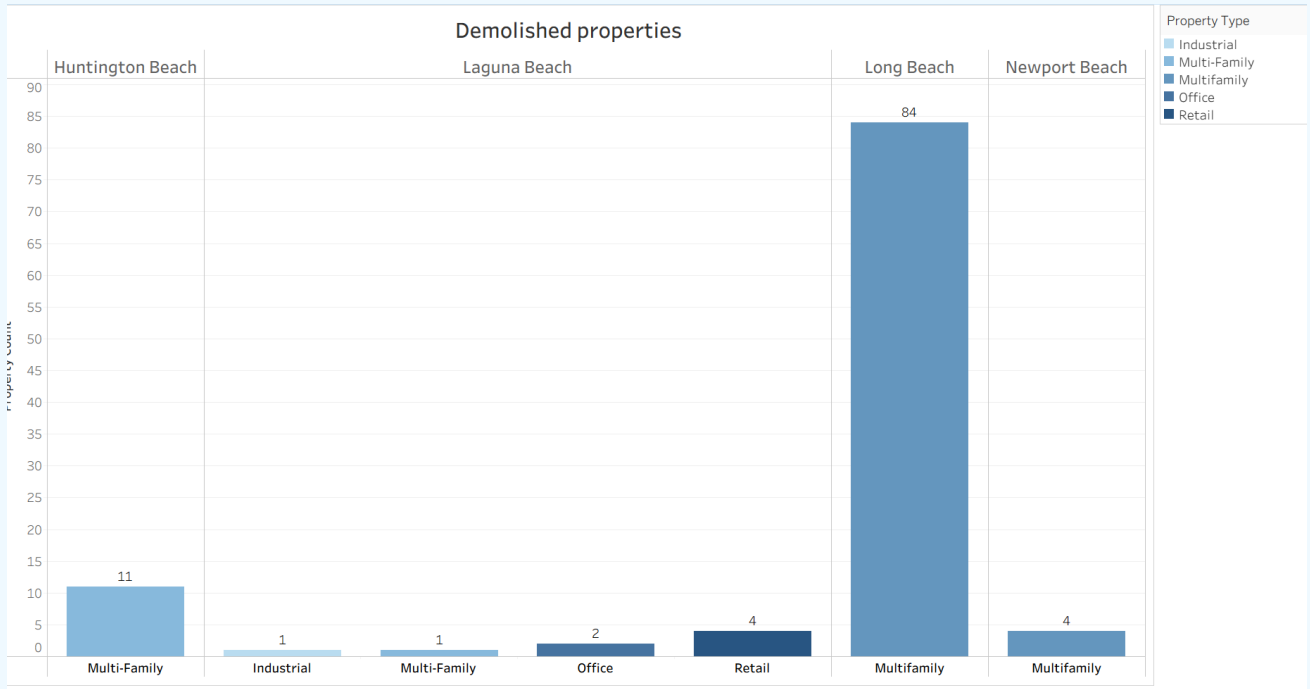
Residential Building Composition

Residential structures in the region are overwhelmingly low-rise in nature, a legacy of mid-century coastal development patterns. Long Beach offers the deepest pool of housing stock suitable for incremental densification. The prevalence of small-scale structures also explains the high demolition rates, as investors replace aging stock with modern, amenity-rich alternatives. Huntington Beach, Laguna Beach, and Newport Beach share a similar composition, dominated by low-rise properties with a small proportion of garden-style buildings. All four of the coastal markets exhibit a limited number of townhome properties, indicating a supply gap in this sector.



Comparative Perspective

- Long Beach represents scale, transformation, and liquidity, serving as the primary destination for reinvestment and infill development.
- Huntington Beach offers stability and steady growth, a dependable environment for both retail and multifamily investment.
- Newport Beach exemplifies prestige and concentration, where large, high-value transactions define market cycles.
- Laguna Beach embodies exclusivity and constraint, commanding exceptional pricing through scarcity and enduring appeal.



Land Use Policy and Entitlement - Items of Interest

Laguna Beach	Renewed momentum in the City's efforts to adopt more permissive development standards for affordable housing, identified in 2023 under the Downtown Specific Plan Phase II: increased densities, increased height limits, higher lot coverage, lower parking requirements, and removal of upper story residential use limitations to assist in the development of housing for lower-income households, among others
Long Beach	Seeking community input on effort to study, adjust, and expand incentives (such as offering up to 100% density bonus and 3 additional stories on qualifying affordable housing projects) under the Enhanced Density Bonus Ordinance to further encourage market-rate and affordable housing development.
Huntington Beach	Restrictions on City's control over permitting and development in place, as 120-day deadline imposed by California court of appeal to update housing plan and comply with state housing laws still running.
Newport Beach	City Council considering Ordinances establishing the Special Flood Hazard Area (VE) Overlay, which would modify allowed setback encroachments to help provide access without impact to the buildable area of affected residential lots

Result: Evaluating Opportunity

Investors seeking volume and redevelopment potential will find Long Beach most aligned with growth objectives, while those pursuing stability will gravitate toward Huntington Beach. Newport and Laguna cater to investors emphasizing asset quality, prestige, and long-term capital preservation.

Huntington Beach and Seal Beach Multifamily

- Older and mid- or lower-quality assets (only about 20% high-end, i.e., 4- or 5-star rated)
- Despite age, proximity to the coastline and ample availability of entertainment and dining options allow higher rents because of excellent location
- Lower cap rates, indicating investors are willing to pay more due to expectations for stable returns
 - Larger deals: 4%–5% cap rates but as low as 3%
- Vacancy rates remain lower than Orange County average since 2019
- Lower rents than Newport Beach, but still higher than overall Orange County, as location remains attractive to low-income tenants

Newport Beach Multifamily

- Lucrative access to event space/beach venues and restaurants + short commute to jobs in Irvine and central Orange County ==> Central location allows Newport Beach assets to bid for rents 7% higher than the rest of the County
- Cap rates typically between 3% and 4%, indicating high asset price and lower NOI
 - Investors are accepting lower income in exchange for owning property in a top-tier location
- Private investors/1031-exchange deals dominate

Laguna Beach

- Limited inventory and affluent demographics
- About 68% of homes are owner-occupied, keeping rental supply tight
- Redevelopment efforts are slower but impacting every sector
- Need for more townhomes and single-family assets

Long Beach/Ports Multifamily

- Stable market but slightly oversupplied with luxury units – as such, luxury units are slower to lease
- On the other hand, affordable units reflect tight occupancy and strong rental demand
- Sales activity has slowed significantly
 - Values dropped ~15% from 2022
- Cap rates in the 5.0–5.5% range with a stable cash flow

Sources: CoStar Market Reports; Quasar Research; City of Newport Beach; City of Long Beach; City of Laguna Beach, City of Huntington Beach.

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