

# Orange County Market Summary – Q3 2025

## Industrial Market | Q3 2025

- New leasing activity remains steady at ~3 million SF per quarter
- Availability increased only 10 bps, reaching 8.3%
- Vacancy rose to 6.3% with:
  - 800K SF occupancy decline
  - 700K SF of completions
  - Vacant availability increased to 5.6%
- Leasing time steady at 4.5 months (up from 3 months in 2022)
- Rents declining but less severely than prior quarters
- Cap rates in the 5%–6% range

## Office Market | Q3 2025

- New leasing activity remains consistent at ~2 MSF
- Occupancy growth and demolitions lowered vacancy to 12.3%
- Availability decreased to 14.5% (down from a 16.9% peak in early 2023)
- Sublease availability stabilized at 1.8%
- High-rise towers are backfilling vacated space
- Pricing pressured by vacancy, lease-up risk, and obsolescence, but no longer falling

Data Source: CoStar Group, Orange County Market Trends, Q3 2025. Summary prepared by the City of Costa Mesa Economic & Development Services Department.