

# ORANGE COUNTY, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.7%



DOWN 50 BPS YOY

Effective Rent

\$2,826



UP 3.8% YOY

Rent Share of Wallet

28.6%



UP 20 BPS YOY

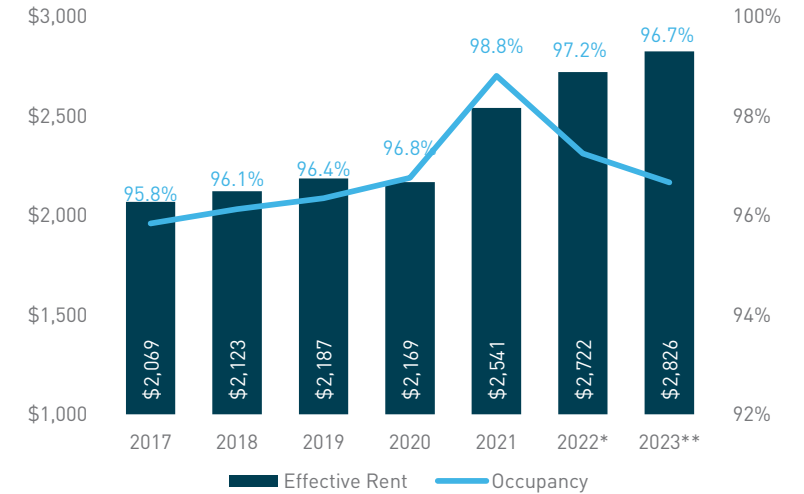
## Job Growth and New Multifamily Development Underpin Vigorous Leasing

Apartment demand will heighten countywide amid hiring advances. Residents are projected to newly occupy 2,661 net apartments during the next four quarters, up from 1,426 net move outs in 2022. Leasing activity will be greatest in the South Irvine submarket, accounting for 25.5% of all net units absorbed. Buttressing some of the demand in the area will be job growth as Orange County-based employers are projected to create 19,600 new jobs this year. A portion of the 1.2% annual growth will come from the health care and biotech industry. Orange County's life sciences market generates a \$37.2 billion annual economic impact with the fourth-largest life science workforce in California. Breaking ground in early 2023 will be the next core cluster SoCal life sciences hub known as Academy Point, a 532,000-square-foot complex next to the 185-acre UCI Research Park in South Irvine. Developers will also seek to capitalize on the tourism job growth as Anaheim approved a \$4 billion mixed-use entertainment center anchored by Honda Center, with the first phase slated to finish in 2024. Multifamily builders will continue placing product into service throughout the county; 20 projects with 4,365 apartments are underway. These newly built apartment communities will be exempt for 15 years from the annual rent cap requirement. The apartment occupancy rate is forecast to decrease 50 basis points amid supply side pressure. The 96.7% occupancy rate will remain above the 10-year average of 96.5%. Monthly effective rent of \$2,826 in the fourth quarter is projected, an annual growth of 3.8%.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

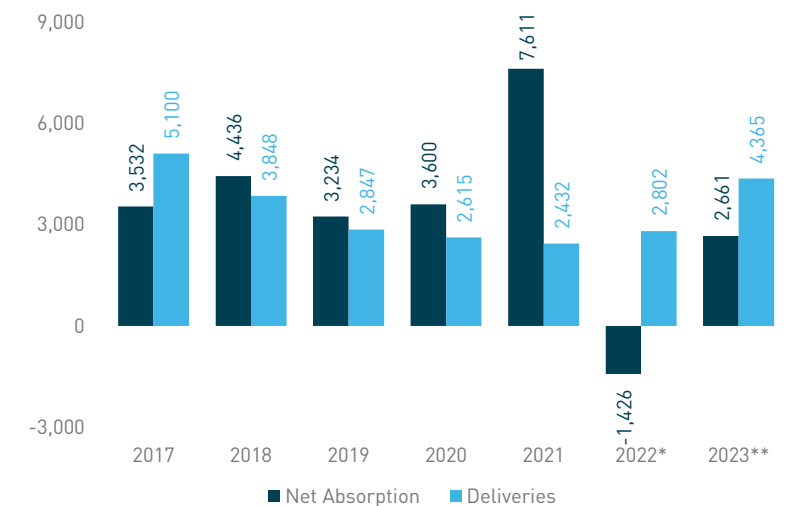
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

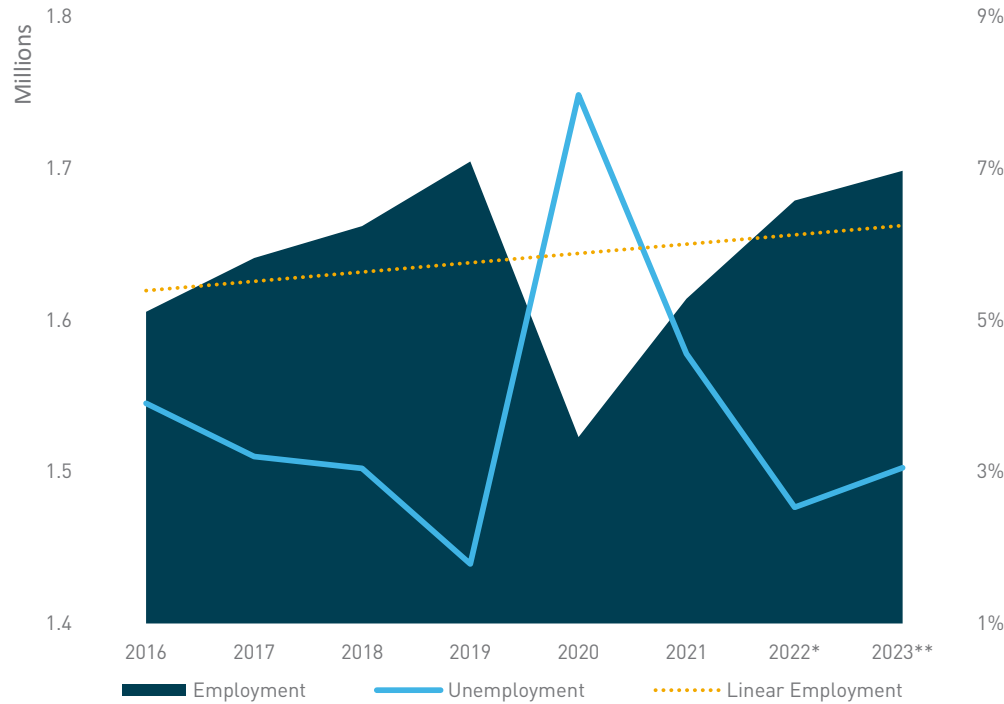


\*Projected \*\*Forecast

# ORANGE COUNTY, CA

## Employment Trends

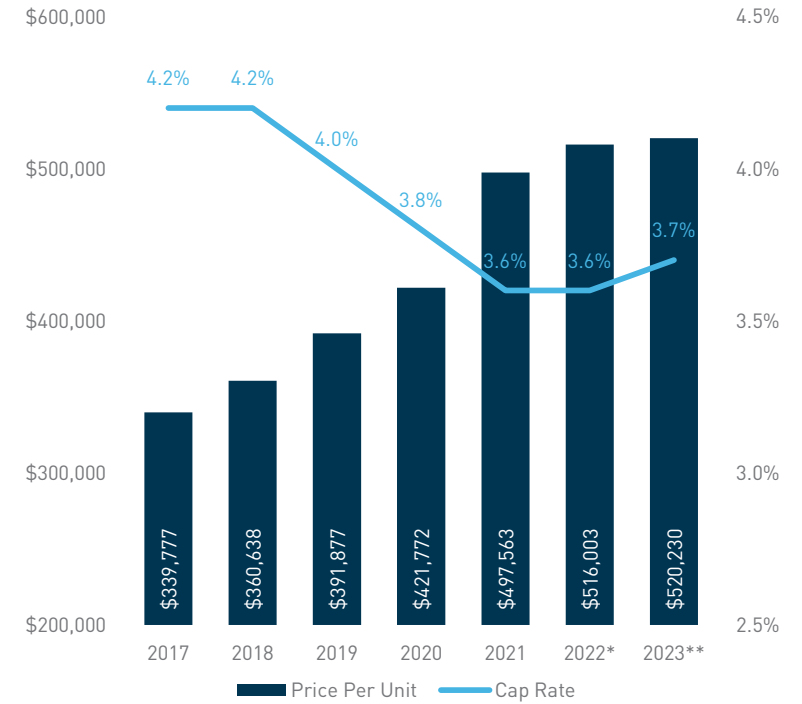
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,698,200</b></p> <p>↑</p> <p>UP 1.2% YOY</p>	<p>Unemployment</p> <p><b>3.1%</b></p> <p>↑</p> <p>UP 60 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$118,725</b></p> <p>↑</p> <p>UP 3.3% YOY</p>
-----------------------------------------------------------------------	----------------------------------------------------------------------	------------------------------------------------------------------------------------

<p>Price Per Unit</p> <p><b>\$520,230</b></p> <p>↑</p> <p>UP 0.8% YOY</p>	<p>Cap Rate</p> <p><b>3.7%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
---------------------------------------------------------------------------	------------------------------------------------------------------