

2024

QUARTER 4

ORANGE COUNTY

Medical Office Market Report



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Market Highlights

SUPPLY AND DEMAND

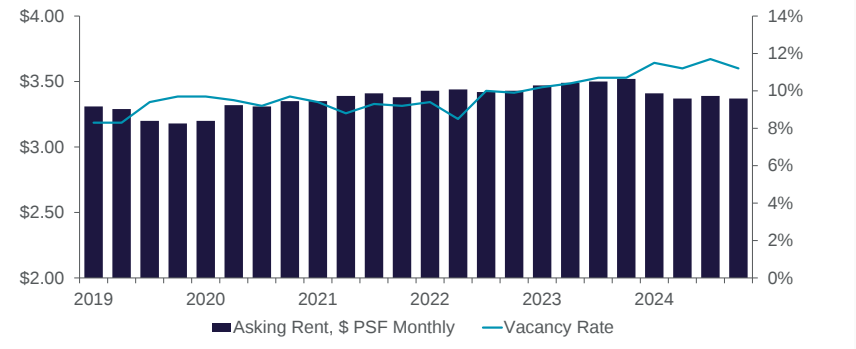
In the face of past economic headwinds, the healthcare industry has been noticeably resilient. Through today's economic turmoil, we can expect rising demand for care nationwide as well as in Orange County, providing opportunities for investors and occupiers who are able to manage costs and offer services that match patient demographics and diagnosed needs. Orange County's medical office overall vacancy was 11.2% at the end of Q4 2024. Vacancy decreased by 80 bps quarter-over-quarter (QOQ) but increased 50 bps YOY. The market lost 47,064 square feet (SF) in Q4 2024 with 17,889 SF of occupancy growth in Central County and 16,365 SF in the Greater Airport Area.



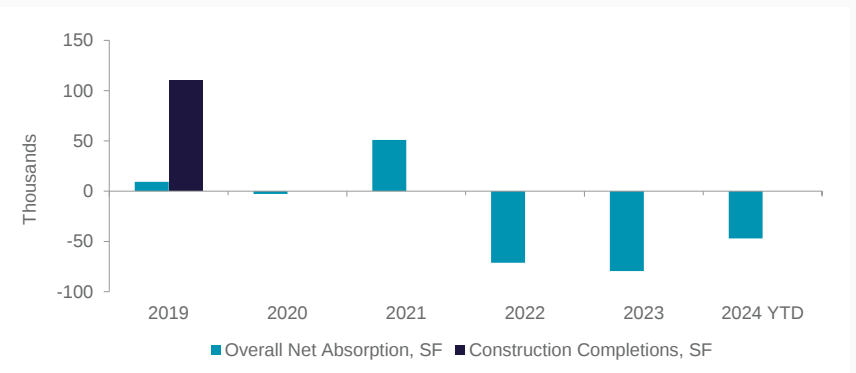
Asking Rent by Submarket
\$/PSF. Full Service



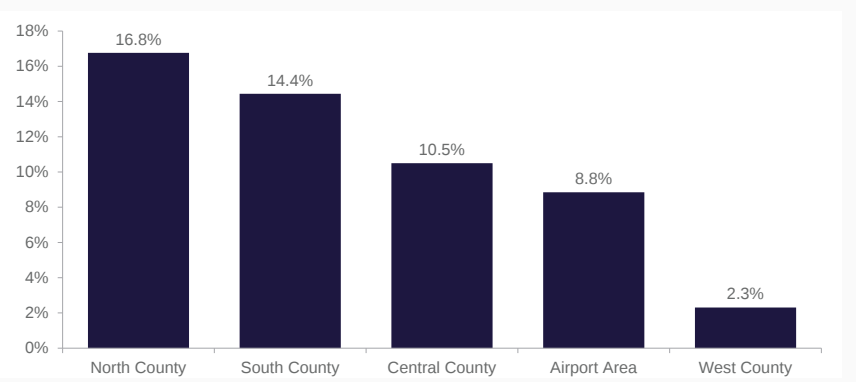
Direct Vacancy / Asking Rent
\$/PSF. Full Service



Space Demand / Deliveries



Submarket Direct Vacancy



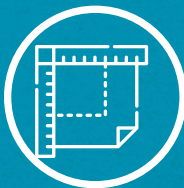
\$131M
TOTAL SALES VOLUME



11.2%
VACANCY



\$3.37
AVERAGE RATE



\$302
AVERAGE PRICE
PER SF

Market Statistics

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	DIRECT VACANCY RATE	CURRENT QTR DIRECT NET ABSORPTION (SF)	YTD DIRECT NET ABSORPTION (SF)	YTD LEASING ACTIVITY** (SF)	YTD CONSTR COMPLETIONS (SF)	UNDER CNSTR (SF)	DIRECT AVG ASKING RENT (ALL CLASSES)*
Greater Airport Area	1,846,889	25,475	137,971	8.8%	16,365	28,290	81,125	0	0	\$3.86
South County	2,737,835	750	394,604	14.4%	5,567	-42,672	87,366	0	0	\$3.39
West County	1,460,631	7,760	25,953	2.3%	6,703	9,924	49,303	0	0	\$3.12
Central County	1,943,164	35,164	168,804	10.5%	17,889	13,076	125,942	0	0	\$3.06
North County	1,761,201	192,824	102,413	16.8%	5,644	-55,682	22,769	0	0	\$3.27
OC TOTALS	9,749,720	261,973	829,745	11.2%	52,168	-47,064	366,505	0	0	\$3.37

*Rental rates reflect full service asking. **Leasing includes renewals.

Key Lease Transactions Q4 2024

PROPERTY	SUBMARKET	SIZE	TYPE
401 Old Newport Road	Newport Beach	7,260 SF	New Lease
114 Pacifica	Irvine	7,141 SF	New Lease
13950 Milton Avenue	Westminster	6,310 SF	New Lease
27882 Forbes Road	Laguna Niguel	5,935 SF	New Lease
431 South Batavia	Orange	5,630 SF	New Lease
475 South State College Boulevard	Brea	5,000 SF	New Lease
2500 Red Hill Avenue	Santa Ana	4,595 SF	New Lease
26052 Merit Circle	Laguna Hills	4,560 SF	New Lease
765 The City Drive South	Orange	3,731 SF	New Lease
13011-13031 Newport Avenue	Tustin	3,375 SF	New Lease

Key Sales Transactions Q4 2024

PROPERTY	SUBMARKET	SIZE	PRICE / \$ PSF
15131 Alton Parkway	Irvine	189,500 SF	\$88,500,000
1188 North Euclid Street	Anaheim	64,000 SF	\$8,015,000 / \$125 PSF
20280 Acacia Street	Newport Beach	27,369 SF	\$13,500,000/\$493 PSF
3440 Irvine Avenue	Newport Beach	10,212 SF	\$4,350,000/\$425 PSF
21580 Yorba Linda Boulevard	Yorba Linda	9,999 SF	\$4,248,425/ \$425 PSF
3553 Camino Mira Costa	San Clemente	8,400 SF	\$2,587,500/ \$308 PSF
1424-1430 South Euclid Street	Fullerton	5,057 SF	\$2,100,000, \$415 PSF
27442 Calle Arroyo	San Juan Capistrano	4,172 SF	\$1,908,000, \$457 PSF
526 West 17th Street	Santa Ana	3,335 SF	\$1,247,000/ \$374 PSF
937 North Lemon Street	Anaheim	1,916 SF	\$1,140,000/ \$595 PSF



Healthcare Service Lines Service Growth Projections

GREATER AIRPORT AREA

Service Line	2023 Volume	2028 Volume	2033 Volume	5 Yr Growth	10 Yr Growth
Endocrinology	1,895	2,429	2,902	28.2%	53.1%
Spine	1,730	2,084	2,384	20.5%	37.8%
Vascular	14,292	17,158	20,444	20.1%	43.0%
Psychiatry	124,525	149,390	162,791	20.0%	30.7%
Ophthalmology	76,303	90,980	109,490	19.2%	43.5%
Cardiology	84,192	100,203	116,695	19.0%	38.6%
Podiatry	13,919	16,375	19,614	17.6%	40.9%
Physical Therapy/Rehabilitation	230,664	269,578	331,307	16.9%	43.6%
ENT	28,785	33,564	39,020	16.6%	35.6%
Pain Management	9,842	11,427	13,154	16.1%	33.7%

CENTRAL COUNTY

Service Line	2023 Volume	2028 Volume	2033 Volume	5 Yr Growth	10 Yr Growth
Endocrinology	3,269	4,067	4,690	24.4%	43.4%
Psychiatry	219,046	254,821	267,007	16.3%	21.9%
Spine	2,905	3,375	3,727	16.2%	28.3%
Vascular	23,306	26,976	30,973	15.7%	32.9%
Ophthalmology	124,769	142,893	165,215	14.5%	32.4%
Cardiology	138,452	158,387	177,200	14.4%	28.0%
Physical Therapy/Rehabilitation	400,633	453,957	537,774	13.3%	34.2%
Podiatry	21,947	24,669	28,298	12.4%	28.9%
Pain Management	16,393	18,402	20,479	12.3%	24.9%
ENT	51,661	57,699	63,831	11.7%	23.6%

SOUTH COUNTY

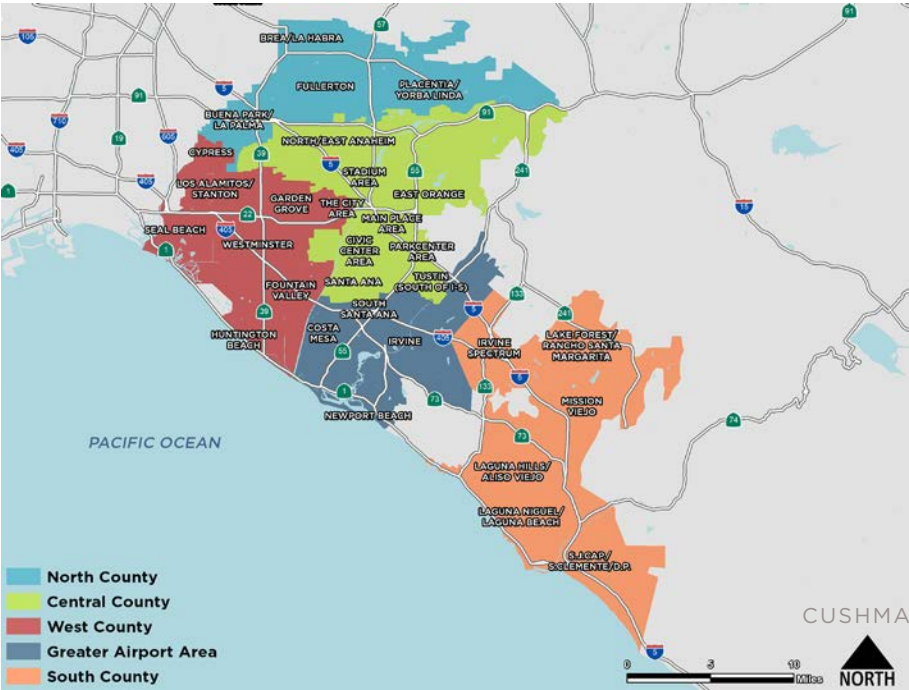
Service Line	2023 Volume	2028 Volume	2033 Volume	5 Yr Growth	10 Yr Growth
Endocrinology	5,006	6,255	7,231	24.9%	44.4%
Psychiatry	332,168	391,109	412,596	17.7%	24.2%
Spine	4,550	5,267	5,737	15.8%	26.1%
Physical Therapy/Rehabilitation	613,123	698,587	829,617	13.9%	35.3%
Vascular	37,007	42,158	47,411	13.9%	28.1%
Cardiology	219,209	247,512	271,959	12.9%	24.1%
Ophthalmology	198,654	223,381	252,260	12.4%	27.0%
Pain Management	25,775	28,721	31,535	11.4%	22.3%
Orthopedics	69,439	77,343	87,600	11.4%	26.2%
ENT	78,196	86,833	94,996	11.0%	21.5%

NORTH COUNTY

Service Line	2023 Volume	2028 Volume	2033 Volume	5 Yr Growth	10 Yr Growth
Endocrinology	6,232	7,303	7,925	17.2%	27.2%
Psychiatry	395,434	436,708	433,897	10.4%	9.7%
Spine	5,748	6,289	6,498	9.4%	13.1%
Vascular	48,176	52,028	55,437	8.0%	15.1%
Physical Therapy/Rehabilitation	751,973	805,081	899,482	7.1%	19.6%
Ophthalmology	257,675	275,574	295,757	6.9%	14.8%
Cardiology	284,318	303,917	316,051	6.9%	11.2%
ENT	93,354	98,357	102,586	5.4%	9.9%
Pain Management	33,054	34,769	36,089	5.2%	9.2%
Lab	1,282,699	1,349,155	1,387,074	5.2%	8.1%

WEST COUNTY

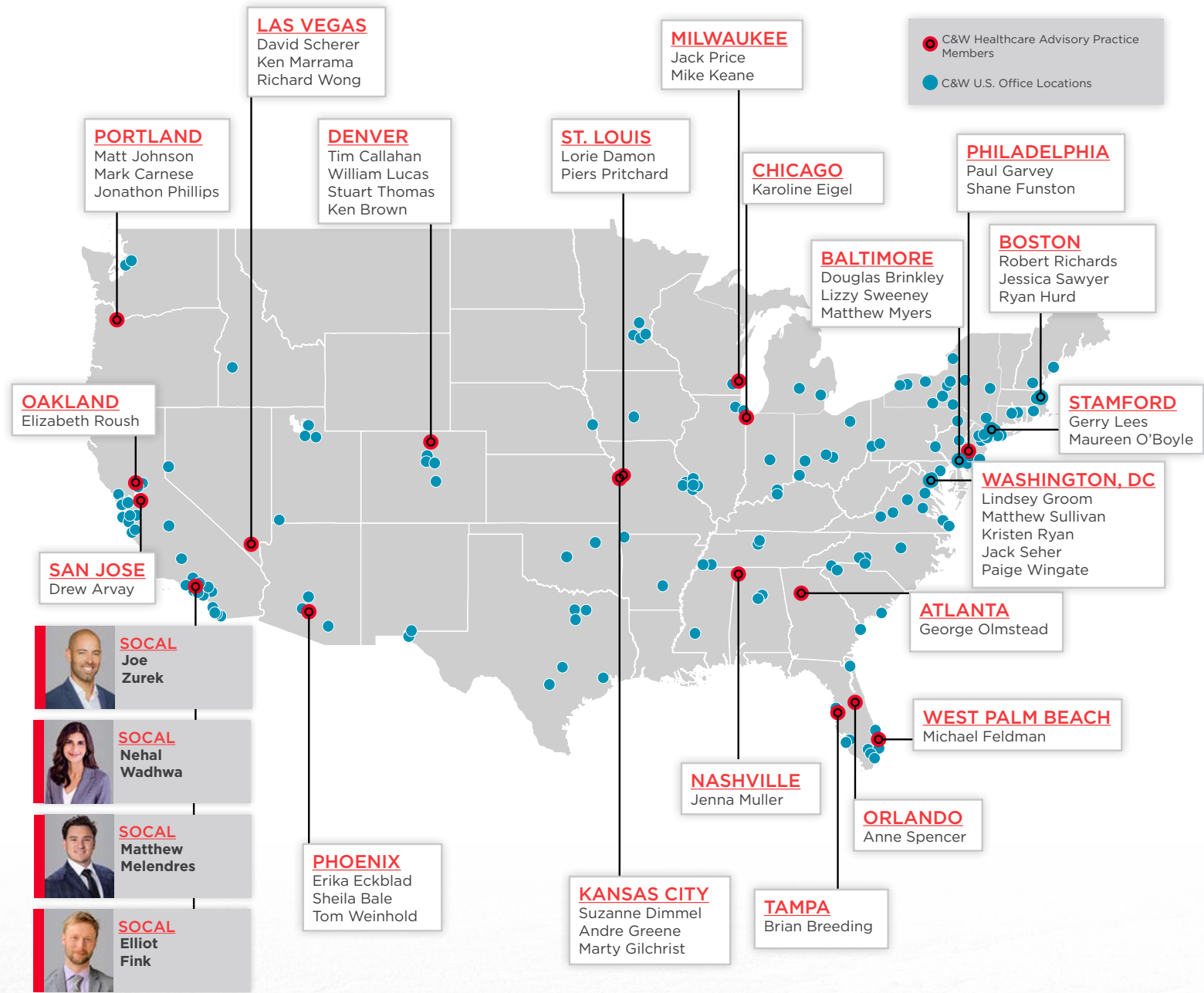
Service Line	2023 Volume	2028 Volume	2033 Volume	5 Yr Growth	10 Yr Growth
Endocrinology	8,049	9,479	10,327	17.8%	28.3%
Psychiatry	504,498	558,859	556,369	10.8%	10.3%
Spine	7,586	8,360	8,690	10.2%	14.6%
Vascular	64,640	70,313	75,344	8.8%	16.6%
Cardiology	381,165	410,624	429,360	7.7%	12.6%
Ophthalmology	346,628	373,305	402,790	7.7%	16.2%
Physical Therapy/Rehabilitation	970,427	1,044,138	1,170,657	7.6%	20.6%
Orthopedics	115,567	122,527	131,758	6.0%	14.0%
Lab	1,692,473	1,792,701	1,853,501	5.9%	9.5%
ENT	120,886	127,978	133,774	5.9%	10.7%



Healthcare Advisory Practice

The Healthcare Advisory Practice is comprised of 300+ real estate professionals from every major market around the country, drawn from a variety of disciplines including consulting, brokerage, project management, property/facilities management and valuation.

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