RESEARCH

MARKET IN MINUTES

Orange County

Office – Q2 2026

Second quarter leasing activity saw a 3.0% quarterly increase

In the second quarter of 2026, a significant portion of deal volume was driven by mid-sized lease transactions, with many of the largest leases falling within the 20,000-square-feet (sf) range. Several of the quarter's top leases were also renewals, underscoring tenants' preference to remain in place amid evolving workplace strategies. Overall office transaction activity in Orange County totaled 1.3 million square feet (msf). While this volume fell below the long-term quarterly average of 1.5 msf, leasing activity increased 3.2% from the previous quarter. Leasing was primarily concentrated in the Airport Area and Irvine Spectrum submarkets, which accounted for most of the quarter's largest transactions. Tenant demand continues to show signs of stabilization as occupiers gain greater confidence in their future business plans and move beyond a wait-and-see approach.

Overall availability rate falls to its lowest level since 2020

Orange County's availability rate declined by 50 basis points (bps) from last quarter to 18.6%, representing a 280-bps decrease year over year. Available space declined across several core submarkets with Irvine Spectrum falling to 14.4%, North County decreasing to 15.3% and Central County dropping to 17.0%. The Airport Area submarket remained stable at 19.2%, while West County recorded a slight increase to 18.3%. As the market continues to show signs of stabilization, average asking rates increased to $2.83 per square foot (psf) per month and Class A rents increased to $3.01 psf. Concessions and tenant improvement allowances remain elevated as landlords continue to compete for tenants.

Sublease inventory declines to pre-pandemic levels

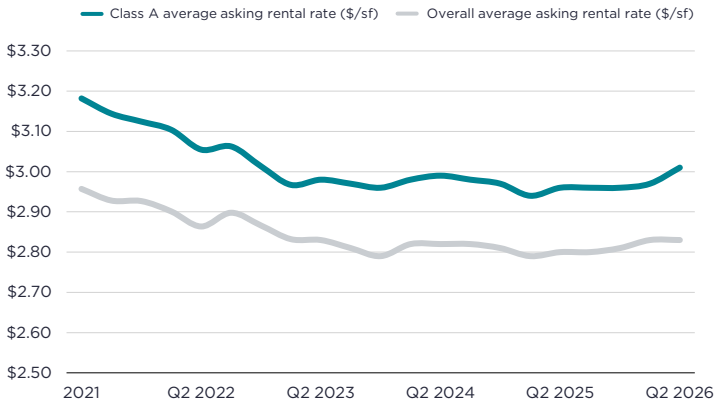
Available sublease space ended the quarter at 1.7 msf, down 33.9% from one year ago. The pace of new sublease listings has slowed, particularly as expiring sublease terms convert back to direct availability and occupiers opt to renew their space. The Irvine Spectrum and West County submarkets posted the largest reductions in available sublease space, with both submarkets recording declines of nearly 50.0%.

KEY STATISTICS

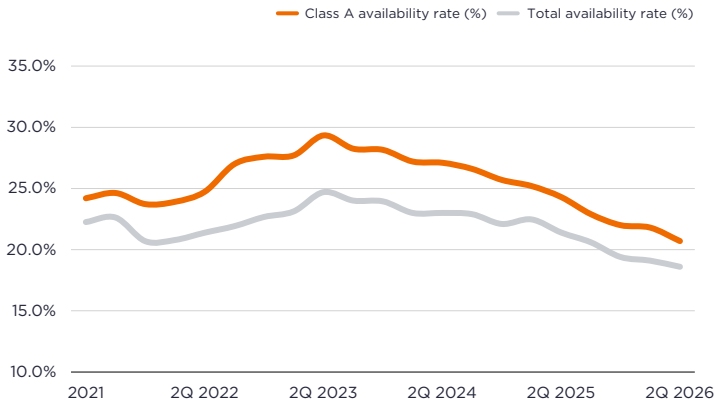
	Q2 2025	Q2 2026	Y-O-Y
Inventory	81.2 msf	80.3 msf	-0.9 msf
Availability rate	21.4%	18.6%	-280 bps
Asking rental rate	$2.79	$2.83	+1.4%
Class A asking rental rate	$2.96	$3.01	+1.7%
Quarterly leasing activity	1.8 msf	1.3 msf	-0.5 msf
Available sublease space	2.4 msf	1.7 msf	-0.7 msf

Note: Rents quoted are monthly

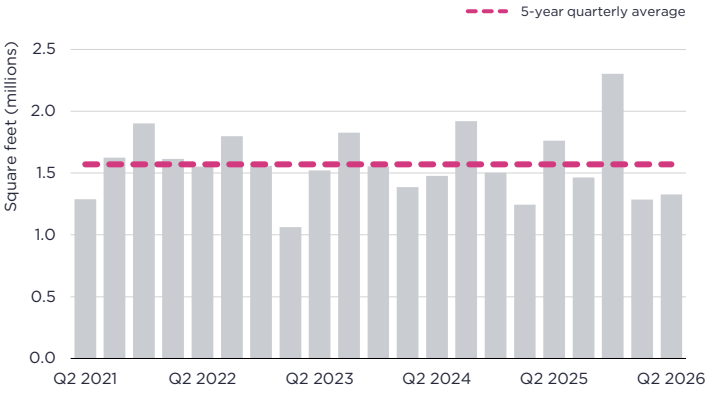
ASKING RENT



AVAILABILITY



LEASING ACTIVITY



Outlook

01 A limited new construction pipeline and office conversions are expected to help lower the overall availability rate.

02 Due to current debt obligations, landlords are expected to keep asking rates stable while enhancing concession packages.

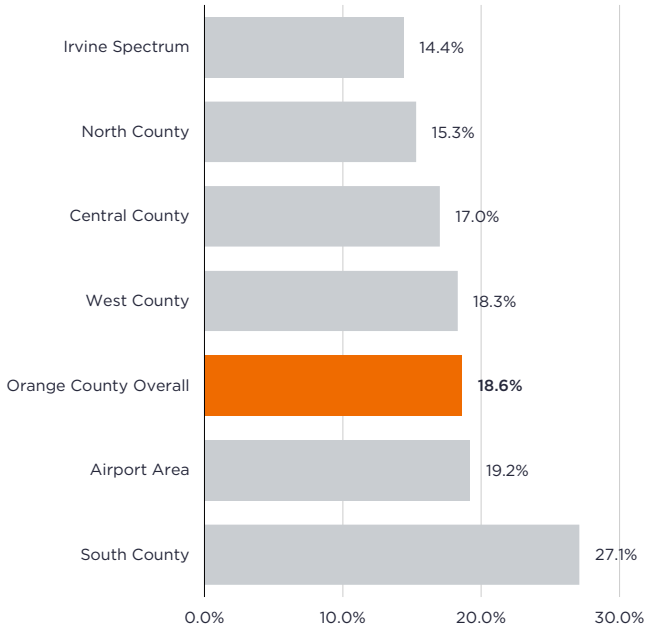
03 Well-capitalized landlords are anticipated to tailor their offerings to evolving tenant preferences to drive leasing activity.

NOTABLE LEASES

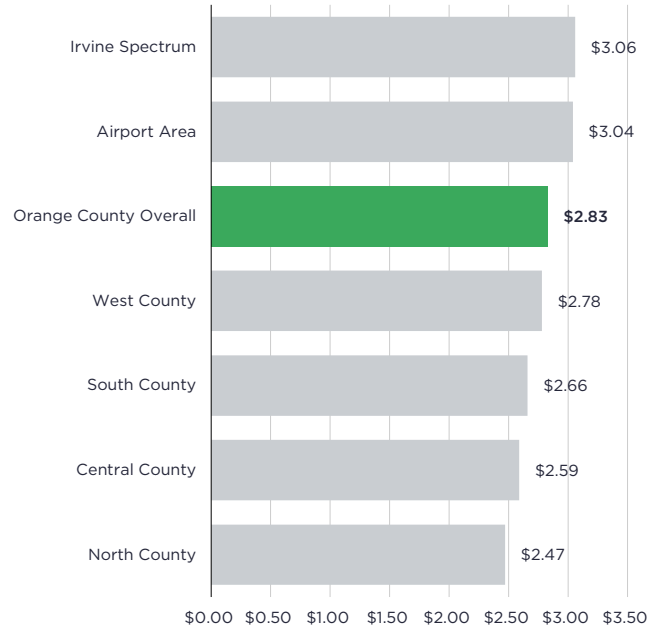
*Trophy building **Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
Z Supply LLC	Retail	Airport Area	3500 Hyland Avenue	54,475	Renewal & Expansion
RWTinc.	Business, Professional & Consulting Services	Airport Area	4 Park Plaza	43,854	New Location
Becton, Dickinson & Company	Healthcare	Irvine Spectrum	17700 Laguna Canyon Road	42,901	Relocation
Reliance, Inc.	Business, Professional & Consulting Services	West County	10801 Walker Street	27,699	Renewal
Videlle Investments	Financial Services & Insurance	Airport Area	5 Hutton Centre Drive	26,028	New Location
IEC	Business, Professional & Consulting Services	Irvine Spectrum	38 Technology Drive	26,760	New Location
The Epoch Times	Technology, Advertising, Media & information	Airport Area	330 Commerce Drive	26,680	New Location
Network Capital	Financial Services & Insurance	Irvine Spectrum	7700 Irvine Center Drive	25,090	Renewal
Irell & Manella	Legal Services	Airport Area	840 Newport Center Drive	24,833	Renewal
American Tax Defense	Financial Services & Insurance	Airport Area	5 Hutton Centre Drive	22,071	Relocation

AVAILABILITY RATE COMPARISON (%) ORANGE COUNTY SUBMARKETS



RENTAL RATE COMPARISON ($/SF) ORANGE COUNTY SUBMARKETS



Note: Rents quoted are monthly

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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills