



### MARKET AT A GLANCE



**OCCUPANCY RATE** **95.9%**  
Down **10 bps** since 1Q17



**EFFECTIVE RENT** **\$2,309**  
Up **3.4%** since 1Q17

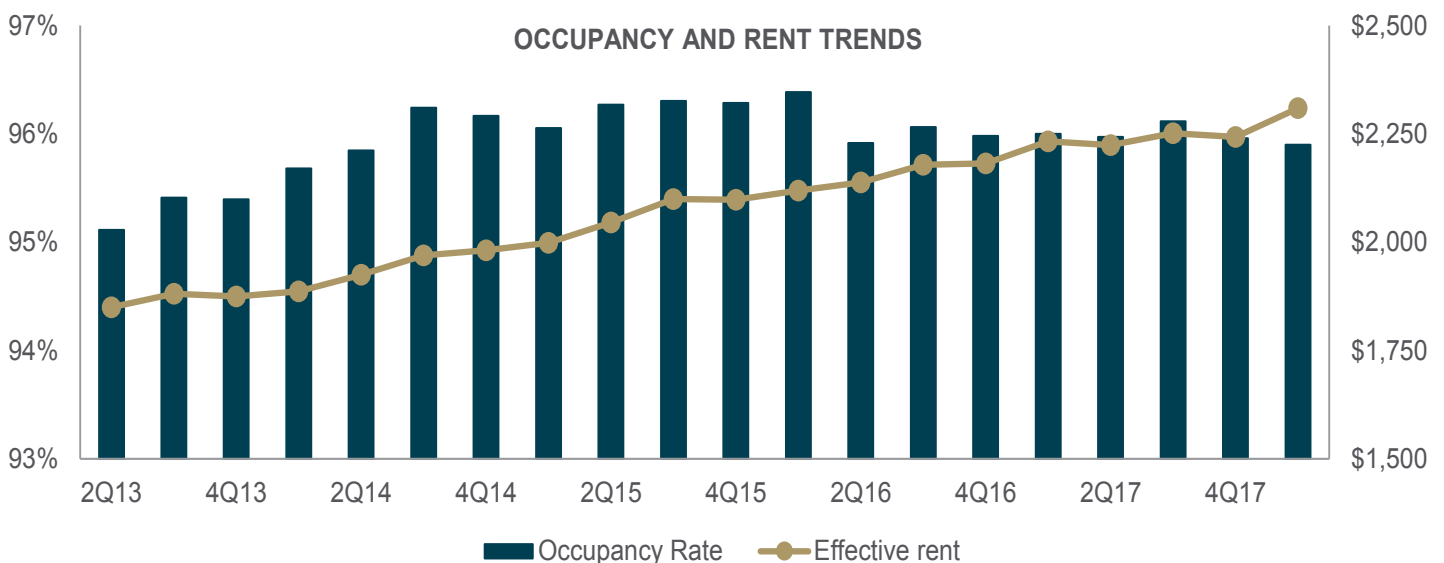


**TOTAL INVENTORY** **1.23m**

### OCCUPANCY AND RENT TRENDS

#### APARTMENT FUNDAMENTALS HEALTHY IN SOUTH BAY, GLENDALE & BURBANK

In the last four quarters, apartment fundamentals were healthy in portions of Los Angeles County, while other areas suggested renter fatigue. On an annual basis, countywide deliveries were down 49%, absorption fell 41%, and the 3.4% rate of rent growth was the same as one year earlier. By March 2018, effective rent averaged \$2,309 per month. Builders completed 6,344 units since March 2017, while renters newly occupied 4,553 apartments. The supply imbalance drove a 10-basis-point decrease in occupancy to 95.9% by March. Much of the reduction was attributed to negative net absorption in mid-city Los Angeles and parts of the San Gabriel Valley, possibly due to flight to the less costly areas of the western Inland Empire, where absorption was brisk. Alternately, the multifamily market fared well in the coastal communities in the South Bay, where absorption remained healthy amid continued rent growth. The apartment environment fared similarly in much of the San Fernando Valley. Fundamentals were particularly bright in Glendale and Burbank, where leasing activity was robust and rent appreciation sturdy.



# LOS ANGELES COUNTY

MULTIFAMILY REPORT

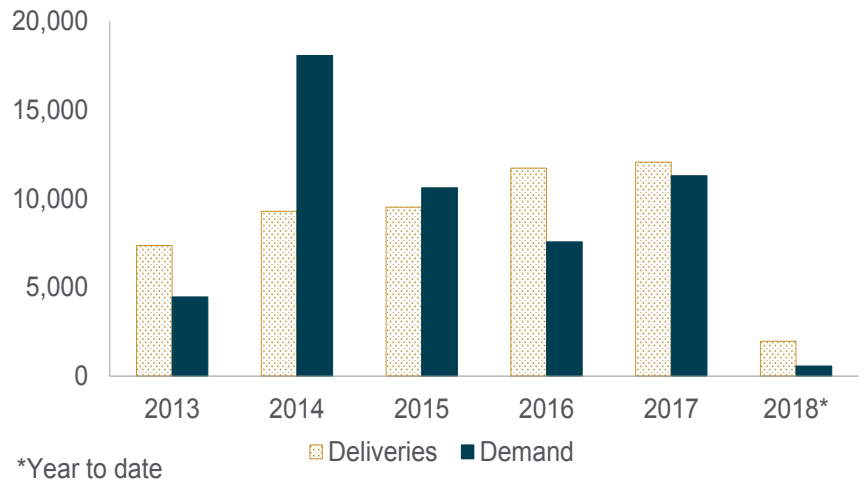
## DELIVERIES AND DEMAND



**DELIVERIES** 1,961  
Units YTD



**NET ABSORPTION** 570  
Units YTD



## ECONOMIC TRENDS

2017 **5.0%** UNEMPLOYMENT\* 2018 **4.5%**  
-50 BPS CHANGE

2017 **4.41m** EMPLOYMENT\* 2018 **4.48m**  
1.7% CHANGE

2017 **73.3k** EXISTING SFH SALES\*\* 2018 **64.4k**  
-12.1% CHANGE

2017 **\$518.9k** MEDIAN SFH PRICE\*\* 2018 **\$575.0k**  
10.8% CHANGE

2017 **2.40%** 10-YEAR TREASURY\*\* 2018 **2.74%**  
30 BPS CHANGE

\*January; \*\*March

Employers in Los Angeles County demonstrated confidence in the local economy as they hired 72,900 workers in the 12-month period ending in January 2018. Employment expanded 1.7% during this time, exceeding the 1.3% growth in the prior 12 months, and surpassing the national average of 1.5%. The second-largest employment sector, education and health services, grew 3.4% as 26,500 workers were recruited. In the leisure and hospitality industry, 21,300 jobs were created, representing a 4.1% year-over-year gain. The industry was boosted by a 2.6% annual increase in visitors to the county in 2017, plus the openings of several hotels including the InterContinental Los Angeles Downtown Hotel at Wilshire Grand Center, the NoMad Hotel, and Hotel Figueroa. Numerous major developments including the \$2.6 billion National Football League stadium, NoHo West, Broadway Trade Center, and Gerald Desmond Bridge underpinned the construction industry with 9,000 new jobs, a 6.8% gain.



# LOS ANGELES COUNTY

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	1Q17	1Q18	1Q17	1Q18	1Q17	1Q18	1Q18	ANNUAL	1Q18	ANNUAL
Arcadia/Duarte/El Monte	97.6%	96.3%	7.1%	1.9%	\$1,779	\$1,813	152	-190	51	154
Azusa/Covina/Glendora	97.1%	96.5%	8.4%	5.9%	\$1,488	\$1,575	-122	-95	0	0
Beverly Hills/W Hollywood/Park La Brea	96.9%	96.6%	-0.4%	3.0%	\$2,807	\$2,892	71	-69	75	123
Burbank/North Glendale	95.0%	95.8%	2.4%	7.5%	\$2,266	\$2,437	212	202	0	0
Carson/San Pedro/E Torrance/Lomita	95.9%	96.8%	3.6%	3.7%	\$2,095	\$2,173	-97	285	0	0
Central LA	94.4%	94.4%	-0.4%	1.0%	\$2,638	\$2,665	-49	1,137	150	1,176
Chatsworth/Canoga Park	96.3%	96.2%	1.4%	2.4%	\$1,967	\$2,014	35	-25	0	0
Claremont/Pomona/La Verne	95.9%	95.2%	3.8%	4.1%	\$1,654	\$1,722	-22	-96	0	0
East LA/Alhambra/Montebello/Pico Rivera	97.7%	96.8%	11.1%	4.5%	\$1,544	\$1,615	160	-172	0	144
East Long Beach/Los Altos	96.3%	96.2%	4.6%	4.0%	\$1,906	\$1,981	149	-23	0	0
El Segundo/Hermosa Beach/Redondo Beach	92.2%	94.9%	1.7%	2.4%	\$2,534	\$2,596	-205	481	0	0
Granada Hills/Northridge/Reseda	96.8%	96.7%	5.7%	4.7%	\$1,774	\$1,857	86	-21	0	0
Hawthorne/North Torrance	96.1%	96.8%	4.0%	7.0%	\$1,798	\$1,924	-432	214	0	0
Hollywood/Los Feliz	94.5%	94.0%	2.6%	2.4%	\$2,636	\$2,698	296	258	303	688
Inglewood/Crenshaw	98.7%	97.0%	7.4%	8.2%	\$1,707	\$1,847	-280	-546	0	0
Los Angeles County/Other	95.3%	95.4%	-3.7%	1.4%	\$2,184	\$2,214	60	6	0	0
Mar Vista/Palms/Culver City	96.2%	95.8%	5.2%	2.7%	\$2,457	\$2,524	-328	-8	100	157
Marina Del Rey/Venice/Westchester	96.1%	95.5%	3.6%	3.3%	\$3,118	\$3,219	12	5	241	241
Mid-City/West Adams/Pico Heights	97.4%	96.0%	5.4%	2.5%	\$2,212	\$2,268	-78	-619	0	0
N Long Beach/Lakewood/Artesia	97.5%	96.6%	5.7%	5.4%	\$1,657	\$1,747	64	60	79	106
Palmdale/Lancaster	95.7%	95.5%	13.7%	10.0%	\$1,110	\$1,221	-95	-33	0	0
Panorama Hills/San Fernando/Pacoima	97.8%	97.1%	6.8%	4.1%	\$1,568	\$1,632	-20	-213	0	0
Paramount/Downey/Bellflower/Norwalk	96.6%	96.0%	6.6%	4.5%	\$1,636	\$1,710	-284	-188	0	0
Pasadena	95.1%	95.5%	0.7%	2.8%	\$2,444	\$2,512	-260	372	46	158
Santa Clarita Valley/Canyon Country	95.3%	95.6%	2.2%	4.5%	\$1,884	\$1,968	-90	193	0	0
Santa Monica	95.8%	95.6%	7.1%	3.4%	\$3,437	\$3,554	-45	-80	0	0
Sherman Oaks/Studio City/N Hollywood	95.9%	96.1%	3.4%	4.3%	\$2,223	\$2,319	316	492	0	206
South Glendale/Highland Park	96.0%	96.1%	0.2%	5.0%	\$2,515	\$2,640	415	1,021	241	570
Tujunga/La Cresenta/Montrose	96.1%	97.3%	5.9%	0.2%	\$2,023	\$2,026	30	106	0	0
Van Nuys/North Hollywood	96.4%	96.8%	1.8%	5.6%	\$1,549	\$1,636	330	411	131	131
West Covina/La Puente/Rowland Heights	96.1%	96.2%	6.1%	4.5%	\$1,588	\$1,660	-8	79	25	25
West LA/Westwood/Brentwood	96.6%	96.2%	4.8%	3.0%	\$3,182	\$3,277	81	80	0	263
West Long Beach/Signal Hill	94.8%	95.2%	2.4%	2.2%	\$2,394	\$2,448	153	144	0	0
West Torrance/Ranchos Palos Verdes	95.1%	96.3%	1.0%	3.1%	\$2,241	\$2,310	287	180	0	0
Westlake/Downtown/Silver Lake	95.8%	95.1%	2.1%	0.8%	\$2,378	\$2,397	-216	978	0	1,481
Whittier	99.1%	98.4%	7.3%	4.8%	\$1,472	\$1,543	-55	-83	0	0
Wilshire District	96.1%	95.2%	2.0%	1.2%	\$2,160	\$2,187	237	286	519	721
Woodland Hills/Tarzana/Encino	95.4%	95.5%	-	1.9%	\$2,130	\$2,172	109	19	0	0
<b>TOTALS</b>	<b>96.0%</b>	<b>95.9%</b>	<b>5.4%</b>	<b>3.4%</b>	<b>\$2,233</b>	<b>\$2,309</b>	<b>570</b>	<b>4,553</b>	<b>1,961</b>	<b>6,344</b>



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