



### MARKET AT A GLANCE



**OCCUPANCY RATE** **96.0%**  
Up **10 bps** since 2Q17



**EFFECTIVE RENT** **\$2,339**  
Up **2.9%** since 2Q17

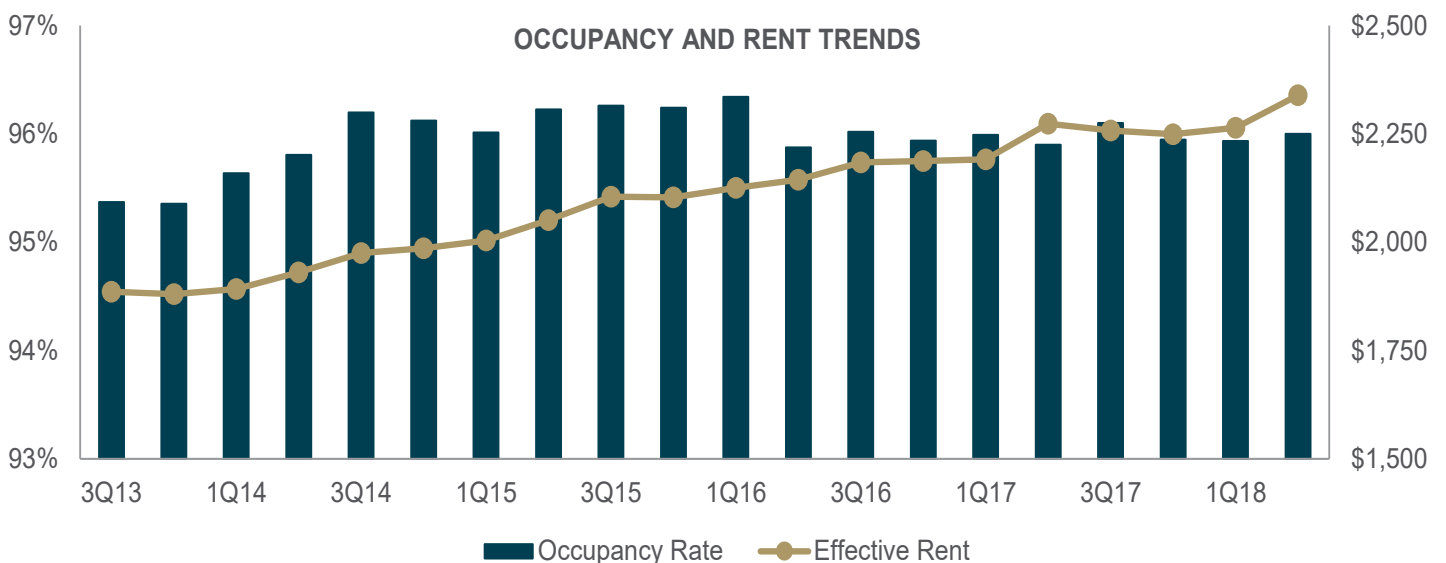


**TOTAL INVENTORY** **1.23m**

### OCCUPANCY AND RENT TRENDS

#### APARTMENT DEMAND OUTPACES ROBUST DELIVERIES

Renters occupied 7,206 additional apartments in Los Angeles County in the four-quarter period ending in June of this year. Although absorption from the most recent four quarters was down 42% from the prior year, apartment demand still outpaced deliveries by 34%. The excess demand prompted a 10-basis-point annual increase in occupancy to 96.0% in June 2018. Leasing activity in Los Angeles West underpinned overall demand, particularly in the inner core of the metro, where the completion of eight apartment communities and the lure of inner-city life drew renters. Absorption among the neighboring Central L.A. and Westlake/Downtown/Silver Lake submarkets accounted for 36% of apartment net absorption countywide. Across the county, average effective rent reached \$2,339 per month at the end of the second quarter, 2.9% greater than mid-year 2017. Submarkets in the top quartile of rents had an average 2.4% annual increase in effective rent as operators in some areas had to weigh increases amid the burdensome rent-to-income ratio. Comparatively, in the bottom-quartile rent submarkets, effective rent rose an average of 4.1% year over year.



# LOS ANGELES COUNTY

MULTIFAMILY REPORT

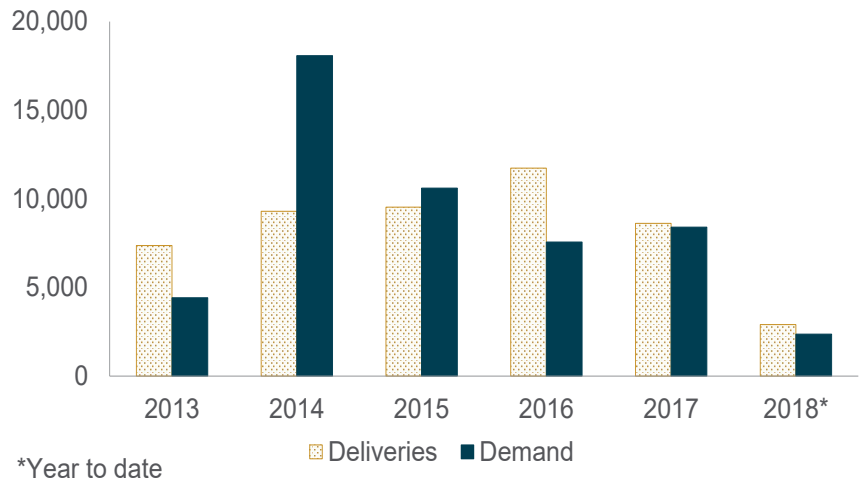
## DELIVERIES AND DEMAND



**DELIVERIES** 2,911  
Units YTD



**NET ABSORPTION** 2,366  
Units YTD



## ECONOMIC TRENDS

2017 **UNEMPLOYMENT\*** 2018  
4.8% ..... **-40 BPS** ..... 4.4%  
CHANGE

2017 **EMPLOYMENT\*** 2018  
4.43m ..... **1.2%** ..... 4.48m  
CHANGE

2017 **EXISTING SFH SALES\*\*** 2018  
66.4k ..... **-31.3%** ..... 45.6k  
CHANGE

2017 **MEDIAN SFH PRICE\*\*** 2018  
\$537.1k ..... **10.2%** ..... \$592.0k  
CHANGE

2017 **10-YEAR TREASURY\*\*** 2018  
2.19% ..... **70 BPS** ..... 2.91%  
CHANGE

Employers in Los Angeles County augmented payrolls with 55,200 net jobs since May 2017, a 1.2% annual increase. Leisure and hospitality industry employment surged 4.5% as companies hired 23,300 workers. The industry was aided by a 3.2% annual rise in household income in the county and a 2.2% year-over-year increase in tourists in 2017. In the professional and business services segment, 16,400 positions were filled, equating to a 2.7% gain. Institutions in the education and health services sector increased staffing 1.8% with the addition of 14,600 workers. Vitality in the video gaming industry in Silicon Beach boosted the information sector, which expanded 3.5% with 7,400 new jobs. City and county leaders, intent on maintaining quality of life, have several transportation projects planned or underway, including the \$14 billion LAX modernization program, the \$6.3 billion Metro Purple Line in Central Los Angeles, \$1.6 billion in improvements to the Orange Line in the San Fernando Valley, and the \$1.2 billion Gold Line light-rail extension in the San Gabriel Valley.

\*May; \*\*June



# LOS ANGELES COUNTY

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

| SUBMARKET NAME                          | OCCUPANCY    |              | AVG RENT INCREASE |             | AVG RENT       |                | NET ABSORPTION |              | DELIVERED UNITS |              |
|---|--------------|--------------|-------------------|-------------|----------------|----------------|----------------|--------------|-----------------|--------------|
|   | 2Q17         | 2Q18         | 2Q17              | 2Q18        | 2Q17           | 2Q18           | 2Q18           | ANNUAL       | 2Q18            | ANNUAL       |
| Arcadia/Duarte/El Monte                 | 97.2%        | 96.3%        | 4.5%              | 2.8%        | \$1,799        | \$1,849        | -123           | -21          | 0               | 154          |
| Azusa/Covina/Glendora                   | 96.0%        | 96.6%        | 7.7%              | 5.4%        | \$1,511        | \$1,592        | -6             | 95           | 0               | 0            |
| Beverly Hills/W Hollywood/Park La Brea  | 96.4%        | 96.7%        | -0.7%             | 3.0%        | \$2,845        | \$2,931        | 99             | 417          | 308             | 308          |
| Burbank/North Glendale                  | 94.8%        | 95.0%        | 4.1%              | 3.4%        | \$2,272        | \$2,350        | 103            | 41           | 0               | 0            |
| Carson/San Pedro/E Torrance/Lomita      | 94.9%        | 96.8%        | 1.3%              | 2.8%        | \$2,103        | \$2,162        | -87            | 591          | 0               | 0            |
| Central LA                              | 94.3%        | 95.0%        | -1.7%             | 4.4%        | \$2,583        | \$2,696        | 232            | 1,191        | 469             | 786          |
| Chatsworth/Canoga Park                  | 96.2%        | 96.3%        | 4.5%              | 2.0%        | \$2,017        | \$2,058        | 82             | 23           | 0               | 0            |
| Claremont/Pomona/La Verne               | 96.4%        | 95.6%        | 4.7%              | 2.6%        | \$1,693        | \$1,738        | 78             | -105         | 0               | 0            |
| East LA/Alhambra/Montebello/Pico Rivera | 97.2%        | 96.5%        | 10.3%             | 3.2%        | \$1,657        | \$1,710        | -4             | -253         | 0               | 57           |
| East Long Beach/Los Altos               | 96.2%        | 95.6%        | 3.3%              | 1.2%        | \$1,941        | \$1,965        | 10             | -143         | 0               | 0            |
| El Segundo/Hermosa Beach/Redondo Beach  | 91.0%        | 95.3%        | 2.3%              | 0.2%        | \$2,620        | \$2,625        | -24            | 780          | 0               | 0            |
| Granada Hills/Northridge/Reseda         | 97.1%        | 96.1%        | 6.2%              | 4.3%        | \$1,792        | \$1,868        | -8             | -242         | 0               | 0            |
| Hawthorne/North Torrance                | 95.4%        | 97.0%        | 6.2%              | 3.7%        | \$1,874        | \$1,943        | -92            | 506          | 0               | 0            |
| Hollywood/Los Feliz                     | 94.4%        | 95.2%        | 5.2%              | 0.7%        | \$2,717        | \$2,737        | 369            | 1,154        | 177             | 559          |
| Inglewood/Crenshaw                      | 98.6%        | 97.4%        | 6.0%              | 5.3%        | \$1,757        | \$1,849        | -158           | -386         | 0               | 0            |
| Los Angeles County/Other                | 95.6%        | 94.7%        | 3.3%              | 4.2%        | \$2,230        | \$2,323        | -26            | -86          | 0               | 0            |
| Mar Vista/Palms/Culver City             | 95.3%        | 96.5%        | 7.3%              | 3.8%        | \$2,473        | \$2,566        | -15            | 636          | 42              | 143          |
| Marina Del Rey/Venice/Westchester       | 95.7%        | 95.6%        | 4.7%              | 3.9%        | \$3,144        | \$3,268        | 210            | 195          | 234             | 234          |
| Mid-City/West Adams/Pico Heights        | 96.6%        | 97.1%        | 3.8%              | 4.0%        | \$2,198        | \$2,287        | 18             | 273          | 34              | 46           |
| N Long Beach/Lakewood/Artesia           | 97.0%        | 96.3%        | 4.7%              | 3.4%        | \$1,745        | \$1,804        | 74             | 5            | 56              | 132          |
| Palmdale/Lancaster                      | 96.5%        | 95.8%        | 12.5%             | 6.6%        | \$1,174        | \$1,252        | -5             | -96          | 0               | 0            |
| Panorama Hills/San Fernando/Pacoima     | 98.2%        | 97.3%        | 6.7%              | 4.2%        | \$1,591        | \$1,658        | -10            | -284         | 0               | 0            |
| Paramount/Downey/Bellflower/Norwalk     | 96.7%        | 96.8%        | 5.1%              | 3.9%        | \$1,667        | \$1,732        | 25             | 41           | 0               | 0            |
| Pasadena                                | 95.3%        | 96.4%        | 1.1%              | 3.1%        | \$2,438        | \$2,514        | 212            | 511          | 39              | 159          |
| Santa Clarita Valley/Canyon Country     | 96.1%        | 95.5%        | 4.7%              | 0.8%        | \$1,982        | \$1,997        | -43            | -106         | 0               | 0            |
| Santa Monica                            | 95.0%        | 95.9%        | 7.1%              | 0.1%        | \$3,608        | \$3,612        | 314            | 304          | 0               | 0            |
| Sherman Oaks/Studio City/N Hollywood    | 96.3%        | 95.9%        | 5.5%              | 2.1%        | \$2,269        | \$2,316        | 212            | -66          | 0               | 188          |
| South Glendale/Highland Park            | 96.2%        | 95.6%        | 2.6%              | 1.8%        | \$2,621        | \$2,667        | 247            | 337          | 306             | 602          |
| Tujunga/La Cresenta/Montrose            | 98.0%        | 98.2%        | 2.1%              | 0.3%        | \$2,040        | \$2,046        | -3             | 17           | 0               | 0            |
| Van Nuys/North Hollywood                | 96.8%        | 96.3%        | 2.4%              | 4.4%        | \$1,568        | \$1,637        | -15            | -123         | 0               | 131          |
| West Covina/La Puente/Rowland Heights   | 96.3%        | 96.1%        | 6.9%              | 3.3%        | \$1,649        | \$1,704        | -21            | -20          | 0               | 0            |
| West LA/Westwood/Brentwood              | 96.8%        | 96.2%        | 5.1%              | 2.7%        | \$3,256        | \$3,344        | 19             | -134         | 36              | 175          |
| West Long Beach/Signal Hill             | 94.4%        | 94.0%        | 1.8%              | 1.0%        | \$2,398        | \$2,423        | 52             | -128         | 0               | 0            |
| West Torrance/Ranchos Palos Verdes      | 96.0%        | 95.9%        | 0.0%              | 0.1%        | \$2,292        | \$2,294        | 89             | -10          | 0               | 0            |
| Westlake/Downtown/Silver Lake           | 94.7%        | 95.2%        | 2.6%              | 1.5%        | \$2,384        | \$2,420        | -170           | 1,437        | 180             | 1,182        |
| Whittier                                | 99.2%        | 98.0%        | 2.6%              | 3.9%        | \$1,508        | \$1,566        | -1             | -158         | 0               | 0            |
| Wilshire District                       | 94.4%        | 95.5%        | 4.3%              | 2.8%        | \$2,144        | \$2,203        | 3              | 1,006        | 73              | 530          |
| Woodland Hills/Tarzana/Encino           | 95.8%        | 95.9%        | -                 | 2.7%        | \$2,165        | \$2,223        | -8             | 10           | 0               | 0            |
| <b>TOTALS</b>                           | <b>95.9%</b> | <b>96.0%</b> | <b>4.0%</b>       | <b>2.9%</b> | <b>\$2,273</b> | <b>\$2,339</b> | <b>1,630</b>   | <b>7,206</b> | <b>1,954</b>    | <b>5,386</b> |



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