

LOS ANGELES COUNTY

MULTIFAMILY REPORT

THIRD QUARTER 2017



MARKET AT A GLANCE



OCCUPANCY RATE **96.4%**
Up **10 bps** since 3Q16



ASKING RENT **\$2,333**
Up **3.9%** since 3Q16

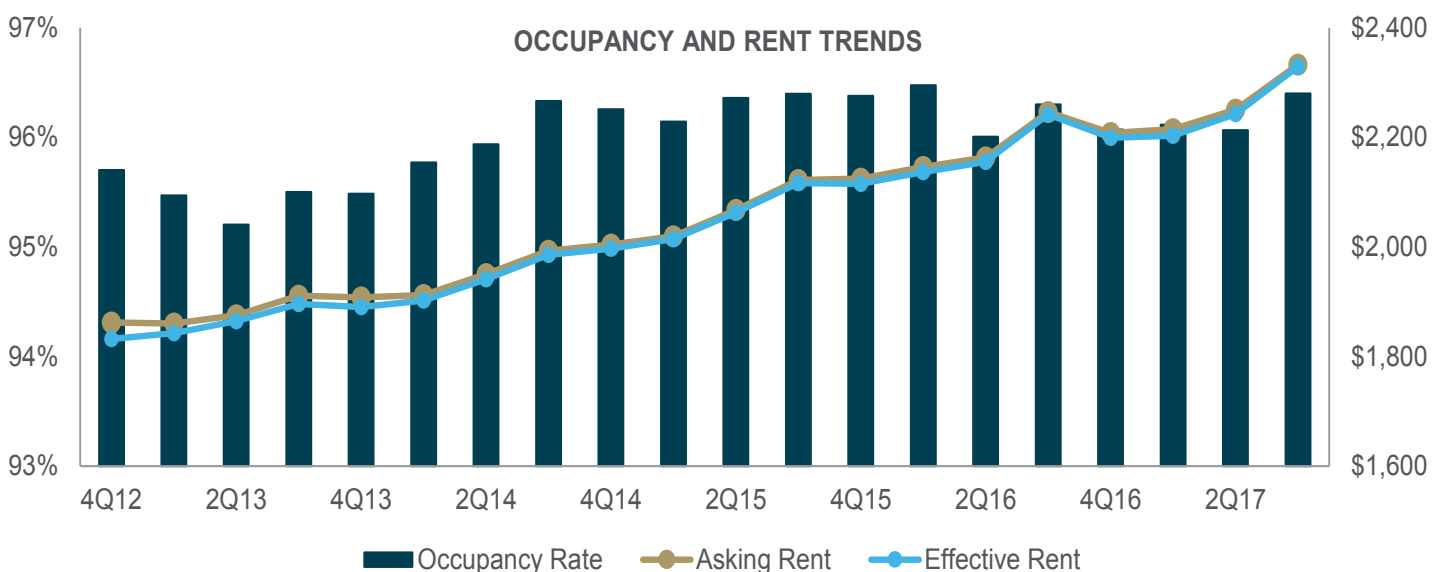


CONCESSIONS **0.1%**
Down **10 bps** since 3Q16

OCCUPANCY AND RENT TRENDS

AVERAGE ASKING RENT RISES 3.9% ANNUALLY AMID HEALTHY ABSORPTION

Steadily increasing home prices and an expanding local economy underpinned the multifamily market in Los Angeles County in the last four quarters. Single-family home prices rose 9.4% during this time, reaching a median price of \$541,200 in September of this year, keeping many prospective homebuyers sidelined. Brisk apartment leasing activity was present in areas with a high concentration of new inventory. Renters across the county occupied 12,550 additional apartments since September of 2016, compared to 11,325 units delivered during the same period. Nearly 40% of countywide leasing activity occurred among the Central L.A. and Westlake/Downtown/Silver Lake submarkets, although apartment demand was also pronounced in and around El Segundo. The heightened demand across the county resulted in a 10-basis-point annual increase in occupancy to 96.4% in September this year. Accelerating rent appreciation in west Los Angeles and the nearby beach communities contrasted decelerating annual rent growth in other parts of the county and fueled a 3.9% year-over-year increase in asking rent overall. By September, asking rent in Los Angeles County averaged \$2,333 per month while concessions were only 0.1% of asking rent.



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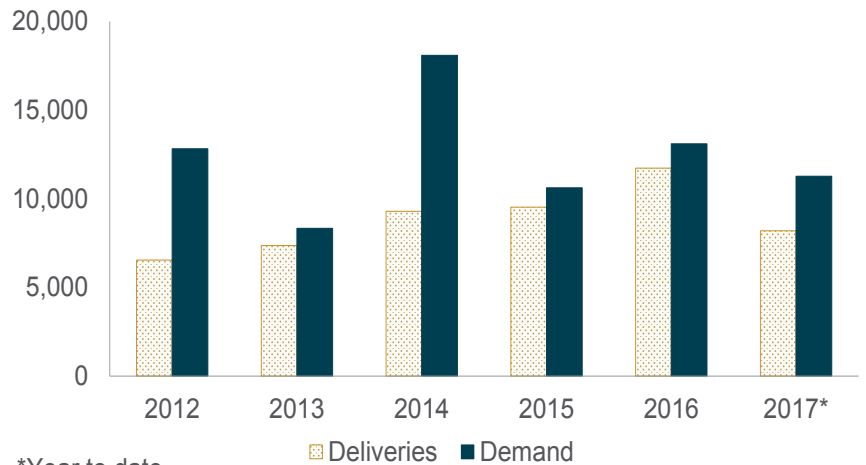
DELIVERIES AND DEMAND



DELIVERIES 8,200
Units YTD



NET ABSORPTION 11,275
Units YTD



*Year to date

ECONOMIC TRENDS

2016 5.2% **UNEMPLOYMENT*** 2017 4.8%
-40 BPS CHANGE

2016 4.41m **EMPLOYMENT*** 2017 4.44m
0.9% CHANGE

2016 68.6k **EXISTING SFH SALES**** 2017 68.9k
0.4% CHANGE

2016 \$494.8k **MEDIAN SFH PRICE**** 2017 \$541.2k
9.4% CHANGE

2016 1.63% **10-YEAR TREASURY**** 2017 2.20%
60 BPS CHANGE

*August; **September

In the 12-month period ending in August of this year, approximately 38,400 workers were added to payrolls in Los Angeles County, a 0.9% annual gain. Local job growth was heavily concentrated in the education and health services sector, where 22,300 workers were hired, a 2.9% year-over-year increase. The highest rate of growth was in the construction sector, which surged 8.1% with 10,900 jobs. Large-scale projects including the now-completed Wilshire Grand Center, Waldorf Astoria Beverly Hills, and 15-acre USC Village were significant contributors to job creation in the construction industry. The USC Village is predicted to spur additional commercial development in surrounding neighborhoods over the next several years. Sustained vitality in the construction sector is expected with ongoing projects that include the \$14 billion Los Angeles International Airport modernization program, the \$2.6 billion National Football League stadium in Inglewood, and the \$2.5 billion Century Plaza redevelopment.



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SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Arcadia/Duarte/El Monte	96.5%	97.2%	2.7%	-3.8%	\$1,958	\$1,883	-2	145	0	0
Azusa/Covina/Glendora	96.0%	96.1%	0.3%	5.7%	\$1,455	\$1,538	76	17	0	0
Beverly Hills/W Hollywood/Park La Brea	95.8%	96.3%	-2.7%	2.2%	\$2,842	\$2,904	17	642	75	420
Burbank/North Glendale	96.2%	95.8%	6.4%	-1.0%	\$2,520	\$2,495	85	-92	0	0
Carson/San Pedro/E Torrance/Lomita	97.4%	96.4%	8.0%	2.8%	\$2,217	\$2,279	300	-5	0	321
Central LA	94.7%	95.1%	-8.2%	2.1%	\$2,607	\$2,661	529	2,359	220	2,210
Chatsworth/Canoga Park	96.2%	96.4%	1.7%	4.0%	\$1,986	\$2,066	70	46	0	0
Claremont/Pomona/La Verne	96.7%	96.3%	8.1%	2.5%	\$1,704	\$1,746	7	-56	0	0
East LA/Alhambra/Montebello/Pico Rivera	97.7%	97.7%	13.3%	5.4%	\$1,482	\$1,562	227	397	57	387
East Long Beach/Los Altos	96.6%	96.8%	-0.5%	4.6%	\$1,924	\$2,012	12	48	0	0
El Segundo/Hermosa Beach/Redondo Beach	92.0%	94.7%	4.4%	3.1%	\$2,694	\$2,778	200	927	0	482
Granada Hills/Northridge/Reseda	96.9%	96.9%	1.4%	7.1%	\$1,704	\$1,825	-14	2	0	0
Hawthorne/North Torrance	99.3%	99.7%	-0.4%	4.6%	\$1,818	\$1,902	15	285	0	167
Hollywood/Los Feliz	94.4%	94.6%	8.0%	3.6%	\$2,587	\$2,680	519	1,082	96	983
Inglewood/Crenshaw	98.1%	98.1%	3.9%	5.3%	\$1,801	\$1,897	44	-2	0	0
Mar Vista/Palms/Culver City	96.9%	96.4%	-0.6%	5.9%	\$2,315	\$2,451	422	-182	0	0
Marina Del Rey/Venice/Westchester	95.4%	96.3%	-1.0%	4.8%	\$3,048	\$3,196	197	712	0	391
Mid-City/West Adams/Pico Heights	97.7%	97.2%	1.2%	3.3%	\$2,181	\$2,253	242	-168	0	68
N Long Beach/Lakewood/Artesia	97.2%	97.4%	9.1%	3.4%	\$1,663	\$1,720	75	106	66	66
Palmdale/Lancaster	98.8%	96.6%	1.9%	6.8%	\$1,093	\$1,167	57	-300	0	0
Panorama Hills/San Fernando/Pacoima	98.3%	98.2%	9.1%	4.4%	\$1,556	\$1,624	-21	-39	0	0
Paramount/Downey/Bellflower/Norwalk	97.3%	96.1%	-1.8%	2.9%	\$1,671	\$1,721	-35	-400	0	0
Pasadena	95.7%	95.6%	4.1%	-1.3%	\$2,548	\$2,514	41	919	104	993
Santa Clarita Valley/Canyon Country	95.9%	96.3%	4.6%	4.4%	\$1,932	\$2,016	-22	68	0	0
Santa Monica	95.4%	95.5%	2.4%	2.1%	\$3,556	\$3,631	180	141	0	112
Sherman Oaks/Studio City/N Hollywood	96.0%	96.2%	4.3%	1.9%	\$2,310	\$2,354	44	318	132	197
South Glendale/Highland Park	93.6%	95.5%	5.6%	9.7%	\$2,439	\$2,676	18	1,706	215	901
Tujunga/La Cresenta/Montrose	96.3%	97.3%	7.4%	15.0%	\$1,758	\$2,022	-64	89	0	0
Van Nuys/North Hollywood	97.7%	97.2%	4.4%	8.3%	\$1,476	\$1,598	121	-139	0	108
West Covina/La Puente/Rowland Heights	96.5%	96.4%	5.6%	2.2%	\$1,610	\$1,645	-22	281	0	312
West LA/Westwood/Brentwood	96.0%	97.3%	3.5%	4.5%	\$3,133	\$3,273	63	1,070	0	478
West Long Beach/Signal Hill	94.5%	95.1%	3.6%	5.5%	\$2,234	\$2,356	-64	223	0	23
West Torrance/Ranchos Palos Verdes	98.4%	96.5%	6.2%	2.7%	\$2,277	\$2,338	-61	-285	0	0
Westlake/Downtown/Silver Lake	95.9%	96.1%	6.5%	4.0%	\$2,330	\$2,423	1,327	2,309	724	2,276
Whittier	96.1%	98.9%	1.7%	2.0%	\$1,566	\$1,597	-42	352	0	0
Wilshire District	95.5%	95.3%	10.9%	4.1%	\$2,162	\$2,250	627	317	100	430
Woodland Hills/Tarzana/Encino	97.1%	95.7%	4.7%	2.5%	\$2,187	\$2,243	5	-343	0	0
TOTALS	96.3%	96.4%	3.2%	3.9%	\$2,246	\$2,333	5,171	12,550	1,789	11,322



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