



MARKET AT A GLANCE



OCCUPANCY RATE **96.9%**
Up **20 bps** since 3Q16



ASKING RENT **\$1,934**
Up **3.3%** since 3Q16

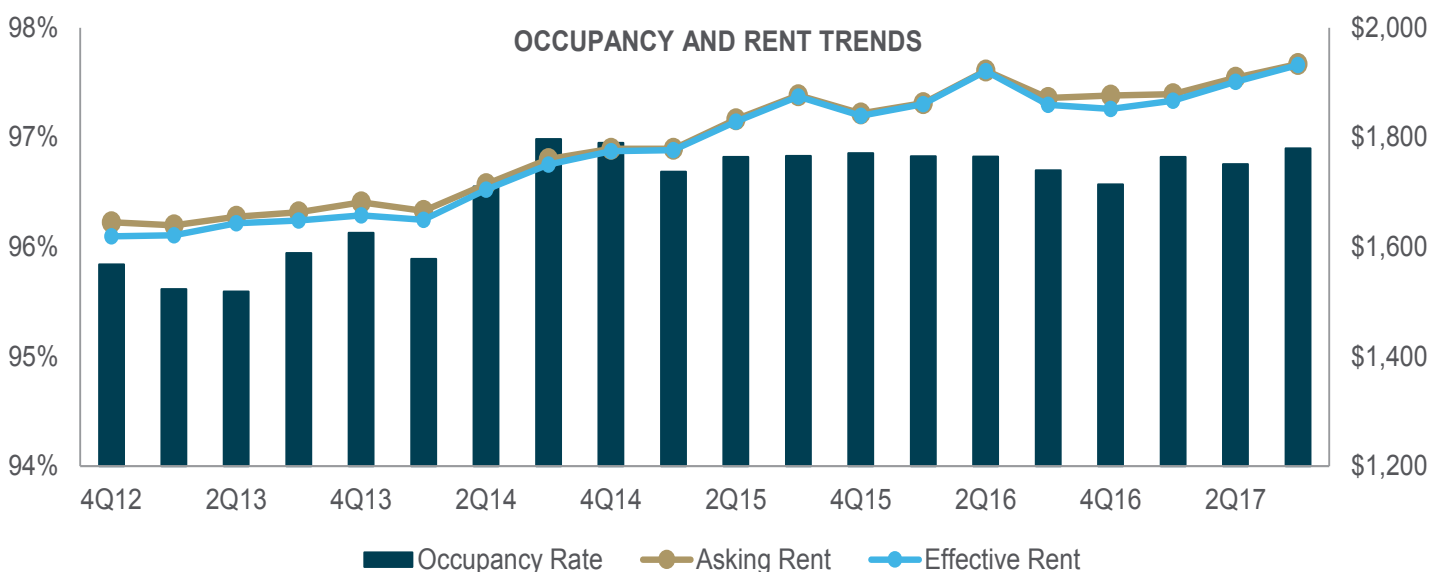


CONCESSIONS **0.1%**
Unchanged since 3Q16

OCCUPANCY AND RENT TRENDS

LOS ANGELES SOUTH APARTMENT OCCUPANCY OUTPACES COUNTYWIDE RATE

Renters occupied 2,032 additional apartments in Los Angeles South in the four quarters ending in September of this year, on par with absorption in the prior four-quarter period. Absorption outpaced completions by 16%, pushing the occupancy rate up 20 basis points to 96.9% in September, 50 basis points higher than the countywide average. More than half of apartment absorption in the region was present in the neighboring El Segundo/Hermosa Beach/Redondo Beach and Hawthorne/North Torrance submarkets. Apartment deliveries were also concentrated in these two areas, accounting for 37% of new inventory. Builders completed six multifamily developments in Los Angeles South in the last four quarters, the largest of which was the 450-unit Colony at the Lakes midrise apartment community in West Covina. On an annual basis, asking rent increased in 14 of the 15 submarkets in the region. By September of this year, asking rent reached \$1,934 per month in Los Angeles South, a 3.3% year-over-year gain, compared to 3.9% annual appreciation in the prior 12-month period. Operators kept the average concession at 0.1% of asking rent, the same as one year ago.



LOS ANGELES SOUTH

MULTIFAMILY REPORT

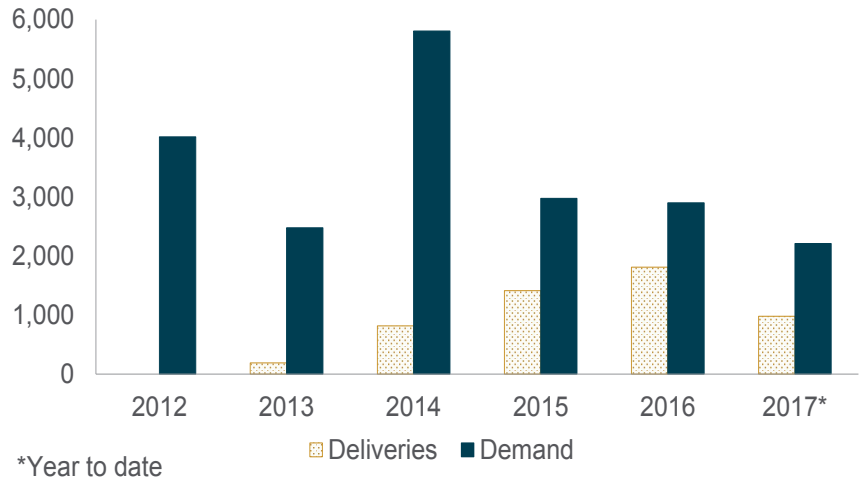
DELIVERIES AND DEMAND



DELIVERIES 979
Units YTD



NET ABSORPTION 2,211
Units YTD



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

Countywide employment growth in the last 12 months trailed the pace set in the prior year, though remained positive. Businesses and institutions in Los Angeles County filled 38,400 new positions in the 12 months ending in August, a 0.9% year-over-year increase, decelerating from 2.5% annual expansion recorded in August 2016. Institutions in the education and health services sector led hiring, with 22,300 new jobs, a 2.9% gain. The sector was supported by 5.8% employment expansion at social assistance agencies and 5.1% job growth among private colleges, universities, and professional schools. Robust growth was recorded in the construction sector with 10,900 new hires, an 8.1% increase. Development at the \$2.6 billion National Football League stadium in Inglewood and the \$1.3 billion terminal improvement project at the Port of Long Beach will continue to support the construction sector over the next two-and-a-half years. The number of new workers was also substantial among the professional and business services segment, as companies added 5,100 associates, equating to 0.8% growth.



LOS ANGELES SOUTH

MULTIFAMILY REPORT

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
Carson/San Pedro/E Torrance/Lomita	97.4%	96.4%	8.0%	2.8%	\$2,217	\$2,279	300	-5	0	321
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
Hawthorne/North Torrance	99.3%	99.7%	-0.4%	4.6%	\$1,818	\$1,902	15	285	0	167
Inglewood/Crenshaw	98.1%	98.1%	3.9%	5.3%	\$1,801	\$1,897	44	-2	0	0
N Long Beach/Lakewood/Artesia	97.2%	97.4%	9.1%	3.4%	\$1,663	\$1,720	75	106	66	66
Paramount/Downey/Bellflower/Norwalk	97.3%	96.1%	-1.8%	2.9%	\$1,671	\$1,721	-35	-400	0	0
West Covina/La Puente/Rowland Heights	96.5%	96.4%	5.6%	2.2%	\$1,610	\$1,645	-22	281	0	312
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
Whittier	96.1%	98.9%	1.7%	2.0%	\$1,566	\$1,597	-42	352	0	0
TOTALS	96.7%	96.9%	3.9%	3.3%	\$1,872	\$1,934	728	2,032	123	1,758



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