



## MARKET AT A GLANCE



**OCCUPANCY RATE** **96.5%**  
Up **10 bps** since 3Q16



**ASKING RENT** **\$2,032**  
Up **3.7%** since 3Q16

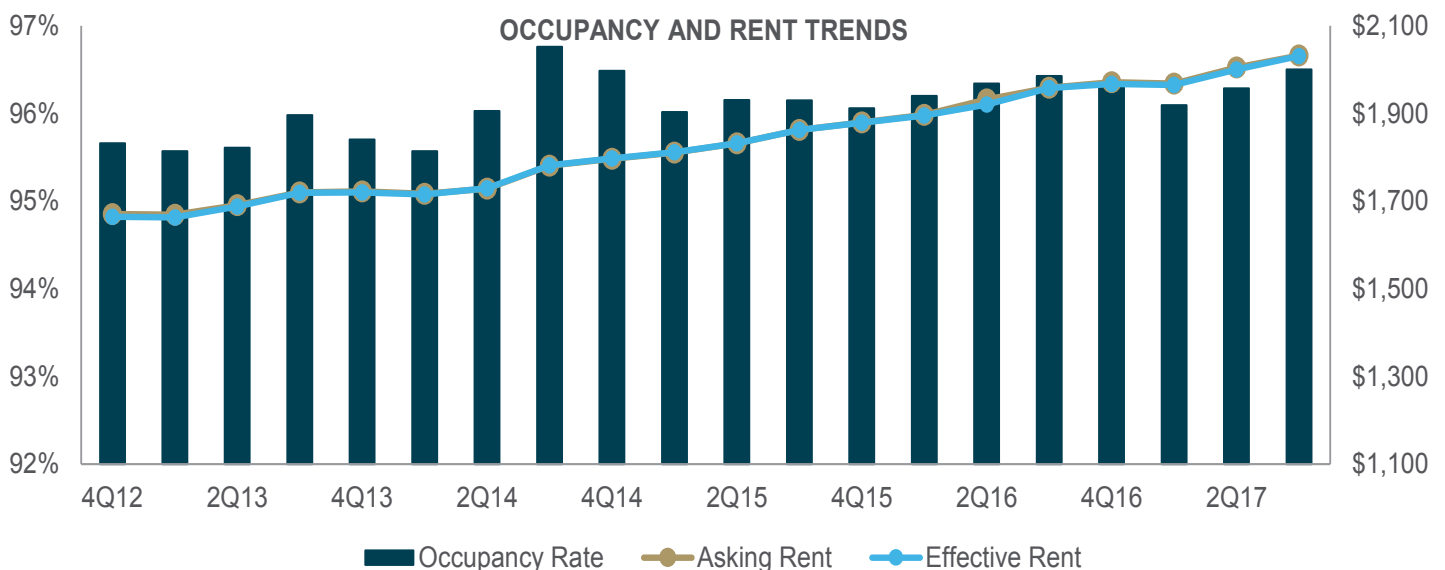


**CONCESSIONS** **0.0%**  
**Unchanged** since 3Q16

## OCCUPANCY AND RENT TRENDS

### APARTMENT FUNDAMENTALS REMAIN STRONG AMID SLOWING JOB GROWTH

Apartment net absorption in the third quarter totaled 1,843 units, representing nearly a third of the trailing 12-month total. The 1,843 units absorbed exceeded third quarter new deliveries by 312 units. Year to date, net absorption kept pace with new deliveries, resulting in the metrowide occupancy rate increasing 40 basis points to 96.5% since the beginning of the year. Looking for neighborhoods that provide live/work/play environments, renters gravitated towards the South Anaheim and Irvine submarkets. Mixed-use developments in these submarkets include the Platinum Triangle and Great Park Neighborhood, home to Broadcom's new 1.1 million-square-foot corporate headquarters, which can accommodate 8,000 employees. Healthy absorption of new units emboldened operators to increase rent in the third quarter. Average asking rent increased 3.7% annually to \$2,032 per month, while effective rent grew 3.8% to \$2,031 per month, nearly eliminating concessions. Rent growth across all Orange County submarkets was positive, ranging from 5.0% to 0.1%. Apartment operators in Buena Park, Orange County's most affordable submarket, raised asking rent the most, with growth measuring 5.0%.



# ORANGE COUNTY, CA

MULTIFAMILY REPORT

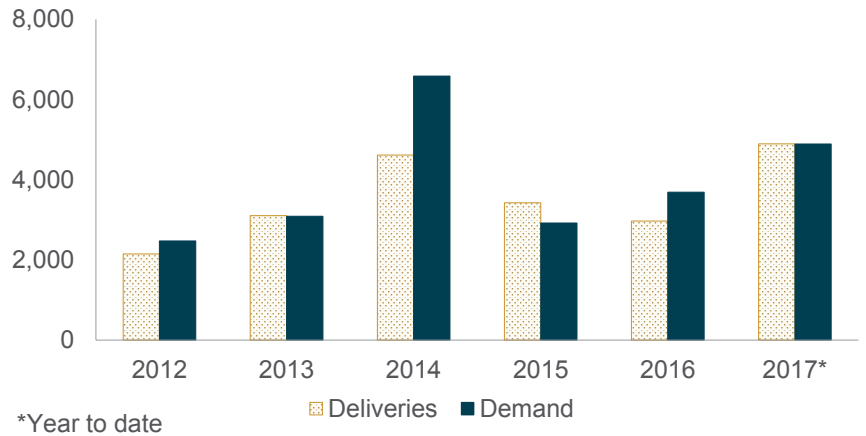
## DELIVERIES AND DEMAND



**DELIVERIES** 4,894  
Units YTD



**NET ABSORPTION** 4,890  
Units YTD



## ECONOMIC TRENDS

2016 **UNEMPLOYMENT\*** 2017  
4.0% ..... **-20 BPS** ..... 3.8%  
CHANGE

2016 **EMPLOYMENT\*** 2017  
1.58m ..... **0.0%** ..... 1.58m  
CHANGE

2016 **EXISTING SFH SALES\*\*** 2017  
28.2k ..... **-4.3%** ..... 27.0k  
CHANGE

2016 **MEDIAN SFH PRICE\*\*** 2017  
\$736.7k ..... **6.3%** ..... \$736.7k  
CHANGE

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

\*August; \*\*September

On a seasonally adjusted basis, job growth in Orange County was flat in the 12-month period ending in August 2017, even as four employment sectors expanded with a combined 12,300 jobs. Despite an industry-proclaimed shortage of construction laborers, the construction sector was the largest job gainer in Orange County as numerous large-scale, multi-phase projects began to ramp up, including the Westin Anaheim, LT Platinum Center, Jefferson Stadium Park, and A-Town. Companies in the leisure and hospitality industry added 3,500 jobs as staffing was needed at three recently opened Orange County hotels: Staybridge Suites, Homewood Suites, and the AC Hotel in Irvine. Growth in the sector is forecast to remain strong over the next three years as the completion of Disney's Star Wars Land will coincide with the opening of nine new hotels in the city of Anaheim by 2020. Companies in Orange County's largest employment sector, professional and business services, added 1,700 jobs over the last year, the third-largest number of jobs added.



# ORANGE COUNTY, CA

## 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
Brea	95.7%	95.0%	4.1%	3.0%	\$1,715	\$1,765	127	261	126	343
Buena Park	97.1%	97.4%	1.5%	5.0%	\$1,515	\$1,590	23	84	0	0
Costa Mesa	96.3%	96.5%	6.2%	3.4%	\$1,887	\$1,951	32	27	0	0
Fullerton	97.1%	97.2%	1.4%	2.6%	\$1,738	\$1,783	48	372	0	365
Huntington Beach	96.3%	96.5%	5.2%	0.1%	\$2,056	\$2,057	159	577	171	539
Irvine	95.7%	96.0%	6.1%	3.5%	\$2,258	\$2,336	356	1,568	366	1,551
Laguna Beach/Dana Point	95.4%	95.3%	3.3%	2.7%	\$2,042	\$2,097	20	438	48	482
Laguna Hills	95.7%	95.5%	3.2%	2.9%	\$2,058	\$2,117	366	302	348	348
Mission Viejo	95.7%	95.6%	4.6%	2.8%	\$1,908	\$1,962	-45	293	0	324
Newport Beach	95.2%	95.4%	7.2%	1.0%	\$2,722	\$2,749	-23	580	0	590
North Anaheim	97.5%	97.6%	3.0%	3.3%	\$1,576	\$1,627	57	4	0	0
North Santa Ana	97.2%	97.6%	4.6%	0.6%	\$1,693	\$1,703	6	73	0	0
Orange	97.6%	97.5%	-1.8%	1.4%	\$1,913	\$1,940	13	-11	0	0
Orange County/Other	95.5%	95.7%	7.7%	4.1%	\$2,187	\$2,276	6	10	0	0
Placentia/Northeast Anaheim	95.5%	95.9%	4.6%	3.2%	\$1,726	\$1,781	11	38	0	0
South Anaheim	96.2%	96.2%	1.7%	3.7%	\$1,906	\$1,976	516	1,076	472	1,103
South Santa Ana	96.6%	96.7%	2.9%	3.9%	\$2,081	\$2,161	85	16	0	0
Tustin	96.9%	97.0%	4.2%	1.1%	\$1,997	\$2,019	21	5	0	0
Westminster/Fountain Valley	96.9%	97.8%	2.5%	2.9%	\$1,720	\$1,769	66	126	0	0
<b>TOTALS</b>	<b>96.4%</b>	<b>96.5%</b>	<b>5.2%</b>	<b>3.7%</b>	<b>\$1,959</b>	<b>\$2,032</b>	<b>1,843</b>	<b>5,840</b>	<b>1,531</b>	<b>5,645</b>



**CORPORATE HEADQUARTERS**

521 Fifth Avenue  
20th Floor  
New York, NY 10175  
(646) 600-7800 | Fax: (646) 600-7838  
[www.Berkadia.com](http://www.Berkadia.com)

ALBUQUERQUE, NM	FRESNO, CA	RICHMOND, VA
AMBLER, PA	HOUSTON, TX	SACRAMENTO, CA
ATLANTA, GA	IRVINE, CA	SALT LAKE CITY, UT
AUSTIN, TX	JACKSONVILLE, FL	SAN ANTONIO, TX
BAKERSFIELD, CA	KANSAS CITY, MO	SAN DIEGO, CA
BATON ROUGE, LA	LAS VEGAS, NV	SAN FRANCISCO, CA
BETHESDA, MD	LENOX, MA	SCOTTSDALE, AZ
BIRMINGHAM, AL	LOS ANGELES, CA	SEATTLE, WA
BOCA RATON, FL	MARBLEHEAD, MA	SHREWSBURY, NJ
BOSTON, MA	MIAMI, FL	ST. LOUIS, MO
CAMAS, WA	MIDVALE, UT	TACOMA, WA
CHARLESTON, SC	MURRIETA, CA	TAMPA, FL
CHATTANOOGA, TN	NASHVILLE, TN	TEMECULA, CA
CHICAGO, IL	NEW YORK, NY	TEMPE, AZ
CLEARWATER, FL	NEWPORT NEWS, VA	TUCSON, AZ
CLEVELAND, OH	ORLANDO, FL	WOODLAND HILLS, CA
COLORADO SPRINGS, CO	PASADENA, CA	HYDERABAD - INDIA*
DALLAS, TX	PHILADELPHIA, PA	
DENVER, CO	PHOENIX, AZ	<i>*Back Office Support</i>
DETROIT, MI	PORTLAND, OR	
EL SEGUNDO, CA	RALEIGH, NC	

a Berkshire Hathaway and Leucadia National company