

LOS ANGELES COUNTY

MULTIFAMILY REPORT

FIRST QUARTER 2020

MARKET AT A GLANCE



OCCUPANCY RATE

96.1%

Down 20 bps since 1Q19



EFFECTIVE RENT

\$2,330

Up 1.4% since 1Q19



DELIVERIES

2,700

Units YTD

MARKET IMPACT ANALYSIS

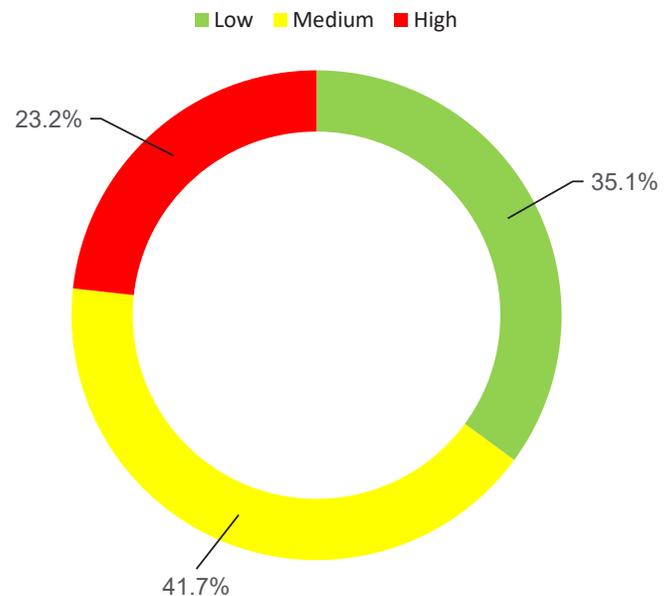
LOCAL HOUSING SHORTAGE WILL PERSIST AFTER PANDEMIC

Los Angeles County's stay-at-home order through May 15, 2020, allows operation of essential businesses, meaning the county's upsides during this downturn are as numerous as its challenges. Those challenges include contraction in the entertainment industry, tourism, and international trade. Productions in the county's \$198 billion entertainment industry are on hold, while the \$24 billion tourism industry is mostly idle. The Ports of Los Angeles and Long Beach, already experiencing lower import volumes because of the trade war with China, had further import deterioration in March. This decline was fueled by closed foreign factories that caused supply shortages and cautious consumer spending that quelled demand. On the plus side, the county hosts the largest concentration of manufacturing in the U.S. Most local manufacturers are considered essential operators and are still open. The area also has a sizable share of white-collar workers, and many of them can work at home. Once Los Angeles County starts to return to business as usual, one issue will persist: the inadequate housing supply. It is conceivable any near-term deceleration in net apartment absorption and rent growth might be brief because of the shortage of housing. Apartment owners and investors need to be wary of the California Judicial Council's renter eviction protections which, during the declared state of emergency, prohibit eviction under a vast array of circumstances, even where renters can pay their lease.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	0.1%	1.1%
Finance & insurance	3.9%	4.7%
Health care & social assistance	17.0%	16.0%
Information	4.2%	2.2%
Mining, quarrying, & oil & gas extraction	0.0%	0.5%
Transportation & warehousing	4.1%	4.4%
Utilities	0.3%	0.4%
Wholesale trade	5.4%	4.7%
Total	35.1%	33.9%
MEDIUM		
Administrative & waste services	8.1%	7.4%
Educational services	2.6%	2.3%
Manufacturing	9.2%	10.1%
Other services, except public administration	3.7%	3.6%
Professional & technical services	7.9%	7.5%
Retail trade	10.3%	12.2%
Total	41.7%	43.1%
HIGH		
Accommodation & food services	11.5%	11.1%
Arts, entertainment, & recreation	2.8%	1.9%
Construction	4.8%	6.1%
Management of companies & enterprises	1.9%	1.9%
Real estate & rental & leasing	2.3%	1.8%
Unclassified	0.0%	0.1%
Total	23.2%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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