

LOS ANGELES, CA

2022 MARKET AT A GLANCE

Occupancy Rate

97.2%



UP 20 BPS YOY

Effective Rent

\$2,520



UP 6.2% YOY

Rent Share of Wallet

39.9%



UP 100 BPS YOY

Firm Apartment Fundamentals and Investing Anticipated in 2022

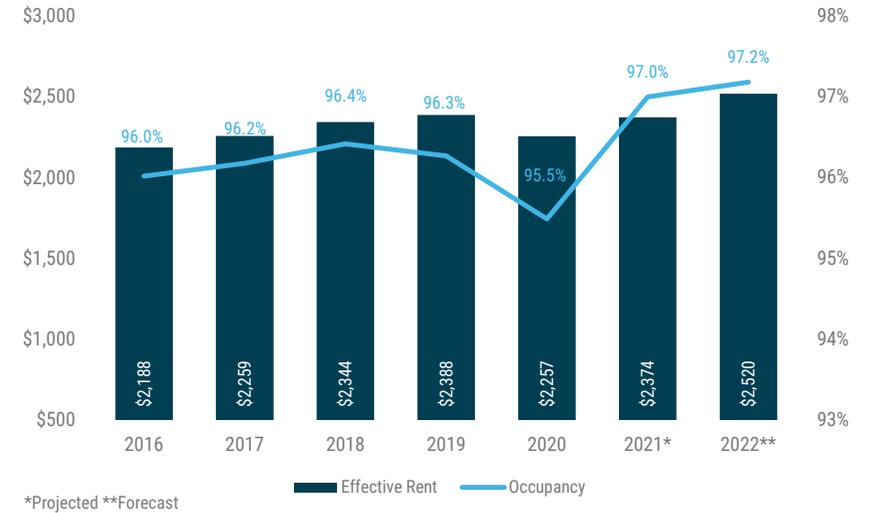
Apartment leasing and investment activity in Los Angeles County were up considerably in 2021 and are expected to remain healthy in 2022. Employment rose 6.7% year over year in 2021 as the local economic recovery continued. With rising employment came a surge in net apartment absorption, totaling 27,935 units. Apartment demand was also fueled by a 19.5% annual increase in the median single-family home price, keeping many renters in apartments. This environment encouraged apartment investors, who by the end of the third quarter of 2021 had committed more capital to apartment investment than all of 2020. Looking forward, the average price per unit is forecast to rise as much as 7.7% in 2022, spurring a projected 10-basis-point decrease in the average cap rate to 4.2%. Multifamily development is also expected to continue at a rapid pace in 2022, with 19,357 units delivered. Developers, confident in upcoming urban core apartment demand, will complete nearly 40% of these new units in the neighboring Downtown Los Angeles and Mid-Wilshire submarkets as they finish approximately 50 apartment projects underway and make progress on 11 others. Apartment demand is anticipated to decrease from 2021's lofty leasing activity, though is projected to remain considerably higher than normal, with 20,885 net units absorbed. The brisk leasing activity should result in average occupancy increasing 20 basis points to 97.2% by the last quarter of 2022. High apartment demand will enable operators to increase effective rent an estimated 6.2% year over year to \$2,520 per month.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

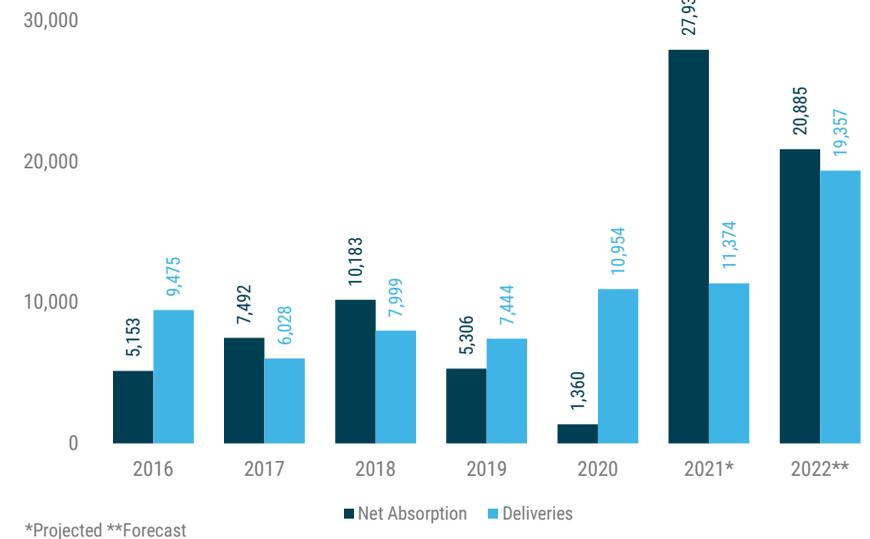
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy



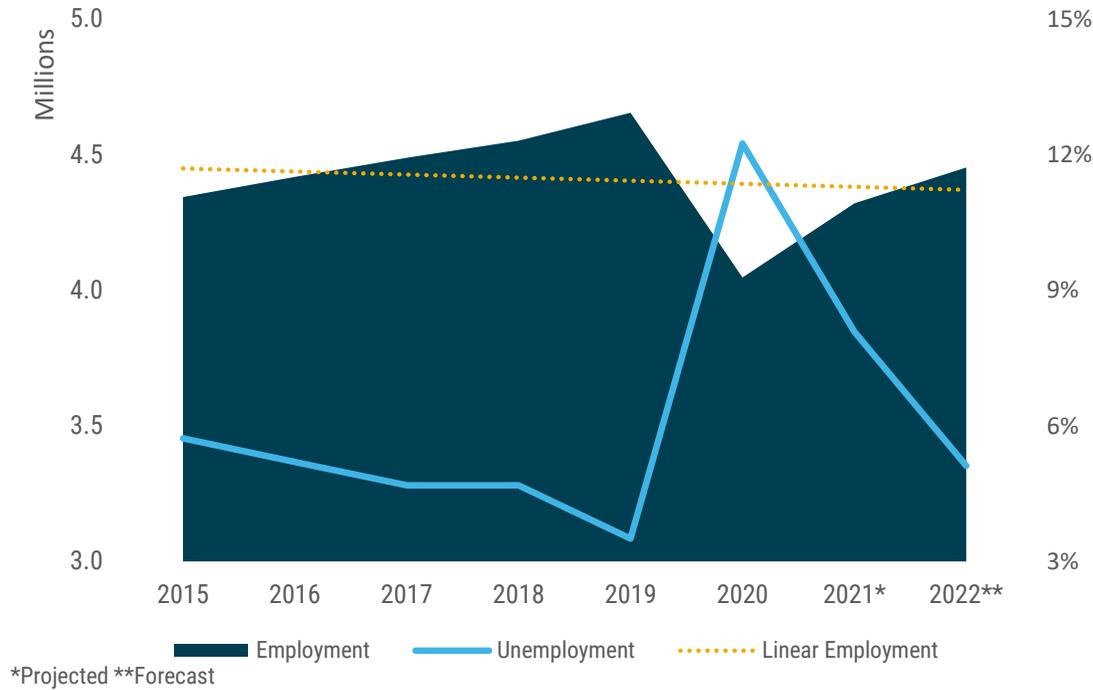
Absorption & Deliveries



LOS ANGELES, CA

EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



Employment

4,453,400



UP 3.1% YOY

Unemployment

5.1%



DOWN 300 BPS YOY

Median Household Income

\$75,792



UP 3.5% YOY

Price Per Unit

\$359,982



UP 7.7% YOY

Cap Rate

4.2%



DOWN 10 BPS YOY