

ORANGE COUNTY, CA

2022 MARKET AT A GLANCE

Occupancy Rate

97.7%



DOWN 60 BPS YOY

Effective Rent

\$2,560



UP 6.7% YOY

Rent Share of Wallet

30.8%



UP 100 BPS YOY

Area Apartment Values and Rents Continue to Climb in 2022

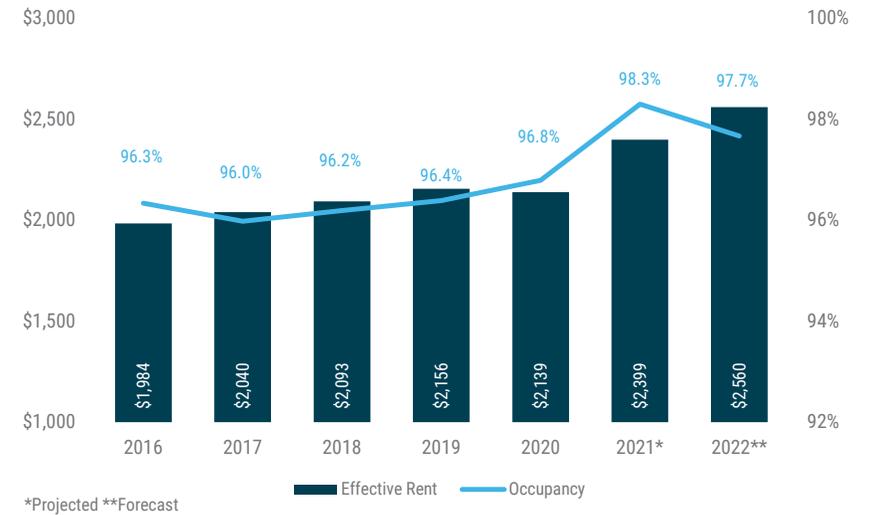
Following a year in which sales velocity softened, deals are rebounding throughout Southern California, pushing up prices. In Orange County, the number of apartment properties trading hands increased 160% to 151 transactions in the 12 months ending September 2021. During this same time, the average price per unit in O.C. rose 19.0% to \$362,274. With prices soaring, total dollars spent buying these assets surged to almost \$2.5 billion. With effective rent forecast to rise 6.7% and occupancy to settle at 97.7% by year-end, apartments countywide will continue to garner interest among multifamily investors. Low interest rates and the need to put pent-up capital to work are also motivating buyers. As such, asset values are forecast to climb to \$377,031 price per unit this year, an 8.4% gain over 2021, as investors bid prices higher and higher. The average cap rate will be similar to last year, with buyers looking for stability and accepting low-4% yields. Orange County's diverse economy has helped its rental market weather the challenges of the pandemic crisis. Local employers are on track to expand payrolls 3.1% in 2022, equating to nearly 50,000 net jobs. Notably, the leisure and hospitality industry is slated to lead job creation as it did in 2021. Contributing to the upswing is Disneyland's measured approach to adding more guests to the park since reopening mid-2021 and the launch of three high rise hotels, the first luxury products in Anaheim outside of Disney-owned hotels.

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.

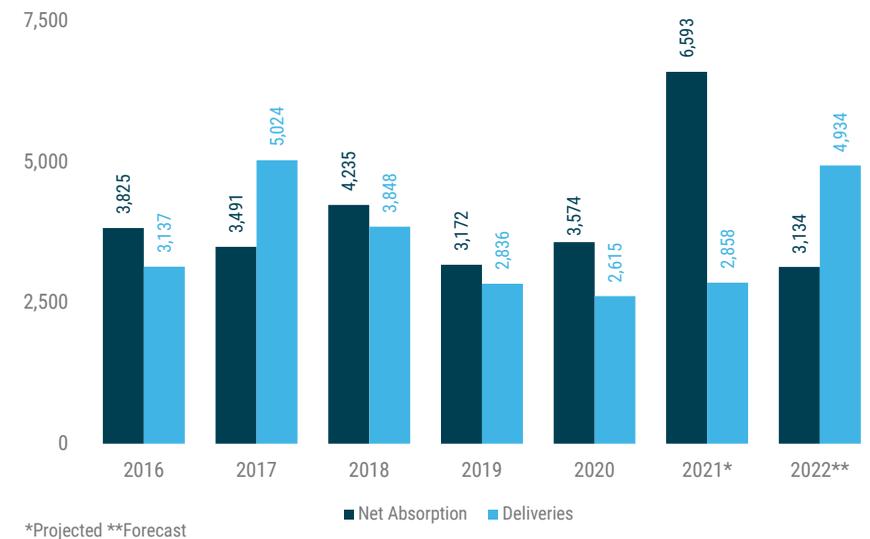
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy



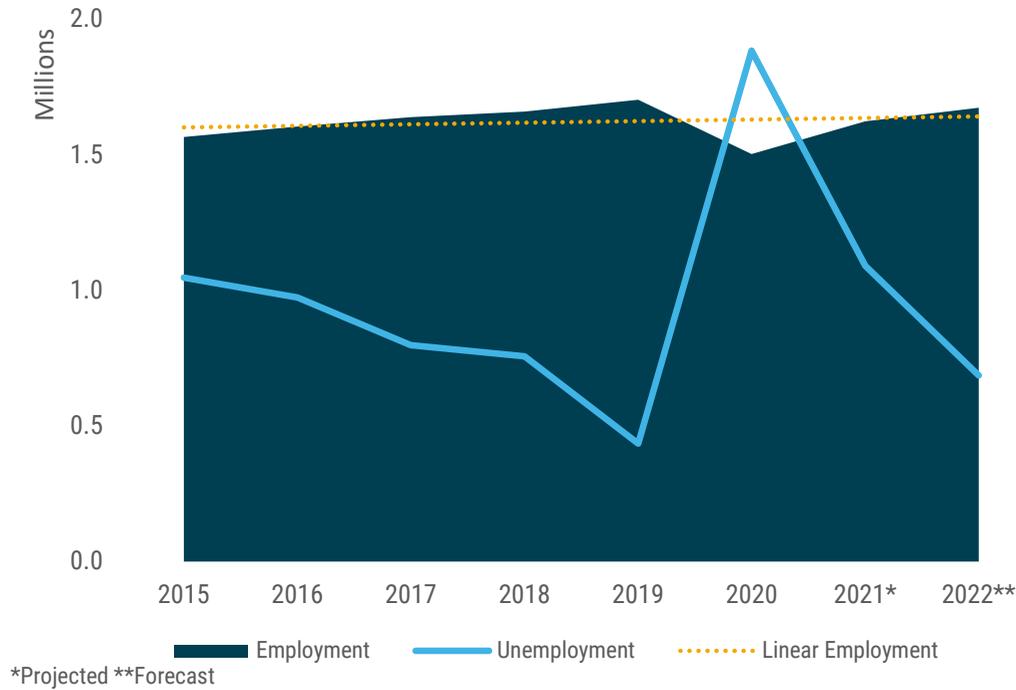
Absorption & Deliveries



ORANGE COUNTY, CA

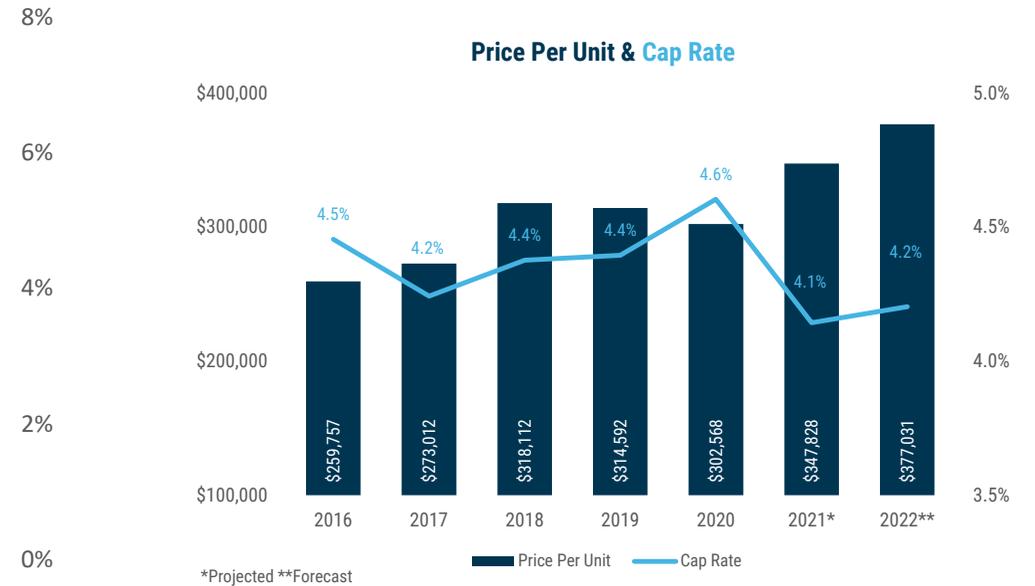
EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



Employment

1,674,200



UP 3.1% YOY

Unemployment

2.7%



DOWN 170 BPS YOY

Median Household Income

\$99,679



UP 3.3% YOY

Price Per Unit

\$377,031



UP 8.4% YOY

Cap Rate

4.2%



UP 10 BPS YOY