



## MARKET AT A GLANCE



**OCCUPANCY RATE** 93.7%

Down 270 bps since 3Q19



**EFFECTIVE RENT** \$2,615

Down 8.4% since 3Q19



**RENT PAYMENT TRACKER (Oct. 1-6)** 81.8%

Up 440 bps since Sept. 1-6

## OCCUPANCY AND RENT TRENDS

### INVENTORY SURGE PRESENTS NEAR-TERM CHALLENGES, LONG-TERM BENEFITS

Countywide payrolls expanded 6.0% from April to August 2020 with 235,000 reinstated or newly hired workers. Even so, as of mid-October 2020, indoor-only restaurants, gyms, bars, nightclubs, museums, and live-performance venues remained closed in Los Angeles. Absent these amenities, some disenchanted urban renters moved to the suburbs for more affordable living arrangements. Consequently, apartment occupancy in the Downtown Los Angeles submarket fell 70 basis points during the third quarter to 91.8% in September. Meanwhile, monthly effective rent in the submarket decreased 4.1% to \$2,365. Los Angeles West apartment fundamentals mirrored those in Downtown Los Angeles. Monthly effective rent in Los Angeles West averaged \$2,615 in September, down 3.7% from June, while occupancy decreased 50 basis points to 93.7%. As some urban core renters departed, more than 11,200 apartments were under construction in the adjoining Downtown Los Angeles and Mid-Wilshire submarkets; in the next four quarters, more than 5,700 of these units are expected to complete. Despite the new inventory's potential impact on near-term apartment fundamentals, it will be a welcome response to the long-term housing shortage.



# LOS ANGELES WEST

MULTIFAMILY REPORT

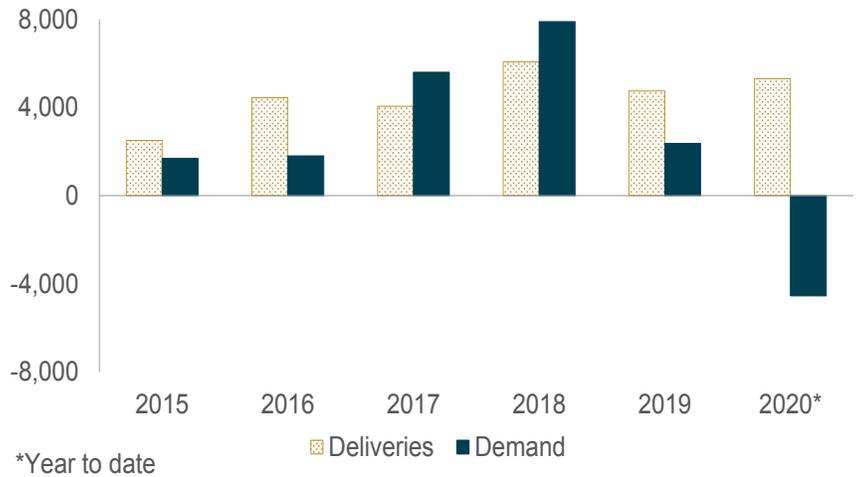
## DELIVERIES AND DEMAND



**DELIVERIES** 5,305  
Units YTD



**NET ABSORPTION** -4,552  
Units YTD



## ECONOMIC TRENDS

2019 4.3% ..... **UNEMPLOYMENT\*** ..... 2020 16.1%  
**1,180 BPS CHANGE**

2019 4.6m ..... **EMPLOYMENT\*** ..... 2020 4.1m  
**-9.5% CHANGE**

2019 61.8k ..... **EXISTING SFH SALES\*\*** ..... 2020 59.0k  
**-4.5% CHANGE**

2019 10.0m ..... **POPULATION\*\*** ..... 2020 10.1m  
**0.2% CHANGE**

2019 1.70% ..... **10-YEAR TREASURY\*\*** ..... 2020 0.68%  
**-100 BPS CHANGE**

\*August; \*\*September



# LOS ANGELES WEST

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

| SUBMARKET NAME                   | OCCUPANCY    |                    |                    | EFFECTIVE RENT |              |              | NET ABSORPTION |               | DELIVERED UNITS |              |
|----------------------------------|--------------|--------------------|--------------------|----------------|--------------|--------------|----------------|---------------|-----------------|--------------|
|                                  | 3Q20         | Q-o-Q Change (BPS) | Y-o-Y Change (BPS) | 3Q20           | Q-o-Q Change | Y-o-Y Change | 3Q20           | Annual        | 3Q20            | Annual       |
| Brentwood/Westwood/Beverly Hills | 92.6%        | -30                | -360               | \$3,226        | -5.9%        | -9.1%        | -190           | -1,831        | 0               | 194          |
| Downtown Los Angeles             | 91.8%        | -70                | -310               | \$2,365        | -4.1%        | -10.2%       | -54            | 819           | 355             | 2,604        |
| Hollywood                        | 93.9%        | -20                | -230               | \$2,490        | -2.7%        | -8.3%        | 146            | -909          | 350             | 1,209        |
| Mid-Wilshire                     | 94.6%        | -70                | -240               | \$2,255        | -2.5%        | -9.0%        | -709           | -1,972        | 101             | 832          |
| Palms/Mar Vista                  | 93.6%        | -140               | -360               | \$2,622        | -4.5%        | -7.2%        | -612           | -730          | 19              | 860          |
| Santa Monica/Marina del Rey      | 94.3%        | -50                | -220               | \$3,291        | -3.4%        | -5.6%        | -29            | -160          | 201             | 942          |
| <b>TOTALS</b>                    | <b>93.7%</b> | <b>-50</b>         | <b>-270</b>        | <b>\$2,615</b> | <b>-3.7%</b> | <b>-8.4%</b> | <b>-1,449</b>  | <b>-4,784</b> | <b>1,026</b>    | <b>6,641</b> |

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