LOS ANGELES WEST
MULTIFAMILY REPORT

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.
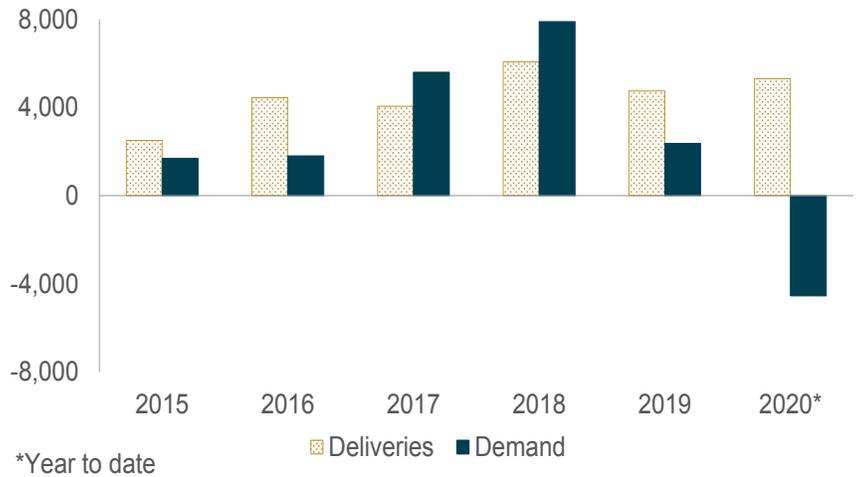
OCCUPANCY AND RENT TRENDS

Legend: ▬ Occupancy Rate ━●━ Effective Rent

LOS ANGELES WEST
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DELIVERIES AND DEMAND

DELIVERIES 5,305
Units YTD

NET ABSORPTION -4,552
Units YTD

*Year to date

Deliveries ▢ Demand ■

ECONOMIC TRENDS

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

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

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

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

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

*August; **September

U.S.
ANNUAL RENT
25.0%
share of wallet

MARKET
ANNUAL RENT
42.4%
share of wallet

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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
TOTALS	93.7%	-50	-270	$2,615	-3.7%	-8.4%	-1,449	-4,784	1,026	6,641

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