2021 MID-YEAR

LOS ANGELES CA

INSTITUTIONAL MULTIFAMILY REPORT

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LOS ANGELES, CA

EMPLOYMENT

JOBS ADDED / LOST

LAST 12 MONTHS

357,200

9.4%

NEXT 12 MONTHS*

206,600

5.0%

UNEMPLOYMENT

MID-YEAR 2021

10.5%

980 BPS YOY

MID-YEAR 2022*

5.8%

470 BPS YOY

*PROJECTED

The economic environment in Los Angeles County in the first half of 2021 was a welcome change from the job market's monthly fits and starts in the last half of 2020. Nonfarm employment grew in each of the first six months of 2021, with strong gains in the professional and business services, the education and health services, and the leisure and hospitality sectors. Overall, employment grew 3.0% in the first half of 2021 as employers created or reinstated 120,200 workers.

While still down from prior to the pandemic, employment in the leisure and hospitality sector increased 13.8% since year-end 2020. Brisk recovery in this sector is expected in the last half of this year, as well. Over the next few years, employment the sector will be underpinned by hiring at SOFI Stadium and emerging retail and hospitality businesses at Hollywood Park in Inglewood. When completed, the entire sports and entertainment district will support approximately 12,000 jobs. At Universal Studios, hiring has begun for 2,000 seasonal and permanent full- and part-time positions. The county's large technology industry will also get a boost: during the next five years, Apple Inc. has committed to hire 3,000 workers at a large office building in Culver City.

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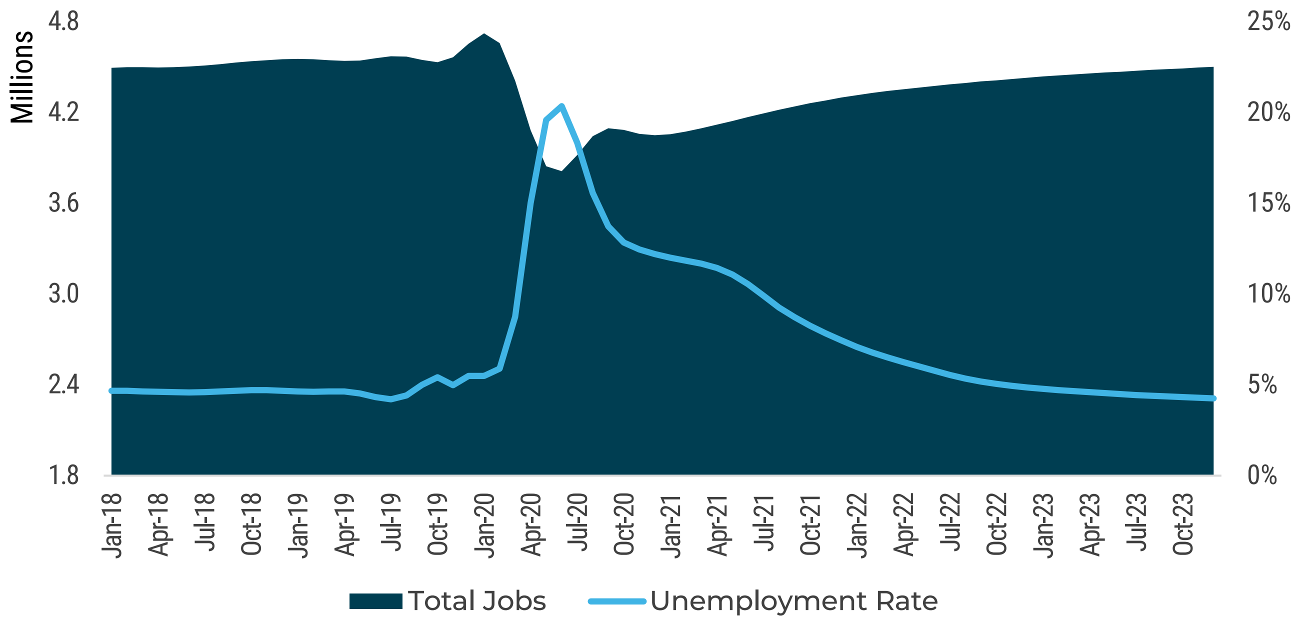
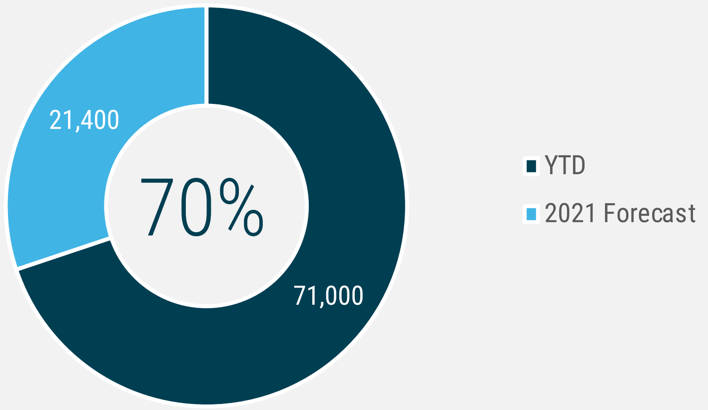
EMPLOYMENT TRENDS



SOURCE: MOODY'S ANALYTICS

WHO'S HIRING?

LEISURE & HOSPITALITY INDUSTRY



10%

OF ALL JOBS IN THE METRO

$29,900

AVERAGE ANNUAL SALARY

TOP LEISURE & HOSPITALITY EMPLOYERS

Marriott	5,000 JOBS
CROWNE PLAZA	2,600 JOBS
THE RITZ-CARLTON	2,400 JOBS

IN THE NEWS

- Apple to Expand Culver City Team 3,000 Workers
- Universal Studios is Hiring Over 2,000 People
- These Companies Are Hiring in SoCal Right Now
- UPS to Hire 300 in Los Angeles Area
- Fisker Inc. to Establish Global HQ in L.A.

DELIVERIES & ABSORPTION

2021 UNITS*

DELIVERED
14,580

ABSORBED
22,012

2022 UNITS*

DELIVERED
17,620

ABSORBED
15,805

*PROJECTED

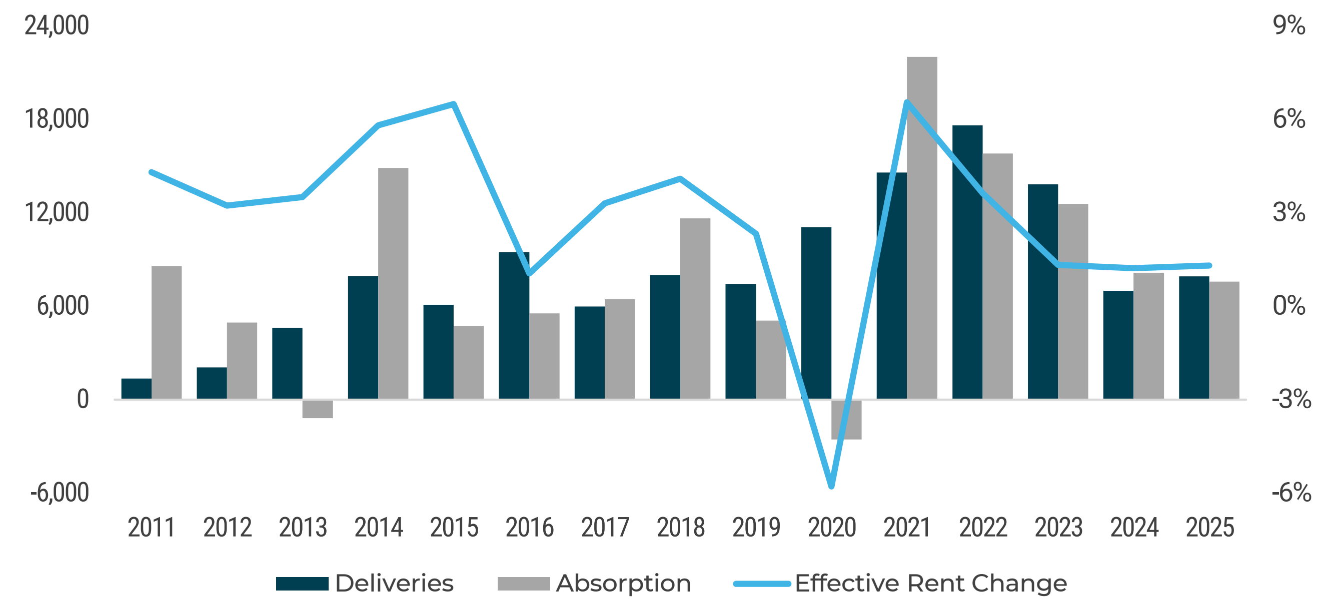
Over the last several years, multifamily developers ramped up apartment deliveries to address Los Angeles County's perennial housing shortage. Their efforts were rewarded with annual net absorption averaging 8,052 units from 2014 to 2019 as a yearly average of 7,485 apartments were delivered. The pace of apartment construction intensified in 2020 as builders completed 11,079 units.

Stay-at-home orders and out-migration during the pandemic curbed apartment leasing activity, resulting in net negative absorption of 2,566 units in 2020. Apartment demand has rebounded while the county's economy reopened, with renters absorbing a net 9,805 units in the first half of 2021. During the same period, 5,013 apartments were completed.

In the last half of 2021, 9,567 apartments are scheduled for delivery; approximately 44% of the new stock will be in the neighboring, inner-core Downtown Los Angeles and Mid-Wilshire submarkets. Countywide apartment demand is expected to remain healthy during the remainder of 2021.

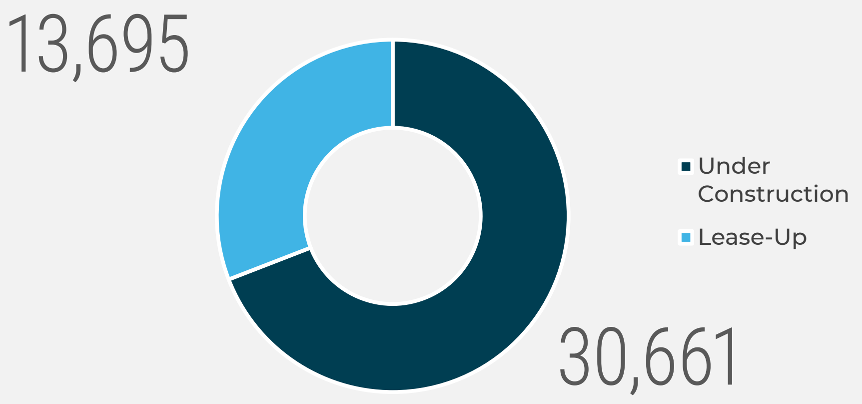
The addition of new apartment stock in Los Angeles County is anticipated to peak in 2022 with 17,620 deliveries. In 2023, 13,824 units are scheduled for completion. In each of the next two years, completions will be in the range of 7,000 to 8,000 units.

DELIVERIES, ABSORPTION, & EFFECTIVE RENT CHANGE

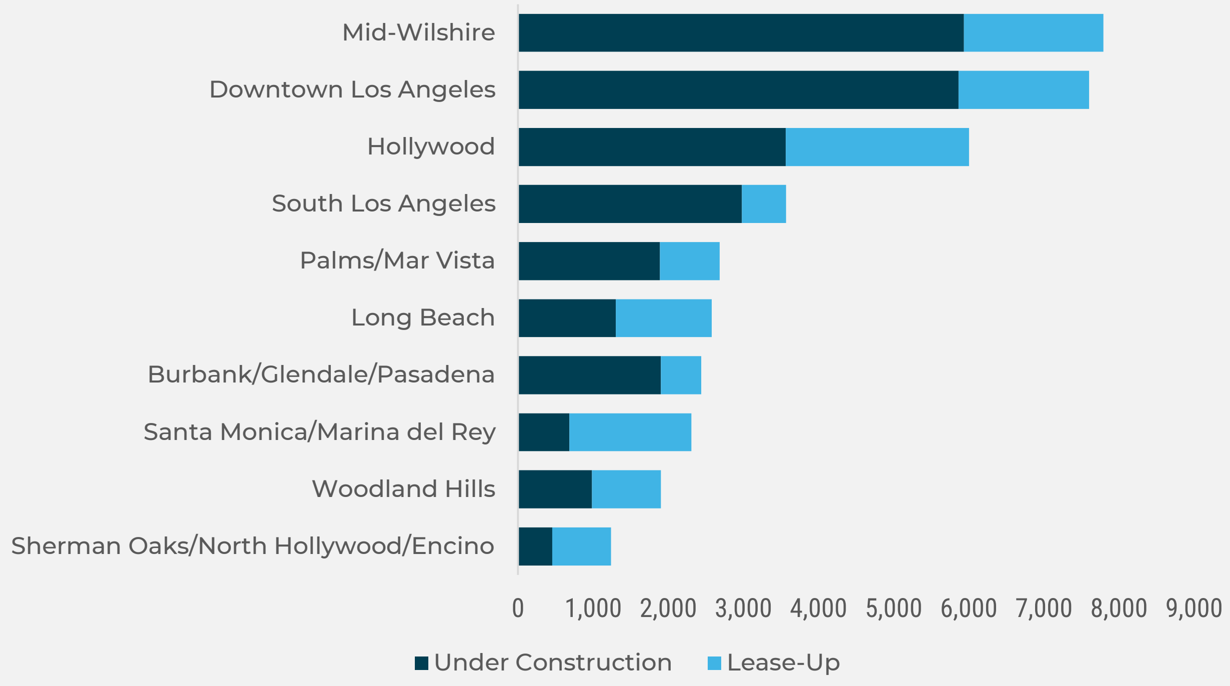


SOURCE: REALPAGE

MARKET PIPELINE



TOP 10 SUBMARKET PIPELINES



For a complete list of properties in the pipeline, CLICK HERE

EFFECTIVE RENT

2Q 2021

$2,274

0.9% YOY

OCCUPANCY

2Q 2021

95.8%

50 BPS YOY

LOS ANGELES, CA

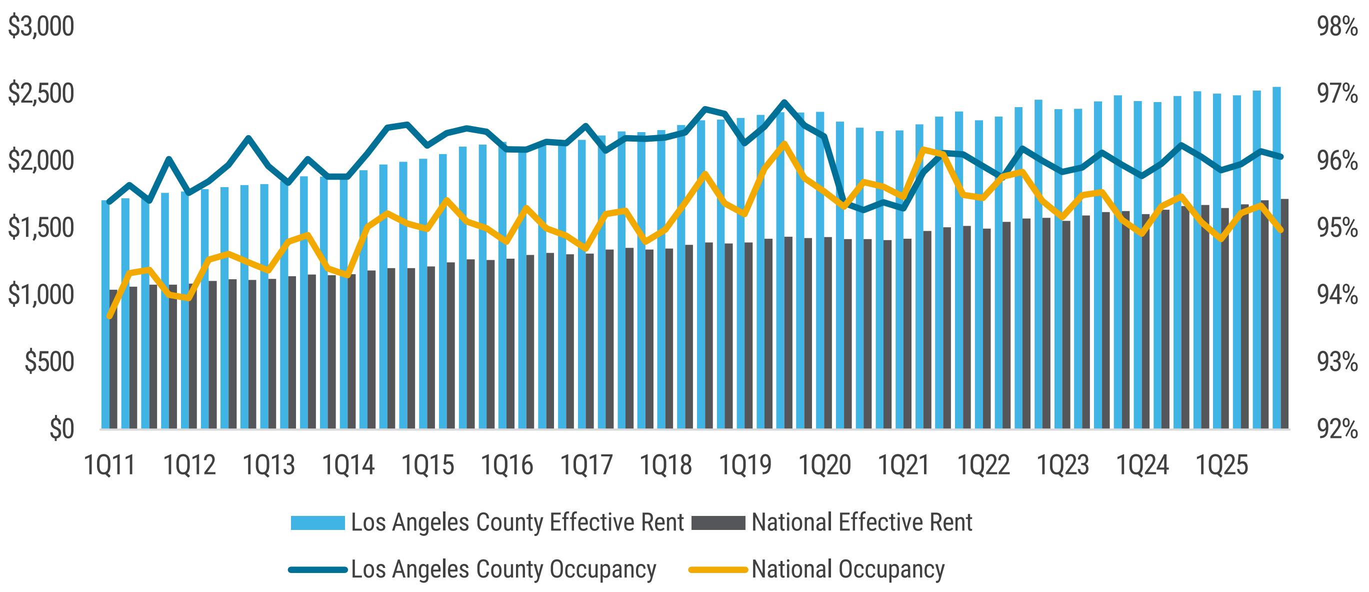
RENT & OCCUPANCY

Los Angeles County apartment fundamentals bounced back well in the first half of 2021. Apartment occupancy averaged 95.8% in the second quarter of 2021, a 40-basis-point gain since year-end 2020. Meanwhile, average monthly effective rent rose 2.2% to $2,274. Brisk second quarter leasing activity in Downtown Los Angeles lifted occupancy to 93.5% in that submarket, 110 basis points higher than year-end 2020.

Fundamentals were particularly good in the Long Beach submarket, which possesses an urban flair with more affordable rents than central Los Angeles, and in the Santa Clarita submarket, where a suburban environment drew renters from the costlier urban core during the pandemic. In the Long Beach submarket, apartment occupancy averaged 97.1% in the second quarter of 2021, a 10-basis-point increase from year-end 2020, while average effective rent rose 3.0% to $2,167 per month. In the Santa Clarita submarket, occupancy increased 70 basis points in the first half of 2021 to 98.4% in the second quarter, and monthly effective rent reached an average of $2,303, a 6.0% gain.

Apartment occupancy in Los Angeles County is expected to be stable through 2025. During that time, net absorption anticipated to be on par with deliveries, so average occupancy in the county is projected to remain in the vicinity of 96.0% through 2025.

LOS ANGELES VS. NATIONAL EFFECTIVE RENT & OCCUPANCY



SOURCE: REALPAGE

SUBMARKET PERFORMANCE

SUBMARKET NAME	2Q21 OCCUPANCY	YOY (BPS)	2Q21 EFFECTIVE RENT	YOY
Antelope Valley	97.8%	80	$1,598	13.2%
Brentwood/Westwood/Beverly Hills	93.3%	40	$3,593	-4.6%
Burbank/Glendale/Pasadena	95.8%	100	$2,422	0.4%
Downtown Los Angeles	93.5%	100	$2,382	-5.7%
East Los Angeles	97.9%	70	$1,689	2.2%
Hollywood	94.1%	0	$2,439	-3.6%
Long Beach	97.1%	170	$2,167	5.2%
Mid-Wilshire	95.7%	50	$2,276	-3.2%
North San Gabriel Valley	96.5%	-10	$1,916	6.7%
Northridge/Northwest San Fernando Valley	96.5%	100	$1,988	2.8%
Palms/Mar Vista	94.8%	-30	$2,585	-4.1%
Santa Clarita Valley	98.4%	260	$2,303	11.0%
Santa Monica/Marina del Rey	94.7%	-10	$3,218	-7.4%
Sherman Oaks/North Hollywood/Encino	95.2%	-30	$2,296	-0.7%
South Bay	95.3%	50	$2,561	1.7%
South Los Angeles	97.0%	-30	$1,728	-1.1%
South San Gabriel Valley	98.6%	260	$1,939	9.0%
Southeast Los Angeles	97.2%	70	$1,939	3.6%
Van Nuys/Northeast San Fernando Valley	96.6%	10	$1,822	-0.1%
Woodland Hills	96.7%	90	$2,312	4.6%

2021 RESIDENTS*

10,078,600

0.2% YOY

2022 RESIDENTS*

10,095,500

0.2% YOY

*PROJECTED

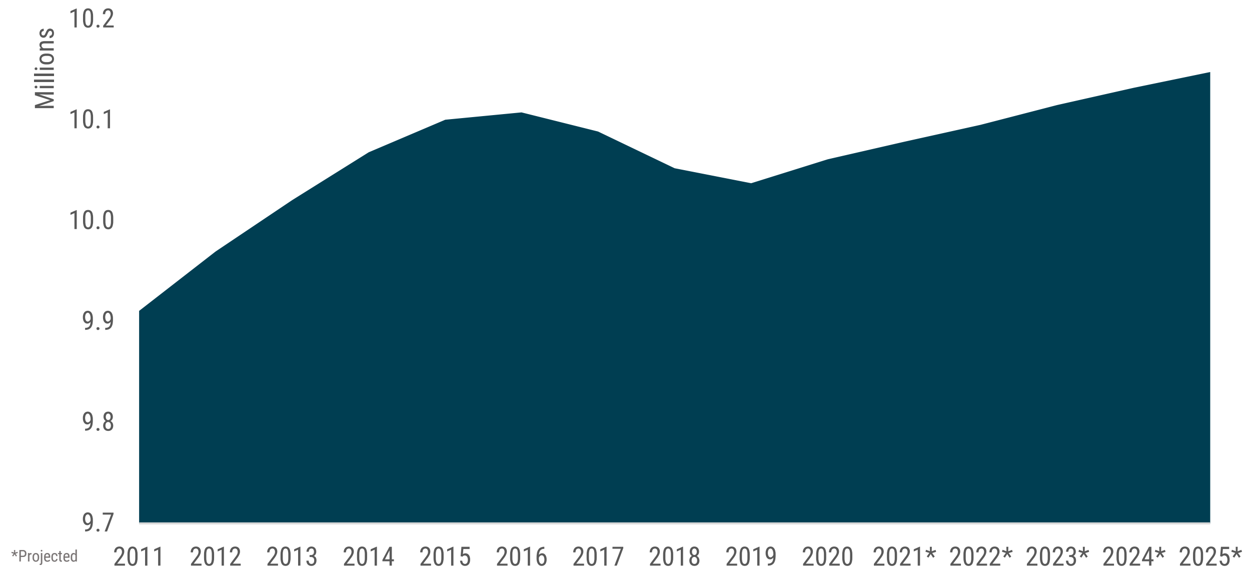
LOS ANGELES, CA

POPULATION & MIGRATION

Los Angeles County had a population of approximately 10,061,300 residents at year-end 2020, a 0.2% increase from 2019. The gain in population occurred as 420,260 residents moved out of urban cores in the Los Angeles-Long Beach-Anaheim metro area. This urban exodus was second only to the New York City metro area. Even so, about 43% of the 420,260 residents who left urban areas in Los Angeles and Orange counties moved to more affordable suburbs within the two counties. Net apartment absorption during the pandemic suggests where in Los Angeles County some of these people moved. In addition to Long Beach and Santa Clarita, two areas closer to the urban center of the county had healthy apartment demand: the Northridge/Northwest San Fernando Valley and the Woodland Hills submarkets both had elevated leasing activity with positive net absorption in each of the last four quarters.

Approximately 12% of urban residents who moved gravitated to lower-cost metros with a population of at least 2 million people. Among these exiting residents, many chose the Inland Empire for its affordability while remaining within driving distance to jobs and attractions in the coastal counties. Despite the urban outflow, net apartment absorption was robust in the first half of 2021 in the Downtown Los Angeles and the Mid-Wilshire submarkets.

LOS ANGELES POPULATION



SOURCE: MOODY'S ANALYTICS

URBAN MIGRATION DURING THE PANDEMIC

2Q 2020 - 1Q 2021

180,240 → TO THE SUBURBS

116,660 → TO A HIGH-COST, LARGE METRO (>2M)

49,320 → TO A LOW-COST, LARGE METROS (>2M)

37,780 → TO A MID-SIZED METRO (500K-2M)

36,260 → TO A SMALL METRO (<500K)

SOURCE: FEDERAL RESERVE BANK OF CLEVELAND

LOS ANGELES, CA

SALES

2021 YEAR TO DATE*

VOLUME
$1.6B

PRICE PER UNIT (AVG)
$589,915

TRANSACTIONS
11

CAP RATE (AVG)
3.8%

WHAT'S TRADING?*

UNITS (AVG)
252

YEAR BUILT (AVG)
2010's

BUILDINGS (AVG)
2

ACRES (AVG)
2.34

*$50M+
SOURCE: REAL CAPITAL ANALYTICS

TOP BUYERS**

BUYER	LOCATION
California Statewide Communities Development Authority	Walnut Creek, CA
Waterford Property Company	Newport Beach, CA
California Community Housing Agency	Hanford, CA
Catalyst Housing Group	Larkspur, CA
Clarion Partners	New York, NY

TOP SELLERS**

SELLER	LOCATION
Brookfield AM	Toronto, CAN
Holland Partners	Vancouver, WA
Harel Insurance Invts	Ramat-Gan, ISR
TruAmerica Multifamily	Los Angeles, CA
Guardian Life Insurance	New York, NY

**Past 24 Months

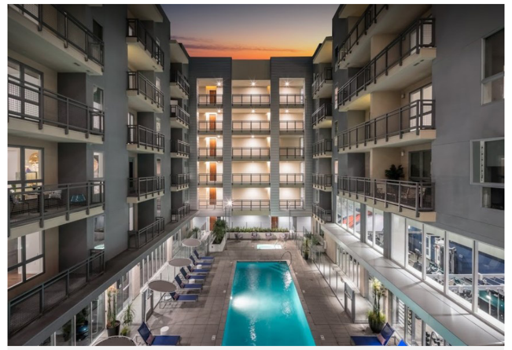
LOS ANGELES, CA

SALES

$50+ MILLION TRANSACTIONS

ALTANA
Glendale, CA

UNITS	YEAR BUILT
507	2017
PRICE / UNIT	**SALES PRICE**
$591,716	$300,000,000



NEXT ON LEX
Glendale, CA

UNITS	YEAR BUILT
494	2017
PRICE / UNIT	**SALES PRICE**
$591,093	$292,000,000

RESIDENCES AT WESTGATE
Pasadena, CA

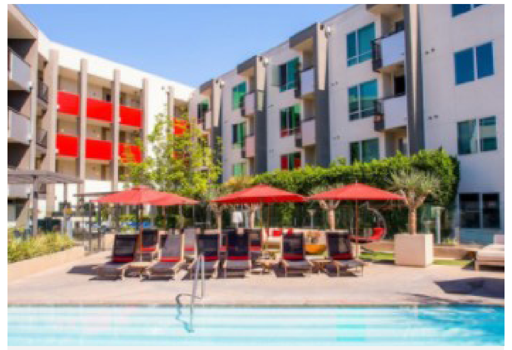
UNITS	YEAR BUILT
340	2015
PRICE / UNIT	**SALES PRICE**
$697,059	$237,000,000

OLIVE DTLA
Los Angeles, CA

UNITS	YEAR BUILT
293	2016
PRICE / UNIT	**SALES PRICE**
$412,969	$121,000,000

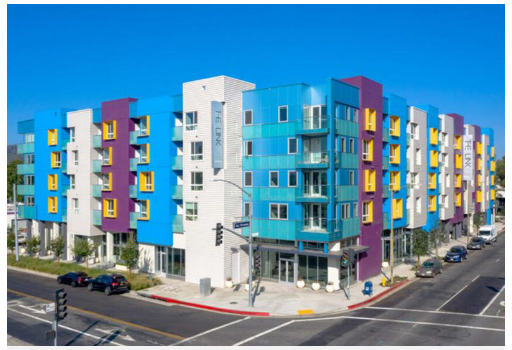
OCEANAIRE
Long Beach, CA

UNITS	YEAR BUILT
216	2018
PRICE / UNIT	**SALES PRICE**
$555,556	$120,000,000



BRIO
Glendale, CA

UNITS	YEAR BUILT
205	2013
PRICE / UNIT	**SALES PRICE**
$536,585	$110,000,000



THE LINK
Glendale, CA

UNITS	YEAR BUILT
143	2019
PRICE / UNIT	**SALES PRICE**
$699,301	$100,000,000

MODA MONROVIA STATION
Monrovia, CA

UNITS	YEAR BUILT
261	2018
PRICE / UNIT	**SALES PRICE**
$383,142	$100,000,000

THE HARRISON
Glendale, CA

UNITS	YEAR BUILT
164	2017
PRICE / UNIT	**SALES PRICE**
$553,049	$90,700,000

THE ESTELLE
Los Angeles, CA

UNITS	YEAR BUILT
61	2020
PRICE / UNIT	**SALES PRICE**
$901,639	$55,000,000

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Sources: RealPage; Moody's Analytics; Real Capital Analytics; Federal Reserve Bank of Cleveland