

LOS ANGELES NORTH

MULTIFAMILY REPORT

SECOND QUARTER 2020



MARKET AT A GLANCE



OCCUPANCY RATE **95.8%**
Down **80 bps** since 2Q19



EFFECTIVE RENT **\$2,068**
Down **1.6%** since 2Q19

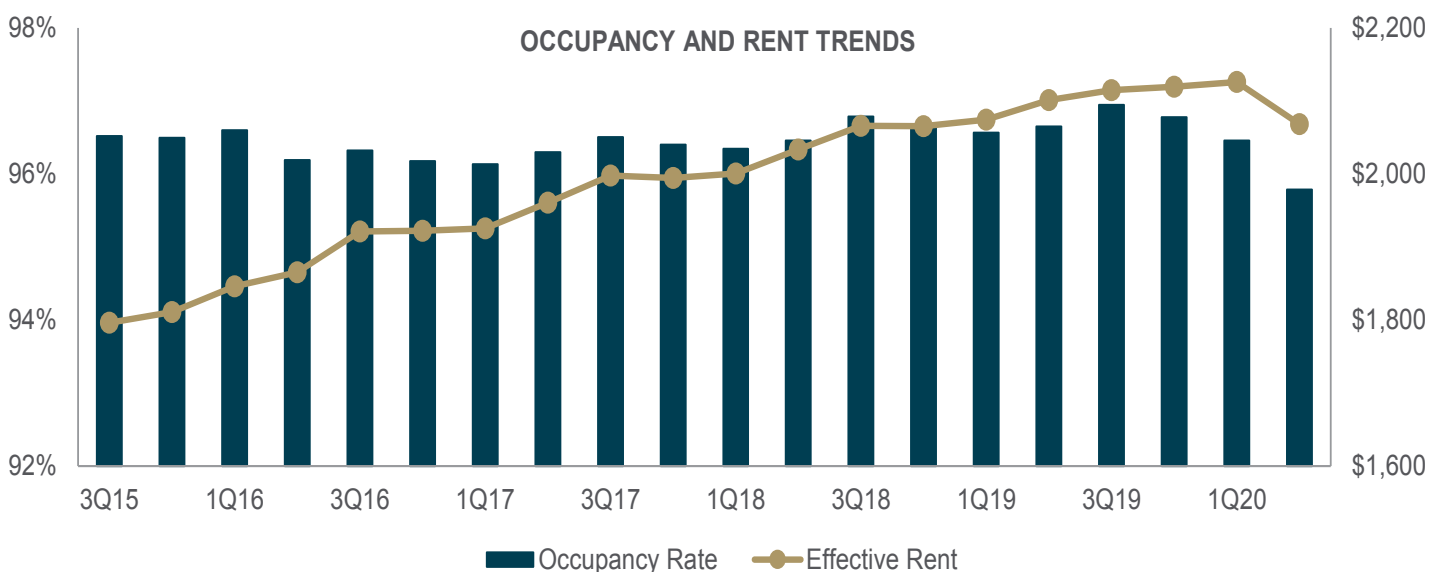


RENT PAYMENT TRACKER (July 1-6) **79.0%**
Down **320 bps** since June 1-6

OCCUPANCY AND RENT TRENDS

APARTMENT OCCUPANCY REMAINS ABOVE 95% IN L.A. NORTH

Average monthly effective rent in Los Angeles North was \$2,068 in June 2020, down 2.7% from March, largely attributed to operators' response to reduced leasing activity. Since March, apartment occupancy fell 70 basis points to 95.8% by June. Countywide, fundamentals at Class C apartments fared better than middle- and upper-tier apartment communities in the second quarter of 2020. Average occupancy decreased 40 basis points at Class C properties compared to a 60-basis-point reduction at Class B apartment communities. The unsettled labor market and simultaneous wave of new, upscale apartment inventory fueled a 200-basis-point drop in occupancy at Class A properties in the second quarter. At the same time, Class C average effective rent increased 0.3%, while Class A and B apartments experienced 1.3% and 3.1% declines, respectively. Most renters in the county met their rent obligation as 79% paid all or part of their rent during the week of July 1 to July 6. Approximately 0.4% of apartment loans in the metro area were at least 30 days delinquent in June, up 10 basis points from May. Approved forbearance requests rose 20 basis points month-over-month to 2.8% of outstanding apartment loans in June.



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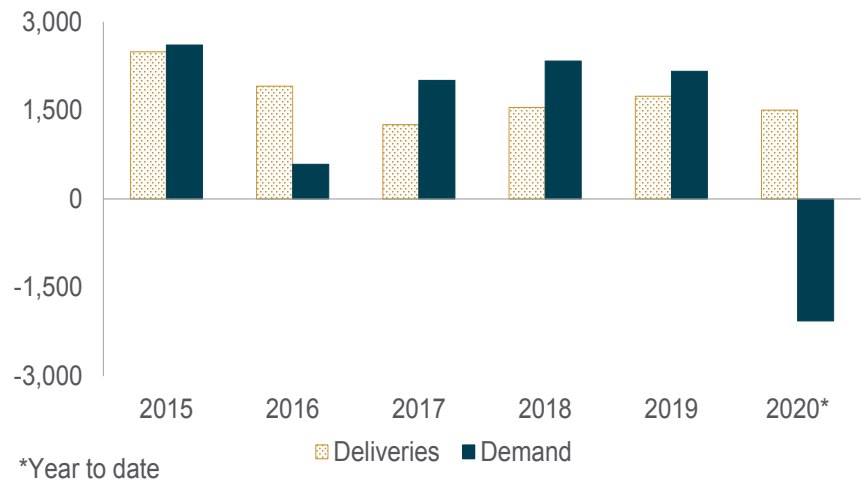
DELIVERIES AND DEMAND



DELIVERIES 1,504
Units YTD



NET ABSORPTION -2,063
Units YTD



ECONOMIC TRENDS

2019 4.5% **UNEMPLOYMENT*** 1,640 BPS CHANGE 2020 20.9%

2019 4.6m **EMPLOYMENT*** -13.6% CHANGE 2020 3.9m

2019 61.1k **EXISTING SFH SALES**** -16.5% CHANGE 2020 51.0k

2019 10.0m **POPULATION**** 0.1% CHANGE 2020 10.0m

2019 2.07% **10-YEAR TREASURY**** -130 BPS CHANGE 2020 0.73%

*May; **June



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SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Antelope Valley	97.0%	10	70	\$1,383	-0.2%	2.3%	14	97	0	0
Burbank/Glendale/Pasadena	95.0%	-140	-130	\$2,363	-4.5%	-3.2%	-1,448	-1,026	0	310
North San Gabriel Valley	96.4%	-30	-30	\$1,777	-0.4%	1.5%	-102	-81	0	0
Northridge/Northwest San Fernando Valley	95.5%	-60	-160	\$1,934	-1.6%	-1.4%	-40	-400	196	196
Santa Clarita Valley	95.9%	60	-50	\$2,101	-0.9%	-0.5%	91	-82	0	0
Sherman Oaks/North Hollywood/Encino	95.5%	-60	-90	\$2,293	-3.8%	-2.1%	21	458	344	922
Van Nuys/Northeast San Fernando Valley	96.6%	-40	-70	\$1,827	-1.2%	0.4%	-373	-547	0	86
Woodland Hills	95.7%	-10	-10	\$2,199	-2.4%	-5.1%	56	575	84	614
TOTALS	95.8%	-70	-80	\$2,068	-2.7%	-1.6%	-1,781	-1,005	624	2,128



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