

# LOS ANGELES SOUTH

## MULTIFAMILY REPORT

SECOND QUARTER 2020



### MARKET AT A GLANCE



**OCCUPANCY RATE** **96.4%**  
Down **60 bps** since 2Q19



**EFFECTIVE RENT** **\$1,942**  
**Unchanged** since 2Q19

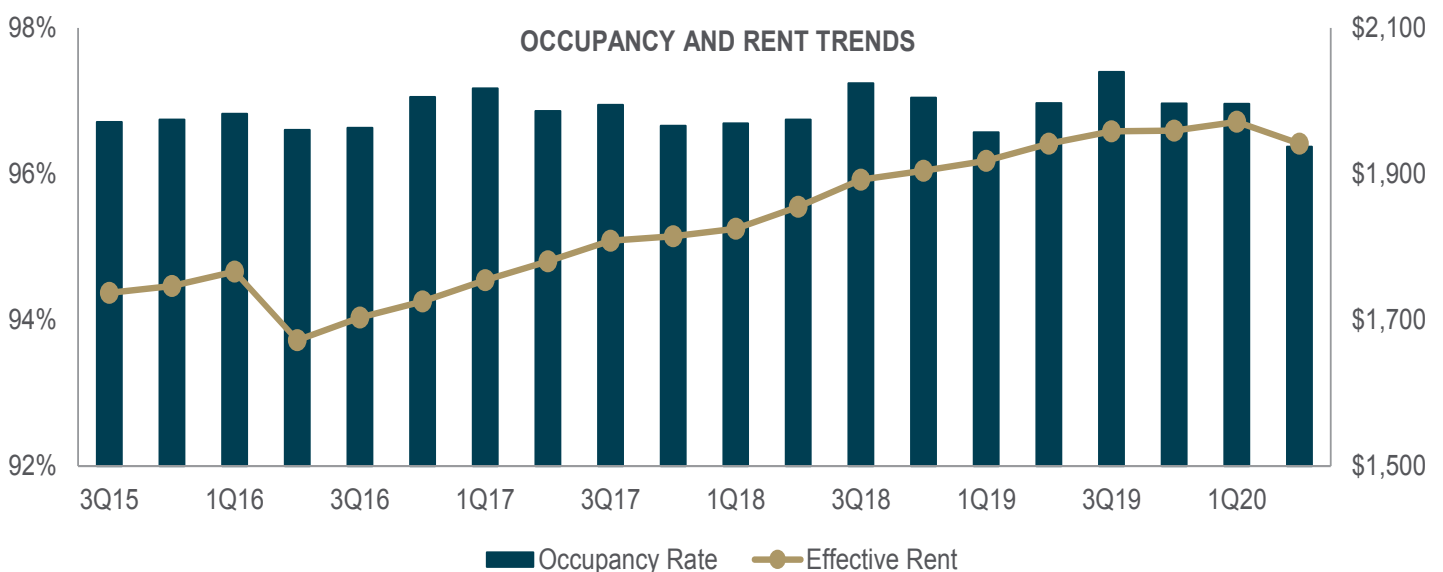


**RENT PAYMENT TRACKER (July 1-6)** **79.0%**  
Down **320 bps** since June 1-6

### OCCUPANCY AND RENT TRENDS

## COST OF LIVING & DIVERSE ECONOMY AID APARTMENT FUNDAMENTALS

Employers in Los Angeles County added 32,700 net workers to payrolls from April 2020 to May. Among these additions were 15,000 workers in the manufacturing industry, many employed in the South Bay. The diversity of employment and lower cost of living in Los Angeles South cushioned apartment fundamentals from significant disruption. Operators recorded 96.4% apartment occupancy in June 2020, a 60-basis-point reduction from March compared to the 100-basis-point drop countywide. Second-quarter occupancy in Los Angeles South was 60 basis points higher than Los Angeles North and 220 basis points higher than Los Angeles West. In June, monthly effective rent averaged \$1,942 in Los Angeles South, down 1.5% from March, while effective rent fell 3.0% countywide. Los Angeles South rent was an attractive alternative to the costlier northern and western portions of the county, which had respective rent premiums of 6% and 33%. Despite job uncertainty, 79% of renters maintained their rent obligation during the week of July 1 to July 6. Apartment owners were even more consistent. In June, only 0.4% of loan payments were more than 30 days late, and forbearance was approved for just 2.8% of outstanding loans.



# LOS ANGELES SOUTH

MULTIFAMILY REPORT

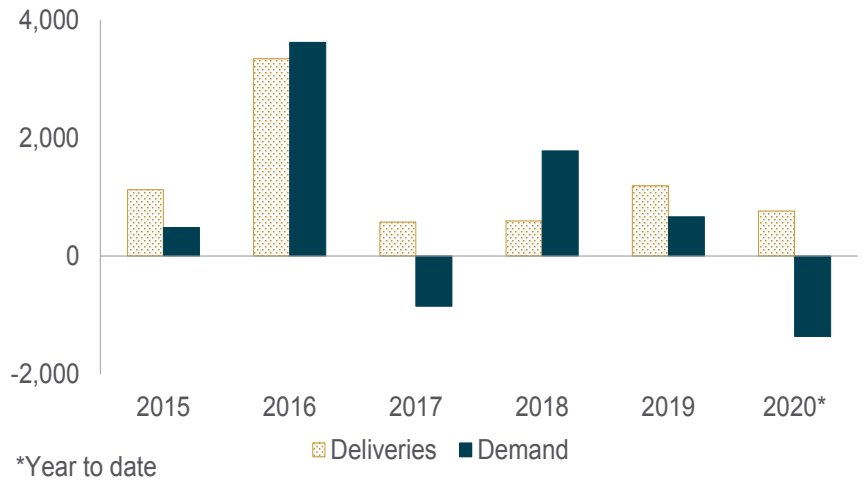
## DELIVERIES AND DEMAND



**DELIVERIES** 761  
Units YTD



**NET ABSORPTION** -1,361  
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



# LOS ANGELES SOUTH

MULTIFAMILY REPORT

## 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       |
| East Los Angeles         | 97.1%        | 30                 | -10                | \$1,646        | -1.2%        | 0.3%         | 138            | -44         | 0               | 0            |
| Long Beach               | 95.6%        | -40                | -80                | \$2,004        | -1.3%        | 0.3%         | -154           | 226         | 131             | 814          |
| South Bay                | 94.7%        | -130               | -150               | \$2,535        | -3.9%        | -3.1%        | -698           | -554        | 150             | 385          |
| South Los Angeles        | 97.3%        | -80                | -20                | \$1,754        | -0.1%        | 1.4%         | -841           | -52         | 117             | 158          |
| South San Gabriel Valley | 96.0%        | -60                | -100               | \$1,755        | -1.2%        | 0.2%         | -61            | -106        | 0               | 0            |
| Southeast Los Angeles    | 96.5%        | -20                | -70                | \$1,872        | -0.9%        | 1.9%         | -82            | -282        | 0               | 0            |
| <b>TOTALS</b>            | <b>96.4%</b> | <b>-60</b>         | <b>-60</b>         | <b>\$1,942</b> | <b>-1.5%</b> | <b>0.0%</b>  | <b>-1,698</b>  | <b>-812</b> | <b>398</b>      | <b>1,357</b> |

# **BERKADIA**<sup>®</sup>

## **CORPORATE HEADQUARTERS**

521 Fifth Avenue  
20th Floor  
New York, NY 10175  
(646) 600-7800 | Fax: (646) 600-7838  
[www.Berkadia.com](http://www.Berkadia.com)

a Berkshire Hathaway and Jefferies Financial Group company

© 2020 Berkadia Proprietary Holding LLC

Berkadia<sup>®</sup> is a trademark of Berkadia Proprietary Holding LLC.

Axiometrics<sup>®</sup> is a trademark of Axiometrics Inc.

Commercial mortgage loan origination and servicing businesses are conducted exclusively by Berkadia Commercial Mortgage LLC and Berkadia Commercial Mortgage Inc. This website is not intended to solicit commercial mortgage loan brokerage business in Nevada. Investment sales and real estate brokerage businesses are conducted exclusively by Berkadia Real Estate Advisors LLC and Berkadia Real Estate Advisors Inc. For state licensing details for the above entities, visit: [www.berkadia.com/legal/licensing.aspx](http://www.berkadia.com/legal/licensing.aspx)