

LOS ANGELES WEST

MULTIFAMILY REPORT

SECOND QUARTER 2020



MARKET AT A GLANCE



OCCUPANCY RATE 94.2%

Down 190 bps since 2Q19



EFFECTIVE RENT \$2,708

Down 3.9% since 2Q19



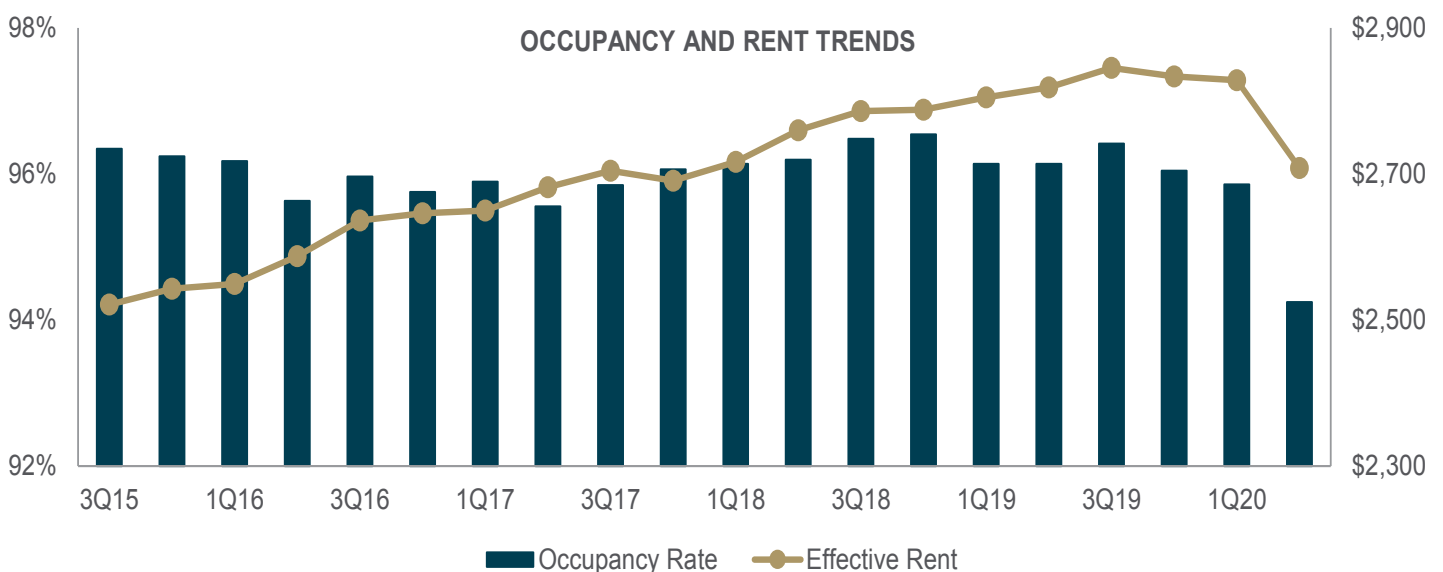
RENT PAYMENT TRACKER (July 1-6) 79.0%

Down 320 bps since June 1-6

OCCUPANCY AND RENT TRENDS

L.A. METRO FORBEARANCE RATE LOWER THAN U.S. PRIMARY MARKETS

Builders delivered 2,498 apartment units in the second quarter of 2020 in Los Angeles West, while operators recorded net negative absorption of 4,179 units. This supply imbalance spurred a 170-basis-point quarter-over-quarter reduction in occupancy to 94.2% in June. During that time, net absorption increased only in the Downtown Los Angeles submarket, though a wave of new apartments fueled a decrease in occupancy. Effective rent fell 3.9% from March 2020 to June in Downtown Los Angeles, which mirrored the rest of Los Angeles West. Since March 2020, monthly effective rent in Los Angeles West depreciated 4.2% to \$2,708. Approximately 79% of renters paid all or part of their rent from July 1 to July 6. Metrowide, accepted applications for loan forbearance rose from 2.6% of outstanding loans in May to 2.8% in June. Even with this increase, the rate of forbearance in the metro area was lower than the 3.6% average rate among primary apartment markets in the U.S. Looking forward, 5,057 apartment units are scheduled for delivery in Los Angeles West in the last half of 2020. These additions may test occupancy and rent growth, but the county's ongoing housing shortage will help sustain long-term demand for multifamily housing.



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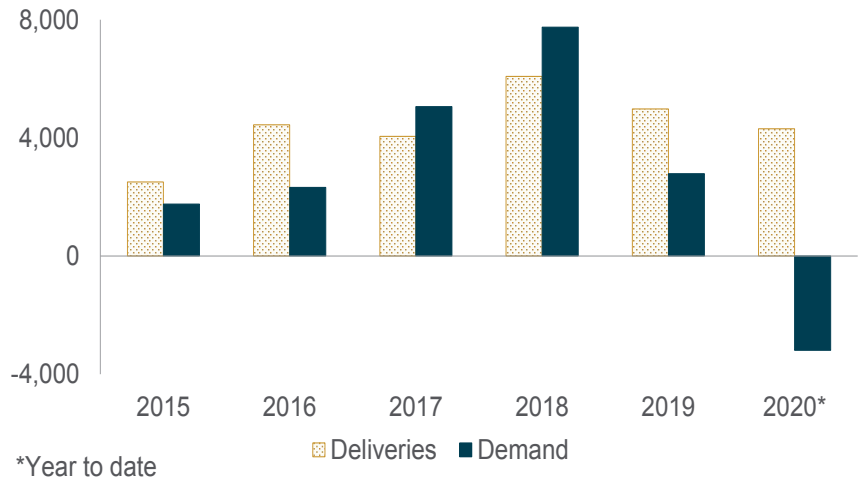
DELIVERIES AND DEMAND



DELIVERIES 4,308
Units YTD



NET ABSORPTION -3,189
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
Brentwood/Westwood/Beverly Hills	93.0%	-290	-420	\$3,401	-2.0%	-2.0%	-1,602	-2,044	0	341
Downtown Los Angeles	92.5%	-150	-200	\$2,478	-3.9%	-5.6%	406	1,241	1,284	2,412
Hollywood	94.1%	-160	-140	\$2,546	-4.8%	-5.1%	-1,096	-351	341	997
Mid-Wilshire	95.3%	-110	-110	\$2,321	-6.3%	-5.5%	-949	-481	334	868
Palms/Mar Vista	95.1%	-140	-190	\$2,755	-3.4%	-2.3%	-463	47	168	905
Santa Monica/Marina del Rey	94.6%	-170	-170	\$3,363	-3.1%	-1.3%	-474	228	371	1,085
TOTALS	94.2%	-170	-190	\$2,708	-4.2%	-3.9%	-4,179	-1,361	2,498	6,608

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