



Southern California multifamily market report

Q2 2022

**AVISON
YOUNG**

Multifamily market trends

01

Inventory

- Southern California inventory totaled **7,335 buildings with 1,084,790 units** at the end of 2Q 2022.
- Deliveries dropped below 4,000 units for the first time since 1Q 2020 with **3,351 units** completed in the second quarter.
- New projects continue to break ground across the Southern California markets to supplement the influx of renters with **50,086 units under construction.**

02

Rents

- With the pandemic nearly over and home buying slowing down due to interest rate hikes, rental rates have risen across Southern California, **up 19.8% since 2020 to \$2,350/Unit.**
- Sale activities picked up from the first quarter with **60 transactions and a volume of over \$3.6B** but is expected to decline in Q3 2022 as pricing begins to reset due to higher interest rates and ensuing bid-ask gap.
- **Rental increases are expected to continue around 5%-10%** through 2022 as landlords recover as newer high-class inventory enters the market.

03

Occupancy

- Southern California vacancies have steadily decreased, **falling by 40.7% since the pandemic began in 1Q 2020 to 3.2%.** With 2,786 units absorbed, demand has continued to keep pace with new deliveries.
- **With the Fed continuing to increase interest rates to tackle inflation with a 75-basis point increase expected in August,** more tenants have been swayed to renting rather than buying. Increased demand from new renters should keep occupancy at high levels.



Southern California multifamily under construction pipeline

308 properties

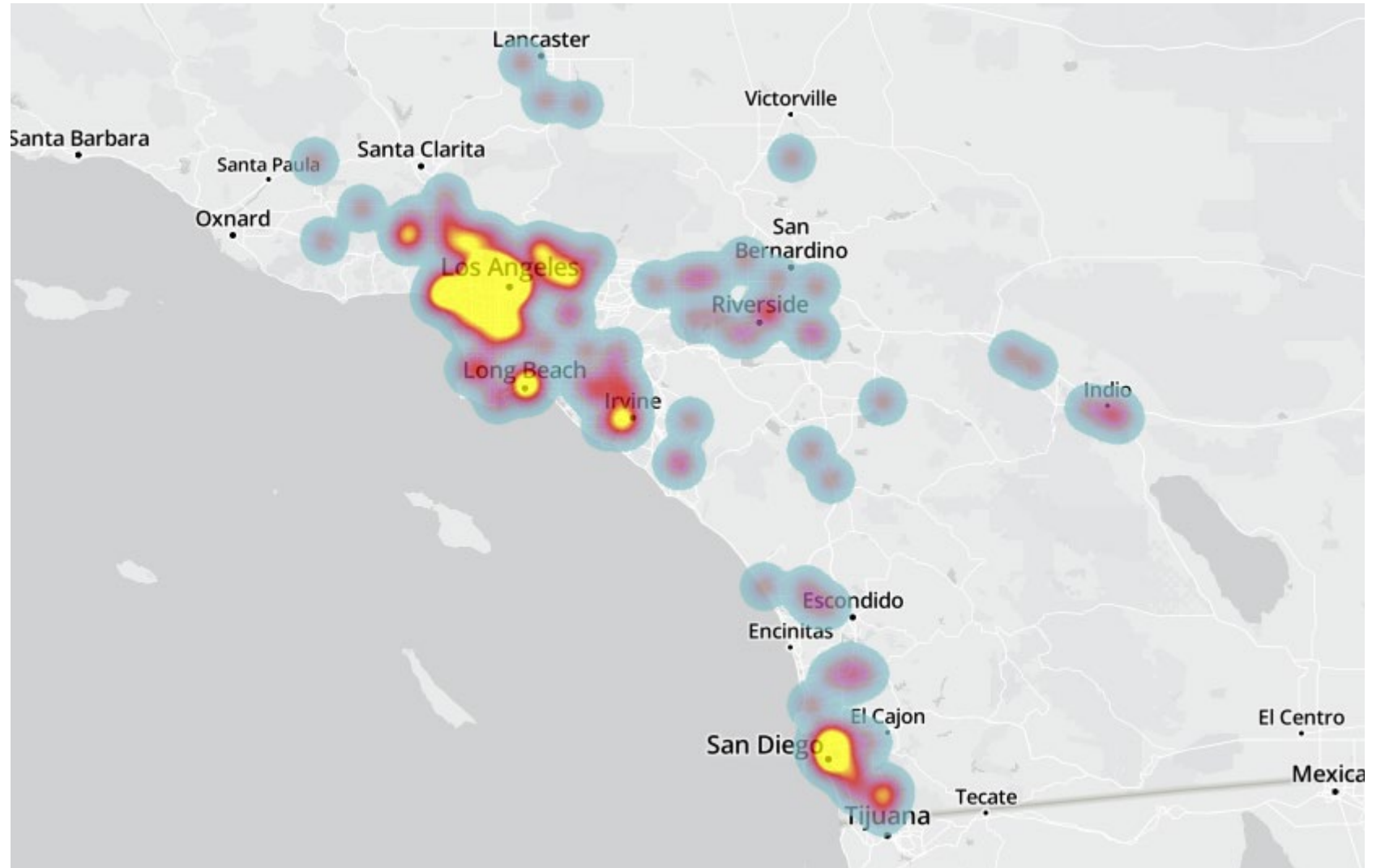
217	Los Angeles
19	Orange County
26	Inland Empire
46	San Diego

50,086 units

30,151	Los Angeles
5,884	Orange County
4,713	Inland Empire
9,338	San Diego

Major developments

1,150 units	<i>Ferrante, Los Angeles</i> Los Angeles
960 units	<i>Elements Phase II, Irvine</i> Orange County
925 units	<i>Vineyards at Ontario, Ontario</i> Inland Empire
480 units	<i>Avalyn at Millenia, Chula Vista</i> San Diego



*Development based on 50 Units+

Southern California multifamily proposed construction pipeline

499 properties

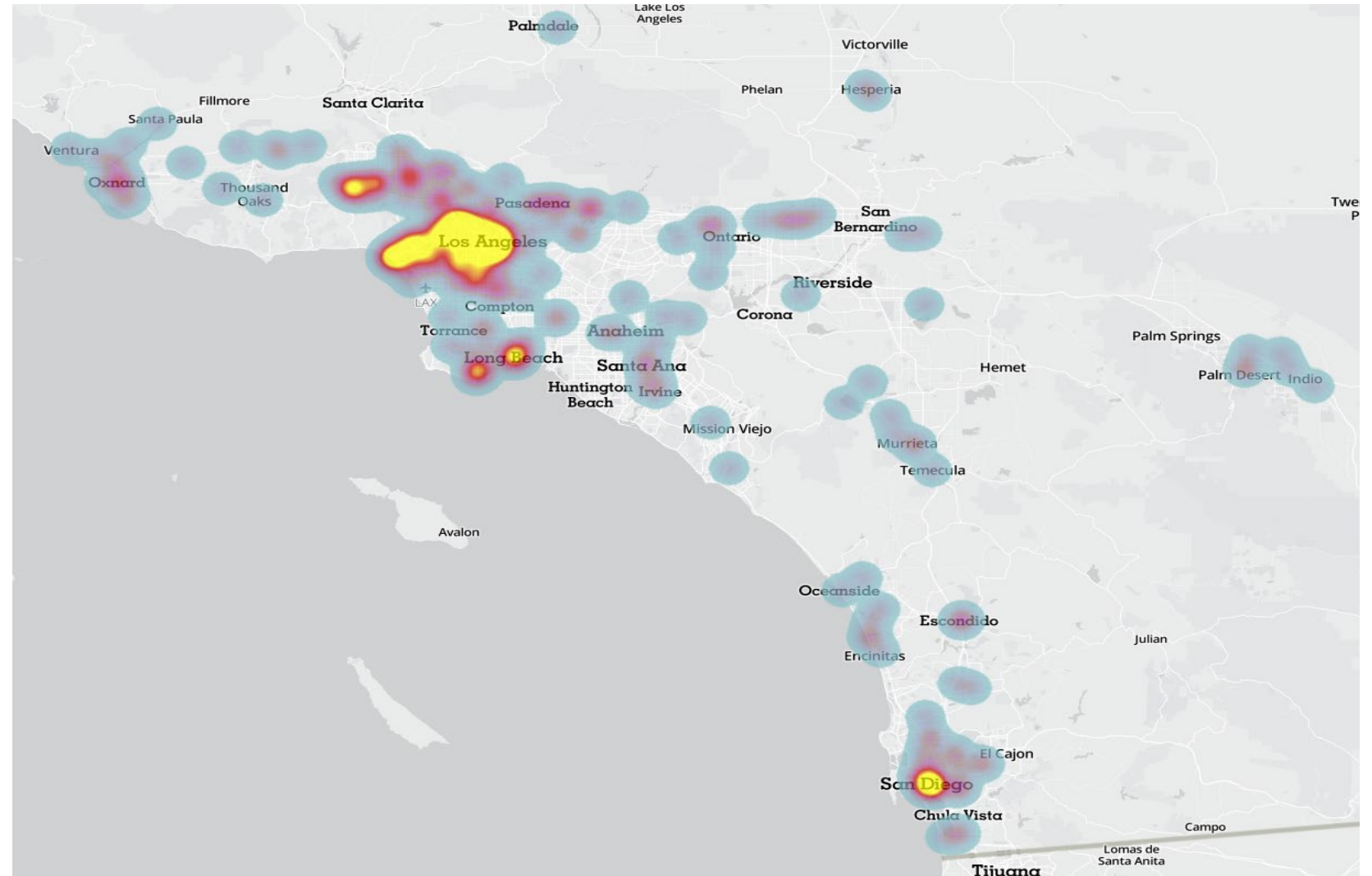
- 391 Los Angeles
- 10 Orange County
- 41 Inland Empire
- 57 San Diego

119,930 units

- 90,330 Los Angeles
- 4,002 Orange County
- 9,909 Inland Empire
- 15,689 San Diego

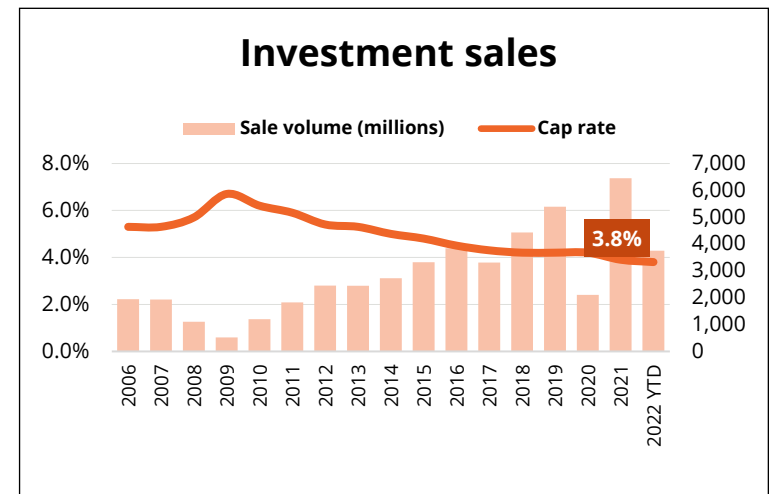
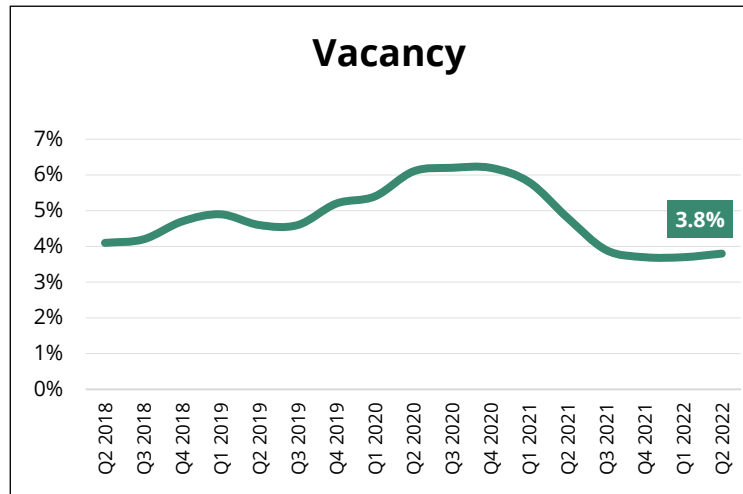
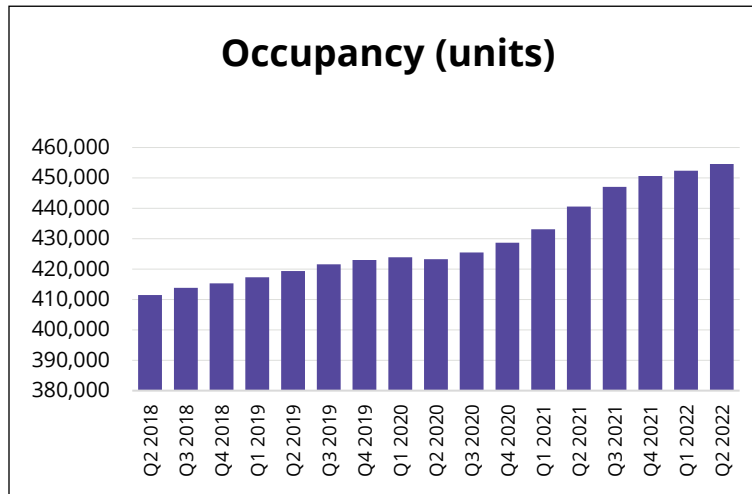
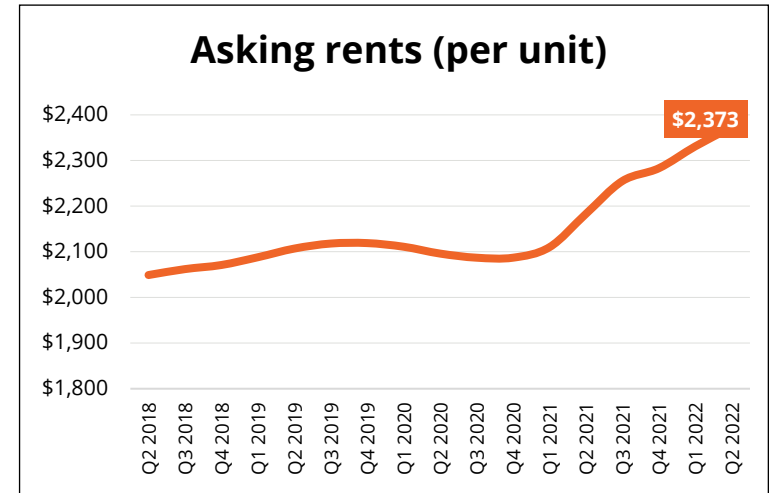
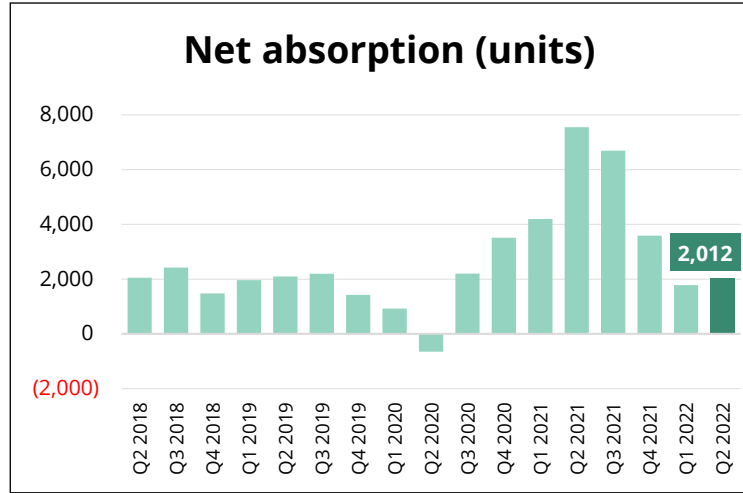
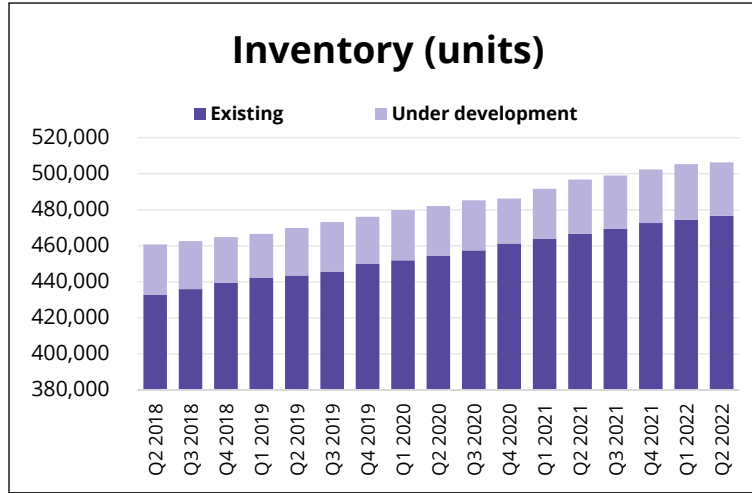
Major developments

- 2,186 units** 1050 S Prairie Ave, Inglewood
Los Angeles
- 1,100 units** 2300 Redhill Ave, Santa Ana
Orange County
- 1,140 units** 121 S Indian Hill Blvd, Claremont
Inland Empire
- 1,622 units** 7585 Clairemont Mesa Blvd, San Diego
San Diego



*Development based on 50 Units+

Los Angeles multifamily market indicators

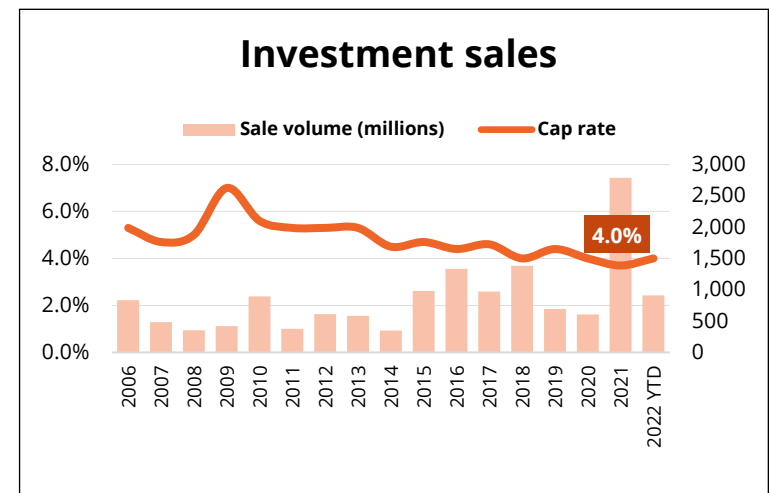
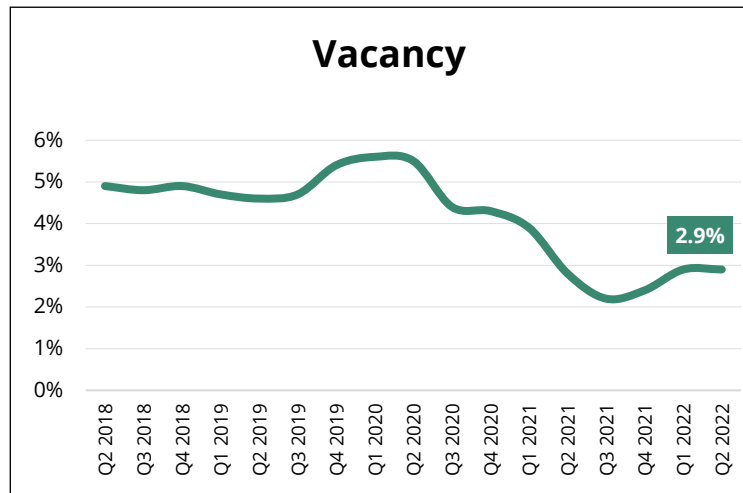
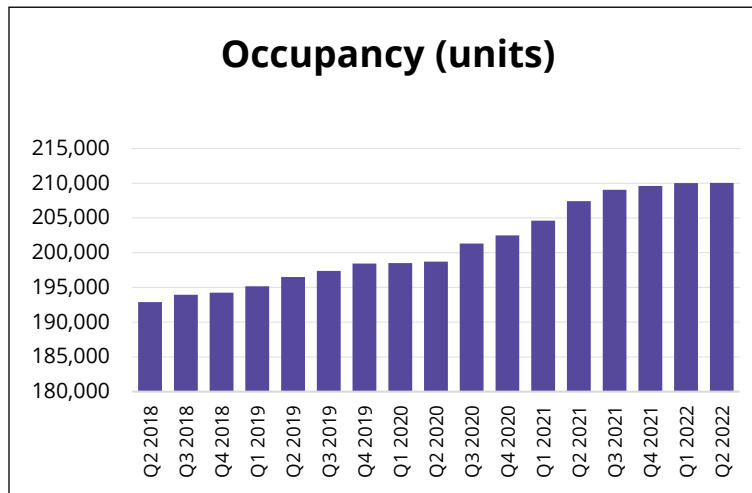
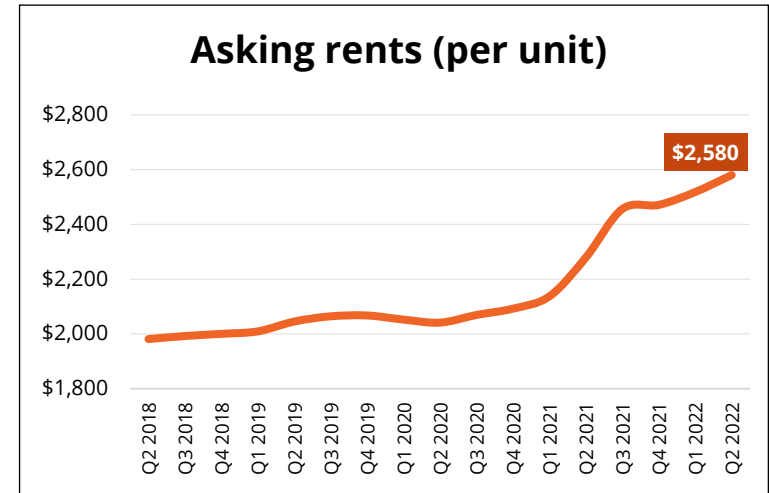
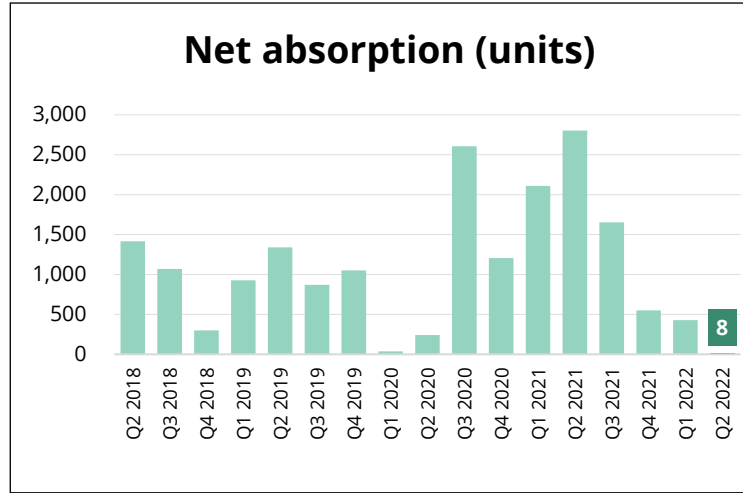
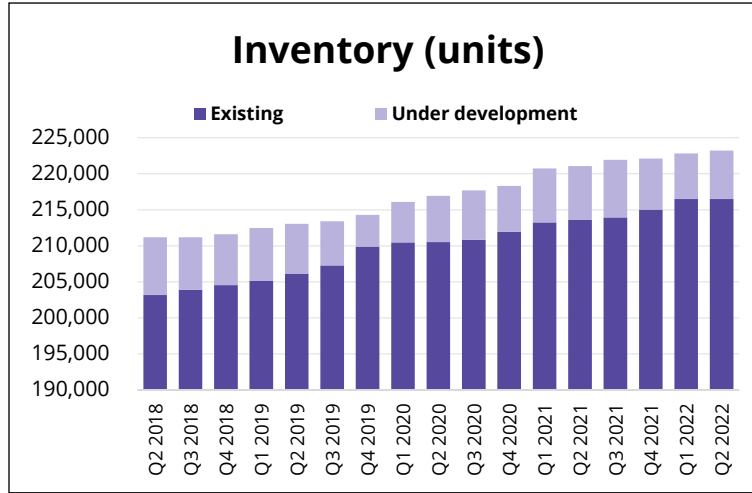


*Survey based on 50 Units+

Los Angeles sales activity

Property	Total Units	Avg. Unit Size	Sale Price (Mil)	Avg. Price per unit	Avg. Effective Rent	Buyer	Seller
1221 Ocean Avenue	120	1,531	\$330,000,000	\$2,750,000	-	Douglas Emmett Management	Irvine Company
Evolve South Bay	300	1,004	\$171,000,000	\$570,000	\$3,287	MG Properties	MBK Real Estate Companies
Bahay	200	904	\$137,750,000	\$688,750	\$3,137	Stockbridge Capital Group	Trammell Crow Residential Company
The Villas at Woodland Hills	324	986	\$134,500,000	\$415,123	\$2,682	Pacific Urban Residential	Verbena Road Holdings, Ltd
Jefferson SoLA	244	907	\$130,000,000	\$532,787	\$2,894	Standard Companies	JPI/TDI
Oceano at Warner Center	244	935	\$113,700,000	\$465,984	\$2,710	CityView	Nuveen
Fusion Warner Center	266	736	\$96,000,000	\$360,902	\$2,185	The Lighthouse Group	Kornreich-Morgan Realty Company
The Verandas	209	909	\$92,000,000	\$440,191	\$2,551	Clarion Partners	Legacy Partners
The Eastway Apartments	136	818	\$73,255,000	\$538,640	\$3,347	Zurich Alternative Asset Mgmt	CIM Group, LP
Plymouth West Apartments	196	445	\$67,000,000	\$341,837	\$951	Hearthstone Housing Foundation	Las Palmas Foundation

Orange County multifamily market indicators

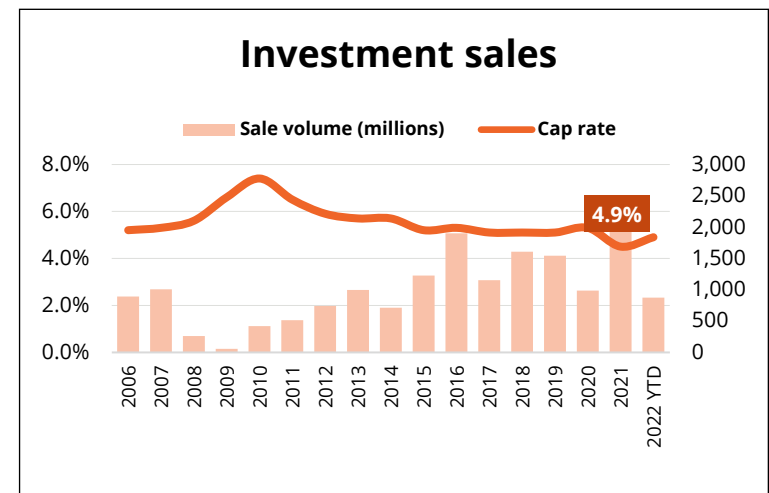
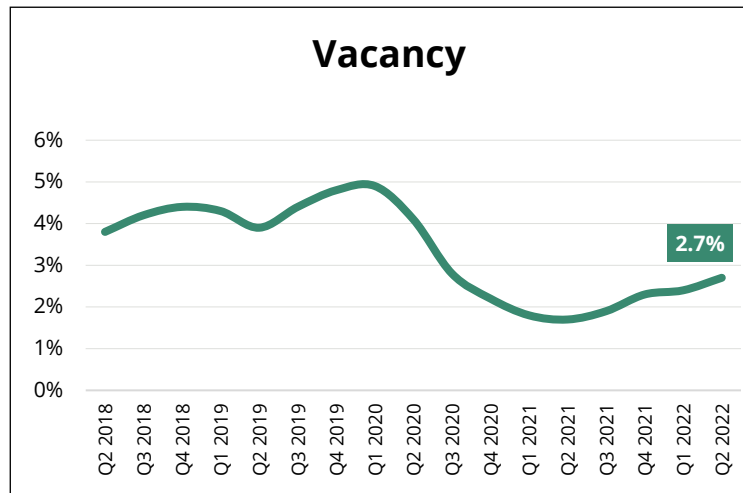
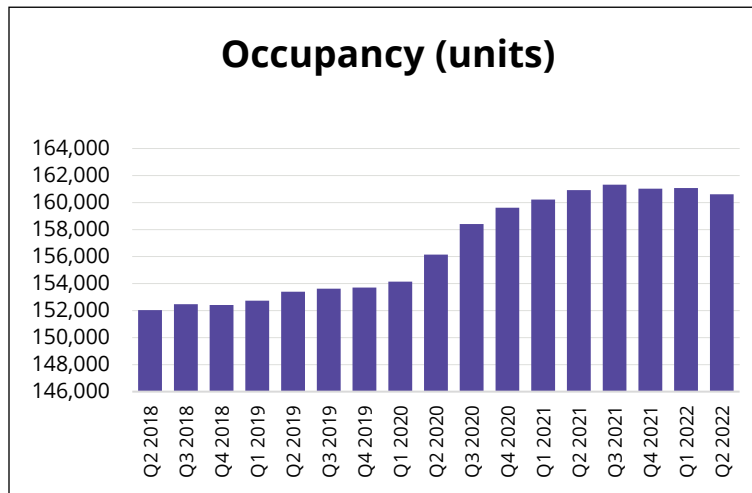
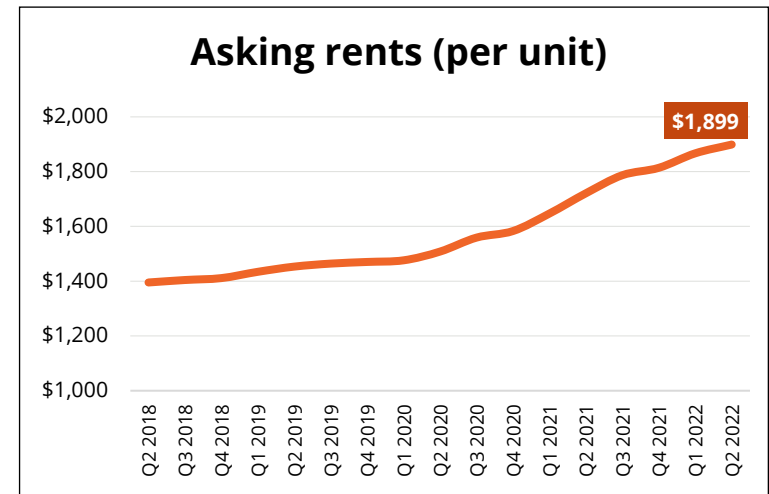
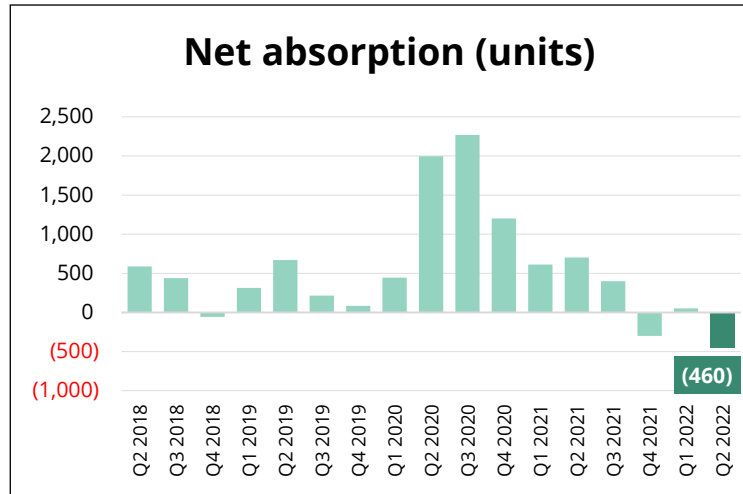
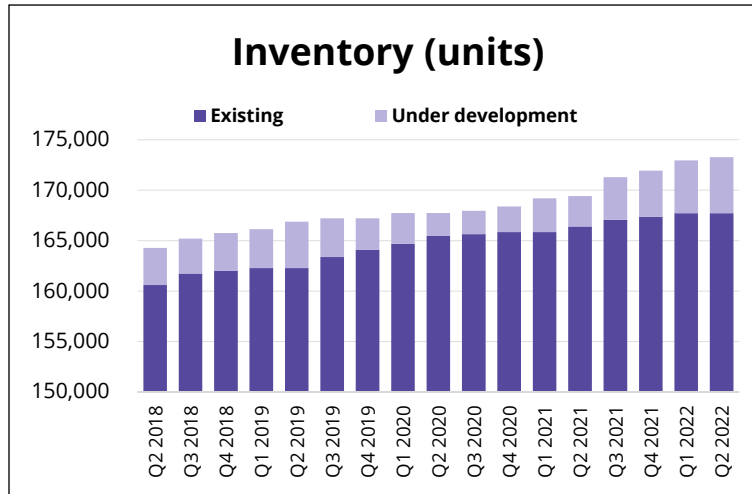


*Survey based on 50 Units+

Orange County sales activity

Property	Total Units	Avg. Unit Size	Sale Price (Mil)	Avg. Price per unit	Avg. Effective Rent	Buyer	Seller
580 Anton	250	868	\$172,200,000	\$688,800	\$3,350	Rockwood Capital LLC	Legacy Partners
The Herald	215	903	\$130,075,000	\$605,000	\$2,580	MG Properties	Lyon Management Group
The Monterey	100	790	\$29,050,000	\$290,500	\$1,764	Strattford Capital LLC	Howard Schweitzer
Huntington Manor	77	737	\$28,000,000	\$363,636	\$1,954	Dunbar Real Estate Investment	Mar & Associates
Sherry Lane Garden Homes	62	1,100	\$27,000,000	\$435,484	\$2,501	Sherry Lane LLC	James & Louise Williams Family Trust
Holiday Gardens	58	884	\$23,075,000	\$397,845	\$1,982	Patrick Theodora	Martin Campbell

Inland Empire multifamily market indicators

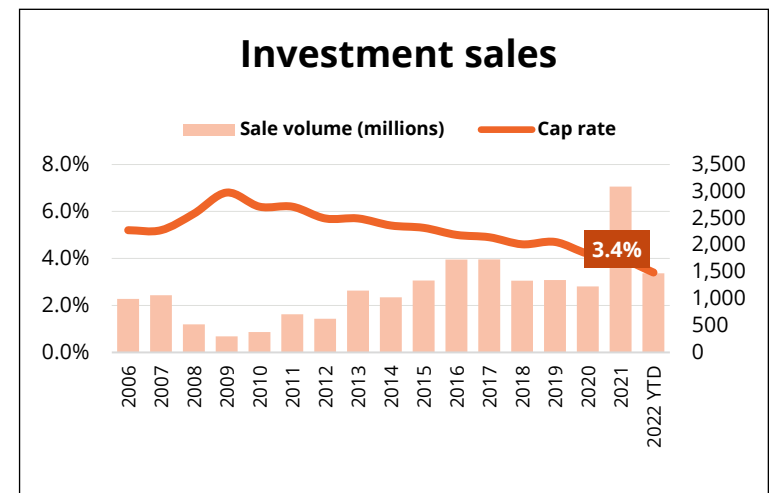
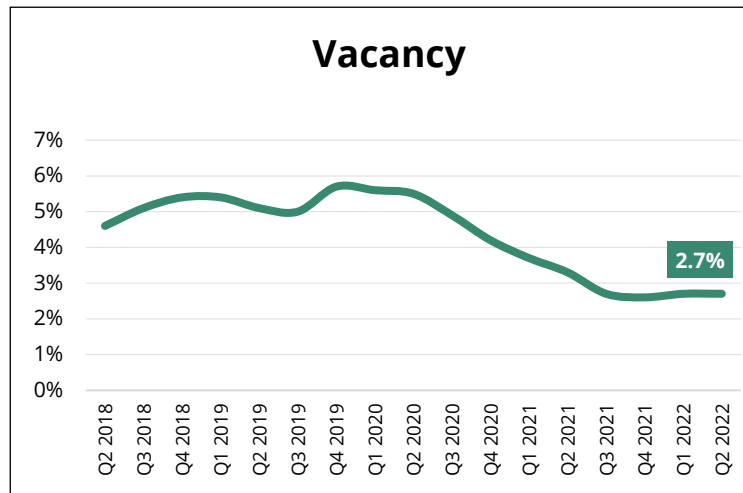
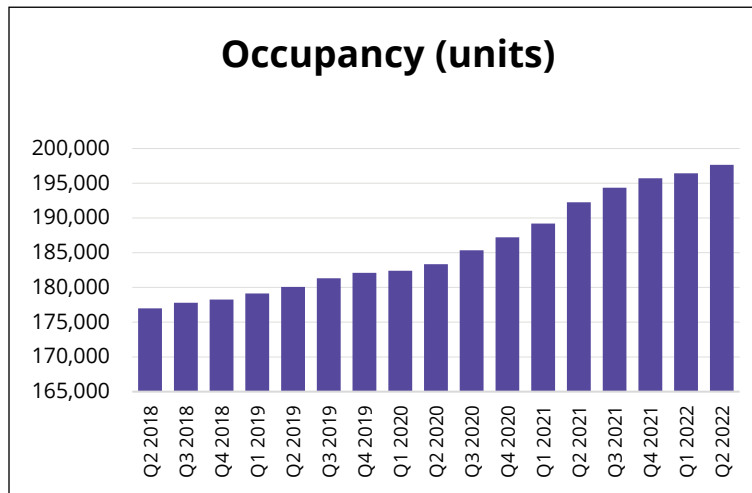
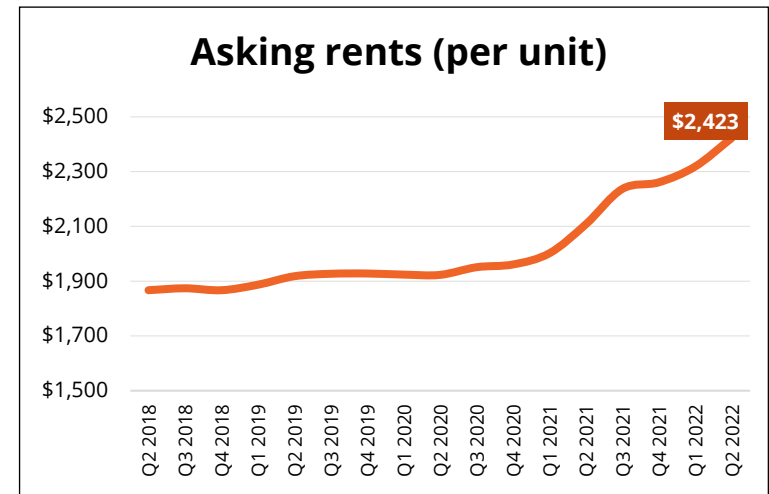
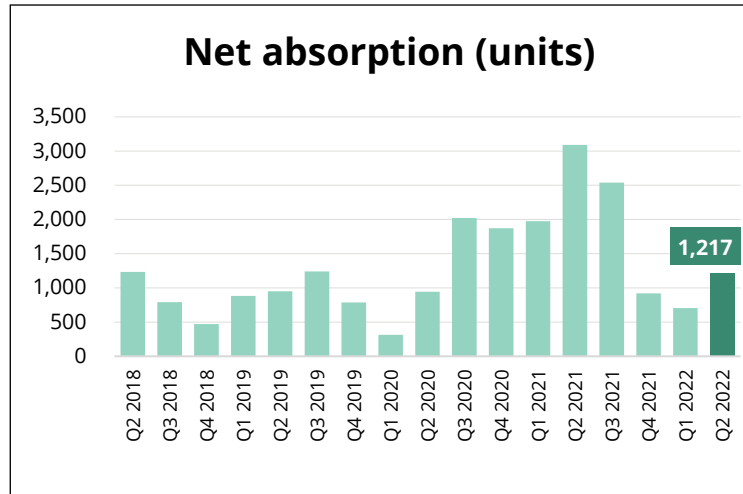
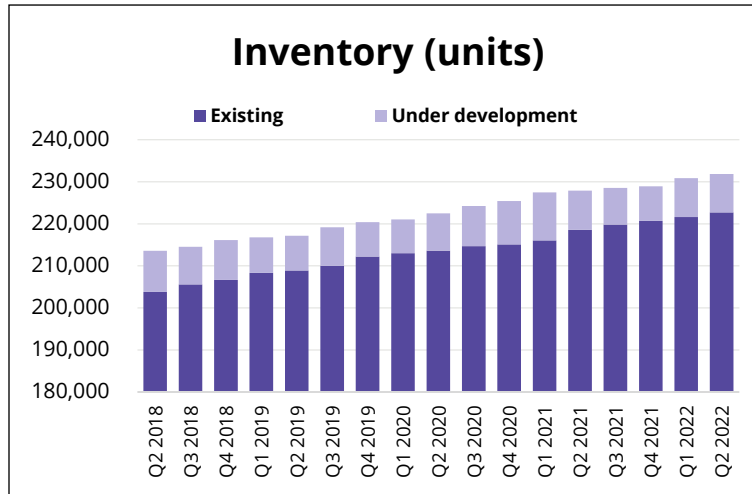


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Inland Empire sales activity

Property	Total Units	Avg. Unit Size	Sale Price (Mil)	Avg. Price per unit	Avg. Effective Rent	Buyer	Seller
Citrine Hills	736	809	\$310,000,000	\$421,196	\$2,364	Waterton	Bridge Investment Group
The Angelica	270	963	\$133,650,000	\$495,000	\$2,592	TA Realty	Mesirow Financial
Camino Real	272	906	\$123,000,000	\$452,206	\$2,455	TA Realty	Acacia Capital Corp
Foothill Ridge Apartments	232	749	\$82,000,000	\$353,448	\$1,748	Clear Capital	Virtu Investments
Veranda Ontario	142	820	\$45,606,000	\$321,169	\$2,240	Interwest Capital Group LLC	FPA Multifamily LLC
Charlmont Village	55	1148	\$23,925,000	\$435,000	\$2,994	Crystal Asset Management	CKJ Properties, Inc

San Diego multifamily market indicators



*Survey based on 50 Units+

San Diego sales activity

Property	Total Units	Avg. Unit Size	Sale Price (Mil)	Avg. Price per unit	Avg. Effective Rent	Buyer	Seller
Forest Park	338	743	\$121,000,000	\$357,988	\$2,275	Bridge Investment Group	Blackstone Inc
The Heritage	230	920	\$118,500,000	\$515,217	\$2,985	The Green Cities Company	Brookfield Properties Multifamily, Inc
Colonnade at Fletcher Hills	138	873	\$48,250,000	\$349,638	\$2,223	Bridge Investment Group	Blackstone Inc
Celsius	102	842	\$42,800,000	\$419,608	\$2,422	Cameron Brothers Construction	Guardian Capital
Diane Apartments	76	874	\$26,750,000	\$351,974	\$1,801	F&F Income Properties	Veltman Holdings., Ltd
Canyon Springs Apartments	61	1239	\$26,650,000	\$436,885	\$2,675	Vanamor Investments	Gleich Properties
Cinnamon Woods Apartments	88	744	\$26,100,000	\$296,591	\$1,676	CARV Properties LLC	Randy Wolman
Bay Inn Apartments	55	957	\$25,000,000	\$454,545	\$2,066	Providence Capital Group, Inc	Lirong Shen
The Arches	92	820	\$24,800,000	\$269,565	\$2,046	Interstate Equities Corp	Mary Curry Living Trust
Studios345	86	273	\$11,450,000	\$133,140	\$1,779	Insight Investment Partners	FPA Multifamily LLC

For more market insights
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