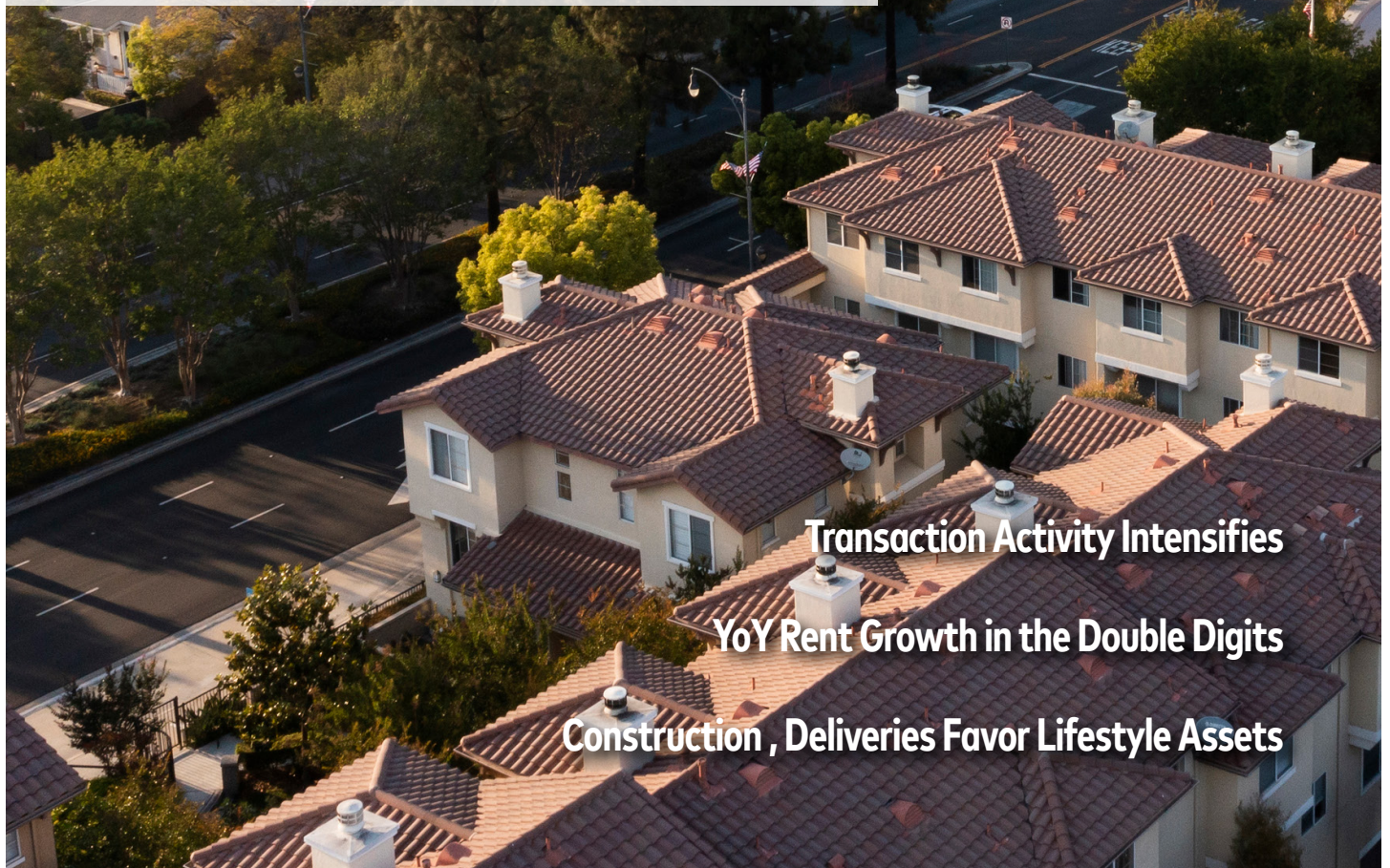




MULTIFAMILY REPORT

Resurgent Orange County

Fall 2021



Transaction Activity Intensifies

YoY Rent Growth in the Double Digits

Construction, Deliveries Favor Lifestyle Assets

ORANGE COUNTY MULTIFAMILY



High Demand, Low Supply Lead to Tight Market

Orange County's diverse economy has helped its rental market weather the challenges of the health crisis. In August 2020, rent growth turned positive, and since the start of 2021, rents have held an ascending trend, up 1.6% on a trailing three-month basis through August, to \$2,343. Heightened demand was mirrored by the occupancy rate in stabilized properties, up 130 basis points in the 12 months ending in July, to 97.2%.

The unemployment rate improved to 6.3% in July, still trailing the U.S. rate, which stood at 5.4%. While nationally the employment market expanded by 0.3% in the 12 months ending in June, in Orange County it contracted by 1.0%, but still recovered 114,900 jobs combined across sectors. Mirroring the national trend, leisure and hospitality regained the bulk of jobs (up 39.3%, or 54,700 jobs), followed by the metro's largest sectors—professional and business services and trade, transportation and utilities—up a respective 6.8% and 7.3%, for 37,100 jobs combined.

Year-to-date deliveries totaled 1,572 units and the construction pipeline consisted of 7,120 units underway. Although development picked up, it still trails pre-pandemic levels. Meanwhile, \$770 million in multifamily assets traded, for a price per unit that surpassed the \$400,000 mark and set a record high.

Market Analysis | Fall 2021

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Recent Orange County Transactions

The Mix at CTR City



City: Anaheim, Calif.
Buyer: CMFA
Purchase Price: \$115 MM
Price per Unit: \$416,667

Joule La Floresta



City: Brea, Calif.
Buyer: Nuveen Real Estate
Purchase Price: \$108 MM
Price per Unit: \$530,025

Overlook at Anaheim Hills



City: Anaheim Hills, Calif.
Buyer: Avanath Capital Management
Purchase Price: \$88 MM
Price per Unit: \$335,249

University Village Fullerton



City: Fullerton, Calif.
Buyer: Champion Real Estate Co.
Purchase Price: \$44 MM
Price per Unit: \$444,150