

Yardi® Matrix

# Orange County's Investor Appeal

Multifamily Report Summer 2017

**Rent Growth Outpaces Nation**

**Developers Ramp Up Construction**

**Acquisition Yields Hit Record Lows**

Benite Cyn Rd  
1 1/4 miles

Newport  
Coast Dr



# ORANGE COUNTY MULTIFAMILY

Yardi® Matrix

## Market Analysis

Summer 2017

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## Demographic Shifts Pick Up Speed

Employment gains, a moderate supply of new development and a high barrier to homeownership have bolstered strong multifamily demand in Orange County, pushing up rents and keeping occupancy over 96%.

Despite a slowdown, which followed a broader, national trend, the labor market remains stable, sustained by a resurgent construction industry. Major projects underway include LT Platinum Center, a \$500 million transit-oriented development, which is set to bring retail, residential and hotel space to Anaheim. Tustin Legacy, the most significant ground-up office development in Orange County's recent history, is going up in Santa Ana. Employment is also growing in the professional and business sector, mostly in technology and creative industries.

Housing prices, especially near the coast, have become unaffordable for many middle-class and younger families, producing a net out-migration among those segments. Over the next 25 years, residents age 65 and older are projected to be the highest-growing segment of the population.

Both local and foreign investors are drawn to the region's stability, leading to record-low acquisition yields. Going forward, the rental market may soften, as a significant amount of supply is scheduled to come online in the near future. For 2017, Yardi Matrix expects a rent increase of 5%.

## Recent Orange County Transactions

### Axiom Tustin



City: Tustin, Calif.  
Buyer: Raintree Partners  
Purchase Price: \$164 MM  
Price per Unit: \$260,430

### Elan Huntington Beach



City: Huntington Beach, Calif.  
Buyer: LaSalle Investment Management  
Purchase Price: \$131 MM  
Price per Unit: \$478,102

### Amerige Pointe



City: Fullerton, Calif.  
Buyer: TA Realty  
Purchase Price: \$115 MM  
Price per Unit: \$393,836

### Uptown Fullerton



City: Fullerton, Calif.  
Buyer: Advanced Real Estate Services  
Purchase Price: \$99 MM  
Price per Unit: \$235,154

### To Subscribe

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