



MULTIFAMILY REPORT

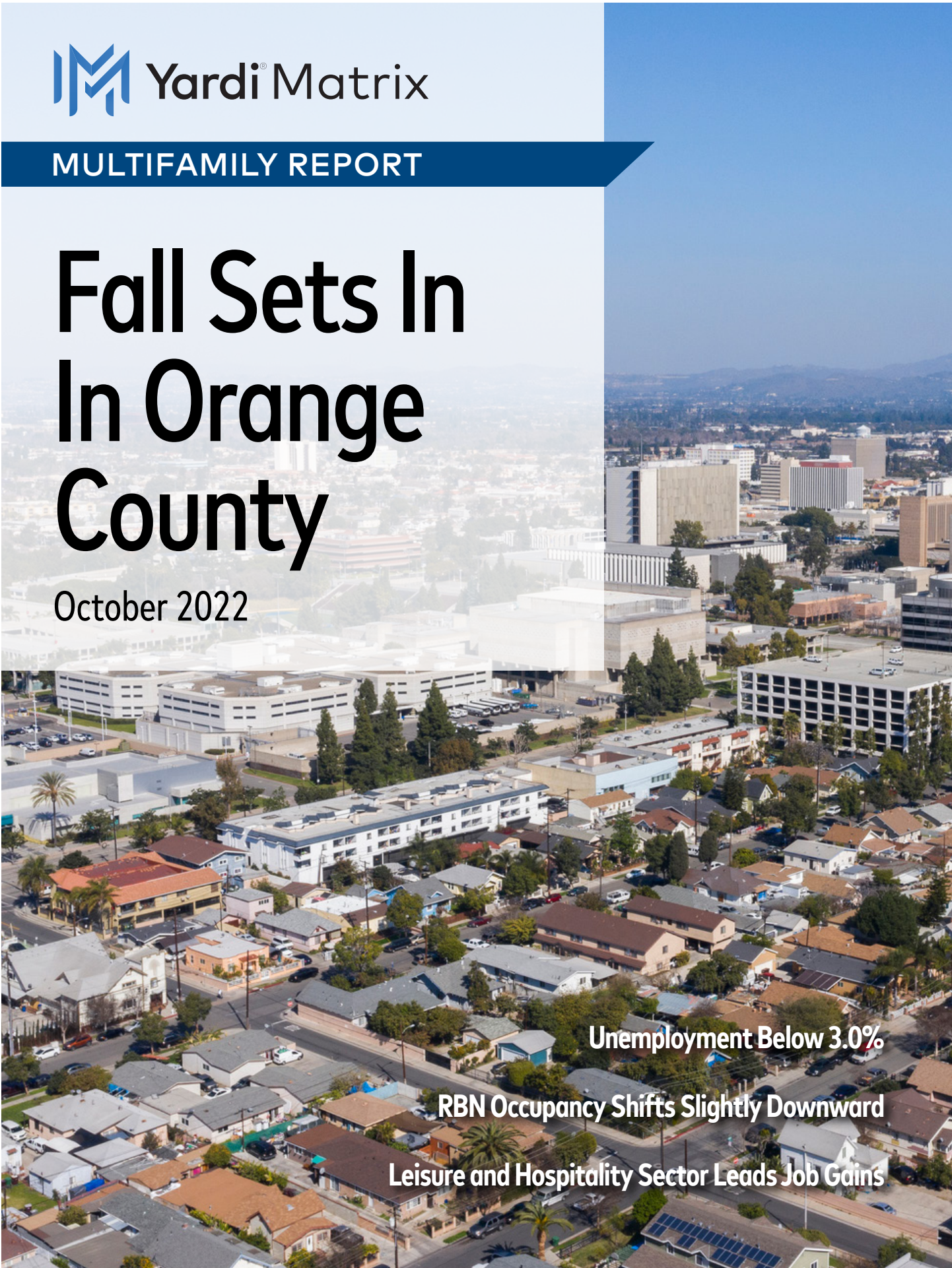
Fall Sets In In Orange County

October 2022

Unemployment Below 3.0%

RBN Occupancy Shifts Slightly Downward

Leisure and Hospitality Sector Leads Job Gains



ORANGE COUNTY MULTIFAMILY



Market Fundamentals Slowly Cool Down

Orange County's recovery continued well into 2022, but current economic conditions are affecting the multifamily market. Rent growth moderated to 0.5% on a trailing three-month basis through August, to \$2,721, with the Renter-by-Necessity segment leading gains. The average occupancy rate in stabilized assets shifted down 30 basis points year-over-year as of July, to 97.4%, pointing to a still-tight rental market.

The unemployment rate in Orange County stood at 2.8% in July, a solid improvement from 4.2% in January, according to preliminary data from the Bureau of Labor Statistics. The rate placed it behind only San Francisco (2.5%) among California's major metros and ahead of the state (3.9%) and the U.S. (3.5%) rates. The employment market added 78,800 jobs in the 12 months ending in June. Just one sector contracted—financial activities lost 1,000 positions. The ongoing recovery of the leisure and hospitality sector (37,600 jobs) led gains, boosted by the rebound of conventions and tourism.

Developers added 1,232 units through August and had 8,400 underway. Compared to last year's corresponding interval, figures show a drop in both construction starts and deliveries. Meanwhile, investment remained high, with the volume surpassing \$1.2 billion as investors traded mostly RBN assets. The per-unit price marked a 13.7% year-over-year increase, to \$434,025 in August.

Market Analysis | October 2022

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Recent Orange County Transactions

Madison Park



City: Anaheim, Calif.
Buyer: Bridge Investment Group
Purchase Price: \$284 MM
Price per Unit: \$369,141

310 Jefferson



City: Placentia, Calif.
Buyer: Prime Group
Purchase Price: \$180 MM
Price per Unit: \$432,692

580 Anton



City: Costa Mesa, Calif.
Buyer: Rockwood Capital
Purchase Price: \$172 MM
Price per Unit: \$688,800

The Herald



City: Placentia, Calif.
Buyer: MG Properties Group
Purchase Price: \$130 MM
Price per Unit: \$605,000