



MULTIFAMILY REPORT

OC Still Steady

April 2024

YoY Rent Growth Outperforms US

Construction Activity Softens

Occupancy Rate Endures

ORANGE COUNTY MULTIFAMILY



Rents, Occupancy Show Positive Signs

Orange County multifamily fundamentals remained healthy thanks to steady demand, even as Southern California's affordability problems persist. And while short-term rent movement turned negative at the start of 2024, down 0.2% on a trailing three-month basis through February, it remained positive year-over-year, up 2.2% to \$2,750. Meanwhile, the U.S. rate declined 0.1% on a T3 basis through February, to \$1,713. Occupancy remained flat in the 12 months ending in February, at 96.5%, placing the metro among the tightest and most stable rental U.S. markets.

Last year, Orange County employment expanded 2.3%, or 36,300 net jobs, ahead of the 2.0% U.S. rate. Meanwhile, unemployment rose to 4.2% in January, surpassing the 4.0% mark for the first time since January 2022, according to data from the Bureau of Labor Statistics. While it trailed the 3.7% U.S. rate, it outperformed the state (5.2%) and all other major California areas. Three sectors lost 5,800 jobs combined last year—financial activities, manufacturing and information—while gains were led by leisure and hospitality (10,800 jobs) and education and health services (10,200 jobs).

Deliveries through February amounted to 309 units, with another 6,849 units underway. However, construction starts are decelerating. Meanwhile, sales totaled \$241 million through February, for a price per unit that rose 14% over last year, to \$369,632.

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Recent Orange County Transactions

The Grand Costa Mesa



City: Costa Mesa, Calif.
Buyer: Advanced Real Estate Services
Purchase Price: \$232 MM
Price per Unit: \$324,930

Regency Palms



City: Huntington Beach, Calif.
Buyer: A & M Properties
Purchase Price: \$127 MM
Price per Unit: \$409,677

Chateau De Ville



City: Anaheim, Calif.
Buyer: Palos Verdes Investments
Purchase Price: \$79 MM
Price per Unit: \$311,024

Eden on Lincoln



City: Buena Park, Calif.
Buyer: Cordia Capital Management
Purchase Price: \$35 MM
Price per Unit: \$397,727