



MULTIFAMILY REPORT

Orange County's Comeback

April 2022

Rent Growth Outperforms Nation

Occupancy Climbs Close to 98.0%

Transaction Activity Marks All-Time High

ORANGE COUNTY MULTIFAMILY



Demand Stabilizes Fundamentals

Following a harrowing 2020, Orange County showed remarkable resilience amid the fallout from the pandemic and began a steady recovery, especially in the second half of 2021. The metro's solid fundamentals gave the market a strong start in 2022, with rent growth, economic expansion and occupancy all outperforming national levels. Rents rose 0.9% on a T3 basis through February, to \$2,614, while occupancy closed at the 98.0% mark.

Orange County's unemployment stood at 4.2% in January, trailing the U.S. rate by 40 basis points, but leading the state of California (5.7%), Sacramento (5.0%) and overall Los Angeles (5.7%). The job market expanded by 7.2% in the 12 months ending in December, well above the 4.4% national rate. Only the financial activities sector contracted (-1,600 jobs). Professional and business services—the market's largest sector—expanded by 19,600 positions. Announced company expansions are likely to sustain the economic recovery, headlined by ventures like Overair and Rivian.

Developers delivered 381 units through February, following the 2,100 apartments finalized in 2021. Another 8,799 units were underway. Meanwhile, transaction activity remained elevated, with a volume of \$206 million this year through February, following the \$2.2 billion all-time high in 2021. The price per unit rose 66.9% year-over-year through December, to \$430,965.

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Recent Orange County Transactions

The Bryant at Yorba Linda



City: Yorba Linda, Calif.
Buyer: Interstate Equities Corp.
Purchase Price: \$206 MM
Price per Unit: \$513,750

Valentia by Windsor



City: La Habra, Calif.
Buyer: GID
Purchase Price: \$183 MM
Price per Unit: \$544,776

AmpliFi



City: Fullerton, Calif.
Buyer: Nuveen Real Estate
Purchase Price: \$168 MM
Price per Unit: \$579,312

Vilara



City: Laguna Niguel, Calif.
Buyer: Virtu Investments
Purchase Price: \$163 MM
Price per Unit: \$545,151