

Key Takeaways

- Average effective rents increased 12.6% year over year
- Overall market occupancy sits at 97.4%
- Construction activity remains strong with 6,770 units underway
- Year-to-date sales volume totaled \$1.3B

Occupancy Rate ↑ 97.4% <small>YOY FORECAST</small>	Effective Rent Per Unit ↑ \$2,473 <small>YOY FORECAST</small>	Units Under Construction ↑ 6,770 <small>YOY FORECAST</small>	YTD Sales Volume ↑ \$1.3B <small>YOY FORECAST</small>
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Overall Occupancy Holds As Rents Continue To Climb

The Orange County multifamily market kicked off 2022 with an overall occupancy rate of 97.4% and an average \$2,473 effective rent per unit. Occupancy remained flat quarter over quarter and is up 10 basis points from 12 months ago. Rents are up 12.6% year over year and now 25.3% above pre-pandemic levels. Sales volume through the first half of the year totaled \$1.28B with an average price per unit of \$405,707, despite rising interest rates and overall economic uncertainty. The average sale price per unit is now 11% higher than a year ago and up 55% compared to five years ago.

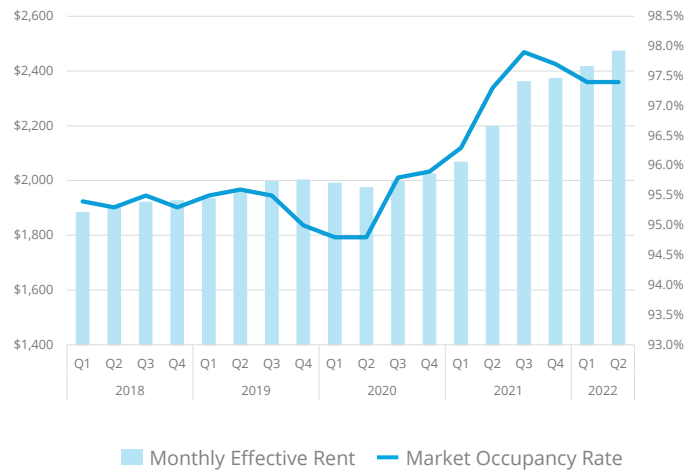
Market Indicators

↓ 2.4% Unemployment Rate	↑ 1.7% GDP - Quarterly % Change YOY	↑ 3.0% U.S. 10-Year Treasury Note
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Historic Comparison

	Q2 2021	Q1 2022	Q2 2022
Total Inventory (Existing Units)	258,656	261,562	261,598
New Supply (Units Delivered)	353	1,466	36
Demand (Units Absorbed)	3,091	450	56
Occupancy Rate	97.3%	97.4%	97.4%
Under Construction (Units)	7,477	6,382	6,770
Average Monthly Effective Rent	\$2,197	\$2,416	\$2,473

Market Graph



Orange County occupancy dipped to its lowest level in 10 years at the start of the COVID-19 pandemic. Since then, occupancy has grown 260 basis points and has seen tremendous growth in effective rent over the same time.

New Developments



Prentice Park, Santa Ana
 Units: 603 | Owner: Quarry Capital
 4Q 2022 Completion



The Trilogy, Irvine
 Units: 876 | Owner: Garden Homes
 3Q 2023 Completion



Newport Crossings, Newport Beach
 Units: 350 | Owner: Starboard Realty Partners
 2Q 2024 Completion



Jefferson Centerpointe, Placentia
 Units: 418 | Owner: Boardwalk Investments
 2Q 2023 Completion

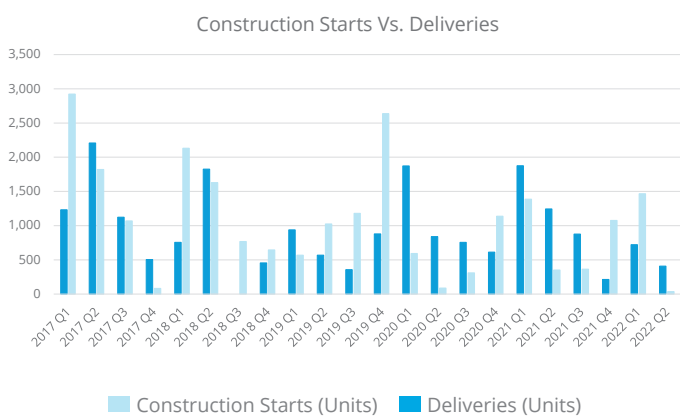


Halcyon House, Costa Mesa
 Units: 393 | Owner: Lennar
 3Q 2022 Completion

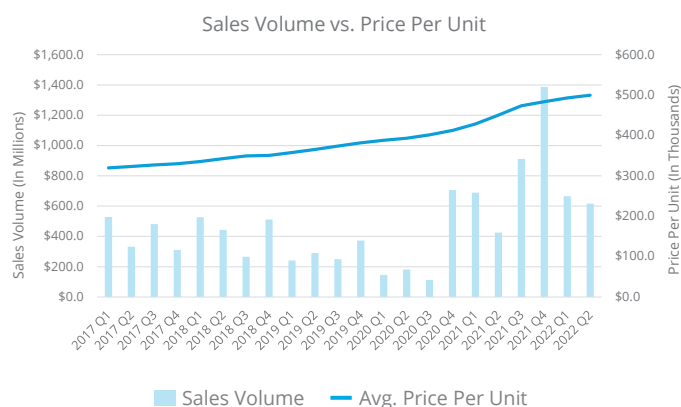
Orange County | Q2 2022 | Multifamily | Market Statistics

Submarket	Existing Inventory SF (Units)	Occupancy Rate	Annual Occupancy Rate Change	Average Monthly Effective Rent	Annual Rent Change	Average Effective Rent Per SF	New Supply (Units) Delivered) YTD	Net Absorption (Units) YTD	Under Construction (Units)	Sales Volume YTD	Average Sale Price Per Unit YTD	Cap Rate
Anaheim	39,597	98.2%	1.0%	\$2,031	9.0%	\$2.44	0	56	415	\$125,777,000	\$334,513	4.06%
Central OC East	11,420	91.1%	-4.9%	\$2,143	7.0%	\$2.51	981	436	309	\$117,800,000	\$253,879	3.95%
Central OC West	42,520	98.4%	0.5%	\$2,095	11.2%	\$2.56	0	-5	1,929	\$292,255,000	\$377,103	4.14%
Costa Mesa	16,153	97.7%	0.8%	\$2,456	11.8%	\$3.01	0	12	593	\$226,840,000	\$537,536	3.58%
Huntington Beach/Seal Beach	15,047	98.3%	0.2%	\$2,513	11.3%	\$2.96	0	-30	0	\$34,120,000	\$383,371	4.11%
Irvine	45,412	95.9%	-1.4%	\$3,070	14.0%	\$3.28	521	-43	2,651	n/a	n/a	n/a
Newport Beach	9,031	99.1%	2.0%	\$3,504	17.3%	\$3.62	0	7	0	n/a	n/a	n/a
North County	40,546	97.7%	1.0%	\$2,126	11.0%	\$2.60	0	189	491	\$452,200,000	\$476,502	3.93%
South County	31,242	97.4%	-0.1%	\$2,801	16.8%	\$3.12	0	-69	382	n/a	n/a	n/a
Tustin	10,630	98.3%	0.0%	\$2,389	12.5%	\$2.72	0	-47	0	\$31,825,000	\$388,110	n/a
Total	261,598	97.4%	0.0%	\$2,473	12.5%	\$2.87	1,502	506	6,770	\$1,280,817,000	\$405,707	3.99%

Historical Development Activity



Historical Investment Activity



FOR MORE INFORMATION

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