

Los Angeles Market Insights

The Los Angeles market has experienced strong employment growth in recent years that is fueling a demand for housing that developers are still trying to catch up with.

After adding 75,000 new jobs in 2016, the Los Angeles region is expected to add an additional 50,000 new workers by the end of 2017, according to Marcus & Millichap's 2017 U.S. Multifamily Investment Forecast. While new employment is a good thing, the jobs that are typically being produced have not kept pace with the high cost of home ownership for the region. The lack of affordable homes to buy has created one of the strongest demands for rental housing in the nation.

Developers are responding to this demand by ramping up their pace of construction. Marcus & Millichap forecast 10,900 new units will be completed by the end of 2017, in addition to the 12,900 new apartments introduced in 2016. The combined 23,800 new units is more than the 21,800 new apartments brought online in Los Angeles from 2013-2015. Much of this new inventory has been based on Downtown Los Angeles and surrounding neighborhoods.



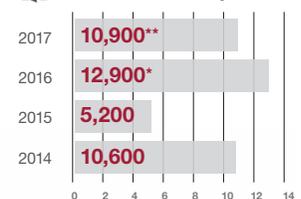
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LOS ANGELES BY THE NUMBERS

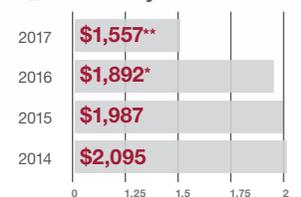
🤝 Employment Growth Year-Over-Year



🏠 New Unit Completions



💰 Average Effective Monthly Rate



*estimate | **forecast

reservations

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While the recent developments represent the largest supply injection in more than two decades, expect vacancy in Los Angeles to continue to decline, a trend that began in 2014. After finishing 2016 with a 2.9 percent vacancy rate, Marcus & Millichap predict Los Angeles to average 2.6 percent vacancy by the end of this year.

The lone exception to this vacancy trend could be the downtown area, where a heavy introduction of new housing is decreasing occupancy and creating a competitive housing market among property management companies.

“Developers and Property Managers are hungry to fill their buildings, so there’s a willingness on their part to work with corporate housing providers,” Synergy Business Development Manager Lisa Cantello says. *“They’re more open to rent concessions or short-term leases now. A lot of property managers were hesitant to discuss these options in the past, but the market has become so competitive among the newer and remodeled properties that there’s more flexibility.”*

These market conditions make it especially crucial to work with an experienced corporate housing provider that has strong relationships with Los Angeles property managers. Synergy works hard to be the first corporate housing provider that these companies call when new pricing specials are made available. This gives Synergy’s customers the best possible rates at the best possible locations.



OTHER EMERGING SUBMARKETS

Renovated sections of Downtown Los Angeles helped spur an apartment surge, and Cantello says she is seeing new commercial developments in other submarkets that will increase the demand for housing in upcoming years.

She points to The Grove neighborhood, west of downtown, as a neighborhood that is already seeing a heavy demand for corporate housing. Tucked in between several production studios, this neighborhood is becoming increasingly popular for entertainment professionals seeking short-term furnished housing.

“A lot of the people interested in The Grove are younger executives,” Cantello said.

“The Grove is known for being a highly-visible neighborhood in Los Angeles. It’s adjacent to Beverly Hills. There’s tons of energy in the area, and it has a great vibe. People want to be here because of how central it is and the great restaurants, shopping and entertainment options.”

Another area that Cantello sees growing in popularity are the beach cities in and around Santa Monica. She points to the growing number of tech campuses that have sprung up within Playa Vista and neighboring areas that are increasing the demand for housing among new employees. Glendale, just north of Los Angeles is another city experiencing a wave of economic growth that has seen its popularity intensify.

THE SYNERGY COLLECTION

One area of concern with the new developments in Los Angeles is a lack of housing variety. The majority of new and renovated buildings going up in downtown have been luxury apartment towers. These high-class high-rises also come with high rent prices, and an organization in need of corporate housing in the area might have a difficult time finding a housing solution that meets their budget.



This challenge led Synergy to create The Synergy Collection, a portfolio of housing options broken into three distinct tiers based on varying levels of service and offerings. Each of the three groupings – Elements, Elevate and Experience – combine an impressive apartment home with a dedicated guest support team, but are differentiated by varying levels of high-end amenities and services.



The goal of The Synergy Collection is to provide more choices to more people in their desired locations. Synergy is known for its high level of service and its ability to provide customized solutions for each individual guest, and The Synergy Collection is an extension of that philosophy.



"One of our most popular locations in DTLA is 8th and Hope because of the amenities the property offers," Cantello said. "It is centrally located so people can walk to their office or hop on public transit at the metro station. It also offers easy access to all the great restaurants and entertainment options at LA LIVE."

ABOUT THE SYNERGY TEAM



Lisa Cantello has spent her career devoted to client relations and sales. She joined Synergy two year ago after entering the corporate housing industry in 2010, and she uses a consultative sales style and collaborative approach to offer strategic furnished housing solutions. She is a member of the Los Angeles Business Travel Association and the Southern California Relocation Council.

More than just a furnished apartment, Synergy Global Housing provides the ultimate corporate housing experience by combining the comforts of "home" with exceptional customer support. Through listening to the needs of the individual guest, Synergy builds custom-tailored housing programs and supports each reservation with an experienced, dedicated team of customer service professionals.

To learn more about **The Synergy Collection** and our **fully furnished housing options in Los Angeles**, please contact **Lisa** at **(213) 479-8778**.

2017 Market Update

SAMPLE LOS ANGELES PROPERTIES FROM THE SYNERGY COLLECTION



www.synergyhousing.com