

# THE MARKETS

THE LATEST SALES AND LEASING DATA FOR PROPERTY TYPES AND MARKETS ACROSS THE STATE

## How's business?

"The market is almost apathetic. For the sellers who would otherwise be profit-taking, there are no profits or not as much profit to take, so they are waiting. The buyers seem to be looking for the bottom. That is not to say there are not motivated sellers or buyers in the market, but most people you talk to want distressed deals, which is the new buzzword. It's not happening as much in Los Angeles as in other parts of the country. As a matter of fact, you are seeing very few distressed properties. But there are some sellers who bought with poor fundamentals who are looking to get out. Subsequently, transactions are down 30 percent from a year ago."

— **Richard Ringer**, vice president, **Marcus & Millichap Real Estate Investment Services**, West Los Angeles



"On the acquisition side, we haven't seen a lot of deals out there. The apartment market is healthy. We just haven't seen the same kind of rent growth that we have the last few years. From an acquisition investment side, we aren't taking pro forma income or big projections on the rent. We are also looking at more A and B locations. On the development side, we are looking at A locations to do development like Marina del Rey, West Los Angeles and Brentwood. There is an undersupply of workforce housing in Los Angeles, which represents an opportunity for affordable developers. Going forward there is going to be more opportunity to address the workforce housing shortage with what the cost of land will be."



— **Marty Shelton**, vice president, **NAI Capital**, West Los Angeles

"The bottom line is there are still plenty of buyers for A-quality assets. They are looking to acquire properties which they can yield an investment from in 12 to 18 months. I have a deal closing in West Hollywood that is not a rent-controlled property. The buyer is going to gut every unit and double the rents. He can show investors he can get a yield out of the property and sell it for profit in 12 to 18 months. There are not that many exchange buyers left. So, in the deals that are left, buyers are looking for assets with some meat on their bones."

— **Brent Sprenkle**, senior vice president, **Sperry Van Ness**, West Los Angeles



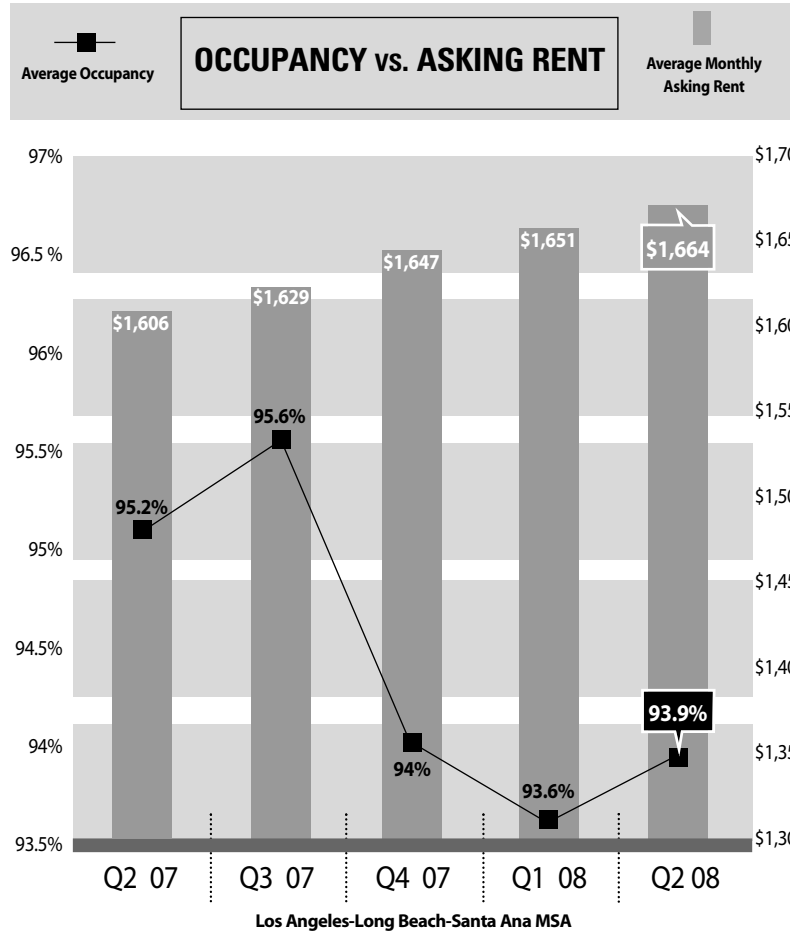
— Interviews by Keeley Webster.  
— Charts by Maliha Jafri.

**NEXT:**  
OFFICE / SOCAL

## MULTIFAMILY PROPERTIES | LOS ANGELES

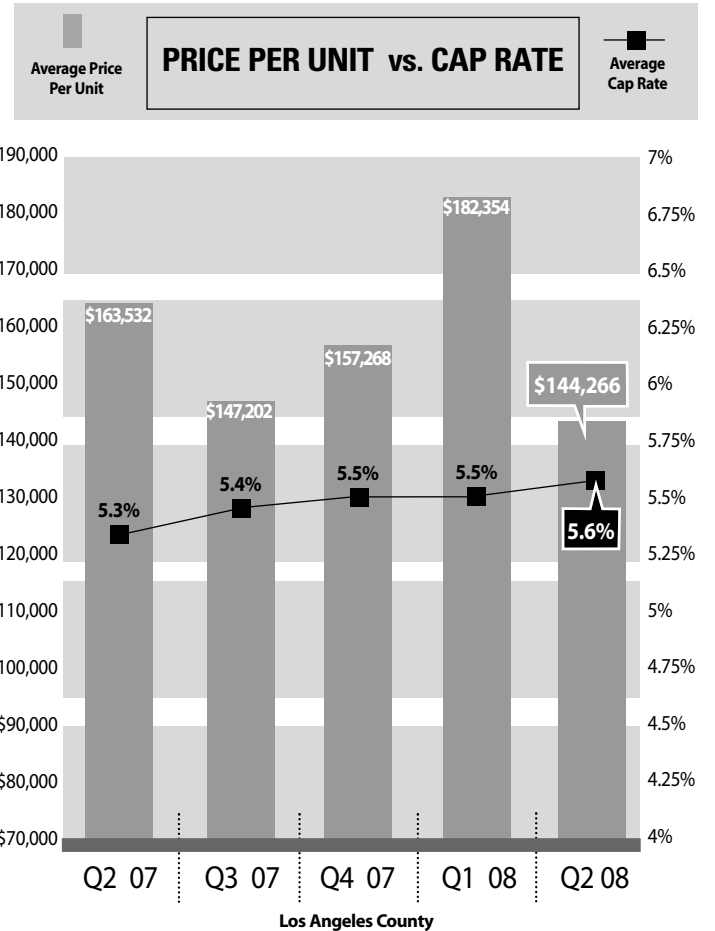
Second Quarter 2008

Data by RealFacts\*



\*RealFacts conducted a quarterly telephone survey of 1,041 large apartment complexes (average number of units: 243; total units: 253,109) in the Los Angeles-Long Beach-Santa Ana Metropolitan Statistical Area. This data is as of Jan. 16, 2008.

Data by CoStar Group Inc.



Data by CoStar Group Inc.

### MARKET'S TOP SALE\*

\*The largest outright sale of the quarter in its market. Others may have involved larger buildings or higher sales prices, but the transactions involved partial interest or other complications.

