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NEW REPORT: DOWNTOWN LONG BEACH RESIDENTIAL MARKET REMAINED STABLE IN 2020

DLBA's Fourth Quarter Snapshot Report provides insights into real estate trends and COVID-19's impacts

(January 19, 2021 – Long Beach, CA) The [Downtown Long Beach Alliance's](#) (DLBA) Fourth Quarter (Q4) *Snapshot Report* released today examines short-term and long-term trends in the Downtown Long Beach residential real estate market. Despite the COVID-19 pandemic, the demand for multi-family residences (for-rent apartments) remains strong, with only slight fluctuations in rental rates and occupancy.

For context, approximately 88% of housing units in Downtown Long Beach are rental units, which is roughly 20% higher compared to other Long Beach neighborhoods. About three-fourths of all housing units in Downtown are either studios or one-bedrooms, which are also the most common unit type being constructed in new developments.

The residential market in Downtown Long Beach experienced slight fluctuations in 2020, with the COVID-19 health crisis serving as the underlying economic force driving changes in price and occupancy, as well as new housing developments.

While rental rates for Downtown housing decreased during Q2 and Q3, research analyzed from the real estate data firm [CoStar](#) reveals that rates returned to pre-COVID prices – an average of \$2.54 per square foot – by Q4. The occupancy rate of rentals was 93% in the fourth quarter, improving from an annual low of 91.2% in the second quarter. Over the past five years, the highest occupancy level in Downtown was achieved in 2018, at 96%.

As detailed within the *Snapshot Report*, these fluctuations were less pronounced than those in commercial real estate markets such as the office and retail sectors. However, leasing companies and private landlords were still compelled to increase financial incentives to ensure relatively low vacancies, especially for newer units with market rate rents; the concession rate for multi-family properties more than doubled between Q4 2019 and Q4 2020, increasing to 1.32%. Concessions include free/reduced rents, moving expenses, and other financial allowances conceded to tenants.

Three new multi-family developments were completed in Downtown during 2020: The Crest (207 E. Seaside Way), The Alamitos (101 Alamitos Ave.), and The Pacific (230 W. 3rd St.) adding over 400 units to the area's housing inventory.

"After nine months in the pandemic economy, it is no surprise that Downtown's residential market saw flat growth in rental prices as well as completed construction projects," said Morris Mills, DLBA Research & Policy Analyst. "The good news is that the market remained relatively stable, thanks both to the consistent high demand for housing in the area and to pandemic-related eviction moratoriums that allowed tenants financially affected by the health crisis to stay in their homes and pay their rent at a later date," he added.

For additional insights into the Downtown residential market, read the full *Q4 Snapshot Report* at https://downtownlongbeach.org/wp-content/uploads/2020_DLBA_Q4-Snapshot-Final.pdf.

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About the Downtown Long Beach Alliance: DLBA is a non-profit, community-based organization whose mission is to cultivate, preserve and promote a healthy, safe, and prosperous Downtown. By balancing the interests of the residents, as well as businesses, the DLBA creates tangible progress by way of vested interest and solidified partnerships across local, municipal, and commercial lines. For additional information, visit www.downtownlongbeach.org, or follow on Facebook @downtownlongbeach, and on Twitter and Instagram @DLBA.