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Authors
Barbara Byrne Denham
Victor Calanog, PhD

Contact Us
Americas
+1.212.901.1932
info@reis.com

The Pros and Cons of Rent Regulation

Winners, Losers, and Unintended Consequences

What Do Current Rent Regulation Policies Really Mean?

Policies centered around rent regulations tend to be highly politicized with discussions tending to fall between two extreme views:

1. Housing prices in general, and rents in particular, have risen significantly relative to the earning power of households in most major US cities. Landlords follow market signals, so the only solution is to regulate how much landlords can raise rents.
2. Any form of rent regulation represents an added burden to landlords. Developers and investors will balk at building new supply with even a hint of regulation, constraining housing growth and worsening the problem that regulation was supposed to solve.

The reality of how market forces respond to tighter regulations is more nuanced then these views claim. Recently, several states have enacted or proposed new forms of rent regulation[1] to address rapidly accelerating housing costs. This paper will delve into the fine details of how specific states have enacted rent regulation policies over the past year, and what they mean for several important topics:

1. The probable effect of these policies on *affordable housing costs*, which is the main concern of advocates for rent regulation.
2. The supply of *market-rate housing*, which tends to be the focus of forecasts published by Moody's Analytics REIS (for the market-rate apartment sector).
3. Unintended consequences affecting development and investment behavior.

In short, our findings conclude that the recent rent regulations passed in three states will likely not have a material impact on supply growth – for either affordable housing or for market-rate apartments. This means that landlords and investors concerned with market-rate apartments are not likely to change investment or development behavior.

[1] 'Rent regulations' in this paper is the general term that will apply to both 'rent control' and 'rent stabilization' measures. We will make distinctions where necessary.

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Table of Contents

What Do Current Rent Regulation Policies Really Mean? 1

Recent Developments in New York, California, and Oregon 3

Within the Details Lurks the Devil of Having to Pay Attention 3

New York City Strengthened Rent Stabilization Changes 4

Here Is One of the Main Problems 6

Oregon and California laws 6

Conclusion 7

Appendix A. New York City Tax Law and Supply Growth 8

Appendix B. New York City Real Property Transfer and Mortgage Recording Taxes 10

Appendix C. California Apartment Submarkets and Recent Rent Growth 11

Some might perceive that regulations are becoming onerous and fear that government will soon encroach further on their territory specifically ("What will they do next, though?!" is the common reaction we received from clients when we explained these fine details), but the actual letter of the law, as it is currently written, does not forestall the incentive to build.

Indeed, there will be winners and losers from these changes, but as described below the incentive to build new housing has not changed significantly.

Recent Developments in New York, California, and Oregon

Oregon[2] was the first to introduce state-level rent regulation measures in February, passing SB 608. These include a ban of "no-cause" evictions as well as a 7% (plus inflation) cap on how much landlords can raise rents in a year. These policies apply to nearly all apartments built prior to 2005.

In June, the State of New York passed rent regulation measures that preserve the current stock of rent-regulated units in New York City. The new rules strengthen existing rent regulation policies and give other cities in the state the ability to pass their own versions.

In September, California passed AB 1482 which caps rent increases at 5% plus inflation. Leaders in Washington state are talking about lifting the ban on rent control that was passed in 1981. Other states are raising the topic as are some 2020 presidential candidates. For example, Bernie Sanders has proposed a *national* rent control of 1.5 times the rate of inflation.

Standard economic theory frowns on most forms of rent regulation. In short, if property owners cannot raise rents in line with generating above normal profits given rising maintenance and investment costs, they will hesitate to develop new properties, and/or they will neglect to invest in current properties, putting existing buildings at heightened risk of deterioration and obsolescence. The lack of supply growth coupled with a ceiling on rent growth could lead to the unintended consequence of creating a deeper housing crisis than the one it was intended to solve.

On the surface, while all of the recent state measures listed above sound as if they could create such a housing crisis, there appear to be a number of misconceptions regarding the *details* of how these new regulations are to be implemented. In short, the recently passed rent regulations will likely *not* have a large impact on future supply growth of *market-rate apartments*. They could have a marginal impact on supply growth in *specific neighborhoods*. The real risk lies in two specific areas:

1. How the new regulations will impact *the supply of affordable housing* – because they may not solve the housing affordability issue they were designed to alleviate, and;
2. The disincentive to invest in or maintain existing properties that are affected because of caps on how much landlords can pass the cost of investment onto tenants by way of rent increases. This primarily affects New York rent regulated properties.

We provide a thorough explanation below to clarify how these new rules apply and where they do not apply.

Within the Details Lurks the Devil of Having to Pay Attention

The proposed rent regulation measures for New York City apply to the *current stock of rent-regulated apartments*, and only some newly built market-rate apartments (see below). **The new policies *do not apply to the current stock of free market apartments*,** *nor to public housing, HUD or other federally subsidized housing stock*. For *curated* trends and forecasts in the sector defined as investment-grade market-rate apartments, inventory tracked by Moody's Analytics REIS includes market-rate properties of 40 units or above (except in California and Arizona where the criteria is 20 units and above). REIS tracks data on all other rental housing property types via other datasets and platform offerings.

Therefore, recent rent regulations passed by New York State largely bypass those properties that meet most investors' definition of investment-grade market-rate apartments. That said, **the new regulations could have a very small indirect impact on future supply of investment-grade market-rate apartments in submarkets where rents are well below the average market rent.**

[2] What recent articles tend to miss is that Portland is a case study in how urban growth boundary (UGB) policies, first enacted in 1979 to address 'urban sprawl,' in itself likely laid the groundwork for supply constraints within the UGB's limits – pushing prices up.

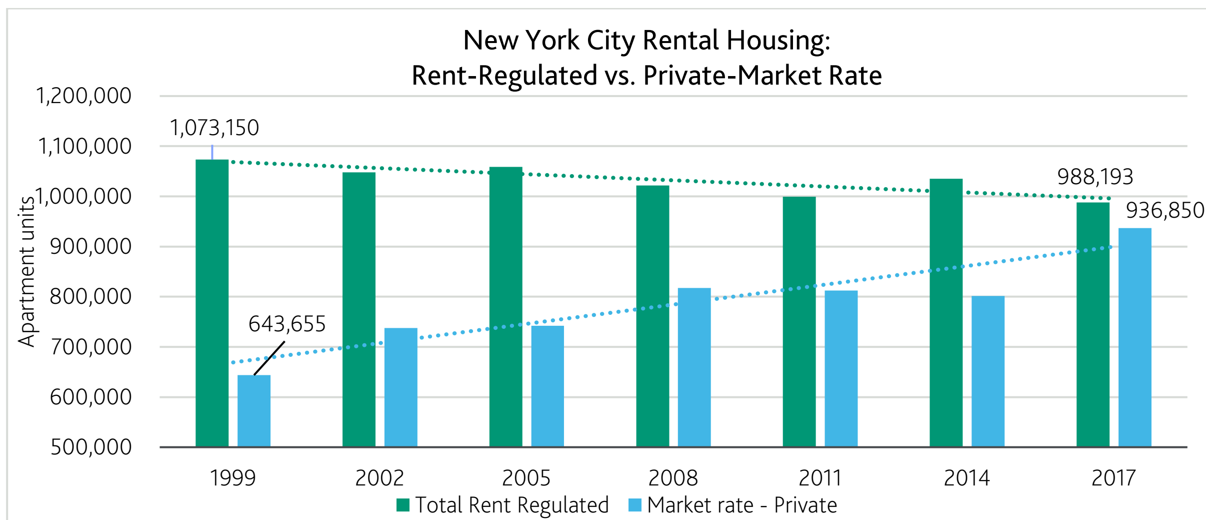
By contrast, the **new measures in Oregon and California apply to most apartment properties, but only those built prior to 2005 or the prior 15 years on a rolling basis**[3]. This means that a significant percentage of the REIT/institutionally-owned apartments will be exempt from AB 1482 until the property is 15 years old.

The new rent regulations passed in New York, Oregon and California do not apply to the affordable housing stock that is managed by the Department of Housing and Urban Development (HUD). As an example of other types of housing inventory tracked by Moody's Analytics REIS, published trends for 'Affordable Housing' include all Low-Income Housing Tax Credit (LIHTC) properties managed by HUD. Thus, *the new regulations will not have a direct impact on the REIS statistics for the LIHTC market*.

To address the issues of these distinct rent regulation measures we first explore the impact on New York City's apartment market. Then, we discuss the impact of California and Oregon's changes to their respective markets.

New York City Strengthened Rent Stabilization Changes

Today, there are approximately 22,000 New York City housing units that are rent controlled[4], but there are as many as 966,442 rent *stabilized* units[5] for a total of 988,442 rent regulated units. This is close to half of the 2.2 million total rental housing units[6] in New York City. As the chart below shows, the total supply of rent regulated units fell by 85,000 (-8%) from 1.07 million units from 1999 to 2017. During the same period, the supply of market-rate units[7] increased by 230,000 (+12%).



Source: Census Bureau, NYC Housing and Vacancy Surveys

Moreover, the New York City Department of Finance records show that 125,470 apartment units were built under the 421A program[8] from 2006 to 2017. Of these, approximately 20% or 25,100 units were required to be set aside for those qualifying for "affordable" housing. Thus, the number of rent regulated units declined by 85,000[9] despite the fact that more than 25,000 rent regulated units were built during this eighteen-year period.

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[3] Housing that has been issued a certificate of occupancy within the previous 15 years.

[4] As per the 2017 NYC Housing and Vacancy Survey. For an apartment to be rent-controlled, a tenant or family member must have been living in the unit since July 1971, and the building had to have been built before 1947. Families can pass the unit to another member and preserve the rent-control status. Prior to the new law, a unit that fell out of rent control could be leased at market rate.

[5] As per the 2017 NYC Housing and Vacancy Survey. Rent stabilization applies generally to apartments in buildings with at least six units that were built between 1947 and 1974, as well as to six-units or more buildings built before 1947 where an apartment was leased after June 1971, and to newer buildings that receive tax breaks for so-called affordable housing.

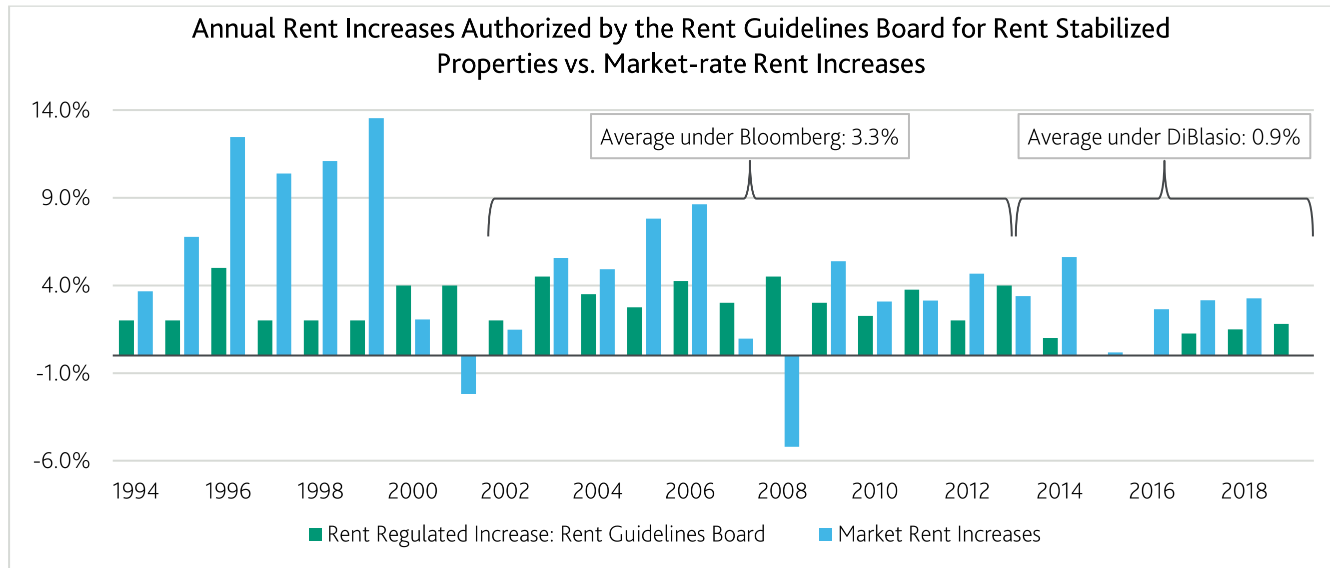
[6] As per the 2017 NYC Housing and Vacancy Survey, there are approximately 185,000 units in public housing governed by NYCHA; 42,300 units regulated by HUD or other federal program; 45,000 in Mitchell Lama (created in 1955 for middle income families, managed by NYC or NYS); and 802,000 rental units that are "free market" or unregulated.

[7] The Moody's Analytics Reis apartment inventory for New York City -- defined as investment-grade market-rate properties with 40 or more units - includes over 200,000 units.

[8] Starting in 2006, the 421A program that encouraged development by offering a property tax abatement over 10 or more years, required that developers provide affordable housing in exchange for the abatement for any development in New York City.

[9] Some of the decline is due to the phase out of property tax abatements in new developments built under 421A, but much of the decline is due to the decontrolling of units. See appendix A.

The goal in passing the tenant protection measures was to protect tenants living in rent-regulated apartments and to maintain a steady supply of rent stabilized inventory. Tenant advocates had argued that there had been too many allowances for owners to "decontrol" apartments (move them out of regulated status to free market) which pushed income-constrained tenants out of their affordable homes and into the market-rate inventory where effective rents average $3,600 per unit, and average rents have increased 3.4% per year[10] since 2010.



Source: Rent Guidelines Board and Moody's Analytics REIS

Developers and commercial real estate owners, on the other hand, argued that any tighter rent restrictions would deter *any and all* new development, creating a housing shortage that will raise rents for all tenants that were not fortunate to land a rent stabilized apartment.

The apartment market in New York City has seen significant growth over the last ten years as developers have built properties in all five boroughs (see appendix A). Many new apartment buildings are built under the current Affordable New York[11] program that allocates 25% to 30% of the units as affordable to qualifying tenants. This successful program passed in 2017 *will not be affected* by the new rent regulations as the state legislature applied a "fix" to the Affordable New York provision within the rent regulations at the last minute. That is, t**he market-rate units within the Affordable New York program[12] are exempt from the new restrictions <u>so long as the initial rents exceed the "high rent" threshold of $2,774 per unit.</u> These market-rate units are not subject to the Rent Guidelines Board and can be raised as per the market as long as the starting rent is above the threshold.** This means that developers are only subject to rent regulations on (1) market-rate units where the starting rent is below $2,774 per unit and (2) the affordable units just as they had been prior to the June passing. *Moreover, these affordable units will eventually be exempt from the new rent stabilization rules and can be decontrolled once the property has exceeded the property tax abatement period and the rents reach the "high rent" threshold in the future*.

In short, the "fix" was a pivotal change that should maintain the same incentive for developers to continue to build new apartments in most parts of New York City, but less so in lower income areas where the average rent falls below the "high rent" threshold. Developers will likely opt to build bigger units and fewer studio apartments to get around the threshold. Thus:

Because the incentive to build investment-grade market-rate apartments has not been materially altered by the new rent regulations, the Moody's Analytics REIS forecast of future apartment supply in New York City will not change materially because of the new regulations.

- As per Moody's Analytics REIS Q3 0219 data.
- Affordable New York program—the successor to the 421a program—offers a large property-tax break to new development projects that devote 25% to 30% of their square footage to affordable apartments for income-constrained tenants.
- Market-rate units in properties built under the Affordable New York program are still subject to the Rent Stabilization Law until the rent for the unit exceeds the so-called "high rent" threshold. The decontrolling provision that is now banned with HSTPA, is still allowed for new units built under the Affordable New York program.

That said, developers will likely *reconsider* building in lower-priced neighborhoods if they feel that starting rents will average below $2,774 per unit or the equivalent "high rent" threshold in the future. This is an important concern, leading to the unintended consequence of *less building* in affordable neighborhoods – exacerbating the supply of affordable housing that the new regulations were designed to solve.

Here Is One of the Main Problems

As for the current inventory of rent regulated apartments, the new regulations *do* create a disincentive to invest and properly maintain properties. This is due to the new rent cap of 2% on major capital improvements that benefit whole building (such as a new boiler, for example) as well as a cap of $15,000 applied every 15 years for individual apartment improvements (such as new kitchen appliances). Without an equivalent rent increase to offset capital costs to maintain a unit, owners have a disincentive to incur the cost. This will lead to a deterioration in the quality of the regulated stock and could render units uninhabitable. Owners might take abandoned units offline rather than upgrade them. Thus, the inventory of older, under-maintained regulated properties could decline, offsetting the preservation of units saved under the new laws.

Are there ways to address this? The annual increases authorized by the Rent Guidelines Board have been low in recent years, but they are adjusted every year based on the submissions of owners' property income and expense reports (RPIE). **Just recently, the NYC Commissioner of the Department of Housing Preservation and Development, Louise Carroll, said that the city's guidelines board could be open to higher annual increases going forward.** "The Rent Guidelines Board looks at absolute data and expenses," she said. "I have faith that the people on the Rent Guidelines Board will do what they think is appropriate, and you can't take those past increases as any indication[13]."

The new regulations are therefore likely to create a set of winners and losers.

Winners: (1) Those currently occupying a rent-regulated apartment will not only see low rent growth over the duration of their occupancy; they will no longer need to worry about the decontrolling of their unit or getting evicted for unjust causes. (2) Future tenants that qualify for a future affordable unit built under the Affordable New York program will have minimal rent growth through the duration of the tax abatement period.

Losers: (1) Owners of rent-regulated apartments can no longer de-control units or reap high rent gains to cover relatively higher costs to upgrade or renovate their properties. Many of these owners purchased these properties with the hope of eventually getting market-rate rents when they de-controlled their units. (2) Commercial brokers that trade in these rent regulated properties as the new laws will reduce sales activity. (3) Contractors that work on renovations and maintenance will see their livelihoods suffer. (4) New York State and City tax collectors will see lower real property transfer taxes as well as lower mortgage recording taxes on lower property sales. See Appendix B.

Oregon and California laws

Both Oregon and California's rent regulations apply to properties built prior to 2005 on a rolling basis. This means that all new properties are exempt from any regulation for 15 years. While this still seems constraining for owners, very few submarkets in the metros REIS tracks have seen steady growth rates (on average) of 8% (5% + inflation of 3%) or more in California or 10% (7% + inflation[14]) or more in Portland. Appendix C provides some examples of annual rent growth over the past four years for select California and Oregon markets.

'Vacancy decontrol' is still allowed under both Oregon and California's new rent regulations. This means that owners can raise rents for any unit that is vacated. The constraint comes afterwards – then they must adhere to rent caps in subsequent years on the *same* tenant's lease. This also means that there is an incentive for owners to push tenants out of their units after an extended length of strong market rent growth by raising rents up to the respective state cap. However, both states also passed no-cause eviction clauses[15] that protect tenants from unexpected evictions.

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[13] https://www.crainsnewyork.com/real-estate/mayors-office-open-higher-regulated-rent-increases?utm_source=breaking-news&utm_medium=email&utm_campaign=20191002&utm_content=hero-readmore

[14] In 2019, the maximum is 10.3% as per the Oregon Department of Administrative Services.

[15] The potential legislation in Washington also deals with eviction reform.

A number of Los Angeles municipalities such as West Hollywood and Santa Monica *already* had stricter rent control measures on older properties. AB 1482 will not overrule these tighter rent caps for qualifying units. However, municipalities that had higher rent caps than the new 5%-plus-inflation cap will now have to adhere to AB 1482. Also, AB-1482 does not change the Costa-Hawkins Act in that cities cannot implement rent hike caps lower than 5 percent. Costa-Hawkins, passed in 1995, bans California municipalities from enacting their own rent limits.[16]

In short, given the numerous exemptions and generous allowances for rent growth, the new rent laws in both Oregon and California will likely not alter supply growth of market-rate apartments in these metros.

Conclusion

Although the new rent regulations in New York, California and Oregon are designed to protect tenants, a close read fails to reveal specifically how the new laws will hurt the future supply growth of *market-rate* apartments significantly. In New York City, the new rules only apply to those living in a rent-regulated apartment. In California and Oregon, the rules apply to properties built prior to 2005. Even in these affected California and Oregon properties, one might argue that owners will try to lock in annual rent growth of 8% (5%+inflation) and 10% (7%+inflation), respectively, if they are in the position to protect future revenue growth. This could push income-constrained tenants out, which would allow for re-adjusting of the rent to market levels if they are higher than the levels that 5% or 7%, respectively, would have yielded.

The no-cause eviction laws, however, will help tenants significantly as owners have less wiggle room to try to game the system and decontrol units. While these measures will help a number of tenants, the overall outlook for owners *of investment-grade market-rate rentals* has not changed significantly, except for New York City rent-regulated property owners that had deferred maintaining their properties.

It is likely that sales of rent-regulated properties in New York City will decline this year and beyond. This will hurt mortgage recording and real property transfer tax collections on these trades, but projections suggest that the city's tax revenue from these sources will only see a 1% to 2% decline as a result of the new tax regulations at best (see Appendix B). Whether or not sales of California and Oregon properties could decline will depend on whether owners deem a growth allowance of up to 8% and 10%, respectively, for California and Oregon as insufficient.

[16] AB 1482 lets the real estate industry avoid having to contend with multiple local rent laws. The 1995 Costa Hawkins Rental Housing Act locked local rent control requirements in place, so that Los Angeles and other cities were unable to impose restrictions on buildings constructed more recently. https://therealdeal.com/la/2019/09/24/heres-why-landlords-dont-hate-californias-rent-control-bill/

Appendix A New York City Tax Law and Supply Growth

In June 2019, Governor Andrew Cuomo signed the "Housing Stability and Tenant Protection Act of 2019" (HSTPA) into law. Tenants in rent-regulated apartments will still be subject to yearly rent increases governed by the Rent Guidelines Board that issues annual rates of increase, but the following landlord-friendly rules are changed or abolished:

Vacancy decontrol is no longer allowed: When the legal rent for a rent-stabilized apartment reached a certain rate, currently $2,774 per month, it could revert to market rate once it became vacant. This prior provision had led to the deregulation of more than 155,000 units[17] since it was enacted in the 1990s. This practice is no longer allowed. That is, the unit will stay rent regulated unless it is newly built under the Affordable New York program in which it will be subject to decontrol once the tax abatement period is complete.

No more vacancy bonus: Landlords for rent-stabilized apartments have been able to hike rents by as much as 20 percent after tenants moved out. The new rules no longer allow this.

New caps apply on rent hikes based on building improvements: Landlords had been able to increase rents in regulated apartments by up to 6 percent per year if they made improvements that "directly or indirectly" benefited all tenants, such as a new boiler. As per the new rules, rent growth for Major Capital Improvements (MCIs), that apply to the whole building, are now capped at 2% per year. Individual Apartment Improvements (IAIs), which permitted property owners to increase rents based on improvements made to individual apartments, are now capped at $15,000 every 15 years, and expire after 30 years.

No more "preferential" rents: Landlords of rent-stabilized apartments can offer units to tenants for a price lower than the legal regulated rent. But they can no longer raise the rent to the legally mandated limit when a lease is renewed, a practice that was pushing tenants out.

High-income apartments are no longer deregulated: If a tenant in a rent-stabilized unit earned over $200,000 a year in two consecutive years, the landlord could deregulate the unit. This will no longer be allowed.

The "owner-use" loophole: landlords or their family members had been able to remove rent-stabilized tenants from *multiple units* to use them as residences, a rule sometimes abused by landlords as a way to ultimately raise rents. Now, landlords will only be able to claim "owner use" for *one apartment* for use as their primary residence.

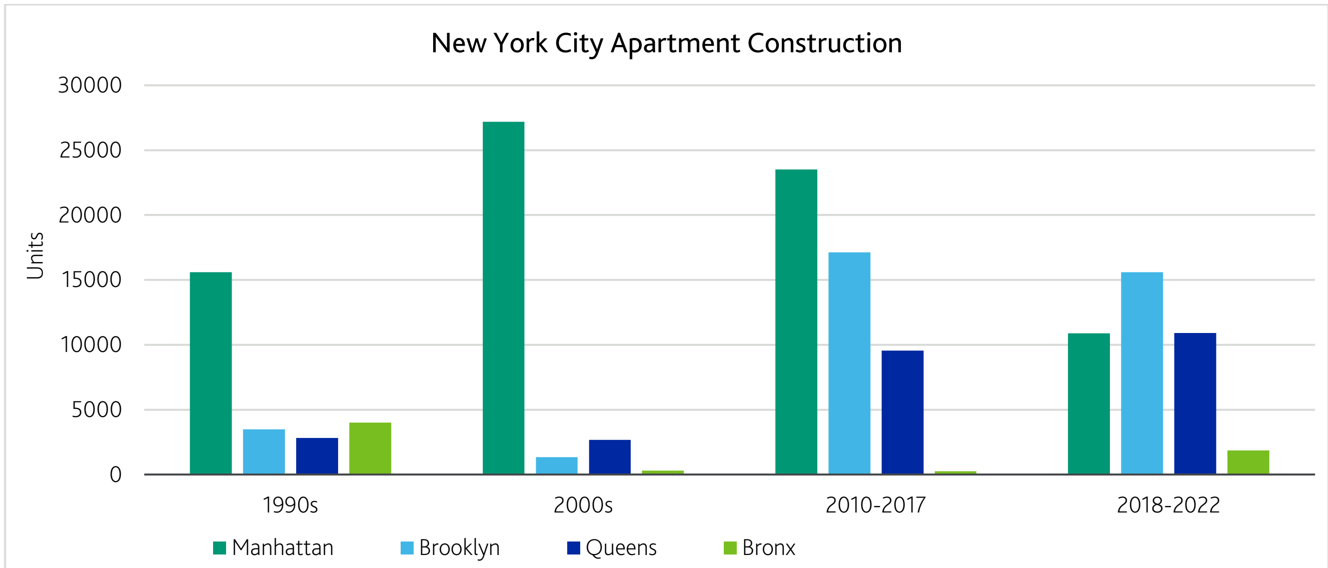
Other new laws on security deposits and other leasing procedures that favor tenants were passed[18].

The annual increases in rents are set by the Rent Guidelines Board who base the increase on the real property income and expense reports that each owner is required to submit annually. The increases range from 2.0% to 4.5% under Bloomberg and from 0% to 1.8% under de Blasio.

New York City has seen significant apartment construction over the last ten years, particularly in the outer boroughs. More development is underway including a number of properties that have not started construction.

[17] Source: New York Times "Landmark Deal Reached on Rent Protections." June 11, 2019.

[18] These apply to all New York City apartments (both regulated and market rate): security deposits have been capped at one month's rent; application fees for apartments have been capped at $20, inclusive of background check fees, and landlord "blacklists" are now banned, meaning landlords can no longer refuse a lease to a tenant that has been sued in housing court. Landlords must also give at least 30 days' notice to tenants if they intend to raise rents by more than 5% and is based on a tenant's time in occupancy. Late fees are now capped at the lesser of $50 or 5% of the monthly rent and may only be charged if rent is late by 5 or more days.



Source: Moody's Analytics REIS

The outer boroughs have also seen the highest rent growth driven largely by the new "luxury" housing. Still, most of these new units will not be affected by the new rent regulations as these are market-rate apartments. Only the new units built under 421a or Affordable New York that currently rent for $2,774 per unit or less will be impacted by the new rent laws.

Appendix B. New York City Real Property Transfer and Mortgage recording Taxes

Over the last five years, the sales of rent-regulated properties had soared in 2016 – 2017 but then fell dramatically in 2018 as owners had already started to fear the growing sense that new rent regulations would pass. The table below shows the trend in sales of rent regulated properties, the estimated real property transfer and mortgage recording taxes these sales yielded and the total transfer and mortgage recording taxes that the city collected in these years.

Note that the average price paid per unit has fallen in the last two years after rising from 2013 to 2017. Note also that the sales of rent regulated properties accounted for 1% or less of the taxes collected in these categories, except in 2016 when they accounted for 2.6% of the total transfer taxes and 1.7% of the mortgage recording taxes. Data for 2019 is year to date through August.

YEAR	TOTAL SALES OF NEW YORK CITY RENT-REGULATED PROPERTIES SALES (IN MILS)	TOTAL UNITS IN NEW YORK CITY RENT REGULATED PROPERTIES SOLD	AVERAGE PRICE PAID PER UNIT	EST. REAL PROPERTY TRANSFER TAXES ON RENT REGULATED SALES (IN MILS)	EST. MORTGAGE RECORDING TAXES[19] ON RENT REGULATED SALES (IN MILS)	CITY COLLECTIONS OF REAL PROPERTY TRANSFER TAX (IN MILS.)	CITY COLLECTIONS OF MORTGAGE RECORDING TAX (IN MILS.)
2013	$474.7	3,209	$147,916	$6.8	$4.4	$1,086	$742
2014	$409.6	2,592	$158,042	$5.8	$3.8	$1,527	$961
2015	$787.2	3,794	$207,485	$11.2	$7.3	$1,765	$1,155
2016	$2,241.3	9,656	$232,115	$31.9	$20.8	$1,775	$1,234
2017	$1,004.2	3,404	$295,020	$14.3	$9.3	$1,415	$1,118
2018	$305.7	1,205	$253,702	$4.4	$2.8	$1,388	$1,049
2019	$203.5	836	$243,366	$2.9	$1.9	n/a	n/a

Source: Moody's Analytics REIS and NYC Office of Management and Budget

[19] Assumes all sales had a LTV mortgage of 65% of the sale.

Appendix C. California Apartment Submarkets and Recent Rent Growth

The tables below show annual rent growth by submarket for San Diego (as a California metro example), along with Portland, OR. The submarkets are ranked by the percentage of units that were built prior to 2005 as these will see a higher impact from the new laws. In most of the metros below, the submarkets listed near the top of the tables are older and more suburban, while those close to the bottom are closer to the urban core where most of the new construction has taken place. Still, in many cases, it is the older stock that has seen the highest rent growth rates. These are the units that house tenants that are more income constrained and need greater protection from high rent spikes. That said, the tables below show that most submarkets have not seen rent growth above 5% (CA) or 8% (OR) for more than one year at a time. And few have seen rent growth rates of that magnitude in the last two years. Of course, the numbers below are averages. Many properties within these submarkets may have seen higher rent growth than the averages listed here. Note ALL rent growth rates listed below were adjusted for inflation according to the CPI of their respective MSA or region.

San Diego, CA

SUBMARKET	PERCENT OF APARTMENT UNITS BUILT PRIOR TO 2005	ANNUAL EFFECTIVE RENT GROWTH*				
		2015	2016	2017	2018	2019
Mission Bay/Pacific Beach	100%	2.2%	-1.4%	1.4%	1.1%	0.0%
El Cajon/Santee/Lakeside	99%	1.9%	0.5%	-0.5%	0.4%	1.3%
Escondido/San Marcos	93%	**9.8%**	1.0%	-1.2%	-0.5%	0.6%
National City/Chula Vista	92%	4.2%	3.8%	-2.9%	1.3%	1.7%
Oceanside	91%	1.8%	**6.3%**	2.0%	3.2%	3.6%
La Mesa/Spring Valley/Lemon Grove	91%	**6.0%**	2.3%	-0.7%	-1.4%	1.3%
North Beaches	89%	1.8%	-1.0%	0.3%	-0.5%	0.8%
San Diego/East of I-15	88%	4.3%	3.6%	-4.0%	0.2%	1.1%
Ocean Beach/Point Loma Blvd.	87%	-0.3%	**16.1%**	-1.7%	-1.1%	0.4%
Balboa Park/West of I-15	86%	4.1%	4.3%	2.7%	-0.4%	3.8%
Mira Mesa/Rancho Bernardo	80%	**8.9%**	0.9%	1.2%	1.3%	1.6%
Clairemont/Linda Vista Mission	77%	1.7%	3.1%	-0.4%	0.9%	2.1%
Vista	77%	2.5%	1.5%	-3.0%	2.7%	3.3%
La Jolla/University City	72%	**7.7%**	2.6%	-4.8%	**5.4%**	1.3%
Downtown San Diego	30%	5.0%	-2.8%	4.2%	0.6%	2.3%

Source: Moody's Analytics REIS

Portland, OR

SUBMARKET	PERCENT OF APARTMENT UNITS BUILT PRIOR TO 2005	ANNUAL EFFECTIVE RENT GROWTH				
		2015	2016	2017	2018	2019
East Gresham	97%	3.9%	5.0%	2.0%	0.7%	1.7%
Tigard/Oswego/Wilsonville	86%	**8.5%**	3.8%	0.6%	2.1%	2.3%
Milwaukie/Oregon	84%	**15.0%**	**7.9%**	0.8%	0.5%	-5.6%
Beaverton	80%	**17.8%**	4.7%	0.0%	0.6%	1.5%
Northwest	38%	4.0%	2.5%	-0.4%	-2.3%	0.6%
Northeast	29%	**7.5%**	**7.5%**	-3.7%	1.9%	3.0%

Source: Moody's Analytics REIS

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