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## Rental Prices Skyrocket as Pandemic Continues



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As we continue further into the pandemic—which has caused many shifts in the economy—renters are leaving the city life for the suburbs. The flexibility of remote work has given many people the opportunity to reconsider their lifestyle, trading out the busy, city life for a slower, less hectic suburban landscape. This shift has caused a significant change in the rental market, driving renters out of the city and into the suburbs.

The change in rental market supply and demand has led to the start of pronounced fluctuations in rental prices; the further you are from the city,

the higher the increase in pricing you can expect to see. The biggest pricing variances are starting to happen in the Inland Empire, followed by Ventura County, the southern part of Orange County and suburban San Diego county. The shift away from city living has caused historically low vacancies in normally busy parts of the city.

This shift is predicted to continue to drive rental rates up as vacancy rates continue to fall below 5%. By 2023, rental rates are expected to see triple digit spikes in some areas, as the shift continues. Rents are expected to rise by hundreds of dollars in some communities, as the trends and lifestyles continue to change due to the pandemic. For example, Los

Angeles County has a current average rent of \$2,073, with a 3.9% vacancy rate. This average rent is predicted to rise to \$2,325 by 2023, with the vacancy rate staying at around 3.9%. The Orange County average rent is predicted to rise from the current \$2,439 to \$2,849, while the vacancy rate is expected to rise from 2.1% to 3.7%.

The 2021 Casden Spring State of the Market Forecast Report predicts that by the end of the third quarter in 2023, rents will increase by \$252 over the current level in Los Angeles County, \$410 in Orange County, \$348 in San Diego County, \$310 in Ventura County and \$241 in the Inland Empire, including Riverside and San Bernardino.

These increases come as no surprise as economic changes in the housing market, among other markets, continue to unfold. Buying is going to be a strong option in 2022, especially as the rental market is driven into triple digit increases and rental options drop below 1% in some suburban markets.

*Chad Singer is a Sales Partner at Amalfi Estates, whose team has sold close to \$2 billion in properties and was selected by the Wall Street Journal as one of the top 40 agents in the country out of one million agents. If you are thinking of buying a home or selling your own, Contact Chad Singer at 818-605-3704 or chad@amalfiestates.com.*