

# City of Burbank 2004 Housing Profile



June 2009 Update

# CITY OF BURBANK 2009 HOUSING PROFILE

May 2009 UPDATE

THE COMPLETE HOUSING PROFILE WAS COMPLETED IN DECEMBER 2004. IN ORDER TO MAINTAIN UP-TO-DATE INFORMATION, A PORTION OF SECTION IV (D-F) – HOUSING STOCK CHARACTERISTICS – IS UPDATED ON AN ANNUAL BASIS TO REFLECT BURBANK’S CURRENT HOME OWNERSHIP AND RENTAL HOUSING MARKET AND TO ASSESS OWNER AND RENTER HOUSING AFFORDABILITY.

## **IV. HOUSING STOCK CHARACTERISTICS**

### **D. HOME OWNERSHIP MARKET (MAY 2009 UPDATE)**

The following section on housing costs begins with an overview of regional housing trends, followed by a comparison of sales prices within nearby communities. Then a detailed analysis of all single-family and condominium sales in Burbank over the past year and most recent three month period is presented. Finally, following Section E on the City's rental market, Section F provides an affordability analysis of both owner and renter housing in Burbank.

#### **Southern California Trends**

Southern California, like most of the country, has experienced a significant decline in home sales prices. With an overall median sales price of \$250,000 recorded in March 2009, home prices are 50 percent below their peak of \$505,000 reached in the summer of 2007. However, the median price has remained in the \$250,000 range for the past three months, a sign that sales prices may have begun to stabilize. In addition, a number of regions throughout California have seen a modest increase in the median sales price for one or more months since the beginning of the year.

It is important to recognize the 50 percent drop in sales prices since 2007 is overstated by the fact that home foreclosures comprise more than half of Southern California sales, particularly in the lower cost inland areas. In contrast, homes in the upper half of the market are not selling well due in part to the difficulty in obtaining financing for jumbo mortgages; two years ago jumbo mortgages comprised 40 percent of home purchases in Southern California, whereas today they comprise just 10 percent. As jumbo financing becomes available over the next several months, the median price will begin to increase as the mix of housing sales becomes less dominated by foreclosures.

Within Los Angeles County, the median home price fell 32 percent between March 2008 - March 2009. The volume of home sales in the County, however, has continued to climb - particularly in lower cost areas - increasing 40 percent from the prior year. Entry-level home purchasers are taking advantage of affordable home prices and foreclosure opportunities, low interest rates, new federal tax credits and government-insured FHA financing available for first-time homebuyers. The California Association of Realtors reports the Los Angeles County housing affordability index - the percentage of households that can afford to purchase an entry level home<sup>1</sup> - has increased from just 27 percent in fourth quarter 2007 to 46 percent in fourth quarter 2008.

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<sup>1</sup> The price of an entry level home is measured at 85% the prevailing median sales price.

## Regional Housing Sales

Table IV-1 compares median single-family home and condominium sales prices in Burbank and nearby communities by zip code during calendar year 2008. (Refer to Figure IV-1 later in this section for a map of the City's zip code boundaries).

A total of 557 **single-family homes** were sold in Burbank during 2008, reflecting an 18 percent drop in the volume of homes sold in 2007. Median sales prices were fairly comparable in the three zip codes located south of Glenoaks Boulevard at around \$525,000, increasing to \$630,000 in zip code 91504 (northwest Burbank - north of Glenoaks, west of Walnut) and to \$676,000 in zip code 91501 (northeast Burbank - north of Glenoaks, east of Walnut). In comparison, a total of 628 homes sold in Glendale in 2008, with zip code medians ranging from \$425,000 to \$733,000; 765 homes sold in Pasadena with medians from \$422,000 to \$1,045,000; and 177 homes sold in La Canada Flintridge for a median price of \$1,089,000. In the two City of Los Angeles zip codes immediately west of Burbank, 74 homes sold in the Toluca Lake community for a median of \$793,000, and 90 homes sold in North Hollywood for a median of \$530,000. While sales prices vary dramatically among zip codes within the three largest cities (Burbank, Glendale and Pasadena), the weighted average sales price in each city indicates that in the aggregate, single-family sales prices in Burbank (\$566,000) remain less expensive than both Glendale (\$648,000) and Pasadena (\$665,000). While average 2008 single-family sales prices in Burbank fell 14 percent from 2007, this represents half the 28 percent decline in single-family sales prices recorded Countywide. By comparison, average single-family sales prices fell 13 percent in Pasadena and 20 percent in Glendale during 2007 and 2008.

**Condominiums** comprised one-quarter of units sold in Burbank in 2008, though the volume of sales (171 units) was down 24 percent in comparison to 2007. Median sales prices within Burbank's five zip codes ranged from \$375,000 to \$418,000, with a weighted average sales price of \$408,000. Average condominium prices in Burbank fall in between Glendale (\$348,000) and Pasadena (\$475,000). Burbank's average condominium price decreased by 11 percent from 2007, in comparison to a 14 percent decline Countywide and 17 percent decline in Glendale. In Pasadena, condominium sales prices declined just 7 percent, due in part to several new condominium developments which came on line during 2008.

**Table IV-1**  
**Single-Family Homes and Condominium Sales: 2008**  
**Burbank and Nearby Communities**

Community	Zip Code	# Homes Sold	Median Home Price (\$000)	% Change from 2007	Home Price per sq. ft.	# of Condos Sold	Median Condo Price (\$000)	% Change from 2007
<b>Burbank</b>	91501	61	\$676	-11.1%	\$388	47	\$ 418	-11.2%
	91502	10	\$ 527	-4.3%	\$ 314	16	\$ 375	6.4%
	91504	135	\$ 630	-14.9%	\$ 392	74	\$ 410	-8.5%
	91505	231	\$ 523	-14.3%	\$ 402	24	\$ 410	-21.9%
	91506	120	\$ 526	-17.7%	\$ 383	10	\$ 405	-3.7%
<b>Glendale</b>	91201	112	\$ 622	-15.7%	\$ 427	10	\$ 360	-16.9%
	91202	112	\$ 635	-21.6%	\$ 393	46	\$ 360	-19.6%
	91203	16	\$ 455	-23.8%	\$ 369	50	\$ 358	-16.9%
	91204	4	\$ 445	-23.1%	\$ 399	11	\$ 359	-15.5%
	91205	47	\$ 425	33.1%	\$ 337	30	\$ 327	-16.2%
	91206	111	\$ 663	-17.2%	\$ 355	90	\$ 350	-15.2%
	91207	65	\$ 733	-26.4%	\$ 413	11	\$ 290	-20.4%
	91208	161	\$ 720	-14.2%	\$ 394	12	\$ 318	-25.3%
<b>La Canada</b>	91011	177	\$ 1,089	-19.3%	\$ 527	8	\$ 718	47.9%
<b>North Hollywood</b>	91601	90	\$ 530	-12.8%	\$ 363	22	\$ 310	-19.9%
<b>Pasadena</b>	91101	7	\$ 422	1.4%	\$ 287	101	\$ 460	-12.4%
	91103	124	\$ 427	-36.7%	\$ 350	24	\$ 515	-8.0%
	91104	233	\$ 540	-20.6%	\$ 394	9	\$ 275	-35.3%
	91105	100	\$ 1,045	-2.5%	\$ 525	40	\$ 793	0.4%
	91106	81	\$ 960	12.9%	\$ 520	119	\$ 410	-11.8%
	91107	220	\$ 659	-11.1%	\$ 405	45	\$ 419	0.8%
	<b>Toluca Lake</b>	91602	74	\$ 793	-17.4%	\$ 449	57	\$ 400

Source: DQNews - Los Angeles Times Zip Code Chart, <http://www.dqnews.com>

## Burbank Housing Sales

The following provides a detailed analysis of Burbank's homeownership market over the past year (April 2008 - March 2009). Given the rapidly shifting real estate market, sales during the most recent three month time frame (January - March 2009) are also evaluated.

Table IV-2 presents information on all sales of existing and new single-family homes and condominiums in Burbank from April 2008 - March 2009. A total of 560 **single-family home** sales were recorded during this one year period. Two-and three-bedroom units were the most prevalent homes sold, characteristic of Burbank's older single-family housing stock of smaller sized units. For example, the average unit size among the 253 three-bedroom units sold was 1,550 square feet, and the average year built was 1944. Median sales prices ranged from \$380,000 (one-bedroom) to \$550,000 (three-bedroom) to \$760,000 (five-bedroom) depending on size, amenities and location. The overall median home price in Burbank was \$526,000, reflecting a 14 percent decline from the \$615,000 median documented in July 2007 - March 2008. The downward trend in the sales market can be traced back to 2004 through review of Burbank's past Housing Profiles. The increase in median sales price among Burbank's single-family homes was documented at 26 percent between 2003 and 2004; 18 percent between 2004 and 2005; 4 percent between 2005 and 2006; a flat, zero percent between 2006 and 2007; -7 percent between 2007 and 2008; and now a -14 percent between 2008 and 2009.

**Table IV-2**  
**Home and Condominium Sales Prices**  
**April 2008 - March 2009**

# Bdrms	Units Sold	Price Range	Median Price	% Price Change*		Average Unit Size	Average Lot Size	Average Year Built
				2007/08 to 2008/09	2006/07 to 2007/08			
<b>Single-Family Homes</b>								
1	10	\$241,000 - \$600,000	\$380,000	-22%	5%	850 sq. ft.	5,280 sq. ft.	1936
2	183	\$206,000 - \$2,250,000	\$470,000	-16%	-8%	1,190 sq. ft.	6,800 sq. ft.	1943
3	253	\$138,000 - \$1,300,000	\$550,000	-14%	-7%	1,550 sq. ft.	7,100 sq. ft.	1944
4	88	\$240,000 - \$1,860,000	\$653,000	-10%	-12%	2,150 sq. ft.	7,500 sq. ft.	1949
5+	26	\$365,000 - \$2,350,000	\$760,000	-23%	-7%	2,950 sq. ft.	8,200 sq. ft.	1959
<b>Total</b>	<b>560</b>	<b>\$138,000 - \$2,350,000</b>	<b>\$526,000</b>	<b>-14%</b>	<b>-7%</b>	<b>1,575 sq. ft.</b>	<b>7,200 sq. ft.</b>	<b>1945</b>
<b>Condominiums</b>								
1	28	\$133,000 - \$510,000	\$280,000	-48%	34%	775 sq. ft.	--	1985
2	109	\$206,000 - \$560,000	\$360,000	-12%	-6%	1,200 sq. ft.	--	1984
3	70	\$269,000 - \$670,000	\$440,000	-15%	-3%	1,550 sq. ft.	--	1989
4	7	\$385,000 - \$480,000	\$450,000	-6%	-16%	1,600 sq. ft.	--	1977
<b>Total</b>	<b>214</b>	<b>\$133,000 - \$670,000</b>	<b>\$390,000</b>	<b>-9%</b>	<b>-6%</b>	<b>1,300 sq. ft.</b>	<b>--</b>	<b>1985</b>

Source: Dataquick, April 1, 2008 - March 31, 2009

\* Reflects year-to-year change in median sales price as documented in 2008 and 2007 Burbank Housing Profiles.

**Condominiums** remain an important component of Burbank's housing market, with 214 units sold over the past year (Table IV-2). Median prices for condominiums ranged from \$280,000 to \$450,000, with an overall median price of \$390,000. Condominiums evidenced a 9 percent price decrease over the prior year, a continuation of the 6 percent price decrease documented during 2007-2008 and 2 percent decrease during 2006-2007, although a sharp decline from the approximate 20 percent sales price increases in each of the 2003-2004 and 2004-2005 periods. While two-bedroom units represented half of units sold, 77 three and four-bedroom units were sold, offering potential homeownership opportunities for larger households. Given the more recent vintage of the City's condominiums relative to homes, unit sizes among two and three bedroom units are fairly comparable to single-family homes.

The prior analysis evaluates home and condominium sales during the one year period from April 2008 to March 2009. Evaluation of the most recent three months of this sales data (January to March 2009) provides insight into how the real estate market is continuing to change. As presented in Table IV-3, the median single-family sales price in Burbank over the most recent three months is \$465,000, a 12 percent decline from the \$526,000 measured over the past 12 months in Table IV-2. However, sales prices among luxury homes with five or more bedrooms actually increased in recent months, though the number of homes sold is fairly limited. Burbank's condominium sales prices declined from \$390,000 to \$345,000 in first quarter 2009; this 6 percent drop in price is half that evidenced in the single-family home sales market.

**Table IV-3**  
**Home and Condominium Sales Prices**  
**January - March 2009**

# Bdrms	Units Sold	Price Range	Median Price		% Price Change
			Jan - March 2009	Apr 2008 - Mar 2009	
<b>Single-Family Homes</b>					
2	48	\$250,000 - \$735,000	\$432,000	\$470,000	-8%
3	43	\$250,000 - \$720,000	\$465,000	\$550,000	-15%
4	20	\$240,000 - \$1,860,000	\$530,000	\$653,000	-19%
5+	7	\$501,000 - \$2,350,000	\$945,000	\$760,000	+24%
<b>Total</b>	<b>118</b>	<b>\$240,000 - \$2,350,000</b>	<b>\$465,000</b>	<b>\$526,000</b>	<b>-12%</b>
<b>Condominiums</b>					
2	34	\$206,000 - \$460,000	\$332,000	\$360,000	-8%
3	13	\$270,000 - \$550,000	\$409,000	\$440,000	-7%
4	2	\$445,000 - \$449,000	\$447,000	\$450,000	-1%
<b>Total</b>	<b>49</b>	<b>\$206,000 - \$550,000</b>	<b>\$365,000</b>	<b>\$390,000</b>	<b>-6%</b>

Source: Dataquick, January - March 2009

## Home Foreclosures

The increase in home foreclosures is closely related to the decline in home values. With depreciated values, many homeowners find themselves owing more on their homes than its market value. Combined with rapidly adjusting mortgage rates on subprime loans, the number of mortgage default notices filed against California homeowners is at a record high.<sup>2</sup> Foreclosure resales accounted for 58 percent of all home resale activity in the State during first quarter 2009, compared to 33 percent one year earlier.

Home foreclosures are not only impacting the more affordable inland communities, but are expanding to older, more established communities as well. DataQuick reports that the State's affordable sub-markets, which comprise one-quarter of California's housing stock, accounted for 52 percent of all default activity in 2008; in first quarter 2009, just 47 percent of default activity was in these areas.

As of May 2009, a total of 573 Burbank homes were in various states of foreclosure, a significant increase from the 325 homes identified in January 2008, though still representing less than 3 percent of the City's single-family and condominium housing stock. Of these 573 homes, 323 homes were in default and considered in pre-foreclosure, 166 were bank-owned, and 84 were trustee sales. Based on current trends, the City estimates that as many as 1,200 units could face one of the three different stages of foreclosure over the next two years as adjustable rate mortgages continue to reset through 2010.<sup>3</sup>

The City of Burbank website (<http://www.ci.burbank.ca.us/finance/foreclosureinfo.htm>) includes foreclosure information on its home page to provide resources for residents to better understand the foreclosure process, prevention options and mortgage rights.

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<sup>2</sup> Since DataQuick began measuring statistics in 1992.

<sup>3</sup> Burbank Economic Profile, Second Quarter 2008.

## **E. RENTAL HOUSING MARKET (MAY 2009 UPDATE)**

The following section on rental costs begins with an overview of regional trends, followed by a Citywide survey of vacant rental units and an analysis of rent trends in several of the City's larger apartment complexes. Section F which follows presents an analysis of the affordability of both rental and for-sale housing to various income levels in the community.

### **Regional Trends**

The economic recession has not only impacted the homeownership market, but the apartment market as well. With the loss of approximately 150,000 jobs in Los Angeles County during 2008, the demand for apartments plummeted. Concurrent with these jobs losses, over 7,500 new apartment units were developed - the largest volume of rental supply in Los Angeles County in over twenty years. The result of this weakening demand and significant increase in the supply of apartments has been an increase in vacancies and downward pressure on rents, with occupancy levels dropping 4.7 percent and asking rents declining 3.8 percent between 2007 and 2008.<sup>4</sup>

Similar to the greater Los Angeles metropolitan area, the Tri Cities submarket - consisting of Burbank, Glendale, and Pasadena - evidenced a weakening demand for rentals during 2008. The area's close ties to the entertainment industry and the closure of Pasadena's IndyMac bank contributed to a 3.5 percent decline in apartment occupancy rates to 94.2 percent. Nearly 400 new apartment units came online, over 60 percent of which were within Glendale's Americana at Brand mixed use development. Nonetheless, despite decreasing occupancy levels and the increase in apartment supply, asking rents in the Tri Cities increased by 1.2 percent, with an average monthly rent of \$1,732. While the introduction of several large-scale luxury apartment projects in Pasadena and Glendale have helped to maintain overall average rent levels in the Tri Cities, the following more detailed analysis of rents within the City of Burbank demonstrate a different trend.

### **Burbank Rent Survey**

A rent survey was conducted in April 2009 to evaluate rental trends down to the city level. Table IV-4 on the following page presents the results of the 2009 rent survey, as well as a comparison with previous surveys conducted for Burbank's Housing Profile in 2007 and 2008. Rental data was collected based on asking rents for units advertised in the Burbank Leader newspaper and on several rental websites. The following discussion summarizes the results of the rent survey by unit type, including apartments, condominiums, single-family homes and rooms for rent.

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<sup>4</sup> USC Casden Real Estate Economics Forecast - 2009 Multi-family Market Report.

**Apartment Rents:** A total of 102 apartment units were advertised for rent during April 2009, comparable to the number of listings in the March 2008 Housing Profile. The majority of apartment listings were one- and two-bedroom units, with only 7 three-bedroom units advertised. Median rents were \$800 for a studio, \$1,100 for a one-bedroom, \$1,450 for a two-bedroom, and \$1,990 for a three-bedroom apartment. The median rent for all apartments listed was \$1,295, reflecting a 14 percent decrease from the \$1,500 median apartment rent documented one year prior in the 2008 Housing Profile. In contrast, between 2007 and 2008, the Burbank rent survey documented no change in the median rent.

Figure IV-1 illustrates apartment rental rates by geographic area of the City. The majority of apartment rentals were within the 91505 zip code near the studios and in the 91504 zip code, with 27 and 29 listings each, respectively.

**Condominiums/Townhome Rents:** Condominiums and townhomes accounted for a much smaller component of Burbank's rental market with 25 units advertised. Rental prices for condominiums were significantly higher than for apartments due to the typically larger unit sizes and higher degree of amenities. Median rental prices were \$1,895 for a two-bedroom unit and \$2,600 for a three-bedroom unit. The median rental price for all condominium units listed was \$1,900, and similar to apartment rentals, represented a considerable 19 percent decrease in median rents from the prior year. Compared to the prior year's (2007-2008) 11 percent increase in condominium rents, this decrease in rents reflects a significant shift in the luxury rental market.

**Single Family Home Rents:** Twenty-eight single-family homes were advertised for rent in Burbank during April 2009. Rental costs for single-family homes are generally the highest among any unit type, although prices vary according to size and location within the City, with homes north of Glenoaks Boulevard commanding the highest rents. Median rents were \$1,995 for a two-bedroom home, \$2,400 for a three-bedroom home, and \$3,900 for a four-bedroom home. In aggregate, the median single-family home rent was \$2,400, unchanged from 2008. In contrast, between 2007 and 2008, single-family home rents decreased by 8 percent.

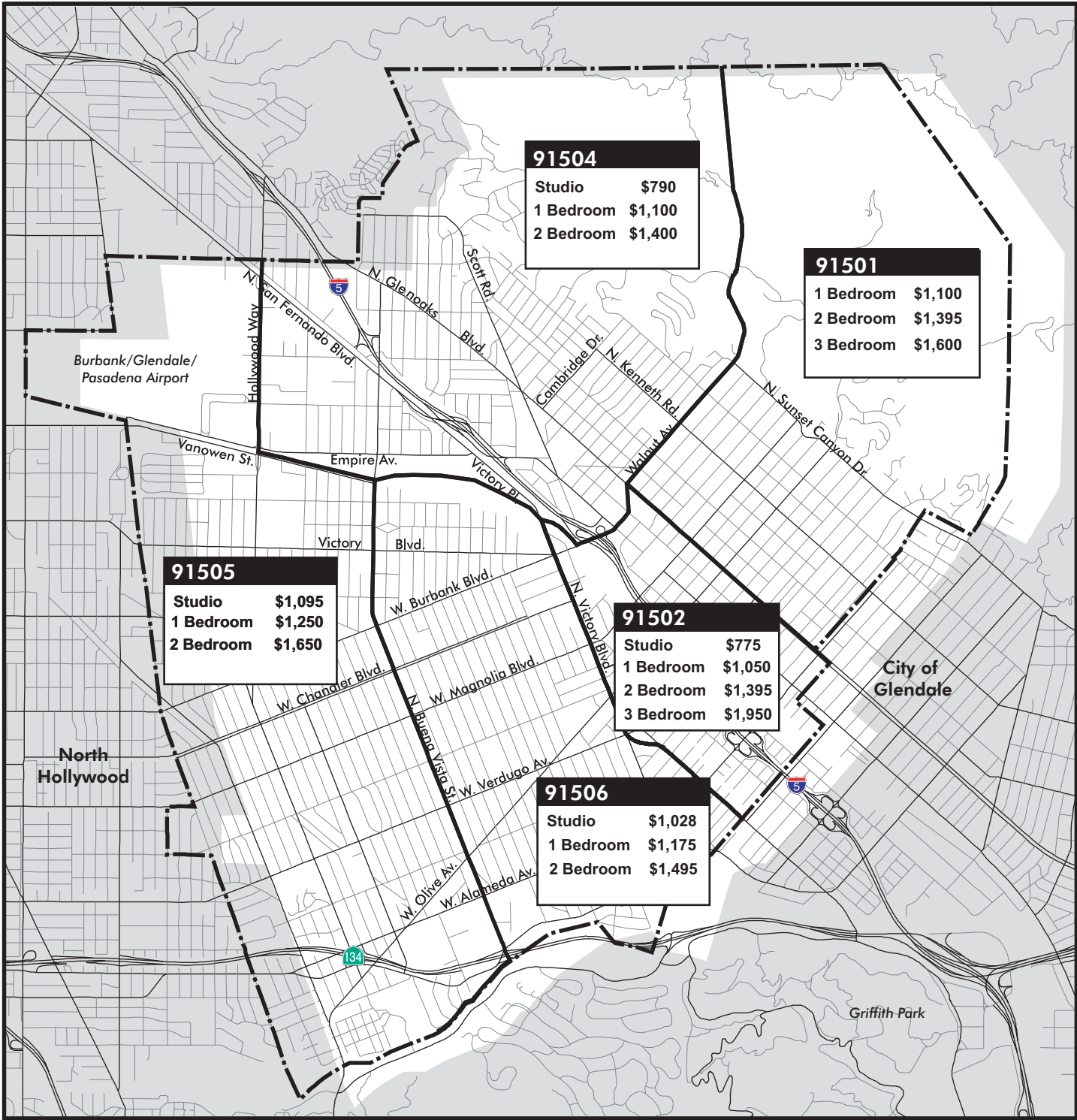
**Rooms for Rent:** In addition to full rental units, a significant number of individual rooms within single-family homes, apartments and condominiums were advertised for rent. This is the first of Burbank's rent surveys (since 1998) to identify room rentals, and is likely a reflection of the economy as homeowners seek to bring in extra income and renters take on extra roommates. Twenty single-family homes advertised rooms for rent, ranging in price from \$550 to \$1,100, and averaging \$800. Rooms in condominiums rented for a median of \$860, and rooms in apartments rented for a median of \$750.

In summary, the rent survey shows a significant decrease in both apartment (-14%) and condominium (-19%) rents in Burbank between 2008 and 2009. Single-family home rents have remained stable over the past year, although a new segment in the rental market has emerged with homeowners renting out individual rooms within their homes.

**Table IV-4  
Survey of Vacant Rental Units: 2007-2009**

Unit Type and Bedrooms	April 2009			March 2008	July 2007	% Change	
	# Units Advertised	Rent Range	Median Rent	Median Rent	Median Rent	3/2008-4/2009	7/2007-3/2008
<b>Apartments</b>							
Studio	9	\$775-\$1,095	\$800	\$950	\$1,150	-16%	-17%
1	46	\$885-\$1,649	\$1,100	\$1,300	\$1,415	-15%	-8%
2	40	\$1,150-\$1,875	\$1,450	\$1,600	\$1,800	-9%	-11%
3	7	\$1,575-\$2,690	\$1,990	\$2,550	\$2,060	-22%	+24%
Total	102	\$775-\$2,690	\$1,295	\$1,500	\$1,500	-14%	0%
<b>Condominiums/Townhomes</b>							
1	1	\$1,600	\$1,600	\$1,700	\$1,175	-6%	+45%
2	15	\$1,350-\$2,200	\$1,895	\$2,150	\$2,000	-12%	+8%
3	9	\$2,000-\$3,200	\$2,600	\$3,000	\$2,725	-13%	+10%
Total	25	\$1,350-\$3,200	\$1,900	\$2,350	\$2,100	-19%	+11%
<b>Single-Family</b>							
1	--	--	--	\$1,450	\$900	--	+61%
2	8	\$1,500-\$2,300	\$1,995	\$2,200	\$2,000	-9%	+10%
3	18	\$1,850-\$3,100	\$2,400	\$2,600	\$2,950	-8%	-12%
4	2	\$3,780-\$3,995	\$3,900	\$3,250	\$3,450	+20%	-7%
Total	28	\$1,500-\$3,995	\$2,400	\$2,400	\$2,625	0%	-8%
<b>Rooms for Rent</b>							
Single-Family	20	\$550 - \$1,100	\$800	--	--	--	--
Condominium	4	\$750 - \$995	\$860	--	--	--	--
Apartment	8	\$650 - \$900	\$750	--	--	--	--
Total	32	\$550 - \$1,100	\$800	--	--	--	--

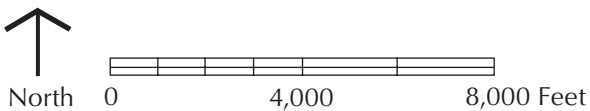
Source: 4/17/09 Burbank Leader newspaper listings; www.craigslist.com; www.apartments.com; Burbank Housing Profile - 2007 and 2008.



Source: Burbank Leader, Craigslist.com, apartments.com

91505 Zip Code

--- City Boundary  
 — Zip Code Boundary



**Figure IV-1**  
**Median Apartment Rents**  
**April 2009**

## Survey of Large Rental Properties

In order to supplement the survey of vacant rental units and provide additional insight into the dynamic rental market in Burbank, current rental housing costs were also collected from REALFACTS, a service that provides existing contract rents in properties containing 100 or more units. The following eight Burbank properties are included in the REALFACTS rent survey, representing 2,177 units:

1. Chateau Toluca - 4524 Clybourn Avenue (110 units, built 1972)
2. Kenwood Mews - 230 Kenwood Street (141 units, built 1991)
3. Avalon at Media Center - 401 Pass Avenue (748 units, built 1961)
4. Parc Pointe - 620 N. Hollywood Way (255 units, built 1990)
5. Promenade - 350 S. San Fernando (400 units, built 1988)
6. Royal Equestrian - 1200 Riverside Drive (270 units, built 1964)
7. Toluca Terrace - 333 N. Screenland (113 units, built 1988)
8. Town Center -333 Andover Drive (140 units, built 1987)

The eight properties range in size from 110 to 750 units. Six of the buildings are considered Class C and two are considered Class B construction. Properties were built between 1961 and 1991, with 1980 being the average year of construction. In contrast, the average age of the overall rental housing stock in Burbank is 1966, indicating these large apartment complexes are generally newer than most rental housing in the community.

As illustrated in Table IV-5, during the 1<sup>st</sup> quarter of 2009 the average rents in these complexes ranged from \$1,144 for a studio, \$1,507 for a one-bedroom, \$1,675 to \$1,976 for a two-bedroom (1 to 2 bath), and \$2,121 for a three-bedroom unit. The rent structure of these properties tends to be slightly higher than the apartment rents collected through the newspaper and internet rent survey. These larger apartment properties include more amenities and luxury features such as pools, recreation facilities, security parking, and on-site management, and can therefore command premium rents.

**Table IV-5**  
**Annual Rent Trends By Unit Type 2001-2009**

Unit Type (Bd/Bth)	2001	2003	2005	2007	2008	1st Quarter 2009	% Change 2001-2003	% Change 2003-2005	% Change 2005-2007	% Change 2007-1 <sup>st</sup> Q 2009
Studio	\$950	\$928	\$1,057	\$1,207	\$1,181	<b>\$1,144</b>				
1	\$1,106	\$1,250	\$1,314	\$1,510	\$1,578	<b>\$1,507</b>				
2/1	\$1,319	\$1,366	\$1,523	\$1,698	\$1,685	<b>\$1,675</b>				
2/2	\$1,465	\$1,597	\$1,762	\$1,984	\$2,033	<b>\$1,976</b>				
3/2	\$1,993	\$2,020	\$2,190	\$2,276	\$2,388	<b>\$2,121</b>				
2 Twnhm	\$1,535	\$1,620	\$1,779	\$2,022	\$2,105	<b>\$1,986</b>				
3 Twnhm	\$2,215	\$2,290	\$2,664	\$2,842	\$3,040	<b>\$3,040</b>				
<b>Total Average</b>	\$1,224	\$1,333	\$1,462	\$1,660	\$1,715	<b>\$1,644</b>	9%	10%	14%	-1%

Source: REALFACTS, April 2009.

In order to examine rental trends within a longer time frame, Table IV-5 also provides the rental history in these eight apartment complexes from 2001 through 2009. As indicated by this data, overall rents increased by 9 percent during 2001-2003, 10 percent during 2003-2005, and another 14 percent during 2005-2007. In contrast, rents have fallen 1 percent between 2007 and first quarter 2009, and 4 percent as measured from their peak in 2008.

REALFACTS also measures the change in rents over the past year (1<sup>st</sup> quarter 2008 - 1<sup>st</sup> quarter 2009) in 100+ unit apartment complexes in jurisdictions throughout Los Angeles County. Burbank evidenced a 4.8 percent decrease in average rents during this period, double the Countywide rent decrease of 2.3 percent. In comparison to other jurisdictions, Burbank was ranked 22<sup>nd</sup> in rent growth among the 28 Los Angeles area cities surveyed. The following highlights the change in apartment rents in 15 area jurisdictions and the County as a whole:

**Average Change in Apartment Rents**

**1<sup>st</sup> quarter 2008 – 1<sup>st</sup> quarter 2009**

Marina Del Rey	3.8%
North Hollywood	0.6%
Van Nuys	- 0.3%
Santa Clarita	- 1.1%
Northridge	- 1.8%
Los Angeles	- 2.2%
Reseda	- 2.7%
Long Beach	- 3.5%
Sherman Oaks	- 3.6%
<b>BURBANK</b>	<b>- 4.8%</b>
Glendale	- 4.8%
Studio City	- 5.1%
Pasadena	- 5.2%
Valencia	- 5.9%
Santa Monica	- 11.4%
<b>Countywide Average</b>	<b>- 2.3%</b>

Average apartment rent levels in 1<sup>st</sup> quarter 2009 among the 28 surveyed jurisdictions was \$1,655, comparable to Burbank's average rent of \$1,644. This would indicate that while rents have fallen in Burbank over the past year, they are still within the average range for the greater Los Angeles area. In comparison, REALFACTS documents average rents of \$2,148 in Pasadena, \$1,907 in Los Angeles City, \$1,879 in Glendale, \$1,855 in Studio City, and \$1,484 in North Hollywood.

Occupancy levels in Burbank's 2,177 units surveyed have varied only modestly since 2001, ranging from a low of 94.5 percent in 2002 to a high of 97.9 percent in 2005. Current, 1<sup>st</sup> quarter 2009 occupancy levels are measured at 96.5 percent, the second highest among the 28 jurisdictions surveyed and well above the Countywide average of 93.3 percent. As a matter of reference, rental vacancy levels of around 5% (95% occupancy) are considered ideal by SCAG for sufficient tenant mobility.

## F. OWNER AND RENTER HOUSING AFFORDABILITY

The affordability of housing in Burbank can be assessed by comparing market rents and sales prices with the amount that households of different income levels can afford to pay for housing. Compared together, this information can reveal who can afford what size and type of housing as well as indicate the type of households that would most likely experience overcrowding or overpayment.

California Health and Safety Code<sup>5</sup> defines affordable owner and rental housing costs as follows:

### Affordable Ownership Housing Cost - moderate income

- Housing costs consist of mortgage debt service, homeowner association dues, insurance, utility allowance and property taxes.
- Affordable costs are up to 35% of the defined household income.
- Affordable costs for moderate income households are based on a standard of 110% of median area income for a household size equal to one more person than the number of bedrooms in the unit.

### Affordable Renter Housing Cost

- Housing costs include rent plus utilities paid for by the tenant.
- Affordable costs are up to 30% of the defined household income.
- Household size is based on one person more than the number of bedrooms in the unit.

The HUD published 2009 Area Median Family Income (MFI) for a four-person household in Los Angeles County is \$62,100.

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<sup>5</sup> Health and Safety Code Section 50052.5 establishes affordable housing cost, and Section 50053 establishes affordable rents.

## Homeowner Affordability

Based on these definitions of income and affordable housing cost, Table IV-6 presents the maximum affordable purchase price for moderate income households (110% MFI), and compares this with market sales prices for single-family homes and condominiums in Burbank as previously documented in Table IV-2. As illustrated by this table, median single-family home prices in Burbank are well beyond the level of affordability for moderate income households. For example, the maximum affordable purchase price for a moderate income four person household is \$249,000, whereas the median priced three bedroom home in Burbank is \$550,000, an affordability gap of \$301,000. In contrast, the 2008 Housing Profile measured the affordability gap for a similar sized unit at \$419,000, illustrating the impact of the decline in home prices and reduction in mortgage interest rates on affordability.

While condominiums are still out of reach to households earning moderate incomes, similar to single-family homes, the affordability gap has narrowed. The maximum affordable purchase price for a three person household is \$222,000, whereas the median priced two-bedroom condominium in Burbank sells for \$360,000, an affordability gap of \$138,000, compared to a gap of \$209,000 one year ago. And for one bedroom condominiums, the affordability gap is just \$83,000.

**Table IV-6**  
**2009 Maximum Affordable Housing Cost (Moderate Income)**  
**Los Angeles County**

<b>Moderate Income Affordable Housing Cost</b>	<b>1 Bedroom (2 persons)</b>	<b>2 Bedroom (3 persons)</b>	<b>3 Bedroom (4 persons)</b>	<b>4 Bedroom (5 persons)</b>
Household Income @ 110% Median	\$54,670	\$61,490	\$68,310	\$73,755
Income Towards Housing @ 35% Income	\$19,135	\$21,522	\$23,908	\$25,814
Maximum Monthly Housing Cost	\$1,595	\$1,794	\$1,992	\$2,151
Less Expenses:				
Utilities	(\$75)	(\$95)	(\$115)	(\$135)
Taxes (1.1% affordable hsg price)	(\$180)	(\$205)	(\$225)	(\$245)
Insurance	(\$85)	(\$100)	(\$115)	(\$130)
HOA Fees & Other	(\$180)	(\$180)	(\$180)	(\$180)
Monthly Income Available for Mortgage	\$1,075	\$1,214	\$1,357	\$1,461
Supportable Mortgage @ 6.0% interest	\$179,000	\$202,000	\$226,000	\$244,000
Homebuyer Downpayment (10%)	\$18,000	\$20,000	\$23,000	\$24,000
<b>Maximum Affordable Purchase Price</b>	<b>\$197,000</b>	<b>\$222,000</b>	<b>\$249,000</b>	<b>\$268,000</b>
<b>Burbank Median Single-Family Sales Price</b>	<b>\$380,000</b>	<b>\$470,000</b>	<b>\$550,000</b>	<b>\$653,000</b>
<b>Burbank Median Condo Sales Price</b>	<b>\$280,000</b>	<b>\$360,000</b>	<b>\$440,000</b>	<b>\$450,000</b>

Source: Karen Warner Associates.

## Renter Affordability

Table IV-7 presents the maximum affordable rents for very low, low and moderate income households by household size, and compares with median apartment rents on vacant units in Burbank, as documented in Table IV-4. As the table below indicates, Citywide median rents continue to be above the level of affordability for both very low and low income households. The monthly affordability gap for very low income households ranges from \$547 for two-person households (one-bedroom units), up to \$1,325 for four-person households (three bedroom apartments). Low income households also face a sizable affordability gap, ranging from \$174 to \$859 per month, depending on household size. Thus with very low and low income renters priced out of Burbank's rental market, such households are faced with overpayment or overcrowding to reduce housing costs.

Moderate income households requiring one and two bedroom units can generally afford apartment rents in Burbank. However, even households earning the top end of the moderate range (120% MFI) are generally unable to afford the rents in Burbank's larger, three bedroom apartment units, not to mention the extremely limited availability of such units.

**Table IV-7**  
**2009 Maximum Affordable Rents\***  
**Los Angeles County**

<b>Income Level**</b>	<b>1 Bedroom (2 person)</b>	<b>2 Bedroom (3 person)</b>	<b>3 Bedroom (4 person)</b>
Very Low Income	\$553	\$610	\$665
Low Income	\$926	\$1,029	\$1,131
Moderate Income	\$1,423	\$1,588	\$1,752
<b>Burbank Median Apartment Rents</b>	<b>\$1,100</b>	<b>\$1,450</b>	<b>\$1,990</b>

\*Maximum rent reflects deduction of utility allowance per LACDC utility schedule for the Valley Area subregion (assumes water and trash included in rent) :  
\$68 for 1 bdrms, \$89 for 2 bdrms, and \$111 for 3 bdrms.

\*\*Income levels reflect the 2009 Official State Income Limits published by State HCD.  
Source: Karen Warner Associates