



MULTIFAMILY REPORT

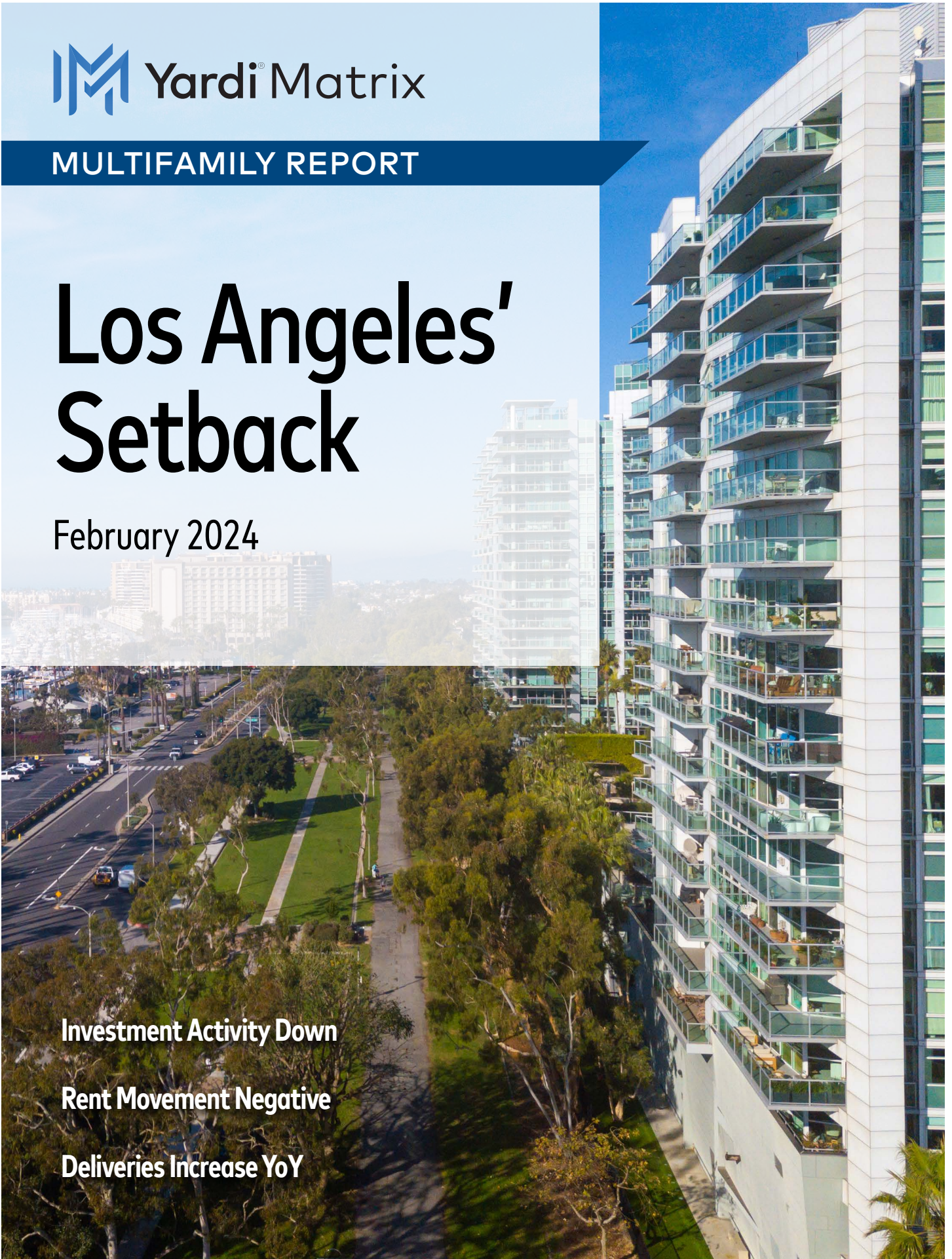
Los Angeles' Setback

February 2024

Investment Activity Down

Rent Movement Negative

Deliveries Increase YoY



LOS ANGELES MULTIFAMILY



Resilience Gives Way To Downturn

The Los Angeles multifamily market felt the impact of the economic downturn across fundamentals in 2023, and this trend is expected to persist in 2024. Rents were down 0.4% on a trailing three-month basis through December, 10 basis points below the national figure. On a year-over-year basis, rates were down 1.1%, to an average of \$2,560. Deliveries improved year-over-year, but occupancy rates fell 40 basis points, to 96.1% in November.

Employment growth stood at 2.1% for the 12-month period ending in October, with Los Angeles adding 74,900 jobs. Meanwhile, the unemployment rate reached 5.0% as of November, according to preliminary data from the Bureau of Labor Statistics, close to the January 2023 figure. The top performing sectors were education and health services (up 55,800 jobs) and leisure and hospitality (29,700 jobs). The information sector took a massive hit, losing 29,900 jobs through October. According to a study from Otis College of Art and Design, this was mostly due to losses recorded during the Writers Guild of America and Screen Actors Guild-American Federation of Television and Radio Artists strikes, as a total of 24,799 people lost their jobs between May and November.

The development pipeline remained sturdy, with 31,401 units underway as of December. Developers completed 11,121 apartments in 2023, representing a 2.4% expansion of stock.

Market Analysis | February 2024

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Recent Los Angeles Transactions

Summerset Village



City: Chatsworth, Calif.
Buyer: IMT Capital
Purchase Price: \$106 MM
Price per Unit: \$380,000

Providence Gardens



City: Long Beach, Calif.
Buyer: Redwood Housing Partners
Purchase Price: \$75 MM
Price per Unit: \$375,000

Terramonte



City: Pomona, Calif.
Buyer: Positive Investments
Purchase Price: \$36 MM
Price per Unit: \$257,246

William on Sunset



City: Los Angeles
Buyer: Winstar Properties
Purchase Price: \$28 MM
Price per Unit: \$348,101