

**Yardi® Matrix**

# L.A. Gateway Still Wide Open

**Multifamily Report Fall 2019**

**PPU Doubles US Average**

**Job Growth Stays Positive**

**Inventory Expansion Continues**



# LOS ANGELES MULTIFAMILY

Yardi® Matrix

## Market Analysis

Fall 2019

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## Navigating Uncharted Territory

As the current economic cycle stretches past most initial expectations, the multifamily market continues to test its limits. Los Angeles' rental market remained strong through 2019's last quarter, despite several economic and demographic headwinds, as investors and developers continued to pour their resources into the market and seek significant cash flows at the price of compressed acquisition yields.

The market's employment gains have bounced back to 1.2% year-over-year as of September, following a lengthy sub-1.0% interval during the year's first half. Education and health services continued to be L.A.'s economic cornerstone, having gained some 30,000 jobs in the 12 months ending in September. While the public sector was down 15,500 jobs and trade, transportation and utilities stagnated, long-term initiatives such as the prospect of the 2028 Olympic Games and the city's Green New Deal plan offer significant job growth potential in the long run.

Investment has stayed strong across the metro, with \$3.4 billion in assets trading through the year's first 10 months. Although three-quarters of deals were for Renter-by-Necessity properties, the average per-unit price was \$340,400, showcasing the market's enduring appeal.

## Recent Los Angeles Transactions

The Glendon



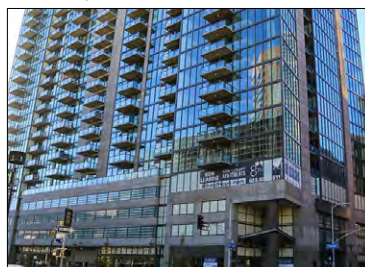
City: Los Angeles  
Buyer: Douglas Emmett & Co.  
Purchase Price: \$365 MM  
Price per Unit: \$1,042,857

Sofia



City: Los Angeles  
Buyer: The Carlyle Group  
Purchase Price: \$273 MM  
Price per Unit: \$449,670

8th+Hope



City: Los Angeles  
Buyer: Cheng, Bin F.  
Purchase Price: \$220 MM  
Price per Unit: \$758,621

The Grace on Spring



City: Los Angeles  
Buyer: daydream apartments  
Purchase Price: \$204 MM  
Price per Unit: \$678,333