

# Yardi® Matrix

## MULTIFAMILY REPORT

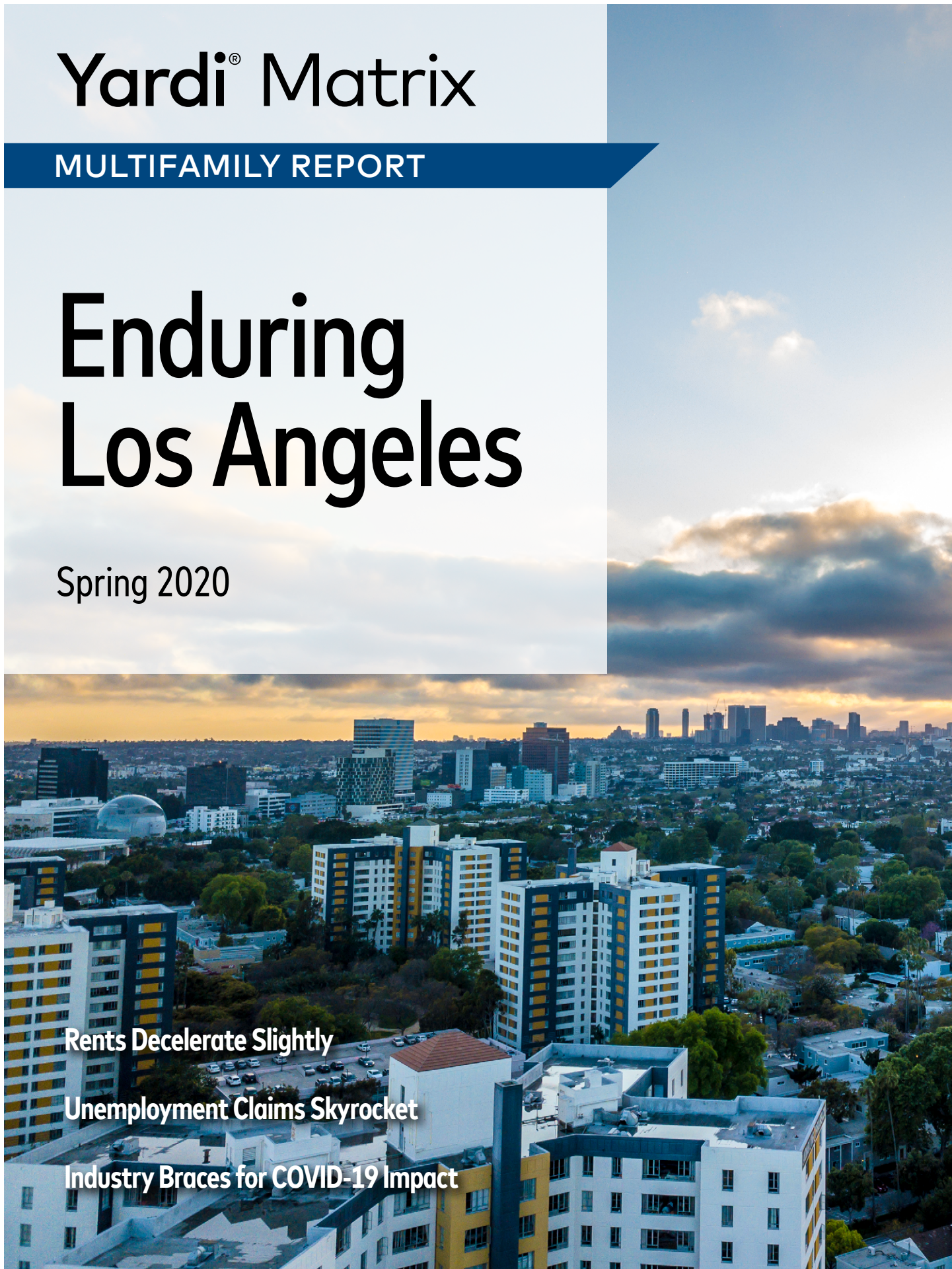
# Enduring Los Angeles

Spring 2020

**Rents Decelerate Slightly**

**Unemployment Claims Skyrocket**

**Industry Braces for COVID-19 Impact**





# LOS ANGELES MULTIFAMILY

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## Pandemic Brings LA To Arrested Development

Less than a month after California's shelter-in-place order went into effect, Los Angeles multifamily data started showing early signs of headwinds. The average rent contracted by 10 basis points on a trailing three-month basis as of March, with the up-scale Lifestyle segment recording a 0.4% drop.

Entertainment and tourism were some of the first industries hit by social distancing measures, alongside other parts of leisure and hospitality, and retail. Large employers, including Disney World in Orange County and Universal Studios Hollywood, remain closed, resulting in tens of thousands of furloughs, job cuts and pay cuts. The movie industry is reeling, with production halted on a vast number of projects, and release dates pushed beyond the second half of 2020. Meanwhile, California recorded 2.8 million initial unemployment claims in the four weeks ending on April 11, leading the nation by far. Even so, LA remains relatively well positioned in the longer run, due to its diverse employment base when compared to more leisure- or energy-heavy Sun Belt markets.

Roughly 660 units came online and \$485 million in multifamily assets traded in metro LA in the first quarter of 2020, a visible slowdown from 2019. And with the current health crisis unfolding, we expect the second quarter to further soften overall investor appetite and slacken the development pipeline.

### Market Analysis | Spring 2020

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### Recent Los Angeles Transactions

#### Wakaba LA



City: Los Angeles  
Buyer: JPMorgan Asset  
Management  
Purchase Price: \$116 MM  
Price per Unit: \$482,292

#### Hobart Garden



City: Los Angeles  
Buyer: Reiner Communities  
Purchase Price: \$48 MM  
Price per Unit: \$338,028

#### South Hills



City: West Covina, Calif.  
Buyer: Grankol  
Purchase Price: \$32 MM  
Price per Unit: \$375,882

#### The Seville



City: Whittier, Calif.  
Buyer: Sirott Investments  
Purchase Price: \$20 MM  
Price per Unit: \$261,039