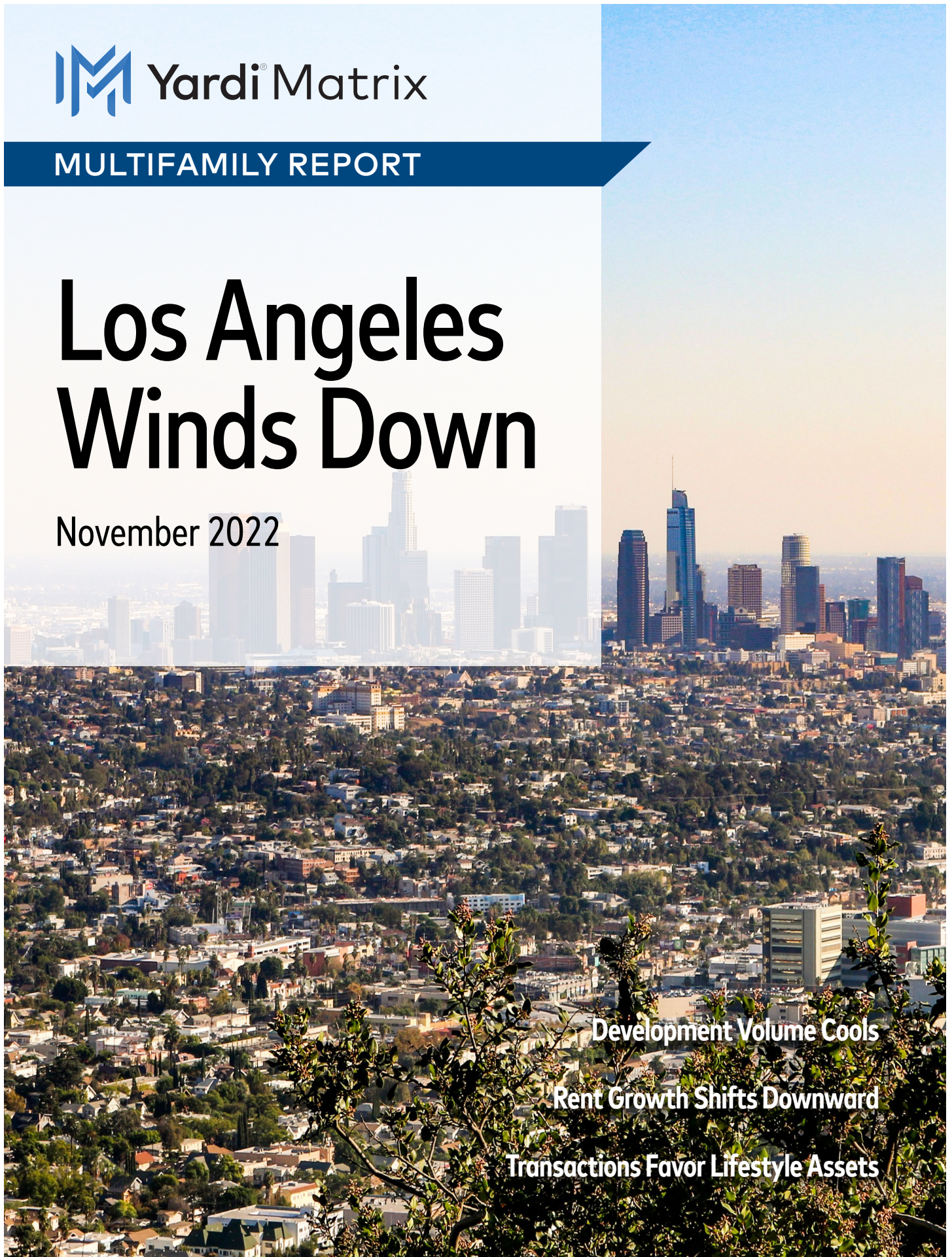




MULTIFAMILY REPORT

Los Angeles Winds Down

November 2022



Development Volume Cools

Rent Growth Shifts Downward

Transactions Favor Lifestyle Assets

LOS ANGELES MULTIFAMILY



Rents, Construction Decelerate

Amid fears of a recession and high inflation, most U.S. metros recorded a slowdown in multifamily rent development, cooling off after record gains last year. Los Angeles followed this pattern, with rent growth at 0.4% on a trailing three-month (T3) basis through September, to an average of \$2,588—remaining well above the \$1,718 national average. Demand remained relatively strong, however, and the occupancy rate in stabilized properties stood at a healthy 96.7% as of August.

The metro's unemployment rate held at 4.5% as of August, above the nation's 3.7%. California regained nearly all jobs lost during the height of the pandemic, according to the state's Employment Development Department. During the 12 months ending in July, Los Angeles added 174,000 jobs, representing a 5.8% expansion. All sectors recorded gains, except for government, which lost 5,500 positions. The largest increases were in leisure and hospitality (37,600 jobs), trade, transportation and utilities (34,100 jobs) and education and health services (32,000 jobs).

Investment remained strong, with \$4.6 billion in sales year-to-date through September, up more than 50% compared to the same time frame last year. Completions slowed, with 5,773 units added through September, or 1.3% of existing stock, 20 basis points below the U.S. rate and down 36% from 2021.

Market Analysis | November 2022

Contacts

Jeff Adler

Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Tudor Scolca-Seuşan

Associate Editor

Recent Los Angeles Transactions

The Q Playa



City: Los Angeles
Buyer: Deels Properties
Purchase Price: \$231 MM
Price per Unit: \$613,564

Santa Rosalia/Santo Tomas



City: Los Angeles
Buyer: Avanath Capital Management
Purchase Price: \$220 MM
Price per Unit: \$328,849

The Vines at Riverpark



City: Oxnard, Calif.
Buyer: Interstate Equities Corp.
Purchase Price: \$93 MM
Price per Unit: \$567,073

Lexington Apartment Homes



City: Agoura Hills, Calif.
Buyer: Intercontinental Real Estate
Purchase Price: \$87 MM
Price per Unit: \$490,449