



MULTIFAMILY REPORT

Los Angeles Steadies The Ship

June 2023

Rent Expansion on Par With US

Pipeline Remains Significant

Investment Activity Tapers Off

LOS ANGELES MULTIFAMILY



Fundamentals Dampen, Remain Resilient

After a seasonal slowdown, Los Angeles rents grew by 0.2% on a trailing three-month basis through April, to \$2,597. Gains were on par with the national T3 rate and on a slight upward trend, while interest-rate hikes and slowing job growth made their mark on the metro. Year-over-year, Los Angeles remained on a fundamentally solid track. Rents were up 3.6%, 40 basis points above the national rate. Occupancy in stabilized assets also remained elevated, at 96.5% as of March—150 basis points above the U.S. figure.

On a 12-month basis through February, employment expanded by 3.0%, 40 basis points below the national figure, while the jobless rate stood at 5.0% in March. A total of 102,300 jobs were added in the 12 months ending in February. Education and health services led growth, with 49,700 positions gained, for a 5.8% expansion. On the other hand, significant losses were recorded by the information sector, which lost 23,200 jobs, for a 9.5% contraction. According to the California Employment Development Department, the losses can be mostly attributed to software publishers.

Development in metro LA remains significant, with 31,849 units under construction as of April. Deliveries during the first four months of the year totaled 1,926 units. Meanwhile, investment volume was \$674 million, just a third of the amount recorded in 2022 over the same period.

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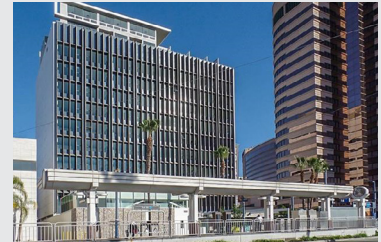
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Recent Los Angeles Transactions

Edison



City: Long Beach, Calif.
Buyer: Advanced Real Estate Services
Purchase Price: \$58 MM
Price per Unit: \$371,795

Haven Warner Center



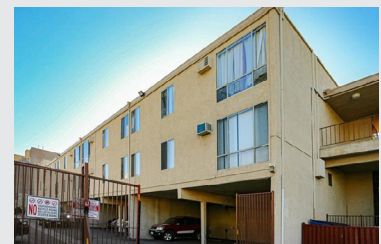
City: Canoga Park, Calif.
Buyer: LA Apartments
Purchase Price: \$54 MM
Price per Unit: \$263,415

The LC



City: Los Angeles
Buyer: H&R Investments
Purchase Price: \$47 MM
Price per Unit: \$553,571

Mountain View Manor



City: Sylmar, Calif.
Buyer: Golden Bee Properties
Purchase Price: \$40 MM
Price per Unit: \$197,500