

Yardi® Matrix

# L.A. Tests Its Limits

Multifamily Report Spring 2019

Downtown Building Boom Endures

Rent Growth Outpaces U.S. Average

Investment Sales Hit Strong Cycle Peak



# LOS ANGELES MULTIFAMILY

Yardi® Matrix

## Market Analysis

Spring 2019

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## LA Construction Surge Continues

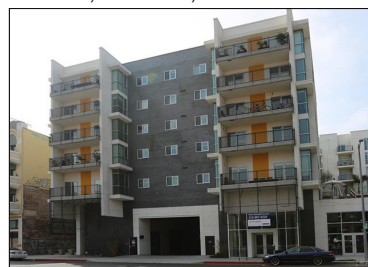
Multifamily demand has stayed strong in Los Angeles, sustained by steady employment growth and household formation. A spate of new supply over the past three years has put a damper on rent growth, which nonetheless remains above the national average, while occupancy saw a slight decrease.

Leisure and hospitality led employment growth in 2018, adding 25,500 jobs, as the metro's tourism sector is booming. Last year, Los Angeles welcomed 50 million visitors, an all-time peak. This trend is set to continue with upcoming attractions, including the \$2.6 billion Inglewood NFL stadium going up at the site of the former Hollywood Park racetrack. Boosted by company expansions across several sectors, professional and business services gained 18,400 jobs. Education and health services, which added 16,600 jobs, is set to continue expanding as new projects move forward, including the \$215 million Dignity Health hospital in downtown Los Angeles and the \$188 million Presbyterian Medical Center addition in Hollywood.

Multifamily investment sales reached a new cycle peak this year, with more than \$5.1 billion in assets changing hands. The high barrier to homeownership is bound to continue sustaining robust rental demand across the metro. Yardi Matrix expects the average Los Angeles rent to advance 4.0% in 2019.

## Recent Los Angeles Transactions

The Fifty Five Fifty



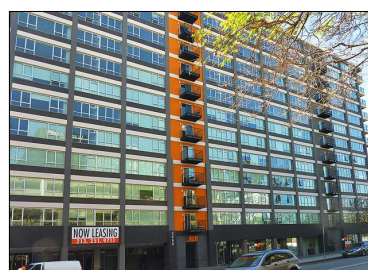
City: Los Angeles  
Buyer: Vanbarton Group  
Purchase Price: \$148 MM  
Price per Unit: \$528,571

Aspen



City: Los Angeles  
Buyer: CityView  
Purchase Price: \$90 MM  
Price per Unit: \$298,013

The View



City: Los Angeles  
Buyer: MWest Holdings  
Purchase Price: \$73 MM  
Price per Unit: \$436,310

The Landing at Long Beach



City: Long Beach, Calif.  
Buyer: Silver Star Real Estate  
Purchase Price: \$72 MM  
Price per Unit: \$349,515