



MULTIFAMILY REPORT

LA's Mixed Start to 2025

February 2025

Construction Starts Down YoY

Job Growth Still in Recovery Mode

T3 Rent Contractions on Par With US



LOS ANGELES MULTIFAMILY



Rent Growth Softens, Occupancy Stays Solid

Los Angeles' fundamentals were a mixed bag at the end of 2024, and the January wildfires will likely put more pressure on the rental market, as well as the local economy. Average advertised asking rents were down 0.2% on a three-month basis through December, to \$2,619, on par with the U.S. figure. Occupancy in stabilized assets was up 10 basis points year-over-year as of November, to 96.0%.

Los Angeles job growth was 1.4% year-over-year through November, just 10 basis points ahead of the U.S. figure. Over the 12-month period ending in November, Los Angeles added 46,200 jobs. Education and health services (42,600 positions) and trade, transportation and utilities (10,100) led gains, while four other sectors lost a combined 13,700 jobs. Meanwhile, the unemployment rate clocked in at 5.4% in November, according to preliminary data from the Bureau of Labor Statistics, on par with California and trailing the U.S. (4.2%). Construction started on the Pier B On-Dock Rail Support Facility, a \$1.6 billion project that will increase the volume of on-dock rail cargo the port can handle. The multi-phase development is scheduled for a 2032 completion.

Developers completed 8,346 units in 2024, down by more than 40% year-over-year, in line with nationwide trends. Another 31,363 units were underway as of December. Investment volume neared \$2.1 billion in 2024, for an average price per unit that rose 6.1% year-over-year, to \$343,521.

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Recent Los Angeles Transactions

The Gabriel



City: Pomona, Calif.
Buyer: Prime Residential
Purchase Price: \$115 MM
Price per Unit: \$368,590

Sofi Ventura



City: Ventura, Calif.
Buyer: Thomas Redfern & Associates
Purchase Price: \$88 MM
Price per Unit: \$346,457

Candela



City: Los Angeles
Buyer: Cityview
Purchase Price: \$35 MM
Price per Unit: \$316,875

Harbor Terrace



City: San Pedro, Calif.
Buyer: Post Investment Group
Purchase Price: \$24 MM
Price per Unit: \$260,753