



MULTIFAMILY REPORT

LA's Balancing Act

June 2025

YoY Rent Growth Outpaces US

Occupancy Rate Inches Up

New Supply Slows Down

LOS ANGELES MULTIFAMILY



Rent Growth Stable, Occupancy Up

Los Angeles fundamentals faced a balancing act at the start of the second quarter, as the economic impact of tariffs remained uncertain. Average advertised asking rents grew 0.2%, on a trailing three-month basis through April, on par with the nation, to \$2,652, marking two consecutive months of recovery. Even after four years of strong supply growth, occupancy in stabilized assets remained elevated, at 96% as of March, ahead of the 94.4% U.S. figure.

Employment gains slowed to 0.4% through February, less than half the 0.9% U.S. figure. Area unemployment mirrored the slowdown, clocking in at 4.8% as of March, 60 basis points above the U.S. rate. Nearly all sectors shed jobs over the 12 months ending in February, for a combined loss of 3,200 net positions. The only two sectors that gained jobs were education and health services (48,000) and government (9,100). To aid California's economic recovery, the governor launched a new initiative, which will invest at least \$245 million in key sectors and projects.

Developers had 29,520 units under construction across the metro as of April. However, completions during the first four months of the year signal a potential slowdown, with 2,924 units, or 0.6% of existing stock, coming online. Yardi Matrix expects some 11,000 units to come online this year, in line with the average recorded since 2017.

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Recent Los Angeles Transactions

Highridge



City: Rancho Palos Verdes, Calif.
Buyer: Bascom Group
Purchase Price: \$127 MM
Price per Unit: \$498,267

Chaparral



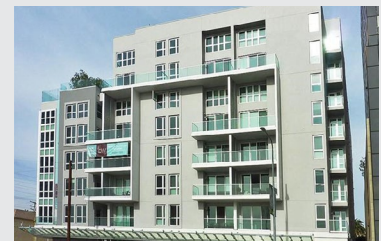
City: West Palmdale, Calif.
Buyer: Post Investment Group
Purchase Price: \$71 MM
Price per Unit: \$239,865

Pasadena Gateway Villas



City: Pasadena, Calif.
Buyer: Hines Interests
Purchase Price: \$60 MM
Price per Unit: \$428,571

The BW



City: Los Angeles
Buyer: Canfield Development
Purchase Price: \$58 MM
Price per Unit: \$744,872