



MULTIFAMILY REPORT

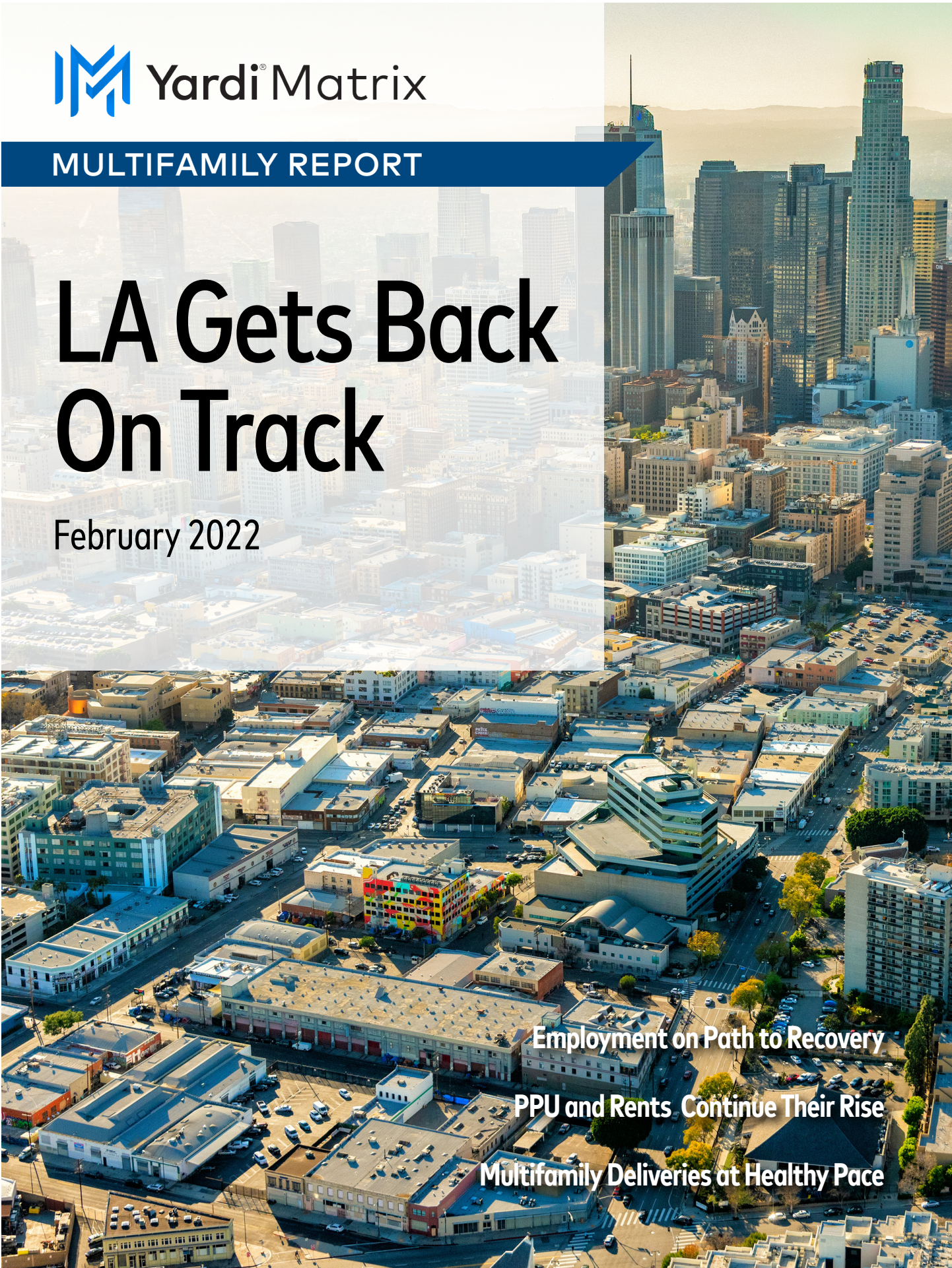
LA Gets Back On Track

February 2022

Employment on Path to Recovery

PPU and Rents Continue Their Rise

Multifamily Deliveries at Healthy Pace



LOS ANGELES MULTIFAMILY



Metro's Economy Set To Regain Its Footing

After struggling to hold its balance, Los Angeles' multifamily market saw a strong rebound across all indicators during the second half of 2021. By the end of the year, the average rent was \$2,402, up 0.6% on a trailing three-month basis and far above the \$1,594 national average. Both Lifestyle and Renter-by-Necessity properties exceeded pre-pandemic price points for rents, while occupancy recorded new highs across the board.

LA's unemployment rate reached 7.1% as of November, according to preliminary Bureau of Labor Statistics data. All sectors continued to regain jobs, as the economy is gearing to get back on track. The metro added 227,500 positions over the 12 months ending in October, with employment rates at 6.1%. New opportunities might boost this strong start, but supply chain disruptions and labor shortages are projected to continue playing a part in Southern California's recovery. A report by Micronomics Economic Research and Consulting found that the Super Bowl would generate between \$234 million and \$477 million in tax revenue for LA, while adding some 2,220 to 4,700 new jobs.

LA multifamily investment amounted to \$4.2 billion in 2021, exceeding the average recorded over the past five years. Despite rising costs, development maintains a steady pace, with 30,151 units under construction.

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Recent Los Angeles Transactions

Kings Villages



City: Pasadena, Calif.
Buyer: Jonathan Rose Cos.
Purchase Price: \$223 MM
Price per Unit: \$712,460

Sofi at Wood Ranch



City: Simi Valley, Calif.
Buyer: Pacific Urban Investors
Purchase Price: \$190 MM
Price per Unit: \$376,984

The Boulevard



City: Woodland Hills, Calif.
Buyer: Acacia Capital
Purchase Price: \$175 MM
Price per Unit: \$513,235

Empire Landing



City: Burbank, Calif.
Buyer: Cityview
Purchase Price: \$161 MM
Price per Unit: \$583,695