



MULTIFAMILY REPORT

LA: Steady Course

June 2022

Employment Continues to Improve

Rent Growth Keeps Up the Pace

Deliveries Hit Decade High

LOS ANGELES MULTIFAMILY



LA Starts Year On Strong Note

Los Angeles' strong performance is likely to continue this year, with most indicators on a positive trajectory going into the second quarter. The average rent increased by 12.7% year-over-year, to \$2,508 as of April. Housing demand remained elevated across the U.S., and L.A. was no exception. The occupancy rate in stabilized properties increased by 140 basis points year-over-year, to 96.8% as of March—on par with pre-pandemic levels.

The metro gained 324,200 jobs during the 12-month period ending in February, representing a 7.1% expansion, 240 basis points above the national rate. California Gov. Gavin Newsom's proposed state budget, clocking in at \$300.7 billion, includes measures meant to tackle issues from rising inflation to housing affordability and climate change. Of the total funds, \$37 billion was proposed for infrastructure and housing projects. A total of \$18.1 billion, proposed in the form of an inflation relief package, includes \$2.7 billion earmarked for emergency rental assistance.

Construction activity continued to rise, with Los Angeles recording 12,420 completions in 2021, setting a new decade high. In April, Los Angeles had 30,079 units under construction, with an additional 150,000 in the planning and permitting stages.

Market Analysis | June 2022

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Recent Los Angeles Transactions

Vela on OX



City: Woodland Hills, Calif.
Buyer: Essex Property Trust
Purchase Price: \$183 MM
Price per Unit: \$482,850

SB Tower



City: Los Angeles
Buyer: Laguna Point Properties
Purchase Price: \$112 MM
Price per Unit: \$414,126

Crescent at West Hollywood



City: West Hollywood, Calif.
Buyer: Standard Communities
Purchase Price: \$84 MM
Price per Unit: \$646,154

Towne at Glendale



City: Glendale, Calif.
Buyer: CSCDA
Purchase Price: \$80 MM
Price per Unit: \$632,875