



MULTIFAMILY REPORT

L.A. Keeps Its Shine

February 2023

Investment Volume at All-Time High

Construction Activity Slows

Rent Development Halts

LOS ANGELES MULTIFAMILY



Rent Growth Ceases, Investment Expands

Los Angeles ended 2022 on a sluggish note, as the nation prepared for economic headwinds. The L.A. multifamily market reflected this prognosis, with rent growth slowing to a halt—at 0.0% on a trailing three-month basis through December—but still 20 basis points above the national figure. L.A.'s \$2,594 average rate was significantly above the \$1,715 national figure.

The metro's unemployment rate was 4.5% in November, according to preliminary data from the Bureau of Labor Statistics, down 170 basis points year-over-year. According to the California Employment Development Department, by November 2022, not only had the state regained all the jobs lost during the 2020 lockdowns but it had also added an additional 2.8 million positions. Over a 12-month period through October, L.A.'s workforce expanded by 4.5%, 50 basis points above the U.S. rate. Gains were led by education and health services, which added 51,400 positions. L.A.'s entertainment industry saw massive investments into developing new production space in 2022, with the most significant projects totaling roughly \$1.5 billion.

In 2022, 8,619 new units were added to the multifamily stock, accounting for 1.9% of existing inventory, down 100 basis points year-over-year and 20 basis points behind the national average. Transactions were at an all-time high, with volume reaching \$5.8 billion in 2022, up 6.7% year-over-year.

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Recent Los Angeles Transactions

THEA at Metropolis



City: Los Angeles
Buyer: Northland Investment Corp.
Purchase Price: \$504 MM
Price per Unit: \$735,766

Haven at Del Mar Station



City: Pasadena, Calif.
Buyer: Fairfield Residential
Purchase Price: \$172 MM
Price per Unit: \$496,541

Avery at Moorpark



City: Moorpark, Calif.
Buyer: Pacific Urban Investors
Purchase Price: \$127 MM
Price per Unit: \$407,051

Lexington Apartment Homes



City: Agoura Hills, Calif.
Buyer: Intercontinental Real Estate
Purchase Price: \$87 MM
Price per Unit: \$490,449