



MULTIFAMILY REPORT

# Los Angeles Winds Down

November 2023

**Rent Development Stagnates**

**Employment Growth Moderates**

**Construction Starts Return to Average**

# LOS ANGELES MULTIFAMILY



## Key Fundamentals Record Declines

Los Angeles is feeling the full brunt of the economic slowdown more than other metros. Through the first three quarters, rent development stood flat on a trailing three-month basis. This continued through September, while U.S. growth was down 0.1%. On a year-over-year basis, rents were up only 0.2%, 60 basis points below the national figure. After two years of above-average supply expansion, occupancy in the metro dropped 40 basis points year-over-year through August, to 96.2%, 120 basis points above the U.S. rate.

Job growth did not outpace the nation throughout the year, with the expansion rate at 2.3% as of July. The previous 12 months saw 104,300 jobs added. Meanwhile, the jobless rate stood at 5.8% as of August, according to preliminary data from the Bureau of Labor Statistics. This was 200 basis points above the U.S. figure and surpassed California by 120 basis points. Education and health services led gains, with 59,500 positions added. Tech continued to shed jobs, as the information sector lost 14,700 positions. Large infrastructure initiatives are continuing throughout the region, including a new, \$600 million light rail line in the San Fernando Valley.

Development stood at a healthy rate, with 32,951 units underway across the market as of September. Through the first three quarters, developers added 6,277 units across Los Angeles. Meanwhile, investment activity declined by 77.0% year-over-year, to \$1.2 billion in traded assets.

## Market Analysis | November 2023

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### Recent Los Angeles Transactions

#### Cathay Manor



City: Los Angeles  
Buyer: Capital Realty Group  
Purchase Price: \$97 MM  
Price per Unit: \$359,259

#### Citrus Court



City: Whittier, Calif.  
Buyer: Integrity Housing  
Purchase Price: \$31 MM  
Price per Unit: \$224,637

#### Oxford Park



City: Los Angeles  
Buyer: Standard Communities  
Purchase Price: \$25 MM  
Price per Unit: \$228,715