

## LOS ANGELES MULTIFAMILY



# **Employment Market Contracts**

Los Angeles multifamily fundamentals were sluggish at the start of the second quarter of 2024. Short-term rent growth emerged from negative territory, up 0.1%, to \$2,584, on a trailing threemonth basis through April. Meanwhile, year-over-year movement slid further, down 0.5%. However, demand remained steady. Despite last year's decade-high supply expansion, the occupancy rate in stabilized properties declined just 50 basis points to 95.8%.

In the 12 months ending in February, the Los Angeles employment market contracted 0.1%, marking the sixth consecutive month of job losses, while the U.S. rate was up 1.5%. The information sector lost the most jobs (-36,000), mainly due to the writers' and actors' strikes, which ended in November. Professional and business services followed with 16,000 jobs lost. Meanwhile, job gains were led by education and health services (45,100 jobs) and government (11,000 jobs). The former has good prospects, sustained by the county's \$1.7 billion Harbor-UCLA Medical Center Replacement Program.

Developers delivered 1,728 units through April. While new starts are dwindling, there were 31,423 units underway. Investment activity remained tepid, with \$616 million traded through April, for an average per-unit price of \$368,240.

### Market Analysis | June 2024

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#### Recent Los Angeles Transactions

888 at Grand Hope Park



City: Los Angeles Buyer: FPA Multifamily Purchase Price: \$186 MM Price per Unit: \$354,286

#### The Ranch at Moorpark



City: Moorpark, Calif. Buyer: AEW Capital Management Purchase Price: \$133 MM Price per Unit: \$360,000

#### Cobalt



City: Los Angeles Buyer: Robhana Group Purchase Price: \$68 MM Price per Unit: \$501,481

#### The LP by CLG



City: Los Angeles Buyer: HACLA Purchase Price: \$43 MM Price per Unit: \$362,000