



MULTIFAMILY REPORT

Steady Growth In Los Angeles

November 2024

Rent Growth Softens, Occupancy Up

Employment Growth on an Upswing

Investment Volume Nears \$1.7B

LOS ANGELES MULTIFAMILY



Occupancy Holds Fast Above 96% Mark

Los Angeles posted steady multifamily fundamentals at the end of the third quarter. Average advertised asking rents rose 0.1% on a trailing three-month basis through September, to \$2,634, moderating in line with the seasonal trend, while the U.S. rate remained flat, at \$1,750. Rent in the metro was also up 0.5% year-over-year, while the national figure was 0.9%. Demand remained robust, as evidenced by the occupancy rate in stabilized properties, which rose 10 basis points, year-over-year through September, to a solid 96.1%.

In the 12 months ending in July, the employment market in Los Angeles expanded 0.8%, 50 basis points behind the national rate. Only two sectors lost jobs—professional and business services (-5,500 jobs) and manufacturing (-2,900 jobs). Gains were led by education and health services (45,600 jobs) and will continue to grow, with projects such as the \$1.7 billion Harbor-UCLA Medical Center Replacement Program and UCLA Research Park expected to provide a boost. Meanwhile, unemployment rose to 6.7% in August, the highest level since 2021 and well behind the 4.2% national rate.

Deliveries totaled 5,956 units through September, and new construction remained well below the volume recorded last year. Still, nearly 31,000 units were underway. Investors traded \$1.7 billion in multifamily assets during the first three quarters, for an average price per unit that increased 11.6% year-to-date, to \$367,043.

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Recent Los Angeles Transactions

The Landing at Arroyo



City: Simi Valley, Calif.
Buyer: Afton Properties
Purchase Price: \$95 MM
Price per Unit: \$448,113

Lofts at NoHo Commons



City: North Hollywood, Calif.
Buyer: GPI Cos.
Purchase Price: \$93 MM
Price per Unit: \$316,781

The Paragon at Old Town



City: Monrovia, Calif.
Buyer: SCS Development Co.
Purchase Price: \$87 MM
Price per Unit: \$535,276

Arrive Wakaba



City: Los Angeles
Buyer: FPA Multifamily
Purchase Price: \$86 MM
Price per Unit: \$358,750