

Yardi® Matrix

# L.A. Lives

## Multifamily Report Summer 2019

Rent Growth Decelerates

DTLA, Silicon Beach Lure Developers

Investment Sales Hit New High

# LOS ANGELES MULTIFAMILY

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## Market Analysis

Summer 2019

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## A Landlord's Market

Supply has yet to catch up with demand in the Los Angeles multifamily market, boosted by ongoing household formation and steady hiring, all in the context of a high barrier to homeownership.

The metro's business-friendly environment and well-educated, specialized labor force are drawing more companies to the region, while placing the local economy at the top of the most productive large U.S. cities for GDP growth. Education and health services led employment gains year-over-year as of May with the addition of 18,600 jobs, followed by professional and business services (13,600 jobs) and leisure and hospitality (12,700 jobs). The construction industry is also thriving (9,300 jobs), sustained by large-scale projects underway, including the \$2.6 billion NFL stadium in Inglewood, the \$4.9 billion people mover tram at Los Angeles International Airport and the \$1.5 billion Lucas Museum of Narrative Art.

Investors seeking market stability and property value appreciation pushed the multifamily transaction volume to a cycle peak in 2018, when more than \$5.4 billion in assets traded. In the first half of 2019, nearly \$1.2 billion in properties traded, both Lifestyle and RBN. Meanwhile, development activity remained strong, with more than 26,500 units underway as of June. Absorption is expected to keep up, leading to 3.5% rent growth in 2019.

## Recent Los Angeles Transactions

The Glendon at Westwood Village



City: Los Angeles  
 Buyer: Douglas Emmett & Co.  
 Purchase Price: \$365 MM  
 Price per Unit: \$1,042,857

Park Western Estates



City: San Pedro, Calif.  
 Buyer: SDG Housing Partners  
 Purchase Price: \$63 MM  
 Price per Unit: \$291,204

Avalon Cerritos



City: Cerritos, Calif.  
 Buyer: AvalonBay Communities  
 Purchase Price: \$61 MM  
 Price per Unit: \$458,333

Sierra Canyon



City: Santa Clarita, Calif.  
 Buyer: Compass Acquisition Partners  
 Purchase Price: \$60 MM  
 Price per Unit: \$258,621