

# LOS ANGELES, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.5%



DOWN 10 BPS YOY

Effective Rent

\$2,901



UP 4.0% YOY

Rent Share of Wallet

38.7%



UP 20 BPS YOY

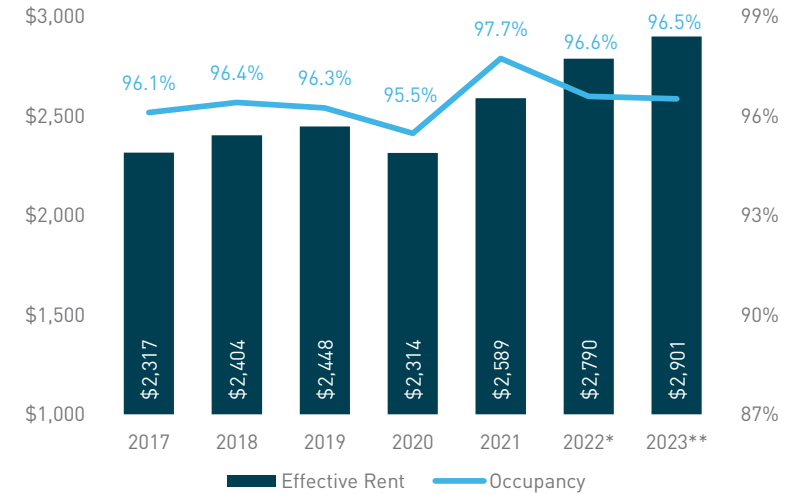
## Job Growth and Influx of New Apartments to Generate Robust Demand

The outlook is good for the Los Angeles County apartment market in 2023. Builders plan to complete 20,864 apartment units this year as some projects that broke ground as far back as 2018 are finished. The new apartment stock will attract renters, prompting the projected net absorption of 19,217 units among new and existing inventory. The robust apartment demand will result in estimated occupancy of 96.5% by year-end 2023. Approximately 47% of net apartment absorption in 2023 is expected among the adjoining Downtown Los Angeles, Mid-Wilshire, and Hollywood submarkets. These submarkets are the most amenable areas to additional multifamily density and will receive nearly 50% of the deliveries in the county this year. Like apartment demand, countywide rent is forecast to grow. Monthly effective rent is projected to average \$2,901 by year-end, a 4.0% increase, exceeding the 3.7% average annual gain from 2010 to 2019. Much of the sustained vibrancy in the local apartment market will be attributed to an estimated 1.1% annual increase in employed residents in the county this year. Several major commercial developments planned and underway will underpin job growth in the long term. These developments include a \$1.7 billion renovation and expansion of the Harbor-UCLA Medical Center in West Carson. Other major projects planned include the 700,000-square-foot expansion of the Los Angeles Convention center and a new, neighboring 861-room JW Marriott Hotel. In the L.A. Arts District, East End Capital plans to develop the \$800 million ADLA Campus.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

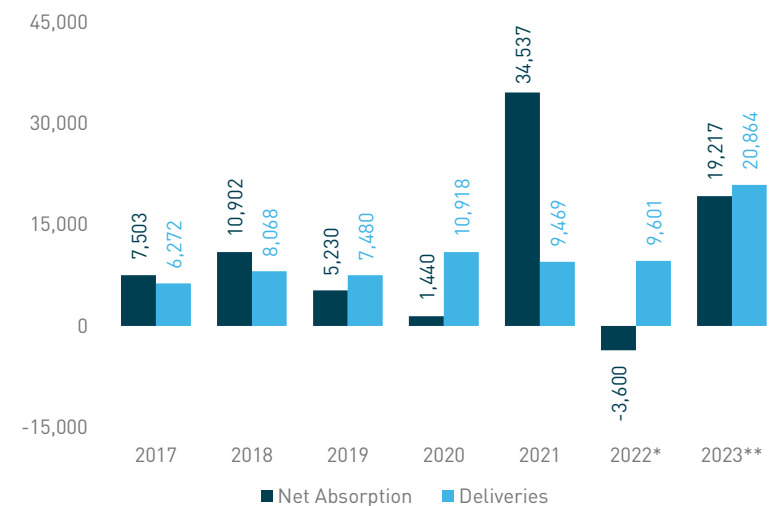
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

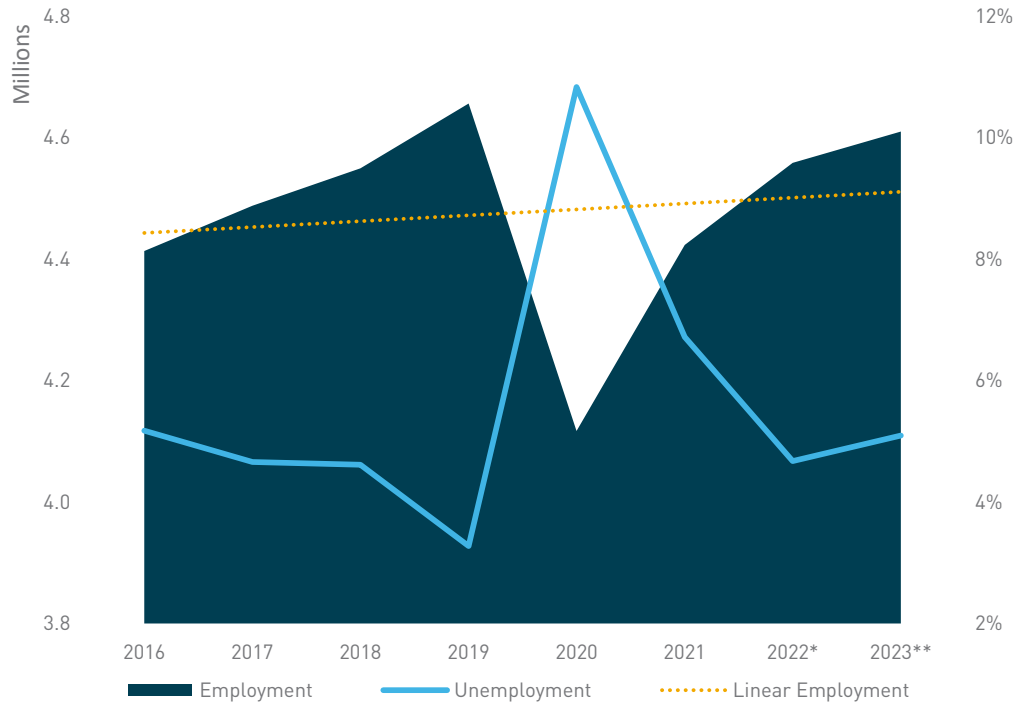


\*Projected \*\*Forecast

# LOS ANGELES, CA

## Employment Trends

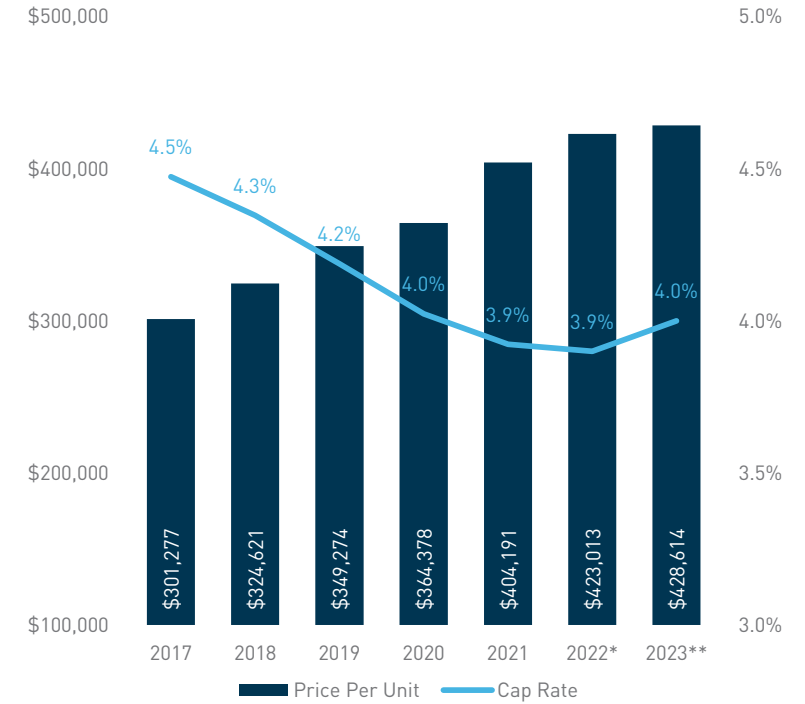
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>4,610,400</b></p> <p>↑</p> <p>UP 1.1% YOY</p>	<p>Unemployment</p> <p><b>5.1%</b></p> <p>↑</p> <p>UP 40 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$89,964</b></p> <p>↑</p> <p>UP 3.6% YOY</p>
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<p>Price Per Unit</p> <p><b>\$428,614</b></p> <p>↑</p> <p>UP 1.3% YOY</p>	<p>Cap Rate</p> <p><b>4.0%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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