

Multifamily Metro Outlook:

Los Angeles - Q4 2024

Overview:

- The local job market in the Los Angeles metro has not been a consistent performer in either direction for quite some time. Most recently, it expanded by nearly 1.1%, which was slightly below the national average of 1.3% for the period ending Q4 2024. The local metro is still dealing with the ripple effects of a prolonged work stoppage in the film industry as it tries to regain its footing.
- Apartment fundamentals in the metro remain unchanged. Vacancies as of Q4 2025 continued to stay at 4.75% for the second consecutive quarter and rent growth also remained constant at -0.25% during the same period.

Market Strengths:

- The Ports of Los Angeles and Long Beach have been performing above-average since the end of 2023. According to Moody's Analytics, the ports have seen a 17% and 22% increase, respectively, in cargo passing through. Furthermore, as a result of the increased activity at both ports, payrolls for the logistics sector are approaching record highs.
- Even though the recent performance of two of Los Angeles's economic engines has been tepid, the local education and health services sector is picking up a lot of lost ground. For the period ending Q4 2024, this sector expanded by nearly 3.1%, compared to 3.2% nationally. Renowned medical institutions like Mount Sinai and UCLA Medical Center are consistently ranked among the nation's best hospitals and lead in medical research. Many patients travel from across the country to visit these hospitals, especially for specialized care.

Market Weaknesses:

- According to Moody's Analytics, the local entertainment industry is still experiencing a tumultuous recovery period. Even though the actors' and writers' strikes are over, the industry is still feeling the ripple effects of the work stoppage, as local on-site filming is down nearly 5% as of Q4 2024.
- The metro is experiencing a demographic dilemma as out-migration has continued to trend in the wrong direction. According to CoStar, over the last five years, the general population has declined by 3.3%, as many residents are relocating to cheaper metros in the Sun Belt region of the country.
- Although the full scope of the damage is yet to be confirmed, during the month of January 2025, Los Angeles County encountered what could potentially be the costliest natural disaster in U.S. history. According to preliminary data from CoStar, the damage from the wildfires could potentially exceed \$54 billion.

New Development:

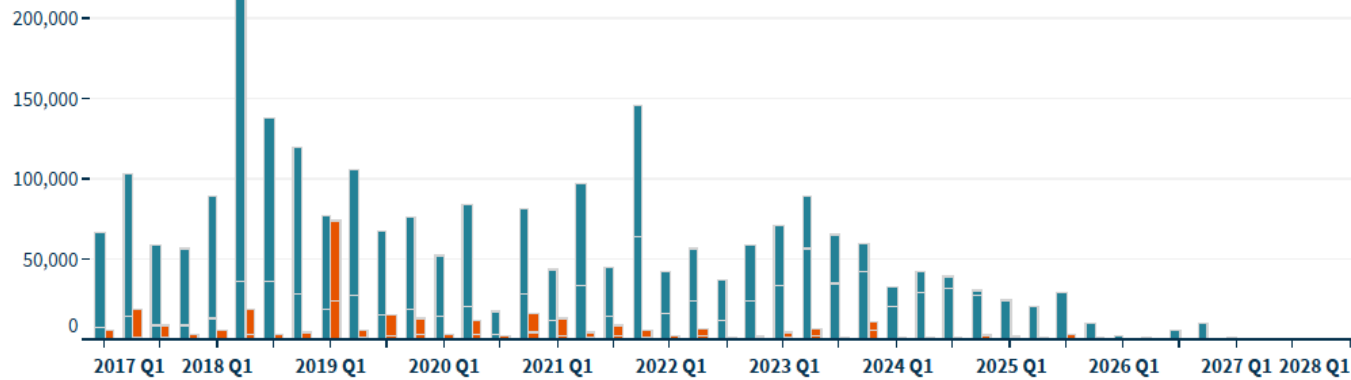
- Development has remained elevated compared to historical levels, with approximately 101,000 apartment units completed since 2017. Another 24,000 units are underway, with another 143,000 units in the planning stages.

Outlook:

- Los Angeles is a lifestyle metro where renting is much more attainable than homeownership. Although fundamental performance is uneven, the metro's historic lack of supply and low development will prevent oversupply issues. However, Los Angeles's longer-term demographics are worrying as the metro gets more expensive and migration trends worsen.
- Unfortunately, the economic recovery continues be up and down, and the ongoing uncertainty regarding one of the metro's main economic engines in the entertainment industry further clouds economic growth. However, even though the entertainment industry is in a state of flux, the lifestyle metro will likely continue to attract residents and high-wage earners despite its economic shortcomings.

Multifamily Apartment Pipeline

Apartments & Condos/Townhomes: Units Completed and Underway
Apartments | Condos

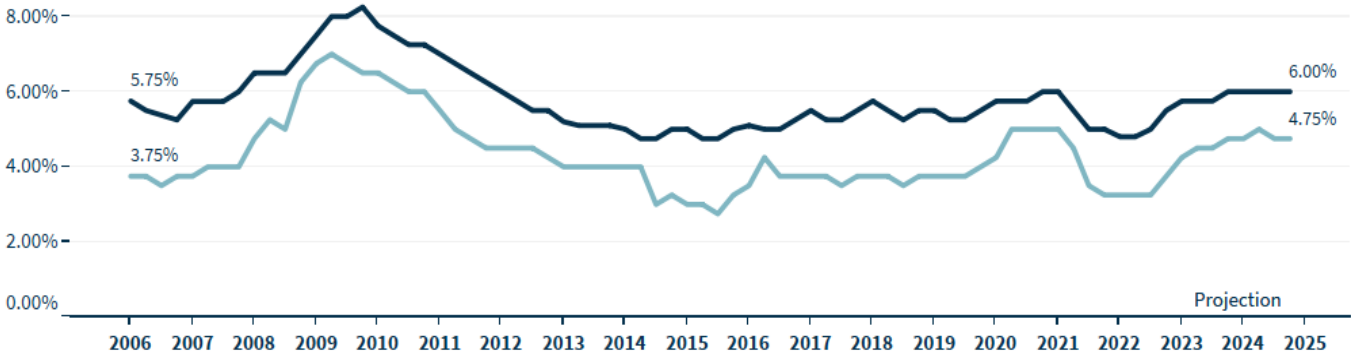


Source: Dodge Data & Analytics SupplyTrack Pipeline

Multifamily Vacancy & Rent Estimates

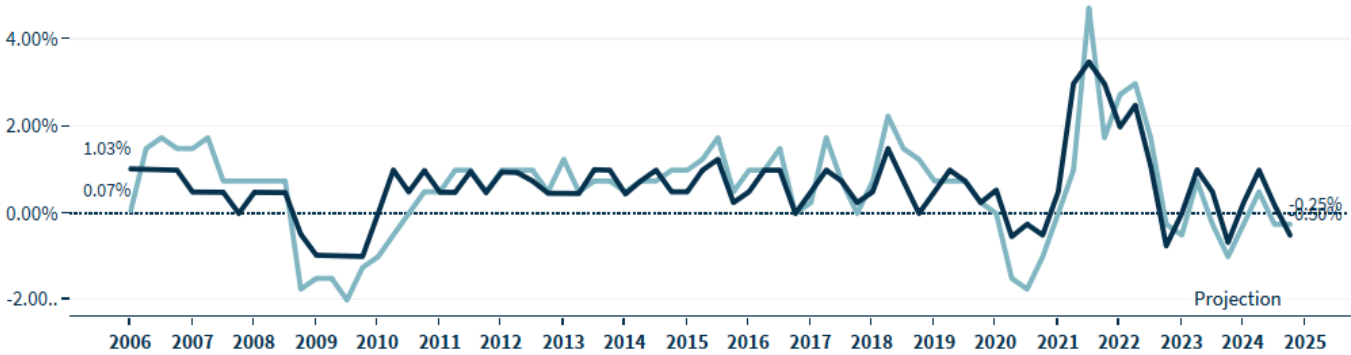
Vacancy Rates
Los Angeles | National

Q4 2024 Vacancy Rate:
4.75%



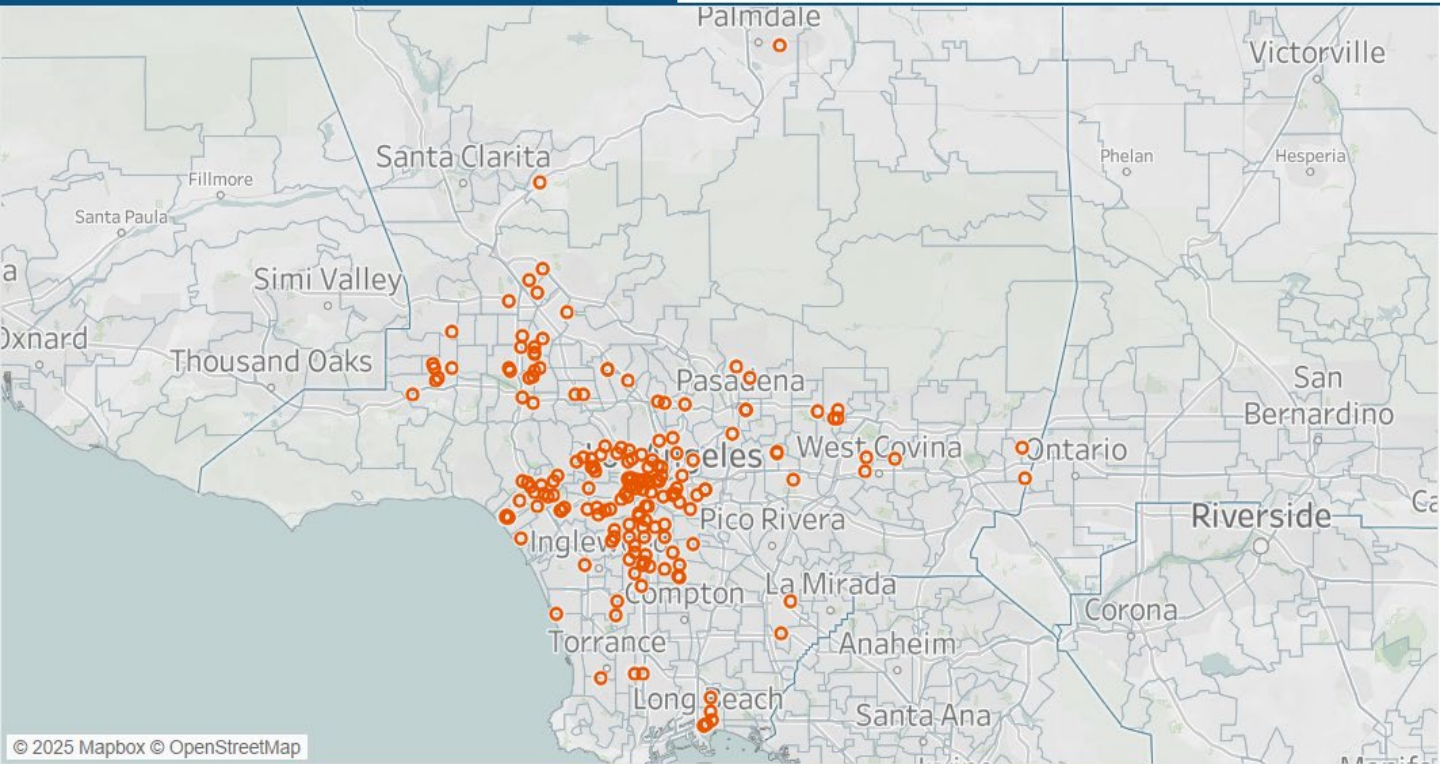
Asking Rent Growth
Los Angeles | National

Q4 2024 Asking Rent:
\$2,510



Source: Fannie Mae Multifamily Economics and Research

Multifamily Construction: Bidding & Underway



MultiHousingSubmarketName	Apartments	Units
Antelope Valley	1	151
Brentwood/Westwood/Beverly Hills	11	1,437
Burbank/Glendale/Pasadena	16	3,360
Downtown Los Angeles	8	2,052
East Los Angeles	9	1,101
Hollywood	11	1,484
Long Beach	6	1,341
Mid-Wilshire	25	2,998
North San Gabriel Valley	5	237
Northridge/Northwest San Fernando Valley	3	594
Palms/Mar Vista	6	334
Santa Clarita Valley	1	179
Santa Monica/Marina del Rey	6	583
Sherman Oaks/North Hollywood/Encino	3	394
South Bay	4	587
South Los Angeles	41	4,392
Southeast Los Angeles	2	377
Van Nuys/Northeast San Fernando Valley	17	1,686
Woodland Hills	5	999
Grand Total	180	24,286

Source: Dodge Data & Analytics SupplyTrack Pipeline

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Multifamily Economics and Market Research Team

Francisco Nicco-Annan, Economic and Strategic Research

Sources Used

- Moody's Economy.com
- Moody's CRE/REIS
- CoStar
- Real Capital Analytics
- RealPage
- Dodge Data and Analytics Real Estate Analyzer
- CBRE-Econometric Advisors
- Yardi

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