

# Metro Housing Outlook:

## Los Angeles - Q2 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 1.8%, which was slightly above the national average of 1.7% for the period ending Q2 2024. Despite positive job-growth prospects for this period, 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 area are also softening. Vacancies inched up to 5% for the period ending Q2 2024. However, rent growth, which had been struggling over the last few quarters, has rebounded sharply at approximately 0.5% for the period ending Q2 2024.

### 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 Q2 2024, this sector expanded by nearly 3.8% compared to 3.5% 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 both 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 12.4% as of Q2 2024. Furthermore, the recovery has been complicated, as the metro continues to face steep competition from cheaper content-producing metros on the East Coast and in the South.
- The metro is experiencing a demographic dilemma as outmigration 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.

### Outlook:

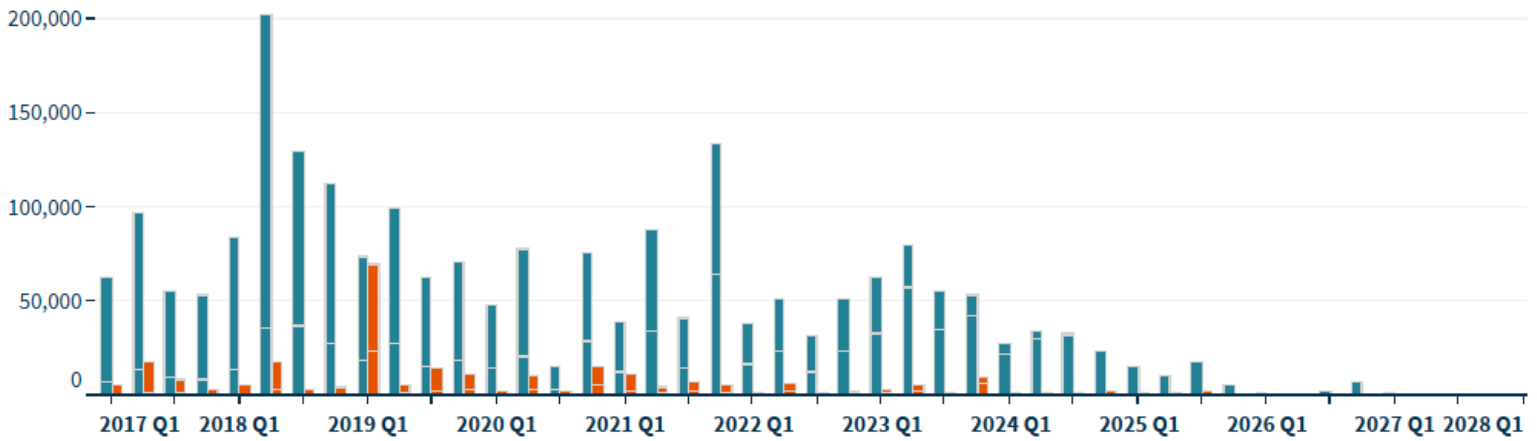
- Los Angeles is a lifestyle metro where renting is much more attainable than home ownership. Although vacancies are softening, the metro's historic lack of supply and low development will prevent oversupply issues. However, Los Angeles's longer-term demographics are worrying as the metro gets more expensive and migration trends worsen.
- Unfortunately, the economic recovery continues to 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

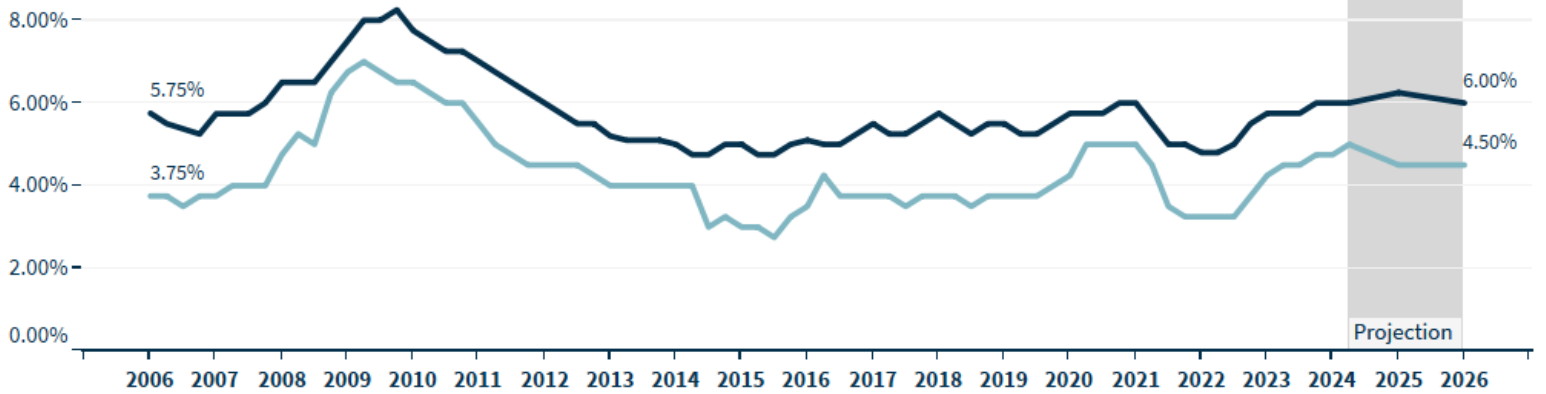
## Multifamily Vacancy & Rent Estimates

### Vacancy Rates

Los Angeles | National

Q2 2024 Vacancy Rate:

5.00%

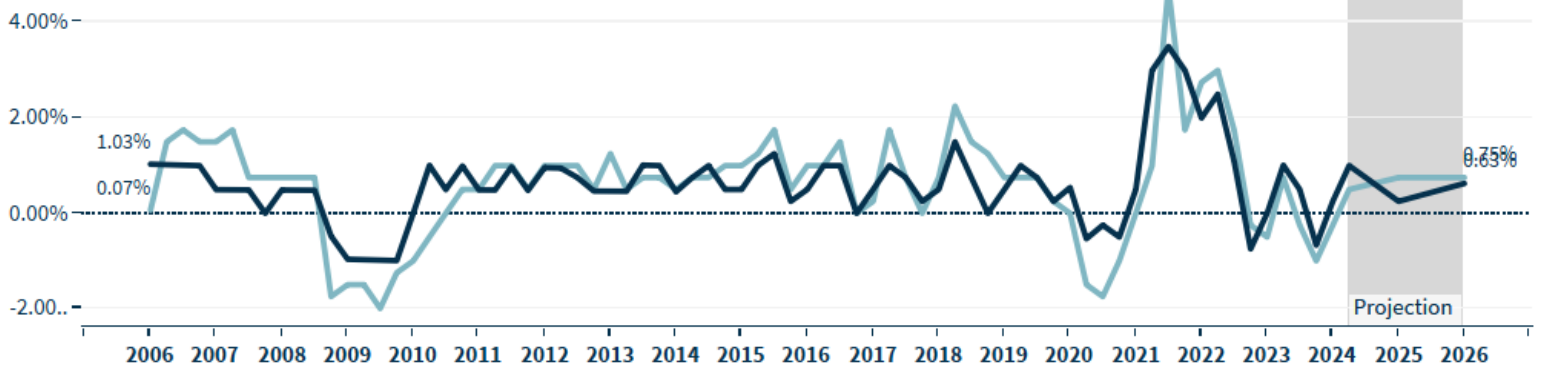


### Asking Rent Growth

Los Angeles | National

Q2 2024 Asking Rent:

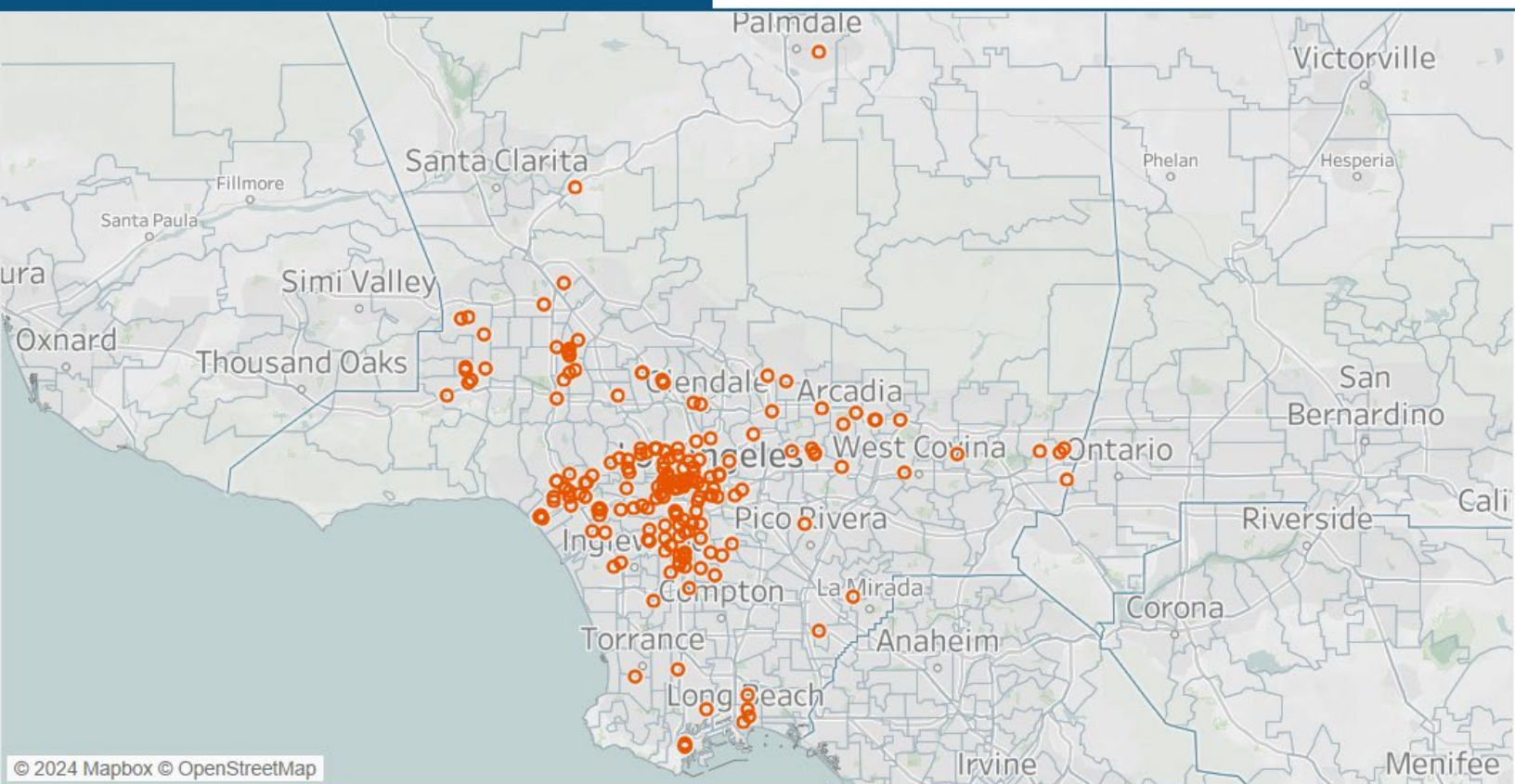
\$2,470



Source: Fannie Mae Multifamily Economics and Research



# Multifamily Construction: Bidding & Underway



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MultiHousingSubmarketName	Apartments	Units
Antelope Valley	1	151
Brentwood/Westwood/Beverly Hills	13	1,664
Burbank/Glendale/Pasadena	17	3,568
Downtown Los Angeles	10	3,327
East Los Angeles	9	1,018
Hollywood	14	2,032
Long Beach	5	853
Mid-Wilshire	32	3,409
North San Gabriel Valley	6	373
Northridge/Northwest San Fernando Valley	5	747
Palms/Mar Vista	8	803
Santa Clarita Valley	1	179
Santa Monica/Marina del Rey	6	633
Sherman Oaks/North Hollywood/Encino	2	390
South Bay	6	875
South Los Angeles	40	3,853
Southeast Los Angeles	2	84
Van Nuys/Northeast San Fernando Valley	10	1,164
Woodland Hills	5	999
<b>Grand Total</b>	<b>192</b>	<b>26,122</b>

Source: Dodge Data & Analytics SupplyTrack Pipeline



## Multifamily: ESR Team

# Multifamily Metro Outlook: Los Angeles Q2 2024

## 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
- Greenstreet
- Dodge Data and Analytics SupplyTrack Pipeline
- CBRE-Econometric Advisors
- Yardi

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