BERKADIA®

LOS ANGELES

MULTIFAMILY MARKET REPORT | MID-YEAR

2025

Jobs Added / Lost

LAST 12 MONTHS
26,700

0.6% YOY

Unemployment

JUNE 2025
5.7%

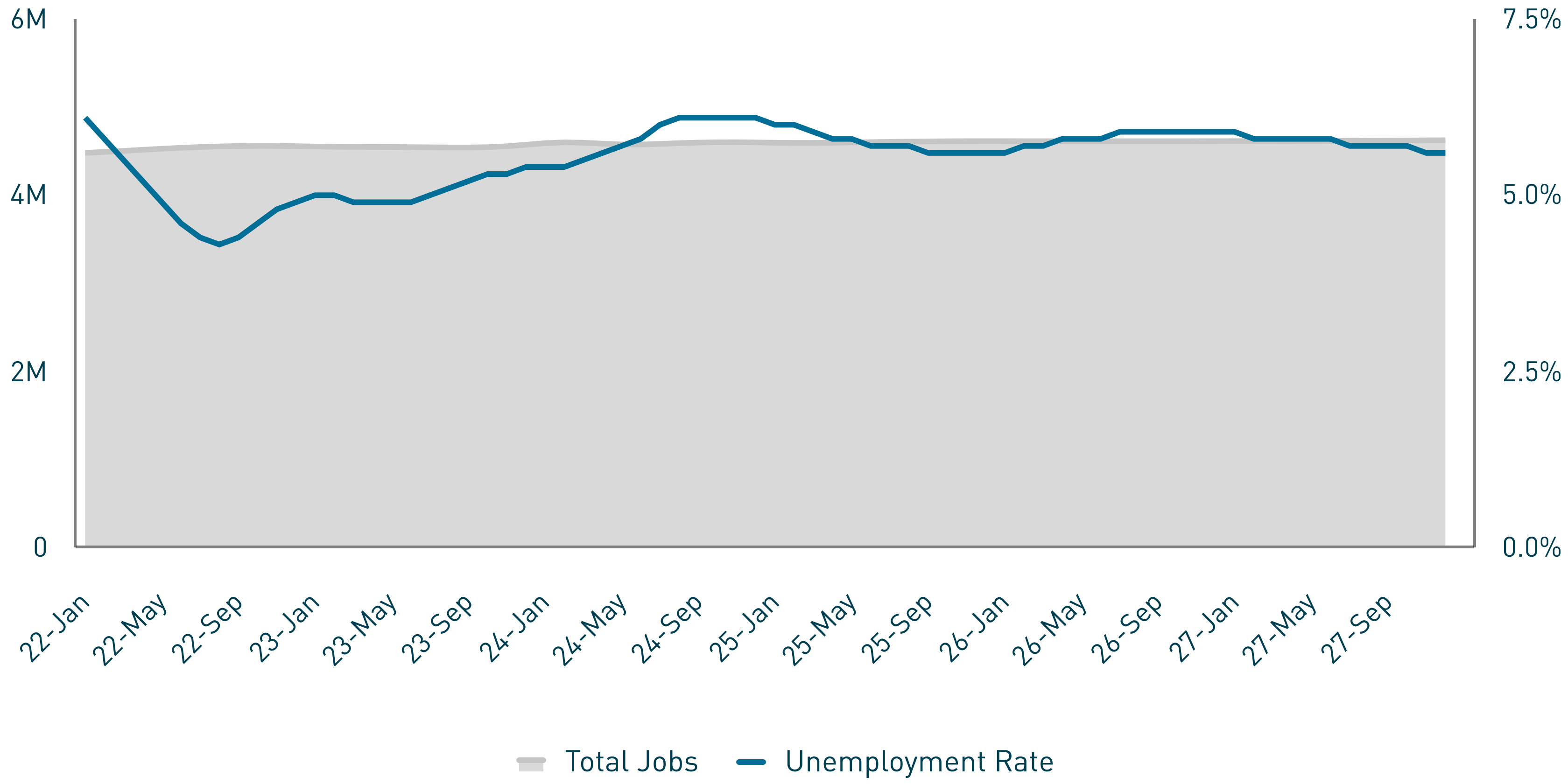
10 BPS YOY

Employment

Hiring in the government and the private education and healthcare sectors led all others across Los Angeles County in the last year, to meet the needs of the growing population. Government sector employment expanded with the addition of 9,300 workers through mid-2025. In the private education and healthcare sector, institutions filled 48,900 net new jobs. Over one-third of this growth came from robust hiring in the ambulatory healthcare services subsector, which includes physicians' and dentists' offices, outpatient care centers, and home healthcare services. Hospital employment also expanded in the last 12 months. Some of these new workers were employed at the $215 million, 140,000-square-foot tower at Dignity Health California Hospital Medical Center in Downtown Los Angeles that opened in February 2025. The strong showing from the government sector and healthcare industry was partially offset by layoffs in the other sectors totaling 31,600 workers since mid-2024. These other sectors were affected to varying degrees by numerous factors, including a 0.9% decrease in the countywide labor force during that period, an estimated 8,200 jobs lost resulting from the Palisades and Eaton wildfires, trade and consumer reaction to higher tariffs, and an increase in the enforcement of immigration laws. Los Angeles County possesses a diverse economy that provides vital products and services locally and to the rest of the world, so the uneven hiring activity among employment sectors is considered temporary.

© 2025 Berkadia Proprietary Holding

Employment Trends



Source: Moody's Analytics

In the News

$5B One Beverly Hills project to add first residential tower
[Read More]

$2.5B bipartisan relief package to help Los Angeles rebuild
[Read More]

Colburn Center rises in Downtown Los Angeles
[Read More]

© 2025 Berkadia Proprietary Holding

Deliveries & Absorption

2025 Year to Date

DELIVERIES
3,794 UNITS

ABSORPTION
9,183 UNITS

2025 Total*

DELIVERIES
10,000 UNITS

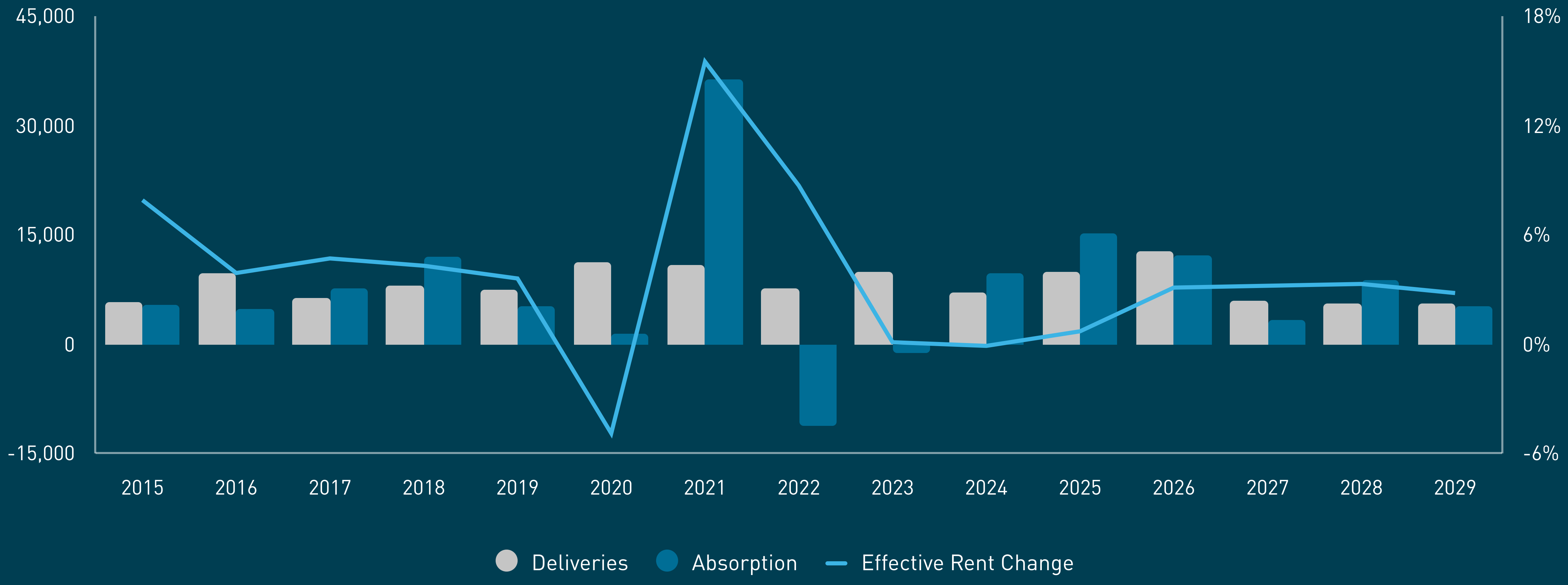
ABSORPTION
15,128 UNITS

*Projected

Rising renter concessions contributed to a surge in countywide net absorption from mid-2024 through mid-2025 when compared to net absorption in the corresponding period one year earlier. Concessions averaged $247 per month in the second quarter of 2025, 64% higher than one year earlier. These concessions rose as 8,021 apartment units were completed countywide in the last 12 months. Approximately 44% of the new inventory emerged in the urban core within the Downtown Los Angeles and Mid-Wilshire submarkets. Developers continued to favor these submarkets, as 7,320 units were either under construction or in lease-up in these areas in the second quarter of 2025. Likewise, the influx of new apartment stock and the live-work-play environment in the Downtown Los Angeles and Mid-Wilshire submarkets continued to attract renters, as net apartment absorption totaled 5,120 units, widely outpacing the 3,545 new units that came online. The Burbank/Glendale/Pasadena submarket was also a highly sought-after area for renters, with net absorption surpassing 2,000 units since mid-2024. The submarket is a perennial favorite for renters because of its high quality of life. The South Los Angeles submarket was also a popular choice for renters because of its proximity to employment hubs and entertainment destinations in the urban core. Newly occupied units in the submarket totaled nearly 2,100 in the last 12 months amid 486 deliveries.

© 2025 Berkadia Proprietary Holding

Deliveries, Absorption, & Effective Rent Change

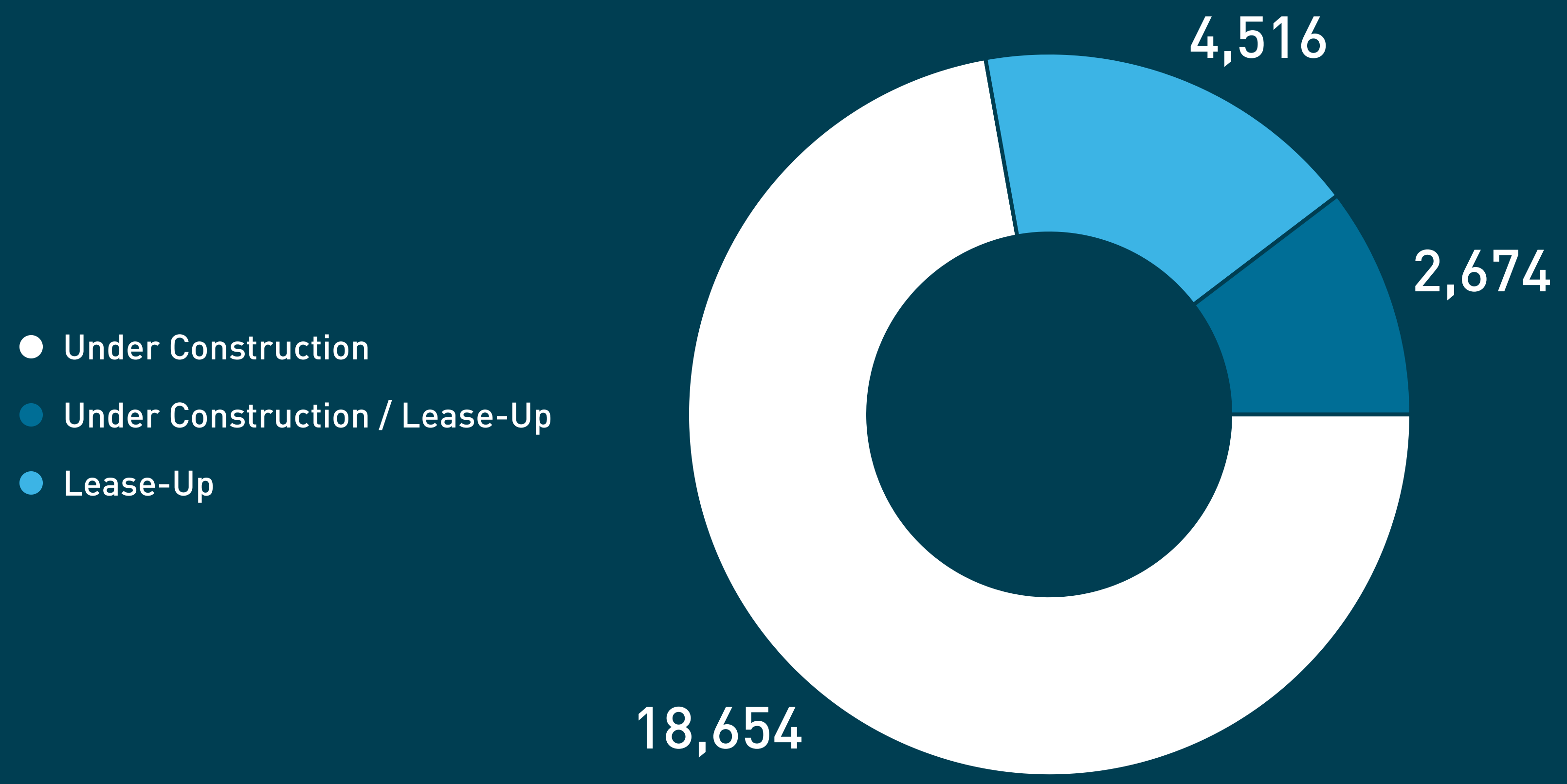


Source: RealPage

BERKADIA

© 2025 Berkadia Proprietary Holding

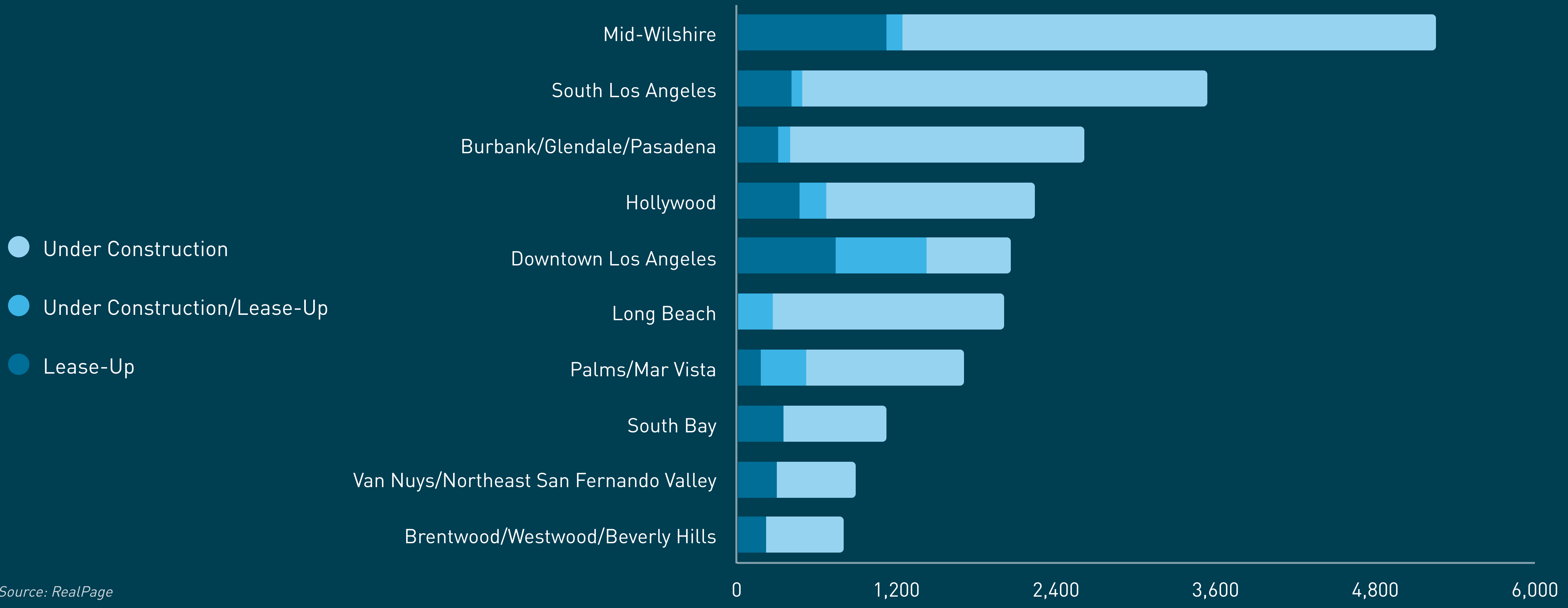
Los Angeles Pipeline



Source: RealPage

© 2025 Berkadia Proprietary Holding

Largest Submarket Pipelines



Source: RealPage

© 2025 Berkadia Proprietary Holding

Rent & Occupancy

Effective Rent

Q2 2025

$2,852

1.7% YOY

Occupancy

Q2 2025

95.8%

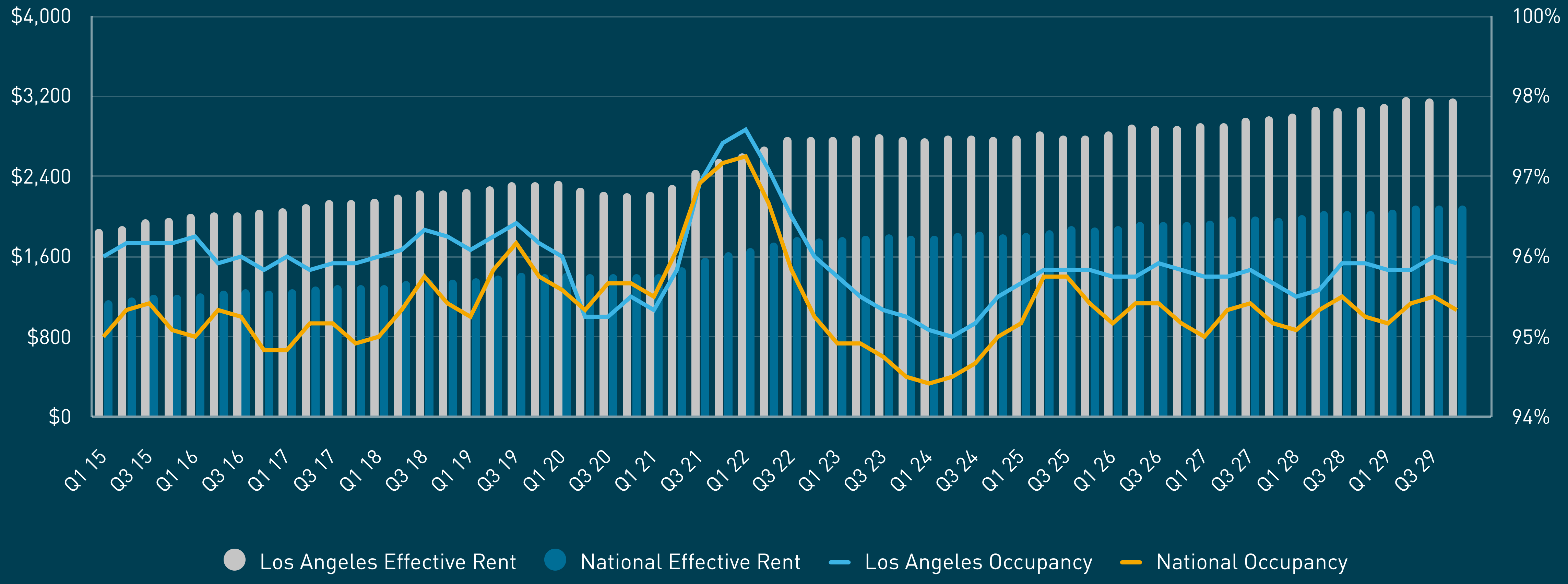
100 BPS YOY

Apartment operators recorded average occupancy of 95.8% in the second quarter of 2025, up 100 basis points annually. Meanwhile, monthly effective rent in Los Angeles County averaged $2,852, a 1.7% year-over-year gain. Annual rent growth was greatest among Class A apartments, increasing an average of 3.7% through mid-2025. Class A apartment communities in the county offer distinct advantages to owners compared to middle- and lower-tier multifamily properties. One advantage is the greater likelihood of a higher return on investment. Because limited site availability, the cost of land, and arduous permitting processes often translate into high development costs, developers in Los Angeles County usually opt to build Class A apartment communities for the greater potential for profitability. Additionally, Class A apartments present an attractive alternative to homeownership for higher-income households who find homeownership elusive. Depending on the down payment and the area in the county, a typical monthly mortgage originating in mid-2025 could be as much as $2,350 more per month than the average Class A apartment rent. Looking forward, heightened apartment deliveries in the near term are anticipated to increase competition among apartment communities, limiting overall rent growth. Rent appreciation is expected to resume around the middle of 2026 as deliveries begin to decelerate. Annual rent growth is projected to average 3.1% in 2026 and 2027.

Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

© 2025 Berkadia Proprietary Holding

Los Angeles vs. National Effective Rent & Occupancy



Source: RealPage

© 2025 Berkadia Proprietary Holding

Rent & Occupancy

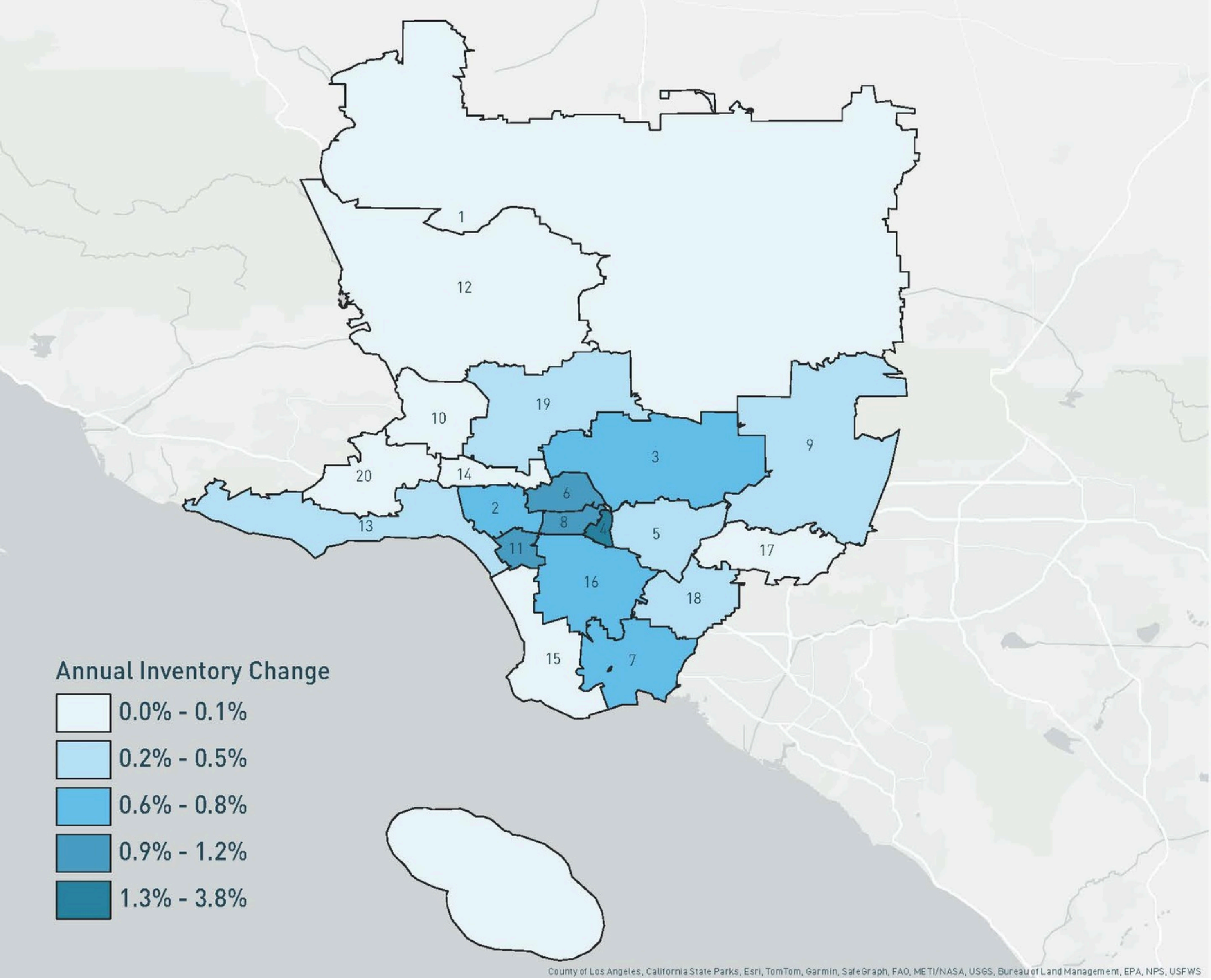
Submarket Performance

Submarket Name	Q2 25 Occupancy	YOY (BPS)	Q2 25 Effective Rent	YOY
Antelope Valley	96.9%	120	$1,904	1.3%
Brentwood/Westwood/Beverly Hills	95.6%	50	$3,750	2.6%
Burbank/Glendale/Pasadena	96.1%	130	$3,095	3.8%
Downtown Los Angeles	94.5%	160	$2,821	-3.2%
East Los Angeles	96.4%	0	$2,163	4.5%
Hollywood	94.4%	50	$2,951	1.7%
Long Beach	95.6%	160	$2,744	2.5%
Mid-Wilshire	95.7%	70	$2,815	-0.8%
North San Gabriel Valley	96.3%	20	$2,422	4.3%
Northridge/Northwest San Fernando Valley	96.9%	260	$2,413	1.9%
Palms/Mar Vista	95.8%	110	$3,390	4.4%
Santa Clarita Valley	97.1%	210	$2,700	-1.2%
Santa Monica/Marina del Rey	96.4%	220	$3,878	2.2%
Sherman Oaks/North Hollywood/Encino	95.5%	30	$2,741	0.8%
South Bay	96.7%	90	$3,280	3.5%
South Los Angeles	95.9%	130	$2,777	5.3%
South San Gabriel Valley	97.1%	100	$2,346	0.5%
Southeast Los Angeles	96.8%	70	$2,495	2.2%
Van Nuys/Northeast San Fernando Valley	95.6%	-40	$2,270	-0.7%
Woodland Hills	95.7%	0	$2,788	1.5%

Source: RealPage

© 2025 Berkadia Proprietary Holding

Submarket Mid-Year 2025 Annual Inventory Change

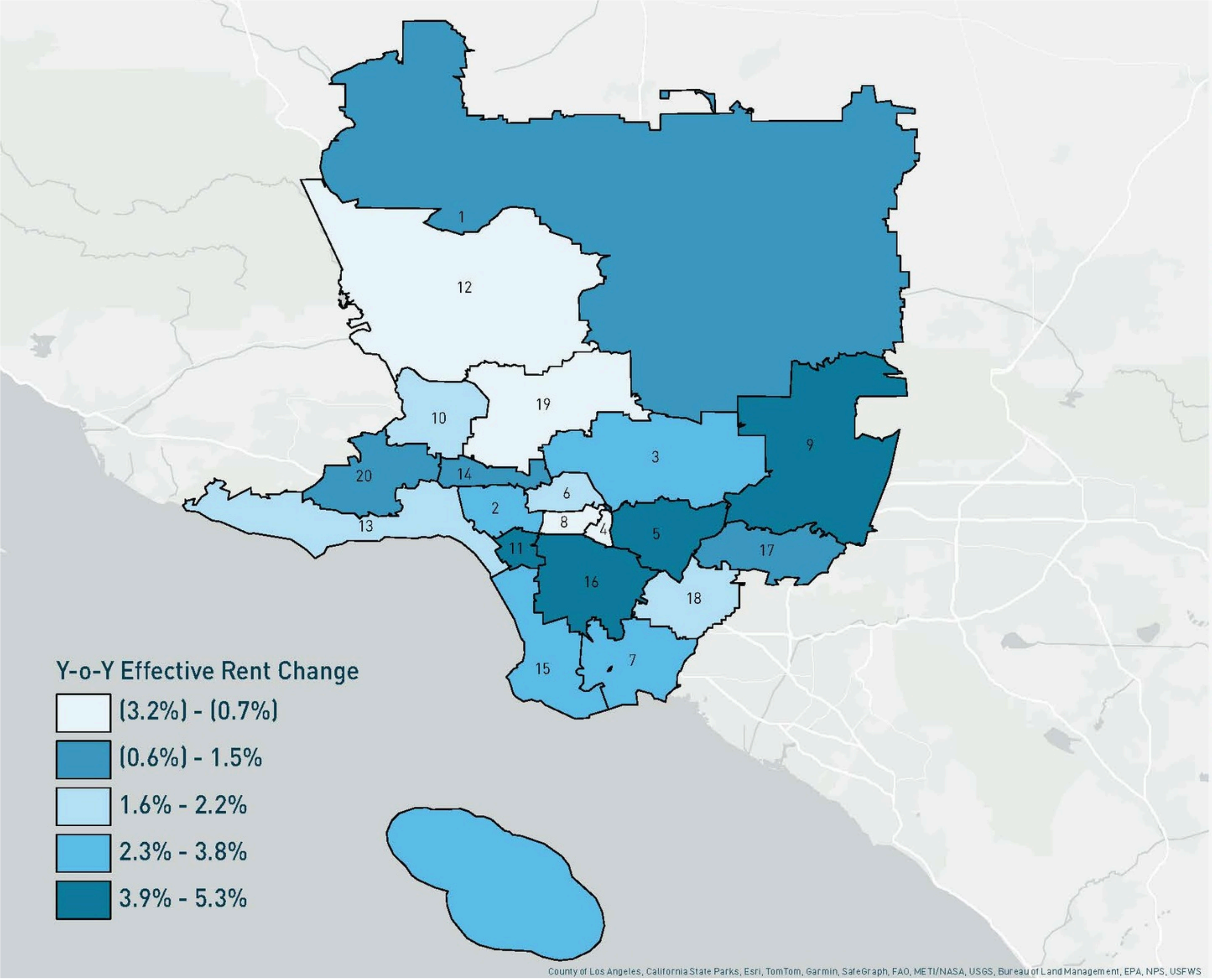


SUBMARKET BOUNDARIES

1. Antelope Valley
2. Brentwood / Westwood / Beverly Hills
3. Burbank / Glendale / Pasadena
4. Downtown Los Angeles
5. East Los Angeles
6. Hollywood
7. Long Beach
8. Mid-Wilshire
9. North San Gabriel Valley
10. Northridge / Northwest San Fernando Valley
11. Palms / Mar Vista
12. Santa Clarita Valley
13. Santa Monica / Marina del Rey
14. Sherman Oaks / North Hollywood / Encino
15. South Bay
16. South Los Angeles
17. South San Gabriel Valley
18. Southeast Los Angeles
19. Van Nuys / Northeast San Fernando Valley
20. Woodland Hills

Source: RealPage

Submarket Mid-Year 2025 Annual Effective Rent Change



SUBMARKET BOUNDARIES

1. Antelope Valley
2. Brentwood / Westwood / Beverly Hills
3. Burbank / Glendale / Pasadena
4. Downtown Los Angeles
5. East Los Angeles
6. Hollywood
7. Long Beach
8. Mid-Wilshire
9. North San Gabriel Valley
10. Northridge / Northwest San Fernando Valley
11. Palms / Mar Vista
12. Santa Clarita Valley
13. Santa Monica / Marina del Rey
14. Sherman Oaks / North Hollywood / Encino
15. South Bay
16. South Los Angeles
17. South San Gabriel Valley
18. Southeast Los Angeles
19. Van Nuys / Northeast San Fernando Valley
20. Woodland Hills

Source: RealPage

Sales

2025 Year to Date*		What's Trading?*	
Volume $792.2M	**Price Per Unit (Avg)** $430,749	**Units (Avg)** 224	**Year Built (Avg)** 1990s
Transactions 9	**Cap Rate (Avg)** 5.2%	**Buildings (Avg)** 6	**Acres (Avg)** 5.31

*$50M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research

© 2025 Berkadia Proprietary Holding

Sales

Top Buyers*

Buyer	Location
JRK Property Holdings	Los Angeles, CA
Bascom Group	Irvine, CA
Sobrato Development	Mountain View, CA
Post Investment Group	Beverly Hills, CA
Grubb Properties	Charlotte, NC

Top Sellers*

Seller	Location
Waterton Associates	Chicago, IL
KOR Group	Santa Monica, CA
Essex Property Trust	San Mateo, CA
Mill Creek Residential	Boca Raton, FL
Rockwood Capital	New York, NY

*$50M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research

© 2025 Berkadia Proprietary Holding

DOWNLOAD REPORT

© 2025 Berkadia Real Estate Advisors LLC

Berkadia® is a trademark of Berkadia Proprietary Holding LLC Commercial mortgage loan origination and servicing businesses are conducted exclusively by Berkadia Commercial Mortgage LLC and Berkadia Commercial Mortgage Inc. This website is not intended to solicit commercial mortgage loan brokerage business in Nevada. Investment sales and real estate brokerage businesses are conducted exclusively by Berkadia Real Estate Advisors LLC and Berkadia Real Estate Advisors Inc. For state licensing details for the above entities, visit: www.berkadia.com/legal/licensing.aspx

The information contained in this flyer has been obtained from sources we believe to be reliable; however, we have not conducted any investigation regarding these matters and make no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. While we do not doubt its accuracy, we have not verified it and neither we, nor the Owner, make any guarantee, warranty or representation of any kind or nature about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example and do not necessarily represent past, current or future performance of the property. You and your advisors should conduct a careful and independent investigation of the property to determine to your satisfaction the suitability of the property and the quality of itstenancy for your records.

BERKADIA®

All Regions

Albuquerque
Ann Arbor
Atlanta
Austin
Baltimore
Baton Rouge
Birmingham
Boise
Boston
Charleston, SC
Charlotte
Chattanooga
Chicago
Cincinnati
Cleveland
Colorado Springs
Columbus
Dallas-Fort Worth
Denver
Des Moines

Detroit
El Paso
Greenville, SC
Houston
Huntsville
Indianapolis
Inland Empire
Jacksonville
Kansas City
Knoxville
Las Vegas
Lexington
Little Rock
Los Angeles
Louisville
Madison
Memphis
Milwaukee
Minneapolis-St. Paul
Mobile

Nashville
New Orleans
New York
Northern New Jersey
Northwest Arkansas
Oklahoma City
Omaha
Orange County, CA
Orlando
Pensacola
Philadelphia
Phoenix
Pittsburgh
Portland
Raleigh-Durham
Reno
Richmond
Sacramento
Salt Lake City
San Antonio

San Diego
San Francisco-Oakland
San Jose
Sarasota
Savannah
Seattle-Tacoma
South Florida
St. Louis
Tallahassee
Tampa-St. Petersburg
Tucson
Tulsa
Ventura County
Virginia Beach
Washington, D.C.
West Michigan
Wichita

National