



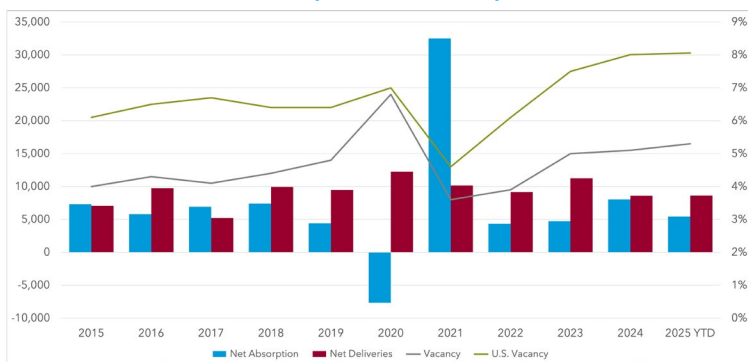
MULTIFAMILY MARKET OVERVIEW

WARREN BERZACK, *National Director of Multifamily*

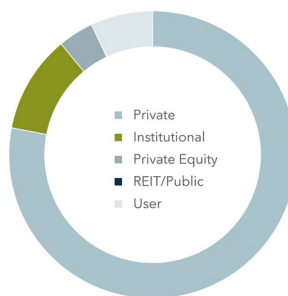
The Los Angeles multifamily market is facing sustained supply-side pressure, with vacancy rising to 5.3% in Q3 2025, the highest level this decade outside of 2020. Still, LA's vacancy remains well below the national average of 8.06%, highlighting its relative resilience. Demand has softened, with 12-month net absorption falling slightly to 7,073 units, while over 8,600 units have delivered year-to-date. Asking rents remain flat at \$2,333 per unit, with year-over-year growth under 1%. Meanwhile, development activity continues to slow, with units under construction dropping to 18,609, the lowest since 2017. As supply pressures ease and population trends improve, conditions may tighten, though macroeconomic uncertainty remains a key risk.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Absorption Units	7,073	10,197	10,752	8,043	7,683
▲ Vacancy Rate	5.30%	4.92%	4.94%	5.10%	5.10%
▲ Asking Rent/Unit	\$2,333	\$2,332	\$2,317	\$2,295	\$2,294
▲ Sale Price/Unit	\$363,892	\$363,185	\$279,245	\$259,589	\$365,000
▲ Cap Rate	4.97%	4.94%	4.88%	5.00%	4.90%
▼ Under Construction Units	18,609	18,915	19,045	21,022	22,575
▲ Inventory Units	1,054,703	1,050,482	1,048,873	1,045,279	1,041,880

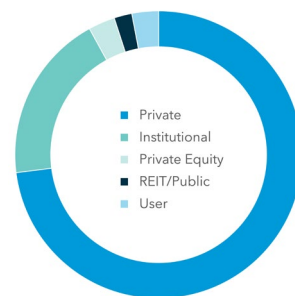
NET ABSORPTION, NET DELIVERIES, & VACANCY



SALE BY BUYER TYPE



SALE BY SELLER TYPE



**'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.

TOP SALE TRANSACTIONS	SALE PRICE	NUMBER OF UNITS	BUYER / SELLER
21200 Kittridge Street Woodland Hills, CA	\$179,881,000 \$344,600 Per Unit	522	Waterton AMLI Residential
12760 W. Millennium Drive* Playa Vista, CA	\$284,495,316 \$677,370 Per Unit	420	Hines Invesco Ltd.
1331 N. Cahuenga Boulevard Los Angeles, CA	\$159,000,000 \$430,894 Per Unit	369	AEW Capital Management Falcone Group

*Part of a Portfolio Sale

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME	TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Invesco Ltd.	\$302,723,091	Hines	\$344,495,316
Waterton	\$180,350,000	Waterton	\$301,881,000
Morgan Stanley & Co. LLC	\$179,881,000	Post Investment Group	\$193,875,000
Falcone Group	\$159,000,000	AEW Capital Management	\$159,000,000
AMCAL Multi-Housing, Inc.	\$141,900,000	Housing Authority of the City of LA	\$141,900,000

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2025 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com