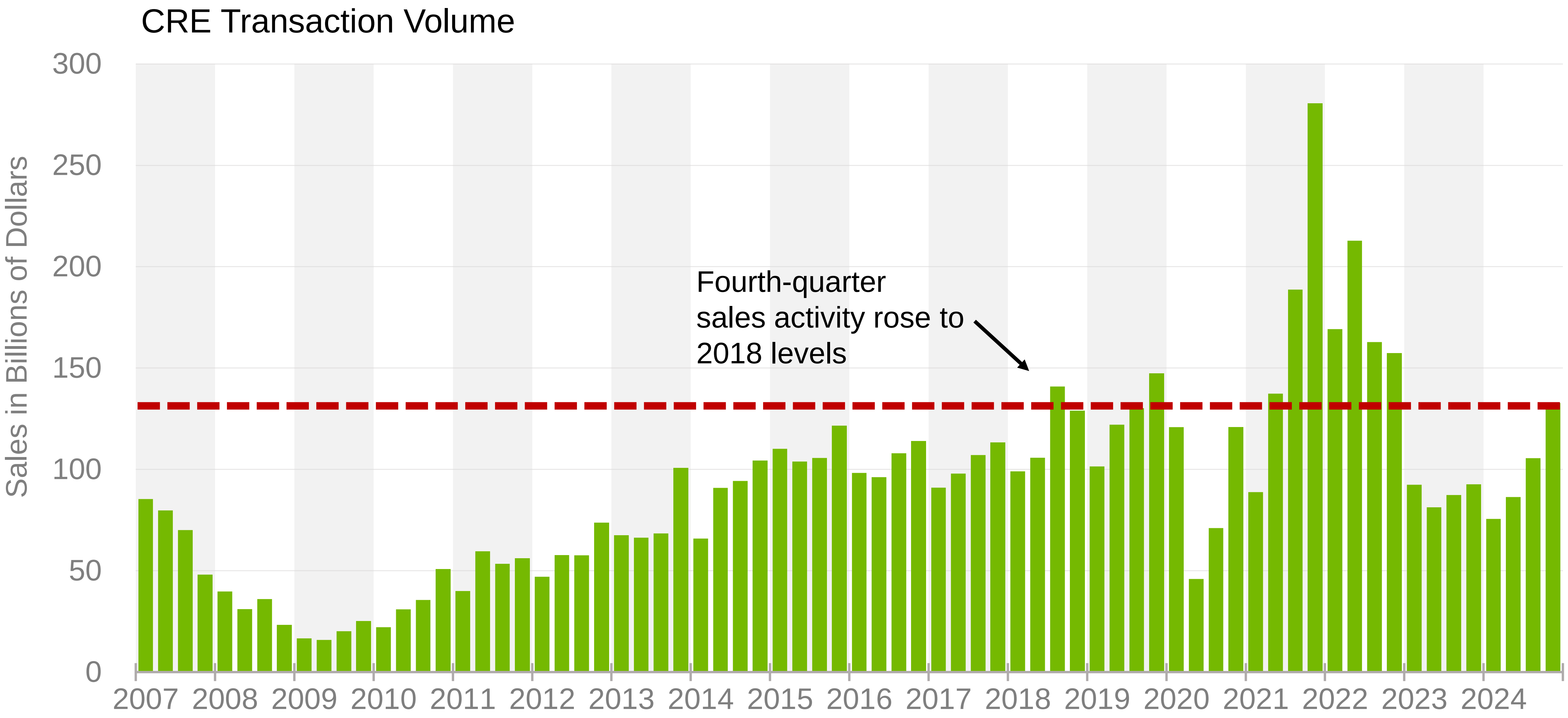
CoStar™
The knowledge market

# Greater Los Angeles Multifamily & Office State of the Market

Ryan Patap
Senior Director, Market Analytics

# National Capital Markets

# Year-over-year sales volume rose 43% in 2024Q4




Source: CoStar, January 2025; transaction volume data collected by quarter end; includes multifamily, office, retail, industrial and hotel

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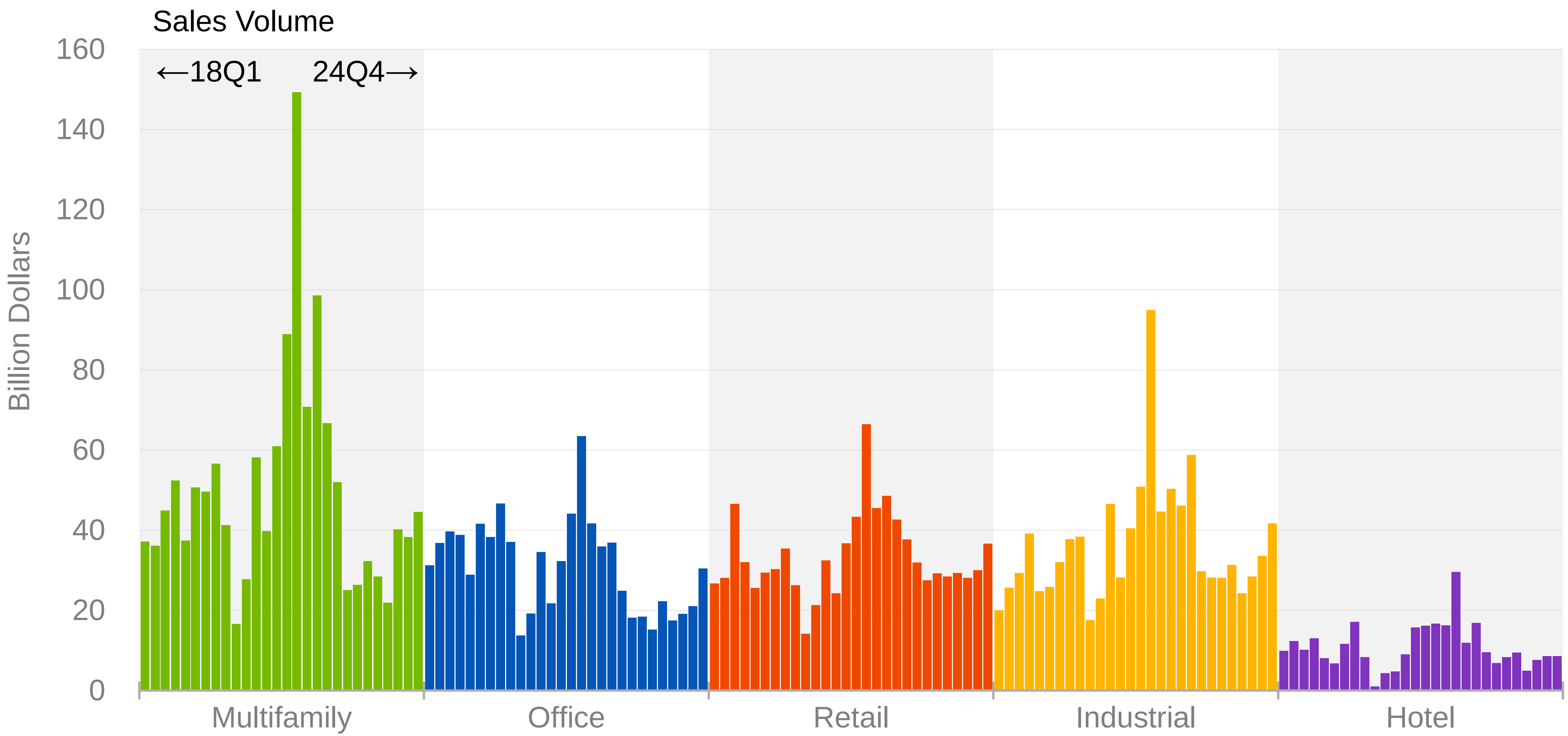
# All property sectors see transaction volumes rise off the lows




Source: CoStar, January 2025

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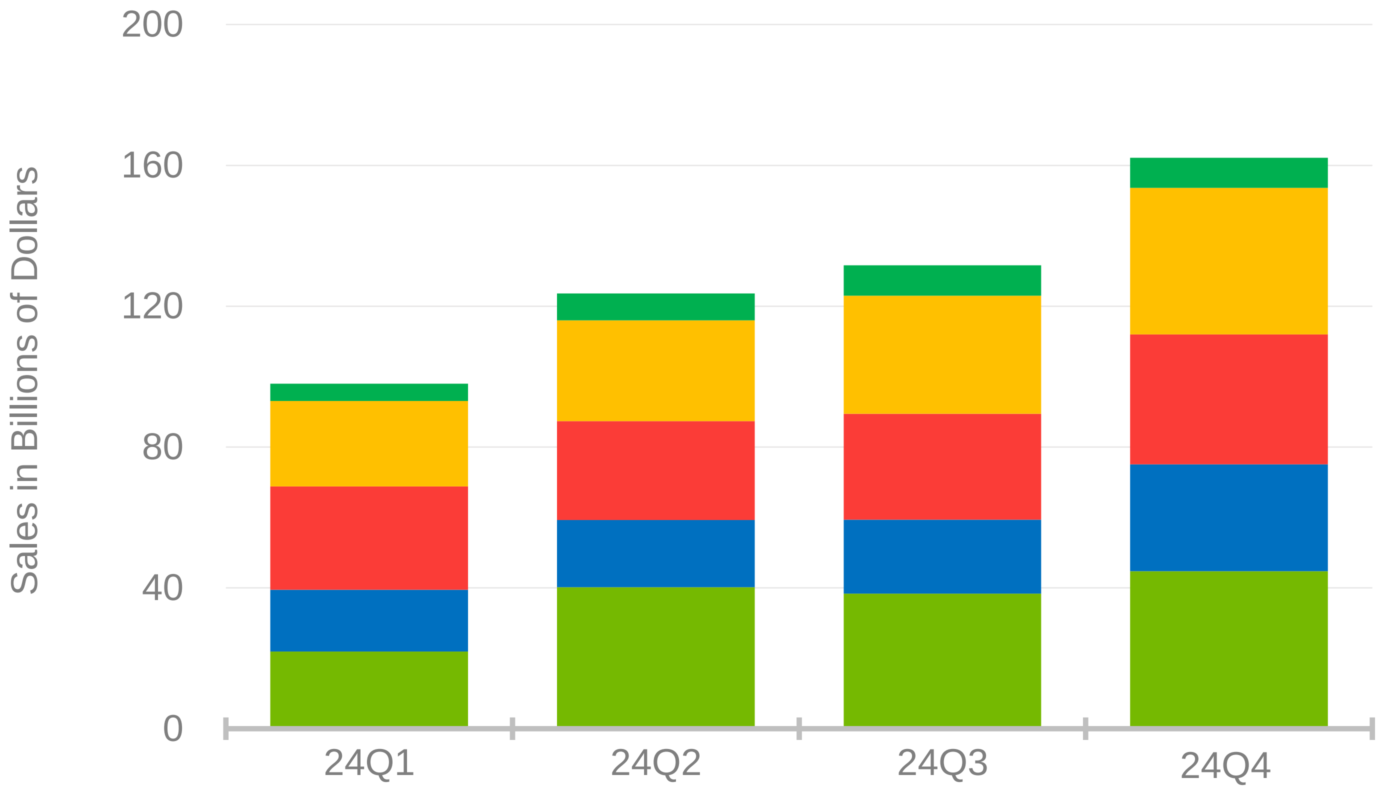
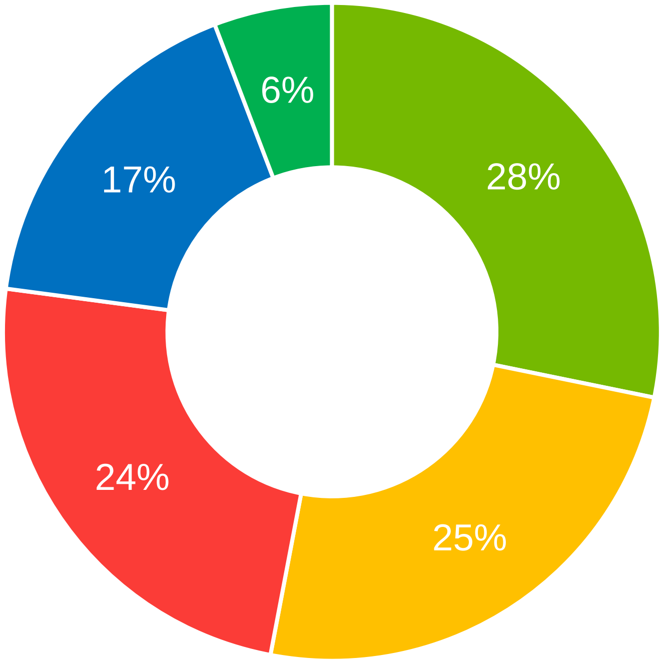
# Multifamily activity led all property types

Commercial Real Estate Transaction Volume




Share of 2024 Sales Volume




Multifamily Office Retail Industrial Hotel

Source: CoStar

Note: Includes Multifamily, Office, Retail, Industrial, and Hotel

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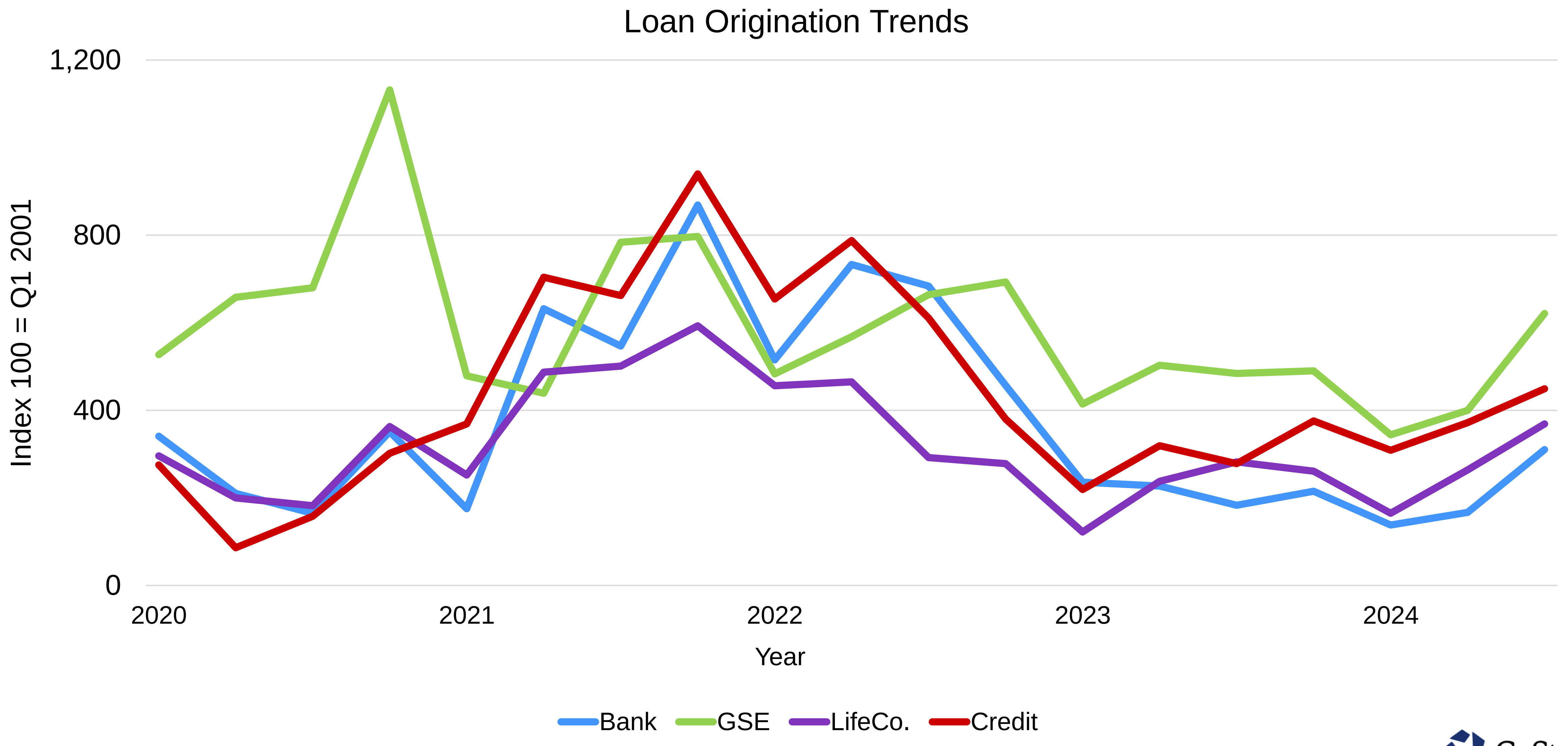
# All lender types seeing increased activity




Source: CoStar, MBA, as of February 2025

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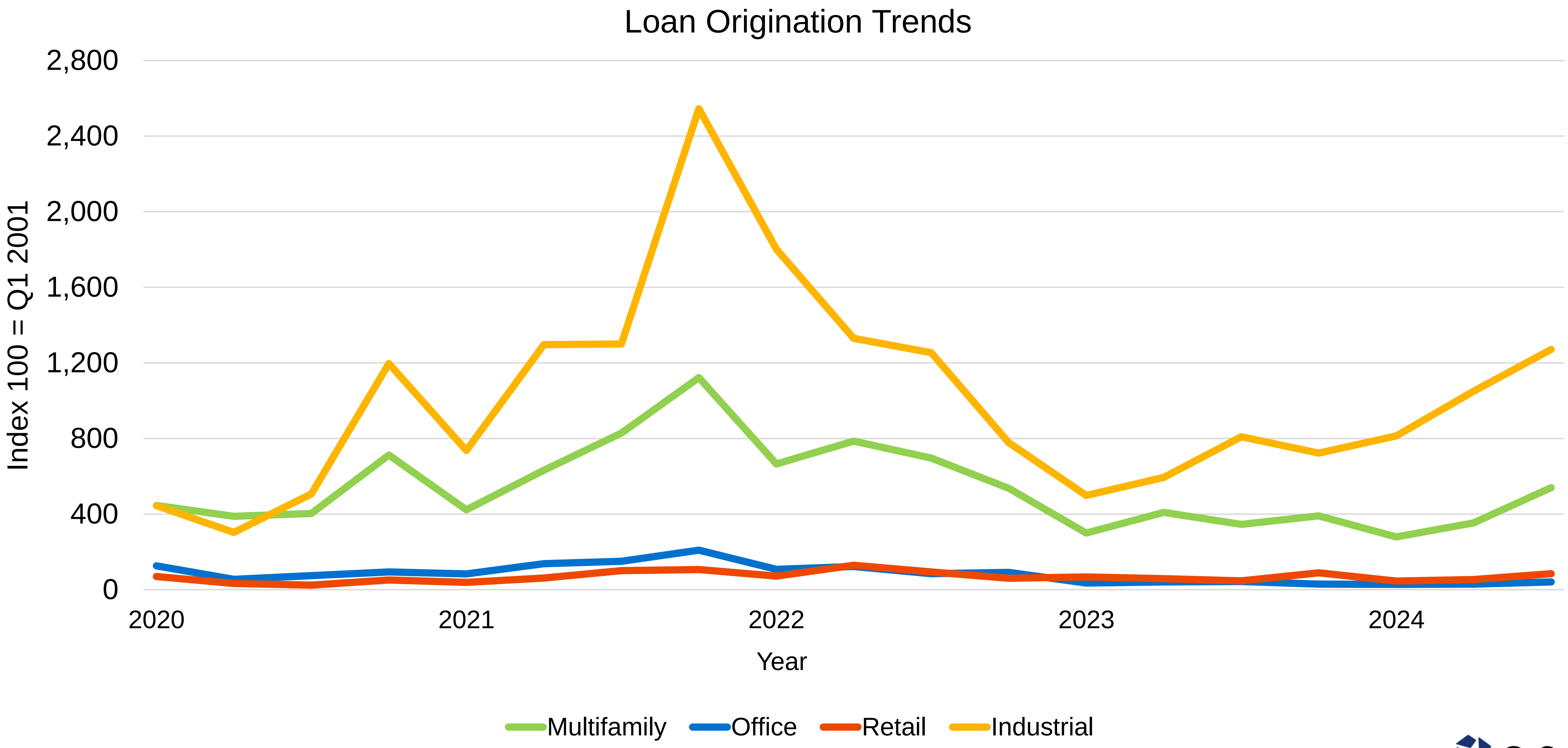
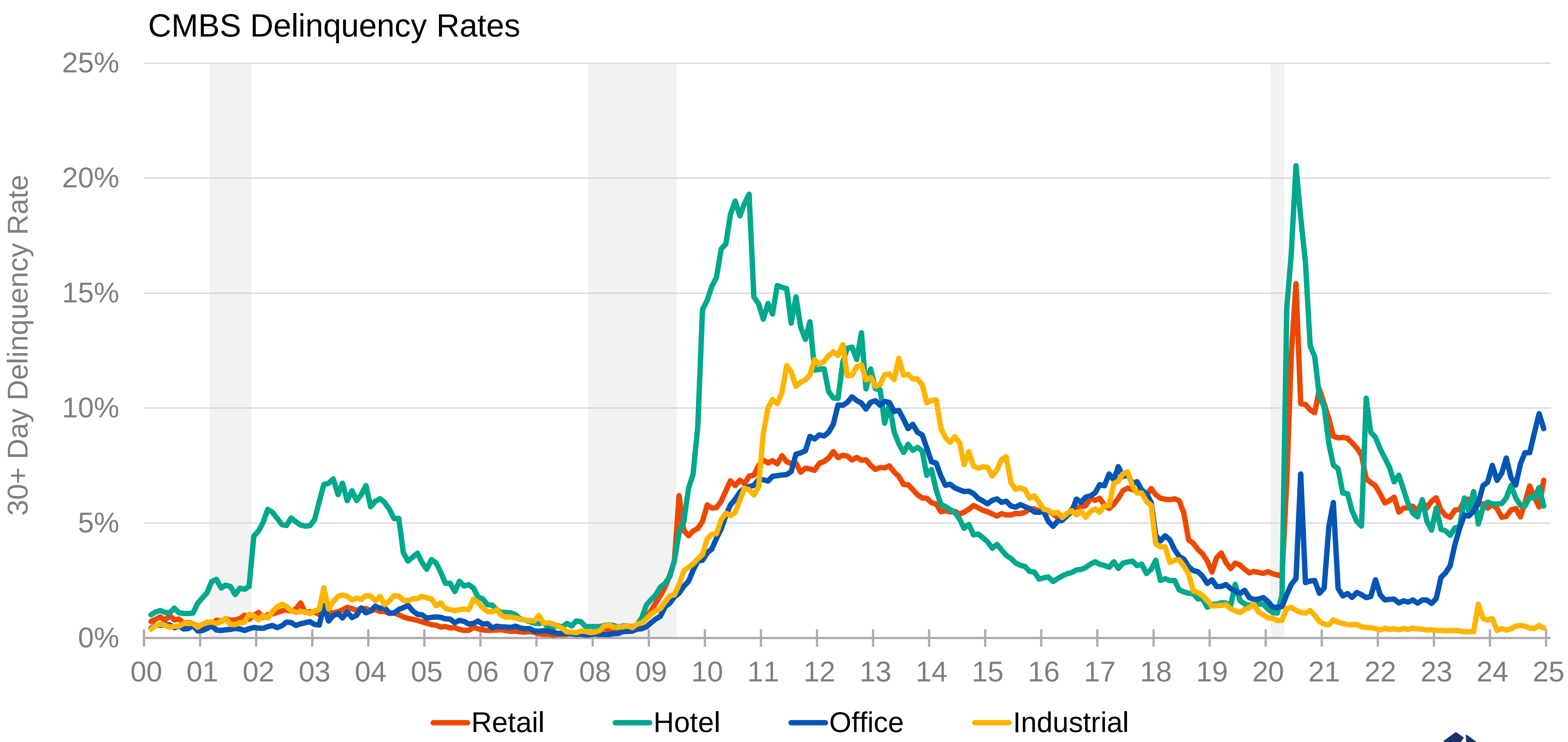
# Industrial and multifamily are still the favored property types




Source: CoStar, MBA, as of February 2025

# Office delinquency rates are approaching Great Recession highs




Source: CoStar Risk Analytics; NBER; 30-day delinquency rates, January 2025, with data through December 2024

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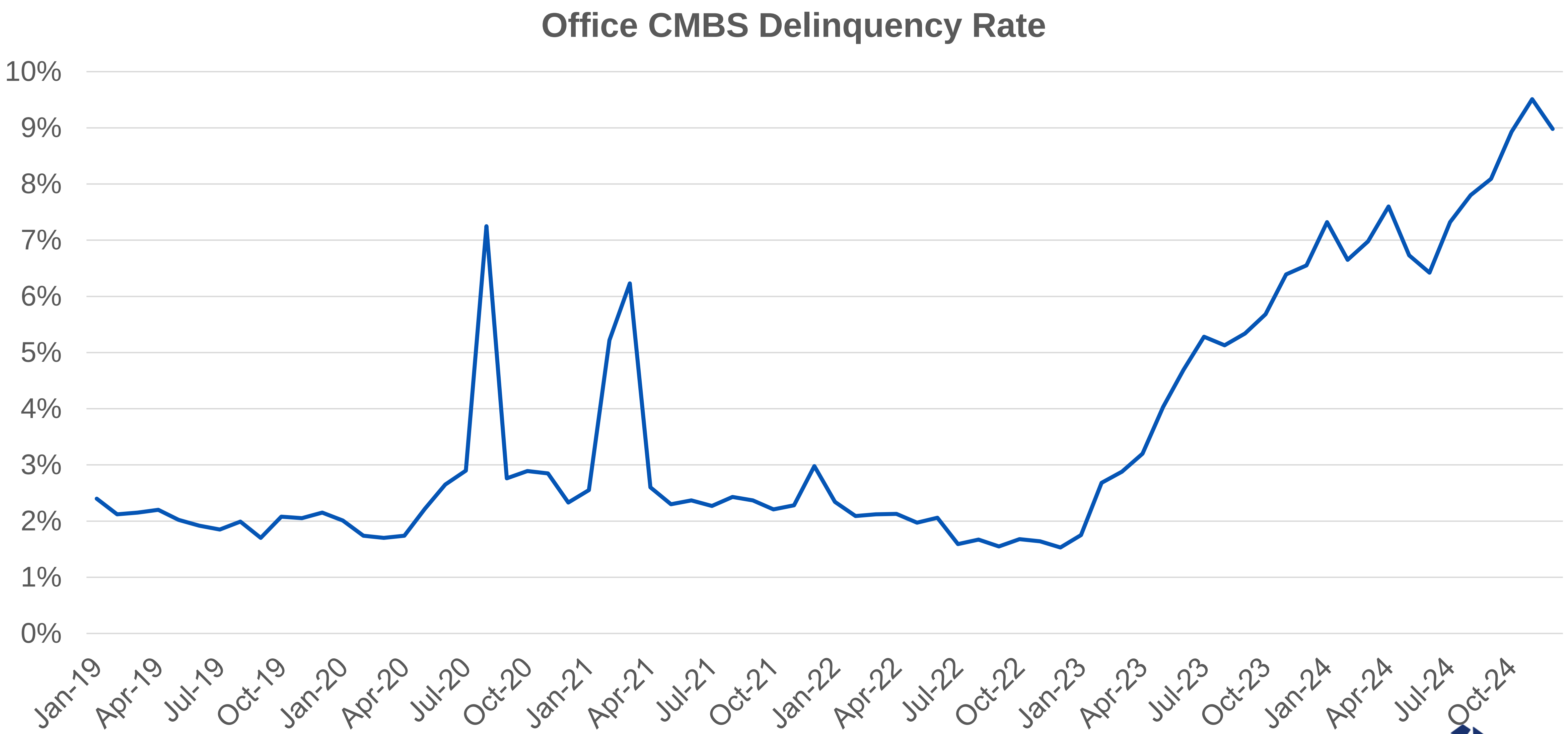
# Office CMBS delinquencies are still climbing

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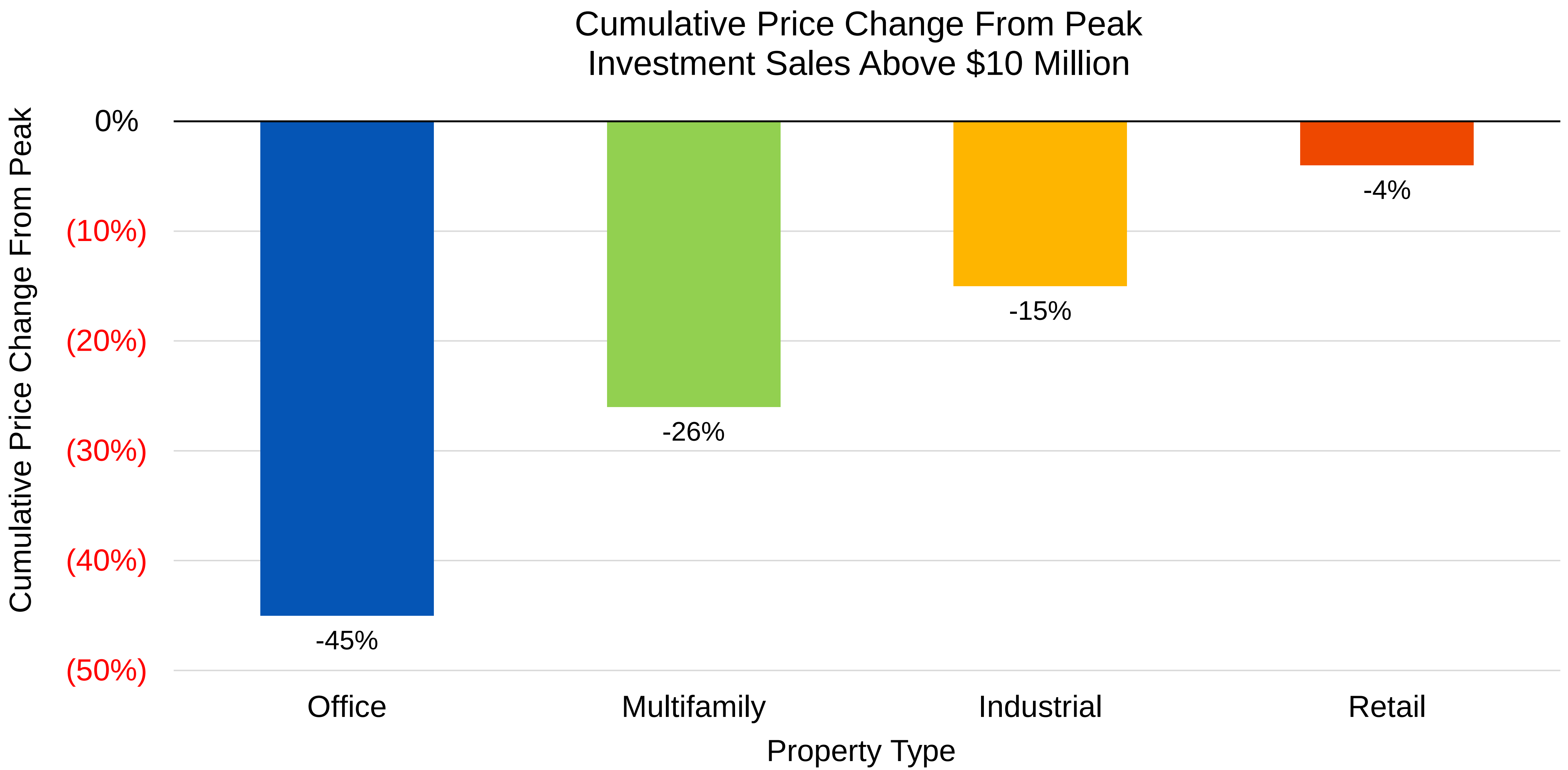
# Uneven price declines across the CRE industry




Note: Two-quarter moving average of investment sales above $10 million; excludes medical office and owner-user sales; multifamily price change calculated from CoStar's value-weighted repeat-sale index.
Source: CoStar, November 2024

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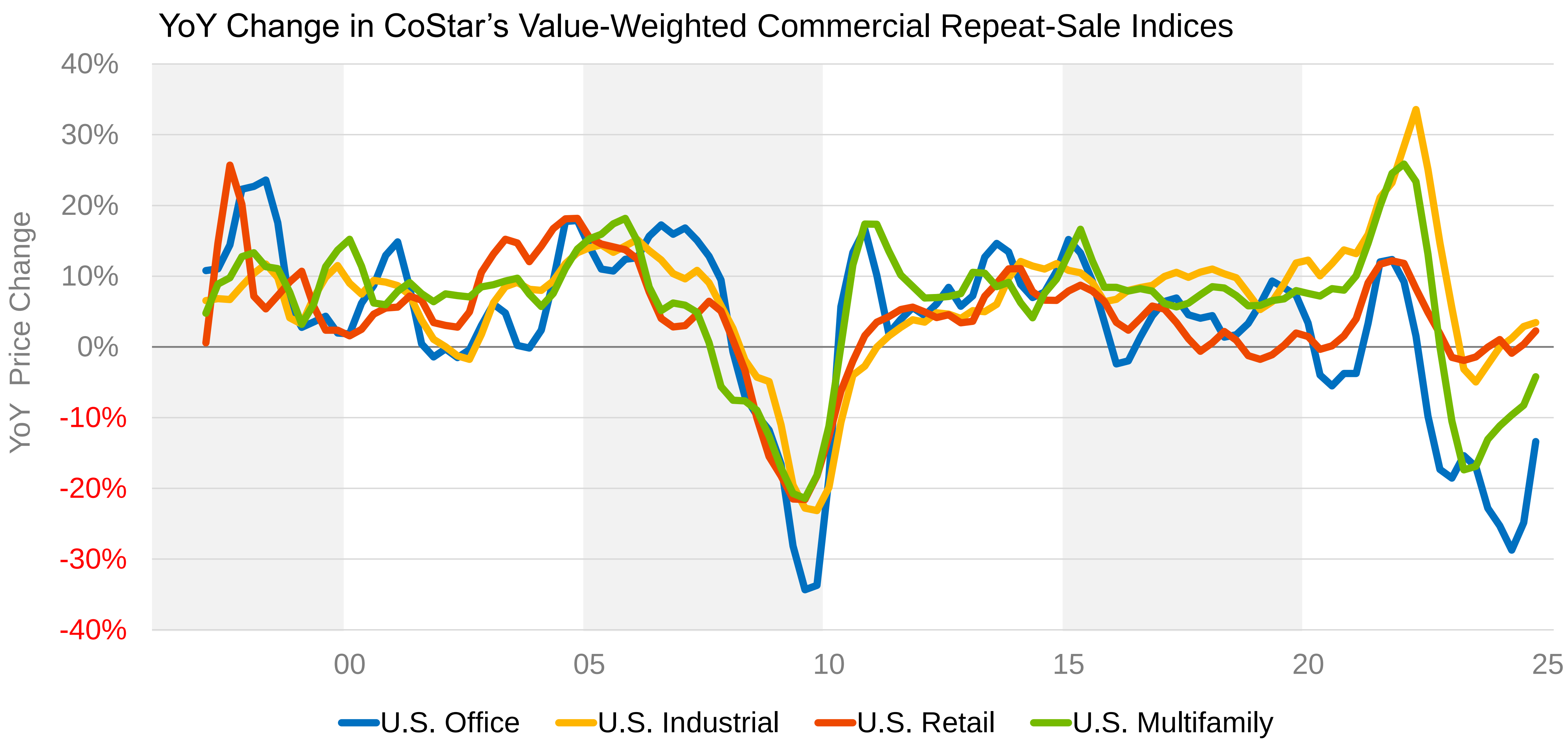
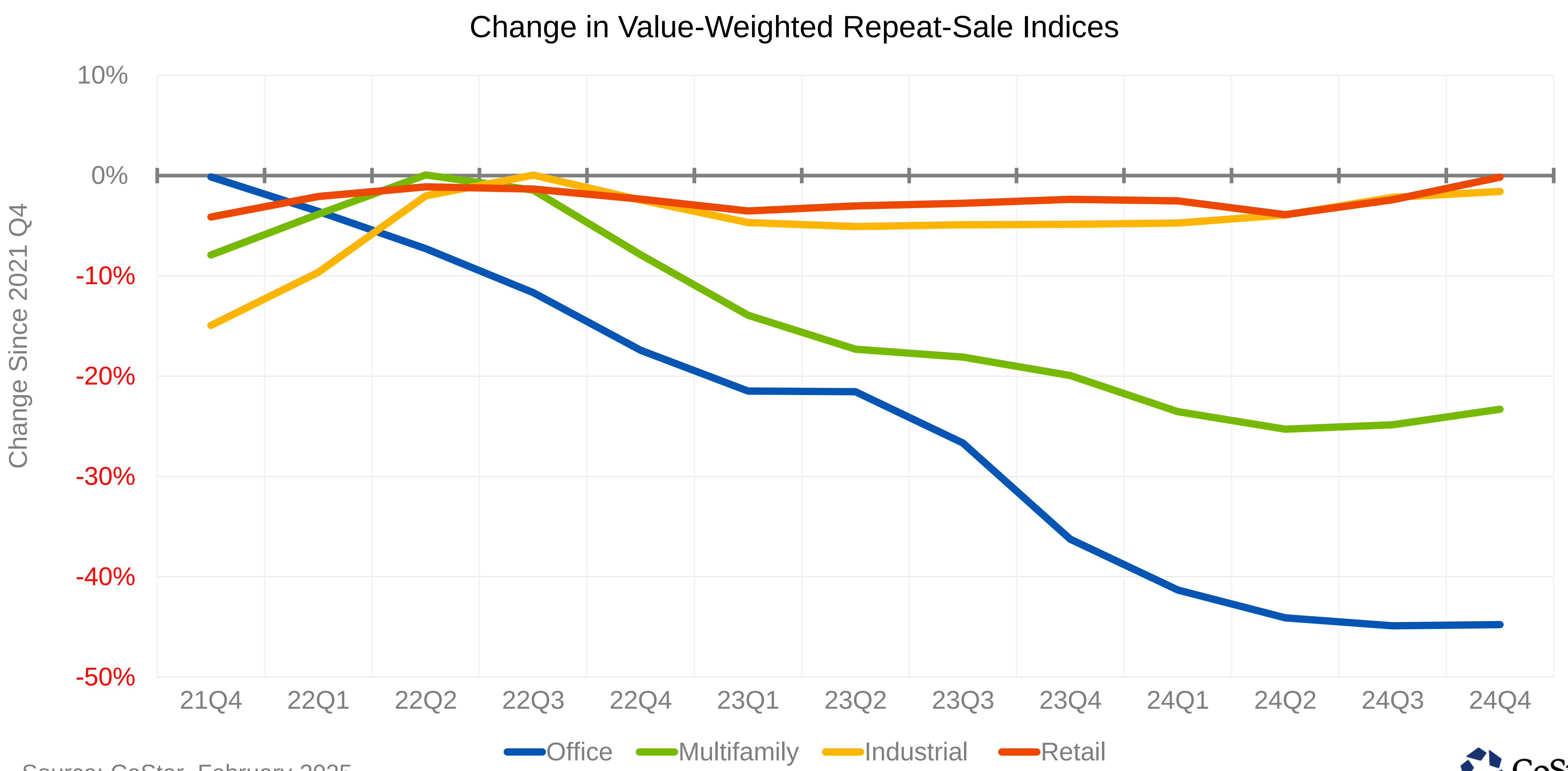
# Value losses in office and multifamily are decelerating




Source: CoStar, January 2025 (with data through fourth quarter 2024)

# Value declines slowed in the second half of 2024




Source: CoStar, February 2025

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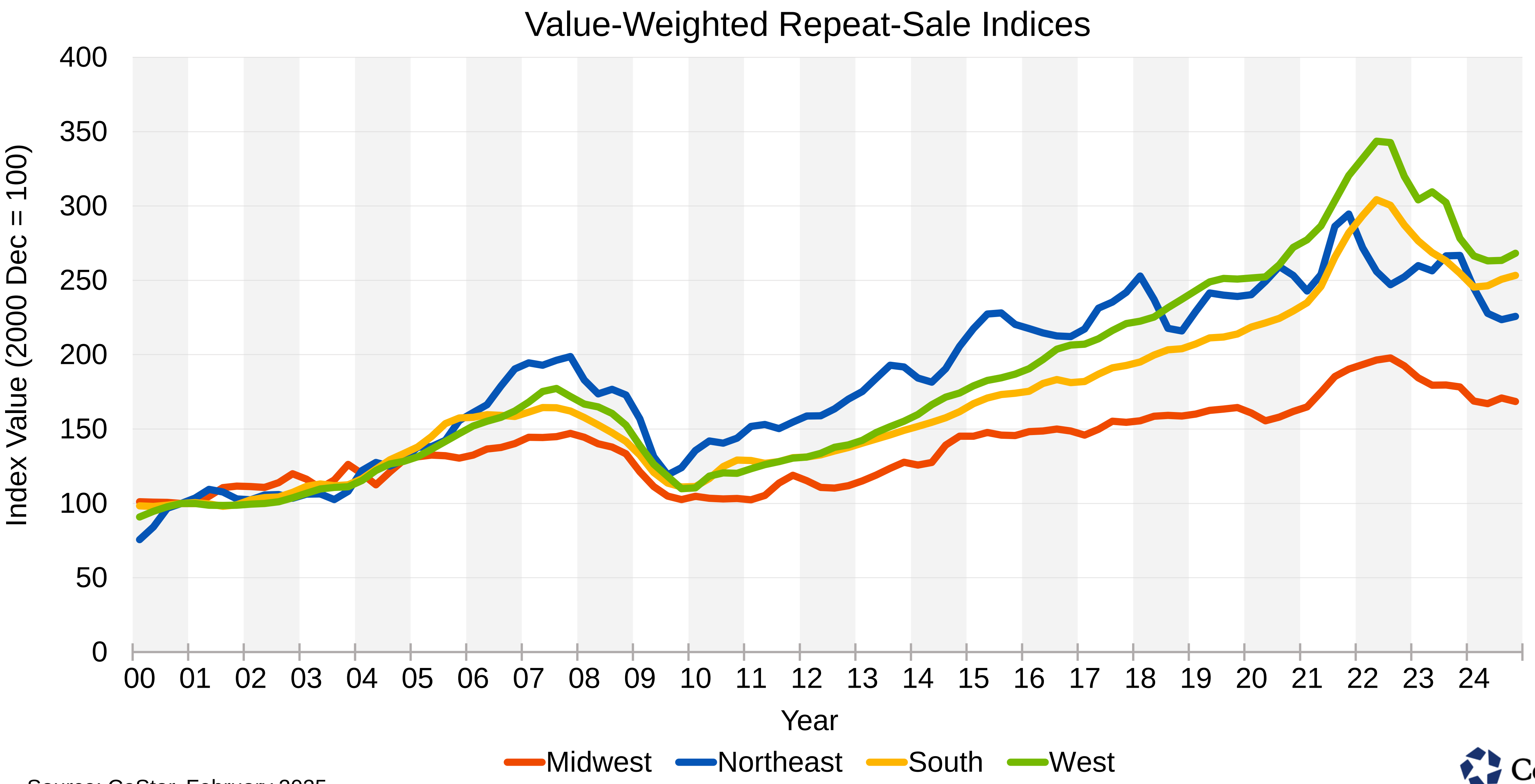
# Value-weighted prices are inflecting




Source: CoStar, February 2025

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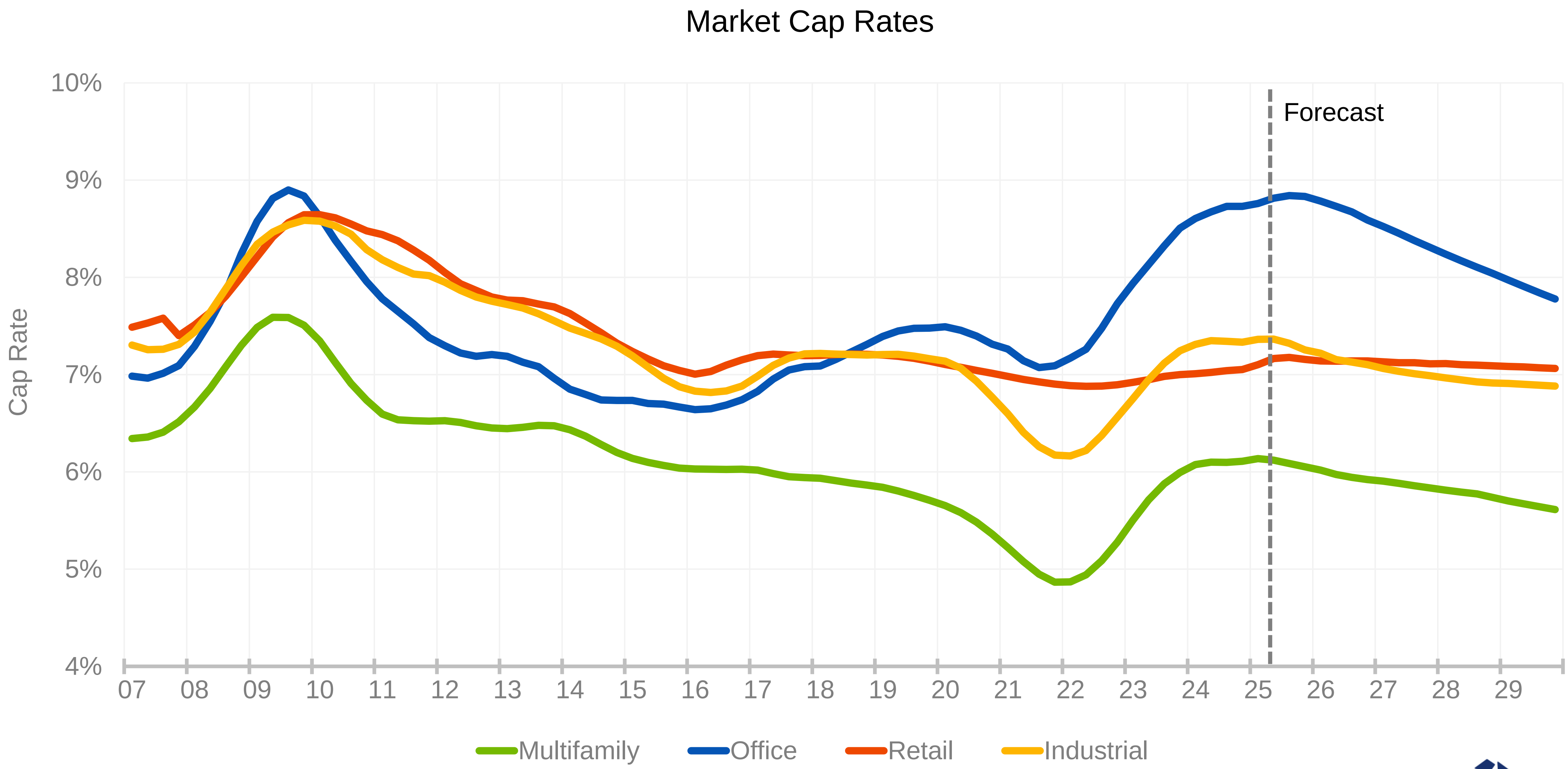
# Cap rates are in a topping process

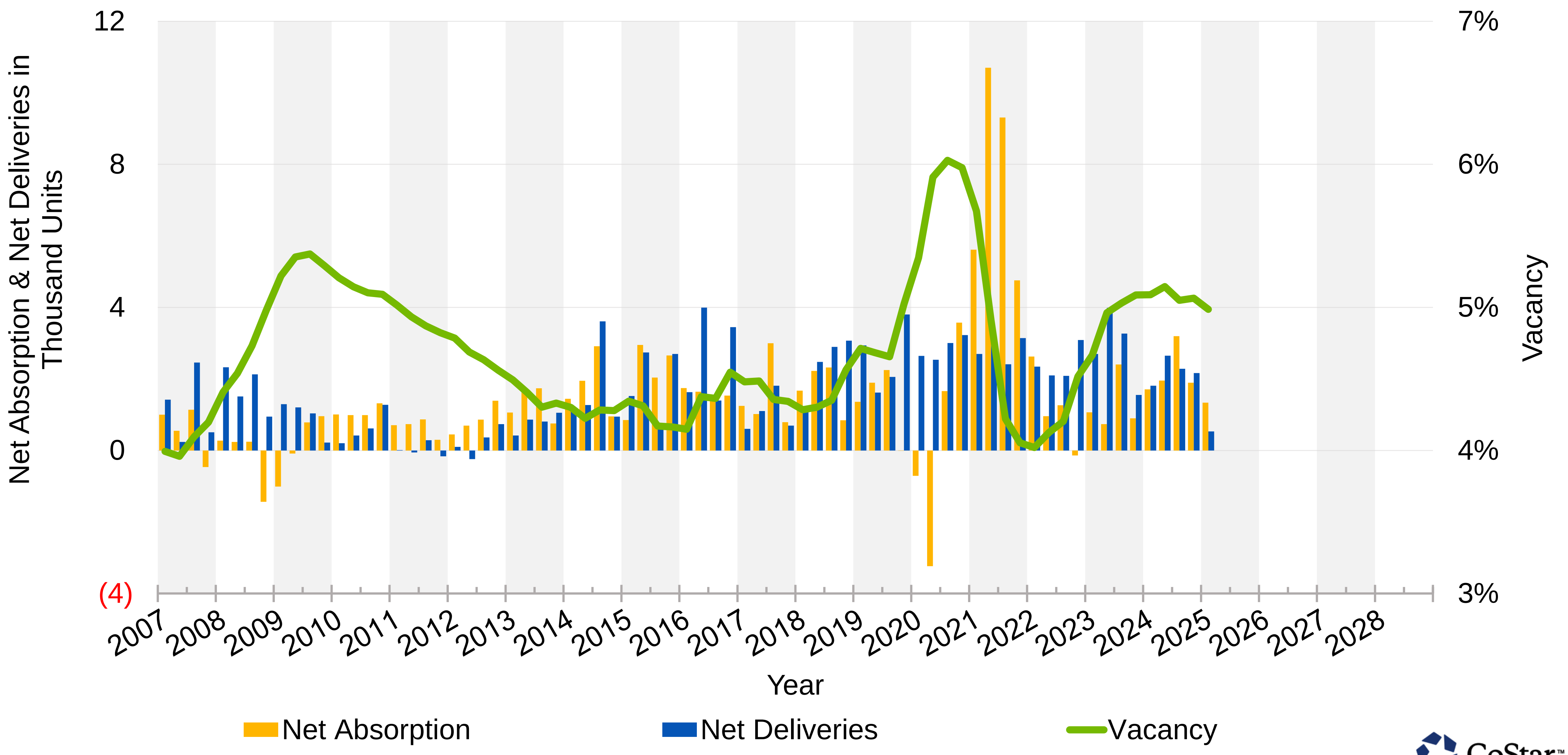



Source: CoStar, February 2025

# Los Angeles Multifamily

# DEMAND PICTURE

# Los Angeles Multifamily Fundamentals

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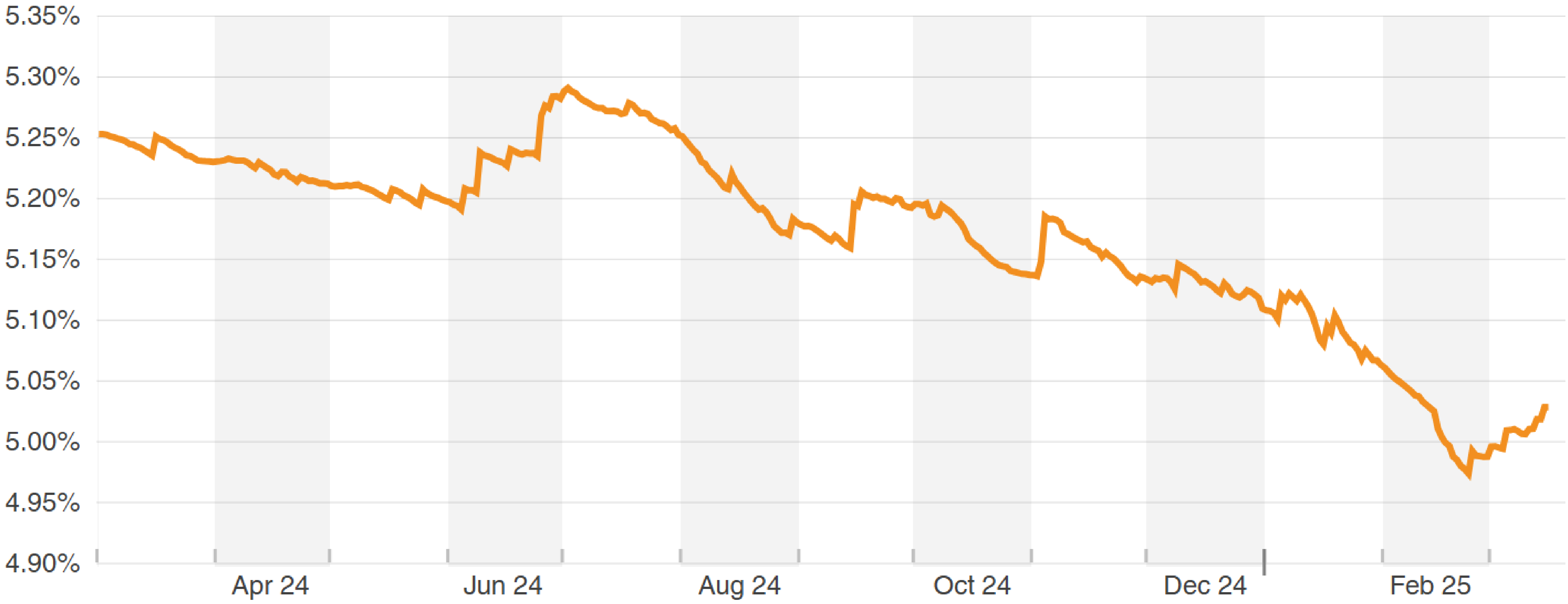
# Los Angeles Multifamily Daily Vacancy (1 Year)

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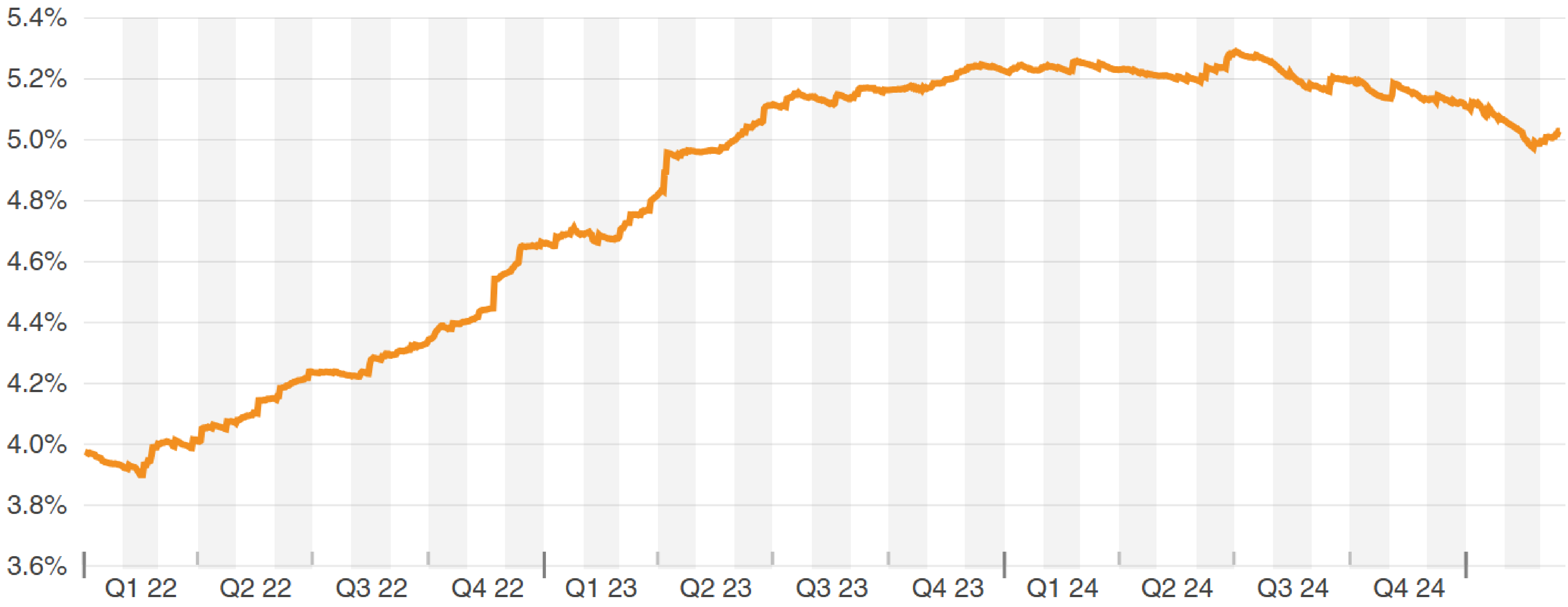
# Los Angeles Multifamily Daily Vacancy (3 Years)

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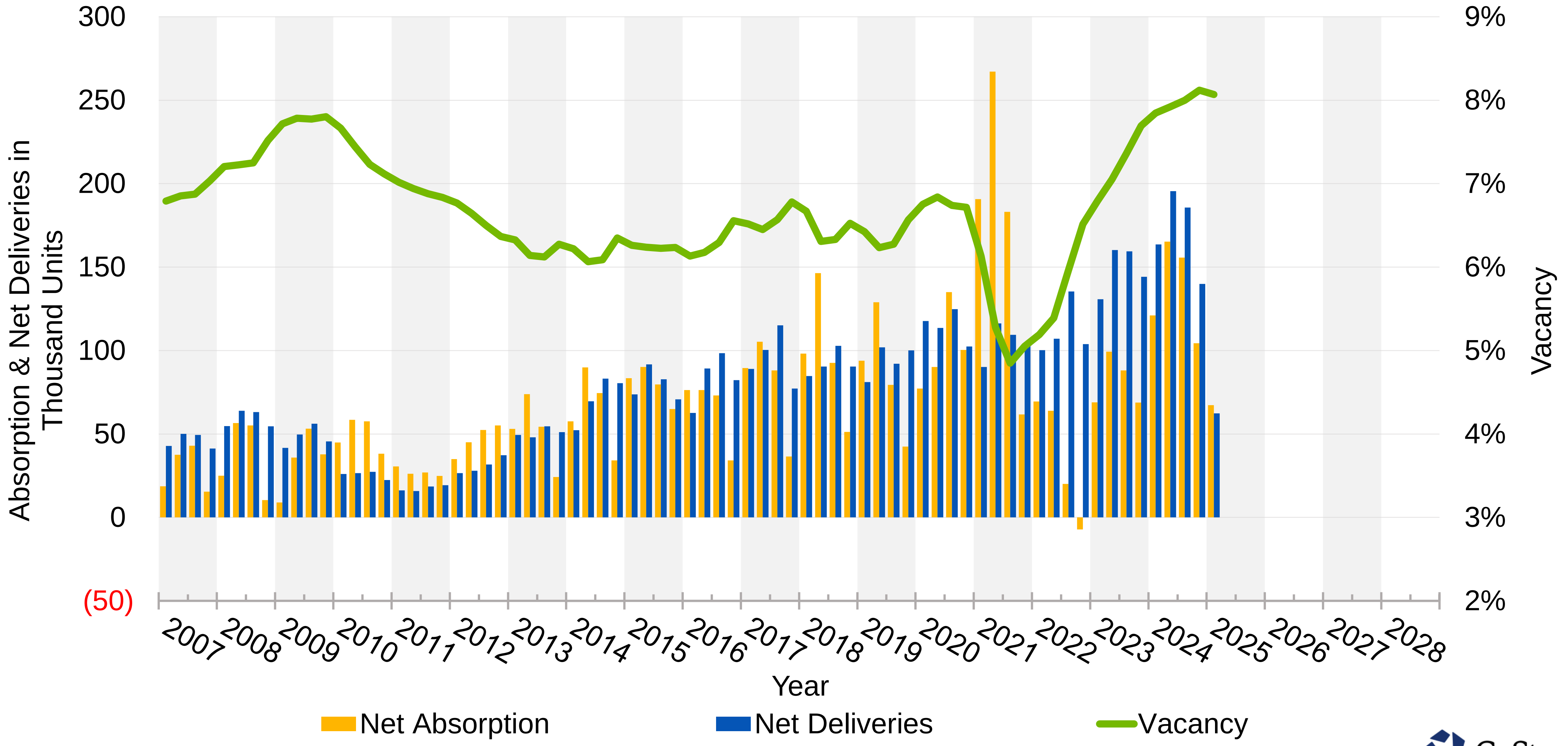
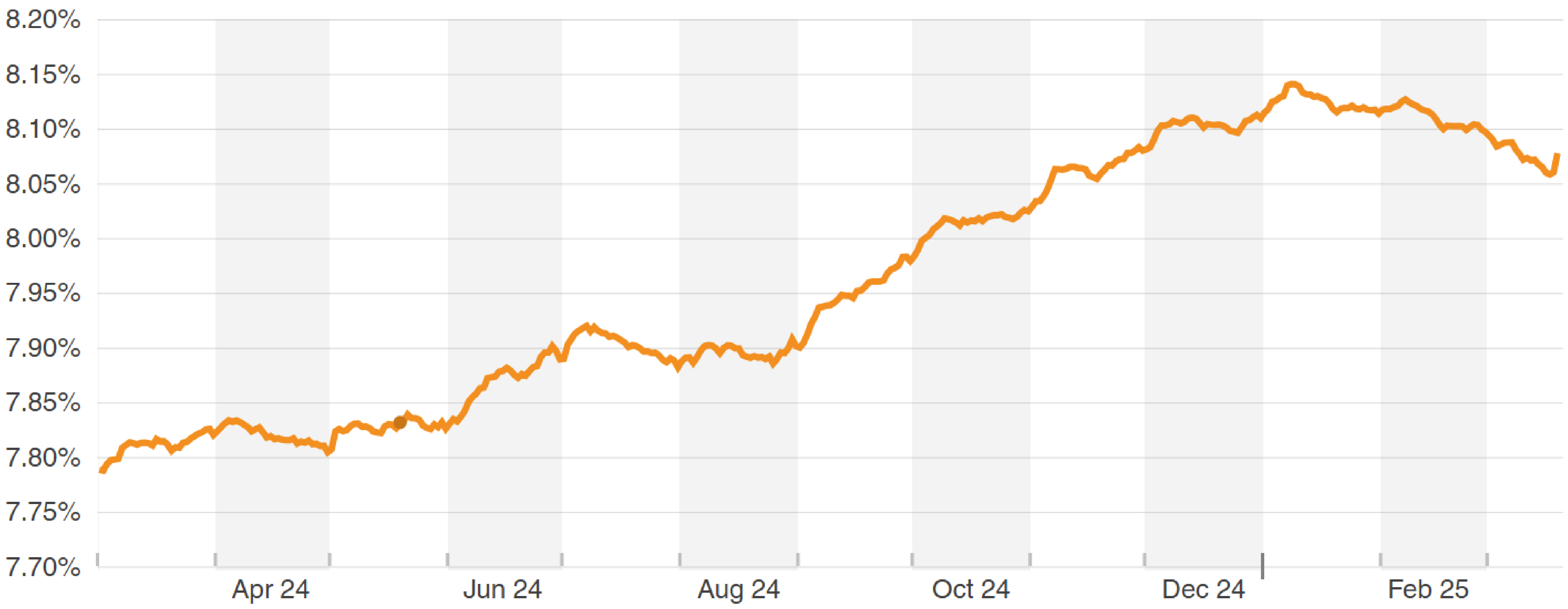
# National Multifamily Fundamentals



# National Multifamily Daily Vacancy (1 Year)

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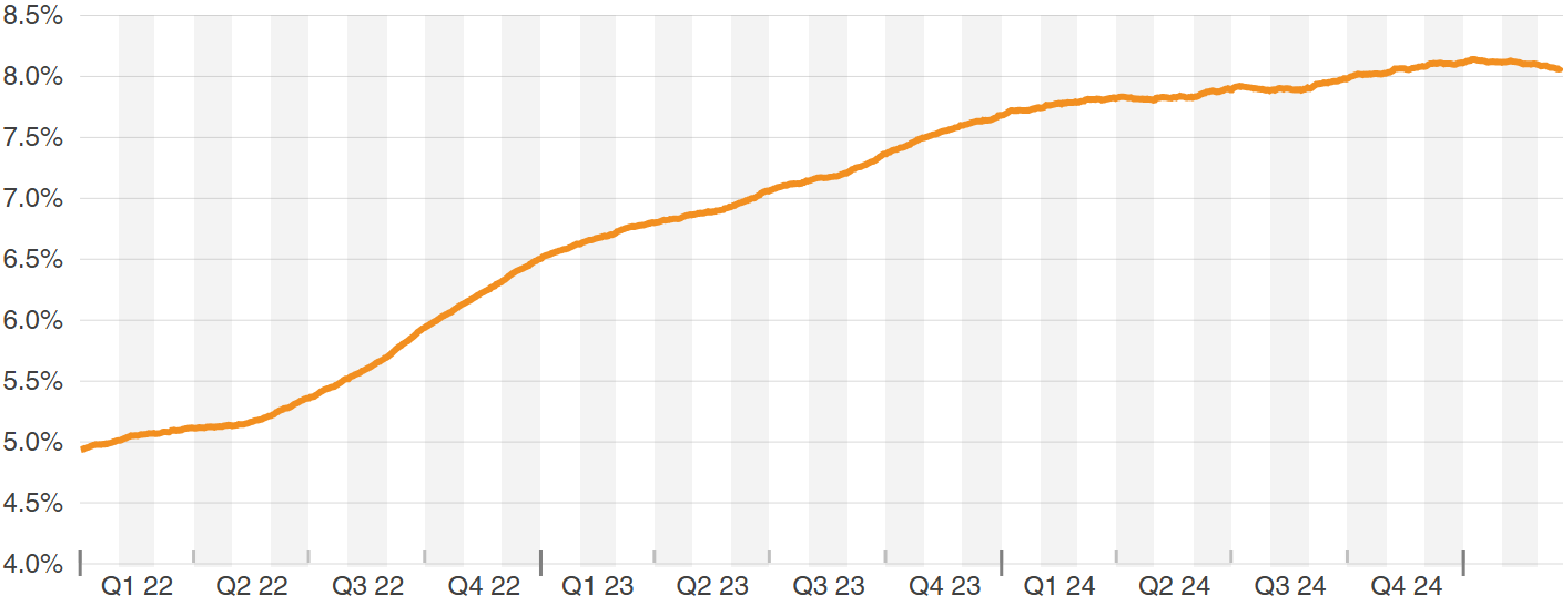
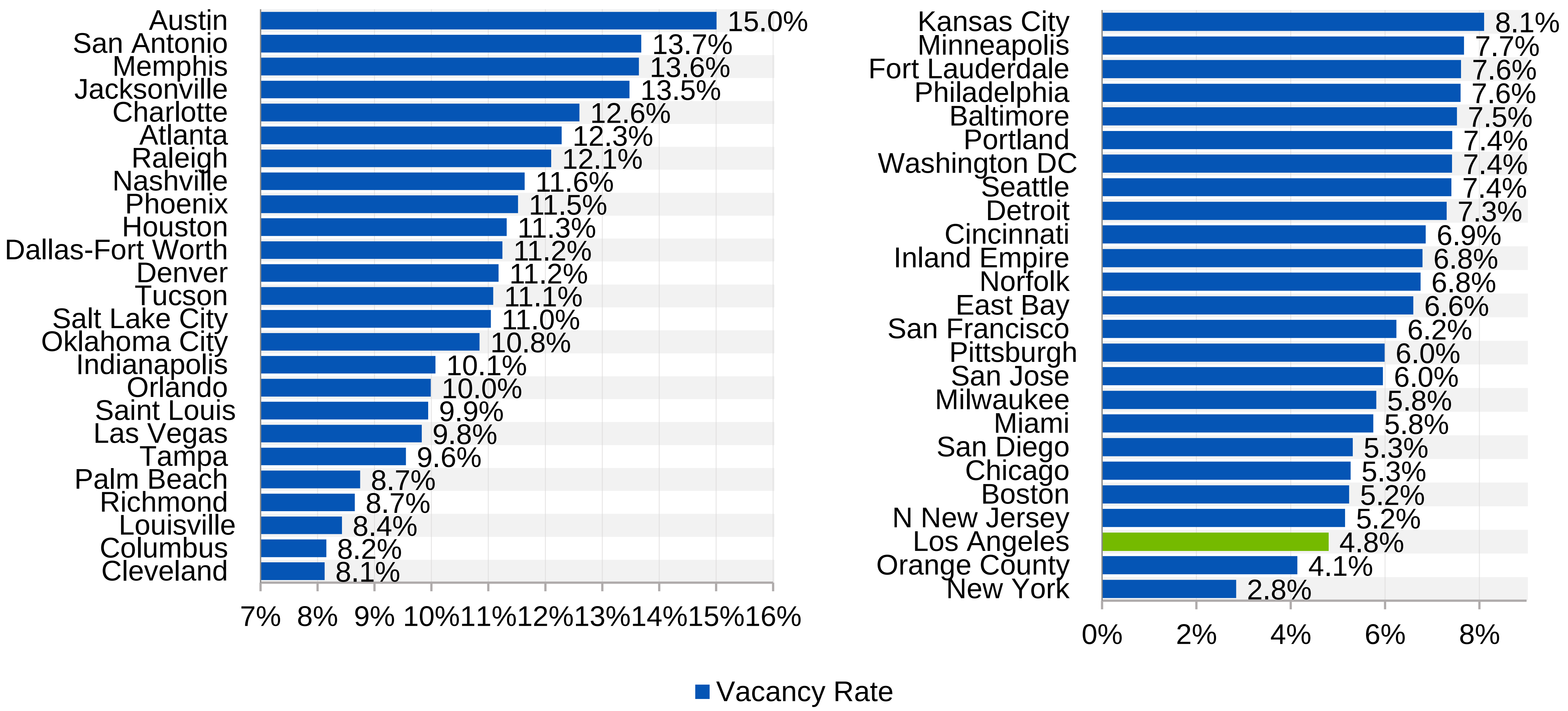
# National Multifamily Daily Vacancy (3 Years)

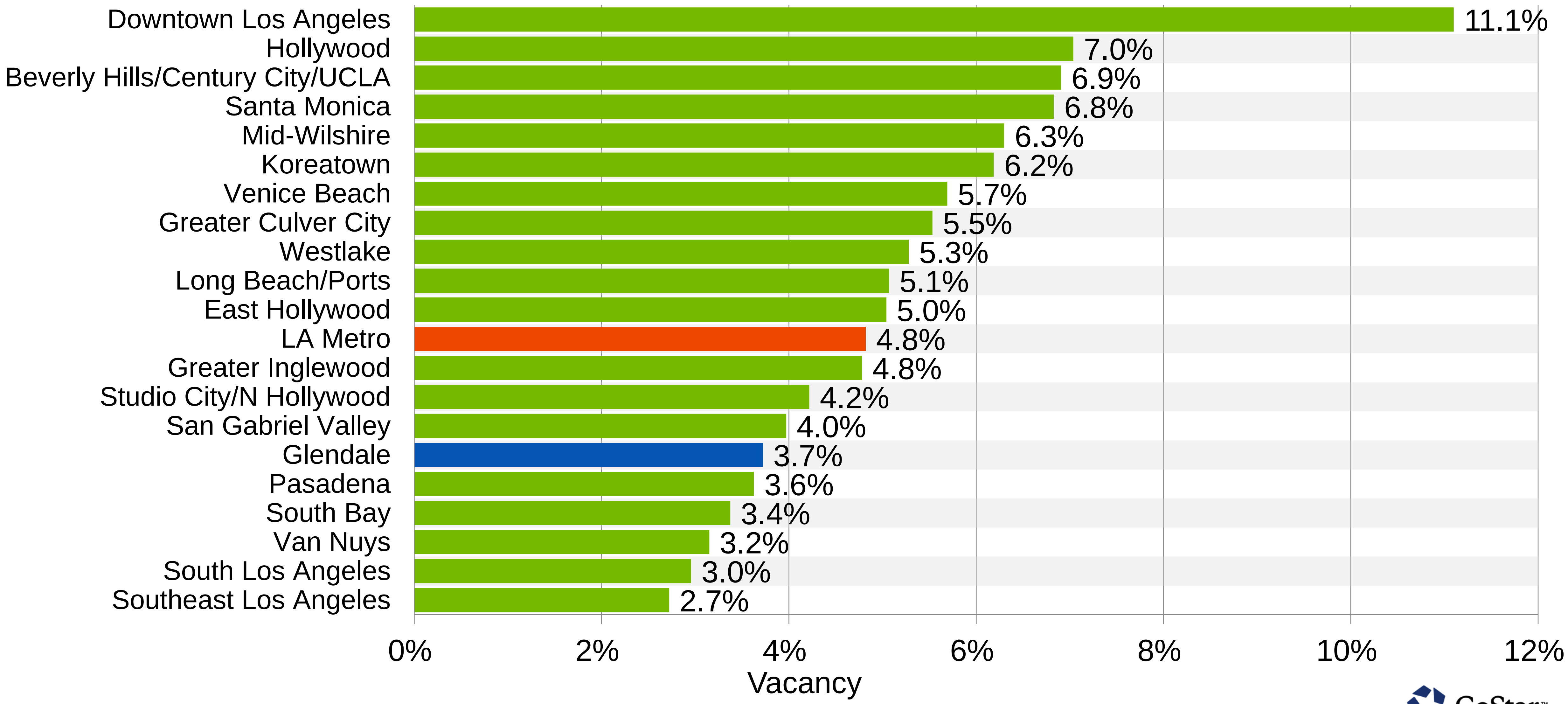


# Vacancy Rates for Top 50 Markets




Source: CoStar, January 2025

# Los Angeles Multifamily Vacancy By Submarket (20 Largest)

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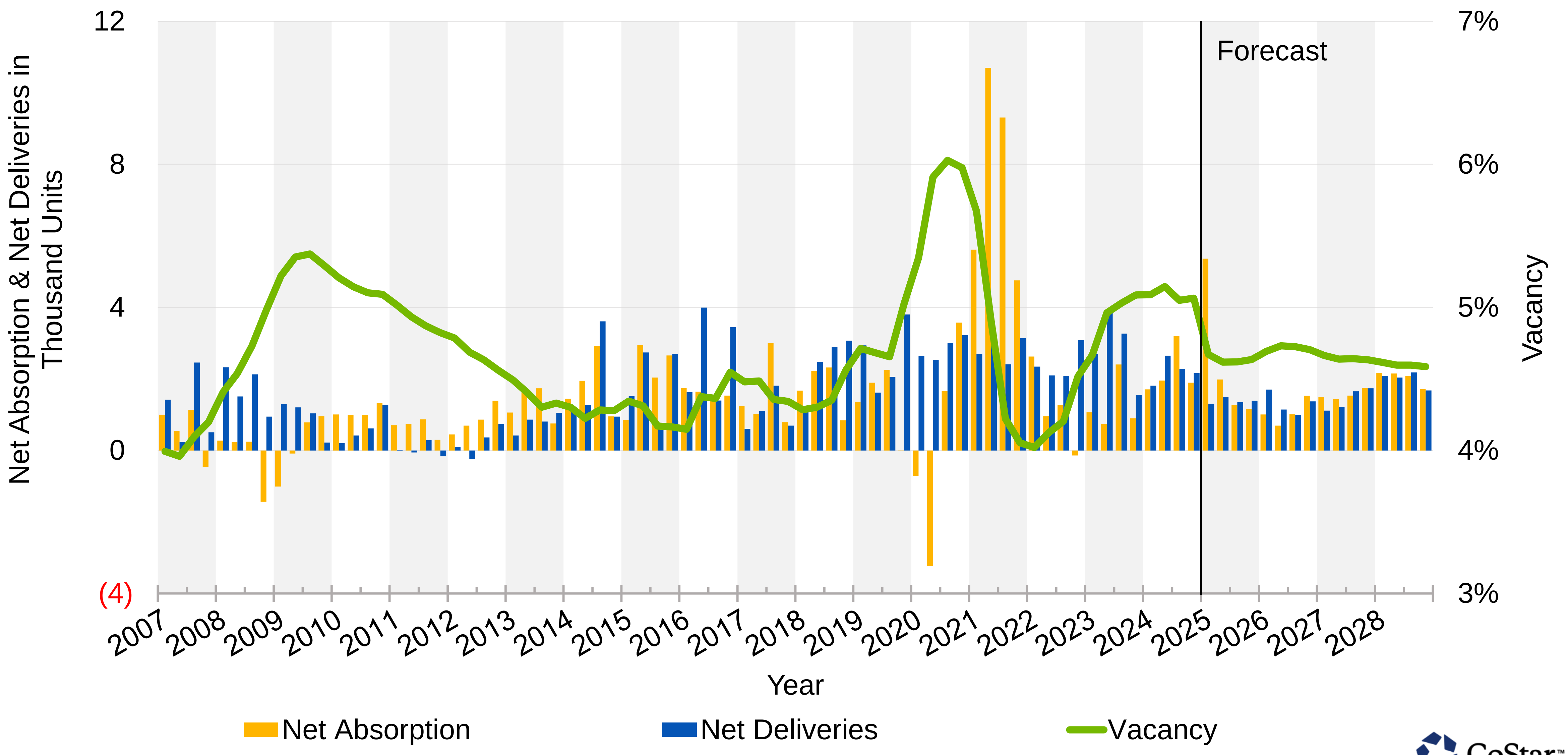
# Los Angeles Multifamily Fundamentals: Base Case Forecast

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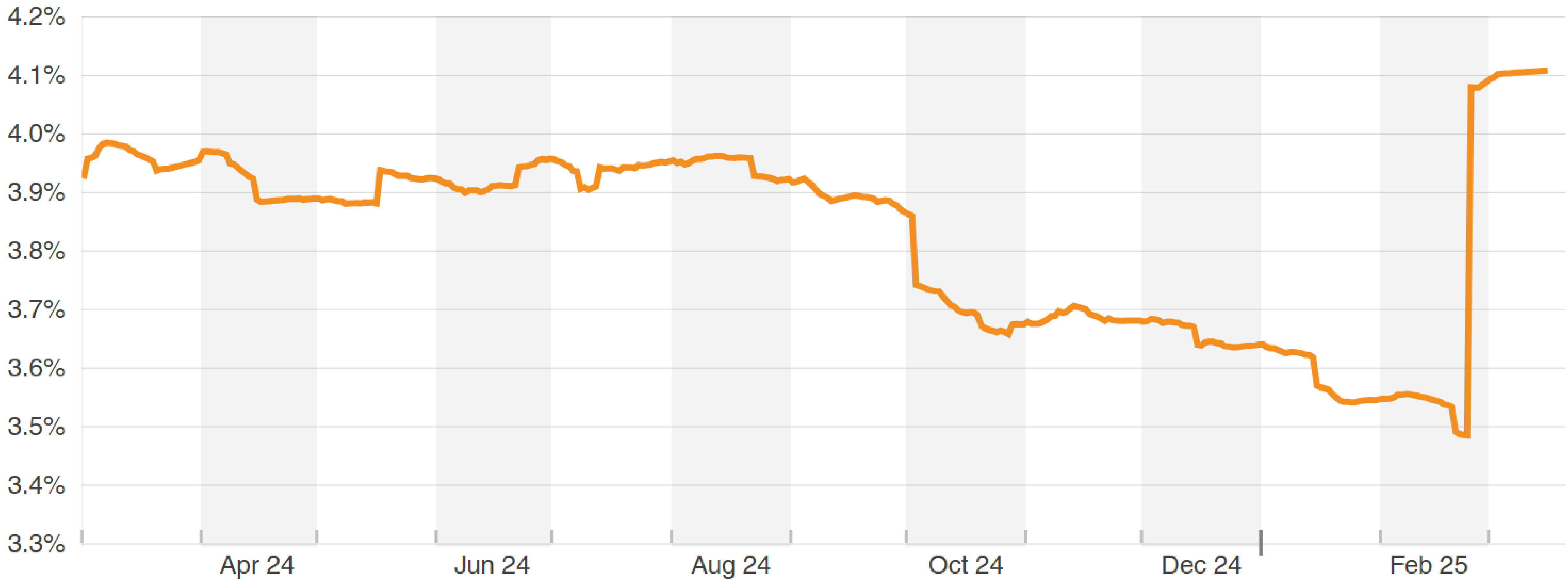
# Glendale Multifamily Daily Vacancy (3 Years)

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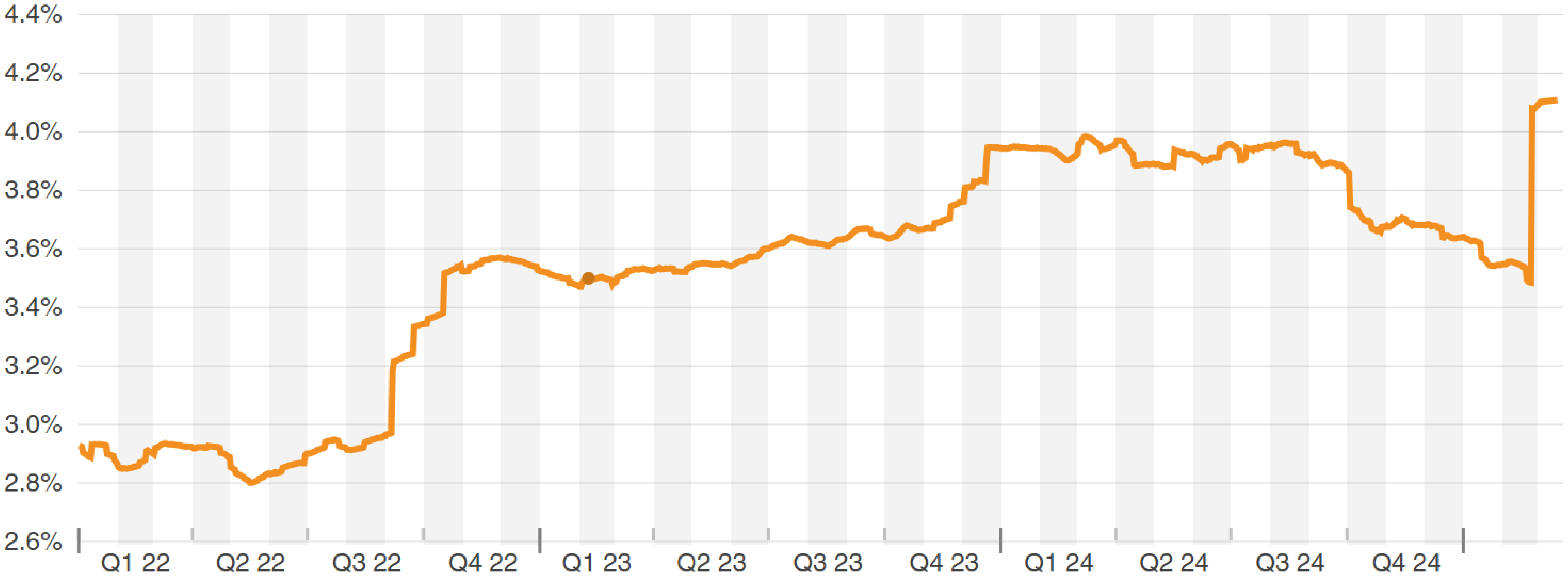
# Glendale Multifamily Daily Vacancy (1 Year)

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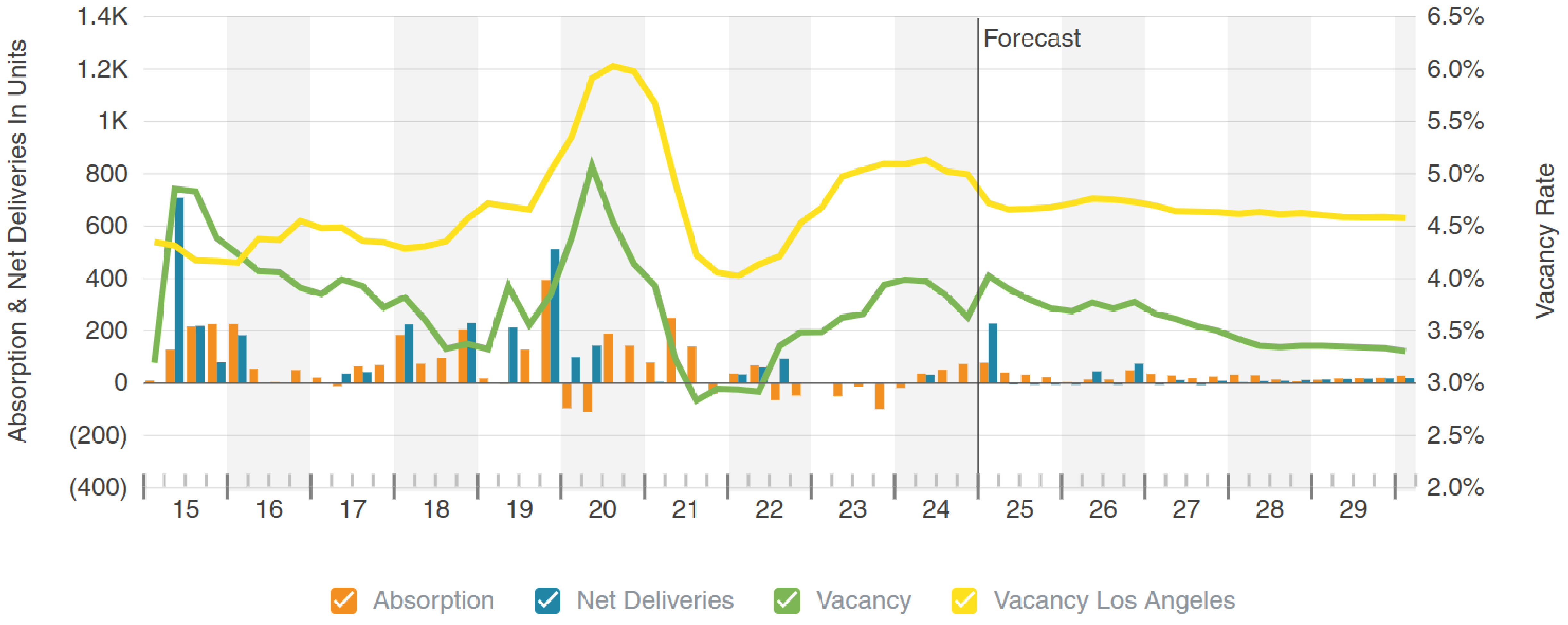
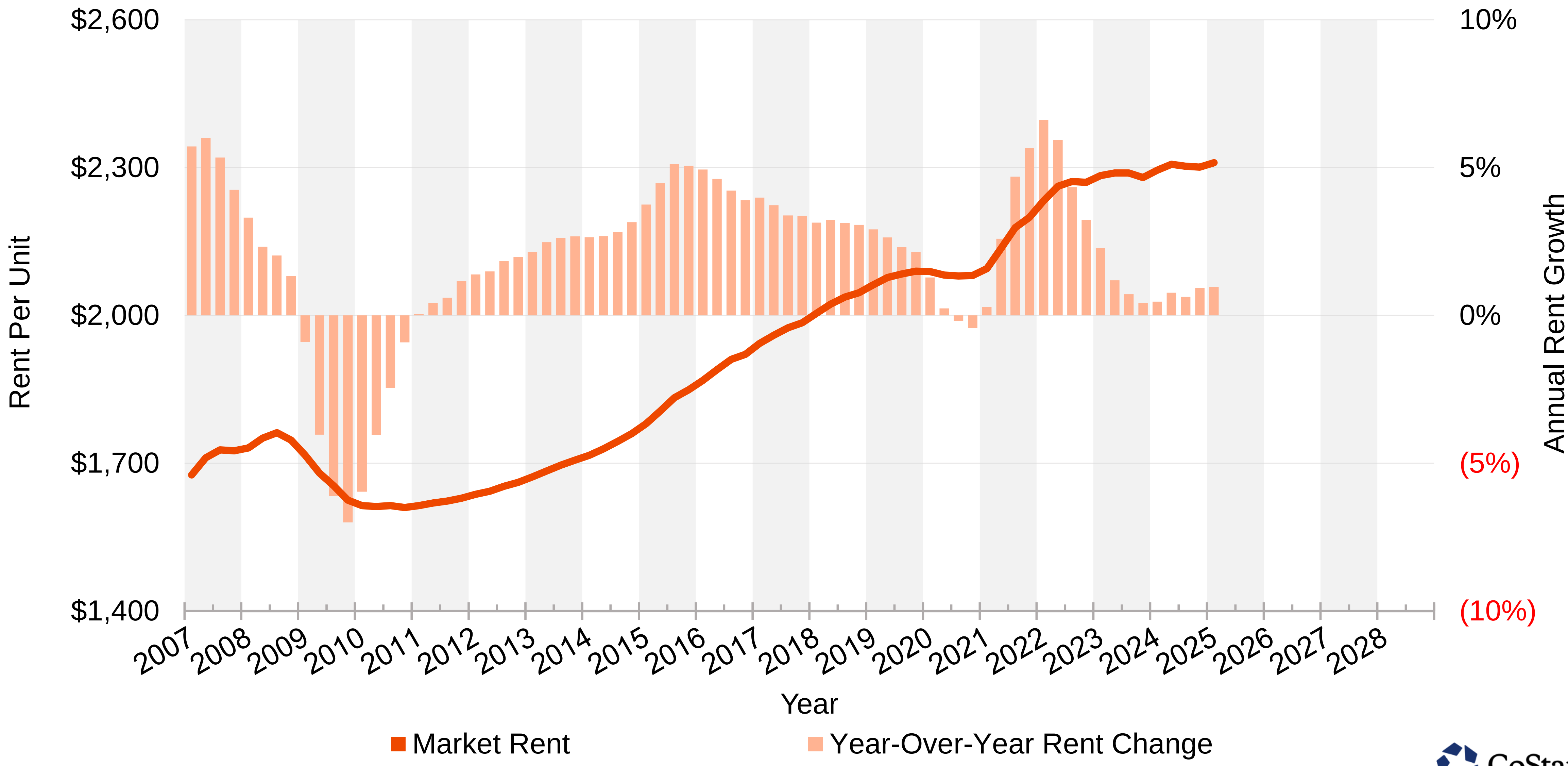
# Glendale Vs. Los Angeles Multifamily Fundamentals



# RENTS

# Los Angeles Multifamily Rent Growth

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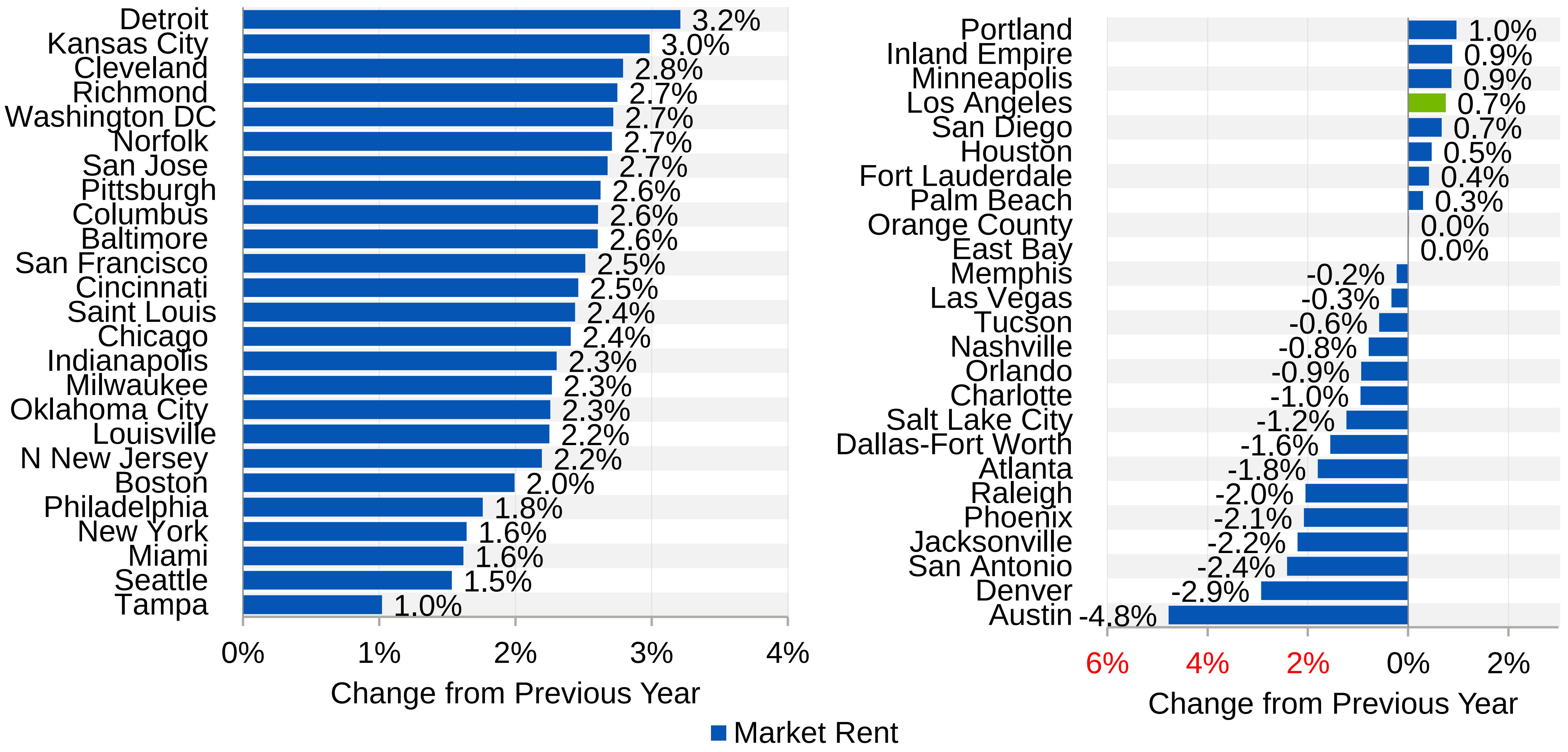
# December 2024 Annual Apartment Rent Growth in Top 50 Markets




Source: CoStar, January 2025

# Los Angeles Average Daily Asking Rents per Square Foot (1 Year)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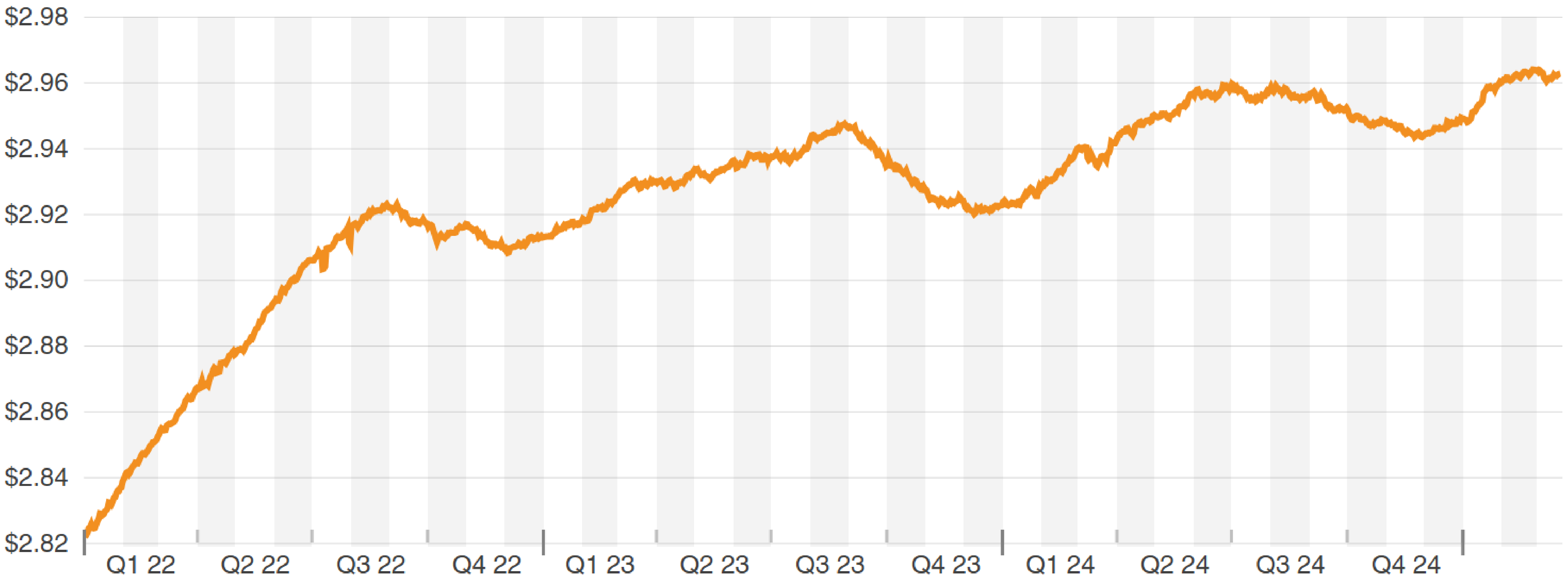
# Los Angeles Average Daily Asking Rents per Square Foot (3 Years)

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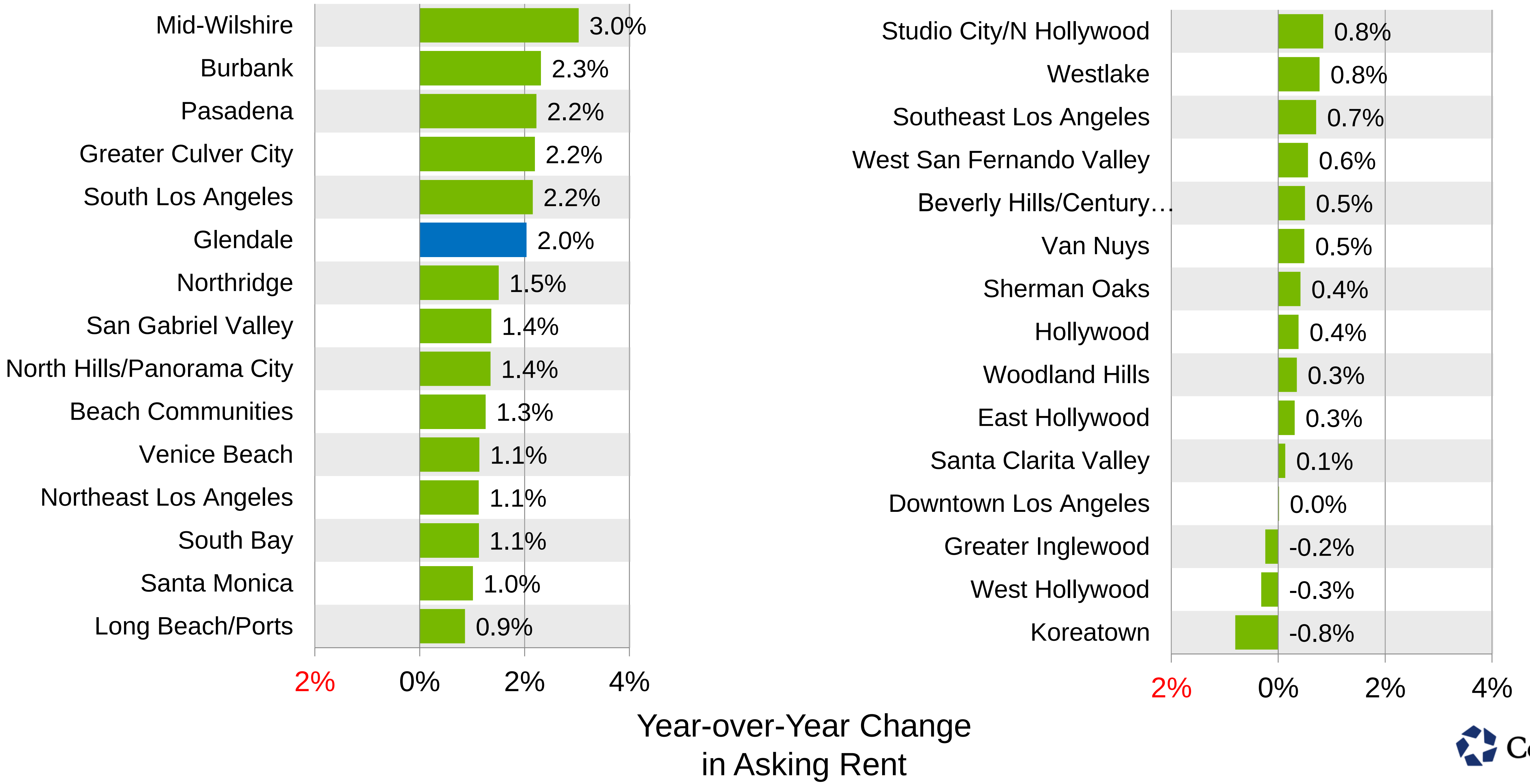
# Los Angeles Year-Over-Year Rent Change by Submarket

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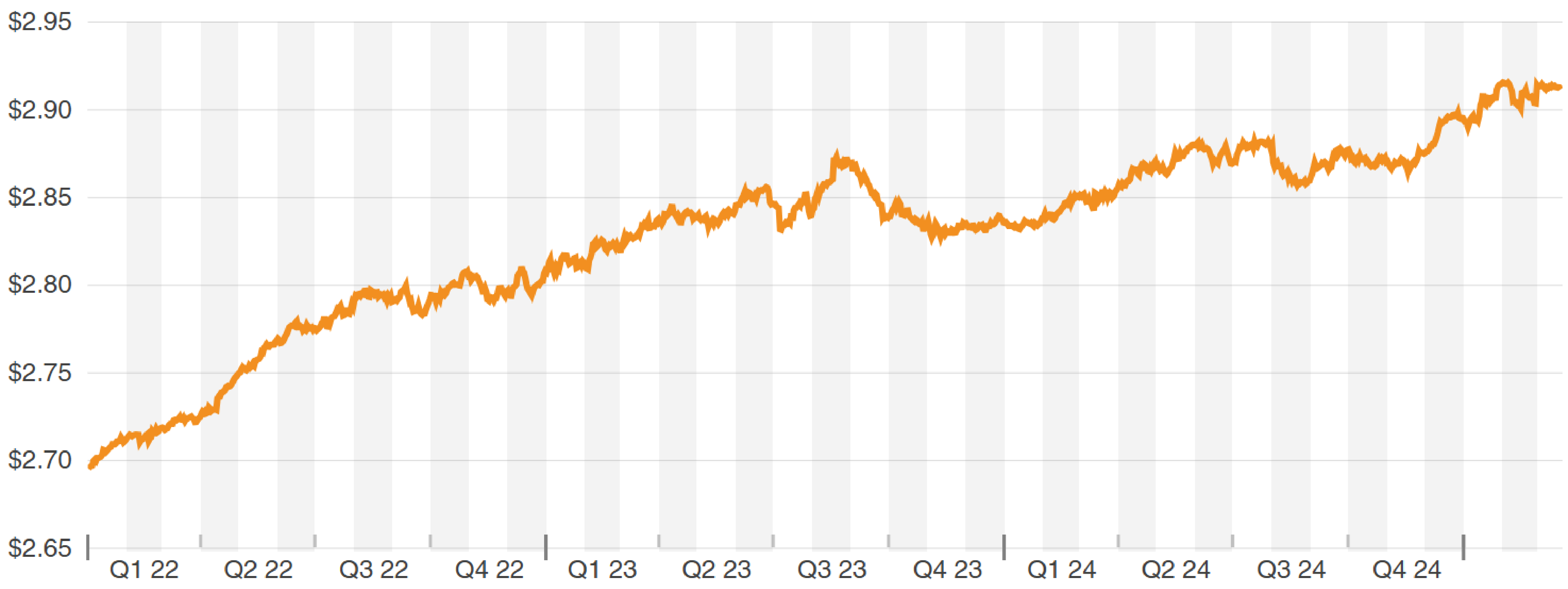
# Glendale Average Daily Asking Rents per Square Foot (1 Year)

# Glendale Average Daily Asking Rents per Square Foot (3 Years)

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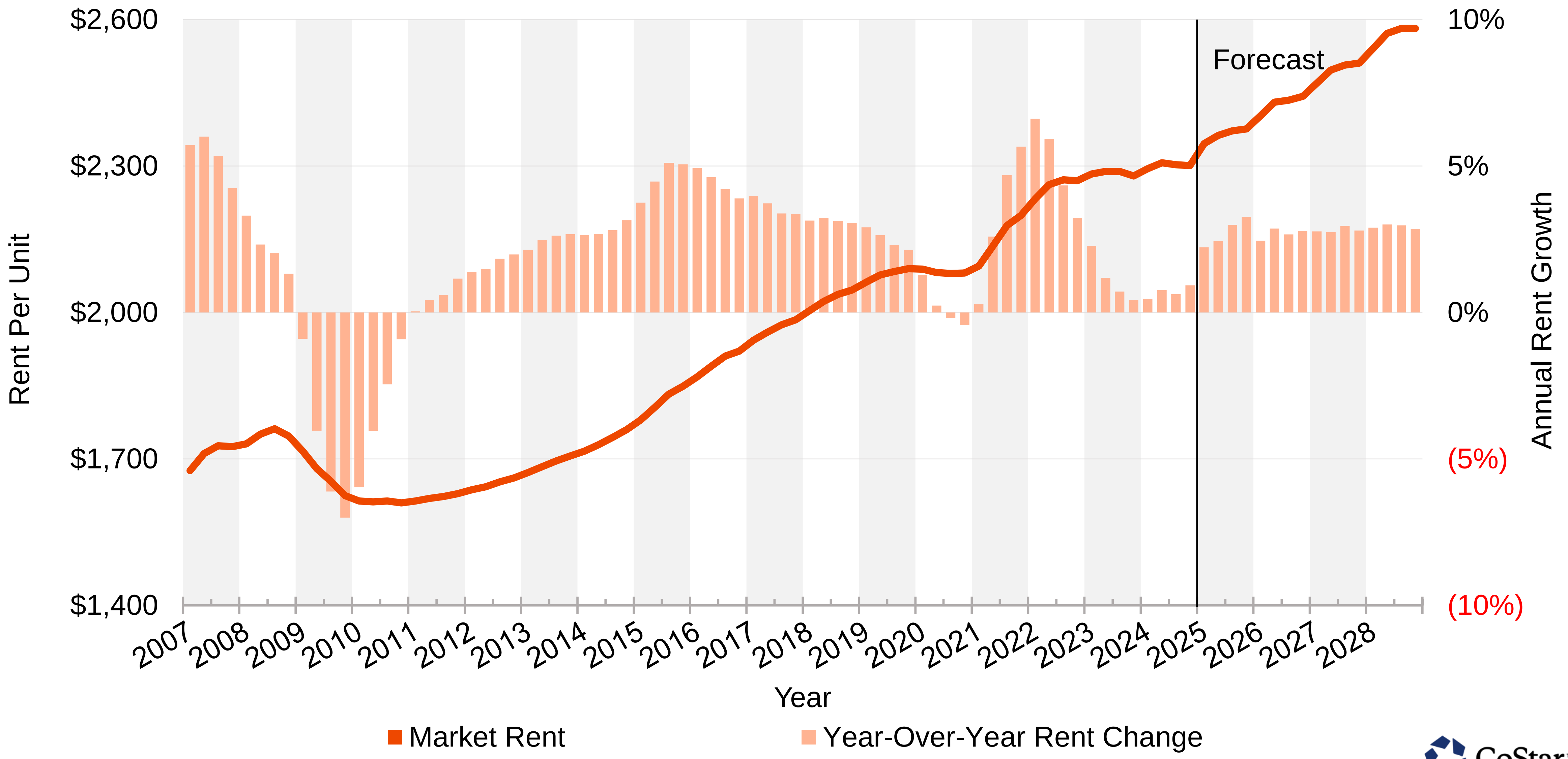
# Los Angeles Multifamily Rent Growth: Base Case Forecast

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# CONSTRUCTION

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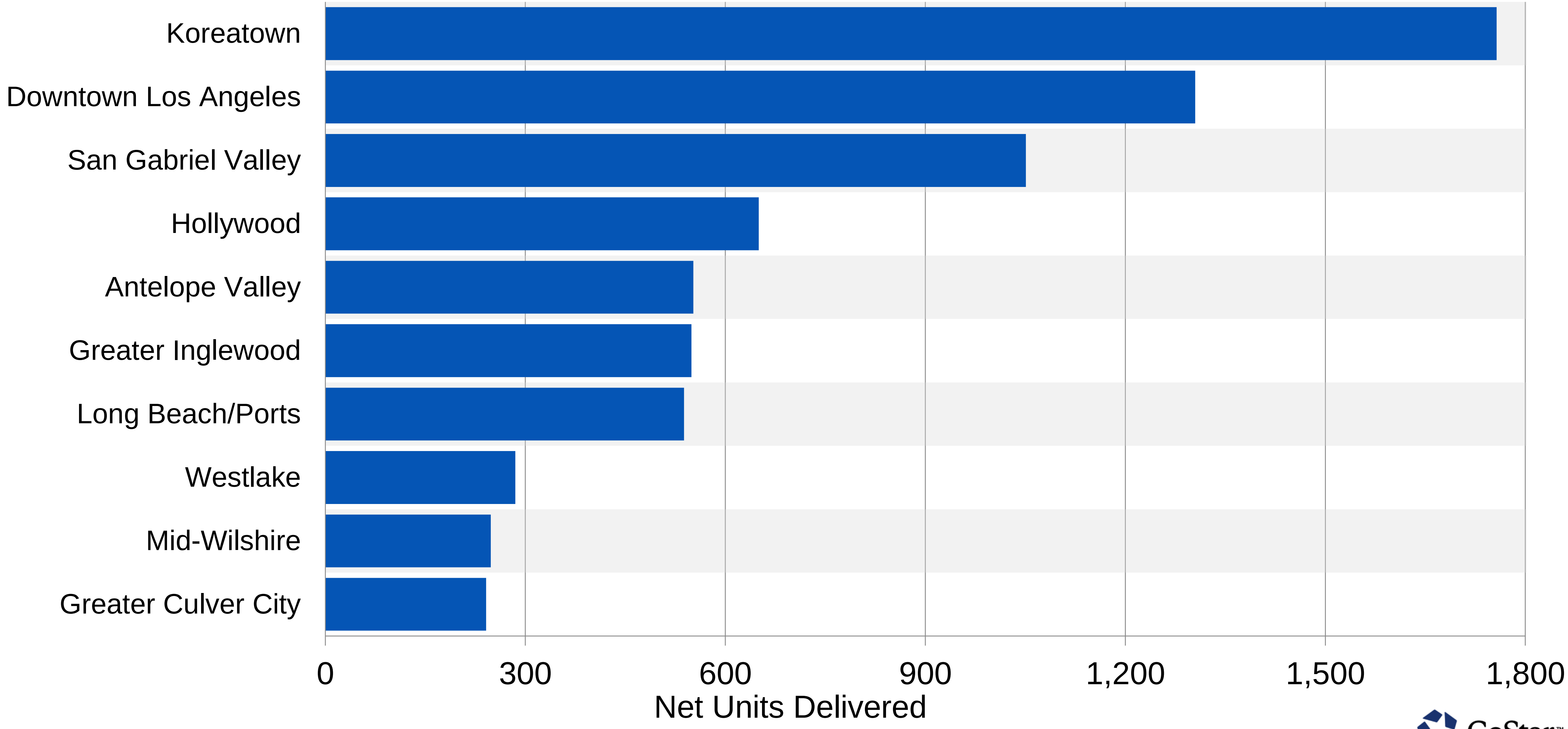
# L.A. Multifamily 12-Month Net Deliveries by Submarket

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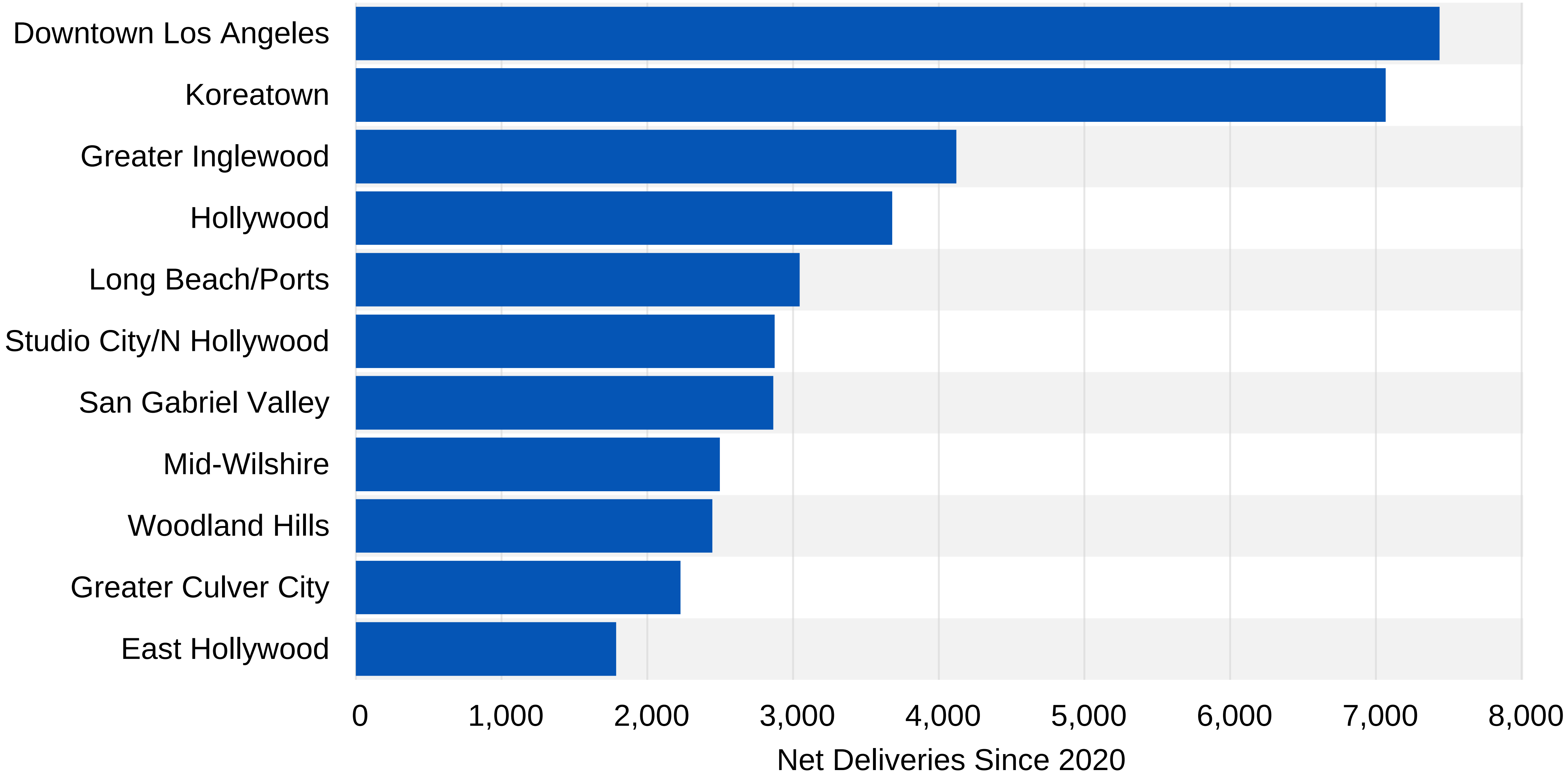
# Five-Year Inventory Growth by Submarket

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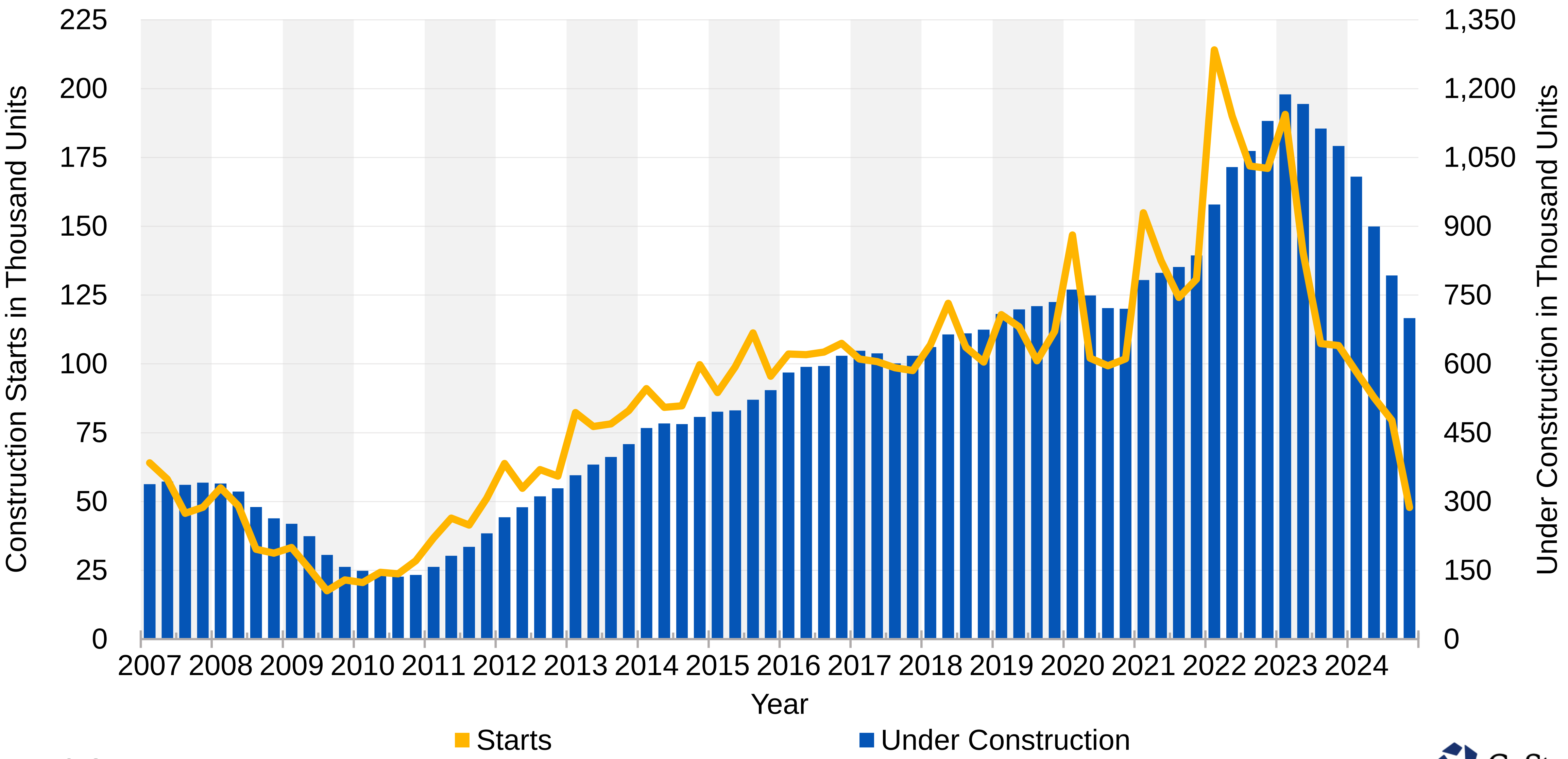
Recent Delivery
TENTEN Glendale
228 Units

# National Multifamily Starts and Under Construction Units




Source: CoStar

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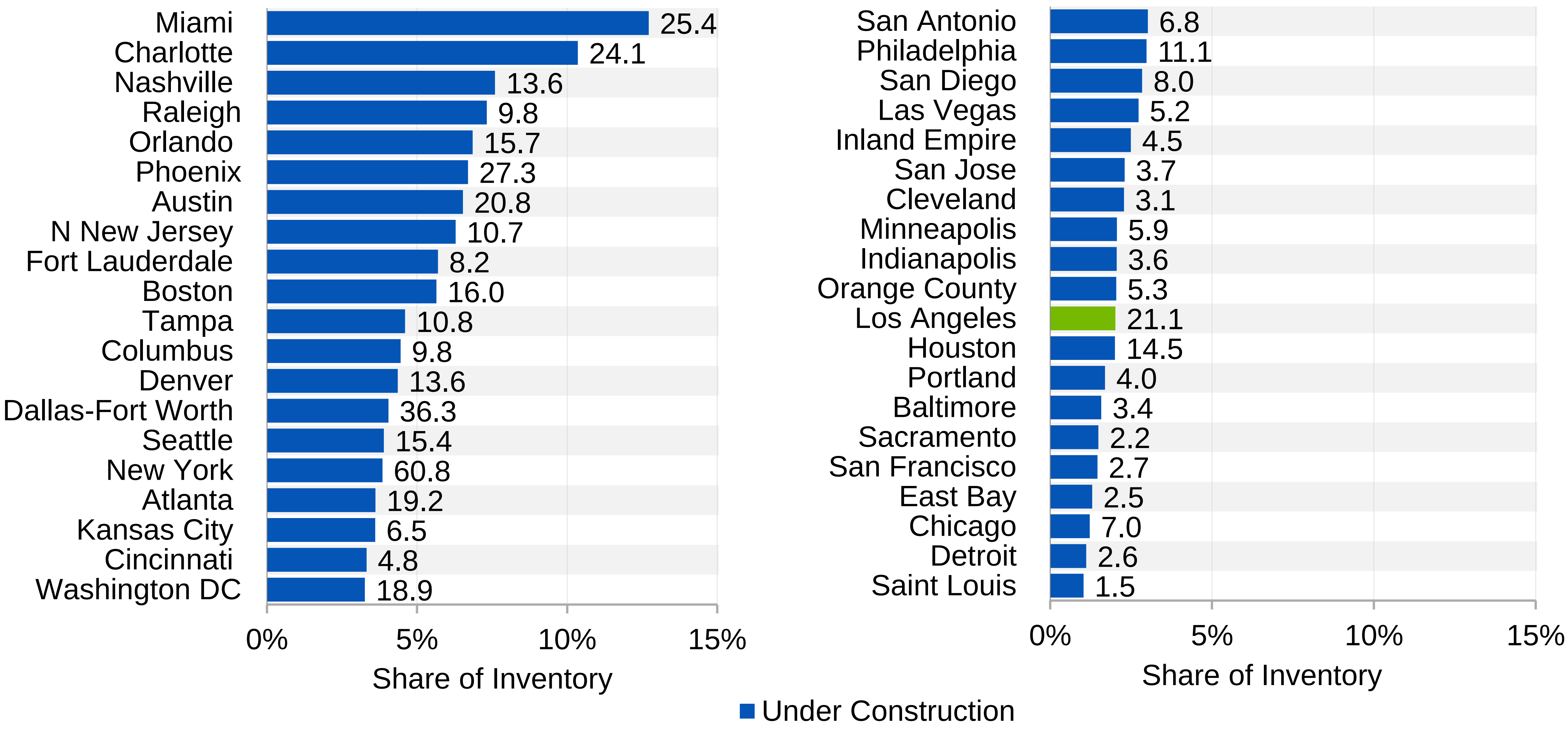
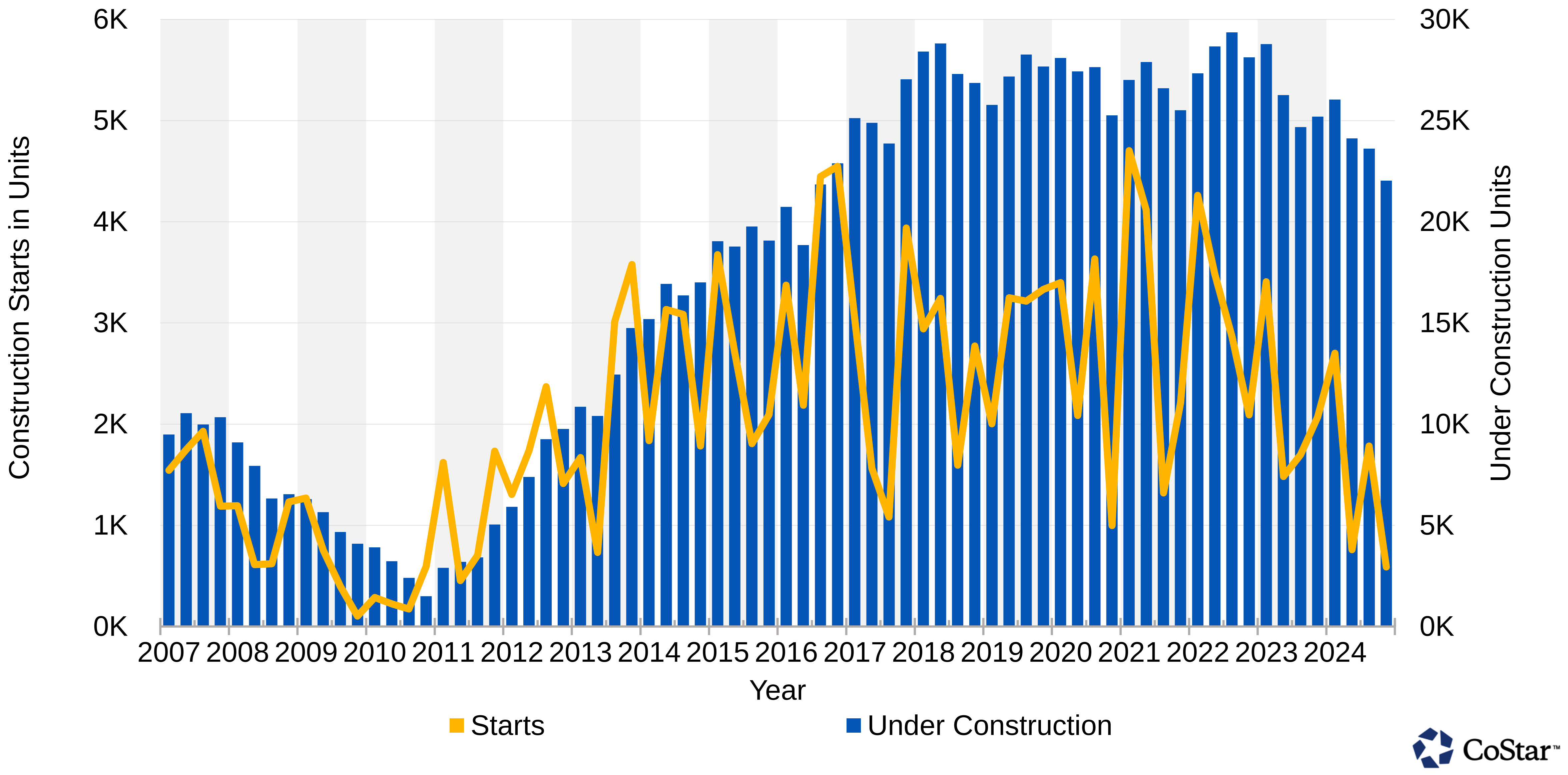
# Units Under Construction As Share of Inventory

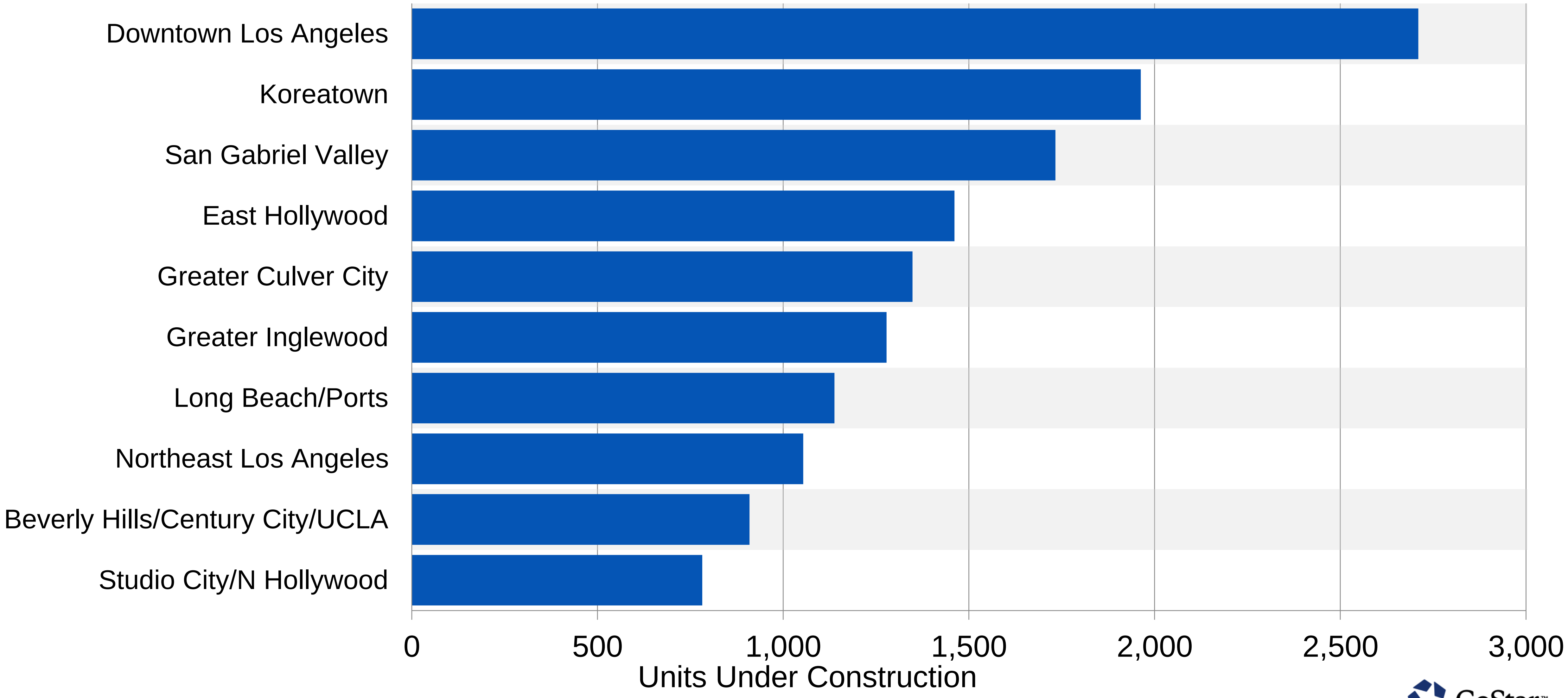



Note: Includes markets with 125,000+ units inventory. Labels show Under Construction in Thousand Units.

# Los Angeles Multifamily Starts and Under Construction Units



# L.A. Multifamily Units Under Construction by Submarket

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# CAPITAL MARKETS


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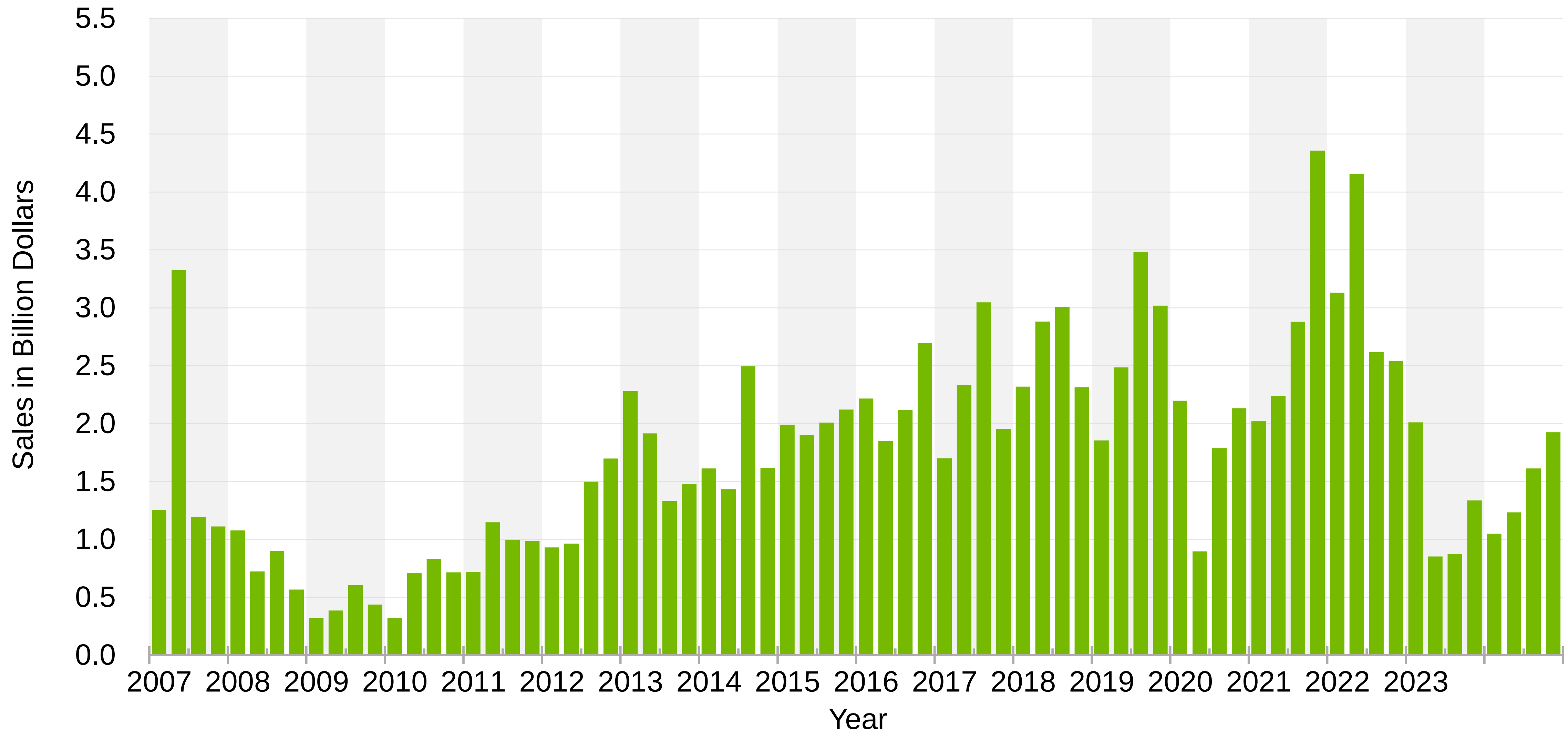
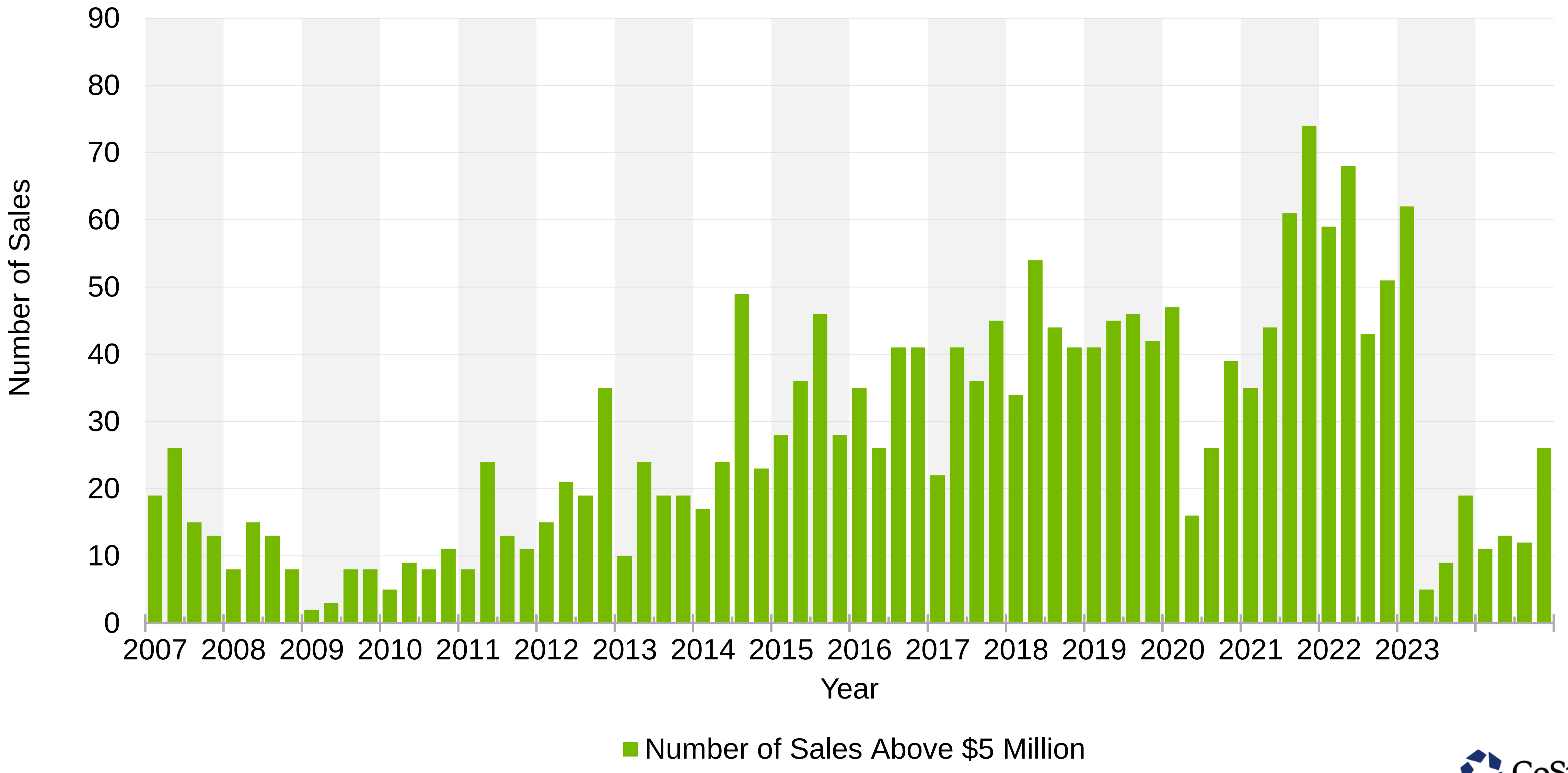
# Los Angeles Quarterly Multifamily Sales Volume



# City of Los Angeles Multifamily Sales Above $5.15 Million

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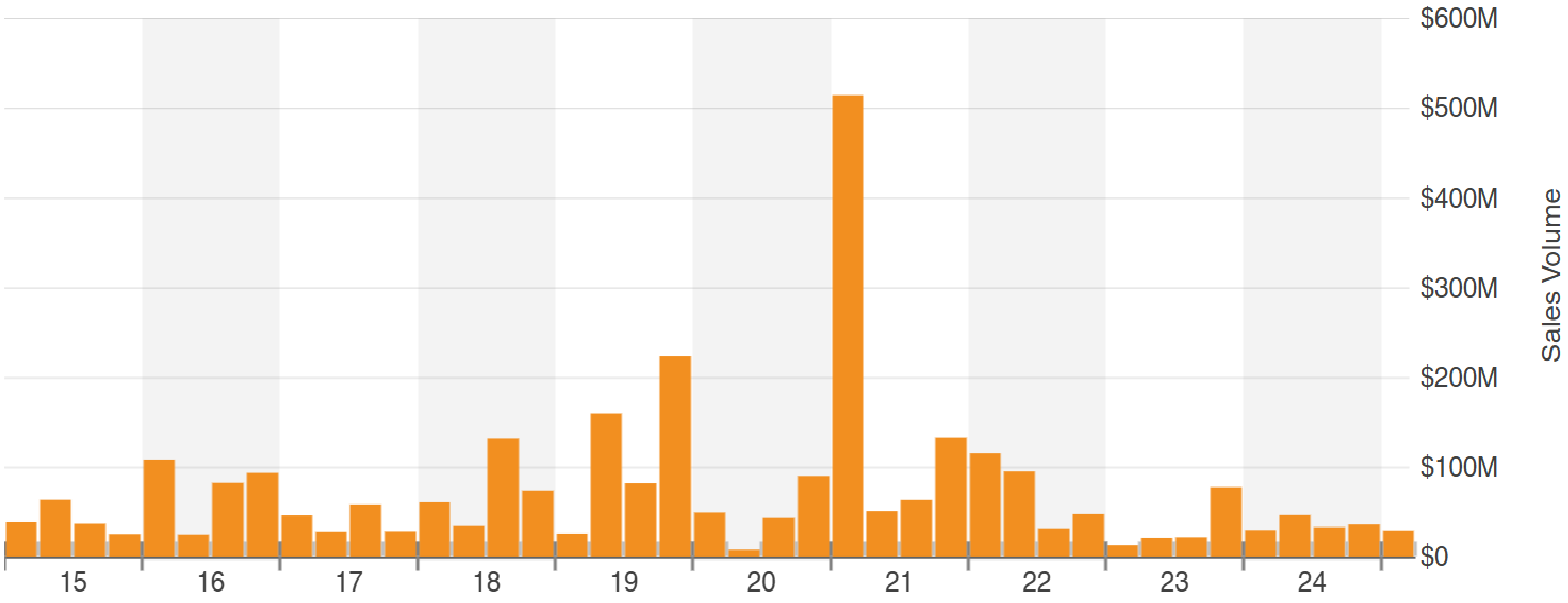
# Glendale Quarterly Multifamily Sales Volume

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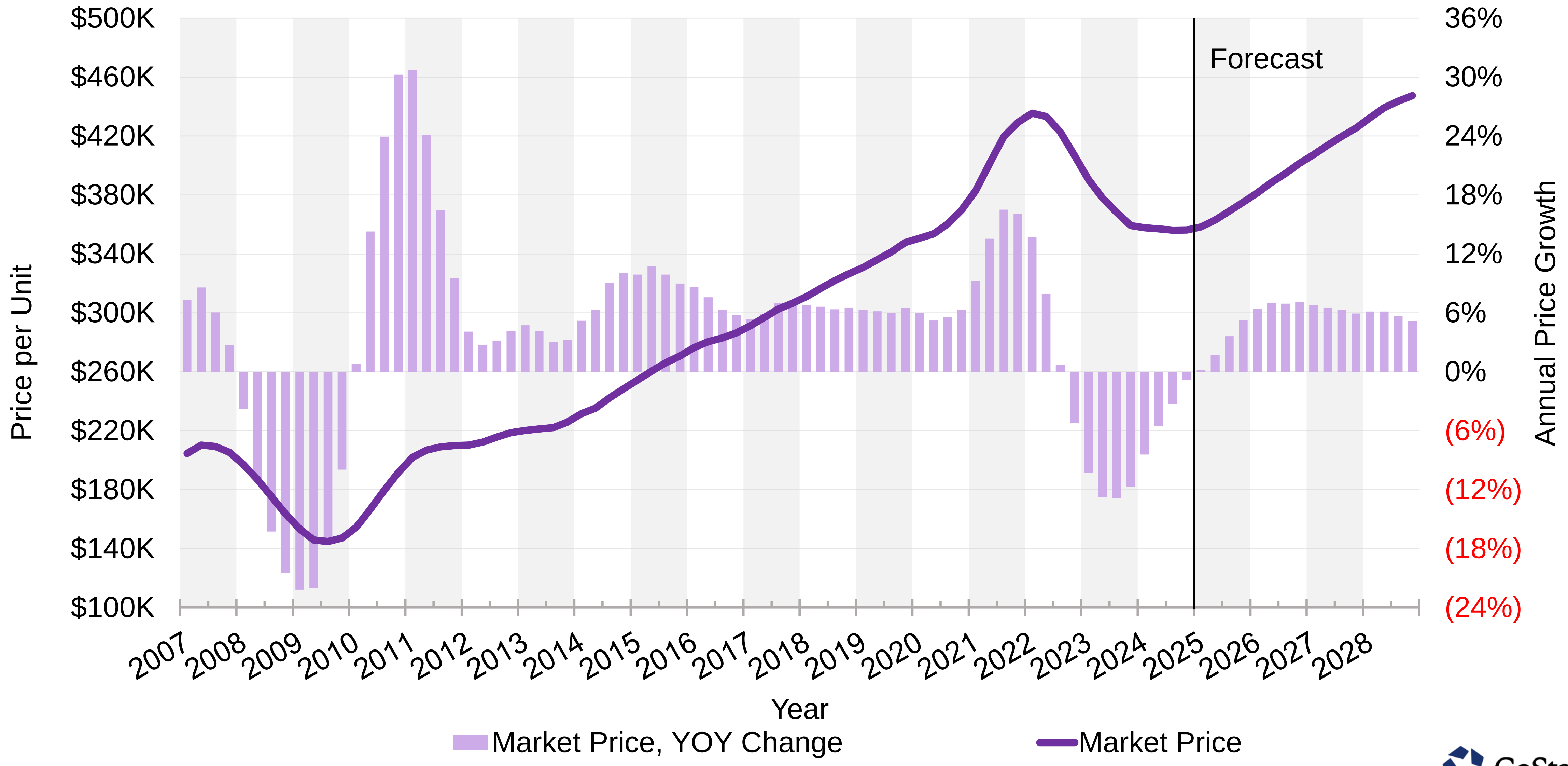
# Los Angeles Multifamily Market Price: Base Case

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# Los Angeles Office

# LEASING

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# National Office Attendance Rose Meaningfully in 2024


Source: Placer.ai, index of approximately 700 office buildings in the United States

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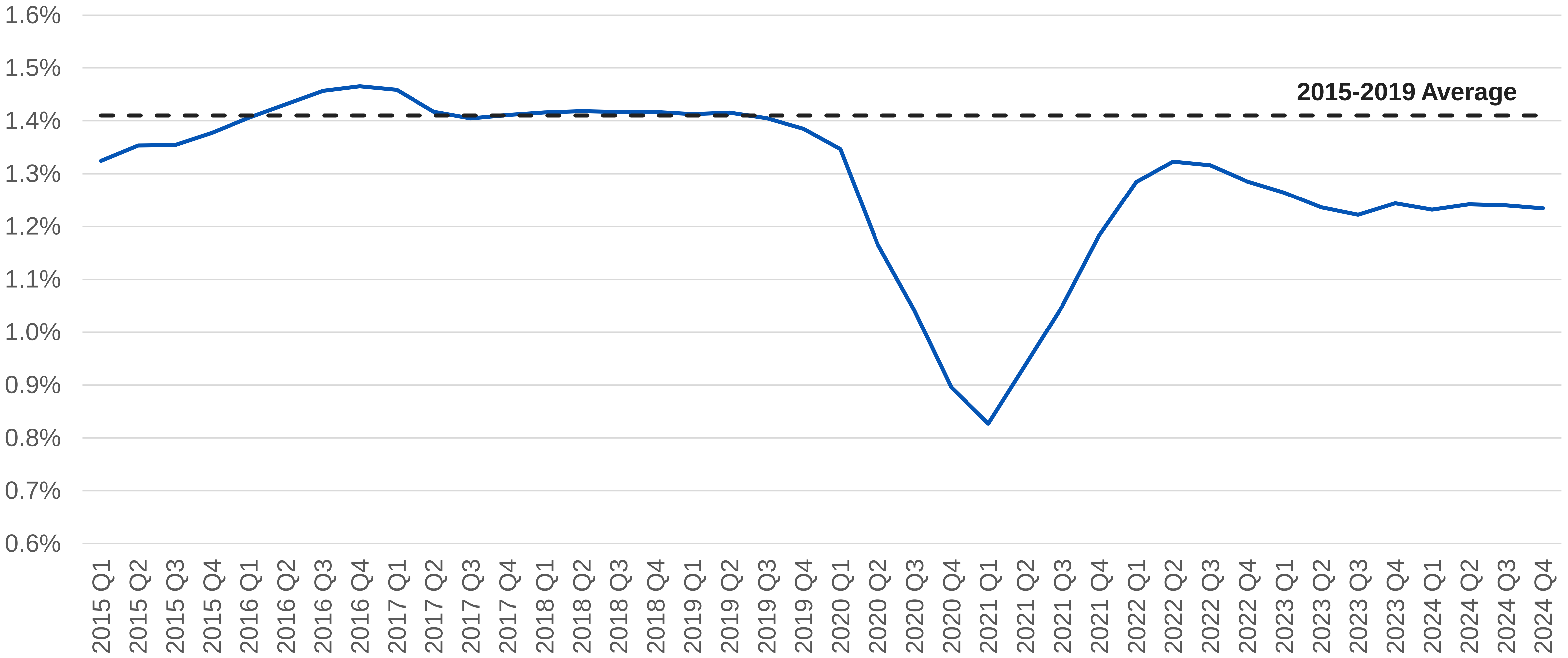
# Leasing volume still lags its pre-pandemic norm

New leasing volume as a share of inventory, trailing four-quarter average




Source: CoStar, January 2025

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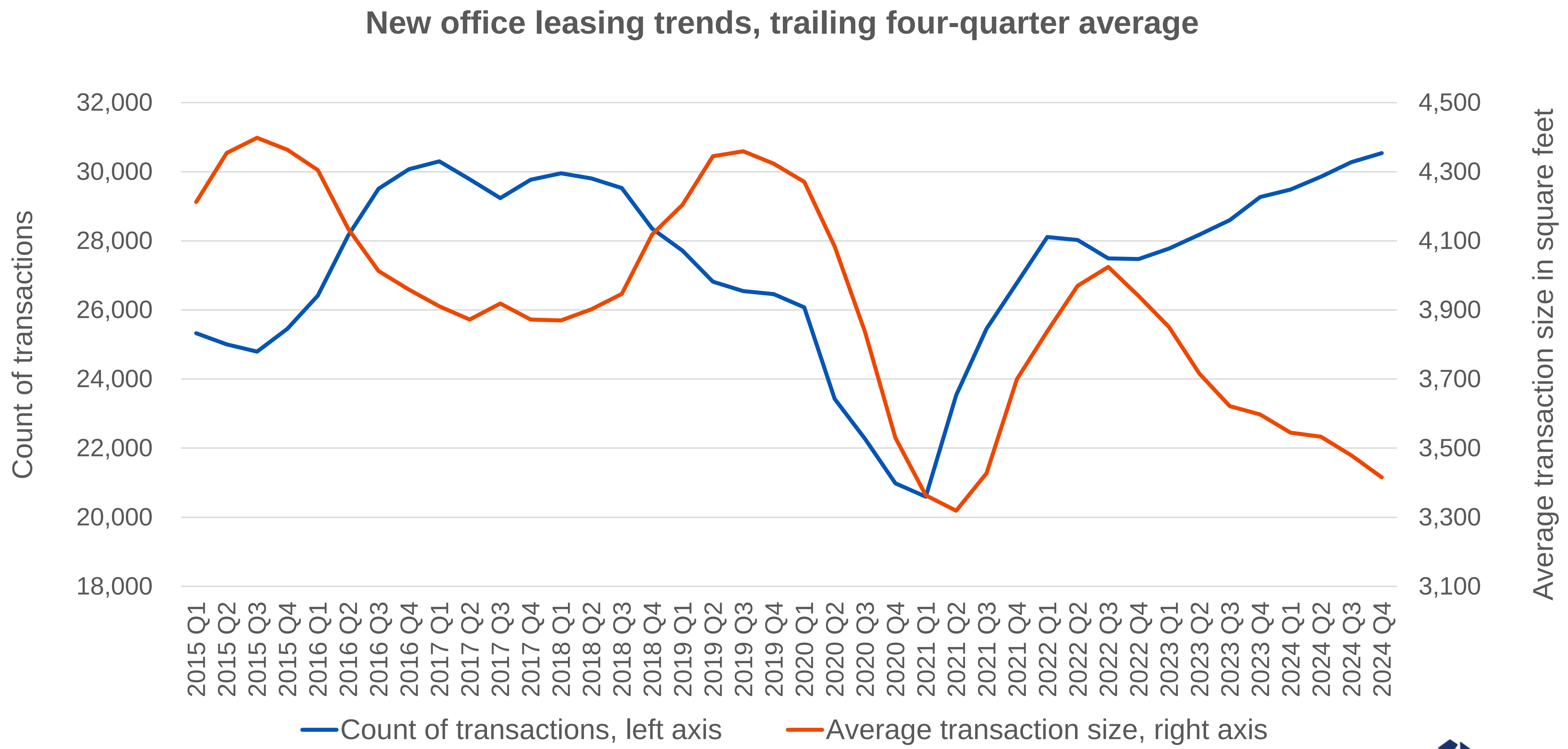
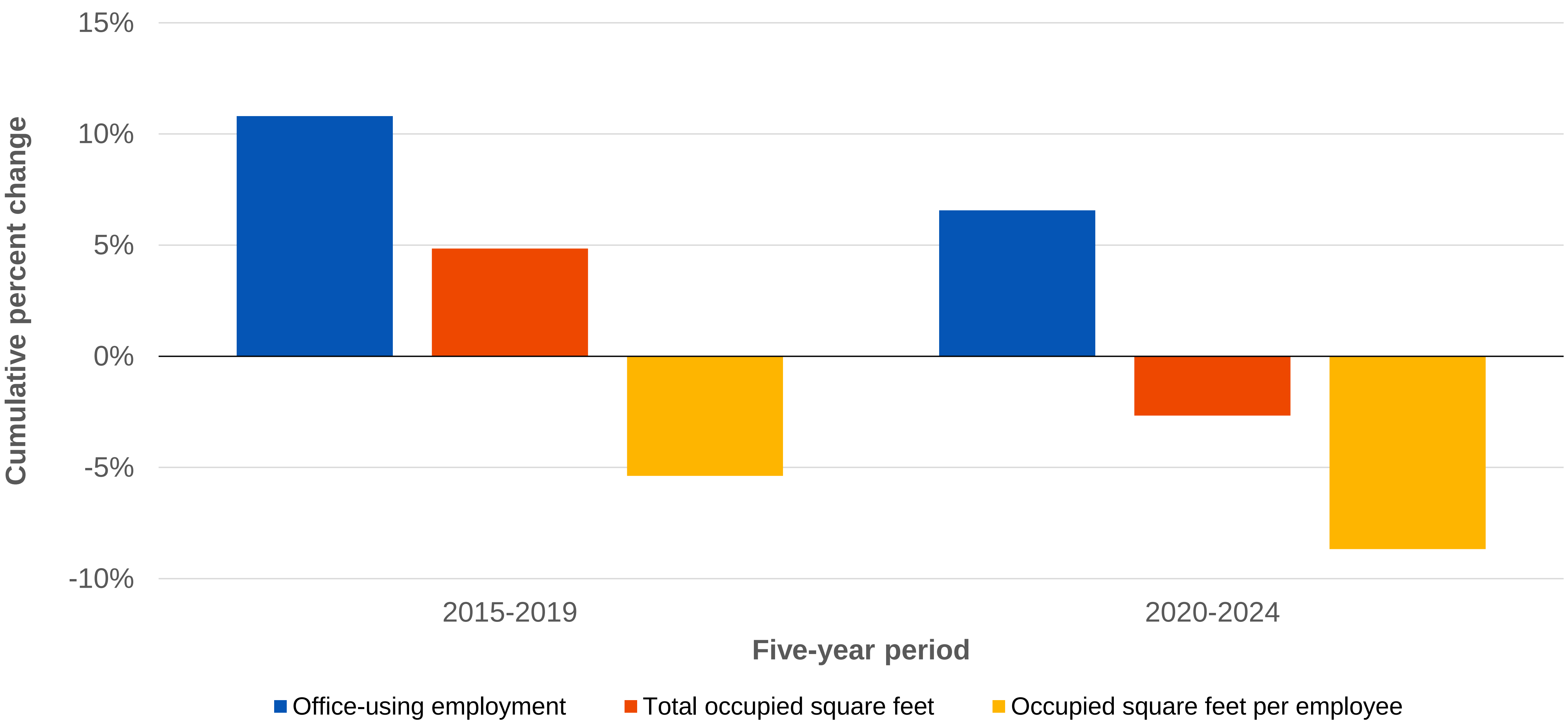
# The size of a typical lease keeps shrinking



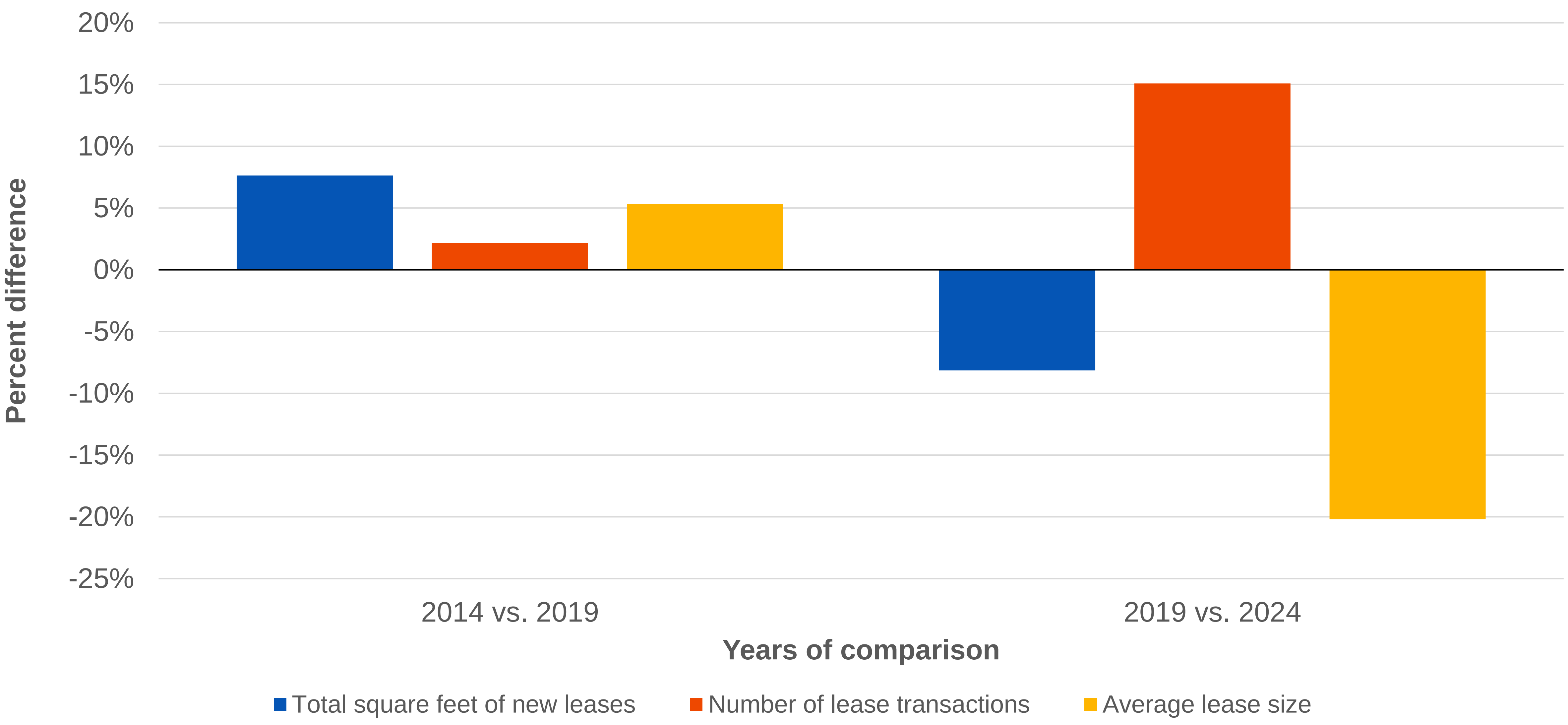

Source: CoStar, January 2025

# Decrease in per-worker space accelerates in 2020s



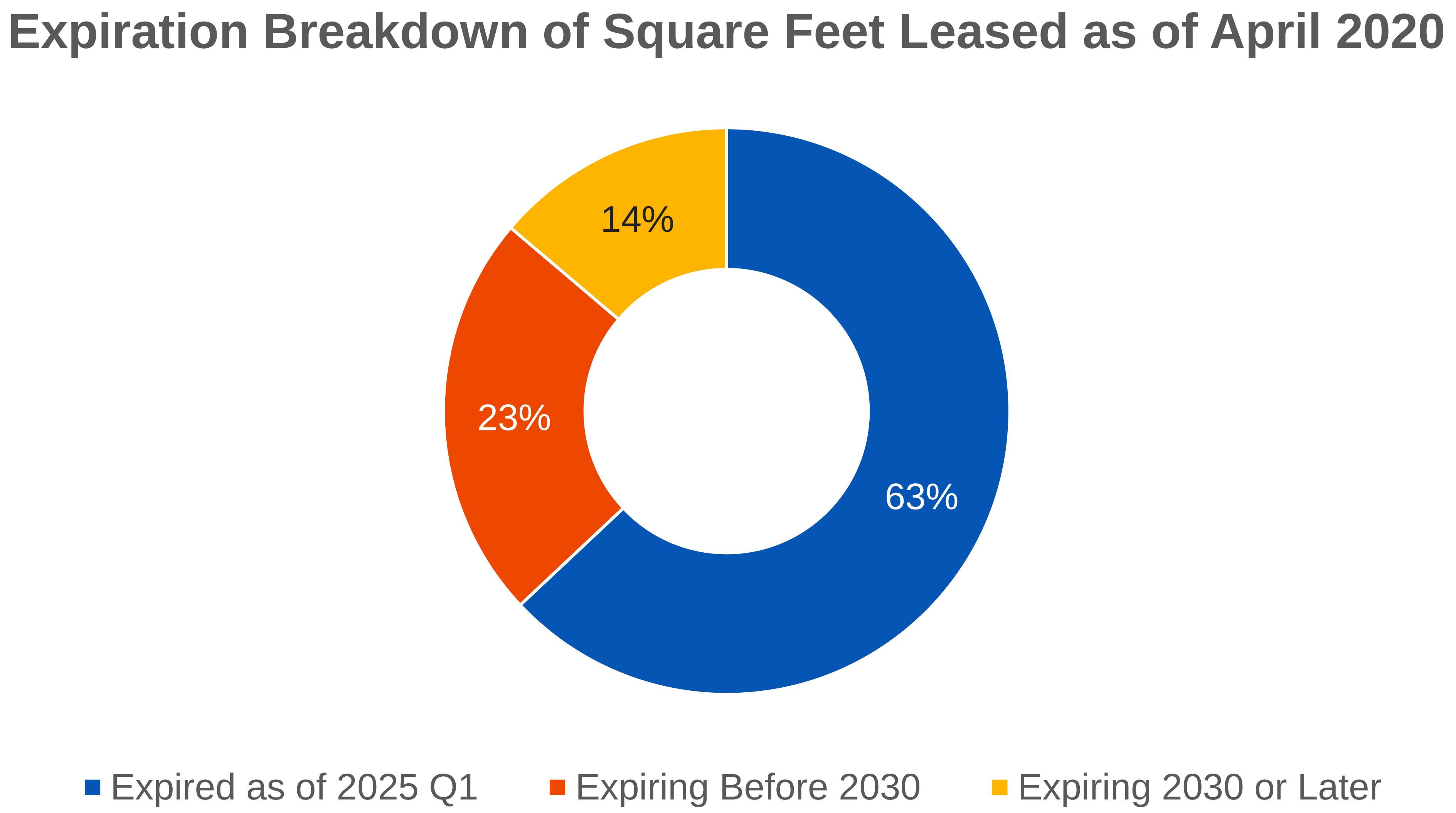

Sources: CoStar, Bureau of Labor Statistics, February 2025

# Driven by smaller deal sizes, leasing volume still trails 2019



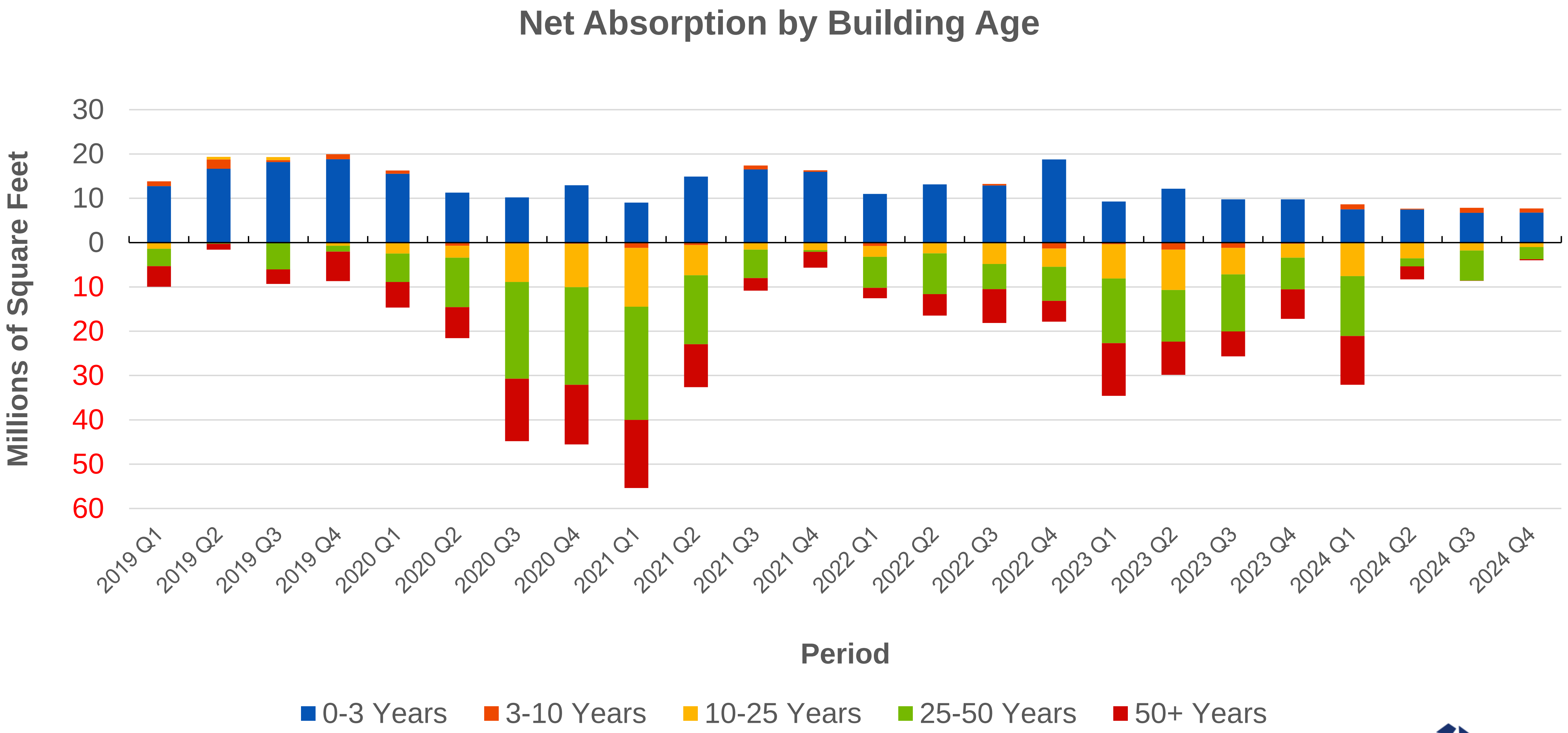

Sources: CoStar, February 2025

# Pre-pandemic leases are still rolling over



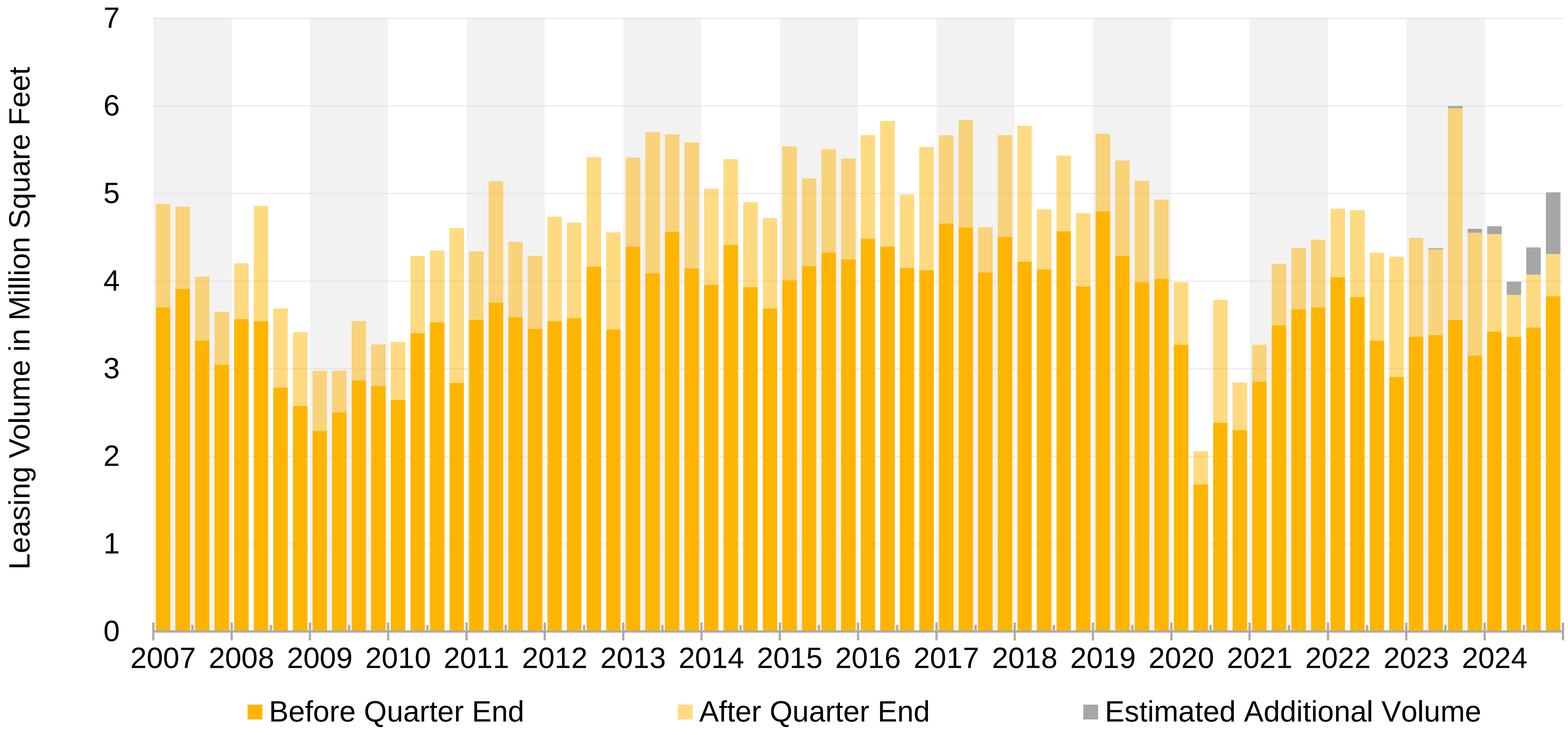

Source: CoStar, February 2025

# Buildings older than 10 years are still losing occupancy




Source: CoStar, January 2025

# Los Angeles Quarterly Office Leasing Volume

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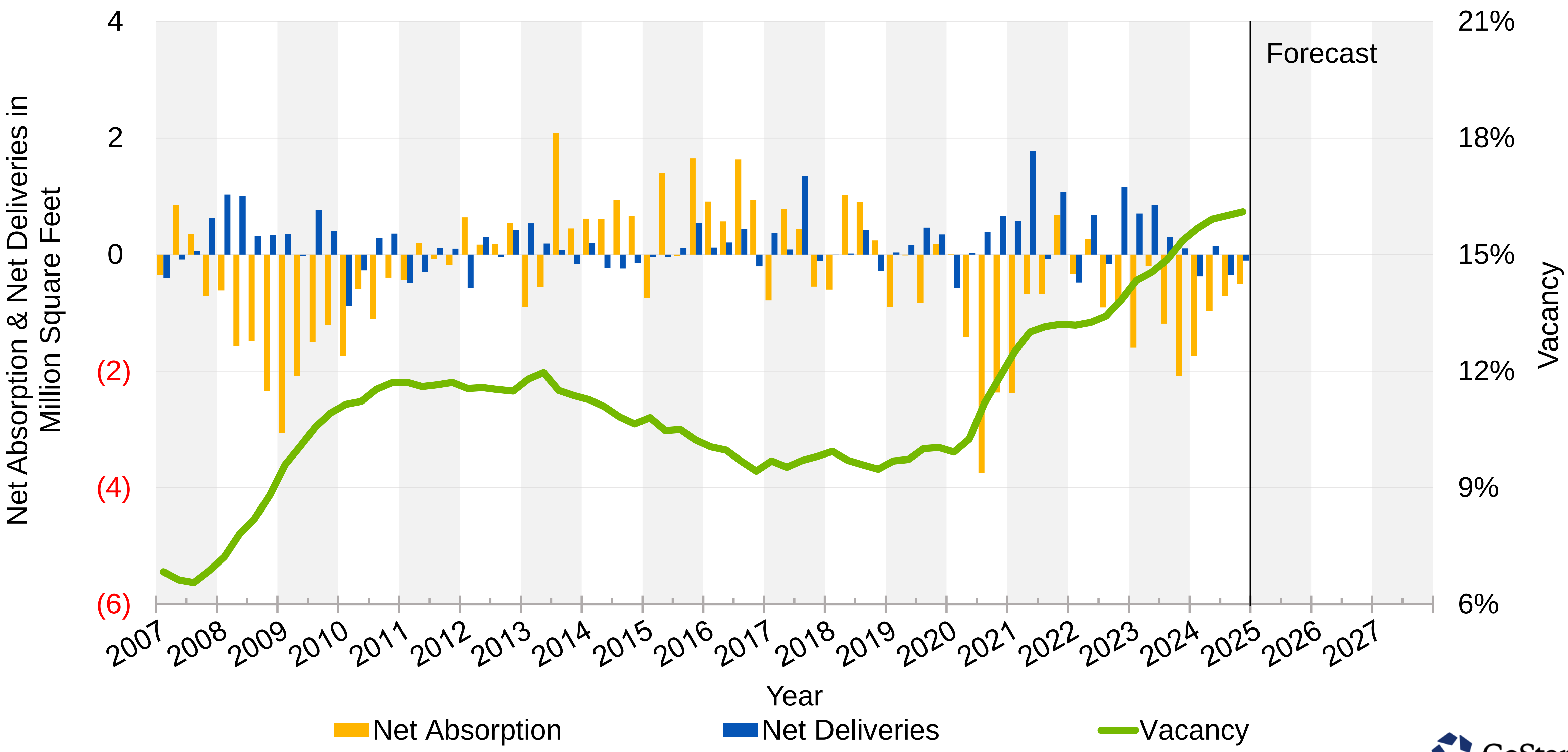
# Los Angeles Office Fundamentals

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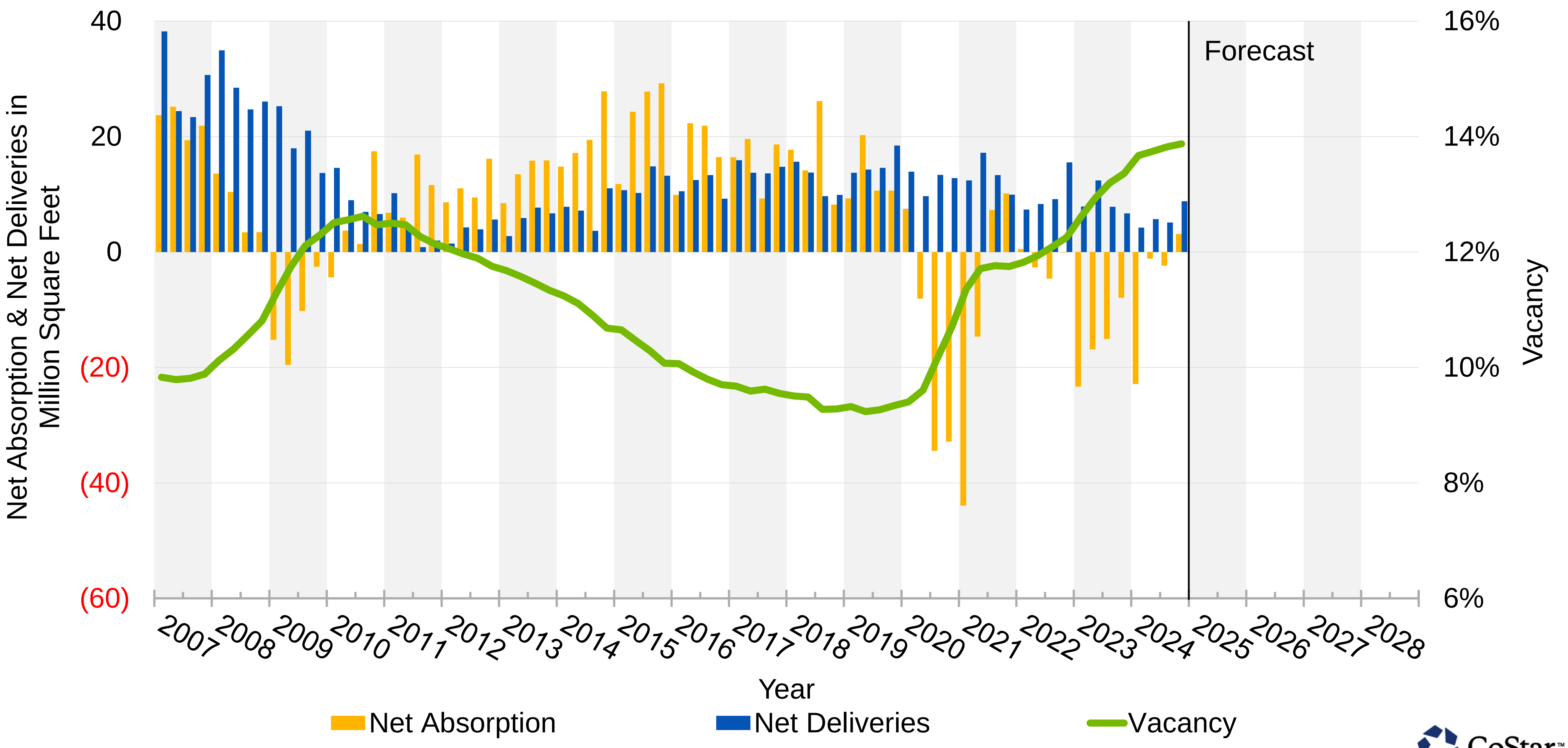
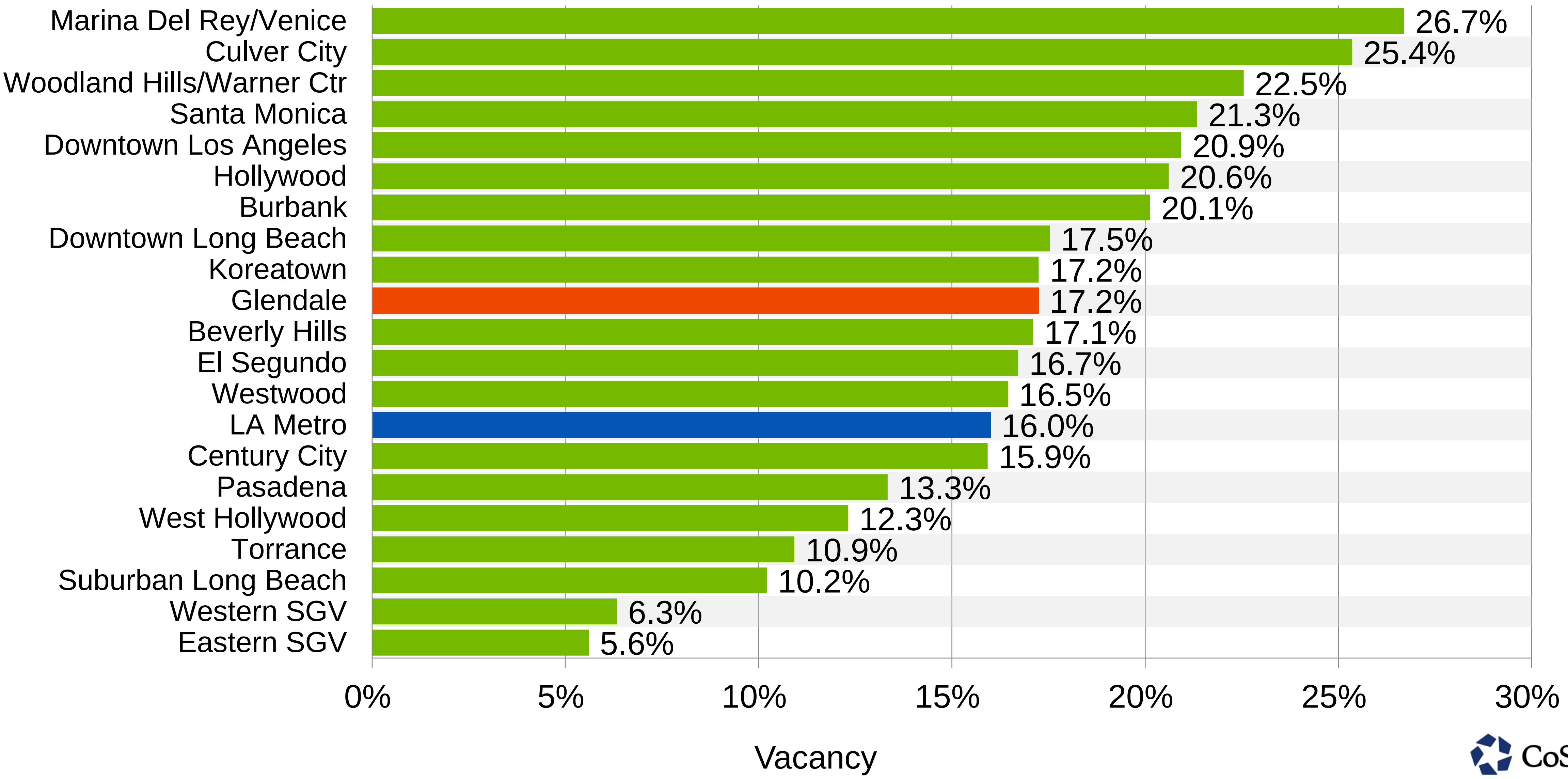
# National Office Fundamentals



# Los Angeles Office Vacancy by Submarket

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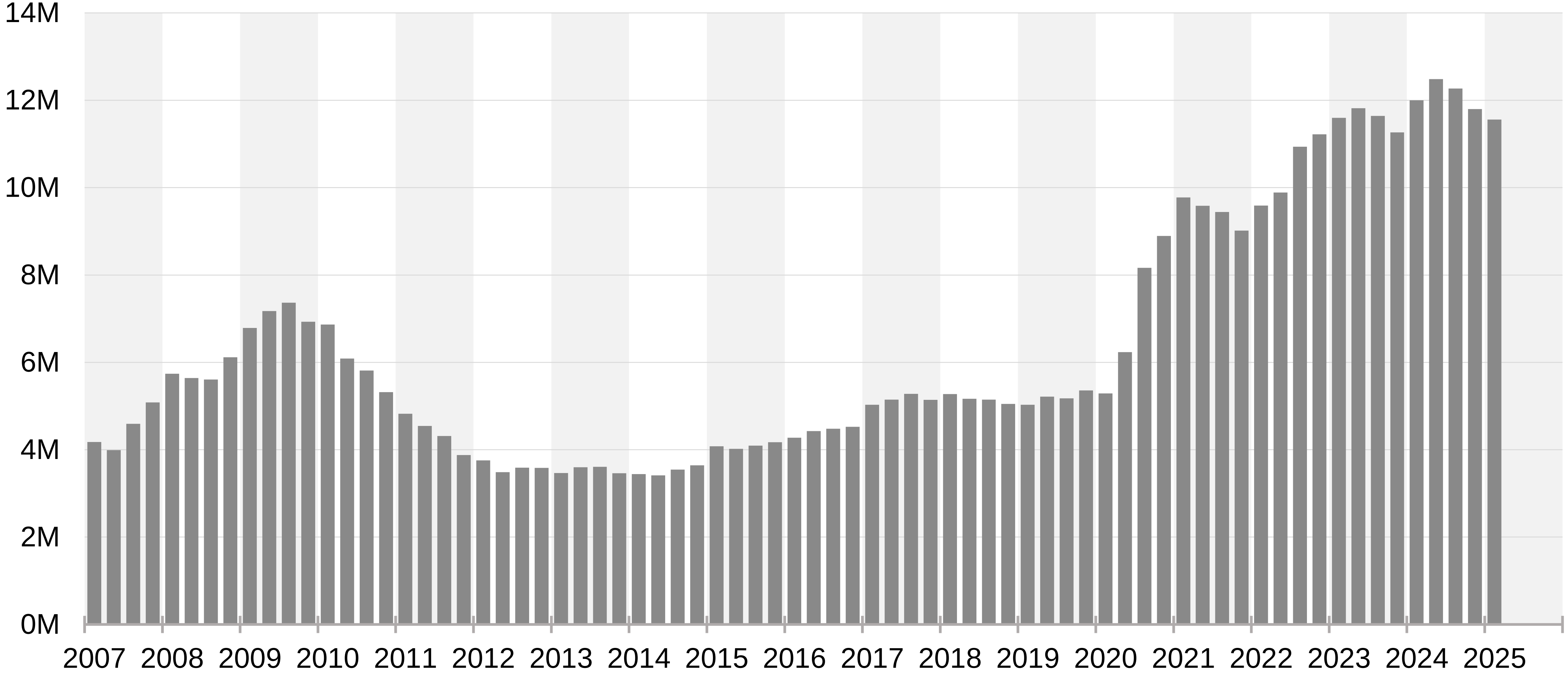
# Los Angeles Office Sublease Space

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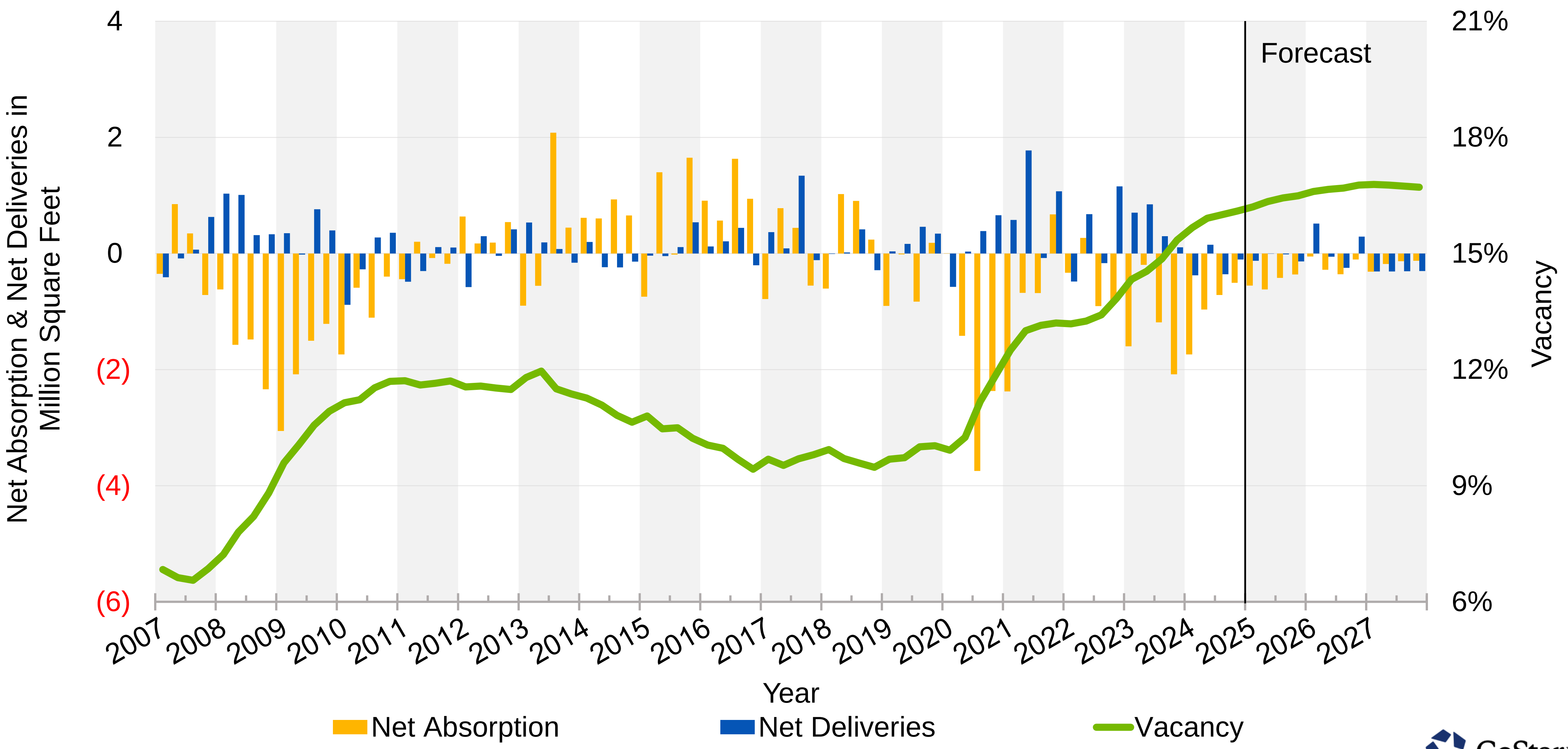
# Los Angeles Office Fundamentals: Base Case Forecast

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# RENTS


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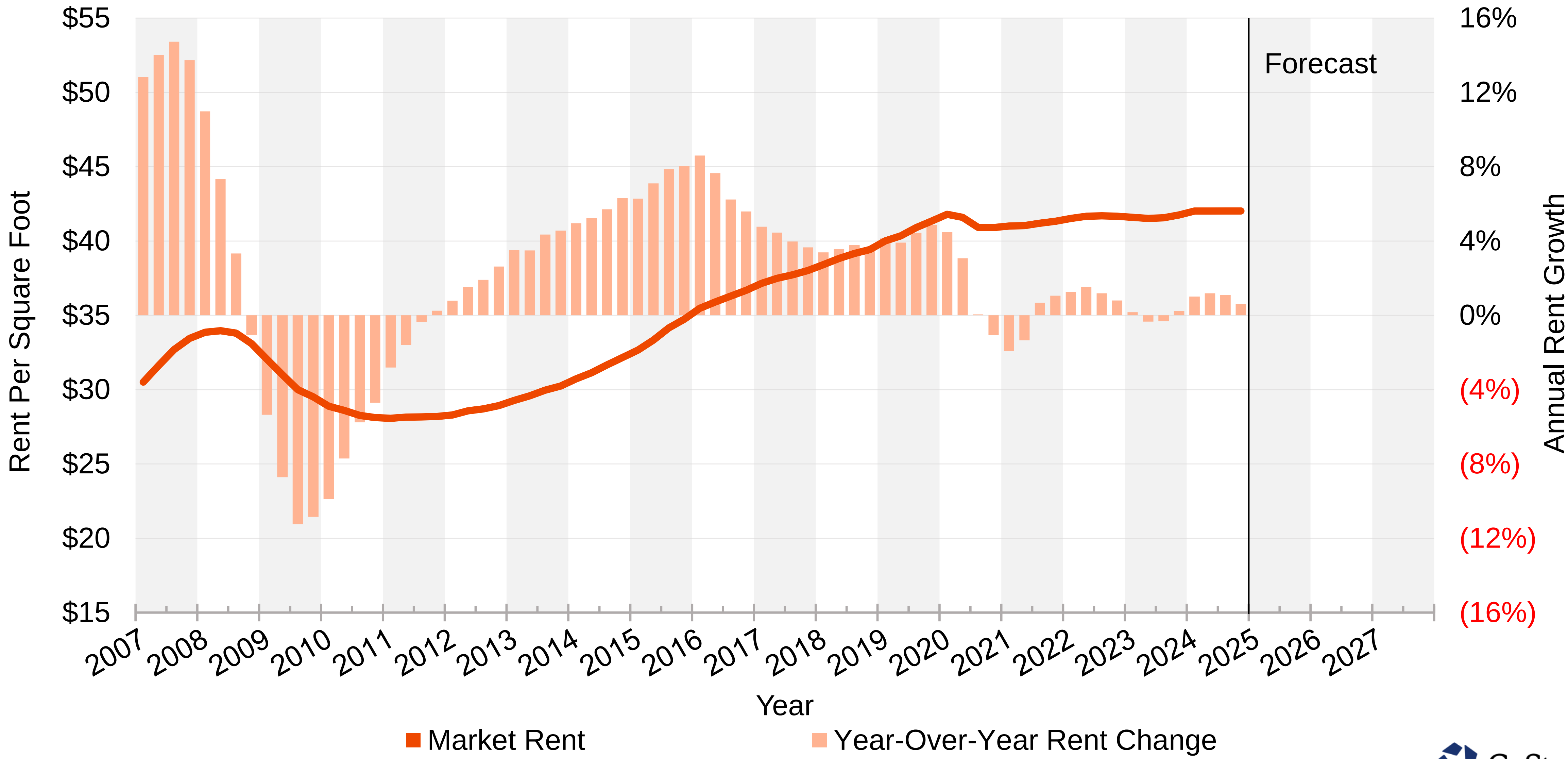
# Los Angeles Office Rent Growth

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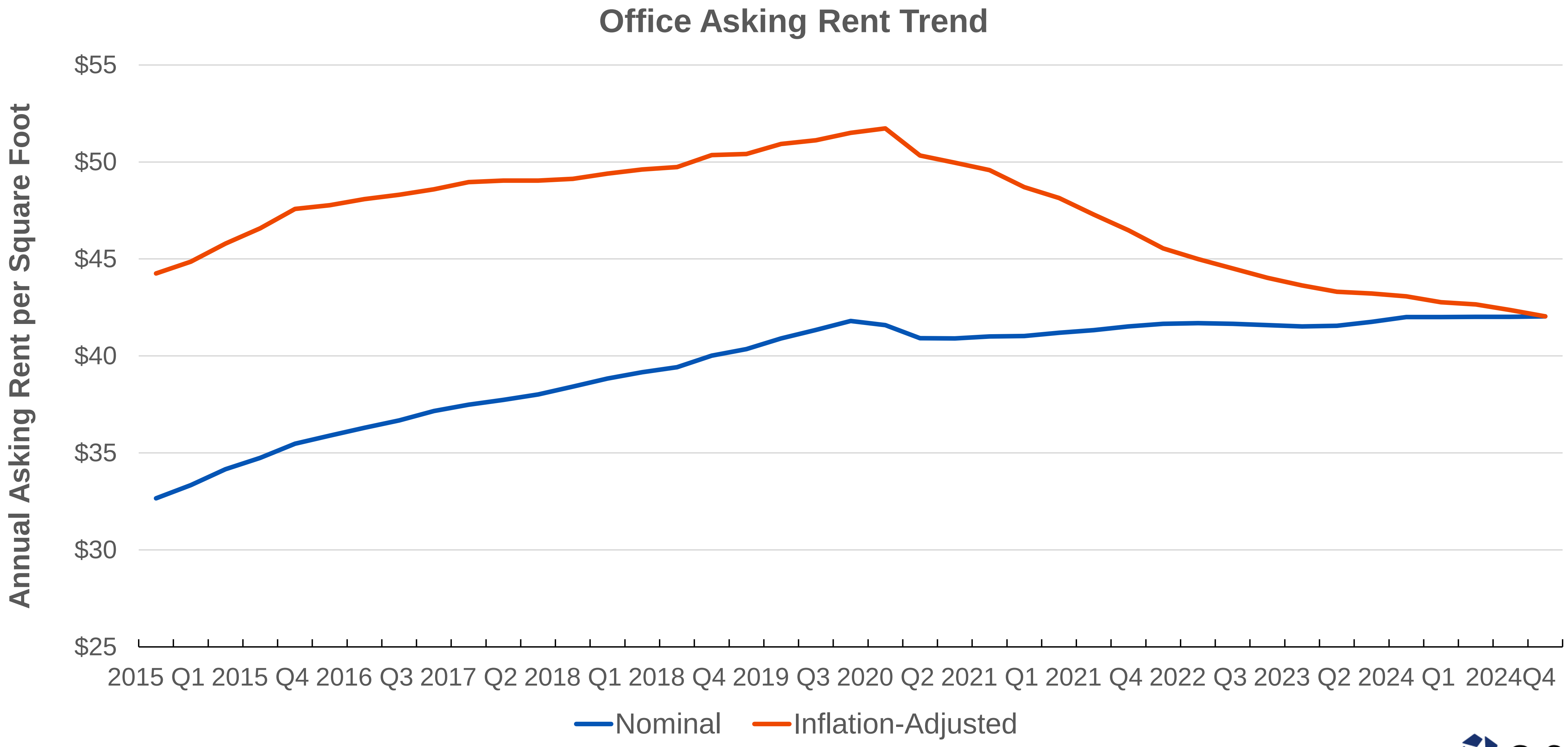
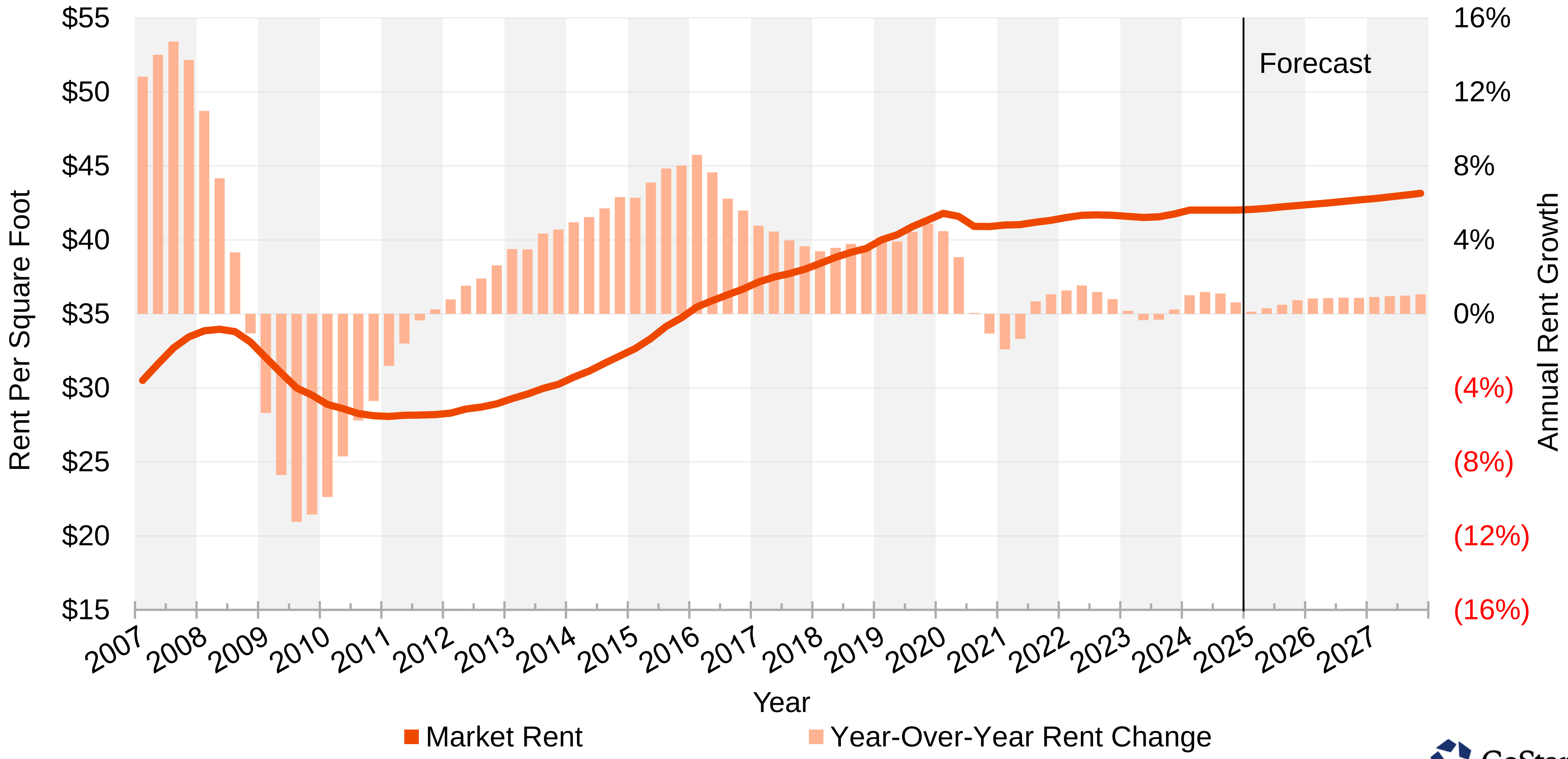
# Los Angeles Office Rent Growth Lags Far Behind Inflation




Source: CoStar, August 2024

# Los Angeles Office Rent Growth: Base Case Forecast



# CONSTRUCTION

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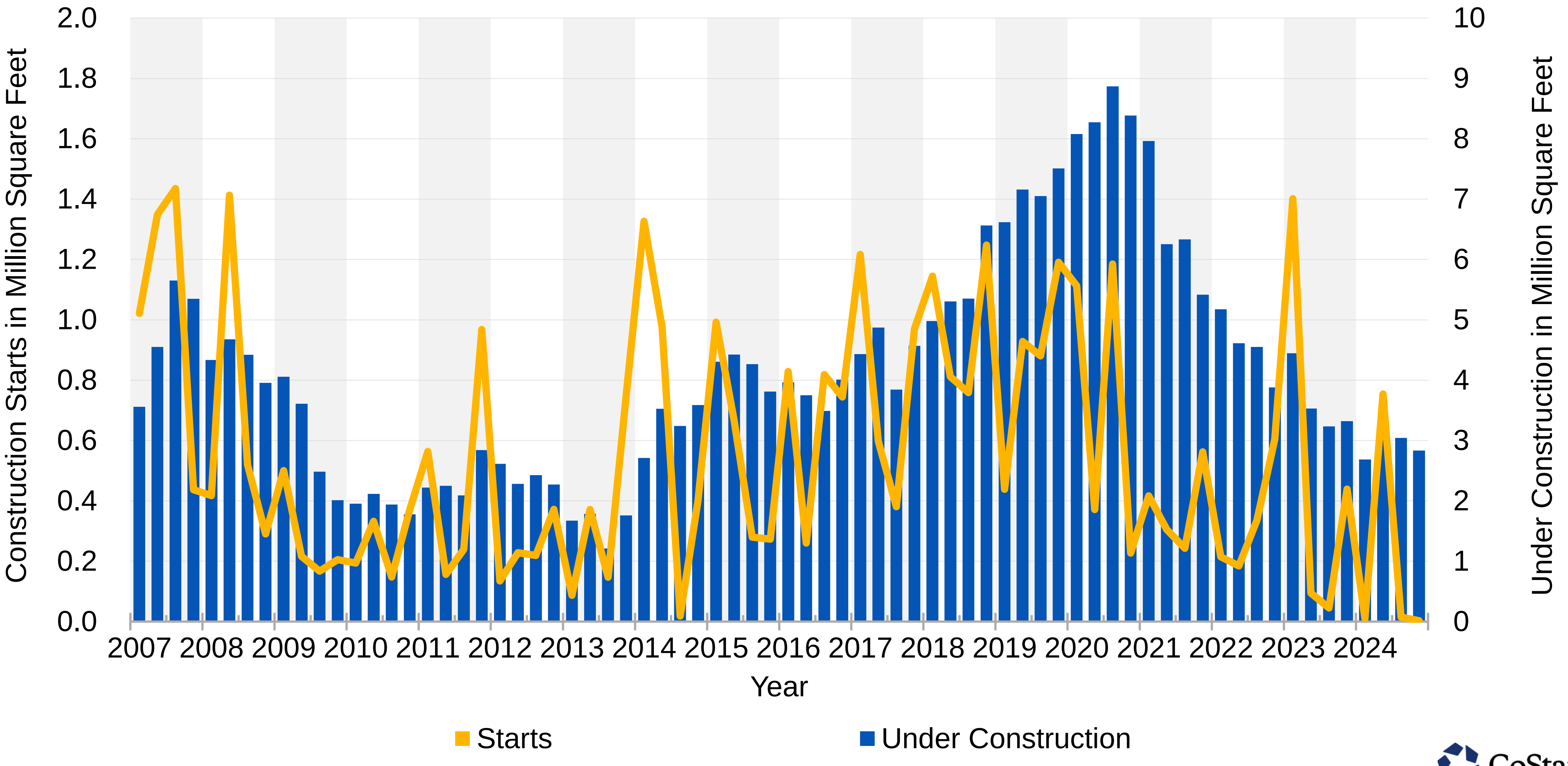
# Los Angeles Office Starts and Under Construction

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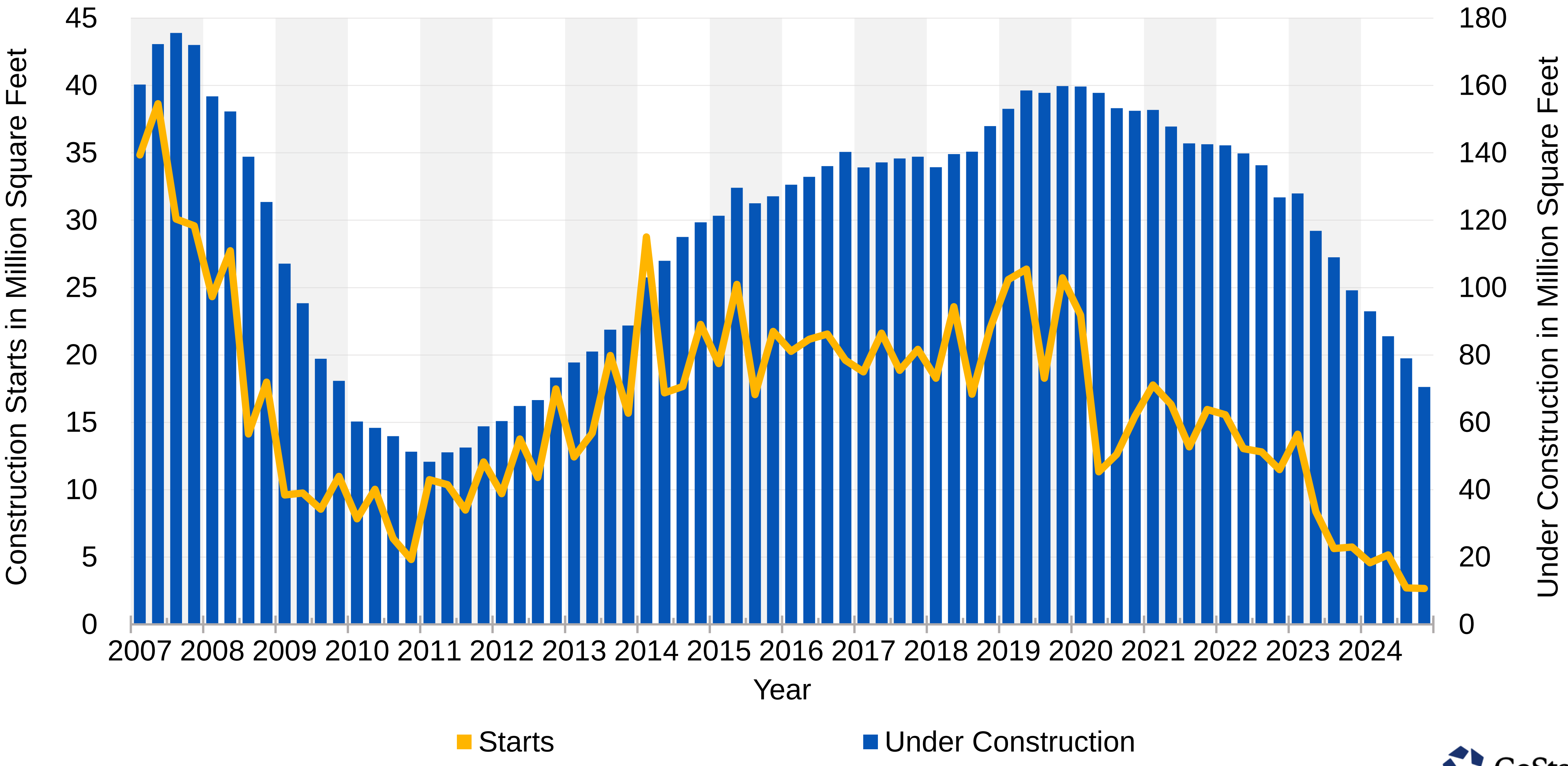
# National Starts and Under Construction



# CAPITAL MARKETS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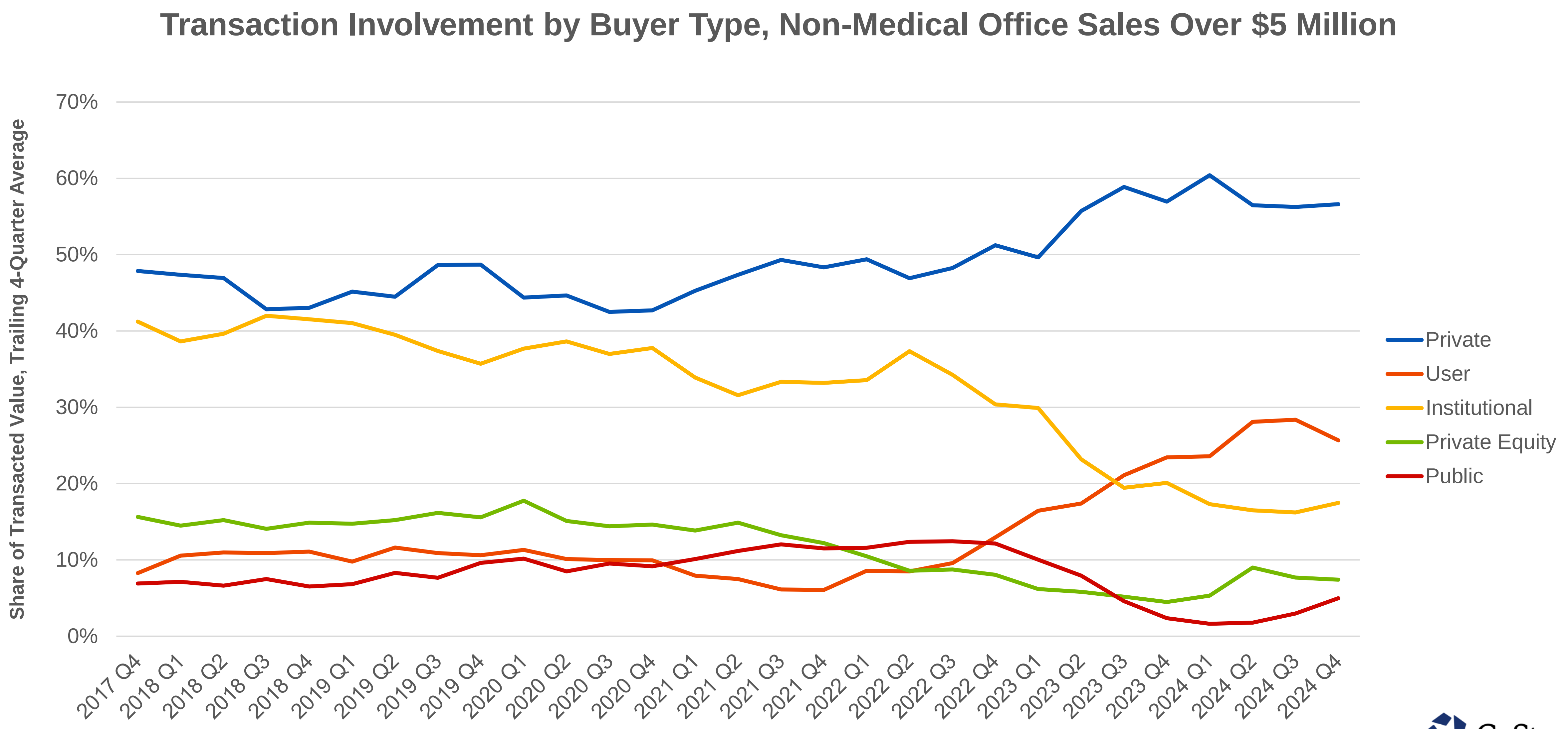
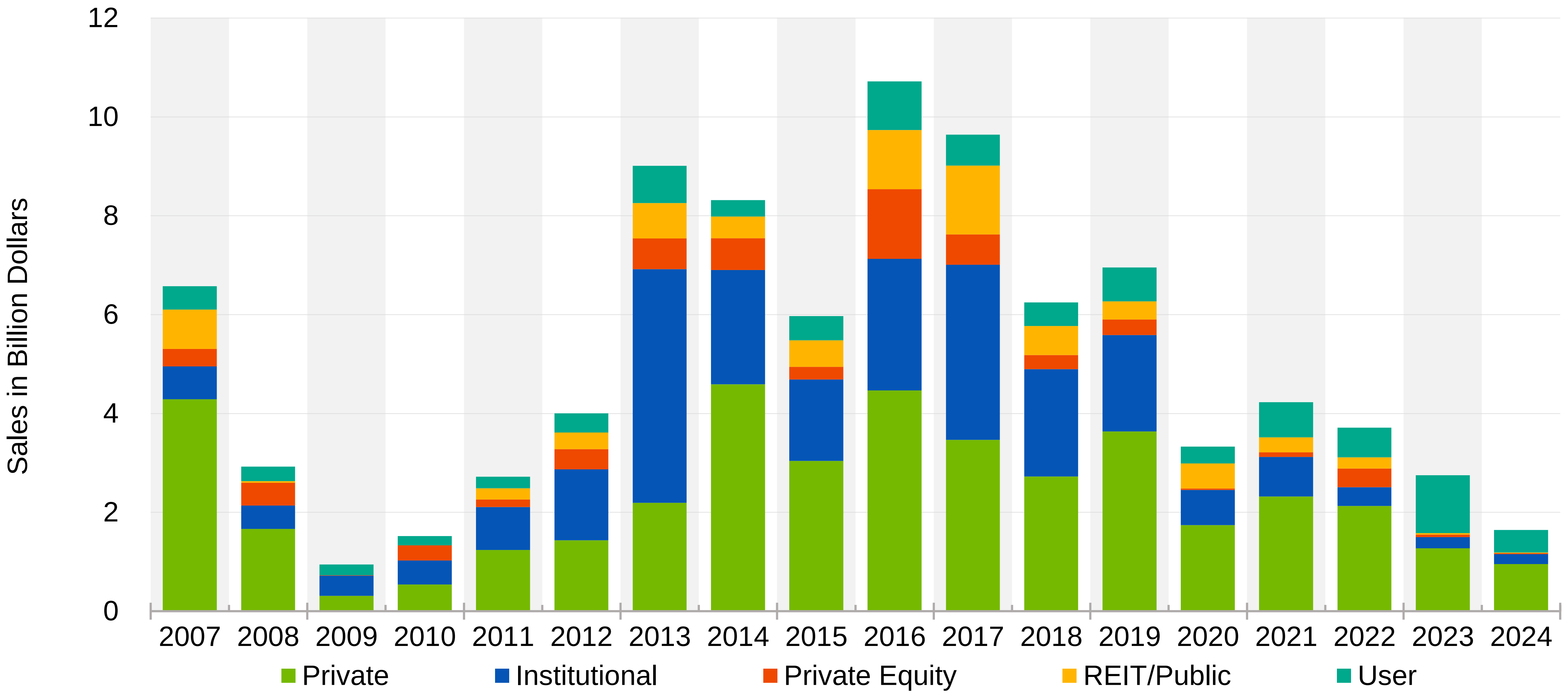
# Occupiers are accounting for more office purchases nationally




Source: CoStar, January 2025

# Los Angeles Office Buyer Composition, Dollar Volumes

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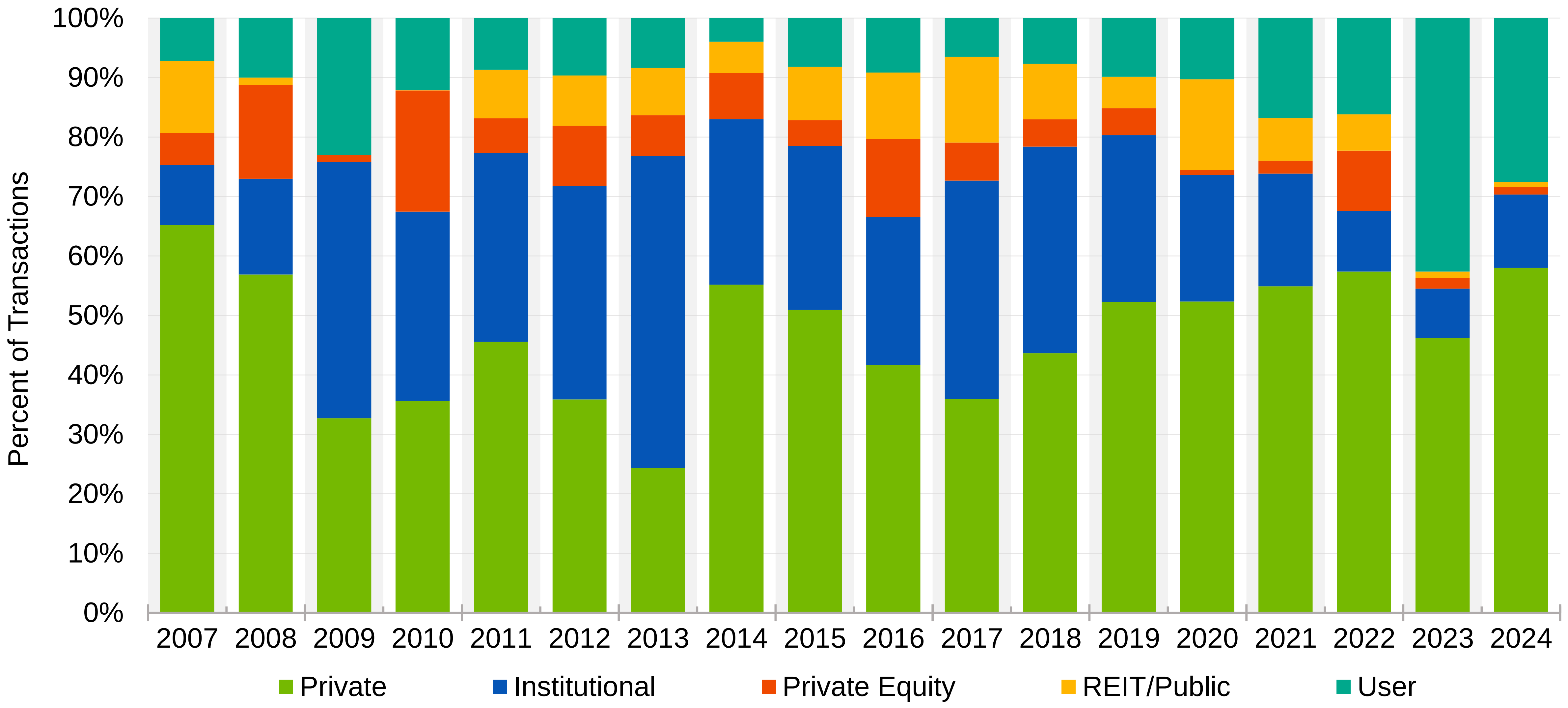
# Los Angeles Office Buyer Composition, % of Sales




CoStar™


**<u>Recent Sales</u>**

**101 N Brand**

**$58.7 Million ($145/SF)**

**55% Discount from 2016 Sale Price**

**50% Leased**

CoStar™

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Senior Director, Market Analytics
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rpatap@costar.com