

473 E. 55th Street

LONG BEACH, CA



Renovated units cash flowing at an amazing Current Cap Rate of 6% from day 1 in prime North Long Beach
Large unit mix of 9 (2bed/1bath) units and 1 (1bed/1bath) unit including 2 brand-new attached ADUs
Turnkey Non-LA-City rent controlled asset allowing significant 8% annual rent increases (5%+CPI) for upside

Marcus & Millichap



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INVESTMENT ANALYSIS

Marcus & Millichap

EXECUTIVE SUMMARY

PRICING INFORMATION

Offering Price	\$2,995,000
Price/Unit	\$299,500
Price/SF	\$394
Cap Rate (Current)	6.00%
Cap Rate (Market)	6.51%

PROPERTY DETAILS

Address	473 East 55th Street, Long Beach CA 90805
Units	10
Building SF	7,592
Year Built	1962
Lot SF	6,963
APN	7127-024-033
Zoning	LBR1N

UTILITIES

Electricity	Separately Metered
Gas	Separately Metered
Water	Master Metered





INVESTMENT DESCRIPTION

10 Renovated Non-Rent Controlled units cash flowing at an amazing Current Cap Rate of 6% from day 1! Large unit mix of 9 (2bed/1bath) units and 1 (1bed/1bath) unit including 2 brand-new attached ADUs. Most units boast updated cabinets, flooring, kitchen, bathrooms, exterior improvements, and more. Individually metered for gas, electricity, and tenants pay their own trash further minimizing the operating expenses. Non-LA-City rent controlled asset allowing significant 8% annual rent increases (5%+CPI) for future upside. The property also offers on-site laundry and parking that generates additional income. Prime North Long Beach location minutes from the beach and central to the 405, 710 and 605 Freeways, offering tenants easy access to attractions and employers across the region. Long Beach is a popular rental market and population and employment hub with easy access to the beach, colleges (such as Cal State Long Beach), and major attractions including the Queen Mary, Aquarium of the Pacific, and more. Long Beach offers investors the opportunity to acquire assets in a coastal rental market with low vacancy rates without premium coastal pricing.

INVESTMENT HIGHLIGHTS

Turnkey Investment Opportunity

This asset boasts renovated interiors, exterior upgrades, two brand new ADU's, and strong in-place income, making it an attractive turnkey investment opportunity

6.00% Cap Rate on Current Rents

Excellent for any investor looking for strong cash flow on day one

Strong Unit Mix of 90% Two-Bedrooms

This property offers nine two-bedroom units and one one-bedroom

Two Brand New ADU's

The increased unit count with attractive new upgrades generate additional income

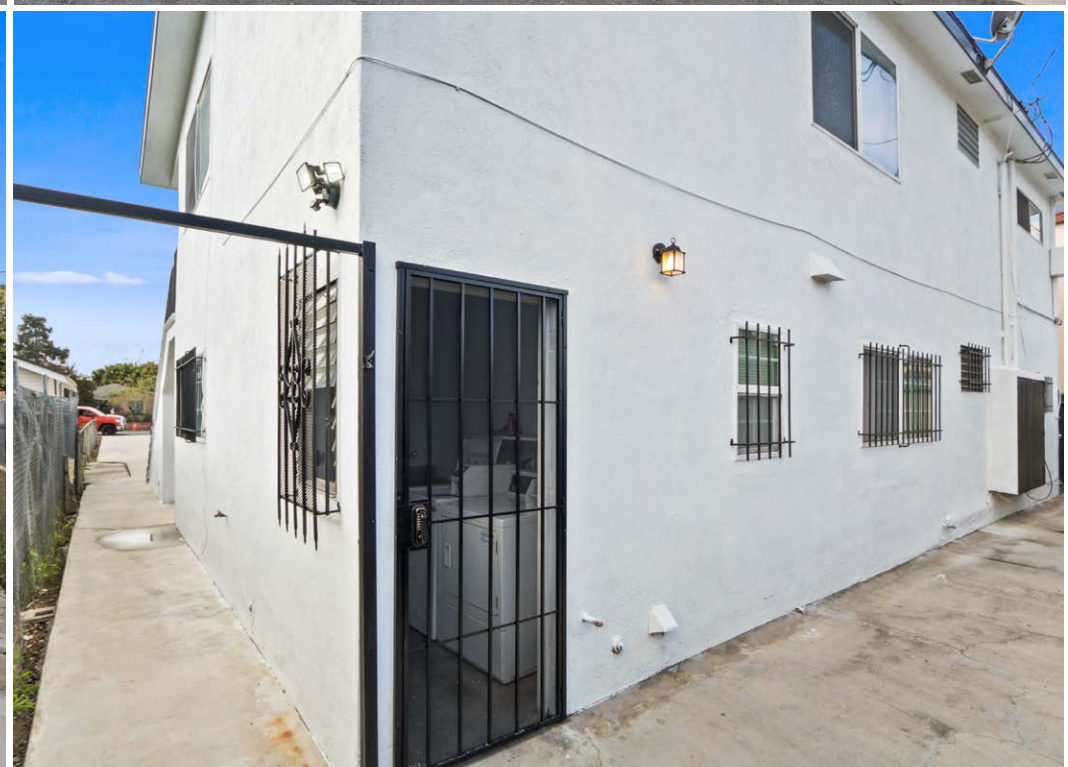
Remodeled Interiors

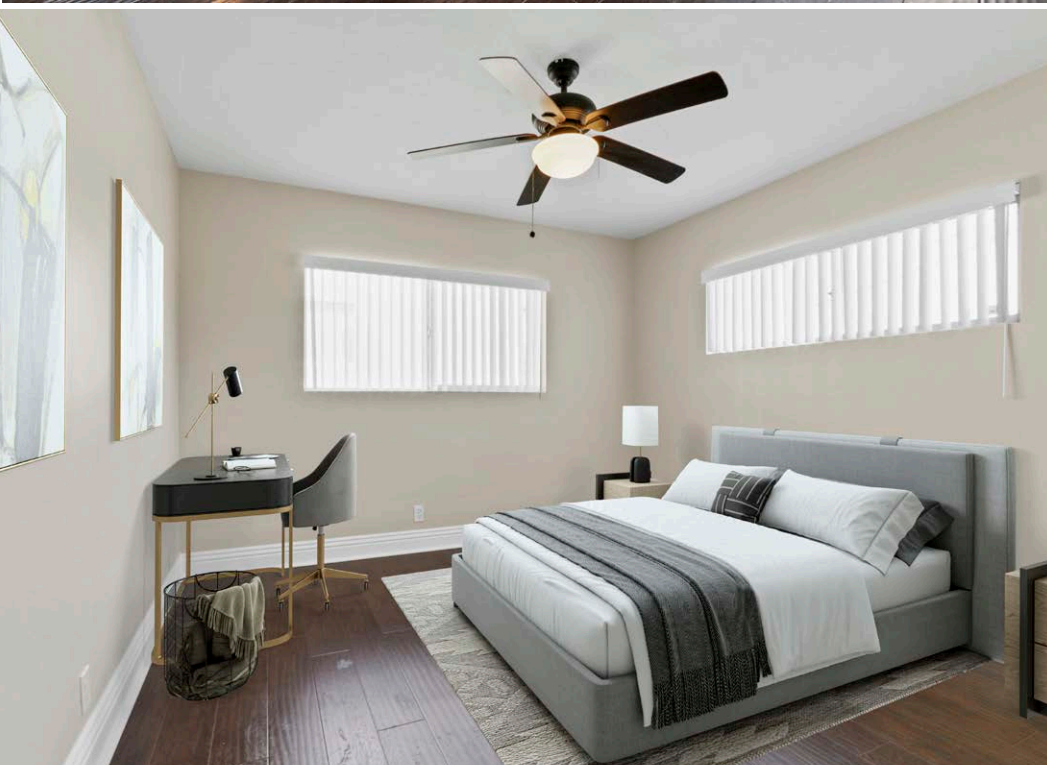
Most units have been remodeled with new flooring, kitchens, and bathrooms to attract a strong renter base and demand premium rents

Great Rental Location

In Long Beach, a coastal rental market without the prime coastal pricing, where key multifamily demand drivers keep vacancy rates consistently low

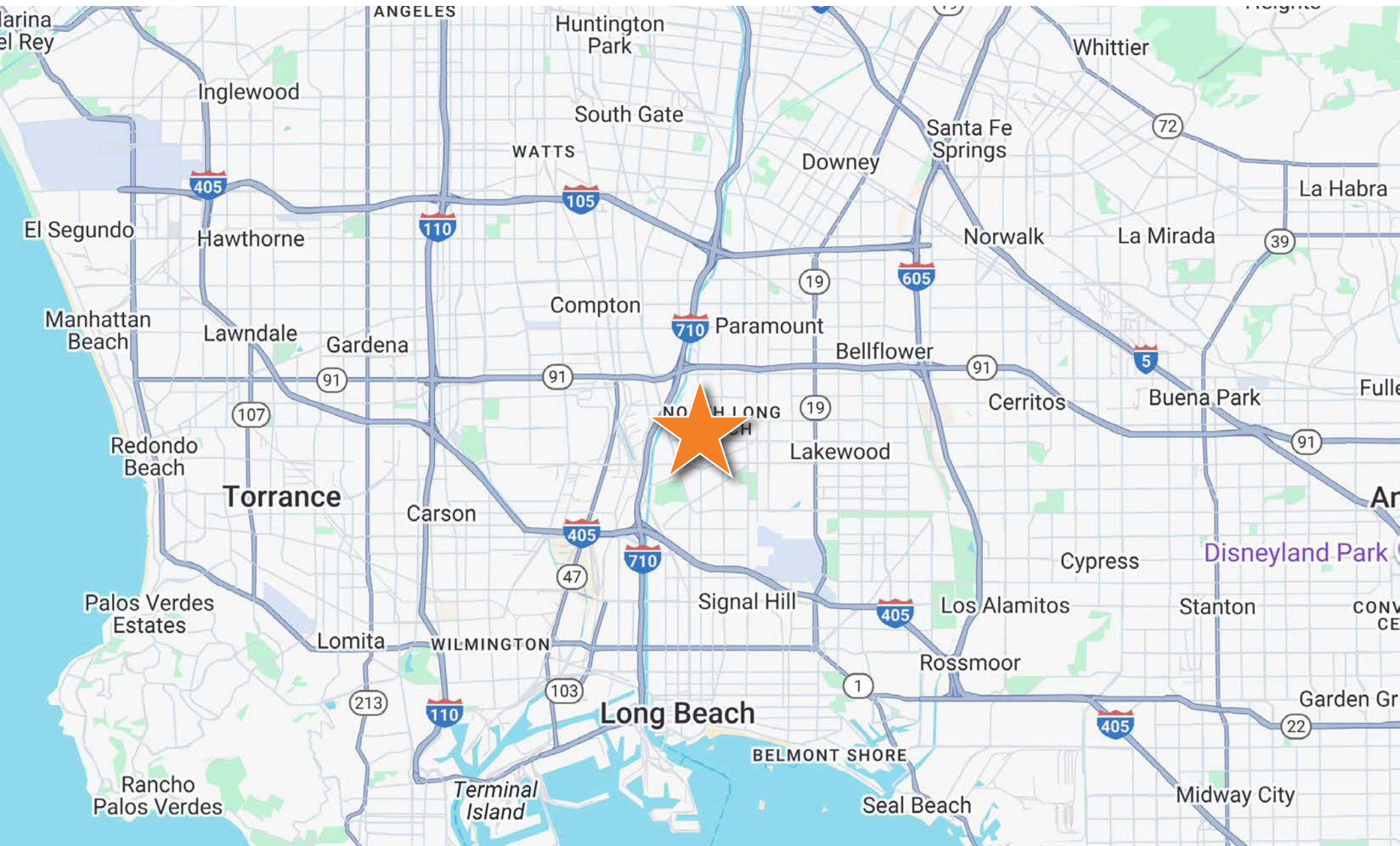




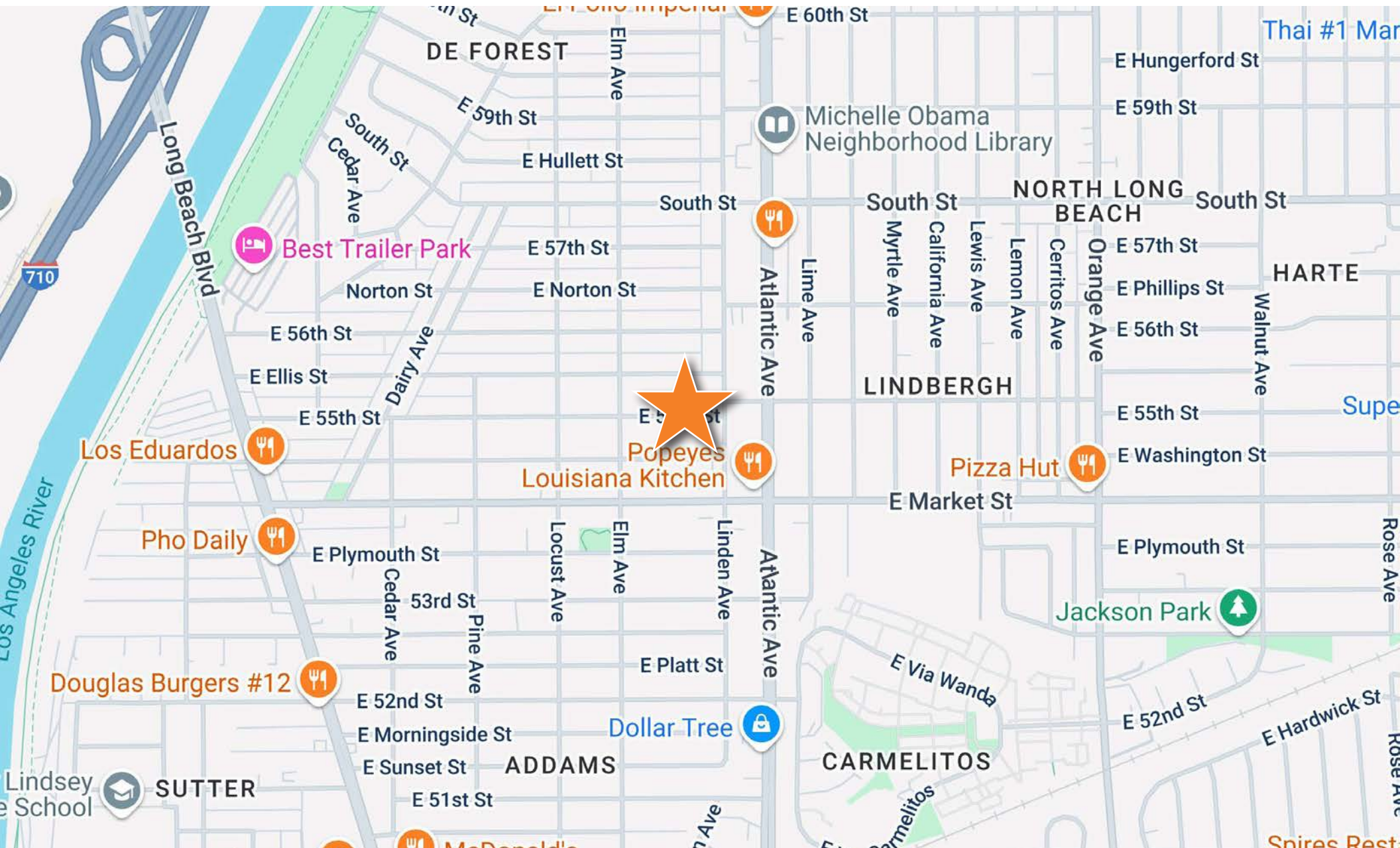




PROPERTY LOCATION



PROPERTY LOCATION



PRICING SUMMARY

PRICING & PROPERTY DETAILS

Address	473 E 55th Street
	Long Beach CA 90805
Offering Price	\$2,995,000
Units	10
Rentable SF	7,592
Price/Unit	\$299,500
Price/SF	\$394
Lot Size (SF)	6,963
Year Built	1962

VITAL DATA CURRENT PRO FORMA

NOI	\$179,762	\$195,091
Cap Rate	6.00%	6.51%
GRM	12.13	11.37



INCOME & EXPENSES

NO. OF UNITS	UNIT TYPE	% OF UNITS	AVG. CURRENT RENT	TOTAL RENT	PRO FORMA RENT	TOTAL RENT
7	2BD / 1BA	70%	\$2,067	\$14,467	\$2,195	\$15,365
1	1BD / 1BA	10%	\$1,741	\$1,741	\$2,195	\$2,195
2	2BD / 1BA ADU	20%	\$2,185	\$4,370	\$2,195	\$4,390
10	Total			\$20,578		\$21,950

ANNUALIZED EXPENSES	CURRENT	PRO FORMA	PER UNIT
Real Estate Taxes (1.2%)	\$35,940	\$35,940	\$3,594
Insurance	\$6,212	\$6,212	\$621
Utilities	\$5,000	\$5,000	\$500
Repairs & Maint.	\$4,000	\$4,000	\$400
Management Fee (4%)	\$9,696	\$10,335	\$970
Contract Services ¹	\$1,800	\$1,800	\$180
Total	\$62,648	\$63,287	\$6,265
Per Unit	\$6,265	\$6,329	
Per SF	\$9.80	\$9.90	
% EGI	25.84%	24.49%	

ANNUALIZED OPERATING DATA	CURRENT	PRO FORMA
All Units at Market Rent	\$263,400	\$263,400
Less: Loss to Lease	\$16,461	\$0
Gross Potential Rent	\$246,939	\$263,400
Less: Vacancy (3%)	\$7,408	\$7,902
Laundry Income ²	\$2,880	\$2,880
Effective Gross Income	\$242,410	\$258,378
Less: Expenses	\$62,648	\$63,287
Net Operating Income	\$179,762	\$195,091

¹Pro forma pest control expense is estimated at \$50/month and cleaning/gardening is estimated at \$100/month.

²Laundry income is estimated at \$20/unit/month.

RENT ROLL

UNIT NO.	UNIT TYPE	CURRENT RENT	PRO FORMA RENT
1	2BD / 1BA	\$2,090	\$2,195
2	2BD / 1BA	\$2,195	\$2,195
3	2BD / 1BA	\$1,823	\$2,195
4	1BD / 1BA	\$1,741	\$2,195
5	2BD / 1BA	\$2,195	\$2,195
6	2BD / 1BA	\$2,095	\$2,195
7	2BD / 1BA	\$1,873	\$2,195
8	2BD / 1BA	\$2,195	\$2,195
9	2BD / 1BA ADU	\$2,185	\$2,195
10	2BD / 1BA ADU	\$2,185	\$2,195
10	Total	\$20,578	\$21,950

10-YEAR CASH FLOW

	JUN-26	JUN-27	JUN-28	JUN-29	JUN-30	JUN-31	JUN-32	JUN-33	JUN-34	JUN-35
Income										
All Units at Market Rent	\$273,936	\$284,893	\$296,289	\$308,141	\$320,466	\$333,285	\$346,616	\$360,481	\$374,900	\$389,896
Gain (Loss)-to-Lease	\$15,013	\$13,692	\$12,487	\$11,388	\$10,386	\$9,472	\$8,638	\$7,878	\$7,185	\$6,553
Gross Potential Rent	\$258,923	\$271,202	\$283,802	\$296,753	\$310,080	\$323,813	\$337,978	\$352,603	\$367,715	\$383,344
Vacancy Allowance (3%)	(\$7,768)	(\$8,136)	(\$8,514)	(\$8,903)	(\$9,302)	(\$9,714)	(\$10,139)	(\$10,578)	(\$11,031)	(\$11,500)
Laundry Income	\$2,966	\$3,055	\$3,147	\$3,241	\$3,339	\$3,439	\$3,542	\$3,648	\$3,758	\$3,870
Effective Gross Income	\$254,122	\$266,121	\$278,435	\$291,092	\$304,117	\$317,538	\$331,381	\$345,673	\$360,442	\$375,714
Expenses										
Taxes (1.2%)	\$36,659	\$37,392	\$38,140	\$38,903	\$39,681	\$40,474	\$41,284	\$42,109	\$42,952	\$43,811
Insurance	\$6,212	\$6,398	\$6,590	\$6,788	\$6,992	\$7,201	\$7,417	\$7,640	\$7,869	\$8,105
Utilities	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Repairs & Maint.	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067	\$5,219
Management Fee	\$10,165	\$10,645	\$11,137	\$11,644	\$12,165	\$12,702	\$13,255	\$13,827	\$14,418	\$15,029
Contract Services	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026	\$2,087	\$2,149	\$2,214	\$2,280	\$2,349
Total Expenses	\$63,836	\$65,559	\$67,325	\$69,136	\$70,992	\$72,897	\$74,852	\$76,859	\$78,920	\$81,036
Net Operating Income	\$190,286	\$200,562	\$211,110	\$221,956	\$233,124	\$244,640	\$256,529	\$268,814	\$281,522	\$294,678

Pro forma rents represent all units at adjusted market rents. Market rents are underwritten using comparable market rents and assume that the buyer will continue to upgrade the units to market levels, with similar features, upgrades, and amenities as surrounding area properties.

Laundry income is estimated at \$20/unit/month.

Pro forma vacancy loss is underwritten at 3%, which is common for an asset located in this area. Loss-to-lease is underwritten as market rents, less the properties current rent roll.

Real estate taxes are calculated on proposed pricing at an estimated ad valorem rate of 1.2%.

Pro forma insurance is underwritten as provided from historical operations.

Pro forma utilities is estimated at \$500/unit.

Pro forma repairs and maintenance expense is estimated at \$400/unit.

Pro forma management fee is estimated at 4% of gross effective income.

Pro forma pest control expense is estimated at \$50/month and cleaning/gardening is estimated at \$100/month.

INCOME & EXPENSE NOTES

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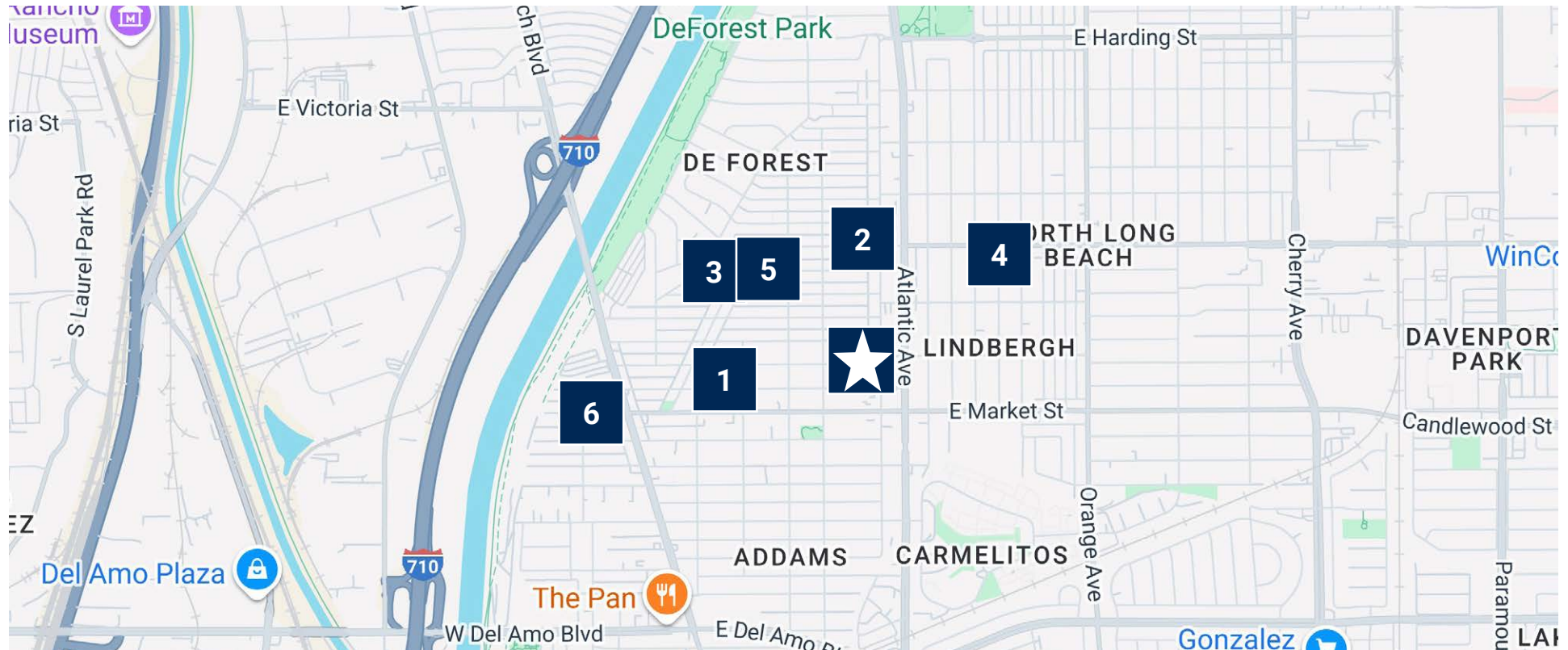
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A photograph of a white, two-story building with a concrete staircase leading to the second floor. A black lantern-style light fixture is mounted on the wall. The image is faded to serve as a background for the text.

SALES COMPARABLES

Marcus & Millichap

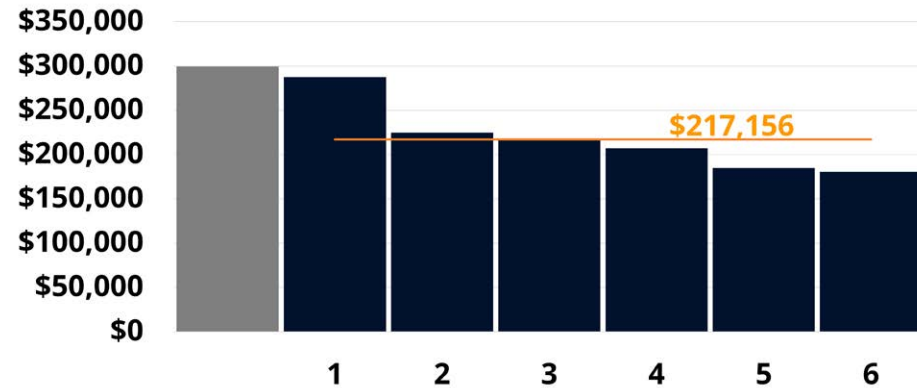
SALES COMPARABLES



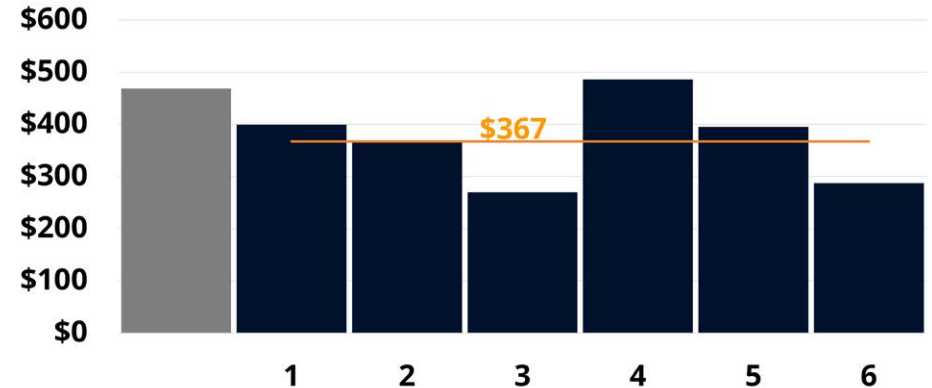
NO	ADDRESS	PRICE	UNITS	PRICE/UNIT	PRICE/SF	CAP RATE	GRM	COE
1	122 E 55th Street	\$2,300,000	8	\$287,500	\$399.65	5.70%	11.75	9/8/2023
2	477 E South Street	\$3,597,000	16	\$224,813	\$365.55	6.80%	9.56	12/1/2023
3	160 E 57th Street	\$1,525,000	7	\$217,857	\$269.63	7.02%	9.28	6/6/2024
4	5729 California Ave	\$1,450,000	7	\$207,143	\$485.76	5.27%	11.96	8/4/2023
5	220 E 57th Street	\$1,850,000	10	\$185,000	\$395.21	5.70%	11.90	4/11/2024
6	110 W Market Street	\$1,445,000	8	\$180,625	\$287.16	N/A	N/A	12/20/2024
Comparables Average				\$217,156	\$367.16	6.10%	10.89	
Subject	473 E 55th Street	\$2,995,000	10	\$299,500	\$394.49	6.00%	12.13	

SALES COMPARABLES

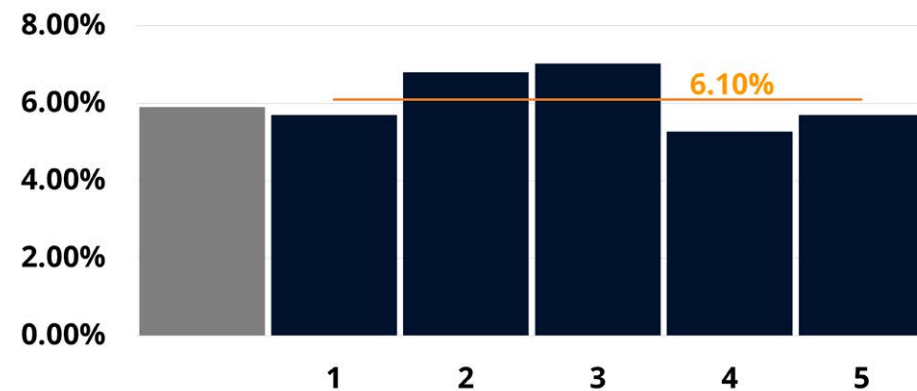
Price Per Unit



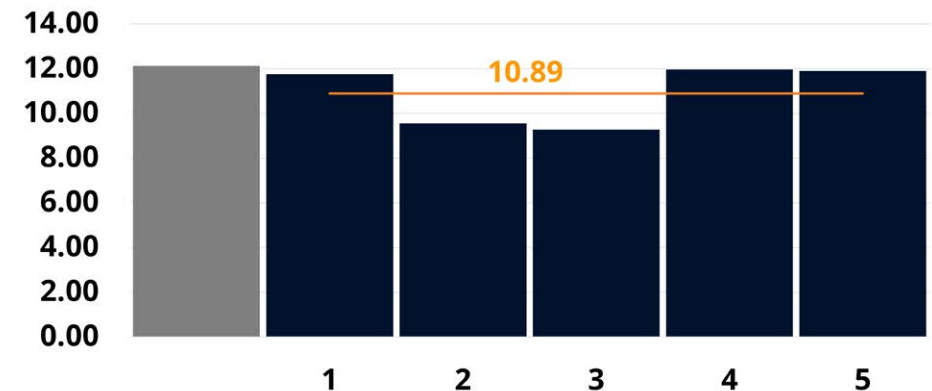
Price Per SF



Cap Rate



GRM



SALES COMPARABLES



**122 E 55th Street
Long Beach, CA 90805**

Sale Date	9/8/2023
Price	\$2,300,000
Units	8
Price/Unit	\$287,500
Price/SF	\$399.65
Cap Rate	5.70%
GRM	11.75
Year Built	1962

Unit Mix	
8	Two-Bedroom



**477 E South Street
Long Beach, CA 90805-4637**

Sale Date	12/1/2023
Price	\$3,597,000
Units	16
Price/Unit	\$224,813
Price/SF	\$365.55
Cap Rate	6.80%
Est. GRM	9.56
Year Built	1961

Unit Mix	
16	Two-Bedroom



**160 E 57th Street
Long Beach, CA 90805**

Sale Date	6/6/2024
Price	\$1,525,000
Units	7
Price/Unit	\$217,857
Price/SF	\$269.63
Cap Rate	7.02%
GRM	9.28
Year Built	1964

Unit Mix	
7	Two-Bedroom

SALES COMPARABLES



**5729 California Ave
Long Beach, CA 90805**

Sale Date	8/4/2023
Price	\$1,450,000
Units	7
Price/Unit	\$207,143
Price/SF	\$485.76
Cap Rate	5.27%
GRM	11.96
Year Built	1928
Unit Mix	
6	Studio
1	Two-Bedroom



**220 E 57th Street
Long Beach, CA 90805**

Sale Date	4/11/2024
Price	\$1,850,000
Units	10
Price/Unit	\$185,000
Price/SF	\$395.21
Cap Rate	5.70%
GRM	11.90
Year Built	1961
Unit Mix	
1	Studio
8	One-Bedroom
1	Two-Bedroom



**110 W Market Street
Long Beach, CA 90805-7114**

Sale Date	12/20/2024
Price	\$1,445,000
Units	8
Price/Unit	\$180,625
Price/SF	\$287.16
Cap Rate	N/A
GRM	N/A
Year Built	1957
Unit Mix	
8	One-Bedroom

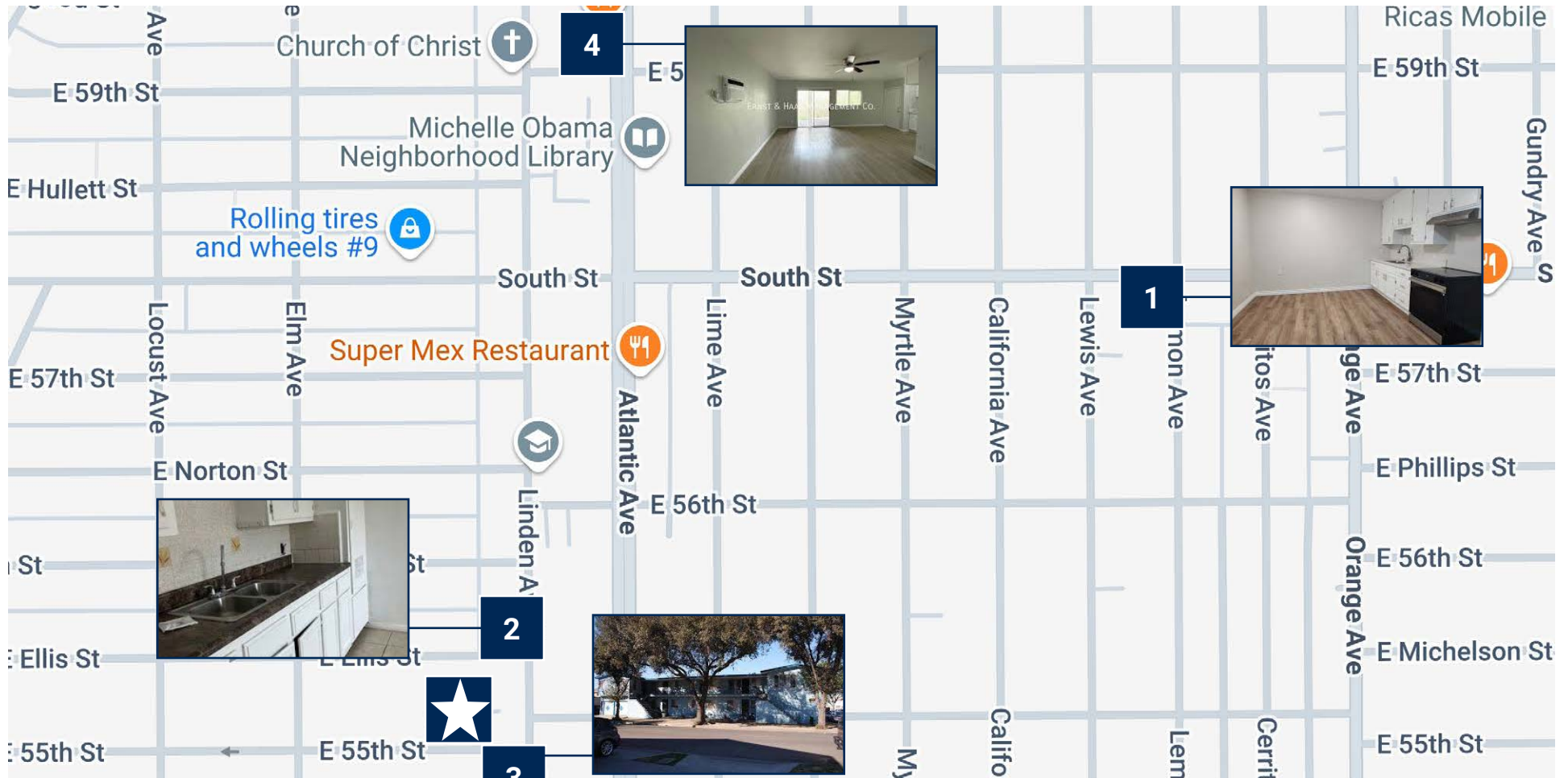




RENT COMPARABLES

Marcus & Millichap

RENT COMPARABLES



NO.	ADDRESS	UNIT TYPE	RENT
1	1080-1084 South Street	2BR	\$2,295
2	5541 Linden Avenue	2BR	\$2,195
3	5471 Linden Avenue	2BR	\$2,150
4	5917 Atlantic Avenue	2BR	\$2,095



MARKET OVERVIEW

Marcus & Millichap

LONG BEACH MULTIFAMILY MARKET

Long Beach remains one of Southern California's most active and resilient mid-sized apartment markets. Transaction volume for 5+ unit buildings increased significantly in the past year, as more investors took advantage of price adjustments and improved cap rates. Properties are trading faster, and many are selling below peak pricing, offering improved value for buyers entering the market today.

Long Beach offers a balanced mix of value, cash flow potential, and long-term upside. Whether you're looking to acquire a stabilized property or reposition an underperforming asset, the fundamentals of this market, including strong demand, limited new supply, and growing economic anchors, create an appealing environment for multifamily investment.

Why Long Beach Stands Out

- Coastal location without premium coastal pricing
- Strong multifamily demand fundamentals result in consistently low vacancy
- Ongoing investment in public infrastructure, downtown revitalization, and quality-of-life projects
- Long Beach ranks among the nation's 50 biggest cities and is a major population and employment hub



LONG BEACH MULTIFAMILY KEY DEMAND DRIVERS

Strong Renter Base

Long Beach has a high percentage of renters (more than 60% of the population rents) driven by limited home affordability and lifestyle preferences. This makes the area well-suited for consistent multifamily demand.

Transit & Urban Appeal

The city's walkable neighborhoods, expanding bike infrastructure, and access to the Metro Blue Line (connecting to Downtown LA) support urban living and make apartments in transit-friendly areas especially attractive to younger tenants and professionals.

Limited New Construction

While there are a few large projects in the pipeline, new multifamily construction in Long Beach is relatively constrained compared to demand. This keeps vacancy rates low and helps support rent stability over time.

Diverse Tenant Demographics

Long Beach attracts a mix of working professionals, students, and families. With multiple hospitals, colleges (like Cal State Long Beach), and a thriving port economy, the city has a broad employment base that supports consistent rental housing needs.



Long Beach Demographics



Population

457,630

Growth 2024-2029*
0.59%



Households

173,226

Growth 2023-2028*
1.06%



Median Age

37.0

U.S. Median
38.7



Median HH Income

\$84,565

U.S. Median
\$68,500

MARKET OVERVIEW

SOUTH BAY - LONG BEACH

The South Bay-Long Beach area of southwestern Los Angeles County contains 21 miles of coastline between Long Beach and El Segundo, and includes Los Angeles International Airport, the Port of Los Angeles and the Port of Long Beach. The region boasts a population of more than 1.3 million and is projected to add roughly 20,000 residents over the next five years. Less than half of the area's households own their home, generating a large rental market. Entering 2024, local apartment vacancy was 5.0 percent.



Population
1.3M

Growth 2023-2028*
1.8%



Households
489K

Growth 2023-2028*
2.1%



Median Age
39.5

U.S. Median
38.7



Median HH Income
\$87,900

U.S. Median
\$68,500

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

Metro Highlights

- **Port Activity:** The Port of Los Angeles in San Pedro and the adjacent Port of Long Beach are the nation's busiest ports, underpinning employment in the transportation and warehousing sector.
- **Educated Labor Pool:** Educational attainment supports business services and health care-related hiring. The number of residents ages 25 and older with a bachelor's degree exceeds the U.S. mean.
- **Los Angeles International Airport:** The Inglewood-adjacent LAX Airport is undergoing a \$15 billion modernization program to improve operations and capacity. While some upgrades are already complete, the full project is expected to extend to 2030.

Economy Highlights

- Torrance and Hawthorne in the South Bay are hubs for the aerospace and defense technology industries, highlighted by the presence of Boeing, SpaceX, Honeywell Aerospace and Raytheon.
- A number of corporate headquarters are located in the area. Significant operations are held by American Honda Motor Co. in Torrance and Mattel in El Segundo, while auto parts manufacturer United Pacific and Molina Healthcare call Long Beach home. Several other Fortune 500 firms are based in the area — A-Mark Precious Metals in El Segundo and Skechers USA in Manhattan Beach.
- Major universities in the area include Long Beach State University and California State University, Dominguez Hills in Carson, which have a combined enrollment of more than 50,000 students.

LOCAL DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2029 Projection	46,179	228,517	663,095
2024 Estimate	46,159	227,372	658,884
2020 Census	48,001	236,188	686,016
2010 Census	48,016	231,562	677,140
Growth 2024 - 2029	0.04%	0.50%	0.64%
Growth 2020 - 2024	-3.84%	-3.73%	-3.96%
Growth 2010 - 2020	-0.03%	2.00%	1.31%
Daytime Population	21,983	213,911	599,036
Median Age	34.0	36.0	36.0

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2029 Projection	14,606	73,151	207,380
2024 Estimate	14,521	72,538	205,201
2020 Census	14,405	71,685	202,153
2010 Census	13,677	68,542	192,223
Growth 2024 - 2029	0.58%	0.84%	1.06%
Growth 2020 - 2024	0.81%	1.19%	1.51%
Growth 2010 - 2020	5.32%	4.58%	5.17%

2024 HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
\$200,000 or More	4.02%	8.71%	9.25%
\$150,000 - \$199,999	6.68%	9.40%	9.67%
\$100,000 - \$149,999	18.97%	19.29%	19.28%
\$75,000 - \$99,999	13.76%	14.28%	14.35%
\$50,000 - \$74,999	16.66%	15.73%	15.83%
\$35,000 - \$49,999	12.36%	10.71%	10.16%
\$25,000 - \$34,999	7.90%	7.02%	6.78%
\$15,000 - \$24,999	7.44%	5.81%	6.06%
\$10,000 - \$14,999	5.25%	3.67%	3.69%
Under \$9,999	6.96%	5.38%	4.94%
Average Household Income	\$81,242	\$97,478	\$99,891
Median Household Income	\$67,787	\$79,787	\$81,537
Per Capita Income	\$25,765	\$31,971	\$31,818

2024 HOUSING UNITS	1 MILE	3 MILES	5 MILES
Owner-Occupied	40.6%	50.1%	51.0%
Renter-Occupied	56.4%	47.2%	46.2%
Vacant	2.97%	2.77%	2.73%

INVESTMENT FORECAST

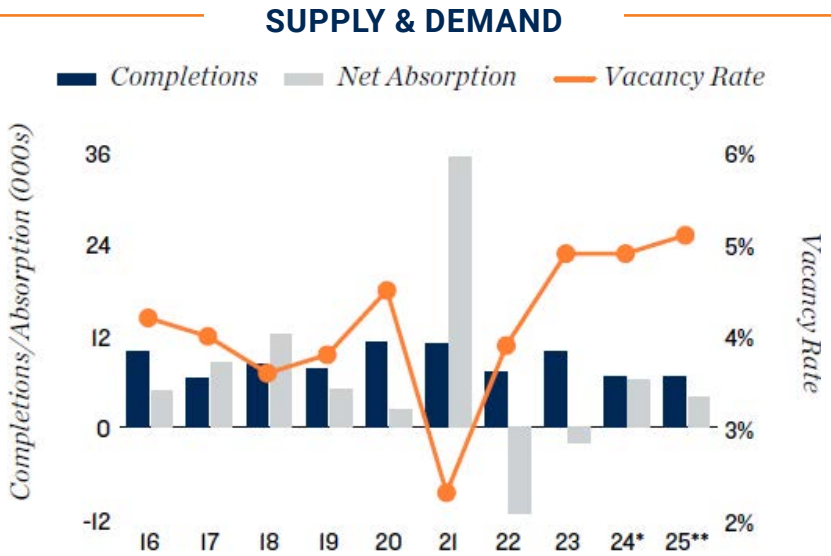
LOS ANGELES METRO 2025

Epicenters of Local Development Activity Shift as Developers Respond to Emerging Trends

Deliveries focused in some of the least vacant areas. After falling to 2.1 percent in early 2022, vacancy in Los Angeles rose 300 basis points over the next eight quarters. This spike prompted a pullback in multifamily permitting, dropping deliveries 1,800 units below the local average of the past 10 years. The most notable reduction will occur in the CBD, which is comprised of Downtown Los Angeles, Mid-Wilshire and Hollywood. Here, the decline is warranted, as more than 8,000 rentals were added over the prior two years — a supply wave that pushed local vacancy near 6 percent. Westside Cities will also register a noteworthy pullback in completions, with deliveries minimal in South Bay and Bur-bank-Glendale-Pasadena. In contrast, the San Gabriel and San Fernando valleys — home to some of the metro’s lowest vacancy rates — receive a collective 3,100 units after combin-ing for 1,000 new rentals last year. These additions may translate into some local upward vacancy momentum over the short-term. Still, the moderation in deliveries elsewhere should help foster a level of demand for rentals that supports a second-straight year of positive net absorption.

Sales outside of Los Angeles proper make up a larger share of activity. Deal flow took a notable step forward in the final quarter of 2024, due in part to interest rate cuts and the failure of Proposition 33. Based on preliminary data, the three-month span was the stron-gest in more than two years, with trades in Los Angeles proper accounting for one-third of sales activity. Nearly all these trades, however, were below the \$5 million mark. This trend will persist into the foreseeable future as a direct result of Measure ULA. Many investors seeking assets that

require capital deployments above this threshold will target areas outside the city, including Southeast Los Angeles, Long Beach, and the San Gabriel and San Fernando valleys. Relatively lower rents here spur steadfast Class B and C demand.



* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

2025 Market Forecast



0.8%
employment
increase

EMPLOYMENT

Local job creation improves in 2025, with the county slated to welcome 36,000 positions. Of these, 15 percent are within traditionally office-using sectors, aiding Class A rental demand.



6,600
units
will be completed

CONSTRUCTION

For the third time in four years, Los Angeles' rental inventory expands by 0.6 percent. Projects scheduled for delivery this year comprise an average of 105 units.



20
basis point
increase in vacancy

VACANCY

The metro registers positive net absorption; however, supply outpaces demand, lifting vacancy to 5.1 percent. The January wildfires may put downward pressure on vacancy rates.

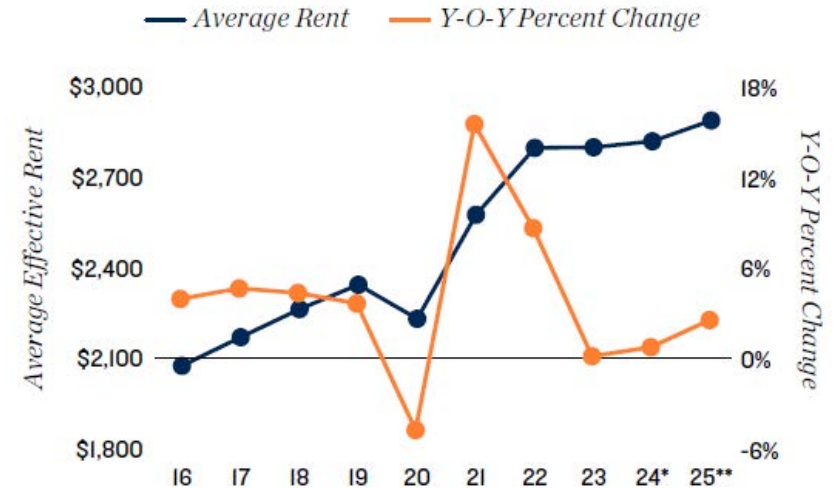


2.5%
increase in
effective rent

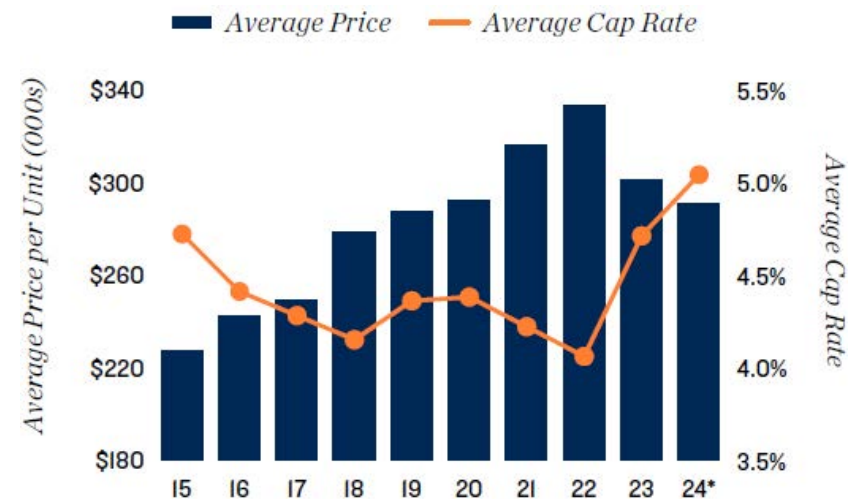
RENT

Household demand for lower-cost rentals supports moderate rent growth in the Class B and C sectors, lifting Los Angeles' overall effective rate to an average of \$2,883 per month.

RENT TRENDS



SALES TRENDS



* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.



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