Overview

The Los Angeles-Long Beach-Glendale Metropolitan Division (hereafter, Los Angeles County), coterminous with Los Angeles County in southern California, is part of the greater Los Angeles-Long Beach-Santa Ana, CA Metropolitan Statistical Area. Los Angeles County is the most populous county in the nation, and the city of Los Angeles is the second most populous city in the nation. Los Angeles County is known internationally for the presence of the entertainment industry (motion pictures and television); the aerospace industry is also a major economic presence.

- As of September 1, 2013, the estimated population of Los Angeles County was 9.97 million, an increase of 42,950, or 0.4 percent, annually since April 1, 2010.
- From July 2004 to July 2007, the population decreased by an average 16,200, or 0.2 percent, annually, as an easing of mortgage lending standards enabled households to purchase homes in neighboring counties, resulting in strong net out-migration.
- Net natural increase (resident births minus resident deaths) has accounted for all the net population gain since April 2010 because of continued net out-migration, as the unemployment rate remains at more than 10 percent.
Economic Conditions

Economic conditions have strengthened in Los Angeles County since 2011, as reflected in job growth in most nonfarm payroll sectors. During the 3 months ending August 2013—

- Nonfarm payrolls averaged 3.9 million jobs, an increase of 52,500 jobs, or 1.4 percent, compared with the number of jobs recorded during the same 3-month period in 2012, largely because of growth in the tourism, entertainment, healthcare, and technology industries.
- The most significant gains were in the leisure and hospitality, professional and business services, and education and health services sectors, which increased by 20,700, 18,200, and 16,600 jobs, or 4.9, 3.2, and 3.1 percent, respectively, from the 3 months ending August 2012.
- The greatest job losses occurred in the government sector, which decreased by 7,500 jobs, or 1.4 percent, from the 3 months ending August 2012, as layoffs continued in the local government subsector.
- The average unemployment rate decreased to 10.4 percent compared with the rate of 11.4 percent recorded during the 3-month period ending August 2012.

Although nonfarm payroll jobs have increased in Los Angeles County since 2010, the increases have slowed.

**Largest employers in Los Angeles County**

<table>
<thead>
<tr>
<th>Name of Employer</th>
<th>Nonfarm Payroll Sector</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser Permanente®</td>
<td>Education and health services</td>
<td>36,500</td>
</tr>
<tr>
<td>Northrop Grumman Corporation</td>
<td>Manufacturing</td>
<td>18,000</td>
</tr>
<tr>
<td>University of Southern California</td>
<td>Education and health services</td>
<td>16,600</td>
</tr>
</tbody>
</table>

Note: Excludes the government sector.
Sources: Los Angeles Business Journal, September 2012
Sales Market Conditions

The sales housing market in Los Angeles County is currently balanced, with an estimated sales vacancy rate of 1.5 percent, a decrease from 1.7 percent in 2010. During the 12 months ending August 2013, new home sales declined but new home sales prices increased from the previous year. For existing homes, home sales and prices both increased during the 12-month period ending August 2013 compared with sales and prices during the previous 12 months. A decline in the number of foreclosures helped increase existing home sales prices. The percentage of home loans in Los Angeles County that were 90 or more days delinquent, were in foreclosure, or transitioned to REO (Real Estate Owned) declined significantly, from 6.4 percent in August 2012 to 3.8 percent in August 2013 (LPS Applied Analytics). REO sales peaked at 11.8 percent of all existing home sales in February 2010.

During the 12 months ending August 2013—

- Rising mortgage interest rates and an increase in new home sales prices resulted in a decline in new home sales. New home sales totaled 2,900, a decrease of 475 homes, or 14.1 percent, from the 3,375 homes sold during the 12 months ending August 2012 and 71.3 percent fewer than the average of 10,100 homes sold annually from 2005 through 2007 (Metrostudy, A Hanley Wood Company).
- Existing home sales totaled 74,950, an increase of 5,450 homes sold, or 7.8 percent, from the 69,500 homes sold during the 12-month period ending August 2012 but 11.2 percent less than the average of 84,450 homes sold annually during the peak period of 2005 through 2007.

New home sales were down, but total home sales have been increasing in Los Angeles County.

New home sales prices were up strongly, although new homes sales were down in Los Angeles County.

After being more than the national rate, the rate of distressed loans in Los Angeles County has fallen to less than the national rate.

Single-family permitting activity has been increasing in Los Angeles County, but the levels are significantly less than the level recorded from 2004 through 2006.

Note: Includes single-family homes, townhomes, and condominiums.
Source: Metrostudy, A Hanley Wood Company

Note: Includes preliminary data from January 2013 through August 2013.
Source: U.S. Census Bureau, Building Permits Survey

REO = Real Estate Owned.
Source: LPS Applied Analytics
Rental housing market conditions in Los Angeles County are currently balanced. The increase in the number of renter households since 2010 outpaced the construction of new rental units and the conversion of single-family homes to rental units.

During the 3 months ending August 2013—

- The estimated vacancy rate for all rental units (which includes renter-occupied single-family homes, manufactured homes, and apartment units) was 5.0 percent as of September 1, 2013, a decrease from 5.8 percent in 2010.
- The apartment market, which represents 70 percent of all rental units, is tight, with a 3.2-percent vacancy rate in the third quarter of 2013, a decrease from 3.5 percent a year earlier (Reis, Inc.).
- The average monthly apartment asking rent was approximately $1,480 in the third quarter of 2013, an increase of $30, or 2.1 percent, from the third quarter of 2012.

Increases in apartment asking rents have slowed and apartment vacancy rates have stabilized.

Multifamily construction activity, as measured by the number of multifamily units permitted, increased in the past year as builders responded to tighter apartment market conditions.

- During the 12 months ending August 2013, approximately 9,100 multifamily units were permitted, an increase of 170 units, or 1.9 percent, compared with the number permitted during the same period a year ago (preliminary data).
- Although it increased, the current level of multifamily permitting is still significantly less than the average annual rate of 10,350 units permitted from 2004 through 2007.
- A number of large apartment complexes are currently under construction, including Blvd 6200, with 535 units; The Da Vinci, with 526 units; and Wilshire La Brea, with 478 units.
- The largest apartment complexes completed during the past year were the 544-unit The Shores, with rents averaging $2,600, and the 402-unit Terrena Apartments, with rents averaging $2,025.

As of September 1, 2013

Note: Includes preliminary data from January 2013 through August 2013.
Source: U.S. Census Bureau, Building Permits Survey