Title
Housing Demolition and Redevelopment in Los Angeles

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Key Takeaways

- In this report we examine the idea that new development in Los Angeles is resulting in the widespread loss, through demolition, of older, more affordable housing units.
- Demolition for housing development, and especially multifamily housing development, is uncommon. Los Angeles permitted more than 94,700 housing units for construction and just under 12,500 units for demolition from 2013–2019. Multifamily housing developments accounted for 87.4% of new units but were associated with just 42.1% of demolished units.
- Multifamily development rarely leads to demolition, especially of existing multifamily buildings. Only 528 multifamily building permits, representing 13.5% of new multifamily units, were associated with any multifamily demolition. In total, these multifamily permits were associated with the demolition of 3,110 existing multifamily units.
- Losses to multifamily demolition were easily outpaced by gains in the construction of new subsidized housing. During our study period, over 15,000 income-restricted affordable units were permitted for construction.
- Large development projects are associated with considerably fewer residential demolitions, on a per-unit basis, than smaller projects. For example, for projects of five to 19 units in size there are 8.5 new multifamily units built for each one demolished; this ratio climbs to over 40-to-1 for projects of 100 to 199 units and nearly 1,100-to-1 for developments of 200 units or more.
- We find the highest ratios of new-to-demolished units in parts of the city that previously prohibited or limited residential uses, including redevelopment areas such as Warner Center and the Los Angeles Sports and Entertainment District. The lowest ratios are found in higher-income neighborhoods where zoning rules restrict dense development.
- To the extent that the demolished multifamily homes were affordable to lower- and middle-income Angelenos and renter-occupied, their loss represents a loss to affordability. But far more affordable units are lost to rising rents. The number of units renting for $1,200 or less fell by more than 110,000 during the study period, roughly 35 times greater than the number lost to demolition. Rising rents are a product of development's absence.
- Our results do not suggest that involuntary tenant displacement never occurs, or that it is harmless when it does, or that tenant protections like "right to counsel" or "right to return" are unnecessary or unimportant. The results do indicate, however, that policies which restrict housing supply and drive up rents in existing units play a much bigger role than demolition in the housing crisis.

Introduction

Los Angeles has underbuilt housing for decades, leading to a major shortage that is driving rents and home prices out of reach for many residents, forcing households into overcrowded conditions, and contributing to a historic homelessness crisis.

In response, the city has tried to increase housing production in neighborhoods with good transit and employment access. But some community advocates have raised concerns that the new housing is being built on sites that once held cheaper housing — that, in short, we are demolishing old buildings to put up new ones.

Consider the Crossroads of the World project, a large-scale $1 billion redevelopment in Hollywood. The Crossroads will replace an 80-unit rent-stabilized apartment building with 950 new, mostly higher-end units (about 100 units will be reserved for lower-income households), and over 300 hotel rooms. New housing in Hollywood is an important goal, but the tradeoffs here are obvious as well. A potential price of the new housing will be displacement of the residents currently in these 80 units, some of whom were renting at significantly below-market rates because of their rent controls. So some affordability is gained (by new supply) but some is also lost (through destruction of older, cheaper stock).

Situations like the Crossroads are what motivate this research report. How often do trade-offs like this occur, and how big are they? To the extent Los Angeles is meeting its housing production goals, is it doing so by building on underused sites, with minimal loss to the existing housing stock and minimal community disruption? Or are we often simply trading older, more affordable homes for newer, more expensive ones?

The answers to these questions should inform the city and region's housing policy going forward. If new homes are mostly supplementing rather than replacing the existing housing stock, then our policies may be on the right track. But if losses to the existing housing stock are high, especially of units with more affordable rents, a course change may be warranted. Further, if specific neighborhoods, zoning categories, or project types are linked to a disproportionate number of demolished homes, the city might want to design policies around those areas or development types, to minimize the loss of existing units.

One obstacle to answering these questions is data: The city reports building and demolition permits separately, making it difficult to establish connections between new development and

housing demolitions. For our analysis, which we describe in more detail below, we linked building permits for new housing developments, from 2013–2019 in the city of Los Angeles, to permits for multifamily demolitions on the same sites. Doing so lets us better understand development's impact on the supply of older multifamily housing. We are able to determine the ratio of new units to demolished units for projects of different sizes, in different neighborhoods, and within different zoning classifications.

Our findings, in brief, are as follows:

Most new housing does not involve residential demolition. From 2013–2019, nearly two-thirds of residential building permits were not linked to any residential demolitions at all. Only 528 multifamily residential building permits, 12.2% of all multifamily permits, representing 12,818 new units, were linked to the demolition of multifamily housing, with over 3,100 multifamily units demolished as a consequence of these developments.

Demolition is strongly associated with single-family homes, and most demolitions are of single-unit developments. Building a new single-unit development often requires demolishing an old one. In the time period we studied, 58.5% of all demolished units were single-unit homes. Less frequently, new single-family homes involve demolishing multifamily housing. In our sample, almost 500 multifamily units were cleared to construct 185 single-unit developments.

Multifamily development rarely leads to demolition. Public attention is understandably drawn to large projects that result in demolition (e.g., the Crossroads example above), but we find that these cases are actually rather rare. In the time period we studied, 88% of multifamily building permits, and 85% of new multifamily units, involved no multifamily demolition at all.

Overall, far more housing is built than demolished. From 2013–2019, over 94,700 residential units were permitted for construction while just under 12,500 units were permitted for demolition. This is a ratio of 7.6 new units built for every unit lost to demolition, and a net increase of over 82,000 homes. This ratio, consistent with the points above, varies widely by project size, rising steadily and then precipitously as development projects get larger. The ratio is 3.4 permitted units for every demolished unit for two- to four-unit developments, 8.6 units per demolition for projects between 20 and 49 units, 40.4 for projects of 100 to 199 units, and nearly 1,100 new units per demolition for projects of 200 units or more. If we exclude single-unit building permits and count only multifamily projects, the ratio of new units to demolished units is 15.8. If we also exclude single-unit demolition permits (that is, if we exclude single-family homes demolished to build multifamily housing), the ratio becomes almost 27:1.

The ratio of new multifamily units to demolished multifamily units — again excluding single-unit construction and demolition — is highest in community plan areas (CPAs)

targeted for major redevelopment: over 15,000-to-1 in Central City and 900-to-1 Central City North (Downtown LA) and 1,700-to-1 in Chatsworth - Porter Ranch. The ratio is lowest in the city's most posh and suburban neighborhoods: below 4-to-1 in Venice and under 3-to-1 in Bel Air - Beverly Hills, Brentwood - Pacific Palisades, and Westwood. Unsurprisingly, residential demolitions were rare on commercially zoned parcels and most common on parcels zoned for single-unit residential.

Overall, these results suggest that multifamily development is not a major factor in the loss of affordable multifamily housing. The largest threat to affordability in Los Angeles is less the physical loss of units, and more the rising price of the units we have — and this rising price is a product of the city's paucity of new supply. Between 2013 and 2019, 3,110 multifamily units were demolished to make room for multifamily developments in Los Angeles. Over that same time, however, the city approved more than 15,000 units restricted to low-income households. Much of this new subsidized housing arrived as part of the city's Transit Oriented Communities Incentive Program, which uses a variety of incentives to tie on-site affordable housing into market-rate projects. So why is the city becoming less affordable? Also between 2013 and 2019, the number of units renting for under $1,200 per month fell by more than 110,000. These units were not demolished or converted to other uses, by and large; they just became more expensive as the supply of housing failed to keep pace with demand. No one should be sanguine about the loss of older units, but the heart of the city's affordability crisis is still a failure to build.

The remainder of this paper is organized as follows. In the next section, we describe the data used for this analysis and the methods for linking building permits to associated demolition permits. We then report the results of this analysis by project size, neighborhood (community plan area), and zoning category, and discuss the implications of these findings, followed by our conclusions.

Data and Methods

Our primary question is the extent to which new development is leading to displacement through demolition.

Demolition can result in displacement in more and less harmful ways, and our analysis focuses on the more harmful types, which usually involve the loss of occupied multifamily rental units.

In part, we focus on multifamily development because it is more salient. As we have mentioned, multifamily developments are typically more visible, face the greatest local opposition and attract the most attention, and concerns about displacement are often used to argue against their approval.

But there are also substantive reasons to focus on the loss of rental housing. A homeowner who voluntarily sells their property to a developer is not displaced in any meaningful sense of the word, while the low-income, long-term tenant of a rent-stabilized apartment whose landlord sells to a developer almost certainly is. Between these extremes are more ambiguous cases, such as tenants who live in rent-stabilized units but moved in recently, and are thus paying market or near-market rents; when redevelopment occurs these tenants will lose their unit but probably find new housing at a similar price point. Another ambiguous case is tenants in detached single-family homes. These homes are not protected by rent stabilization, but because most detached single-family homes are unavailable for rent (72% are owner-occupied), people displaced from them may find few comparable nearby housing options. **Table 1** provides additional details about the city's housing stock and households' tenure.

Because most single-unit homes in Los Angeles are owner-occupied and none are rent-stabilized, while the overwhelming majority of multifamily units are rented (91%), and most rented multifamily units are rent-stabilized (roughly 67%), residents of multifamily homes are more likely to suffer involuntary displacement than are residents of single-unit homes, and less likely to find new housing at a comparable price when displacement occurs.

For all these reasons, our analysis centers on multifamily developments that result in the demolition of multifamily housing. We do examine some cases of single-unit building and

demolition, but our focus is on the loss of multifamily housing.[1] Excluding single-family development also makes data collection easier, as we describe below.

A final point: Not all units that are demolished are occupied, or suitable for occupancy. Some buildings have reached the end of their useful life, and are only demolished after having sat empty for some time. In our analysis, we assume that the buildings in our sample are not obsolete, and would have gone on being occupied had they not been demolished. That assumption is probably valid for most of our sample, but not all of it, meaning we probably err slightly on the high side when we estimate habitable units lost to demolition.

Table 1.
Tenure and building size/type for city of Los Angeles housing market, 2019

Building size/type (units)	Owner-occupied units	%	Rental units	%
1	435,082	72.0	169,173	28.0
2-4	11,944	9.6	112,659	90.4
5-19	20,777	8.0	239,922	92.0
20-49	15,560	8.1	177,570	91.9
50 or more	21,381	10.4	184,987	89.6
Mobile Home	6,104	70.1	2,601	29.9
Boat, RV, Van, Etc.	267	23.4	873	76.6
Total	**511,115**	36.5	**887,785**	63.5

[1] One might worry that in not fully examining single-unit developments, we risk overlooking the demolition of single-unit homes in lower-income parts of the city, many of which are rented. Such demolitions may be more likely to result in displacement. The data we have, however, suggest that single-unit demolition is more common in higher-income areas. In fact, slightly more than half of all single-unit demolitions during the study period were in just three of 15 council districts in Los Angeles: districts 4, 5, and 11. These districts rank No. 4, No. 2, and No. 1, respectively, for median household income in the city.

Data Assembly

The Los Angeles Department of Building and Safety (LADBS) issues separate permits for demolition, new buildings, additions, alterations/repairs, and various other project types. A public database of permits at data.lacity.org is updated on a regular basis by the LADBS, with each permit providing an approval date, parcel number and address, work description, project valuation, number of units built or demolished, and total floor area, among other details. This dataset is our primary source.

Before proceeding, remember that a *permit* to build housing is not the same as a housing unit. One building permit could represent one housing unit (if the developer is building a single-family home) but could also represent hundreds of units (if the developer is building an apartment tower). Our starting sample includes the full set of new building and demolition permits issued by LADBS from Jan. 1, 2013 through Dec. 31, 2019, downloaded from the city's open-data website.

As a first step in our analysis, we removed all permits that do not involve the construction or demolition of residential units, e.g. projects that are 100% commercial, or permits to demolish only non-housing structures, such as storage facilities and strip malls. We also removed building and demolition permits that were expired, or that had been withdrawn or revoked. These deletions, as well as the removal of a small number of redundant supplementary permits, left us with 16,284 building permits representing 94,718 new units, and 8,497 demolition permits representing 12,313 demolished units. The building permits represented projects that ranged from having one to 1,150 units, and the demolition permits represented projects that demolished between one and 38 units.

The data challenge for this research is that the city's record-keeping does not directly link building permits with demolition permits. All projects receive a Plan Check and Inspection System (PCIS) number from LADBS, but the PCIS numbers are generated independently for building permits and demolition permits, even if both activities are occurring on the same parcel, and are not linked together for the public. For example, a 25-unit development in West Los Angeles has the following permit number: 16010-20000-01998, where the first two digits represent the year when the permit process began (2016), '20000' corresponds to the permit type, and '01998' corresponds to the sequential order in which the permit number was generated during that year. That project involves some demolition, and the developer applied for and received several demolition permits. Nothing about those demolition permits, however, indicates that they are tied to the building permit. The PCIS number for one of the demolition permits is 17019-30000-03014 — a number that offers no hint that it might have a corresponding building permit.

We were able to overcome this problem because all records — both building and demolition permits — do include address and parcel numbers. We first matched building permits to demolition permits by address and, if that process yielded no matches, by parcel number. For each

building permit with no matching demolition permits, we also searched for demolition permits issued prior to 2013, to account for the possibility that a developer purchased a site and applied for a demolition before the 2013–2019 study period. We added a total of 58 pre-2013 demolition permits to the sample this way, increasing the number of demolition permits to 8,555 and the number of demolished units to 12,492.

If neither the address method nor the parcel generated a match, and the building permit was for a multifamily development (two or more units), we looked up the building permit manually using the project address on LADBS's online building records system. This approach, while more time-consuming, showed us any permits — new building, demolition, alteration/repair, etc. — issued at the provided address, or at any address that overlaps with that site.

If neither an address search nor a parcel search gave us a matching demolition permit, and the building permit was for a single-unit development, we stopped the search. We did so for two reasons. First, as already mentioned, our primary interest is in the demolition of multifamily housing, and the economics of development make single-unit projects unlikely to involve demolishing multifamily homes. Multifamily development is usually what leads to multifamily demolition; it is rare to knock over an apartment building to construct a single-family home. Our demolition permit analysis (below) accounts for these relatively rare cases.

Second, manually investigating single-use developments would have been extraordinarily time-consuming. Of the nearly 16,400 building permits we examined, slightly more than 12,000 were for single-unit residential projects. We were unable to match approximately two-thirds (67.2%) of these single-unit building permits via addresses or parcel numbers, and we did not investigate them further.

When we found residential demolition permits that matched a building permit, we added the demolition information to the building permit record. If we found no matching residential demolition permits, we noted as much, and tried to identify the site's previous use, primarily with Google Street View, to confirm that there was no housing on the site prior to issuance of the building permit. Residential projects that did not involve residential demolition were often located on what had been vacant parcels or surface parking lots, or were on commercial or industrial land, and thus had involved the demolition of commercial or industrial buildings, but not housing.

This process involved starting with the list of building permits and trying to match all of them to a demolition permit. When this was done, we were left with a list of demolition permits that we had not matched to a development. So our next step was to turn the process around: Take this list of residential demolitions and try to match them to a development. We followed the same basic process we had with building permits, and as we had with building permits we only performed manual searches for demolition permits for buildings with two or more residential units. In

addition to the LADBS online building records system discussed above, we also used the city's Zone Information Map Access System and the LADBS Online Services permit & inspection report to identify and match permits.

By these methods we identified matches for the vast majority of initially unmatched demolition permits. Many of these demolition permits were linked to building permits issued in 2020 or 2021, or building permits that have been applied for but not yet approved. These factors explained why we had been unable to match them in our building permit search. (Our focus, again, is on building permits issued between 2013 and 2019.)

At the end of the process, only 227 multifamily demolition permits, representing 1,164 units, were not matched to a building permit. We examined these in more detail. Some of these demolition permits turned out to be linked to non-residential building permits — housing was being demolished and replaced with exclusively non-residential uses. These circumstances were rare, however. Almost half of the 227 unmatched permits (106 out of 227, representing 212 demolished units) were associated with the Ponte Vista redevelopment in the Harbor City neighborhood, which has been long-delayed. Another 65 demolition permits, representing 612 units, were connected to the expansion of Los Angeles International Airport (LAX); most of these sites were zoned or rezoned "LAX," a special zoning category reserved for the airport that — for obvious reasons — had no residential building permits. After our examination, only 56 multifamily demolition permits, representing 340 demolished units, were still not matched to any specific project. Looking further at these last permits suggests that most did indeed involve housing that was torn down without any new construction replacing it. Some involved buildings that were condemned due to fire damage or poor maintenance; some were connected to the Jordan Downs public housing redevelopment; and some were connected to school, church, or parking facilities expansions.

This exercise leaves us with a near-complete dataset of building permits and their associated demolitions. We cannot determine the rental or ownership history for every demolished home, but as a proxy for whether demolished homes were affordable to low- or moderate-income renters we matched each permit to census tract data on median rents, home values, and incomes.

From here, we examine the relationship between new units and demolitions along several dimensions. First, we evaluate the ratio of units permitted for construction to units permitted for demolition by the number of units in new developments. Projects were grouped by project size into single-unit, two to four units, five to 19 units, 20 to 49 units, 50 to 99 units, 100 to 199 units, and 200 to 1,150 units. We then evaluate the ratio of new to demolished units for each of the city's 15 council districts, 35 community plan areas, and 38 of its most common zoning designations (R1, R2, C1, etc.) and eight zoning categories (single-family residential, multifamily residential, commercial, etc.).

Results

Our full sample of building permits and demolition permits, grouped by the number of units built or demolished, is summarized in **Table 2**. Note that this table provides a straightforward tally of permits and units, grouped by project size, for both building and demolition permits. For the moment we ignore the fact that a building permit of one size may well involve a demolition permit of a very different size — that, for example, a 10-unit building might be demolished to make room for a 90-unit building. As such, Table 2 shows that there were 396 building permits for projects between 20 and 49 units, and 17 demolition permits for buildings of this size (row 4). In later tables, we will list the number of demolished units associated with building permits grouped by project size, *regardless of the number of units demolished*. For these later tables, for a 54-unit development which resulted in the demolition of a three-unit apartment building, the three demolished units would be counted in the 50-99 unit row.

Table 2 is useful in showing us that most building permits, and (especially) most demolitions are of structures of less than five units. Over 90% of building permits involve constructing structures of one to four units (the vast majority of these are single-unit developments). An even greater share of demolitions involve removing less than four units. Only 17 of the 8,555 demolition permits we examined were for structures of more than 20 units, while over 8,300 (almost 97%) were for structures of four units or less. Structures with 20 or more units account for only 3% of total units demolished.[2]

Table 2.

Buildings and units permitted for construction and demolition by project size

Number of units in building	Building permits	New units	Demolition permits	Demolished units
1	11,965	11,965	7,236	7,236
2-4	2,870	6,140	1,027	2,535
5-19	717	6,823	275	2,269
20-49	396	12,601	17	452
50-99	155	10,544	0	0
100-199	83	11,682	0	0
200-1,150	98	34,963	0	0
Total	**16,284**	**94,718**	**8,555**	**12,492**

[2] We identified one building permit associated with the demolition of 50 or more units: the 140-unit Rolland Curtis Gardens affordable housing development. No demolition permits of this size appear in Table 2 because the 52 units were distributed between six buildings, each with its own demolition permit.

These findings are sensible: most of Los Angeles' residential land is zoned only for single-unit homes, and most of that land has a house on it. The typical building project will therefore involve constructing a single-unit home, and removing another one. Land zoned for higher-intensity development, in contrast, is less common, and may be less likely to hold housing.

In **Table 3**, we break down these relationships further. The top portion of the table examines building permits, and (as noted above) directly links units demolished to their corresponding building projects. What do we learn from this? First, we see again that most projects are not multifamily, and see further that most multifamily projects involve little to no demolition. Of 16,284 total new building permits in our sample, only 4,319 (26.5%) are for multifamily projects. Of those, only 528 (12.2% of multifamily permits, and 3.2% of all permits) are associated with the demolition of two or more housing units.

An additional point, true almost by definition, is that while most projects are not multifamily, most units come from multifamily projects. Of 94,718 total units permitted, 82,753 (87.4%) are multifamily units. For the full sample of building permits, the average units per permit was 5.8 and the median was 1.0. This average is held down, however, by the abundance of single-unit developments. Among multifamily building permits, the average units per permit was 19.2 and the median was 2.0. The median remains low as the average jumps because the most common multifamily project is a two-unit development (the two-unit development, similar to the single-unit development, accounts for a large share of permits, at 60.3% of of all multifamily permits, but a small share of units, at only 6.3% of multifamily units).

Out of all new units permitted, 13,003 (13.7%) involved demolishing some multifamily housing. Most of these units, like most units overall, were in multifamily projects, and in fact tended to be in larger multifamily projects. Where average and median units per permit were 19.0 and 2.0 for all multifamily projects, for multifamily building permits linked to multifamily demolition, these numbers were 24.3 and 14.0, respectively. Not all multifamily demolition was the result of new multifamily housing, however. A small but not inconsequential number of single-unit developments, 185 permits, were associated with the demolition of 482 multifamily units. These projects are notable for representing a net loss of housing.

The bottom portion of Table 3 examines demolition permits. The story here is essentially the same, albeit told from the other direction. Most demolition permits do not demolish multifamily homes, and most units demolished are not multifamily units. Of 8,555 total demolition permits in our sample, 1,319 (15.4%) are for multifamily demolitions. There are 12,492 total units permitted for demolition, of which 5,256 (42.1%) are multifamily units. There are 713 multifamily demolition permits (8.3% of all demolition permits) associated with multifamily building permits, and these permits account for 3,110 unit demolitions (24.9%).

Table 3.
Average and median units per permit

	Total	Multifamily permits only	% of total	Multifamily project w/ multifamily demolition	% of total
Building permits	16,284	4,319	26.5	528	3.2
Units	94,718	82,753	87.4	12,818	13.5
Average units/permit	5.8	19.2		24.3	
Median units/permit	1.0	2.0		14.0	
Demolition permits	8,555	1,319	15.4	713	8.3
Units	12,492	5,256	42.1	3,110	24.9

Permit activity by development project size

If a demolition removes an older housing unit to make way for a newer one, it probably results in a loss of affordability, since older housing, all else equal, often sells or rents for less than newer housing. This negative effect on affordability can be moderated, however, by the effect of new supply: if an older unit is replaced by many newer units, then new development can nudge prices down overall.[3] It is thus important to know how many new units are gained for each unit lost to demolition, and to see how this ratio changes with different types of development projects.

Table 4 examines these questions. As project size increases, the average ratio of new units to demolished units also rises. (We do not show single-unit projects because the ratio is almost invariably 1:1). For two- to four-unit developments, an average of 3.4 units are built for every one unit demolished. The ratio increases monotonically by project size category, to almost 1,100 new units per demolished unit for developments of 200 units or more. Note that the table only includes those single-unit demolitions that we could auto-match to building permits by their address or parcel number; as we discussed above, however, this omits the many single-unit demolitions we could not match, so the actual ratios will be somewhat lower. In short, we are not capturing a substantial number of demolished single-unit homes.

[3] The loss of affordability can also be moderated if the new project is required to set aside some units as income-restricted housing. Many larger projects in Los Angeles do face such requirements, but in this analysis we do not account for mandated affordable housing.

Table 4.
New units permitted and associated demolitions by multifamily project size

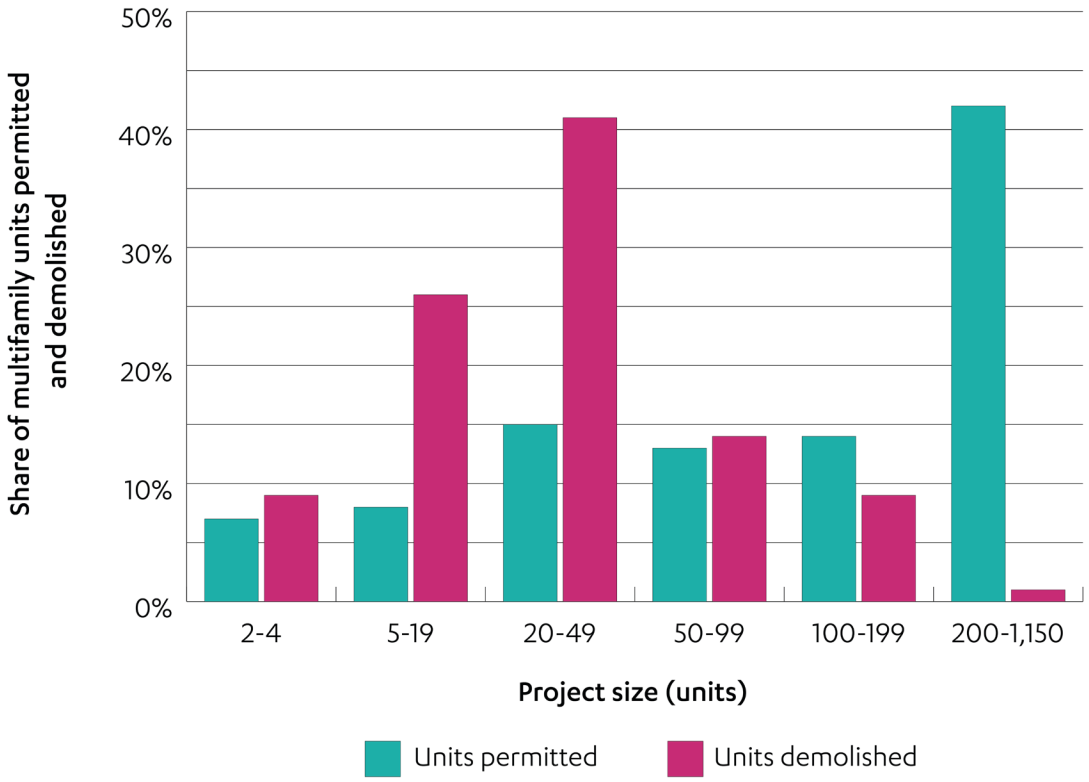
		All demolition permits		Multifamily demolition permits only	
Project size (units)	**New units permitted**	**Units demolished**	**Ratio new to demolished**	**Units demolished**	**Ratio new to demolished**
2-4	6,140	1,795	3.4	292	21.0
5-19	6,823	1,154	5.9	800	8.5
20-49	12,601	1,465	8.6	1,270	9.9
50-99	10,544	487	21.7	444	23.7
100-199	11,682	289	40.4	273	42.8
200-1,150	34,963	32	1,093	31	1,128
Total [average]	**82,753**	**5,222**	**[15.8]**	**3,110**	**[26.6]**

To partially address this problem, we also created ratios of units built to units demolished with all single-unit demolitions excluded. These latter ratios, which correspond more to our primary policy concern (the loss of multifamily housing) are shown in the right hand columns of Table 4. For projects of five units or more, removing single-unit demolitions causes a modest to moderate increase in the ratio of new to demolished units. For two- to four-unit unit projects, in contrast, the ratio increases more than sixfold, from 3.4 to over 21. This change suggests that most of the housing demolished to make way for two- to four-unit buildings comes from single-unit rather than multifamily structures.

Figure 1 presents the same data, but does so graphically, to make a related point: large multifamily developments account for a huge share of the multifamily units built, and a very small share of the multifamily units demolished. Projects that build 50 or more units are responsible for 67% of the multifamily units built, and 24% of the units demolished. Examining this pattern in more detail suggests that as project size rises, a project's proportional contribution to demolition sharply falls. Two- to four-unit developments account for roughly 7% of new units permitted, and nearly 10% of demolished units. Projects in the five- to 19-unit and 20- to 49-unit ranges represent 8% and 15% of new units but 26% and 40% of demolished units, respectively. (Note, however, that in these categories the ratio of new multifamily units to demolished multifamily units is still quite high, approaching 10-to-1.) Fifty- to 99-unit developments account for roughly equal shares of units permitted and demolished, at around 13%-14%. The relative share of multifamily demolitions

continues to decline as project size increases: 14% of permitted units were in 100- to 199-unit developments compared to 8% of demolished units, and projects with 200 or more units account for over 40% of total new multifamily units but only 1% of multifamily demolitions.

Figure 1.
Multifamily units permitted and linked multifamily demolitions by project size of new development



Permit activity by geography

Development and demolition vary not just by project size, but also across space. Both are more common in some areas than others. The reasons for this geographic variation might include political representation, zoning and other administrative designations, and market conditions. In what follows we examine each of these.

We start with political representation, and examine permitting activity by city council district. Los Angeles is divided into 15 council districts,[4] each represented by an elected council member. The districts are large — each member represents around 270,000 residents — and for our purposes they matter because the council members hold considerable sway over development in their

[4] An interactive map of the city's council districts can be found at empowerla.org/council-districts-map/

districts. Given the power of council members to shape and direct change in their districts, it is useful to examine building and demolition trends within each district. Council members are, of course, not all-powerful. They cannot change local demand, household incomes, or job growth, nor can they completely ignore long-standing community plans. Nevertheless, council members have the power to shape what gets approved, and in what form, in their districts, and it is not uncommon for them to exercise that power, up to or including an effective veto over individual projects.

Table 5 shows building permits and their linked demolitions by council district. The number of multifamily units approved varies widely by district, from just over 1,000 units permitted in council District 7 in the north San Fernando Valley to over 16,000 units in District 14, which includes Downtown Los Angeles. Districts 1 (Central and East LA), 10 (Central and South LA), 11 (West LA), and 13 (Central and Northeast LA) each approved at least 6,000 new multifamily units. In general, Los Angeles' central east-west band, a corridor that runs from downtown to the beach, saw much more multifamily development activity than did South LA or the San Fernando Valley. The distribution of permitted multifamily units for the council districts is depicted in **Figure 2A**.

With one exception, the districts that approved the most multifamily units are generally not the districts with the highest ratios of new multifamily to demolished multifamily units. For the most part, a high ratio at the district level is driven by a low absolute number of demolished units, not a large amount of permitted units. Thus districts 12 (Northwest San Fernando Valley), 14, and 15 (South LA and Harbor) had ratios exceeding 500:1, but mostly because each had very few demolitions — in districts 12 and 15, for example, only four multifamily units were demolished. District 14 is a bit different. It had more demolitions (31 units lost, still far lower than most districts but much higher than districts 12 and 15) but also permitted the most housing in the city by far (over 16,000 units).[5] **Figure 2B** maps the ratio of new to demolished multifamily units for each council district.

The two districts with the highest median household income, districts 5 and 11, also have the lowest ratios of new to demolished units, at 7.3 and 12.8 respectively. Incomes and prices in these Westside districts may help explain the relatively high rates of demolition.

In almost any circumstances, redevelopment is costly, time-consuming and risky, so the returns need to be high to convince a landowner to pursue them. Those returns, in turn, are a function of both how many new units the redevelopment allows, and how much each one will rent or sell for. As a result, higher-priced neighborhoods can allow profitable redevelopment even when the number of additional units is smaller. As market prices rise, the financial incentive for redevelopment grows, especially for older multifamily housing that is rent-stabilized and charging below-market rents. Market prices in the Westside are very high, so a redevelopment might be

[5] Most of the new units permitted in District 3 are associated with the expansive Warner Center redevelopment plan.

financially feasible in these districts but not in districts where incomes and rents are lower. For example, take a rent-stabilized triplex with long-term tenants that rents for an average of $1,000 per unit, located on a site zoned for up to six units. If the triplex is in a less expensive neighborhood where an apartment in the six-unit development will rent for $2,000 per month, it probably does not make financial sense to redevelop the property. If the same property is located in a Westside neighborhood where the market rents for each of six new units could easily exceed $3,000 per month, however, the redevelopment might be profitable.

In these circumstances, higher-priced areas would see more demolition relative to building. Thirty percent of new units approved in District 5 — more than four times the citywide average of 7% — were in multifamily projects with low replacement ratios, defined here as having five or fewer new multifamily units per demolished multifamily unit. Fourteen percent of projects met this "low ratio" standard in District 11, followed by 13% in districts 4 and 6.

Table 5.
Multifamily building permits and linked demolition permits by council district

Council district	Median household income ($1,000)	Multifamily units permitted	Multifamily units demolished	Ratio new to demolished	Share of new units in low-ratio projects*
1	40.0	6,621	109	61	0.02
2	59.8	5,508	263	21	0.09
3	71.8	4,566	14	326	0.01
4	82.4	5,230	361	14.5	0.13
5	88.6	5,152	709	7.3	0.30
6	49.1	2,390	116	21	0.13
7	63.1	1,008	24	42	0.06
8	37.0	2,301	128	18.0	0.10
9	33.5	4,400	55	80	0.01
10	43.6	8,485	349	24	0.07
11	99.2	8,784	685	12.8	0.14
12	87.0	2,129	4	532	0.00
13	46.8	7,836	258	30	0.05
14	50.8	16,099	31	519	<0.01
15	50.7	2,244	4	561	<0.01
Total / [Average]	**[60.2]**	**82,753**	**3,110**	**[26.6]**	**[0.07]**

* "Low ratio" defined as a project with 5 or fewer new multifamily units per demolished multifamily unit

Figure 2A.
Multifamily units permitted by council district

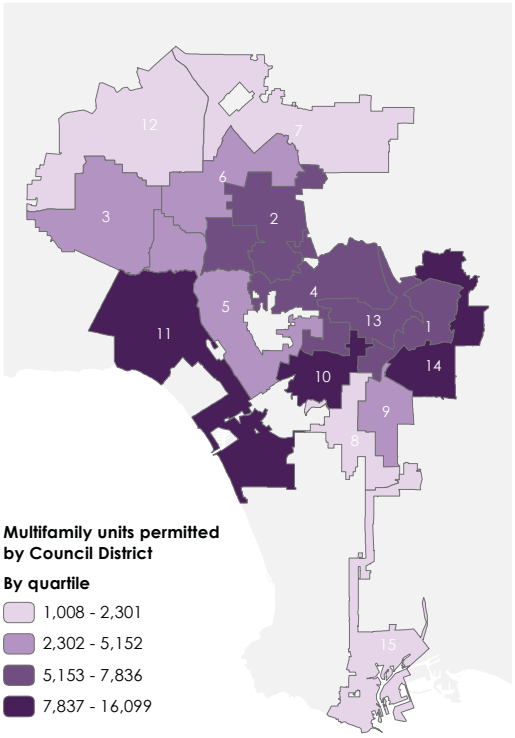
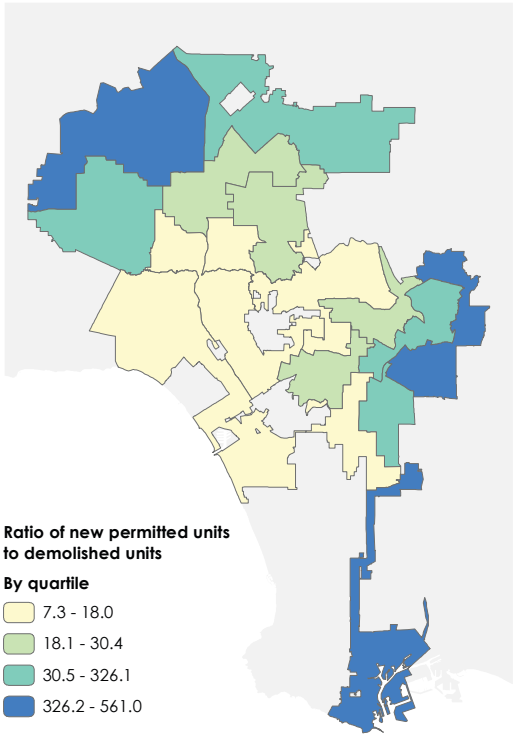


Figure 2B.
Ratio of new permitted multifamily units to demolished multifamily units by council district



Permit activity by community plan area (neighborhood)

Council districts are important because they are the primary seat of political power in Los Angeles. Their sheer size, however, means that studying them obscures almost as much as it illuminates. Each council district spans multiple neighborhoods and some include very geographically and culturally distinct communities. District 4, for example, includes the high-density, lower-income neighborhood of Koreatown and the lower-density, higher-income neighborhood of Sherman Oaks. Consequently, local patterns may be masked by intra-district variation, e.g. a district with a lot of demolitions in one neighborhood and very few in another, but an average amount overall.

One way to examine geographic variation at a finer scale, but one that still corresponds to government decisions about land use, is by analyzing Los Angeles' 35 Community Plan Areas (CPAs). The CPAs facilitate land use planning at a neighborhood level, which include zoning designations, design standards, and other land use rules typically updated through the community plan update process.[6] Using geographic information systems (GIS) software, we linked each project to its respective CPA to examine development and demolition patterns at a more granular level. Our findings are summarized in **Table 6** and visualized in **Figure 3A** and **Figure 3B**.

[6] An interactive map of the community plan areas can be found at planning.lacity.org/plans-policies/community-plans

The CPAs that approved the most multifamily units include Central City (Downtown), Canoga Park - Winnetka - Woodland Hills, Westchester - Playa del Rey, Westlake, Hollywood, North Hollywood - Valley Village, and Wilshire. Those that demolished the most multifamily units include Hollywood, North Hollywood - Valley Village, Wilshire, West Los Angeles, and Brentwood - Pacific Palisades.

In CPAs with at least 1,000 units permitted, the highest ratios of new units to demolitions are found in Central City and Central City North, Chatsworth - Porter Ranch (specifically at the border between Chatsworth and Northridge), and Canoga Park - Winnetka - Woodland Hills (Warner Center). Other areas with high ratios, but less overall housing production, include Harbor Gateway, San Pedro, and Wilmington - Harbor City at the far south of the city and Sylmar at the far north.

The CPA analysis reinforces the point we made above about high-priced areas enabling redevelopments that add relatively fewer units per unit demolished. High-income and high-cost neighborhoods like Brentwood - Pacific Palisades, Westwood, Bel Air - Beverly Crest, and Venice had very low built-to-demolished ratios, of less than four-to-one. These neighborhoods, in addition to West Los Angeles and Sherman Oaks - Studio City - Toluca Lake, also stand out for the large share of projects with low replacement ratios. In Sherman Oaks - Studio City - Toluca Lake, 44% of new units were in projects with five or fewer new units per demolished multifamily unit. The same was true of 59% of approved units in Brentwood - Pacific Palisades and 73% in Westwood. One hundred percent of units were in "low ratio" redevelopments in the Bel Air - Beverly Crest CPA, although the neighborhood saw only 46 new units and 16 demolitions approved during the study period.

The Brentwood - Pacific Palisades and Westwood CPAs are worth dwelling on further. These CPAs not only have the lowest ratios of new to demolished multifamily units and a very large share of "low ratio" projects — they also have a large number of multifamily demolitions in absolute terms, with 262 and 155 respectively. Only four other CPAs have more demolitions, but these each permitted at least 2,400 new multifamily units during the study period. These neighborhoods warrant additional research to determine how their socioeconomic and demographic characteristics, built environment, and regulatory environment may be encouraging such poor outcomes.

As the home of many UCLA students, the demolition trends in Westwood are of particular interest. One possible explanation for the high rate of demolition is the seasonal nature of student occupancy: If many students are vacating their units during the summer months, the financial and regulatory costs of "low-ratio" redevelopment projects may be lower — in other words, there is no one to evict. Generally high demand for West Los Angeles housing could also be playing a role, as could the intersection of these two factors.

Table 6.

Multifamily building permits and linked demolition permits by Community Plan Area

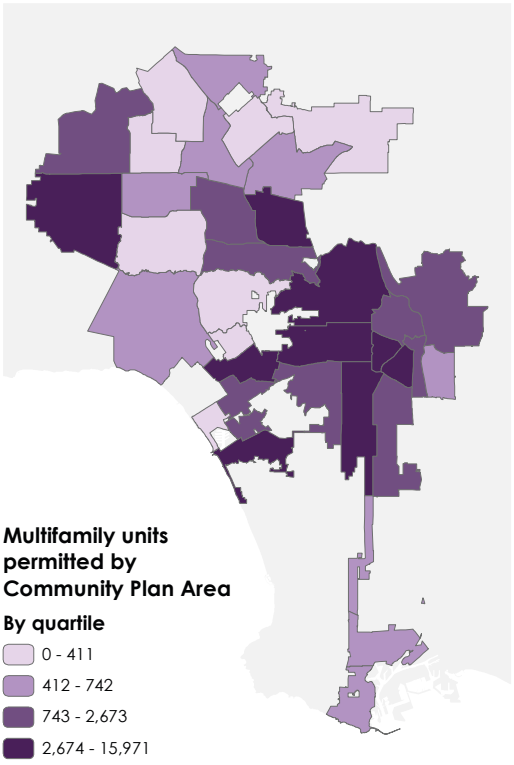
Community Plan Area	Multifamily units permitted	Multifamily units demolished	Ratio new to demolished	Share of new units in low-ratio projects
Central City	15,971	0	n/a	0.00
Chatsworth - Porter Ranch	1,715	0	n/a	0.00
Central City North	1,873	2	937	0.00
Harbor Gateway	742	0	n/a	0.00
Sylmar	618	0	n/a	0.00
San Pedro	518	0	n/a	0.00
Wilmington - Harbor City	495	0	n/a	0.00
Reseda - West Van Nuys	721	2	361	0.00
Canoga Park - Winnetka - Woodland Hills	3,936	12	328	0.01
Silver Lake - Echo Park - Elysian Valley	775	6	129	0.03
Northeast Los Angeles	1,268	11	115	0.00
Northridge	359	4	90	0.00
Southeast Los Angeles	2,642	43	61	0.01
Westchester - Playa del Rey	4,998	85	59	0.04
West Adams - Baldwin Hills - Leimert	2,673	48	56	0.02
Arleta - Pacoima	55	0	n/a	0.00
Westlake	4,580	105	44	0.04
Granada Hills - Knollwood	32	0	n/a	0.00
Palms - Mar Vista - Del Rey	2,590	90	29	0.06
Boyle Heights	560	20	28	0.10
Sunland - Tujunga - Lake View Terrace	265	10	27	0.12
Encino - Tarzana	211	8	26	0.00
Hollywood	8,138	335	24	0.07
Mission Hills - Panorama City - North Hills	575	25	23	0.05
North Hollywood - Valley Village	4,394	200	22	0.08
South Los Angeles	2,718	144	19	0.09
Wilshire	11,126	735	15	0.12
Sun Valley - La Tuna Canyon	656	44	15	0.11
Van Nuys - North Sherman Oaks	2,415	166	15	0.19

West Los Angeles	3,208	420	7.6	0.27
Sherman Oaks - Studio City - Toluca Lake	753	145	5.2	0.44
Venice	63	17	3.7	0.22
Bel Air - Beverly Crest	46	16	2.9	1.00
Westwood	411	155	2.7	0.73
Brentwood - Pacific Palisades	653	262	2.5	0.59
Total [Average]	**82,753**	**3,110**	**[26.6]**	**[0.07]**

Note: CPAs with "n/a" in the "Ratio new to demolished" column experienced no multifamily demolition during the study period. Their ratios are effectively infinite.

Figure 3A.

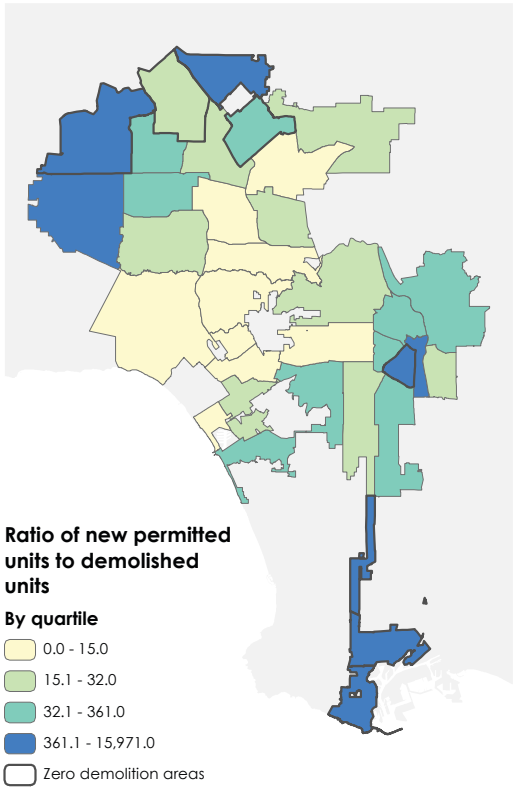
Multifamily units permitted by community plan area



Note: The Los Angeles International Airport and Port of Los Angeles community plan areas are not depicted in this map.

Figure 3B.

Ratio of new permitted multifamily units to demolished multifamily units by community plan area



Note: The Los Angeles International Airport and Port of Los Angeles community plan areas are not depicted in this map. Ratios in areas with zero multifamily demolition, outlined in bold, are mathematically undefined, but are treated here as equal to the number of multifamily units permitted.

Permit activity by zoning designation

The number of units permitted for construction and demolition in each district or neighborhood is not random, nor is it solely a consequence of present-day economic, demographic, or political conditions. Zoning designations are also of paramount importance. Each parcel has its own zoning designation, which determines what can be built there, through restrictions on density, height, and floor area, as well as requirements for parking and setbacks. These zoning regulations will invariably influence the relationship between new development and demolition. In a neighborhood zoned primarily for low-density housing, for example, it's all but impossible to build a significant number of homes without also tearing down many existing units. In an area zoned for higher-density apartments, in contrast, the ratio of new units to demolished units could be much higher, if the newer buildings have many more units than any buildings they replace. And if an area has been rezoned from a non-residential to residential use (for example, from industrial to residential) then a large amount of new housing can be built without demolishing any units at all.

We analyzed development trends by specific zoning designations as well as broader zoning categories to identify which are associated with more or less housing demolition relative to production. Detailed results for the first part of this analysis, our examination by zoning designation, are provided in **Table 7**. Zoning designations can be highly specific, and during the study period multifamily housing was built on more than 30 different individual zoning designations. (Descriptions of each zoning designation in Los Angeles can be found here). Overall, we found that higher ratios of new to demolished multifamily units were most common in zones that previously prohibited or discouraged residential uses, such as the Warner Center redevelopment area, and parcels formerly zoned for manufacturing uses.

The redevelopment plan areas that previously were not zoned for residences include Warner Center (WC), the Los Angeles Sports and Entertainment District (LASED), and USC. These areas saw a large number of new homes and no multifamily residential demolition.[7] Several large projects have also been permitted in industrial zones (M1 and M3) following zone changes that allowed housing development at their specific sites. In general, we see the highest ratios of new multifamily housing to demolished multifamily housing in zones where residential uses are allowed but not required, such as the C4 and CM commercial zones, or where housing was previously prohibited but now allowed, such as the cases above. The largest number of homes were permitted in the C2 and C4 commercial zones, the middle-density R3 multifamily residential zone, and higher-density R4 and R5 multifamily zones.

[7] Los Angeles has many "specific plan" areas but these are usually treated as an overlay on more traditional zoning designations, not zoning designations themselves; the three zones noted in the text are an exception.

More than half of the multifamily demolitions associated with multifamily developments (1,794) were in the residential zoning designation called R3. R3 allows development of modest density: A typical 5,000-square-foot parcel with R3 zoning could permit between six and 12 homes, depending on eligibility for state or local density bonus incentives. A new development replacing a duplex on such a site, therefore, would increase the number of units three- to sixfold, but could not legally get a higher ratio than that. As a result, we find that 30% of units built in R3-zoned projects have a low replacement ratio of five or less new units per demolished unit. Higher-density residential zones like R4 and R5, which allow much greater density, have much higher replacement ratios.

Table 7.

Multifamily building permits and linked demolition permits by zoning designation

Zone	Multifamily units permitted	Multifamily units demolished	Ratio new to demolished	Share of new units in low-ratio projects
WC	2,779	0	2,779	0.00
LASED	1,376	0	1,376	0.00
M3	1,144	0	1,144	0.00
C4	8,939	12	745	0.00
RAS3	1,053	2	527	0.15
USC	520	0	520	0.00
CM	1,626	5	325	0.00
UC	318	0	318	0.00
C5	275	0	275	0.00
PF	259	0	259	0.00
M1	191	0	191	0.00
CW	2,995	17	176	0.00
Other	161	0	161	0.00
R5	6,191	43	144	0.01
CR	134	0	134	0.00
C2	25,594	236	108	0.02
C1	652	7	93	0.00
A1	85	0	85	0.00

RD3	83	0	83	0.00
R1	389	6	65	0.04
RA	112	2	56	0.02
RD2	1,098	26	42	0.04
R2	1,716	48	36	0.03
OS	31	0	31	0.00
RAS4	2,352	77	31	0.00
P	132	6	22	0.00
RD1.5	3,239	193	16.8	0.07
R4	7,173	610	11.8	0.17
R3	12,003	1,794	6.7	0.30
RS	129	26	5.0	0.25
RD5	4	0	4.0	0.00
Total [Average]	**82,753**	**3,110**	**[26.6]**	**[0.07]**

Zoning can be complicated: The 30 designations we list above are probably hard for many people to keep straight, even as they do not fully convey the complexity of parcel-level regulation. The designations we list elide Q and D conditions, height districts, general plan footnotes, and other qualifiers that restrict what can be built on individual parcels.

To simplify the analysis, and capture broader trends, we grouped each zoning designation into one of eight larger and more intuitive categories: commercial, industrial, multifamily residential, etc. These are listed below in **Table 8**.

The results reinforce our findings from above. We find that the overwhelming majority of multifamily units were permitted in commercial, multifamily, and specific plan zones. The specific plan zones permitted fewer total new units compared to the commercial and multifamily zones, but they also cover a much smaller share of the city's land — zones WC, LASED, and USC total less than 0.5% of the city's zoned land area.[8] Commercial and residential zones account for 42% and 45% of permitted multifamily units, respectively, but the latter zones encompass nearly 90% of all demolished multifamily units. That said, developments in multifamily zones still average 12.5 new multifamily units per multifamily unit demolished.

[8] Figures provided by Dario Rodman-Alvarez and Rudi Mattheis-Brown of Pacific Urbanism.

Table 8.
Multifamily building permits and linked demolition permits by zoning category

Zone	Multifamily units permitted	Multifamily units demolished	Ratio new to demolished	Share of new units in low-ratio projects
Agricultural	197	2	99	0.01
Commercial	37,220	260	143	0.01
Manufacturing	1,335	0	1,335	0.00
Multi-Residential	34,912	2,793	12.5	0.15
Other	161	0	161	0.00
Parking/Open/ Facilities	422	6	70	0.00
Single-Residential	518	32	16.2	0.09
Specific Plan	7,988	17	470	0.00
Total [Average]	**82,753**	**3,110**	**[26.6]**	**[0.07]**

Permit activity by neighborhood housing market

We next examine the neighborhood context in which new developments were permitted. We calculated the weighted average of the median rents, home values, and household incomes in census tracts where building permits were approved, for all projects and also only those projects associated with the demolition of multifamily units. Our results are provided in **Table 9**.

Our first finding is intuitive: For the full sample of building permits, rents, home values, and incomes are highest, on average, in census tracts where single-unit developments and very large (200+ unit) developments are common. The price of single-unit homes is higher than all other housing types, due in large part to high land prices. People who can afford to buy a single-unit home are much wealthier than the average resident, and those who can afford to buy land — land that is often already improved with a home or other structure — and then build a new single-unit home on it, are wealthier still. Very large multifamily buildings, meanwhile, are more expensive to build per square foot than single-unit or smaller multifamily buildings, even though total per-unit costs are lower than single-unit developments. Developers will generally seek out pricier neighborhoods for their projects, where their anticipated rents are enough to compensate for high land and construction costs, fees, and other expenses. Two- to four-unit projects are typically least expensive to build, combining the low per square foot costs of single-unit development with

the distributed land costs of multifamily development, and thus are found in neighborhoods with comparatively low prices and incomes.

Our second finding is more surprising. We find that large (100+ unit) developments linked to multifamily demolitions take place in less expensive neighborhoods than the full sample of developments this size. The difference is substantial, with 18% lower average rents in neighborhoods with 100- to 199-unit developments linked to multifamily demolitions compared to those without such demolitions, and 9% lower for developments of 200 or more units with multifamily demolitions. Incomes are also lower in locations where 100- to 199-unit developments are associated with multifamily demolition, compared to all 100- to 199-unit projects, but this is not the case for projects with 200 or more units. Only 273 multifamily unit demolitions were associated with projects between 100 and 199 units, and 31 associated with projects of 200 or more units, so it's possible that this is an artifact of small sample sizes.

Multifamily developments between two and 49 units in size associated with multifamily demolitions are found in neighborhoods with 5%-10% higher rents compared to the full sample of projects this size. This finding is more in line with expectations: There are additional financial and procedural costs associated with developments that displace renters, and so developers may only be willing to pay these costs in locations where higher rents or sale prices can justify the added expense.

Table 9.

Weighted average of median rents, home values, and household incomes in neighborhoods where new developments were permitted

	All projects			Projects w/ multifamily demolition		
Project size (units)	**Rent**	**Home value**	**Income**	**Rent**	**Home value**	**Income**
1	1,812	895,068	93,997	1,784	973,983	83,691
2-4	1,301	522,009	47,933	1,367	697,707	53,724
5-19	1,529	673,185	62,979	1,683	778,930	69,443
20-49	1,485	602,202	59,135	1,598	663,923	63,850
50-99	1,392	561,737	54,757	1,389	527,470	50,227
100-199	1,505	607,116	60,332	1,241	454,228	43,584
200-1,150	1,939	593,961	68,948	1,760	756,805	68,292

Affordable units lost to demolition vs affordable units lost to other causes

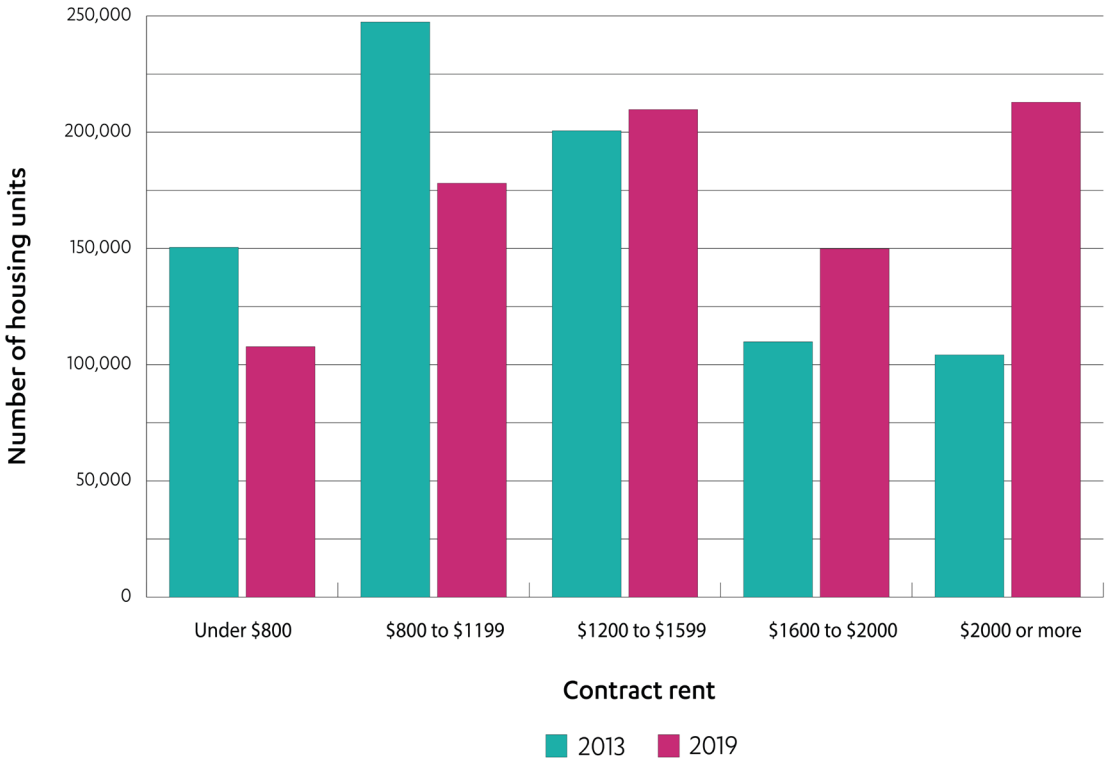
It's useful to juxtapose our demolition figures against the broader context of rental housing in Los Angeles. There were 3,110 multifamily units demolished to make way for multifamily development during this period. While that's not a small sum, two facts are important to remember. First, not all of this demolished housing was affordable. Some probably rented at relatively low rates, but some rented at high prices or market rates, and some were owner-occupied and not rented at all. Second, the new development that led to these units' demolition also created some affordable housing. The majority of large new developments include on-site income-restricted units, as required for projects that utilize the state density bonus or the city's Transit Oriented Communities incentives. As a result, considerably more new affordable units have been constructed than older multifamily units were lost. The Department of City Planning reports that more than 15,000 income-restricted units were approved from July 1, 2013 through the end of 2019. Even if every lost unit was affordable (which is not the case), the new development created almost five times as much affordable housing as it destroyed.

The real affordability problem is shown in **Figure 4**. Over the same time, the city lost more than 40,000 units renting for $800 per month or less (in 2019 dollars) and nearly 70,000 units renting for $800 to $1,199 per month. These homes were not demolished, and relatively few were converted to owner occupancy or another use. What happened instead is that they just got more expensive. Rents for these existing units climbed dramatically as Los Angeles added jobs and population but did not add enough housing (market-rate or income-restricted) to keep up. Scarcity, not demolition, is a primary culprit in the rising cost of housing and the loss of units renting at affordable rates.[9]

[9] Many of these units were rent-stabilized, so readers might wonder how their rents escalated. One answer, as a previous Lewis Center publication noted, is that even rent-stabilized units have been permitted to raise their rates faster than inflation many times in the past two decades. But probably the larger issue is vacancy decontrol: As tenants move out, prices of the rent-stabilized units rise to market rates, which are higher because (again) Los Angeles has not built enough new housing.

Figure 4.

Number of rental units by contract rent (2019 dollars) in Los Angeles, 2013 and 2019



Conclusion

When occupied multifamily housing is demolished, the consequences can be traumatic, and sometimes life-altering, for the tenants affected. For this reason, new developments that involve demolition, like the Crossroads project we mentioned in the introduction, are often viewed with suspicion. Our analysis, however, indicates that the Crossroads is very much an outlier. Demolition in the service of multifamily redevelopment is relatively rare in Los Angeles. Los Angeles lost just over 3,100 multifamily units to such developments over the seven-year period from 2013 through 2019. As context, in 2013 the city had over 660,000 multifamily rental units. Even if every multifamily unit lost to new multifamily development was occupied, and occupied by renters, multifamily development would have led to the demolition of only 0.47% of the city's multifamily rental housing stock, or 0.067% of the stock per year.

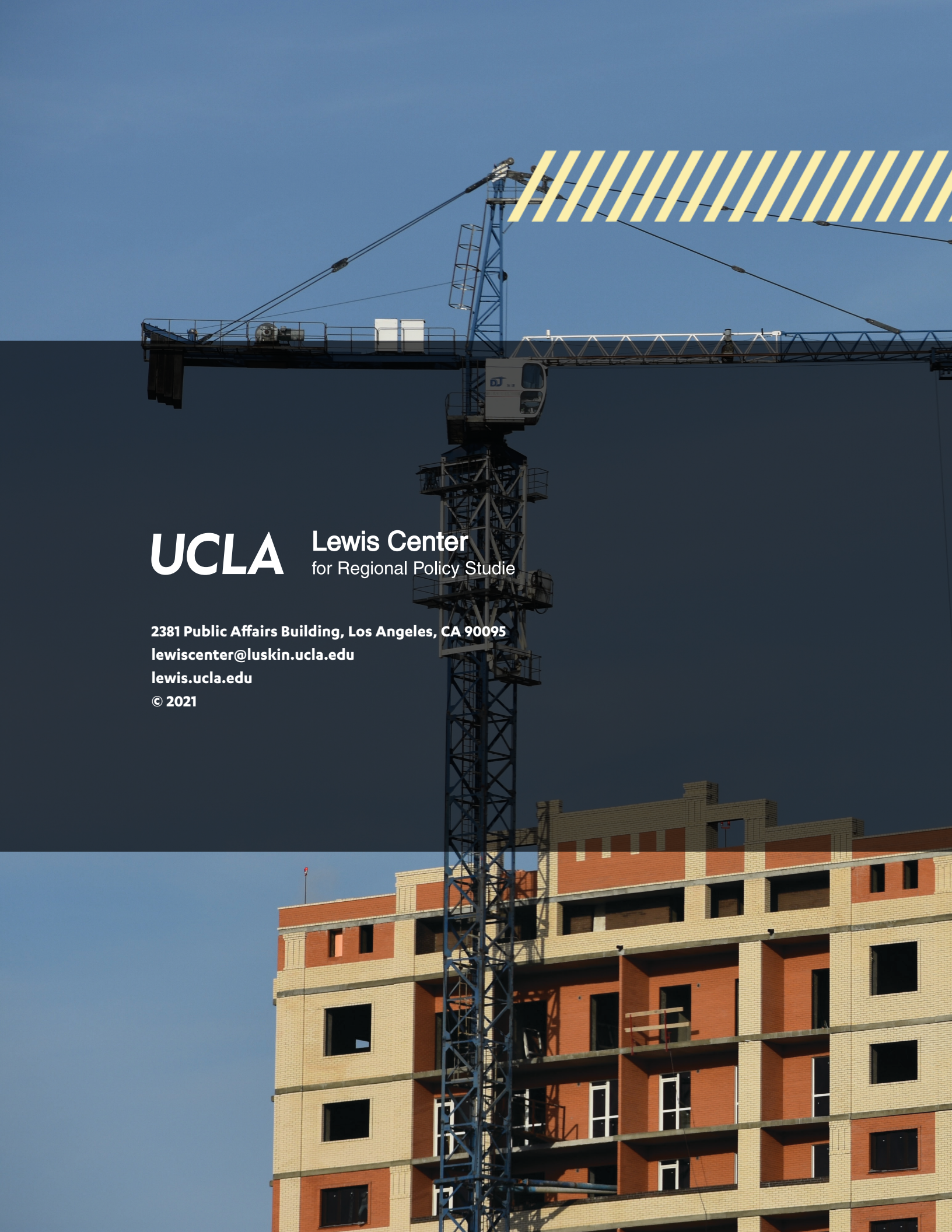
Large residential development projects, moreover, were particularly unlikely to result in multifamily demolition: 42.8 new units per multifamily demolition for projects between 100 and 199 units, and over 1,100 per multifamily demolition for developments of 200 units or more. Smaller buildings are associated with lower replacement ratios, but the citywide average is nonetheless quite high at 26.6. Replacement ratios are highest in districts, plan areas, and zones where higher-density housing is allowed, where housing was previously prohibited or otherwise not provided, and especially where these two conditions intersect — this is exemplified by neighborhoods like Downtown and Warner Center. Large multifamily developments tend to be built where neighborhood rents are very high, while single-unit developments are common where rents and home values are high.

Our findings suggest that cases like the Crossroads might create what psychologists call an "availability heuristic": a cognitive bias wherein people mistakenly believe that the most *visible* example of a problem is also the most *common* example. A classic example is people believing that airplanes are an unsafe form of travel, because airplane crashes, although rare, are also dramatic, and thus heavily reported and easy to remember. In contrast, automobile crashes are much more common and take far more lives, but they are also dispersed across time and place and receive far less attention, and are thus harder to call to mind when people think about transportation safety. A difference in visibility distorts public perception and understanding.

Something similar might play out with demolitions. Large projects rarely displace many people, but when they do the story is important, and understandably gets attention — in part because the project itself, even apart from the demolition it involves, is often highly visible. Demolitions associated with smaller projects are more numerous, and account for much more lost housing, but each small demolition is on its own less noticeable. Rents rising in existing units, furthermore, are hardest to notice of all (they occur with no physical change whatsoever), even as they collectively account for the greatest losses in affordability.

Nothing about our results suggests that displacement protections or mitigations are unnecessary. The fact that demolitions are rare, and that the city tends to gain many new units for every unit lost, does not change the experience, for the tenant, of losing the unit. That's where protections come in, including existing regulations that require compensation and adequate notice for households facing displacement, and regulations under consideration, such as Ellis Act reforms and "right of return." As we write this, the tenants who live in units slated for demolition at the Crossroads are still in negotiations with the developer about compensation, and about the right to live in the new building at their previous rents when it is complete. Such negotiations, and such provisions, are vital to a healthy development process.

Our results do suggest, however, that redevelopment and its associated demolitions are not a primary driver of displacement or the loss of affordable rental homes in the city of Los Angeles. Rather, new developments have produced several multiples more income-restricted units than the *total* number of multifamily units demolished in the course of their construction. Efforts to steer housing production into locations with more resources and fewer vulnerable households are welcome, but attempts to preserve affordable homes through a general restriction on higher-density development are likely to cause more harm than good.



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