



## LA FIRES AFTERMATH: A LOOK AT HOW THE PALISADES FIRE HAS IMPACTED THE HOUSING MARKET

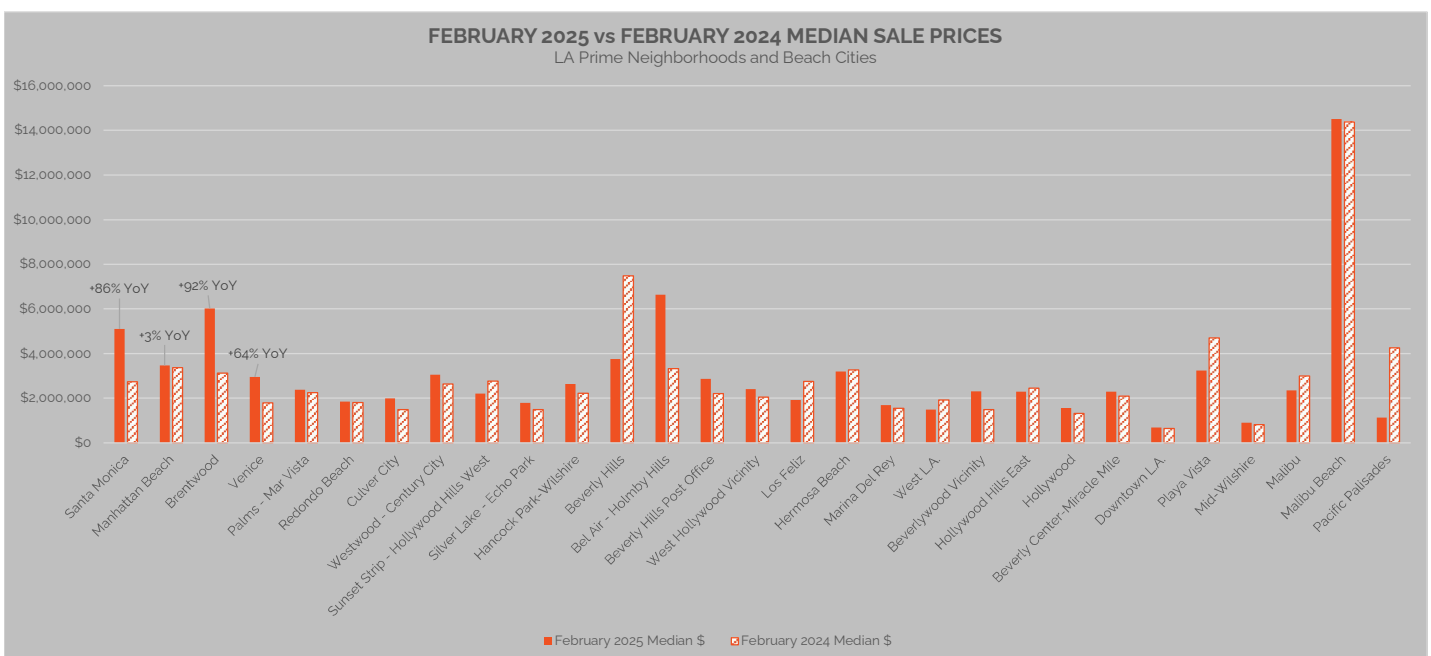
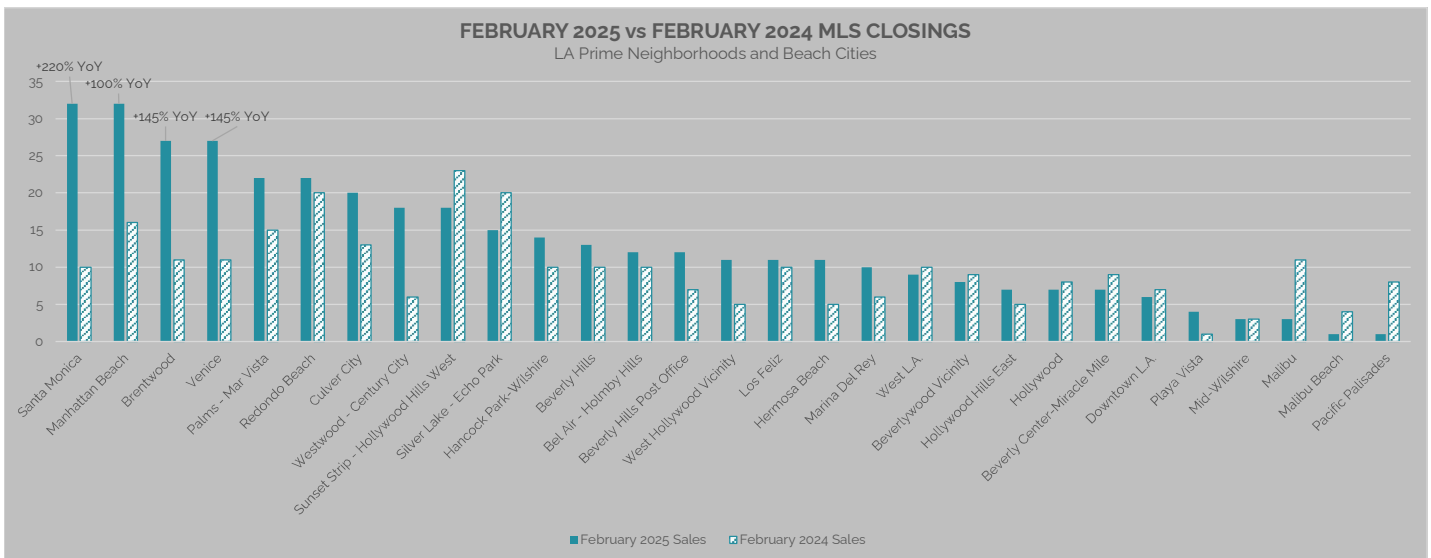
### WESTSIDE NEIGHBORHOODS AND THE BEACH CITIES ARE SEEING THE MOST DEMAND

April 2025

In recent years, California's wildfire season has grown increasingly destructive, with far-reaching implications for communities, infrastructure, and local economies. Among the most devastating were the Palisades and Eaton Fires, which burned through the communities in and around Pacific Palisades, Malibu, Altadena, and Pasadena earlier this year, destroying homes, schools, businesses, and displacing thousands.

While this report focuses specifically on areas adjacent to Pacific Palisades and Malibu, it is impossible to examine the impact of one wildfire in isolation. The Eaton Fire, though outside the geographic scope of this analysis, serves as a sobering reminder of the broader vulnerability Southern California communities face.

The charts below illustrate February 2025 versus February 2024 single-family home closings and median sale prices in prime Los Angeles neighborhoods as well as the Beach Cities. The charts are sorted by the total number of February 2025 closings.





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As shown above, the most in demand neighborhoods in the immediate aftermath of the Palisades Fire were Santa Monica, Manhattan Beach, and Brentwood. These areas recorded 2-3 times as many sales this February compared to a year earlier. Median sale prices were also up, with significant appreciation in Santa Monica and Brentwood specifically. These two neighborhoods recorded an 86% and 92% increase in the median price of February MLS sales, respectively. Overall, Los Angeles single-family home sales and prices were up significantly in February 2025, but we are not yet seeing increases at the same scale in other neighborhoods across LA, nor for condominiums.

Why has demand remained concentrated in Palisades-adjacent neighborhoods and the Beach Cities?:

- **Lifestyle Continuity:** Residents displaced by the fire are likely to seek out neighborhoods that match the Palisades' quiet, family-oriented, coastal lifestyle—something not easily replicated in denser, more urban areas of Los Angeles. Meanwhile, the Beach Cities, while further south, also provide the same general lifestyle proposition: a relaxed and quiet community in a coastal city.
- **Proximity to Community Ties:** Many residents have long-standing connections—schools, social circles, routines—anchored in the Westside. Moving nearby allows them to maintain these ties without significant disruption to themselves and children.
- **School Preferences:** Students from campuses that were destroyed by the fire were relocated to schools in adjacent neighborhoods (ex. students who attended Palisades Charter Elementary were moved to Brentwood Science Magnet).
- **Perceived Risk Normalization:** For many affluent buyers, the risk of wildfire is increasingly seen as a regional issue rather than one unique to any one neighborhood—meaning adjacent areas may feel just as “safe” as before.
- **Limited Comparable Substitutes:** Few LA neighborhoods offer the same blend of privacy, greenery, ocean access, and quiet, but upscale lifestyle. In contrast, many of LA's other high-end enclaves lean more urban and entertainment-driven—less appealing to those seeking the low-key, nature-adjacent experience typical of the Palisades.
- **Combating the Initial Shock of Such Devastating Destruction:** While there were certainly buyers who immediately purchased new homes, often in cash, in the immediate aftermath, many are still combating the initial shock of such devastation. They are choosing to rent or live outside of the LA area until they decide whether to stay and rebuild, or move.

What does this mean for the rest of LA? We believe that although initial demand by those displaced has been concentrated in a handful of areas, as these continue to see dwindling supply and rapid price appreciation, it will trickle out to surrounding neighborhoods even if they aren't currently seeing direct demand from fire victims.

Rebuilding in the aftermath of the Palisades and Eaton Fires will take years and effort from the community at large. If you're interested in donating to organizations that have helped those affected, please consider the list below:

- [Los Angeles Fire Department Foundation](#): provides vital equipment and funds to help the LAFD
- [Pasadena Humane Society](#): provides shelter, dedicated care & new beginnings for vulnerable animals displaced by the fires
- [World Central Kitchen](#): provided meals to affected families and first responders in need