



Aftermath of the LA Fires

REBUILDING, REZONING, AND
THE FUTURE OF COMMERCIAL
REAL ESTATE

Insights By

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TALENT MARKET ANALYSIS

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The devastating wildfires that swept through Los Angeles in early 2025 left behind a trail of destruction, affecting thousands of residential and commercial properties. As the city moves forward, rebuilding efforts are set to reshape the commercial real estate landscape for years to come. This shift will impact investors, developers, and businesses looking to regain stability in an altered market. While the damage is extensive, the disaster has also created opportunities for strategic investment, policy reform, and a renewed focus on sustainability.

BILLIONS LOST, BILLIONS NEEDED FOR RECOVERY

The economic toll of the wildfires is staggering, with estimates ranging from \$135 billion to \$150 billion in total losses with some saying it will eclipse over \$250 billion. The impact on commercial real estate has been particularly severe. Over 370 commercial buildings, totaling 4.5 million square feet and valued at approximately \$1.9 billion, were destroyed or severely damaged during the fires. Damage continued with an additional nearly 1,500 commercial properties, worth \$9.8 billion, now face uncertain futures due to structural damage and insurance complications. Retail and multifamily buildings were the hardest hit, followed by office properties, industrial sites, and hotels. The destruction of such a significant portion of commercial real estate has created immediate challenges for businesses and property owners. However, it has also triggered a push for modernization, strategic rezoning, and new opportunities for development in key areas.

NEW POLICIES, NEW POSSIBILITIES

Rebuilding efforts will be shaped by new regulations and government incentives aimed at making Los Angeles more resilient to future disasters. The recently passed Los Angeles Citywide Housing Incentive Program Act (CHIP) is one example of a policy designed to guide reconstruction in a way that promotes long-term sustainability and accessibility. This legislation encourages the development of multifamily housing near transit hubs and high-opportunity neighborhoods, potentially shifting commercial real estate trends. Additionally, eminent domain policies may be used to acquire land for public services and low-income housing, further altering property values and investment strategies. To accelerate the rebuilding process, Governor Gavin Newsom signed an executive order to streamline permitting and environmental reviews, reducing regulatory roadblocks and allowing businesses and developers to act quickly. These measures will determine not only how fast Los Angeles recovers but also how the city evolves in response to the disaster. For businesses, understanding these policies will be key to navigating the new real estate environment.

THE SKILLED LABOR SHORTAGE

A significant hurdle in the rebuilding process is the availability of skilled labor. The fires have accelerated demand for workers in construction, infrastructure, and property management. With a shortage of skilled tradespeople, companies must find ways to attract and retain talent. The Home



Depot Foundation has committed \$500,000 to skilled trades programs in Southern California to address labor shortages, but this is just a start. Rising costs of specialized labor could extend project timelines and add financial strain to rebuilding efforts. Additionally, utility and energy sector expansion will require experienced personnel to manage grid improvements and undergrounding power lines, further intensifying competition for talent. To keep rebuilding efforts on track, companies must adopt proactive hiring strategies, offering competitive compensation and workforce training programs to ensure projects stay on schedule.

LEADERSHIP IN A TIME OF CRISIS

With the landscape of Los Angeles real estate in flux, securing strong leadership and specialized talent is crucial. Businesses navigating the evolving market will need experienced professionals who understand the complexities of redevelopment, insurance negotiations, and regulatory compliance. Executive search firms can play a key role in this transition by identifying industry-specific leaders who can guide companies through this transformation. From commercial real estate developers to construction executives and urban planners, hiring the right leadership ensures long-term success. As demand for experienced professionals in real estate, construction, and finance rises, executive recruiters provide access to networks of top-tier candidates who can drive rebuilding efforts forward. Additionally, strategic workforce planning will be essential - companies that anticipate hiring challenges before they become obstacles will have a competitive advantage in securing top talent.



CHALLENGES INTO OPPORTUNITIES

As Los Angeles embarks on its recovery, now is the time for businesses, investors, and hiring managers to position themselves for success. The coming years will bring both challenges and opportunities - staying ahead means having the right team in place to make strategic, informed decisions.

ABOUT TRIPP LYONS AND JACKSON LUCAS

Tripp Lyons joins **Jackson Lucas** with extensive experience in CRE transactional roles from firms such as Iron Hound Management, Ackman-Ziff, and Eastern Consolidated. He has closed approximately \$250 million in debt and equity assignments across capital markets, financing, leasing, and investment sales. At Jackson Lucas, Tripp contributes to business development and the management of search and organizational consulting projects. He holds a BA in History from Gettysburg College and is committed to delivering exceptional client service and strategic insights in real estate.

Jackson Lucas is a retained executive search firm specializing in Real Estate, Investment Banking, Asset Management & Alternatives, Technology, Hospitality, Human Resources, Accounting & Finance, Legal, Digital Marketing, Energy & Natural Resources, and Nonprofit Sector. We combine a deep industry network with a consultative approach to meet our clients' hiring needs, identifying top talent globally by carefully assessing each client's requirements and mapping out the competitive landscape.

