The Ankler

SpaceX Millionaires Are Coming for L.A. Homes

The IPO has agents bracing for bidding wars in a soft market — and Palisades Fire families caught in the middle

By
Degen Pener

Jul 28, 2026
ANKLER FEATURES

MOVIN' ON UP A former SpaceX employee recently bought this 7,400-square-foot Hermosa Beach home for $14 million – a record for the neighborhood. It includes seven bedrooms, a home theater and a swimming pool.
Lauren Forbes Group / Neue Focus

When the Palisades Fire destroyed much of the Westside community last year, many displaced residents headed south for temporary housing in Los Angeles County's South Bay. "We had over 300 families join our various schools," says Hermosa Beach-based Compass real estate agent **Lauren Forbes**.

Now, according to Forbes, many of those folks are thinking of putting down roots in the area, which is known for its family-friendly neighborhoods and laid-back, coastal vibe. "A lot of them had temporary housing for a period of time and then they did a year's lease," she says. Then in the past few months, many of those year-long leases ended. "A lot of them, especially the people with younger [kids] who thought they were gonna go back [to Pacific Palisades], have decided to stay, in part because they love our community, in part because their kids have assimilated to schools here. There are lots of different reasons why."

But there's one factor those families hadn't counted on dealing with as they look to buy houses in their newfound communities: a predicted run-up in prices and possible bidding wars brought on by the most gargantuan IPO of all time. When SpaceX went public on June 12, it didn't only make founder **Elon Musk** the world's first trillionaire and raise nearly $86 billion for the aerospace and AI company – it also turned more than 4,000 current and former employees into new "rocket money" millionaires. Around 400 of those are likely to earn $100 million or more, according to an analysis by San Francisco-based investment platform Hill.com. And early investors in the company – such as Lakers star **Austin Reaves**, who recently said that he "got into SpaceX a couple years ago" – have also seen their stakes in SpaceX turn into staggering windfalls, despite the beating the stock price has taken in recent weeks.

"I believe it's gonna have a huge effect on the real estate market," says L.A.-based mortgage broker **Chris Furie**, the co-founder of Insignia Mortgage. "I think it's really good for Southern California real estate."

The Hawthorne Effect

Much of that impact will be south of the 105 freeway. The majority of SpaceX employees still work at its facility in the South Bay city of Hawthorne, where the company was based until it moved its headquarters to Texas in 2024. One former SpaceX employee (speaking anonymously, due to an NDA) tells The Ankler that even before the IPO, "the general consensus [among workers] was that if the company were to go public, then it was definitely going to be house-buying money."

Agents expect that Westside prices will see a significant bump as well, from Playa Vista and Venice to Santa Monica, Malibu and Brentwood. Some transactions are already taking place. And the biggest impact may not be confined to the trophy-home market: Agents have identified one far more accessible price range where the competition could become especially intense.

For this story, I interviewed eight L.A.-area real estate professionals about the SpaceX effect. Most foresee that prices will rise in the highly sought-after South Bay cities of Manhattan Beach, Hermosa Beach and Redondo Beach, as well as on the Palos Verdes peninsula. Some agents have already done deals for SpaceX employees and early investors who are trading up or buying their first home. They've also represented sellers who sold their homes to equity-rich SpaceX buyers. "The SpaceX IPO is so unique because it's literally in our own backyard," says **Nicole Plaxen**, an agent with Sotheby's International Realty in Beverly Hills.

HIGH TIDE A $25 million, 10-bedroom beachfront listing in Manhattan Beach.
Gavin Cater Photography, courtesy of Walters | Plaxen

Still, "we're doing a deal right now where the prospective buyer is a longtime [SpaceX] employee and is making a big step up from a modest house on the Westside to a pretty proper house in the $13 million range in Brentwood," says Compass' **David Berg**, co-founder of Smith & Berg Property Group. Apparently, colonizing Mars can wait when you can colonize a five-bedroom traditional with an 18-seat screening room instead.

These small communities were already highly prized by wealthy buyers. The South Bay in particular has seen surging demand in recent years, partly because the area's independent cities are exempt from the City of Los Angeles' controversial Measure ULA mansion tax. And high-profile athletes have long favored the South Bay. Last year, Lakers star **Luka Dončić** purchased a five-bedroom beach home from tennis player **Maria Sharapova** for $25 million, setting a record as the highest-priced residence ever sold in Manhattan Beach. The action at the top end of the market has been brisk. "Over the last year, there have been 14 sales at $10 million-plus just in Manhattan Beach," says **Lloyd Ross**, an agent with Douglas Elliman. "We're seeing a lot of people kind of shift from Brentwood, from the Westside, to Manhattan Beach." In Hermosa Beach, Forbes just sold a $14 million home in Hermosa Valley to an ex-SpaceX employee, a record price for the neighborhood.

Hot Money, Soft Market

ON THE MARKET This 4,000-square-foot Manhattan Beach townhouse recently listed for $8.5 million.
LUX LVL / Douglas Elliman

If SpaceX wealth does lead to a net rise in luxury home prices, it would be welcome news for homeowners eager to see their equity grow, especially after a soft period for the broader Los Angeles market. According to Realtor.com figures, the median home price in L.A. dropped 7 percent year-over-year in June to $1.1 million – nearly triple the 2.5 percent national rate of decline over the same period – while listings sat on the market longer, with a median duration of 50 days.

But for would-be buyers – including displaced families still searching for permanent digs a year and a half after 2025's devastating fires – a new influx of cash-rich tech buyers would likely push L.A. real estate even further out of reach, especially because inventory remains tight in the area.

Given that so much of the SpaceX windfall is concentrated among current and former employees of the company – including "non-technical staff, entry-level workers and even cafeteria employees," according to the *Los Angeles Times* – much of the competition is expected to hit one specific tier. "I think the price range that we will see affected most dramatically is probably the $2 million to $6 million range," says **Lynnsey Ross**, an agent with Douglas Elliman. Furie agrees: "I really think we're gonna see a lot of activity under $10 million."

Since the initial rush, the cumulative effect of SpaceX's market entry has been a dose of uncertainty – driven by stock-price fluctuations and anticipation surrounding those staged lockup expirations. In the South Bay, Forbes saw an early surge of activity that has since cooled. "It's slowed down a bit. I feel like the drop in the stock price and the competition kind of scared people off," says Forbes. "But now our market is really firing up again, especially with so many top SpaceX executives living in Manhattan Beach."

The Lockup Clock

Of course, the true outcome for L.A.'s real estate market is predicated on how things continue to play out with SpaceX's stock price. After being offered at $135 a share and quickly hitting an intraday high of $225, the stock has since fallen below the IPO price.

For SpaceX employees as well as early investors, their newfound wealth still remains largely on paper. "Here's the deal," says Forbes. "Some of them literally do not have [the money for] the three percent good-faith deposit. But they have millions of dollars of stock." Currently, all those shares are in restricted stock units and remains unsalable during the IPO's staggered lockup period. The company has set Aug. 4 as the date of its first earnings report, which triggers the first expiration in the lockup, when shareholders can sell up to 20 percent of their holding, with the full balance available to sell in December.

I'LL TAKE MANHATTAN "Our market is really firing up again, especially with so many top SpaceX executives living in Manhattan Beach," says South Bay real estate agent Lauren Forbes.
Mario Tama/Getty Images

"I've been getting a lot of calls from people that have SpaceX stock. I mean, it's crazy. I think one has like $50 million in SpaceX stock and they want to buy a house for $10 million," says Furie. Many want to use their stock as collateral, he adds, because "they don't really want to sell the stock. They want to borrow against it."

The Waiting Game

At the same time, sellers are playing their own waiting game. Agents Lloyd and Lynnsey Ross report that they know several homeowners who are holding off on listing, waiting to see if the market settles higher and hoping to capture a "SpaceX premium" on their properties. "We have sellers, especially in the luxury market, who want to hold off for about a year to see where things go," says Lloyd Ross.

Lisa Gild, an agent with Douglas Elliman's Beverly Hills office, says she's even heard of one buyer holding SpaceX stock recently back out of a deal during escrow. "There was all this hype and now people are looking at what's happening with the stock price going down," says Gild, adding that some folks made newly wealthy by SpaceX are likely being "more judicious right now." At the same time, "it's creating an energy in the market and it's propelling other buyers to take action [now]."

As with SpaceX in Los Angeles, similar market forces are playing out in the Bay Area, where planned IPOs by Anthropic and OpenAI are expected to fuel a surge in home prices. Already, some sellers listing properties in San Francisco are offering to take AI company stock in lieu of cash. Agents in Los Angeles also expect that these IPO offerings could amp up sales in Southern California, given that L.A. is home to a sizable contingent of early AI backers.

STILL SEARCHING Families displaced by the 2025 Palisades Fire are hoping to put down roots in areas they initially moved to on a temporary basis.
Apu Gomes/Getty Images

One wrinkle in all of this: Big windfalls sometimes make people rethink their lives in a big way. A Los Angeles-based real estate agent whom I spoke with has three friends around the city who all invested in SpaceX early on, one of whom stands to make “tens of millions” from his stake. “But I don’t know if they’re going to be buying here, quite honestly,” says the agent, who asked that their name not be used. “They’re thinking of buying elsewhere because of L.A.’s taxes, and L.A.’s just really messed up right now. California just doesn’t make as much sense as it did 10 years ago.”

Not everyone worries, however, that local quality-of-life concerns or tax pressures will outweigh Southern California’s fundamental draw for ultra-wealthy buyers. As Berg sees it, the SpaceX effect “is real. But is it a wave? It’s too soon to say. Los Angeles is a city that attracts a lot of money. It’s a super-city. You already have so much money here. I mean, this is a place where money swirls around.”