



MULTIFAMILY REPORT

Demand Grows in The Inland Empire

Fall 2020

Per-Unit Price Rises

Rent Growth Leads Nation

Deliveries Already Above 2019

INLAND EMPIRE MULTIFAMILY



Economic Rehabilitation At a Crossroads

The Inland Empire's multifamily market benefits greatly from its vicinity to Los Angeles and the Bay Area, with incoming residents from more expensive, denser markets driving demand and rent growth. Rents were the highest in the nation on a trailing three-month basis through October, up 1.2% to \$1,669, while the U.S. average remained flat at \$1,464.

Employment in the metro continued to deteriorate, clocking in at -9.9% year-over-year during the 12 months ending in September, below the -9.3% U.S. rate. The metro's economic rehabilitation is caught between California's economic reconstruction and the nation's recovery. The unemployment rate improved steadily from the all-time high of 15.1% in May to 10.5% in August, while preliminary data for September pointed to 10.4%. Leisure and hospitality shrunk by 30 percent, while trade, transportation and utilities—the metro's largest sector—contracted by 3.4%. Amazon's newest fulfillment center in Beaumont expanded the warehousing footprint, which is sustained by the surge in e-commerce purchases.

Multifamily deals totaled \$477 million through October, with an average price per unit that rose 13.7% to \$218,799. Meanwhile, developers delivered 2,383 units and had another 2,302 underway.

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Jack Kern

Director of Research
and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Author

Anca Gagiuc

Senior Associate Editor

Recent Inland Empire Transactions

Mitchell Place



City: Murrieta, Calif.
Buyer: MG Properties Group
Purchase Price: \$78 MM
Price per Unit: \$340,217

Artessa



City: Riverside, Calif.
Buyer: Advanced Real Estate
Services
Purchase Price: \$58 MM
Price per Unit: \$267,907

The 3900



City: Riverside, Calif.
Buyer: Advanced Real Estate
Services
Purchase Price: \$26 MM
Price per Unit: \$215,417

Bay Family



City: Moreno Valley, Calif.
Buyer: Hearthstone Housing
Foundation
Purchase Price: \$4 MM
Price per Unit: \$70,492