



MULTIFAMILY REPORT

# The Inland Empire In Expansion

Summer 2021



**Robust Demand Keeps Rent Growth Among US Highest**

**Trade, Transportation and Utilities Sector Drives Economy**

**Average Per-Unit Prices Increase Rapidly**

# INLAND EMPIRE MULTIFAMILY



## Demand Outpaces Supply, Boosts Rents

The Inland Empire's rental market posted its best performance yet in 2021. Rents rose 15.1% year-over-year through June to \$1,843, second among major metros in rent growth, while on a trailing three-month basis, the average rent improved by 1.7%, 30 basis points above the U.S. rate. The occupancy rate in stabilized properties signaled one of the tightest markets in the country, rising 180 basis points in the 12 months ending in May to 98.0%.

The unemployment rate improved to 7.2% in May, according to preliminary data from the BLS, trailing the 5.8% U.S. rate. Yet, the employment market posted a 0.8% contraction in the 12 months ending in May, well above the -1.9% U.S. average. The reopening of the economy helped the leisure and hospitality sector expand by 27.7%, gaining 30,900 jobs. Most positions were added in the trade, transportation and utilities sector—the market's main economic driver—which gained 56,400 jobs. Riding the wave of e-commerce expansion, Black Creek Group announced plans to develop two new industrial centers, totaling 1.7 million square feet.

Transaction activity through the year's first half reached \$380 million, while average per-unit prices soared. With demand and rent growth in the Inland Empire at historic levels, buyers and sellers alike are looking to capitalize on the area's growth potential.

## Market Analysis | Summer 2021

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### Recent Inland Empire Transactions

#### Victoria Arbors



City: Rancho Cucamonga, Calif.  
Buyer: MG Properties Group  
Purchase Price: \$138 MM  
Price per Unit: \$431,347

#### Estancia



City: Riverside, Calif.  
Buyer: AEW Capital Management  
Purchase Price: \$74 MM  
Price per Unit: \$356,730

#### The District at Grand Terrace



City: Colton, Calif.  
Buyer: MG Properties Group  
Purchase Price: \$88 MM  
Price per Unit: \$250,000

#### Foothill Villas



City: San Bernardino, Calif.  
Buyer: Standard Communities  
Purchase Price: \$58 MM  
Price per Unit: \$241,666