



MULTIFAMILY REPORT

# The Inland Empire Soars

Fall 2021



**Investment Volume Climbs**

**Rent Growth Takes Flight**

**Investors Favor Lifestyle Assets**

# INLAND EMPIRE MULTIFAMILY



## Rent, Investment Performance Accelerate

The Inland Empire's multifamily market is booming. Rents averaged \$1,993 in October, a 1.9% increase on a trailing three-month (T3) basis. The metro's year-over-year rent gains of 18.5% far surpassed the 13.7% national figure for the same period and, given the market's lower costs compared to the neighboring Los Angeles metro, this strong expansion is expected to continue. Lifestyle and working-class Renter-by-Necessity figures increased on a T3 basis by 1.9% and 1.8%, respectively, to \$2,350 and \$1,727, alongside solid upticks in occupancy.

The metro added 65,700 jobs during the 12 months ending in August, a year-over-year increase of 4.5%. Although the unemployment rate fell to 6.6% in September, it remained significantly higher than the 4.8% national figure. The Inland Empire's trade, transportation and utilities sector—the metro's largest—grew the most, adding 25,400 jobs alongside sustained, heightened distribution and e-commerce activity.

More than 2,700 units were under construction at the end of October, but deliveries are expected to slightly exceed 1,900 units by year-end, a decrease of more than 40% compared to 2020. As development slowed, investment activity rose swiftly: Transactions totaled \$1.9 billion year-to-date through October, putting the market on track to meet or surpass the 2016 cycle high of \$2.2 billion.

## Market Analysis | Fa II 2021

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### Recent Inland Empire Transactions

#### Solamonte



City: Rancho Cucamonga, Calif.  
Buyer: Western National Group  
Purchase Price: \$227 MM  
Price per Unit: \$434,914

#### The Monterey



City: Corona, Calif.  
Buyer: Ocean West Capital Partners  
Purchase Price: \$220 MM  
Price per Unit: \$497,738

#### Redlands Lawn and Tennis Club



City: Redlands, Calif.  
Buyer: Reuven Gradon Acquisitions  
Purchase Price: \$165 MM  
Price per Unit: \$332,661

#### Artesa at Menifee Town Center



City: Menifee, Calif.  
Buyer: MG Properties Group  
Purchase Price: \$156 MM  
Price per Unit: \$472,727