



MULTIFAMILY REPORT

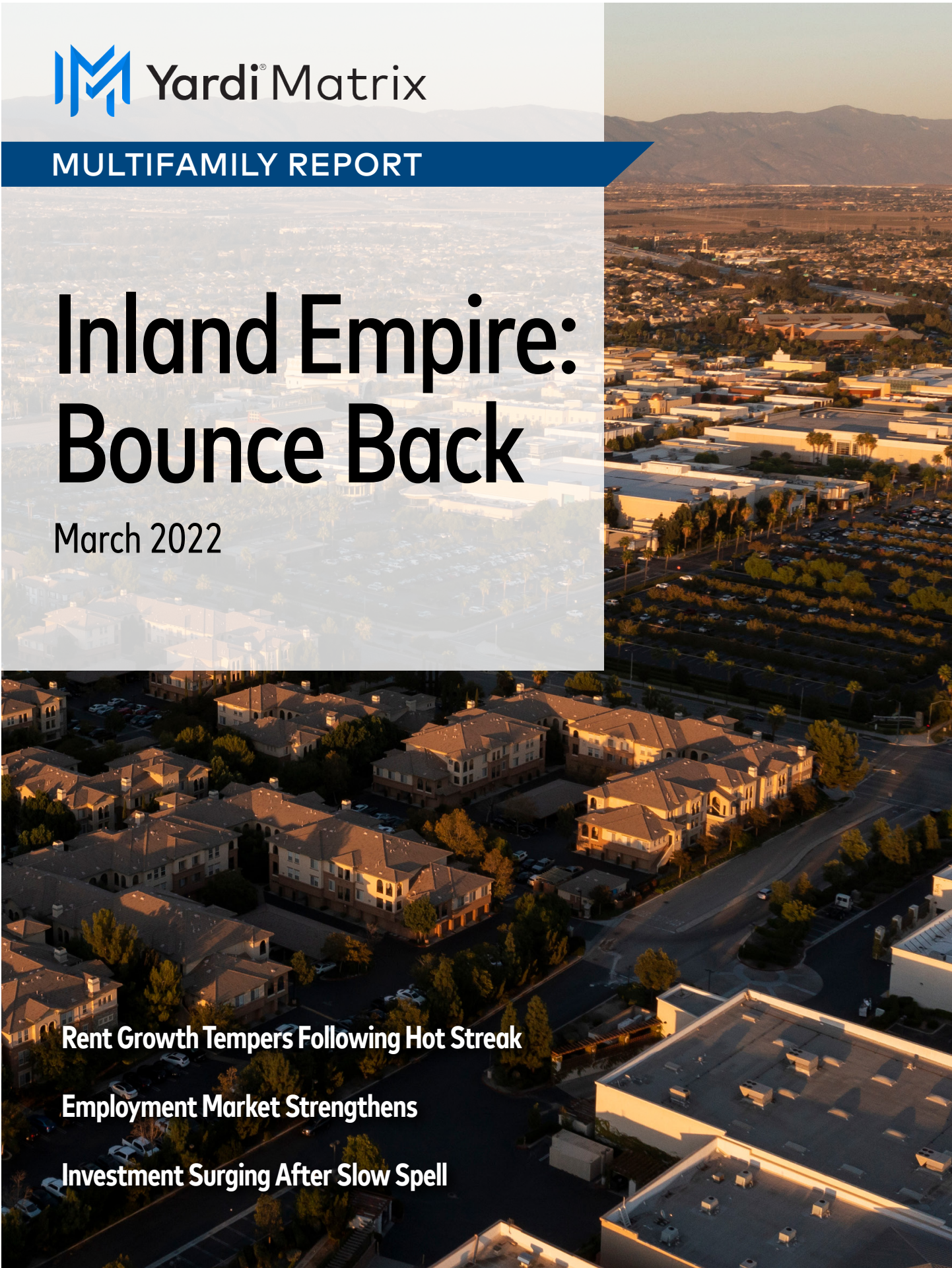
Inland Empire: Bounce Back

March 2022

Rent Growth Tempers Following Hot Streak

Employment Market Strengthens

Investment Surging After Slow Spell



INLAND EMPIRE MULTIFAMILY



Tight Inventory Pushes Rents, Occupancy Up

The Inland Empire's multifamily market performed well in 2021, displaying a significant rebound in activity compared to the first year of the health crisis. With year-over-year rent growth at 18.4%, some moderation was likely, as improvement on a trailing three-month basis stood at 0.6% as of January. The overall average rent in San Bernardino and Riverside counties was \$2,024, roughly \$400 higher than the national figure but still well below neighboring Southern California metros.

Job market recovery is underway in the two counties, with unemployment at 5.4% as of November 2021, significantly lower than the state's 7.0% rate. The Inland Empire's 62,000 new positions during the previous 12 months paint the picture of a recovering market, with only the public sector recording employment contraction, losing 600 jobs. With proximity to the country's largest shipping complex—the ports of L.A. and Long Beach—the market's economy is anchored by the trade, transportation and utilities sector, which added the most jobs through the same interval.

Following a visible slowdown in deal velocity and volume in 2020, the Inland Empire's investment market has bounced back, recording a new decade-high in sales, at \$2.2 billion. Development activity, already notoriously tepid in the two counties, marked just 1,803 units under construction as of January.

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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

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Alex Girda

Senior Editor

Recent Inland Empire Transactions

Artesa at Menifee Town Center



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

The BelAire Apartment Homes



City: Rancho Cucamonga, Calif.
Buyer: R.W. Selby & Co.
Purchase Price: \$92 MM
Price per Unit: \$351,145

Sorelle



City: Moreno Valley, Calif.
Buyer: Tower 16 Capital Partners
Purchase Price: \$85 MM
Price per Unit: \$257,575

The Benson



City: Upland, Calif.
Buyer: New Standard Equities
Purchase Price: \$81 MM
Price per Unit: \$343,617