

**YARDI**<sup>®</sup> Matrix

# The Inland Empire Expands

Multifamily Report Spring 2017

**Rising Rents Weather  
Seasonal Shifts**

**Affordability Attracts  
Nearby Angelenos**

**Deliveries Cater to  
Workforce Renters**



# INLAND EMPIRE MULTIFAMILY

# YARDI® Matrix

## Market Analysis

Spring 2017

### Contacts

#### Paul Fiorilla

Associate Director of Research  
Paul.Fiorilla@Yardi.com  
(800) 866-1124 x5764

#### Jack Kern

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

### Author

#### Alex Girda

Senior Editor

## Affordability Rules the Inland Empire

Rent growth in San Bernardino and Riverside counties continued its extremely fast pace over the past year, supported by a healthy job market and moderate inventory expansion. The metro boasts high occupancy rates—96.1% for stabilized properties as of the first quarter—and a pipeline brimming with new supply, though most deliveries are still a year or two away.

Although employment growth has tempered, the Inland Empire managed to outperform the national average, due to solid gains in trade, transportation and utilities; education; and health care. Rising global trade and the growth of e-commerce have increased demand for industrial and warehouse properties. California's Road Repair and Accountability Act will bring projects worth an estimated \$427 million to Riverside alone, further stimulating transportation and construction.

Evidently, investors are eyeing this area: More than \$2.3 billion in multifamily assets have changed hands since the beginning of 2016. A limited amount of new inventory throughout the current cycle has helped bolster rents, which have risen modestly but not nearly as much as in most U.S. cities. As long as supply is weak and demand strong, rents in the Inland Empire should rise at an above-trend rate of 7.6% in 2017.

## Recent Inland Empire Transactions

Terracina



City: Ontario, Calif.  
Buyer: Bridge Investment Group Partners  
Purchase Price: \$142 MM  
Price per Unit: \$193,071

Solamonte



City: Rancho Cucamonga, Calif.  
Buyer: Mesirov Financial  
Purchase Price: \$130 MM  
Price per Unit: \$249,520

Avana Rancho Cucamonga



City: Rancho Cucamonga, Calif.  
Buyer: Greystar  
Purchase Price: \$122 MM  
Price per Unit: \$195,192

Stonegate at Towngate



City: Moreno Valley, Calif.  
Buyer: Weidner Investment Services  
Purchase Price: \$96 MM  
Price per Unit: \$178,532