



MULTIFAMILY REPORT

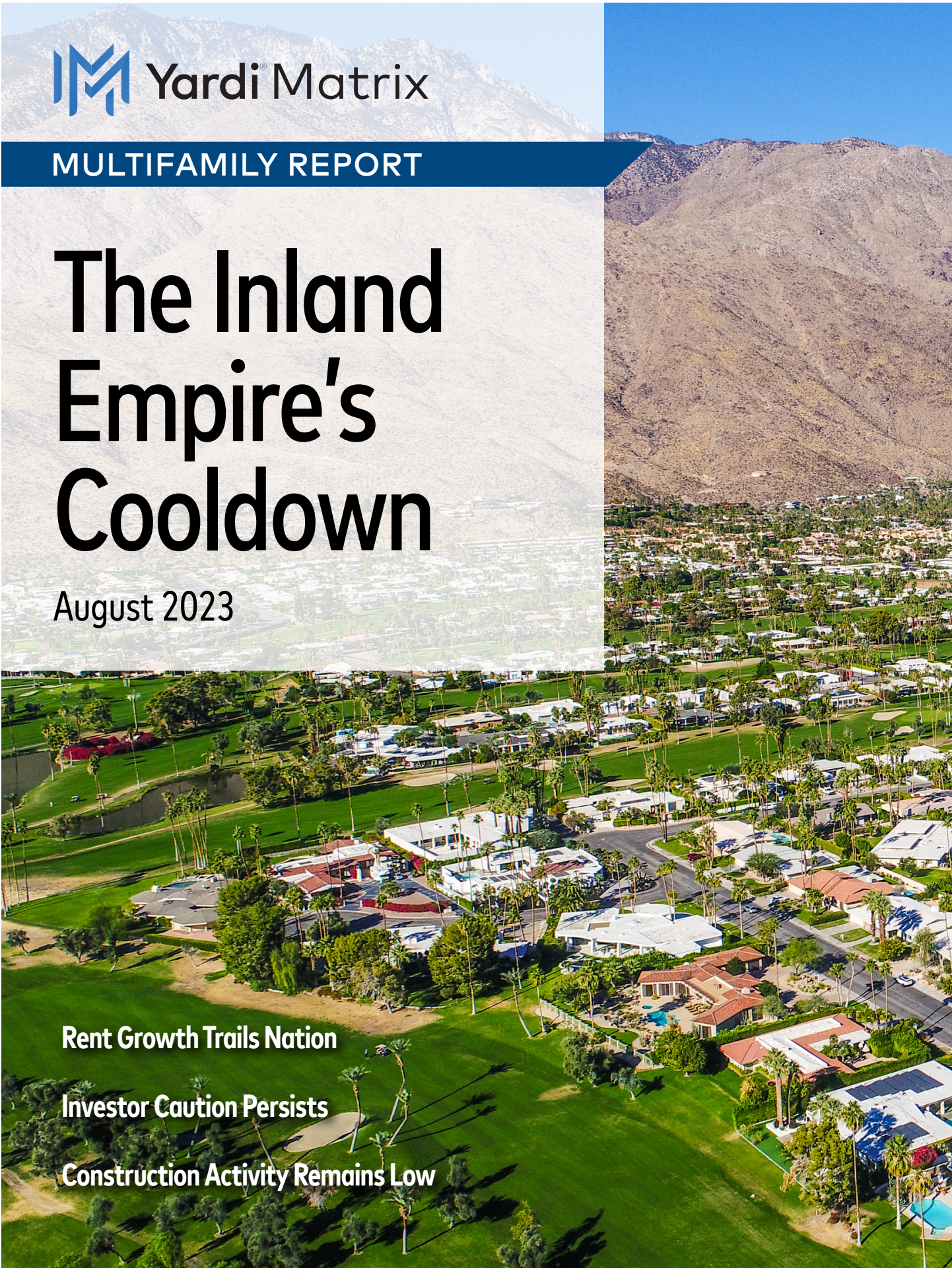
# The Inland Empire's Cooldown

August 2023

**Rent Growth Trails Nation**

**Investor Caution Persists**

**Construction Activity Remains Low**



# INLAND EMPIRE MULTIFAMILY



## Softening Across Fundamentals

The Inland Empire's fundamentals were soft but steady in mid-2023. Rent growth was tepid but above negative territory, up 0.3% on a trailing three-month basis through June, to \$2,131, still well above the \$1,726 U.S. figure. The occupancy rate in stabilized properties decreased by 130 basis points year-over-year through June but was still healthy, at 95.5%.

The Inland Empire posted a 4.4% unemployment rate in May, trailing the 3.7% U.S. figure and leading California by only 10 basis points, according to preliminary data from the Bureau of Labor Statistics. The metro's labor market expanded 1.4%, or 12,100 jobs, in the 12 months ending in April, well behind the 2.9% national rate. Only four sectors sustained growth, led by education and health services (13,400 jobs) and government (7,700 jobs). Meanwhile, the metro's largest sector—trade, transportation and utilities—posted the biggest loss, down 8,000 positions, followed by manufacturing (-3,600). Still, the Purchasing Managers' Index, a key factor in the local economy, points to a positive future for the metro.

Deliveries nearly came to a halt, with just 81 units coming online in 2023 through June. The pipeline had 5,739 units, just 306 of which broke ground in 2023. Similarly, investment activity dropped significantly, with just \$273 million in assets changing hands, at a per-unit price that decreased 16.5% year-over-year, to \$297,171.

## Market Analysis | August 2023

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### Recent Inland Empire Transactions

#### The Paseos at Montclair North



City: Montclair, Calif.  
Buyer: Archway Equities  
Purchase Price: \$150 MM  
Price per Unit: \$389,610

#### The Landing



City: Ontario, Calif.  
Buyer: Convenient Holdings  
Purchase Price: \$51 MM  
Price per Unit: \$323,718