



MULTIFAMILY REPORT

Inland Empire Rents Rebound

August 2024

Rent Growth Picks Up

Occupancy Dips to 95.0%

Investment Activity Remains Tepid

INLAND EMPIRE MULTIFAMILY



Rent-Growth Rehab, As Occupancy Contracts

The Inland Empire's multifamily market rebounded in the second quarter of 2024, posting sustained rent growth, up 0.4% on a three-month basis through June, to \$2,140. Meanwhile, the U.S. average advertised asking rent rose 0.3%, to \$1,739. The occupancy rate in stabilized properties marked a 50-basis-point decline year-over-year through June but remained healthy at 95.0%, above the 94.5% U.S. figure.

In the 12 months ending in April, the Inland Empire's employment market expanded 1.4%, on par with the U.S. rate. This was the equivalent of 21,000 jobs. Three sectors lost 11,500 jobs combined—trade, transportation and utilities, leisure and hospitality and manufacturing. Meanwhile, gains were led by education and health services (18,700 jobs) and government (12,000 jobs). The unemployment rate stood at 4.3% in May, trailing the 4.0% U.S. rate and outperforming California's 5.2%, according to preliminary data from the Bureau of Labor Statistics. Notable projects underway in the metro include the Epicenter Master Plan and Eastvale's downtown and civic center.

During the first half of the year, developers delivered just 554 units and, as of June, the pipeline had 8,388 units under construction. Meanwhile, investment activity totaled just \$177 million, for a price per unit that decreased 1.3% year-to-date, to \$253,290, well above the \$180,183 U.S. average.

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Recent Inland Empire Transactions

Bell Murrieta Spring



City: Murrieta, Calif.
Buyer: Bell Partners
Purchase Price: \$147 MM
Price per Unit: \$297,764

Christiansen



City: Indio, Calif.
Buyer: Positive Investments
Purchase Price: \$17 MM
Price per Unit: \$114,931

Ariana at El Paseo



City: Palm Desert, Calif.
Buyer: Investment Concepts
Purchase Price: \$14 MM
Price per Unit: \$222,222