



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

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

Jeff Hamann

Senior Associate Editor

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