



MULTIFAMILY REPORT

Inland Empire Strengthens Presence

August 2022



E-commerce Fuels Economy

Rent Development Accelerates

Investment Continues Solid Growth

INLAND EMPIRE MULTIFAMILY



Logistics Sector Drives Improvement

The Inland Empire has seen extensive improvement in its industrial real estate sector, but multifamily has been equally hot lately. As Southern California's most affordable market, continued population increases—nearly 350,000 residents added in the past decade—coupled with the rise of logistics, have pushed up housing demand. Rent development was at 1.2% on a trailing three-month basis as of June, just above the U.S. figure, while the average stood at \$2,164, well above the \$1,706 U.S. rate.

Employment gains in Riverside and San Bernardino counties were also solid, up 6.2% year-over-year as of May, outpacing national improvement by 150 basis points. The market's proximity to major shipping hubs, namely the ports of Los Angeles and Long Beach, has turned logistics into the area's main economic driver. What's more, continued increases in e-commerce and some easing of supply-chain disruptions have pushed the Inland Empire to lead the nation in industrial rent growth and average vacancy.

Demand has boosted investment to unprecedented levels, with nearly \$3.2 billion in multifamily assets trading in the Inland Empire in the 12 months ending in June. Meanwhile, development remained typically modest, with only 184 units delivered in the first half of 2022 and a little more than 4,000 units under construction as of June.

Market Analysis | August 2022

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

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

Terracina



City: Ontario, Calif.
Buyer: Waterton
Purchase Price: \$310 MM
Price per Unit: \$421,196

The Angelica



City: Rancho Cucamonga, Calif.
Buyer: TA Realty
Purchase Price: \$134 MM
Price per Unit: \$495,000

Eagle Glen



City: Murrieta, Calif.
Buyer: Crow Holdings
Purchase Price: \$134 MM
Price per Unit: \$417,188

Foothill Ridge



City: Upland, Calif.
Buyer: Clear Capital
Purchase Price: \$82 MM
Price per Unit: \$353,448