



## MULTIFAMILY REPORT

# Inland Empire Growth Stalls

March 2023

**Rate Slide Outpaces Nation**

**Development Slowdown Continues**

**Job Market Reflects Strong Gains**



# INLAND EMPIRE MULTIFAMILY



## Development, Rent Expansion Taper

The Inland Empire has been one of the strongest performing rental markets in the U.S. throughout the past decade, with slow development and rapidly rising employment and population driving rent performance. However, marketwide and seasonal slowdowns have dampened growth, as rents were down 0.5% on a trailing three-month basis as of January, slightly above the U.S. figure, which was at 0.3%. Meanwhile, the overall average rate in the Inland Empire was \$2,088, nearly \$400 higher than the U.S. average but significantly more affordable than other Southern California areas.

Riverside and San Bernardino counties saw employment expansion outperform the U.S., up 5.5% year-over-year as of November and 160 basis points higher than the national figure. The counties' proximity to nearby ports and higher land availability compared to other Southern California markets have provided leverage to build a strong logistics sector that drives growth for the local economy. That coupled with a strong education and health services sector, generated a gain of more than 400,000 residents since 2010.

Development in the Inland Empire was limited even by the area's standards, with only 641 units added in 2022. As a result, property values have risen considerably, to an average price per unit of \$337,276, amid more than \$4.5 billion in sales during the past 24 months.

## Market Analysis | March 2023

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### Recent Inland Empire Transactions

#### Metro Thirty Six Ten



City: Riverside, Calif.  
Buyer: Silver Star Real Estate  
Purchase Price: \$204 MM  
Price per Unit: \$671,053

#### Tides at Grand Terrace



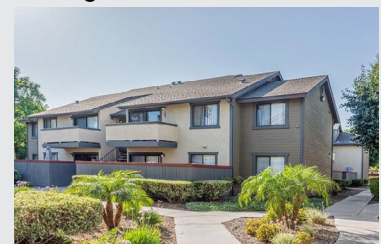
City: Colton, Calif.  
Buyer: StepStone  
Purchase Price: \$103 MM  
Price per Unit: \$281,831

#### River's Edge



City: Lake Elsinore, Calif.  
Buyer: Atlantic Pacific Cos.  
Purchase Price: \$65 MM  
Price per Unit: \$350,543

#### Stonegate



City: Riverside, Calif.  
Buyer: Universe Holdings  
Purchase Price: \$54 MM  
Price per Unit: \$334,500