



## MULTIFAMILY REPORT

# Slowdown In The Inland Empire

December 2023

An aerial photograph of a large residential complex, likely an apartment community, featuring multiple buildings with red-tiled roofs, numerous palm trees, and several swimming pools. The complex is surrounded by a paved road and some landscaping.

**Rent Movement Trails the US**  
**Economic Growth Decelerates**  
**Development, Investment Soften**



# INLAND EMPIRE MULTIFAMILY



## Volatility, Slowdown Press Fundamentals

The Inland Empire's multifamily market entered the fourth quarter of 2023 during a challenging period, with rent movement turning negative, employment growth softening considerably and investment and supply still down. Yet rates decreased just 0.2% on a trailing three-month basis, to \$2,113, while the U.S. figure slid 0.1%, to \$1,718 through October. The metro's occupancy fell 110 basis points in the 12 months ending in September, to 95.3%.

Inland Empire unemployment stood at 4.9% in September, according to data from the Bureau of Labor Statistics. The rate was 50 basis points higher than the January figure, trailing the U.S. (3.8%) and right behind California (4.7%). Meanwhile, in the 12 months ending in August, the area added 24,400 positions for a 0.8% expansion, heavily lagging the 2.5% national average. Additionally, four sectors lost 8,500 jobs combined, with trade, transportation and utilities, a local staple, accounting for roughly two-thirds of that. Job growth was primarily sustained by the education and health services (12,800 jobs) and government (7,500 jobs) sectors.

Development softened, with 571 units delivered in 2023 through October and an additional 6,963 units under construction. The volume of new projects decreased by 7.1% year-over-year but remained steady. Investment activity amounted to just \$414 million during the year's first 10 months, for a price per unit that declined 14.5% year-to-date, to \$260,953 as of October.

## Market Analysis | December 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 Hills of Corona



City: Corona, Calif.  
Buyer: Afton Properties  
Purchase Price: \$71 MM  
Price per Unit: \$287,500

#### The Landing



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

#### Sunnymead



City: Moreno Valley, Calif.  
Buyer: Positive Investments  
Purchase Price: \$25 MM  
Price per Unit: \$208,750