

Yardi® Matrix

Growth Continues Inland

Multifamily Report Summer 2019

Rent Growth Outpaces National Average

Employment Continues Strong Gains

Investment Stays Solid

INLAND EMPIRE MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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Limited Supply Furthers Rent Growth

The Inland Empire's rental market saw its fortunes expand further to start the year, as rent growth continued at above-U.S. rates—up 4.2% year-over-year as of April. Historically limited inventory expansions have driven growth, while the market's affordability compared to other SoCal metros continues to push residents into the area.

Economic improvement has continued, with the logistics industry still acting as the area's economic anchor as nearly a quarter of all jobs are in trade, transportation and utilities. Proximity to the area's main ports—Los Angeles and Long Beach—continues to be economically beneficial and drives the bulk of the activity. Amazon is San Bernardino and Riverside counties' largest employer and is set to continue that trend with the opening of a new 640,000-square-foot fulfillment center in Beaumont.

The Inland Empire's multifamily development pipeline has been largely undersupplied for the better part of the cycle. After bottoming out at 503 completions in 2018, projects have picked up of late, with 4,121 units underway in the two counties as of April. Rents are likely to continue their rise, as inventory expansion won't be significant enough. With average occupancy in stabilized properties at 96.0%, we expect rent growth to continue, at 4.5% in 2019.

Recent Inland Empire Transactions

The Villas at Towngate



City: Moreno Valley, Calif.

Buyer: LivCor

Purchase Price: \$94 MM

Price per Unit: \$239,267

The Vineyards at Paseo Del Sol



City: Temecula, Calif.

Buyer: LivCor

Purchase Price: \$91 MM

Price per Unit: \$314,941

Avana Springs



City: Corona, Calif.

Buyer: Greystar

Purchase Price: \$74 MM

Price per Unit: \$232,500

Hillside



City: San Bernardino, Calif.

Buyer: Henley Investments

Purchase Price: \$11 MM

Price per Unit: \$137,500