



MULTIFAMILY REPORT

# The Inland Empire's New Hope

Summer 2020



**Robust Demand Keeps Rent Gains Positive**

**Despite Pandemic, Deliveries Pick Up Steam**

**Growth Expected in Industrial Sector**

# INLAND EMPIRE MULTIFAMILY



## Challenges, Opportunities Ahead

The Inland Empire's rental segment showed signs of vigor during the first three months of the pandemic. Sustained demographic expansion, limited supply and high demand kept rent growth positive, with the average rate up 0.1% on a trailing three-month basis through June. Meanwhile, the occupancy rate in stabilized properties slid to 95.5% as of May, down 0.6% in 12 months.

Job growth turned negative for the first time since early 2011. All sectors posted year-over-year contractions, with unemployment rising from 4.1% in January to 14.7% in April and 15.1% in May. Between mid-March and mid-July, nearly 6.6 million Californians filed unemployment claims. Leisure and hospitality shrunk by 44%, while trade, transportation and utilities—the area's main economic driver—contracted by 8.4%. On the plus side, Moreno Valley authorities approved the World Logistics Center project, a 41 million-square-foot warehouse complex, for the second time.

Transaction activity slowed considerably in the first half of 2020, totaling only \$232 million. Meanwhile, development powered through, and 1,742 units came online. Another 2,849 units were underway as of June. Considering the pandemic's impact, we expect the average rent to fall 3.4% in 2020.

## Market Analysis | Summer 2020

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(800) 303-615-3676

#### Jack Kern

Director of Research  
and Publications  
[Jack.Kern@Yardi.com](mailto:Jack.Kern@Yardi.com)  
(800) 866-1124 x2444

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x2404

#### Author

#### Anca Gagiuc

Associate Editor

### Recent Inland Empire Transactions

#### Arte



City: Rancho Cucamonga, Calif.  
Buyer: Providence Capital Group  
Purchase Price: \$68 MM  
Price per Unit: \$363,636

#### The Heights at Grand Terrace



City: Grand Terrace, Calif.  
Buyer: Harbor Group International  
Purchase Price: \$46 MM  
Price per Unit: \$199,561

#### Overture at Riverwalk



City: Riverside, Calif.  
Buyer: Greystar  
Purchase Price: \$38 MM  
Price per Unit: \$187,745

#### Village Green



City: San Bernardino, Calif.  
Buyer: Alliant Capital  
Purchase Price: \$21 MM  
Price per Unit: \$111,957