



## MULTIFAMILY REPORT

# Demand Grows in The Inland Empire

Fall 2020

**Per-Unit Price Rises**

**Rent Growth Leads Nation**

**Deliveries Already Above 2019**



# INLAND EMPIRE MULTIFAMILY



## Economic Rehabilitation At a Crossroads

The Inland Empire's multifamily market benefits greatly from its vicinity to Los Angeles and the Bay Area, with incoming residents from more expensive, denser markets driving demand and rent growth. Rents were the highest in the nation on a trailing three-month basis through October, up 1.2% to \$1,669, while the U.S. average remained flat at \$1,464.

Employment in the metro continued to deteriorate, clocking in at -9.9% year-over-year during the 12 months ending in September, below the -9.3% U.S. rate. The metro's economic rehabilitation is caught between California's economic reconstruction and the nation's recovery. The unemployment rate improved steadily from the all-time high of 15.1% in May to 10.5% in August, while preliminary data for September pointed to 10.4%. Leisure and hospitality shrunk by 30 percent, while trade, transportation and utilities—the metro's largest sector—contracted by 3.4%. Amazon's newest fulfillment center in Beaumont expanded the warehousing footprint, which is sustained by the surge in e-commerce purchases.

Multifamily deals totaled \$477 million through October, with an average price per unit that rose 13.7% to \$218,799. Meanwhile, developers delivered 2,383 units and had another 2,302 underway.

## Market Analysis | Fall 2020

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### Recent Inland Empire Transactions

#### Mitchell Place



City: Murrieta, Calif.  
Buyer: MG Properties Group  
Purchase Price: \$78 MM  
Price per Unit: \$340,217

#### Artessa



City: Riverside, Calif.  
Buyer: Advanced Real Estate  
Services  
Purchase Price: \$58 MM  
Price per Unit: \$267,907

#### The 3900



City: Riverside, Calif.  
Buyer: Advanced Real Estate  
Services  
Purchase Price: \$26 MM  
Price per Unit: \$215,417

#### Bay Family



City: Moreno Valley, Calif.  
Buyer: Hearthstone Housing  
Foundation  
Purchase Price: \$4 MM  
Price per Unit: \$70,492