

MULTIFAMILY REPORT

Demand Grows in The Inland Empire

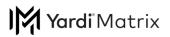
Fall 2020

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

Recent Inland Empire

Transactions Mitchell Place

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