

Yardi® Matrix

# Strength Of The Inland Empire

Multifamily Report Winter 2018

**Rents Continue Their Climb**

**Completions Lag Behind National Trend**

**Industrial Sector Sustains Economic Growth**

# INLAND EMPIRE MULTIFAMILY

Yardi® Matrix

## Market Analysis

Winter 2018

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## The Market Shows Its Sprawl

Riverside and San Bernardino counties are in the midst of a housing boom. Rents continue to grow at a solid rate throughout the Inland Empire, a direct result of steady job gains, at a time when the area's economic cornerstone—its industrial sector—is surging in all major metrics. Meanwhile, multifamily transactions have slightly tempered, due to an ongoing single-family housing wave, which has inflated construction activity and property values to new highs. Area rents grew the fastest in the Renter-by-Necessity segment, as the bulk of demand is in low- to middle-income housing.

Cargo volumes have grown in the nearby ports of Los Angeles and Long Beach, leading to further expansion in the trade, transportation and utilities sector. Employment growth has been diverse, as all but two sectors improved year-over-year through September. Continued economic development will soon present the area with a need to refurbish its transportation grid, as increased freighting will require improvement in infrastructure across the two counties. Riverside is looking to cash in on the effect of California Senate Bill 1, which should result in roughly \$430 million in aid for the county as it looks to improve its aging infrastructure.

Multifamily development in the Inland Empire is tepid, in line with the broader, post-recession trend, with 3,200 units underway as of November. Another 12,000 are in the pipeline, as inflating home prices slowly push up demand for rentals.

### Recent Inland Empire Transactions

Avana Rancho Cucamonga



City: Rancho Cucamonga, Calif.  
Buyer: Greystar  
Purchase Price: \$122 MM  
Price per Unit: \$1,124,011

Victoria Arbors



City: Rancho Cucamonga, Calif.  
Buyer: Sares-Regis Group  
Purchase Price: \$94 MM  
Price per Unit: \$612,647

The Highlands at Grand Terrace



City: Grand Terrace, Calif.  
Buyer: TruAmerica Multifamily  
Purchase Price: \$92 MM  
Price per Unit: \$490,698

Angelica



City: Rancho Cucamonga, Calif.  
Buyer: Mesirov Financial  
Purchase Price: \$84 MM  
Price per Unit: \$328,859

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