

Yardi® Matrix

The Inland Empire Endures

Multifamily Report Fall 2018

Inventory Expansion Remains Tepid

Population Gains Outpace Nation

Rents Continue to Inch Up

INLAND EMPIRE MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2018

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Limited Deliveries Prop Up Rent Growth

Strong demographics and robust hiring have maintained the region's economic vitality. The industrial sector continues to drive development in the area, bolstering demand for multifamily properties. Although rents were up 5.4% in the 12 months ending in August, San Bernardino and Riverside remain the most affordable counties in Southern California.

Trade, transportation and utilities accounted for more than one-third of the 45,800 jobs that the Inland Empire added in the year ending in June. Professional and business services, government, as well as education and health services each added more than 7,000 jobs. The rapid expansion of these sectors has reinforced the need for infrastructure improvements across both counties. Interstate 10, the region's main tie to other Southern California metros, as well as an important freighting line, will soon include two more express lanes. Security Paving Co. and Lane Construction Corp. are heading the project, valued at nearly \$673 million.

Investors continued to prefer value-add properties, with the total transaction volume at \$590 million in 2018 through July. Development is likely to stay tepid, as only 1,600 units are expected to be completed this year. This will likely exact more pressure on rents, prompting Yardi Matrix to expect continued rent increases in 2018.

Recent Inland Empire Transactions

Hensley at Corona Pointe



City: Corona, Calif.
Buyer: Fairfield Residential
Purchase Price: \$137 MM
Price per Unit: \$217,357

Country Hills



City: Corona, Calif.
Buyer: Blackstone Group
Purchase Price: \$72 MM
Price per Unit: \$174,757

Parcwood



City: Corona, Calif.
Buyer: Acacia Capital
Purchase Price: \$71 MM
Price per Unit: \$228,205

The BelAire Apartment Homes



City: Rancho Cucamonga, Calif.
Buyer: FPA Multifamily
Purchase Price: \$62 MM
Price per Unit: \$236,285