



MULTIFAMILY REPORT

# High Supply In the Inland Empire

August 2025

**Investment Activity Remains Tepid**

**Supply Poised to Hit New Peak**

**Rent Growth Softens, Trails US**

# INLAND EMPIRE MULTIFAMILY



## High Supply Pressures Rent Growth

The Inland Empire maintained a steady performance during the first half of the year. Robust deliveries paused rent growth, with the average advertised asking rent unchanged on a trailing three-month basis at \$2,159 in June, but the occupancy rate in stabilized properties remained healthy, at 95.1% in May, following a 10-basis-point year-over-year decline.

Employment growth moderated to a 0.5% increase year-over-year through April, the equivalent of 3,200 net jobs and trailing the 0.8% national rate. Growth occurred in three sectors—education and health services (16,800 jobs), government (8,800) and trade, transportation and utilities (1,300)—while the largest losses were registered in leisure and hospitality (-9,600 jobs) and mining, logging and construction (-6,100). The unemployment rate clocked in at 4.8% as of May, underperforming the U.S. (4.2%) and surpassing California (5.3%). Notable projects slated for delivery in 2025 include Kaiser Permanente's Inland Valley Hospital Tower, which is scheduled to open in the fall.

Supply growth was on track to reach a new peak, with 2,864 units delivered during the first half of the year, while the pipeline remained robust with 9,549 units underway. Meanwhile, investors traded only \$168 million in multifamily assets, all in the RBN segment, for a price per unit that increased by 19.7% compared to 2024.

## Market Analysis | August 2025

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### Recent Inland Empire Transactions

#### Creekside Alta Loma



City: Rancho Cucamonga, Calif.  
Buyer: LivCor  
Purchase Price: \$90 MM  
Price per Unit: \$310,345

#### Coventry Square



City: Upland, Calif.  
Buyer: MJW Investments  
Purchase Price: \$21 MM  
Price per Unit: \$228,261

#### Mango Tree

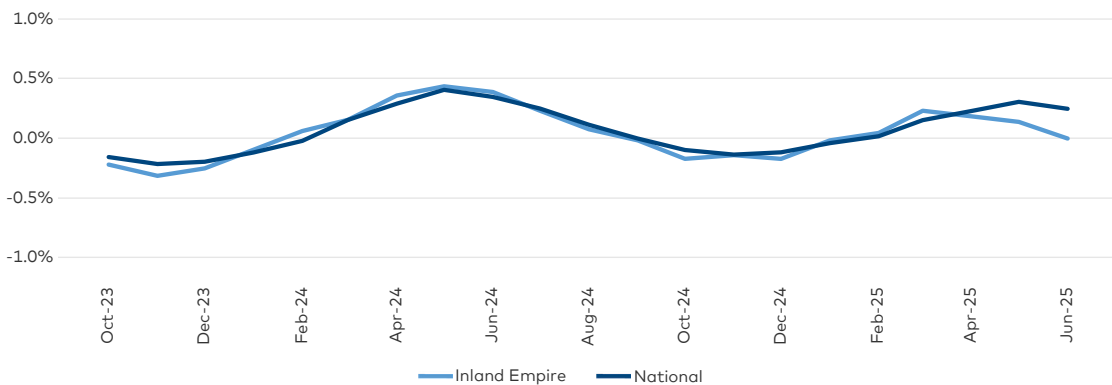


City: Fontana, Calif.  
Buyer: RABco Services  
Purchase Price: \$11 MM  
Price per Unit: \$193,750

## RENT TRENDS

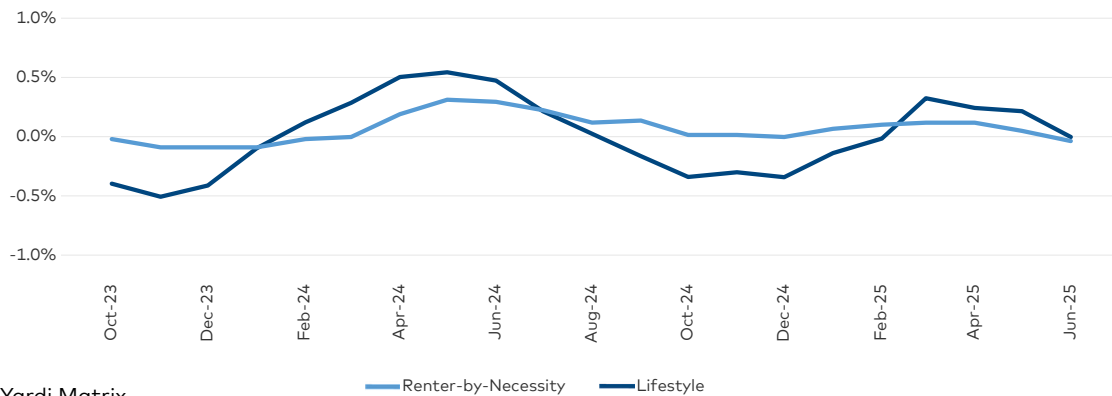
- ▶ The Inland Empire's average advertised asking rents remained unchanged at \$2,159, on a trailing three-month (T3) basis through June, with rent growth halted by robust deliveries. Meanwhile, the U.S. rate rose 0.2%, to \$1,749. Year-over-year, rent growth in the metro inched up 10 basis points, trailing the 0.9% national rate.
- ▶ Growth stalled across asset classes, on a T3 basis through June, clocking in at \$2,458 in the Lifestyle segment and at \$1,930 in RBN. Overall, RBN rates were more stable over the past two years, staying within the -0.1% to 0.3% range, while Lifestyle rent growth oscillated between -0.5% and 0.5%.
- ▶ The occupancy rate in stabilized properties slid 10 basis points year-over-year to a still healthy 95.1% in May. Occupancy was equal across asset classes, with Lifestyle gaining 20 basis points and RBN declining by 30 basis points.
- ▶ On a year-over-year basis through June, average advertised asking rents contracted in 14 of the 33 submarkets tracked by Yardi Matrix, including in Chino/Chino Hills (-0.1% to \$2,478), the metro's second most expensive submarket. Rancho Cucamonga (1.1% to \$2,559) remained the priciest area. Palm Springs recorded the best rent performance, up by 10.1%, to \$2,120, while the steepest rent decline was registered in Palm Desert/La Quinta (-5.1% to \$2,105).
- ▶ The SFR sector outperformed multifamily, with year-over-year rents up 4.5% to \$3,065 in June, and occupancy up 1.0% to 96.9% in May.

### Inland Empire vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

### Inland Empire Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- ▶ Employment growth remained on a moderating trend in the Inland Empire, up 0.5% year-over-year through April and 30 basis points behind the national rate. The metro gained 3,200 net jobs during the period, sustained by just three sectors—education and health services (16,800 jobs), government (8,800 jobs) and trade, transportation and utilities (1,300 jobs). The remaining seven sectors lost a combined 23,700 jobs, with the steepest losses registered in leisure and hospitality (-9,600 jobs), mining, logging and construction (-6,100 jobs) and manufacturing (-3,200 jobs).
- ▶ The Inland Empire's unemployment rate stood at 4.8% in May, according to preliminary data from the Bureau of Labor Statistics, recording a 50-basis-point improvement from January. The metro's rate trailed the U.S. (4.2%) and outperformed California (5.3%).
- ▶ The education and health services sector is poised for growth, with Inland Valley Hospital Tower slated to open in the fall. The Kaiser Permanente facility will add 152 beds, a 58-bay emergency department replacement, surgical suites, NICU beds and a new parking structure. Meanwhile, the Epicenter Master Plan broke ground in April on the Brightline West high-speed-rail project that will connect Las Vegas and Rancho Cucamonga and is slated for completion in 2028.

### Inland Empire Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	320.8	18.9%
90	Government	280.3	16.5%
40	Trade, Transportation and Utilities	447.5	26.3%
50	Information	12.6	0.7%
80	Other Services	50.4	3.0%
60	Professional and Business Services	160.8	9.4%
55	Financial Activities	42.6	2.5%
30	Manufacturing	92.7	5.4%
15	Mining, Logging and Construction	112.2	6.6%
70	Leisure and Hospitality	181.8	10.7%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- ▶ The Inland Empire's population recorded a steady expansion over the decade ending in 2022, up 8.2% and ahead of the 6.3% national rate.
- ▶ Following a 0.4% downtick in 2021, growth resumed in 2022, up 0.6% and 20 basis points above the U.S. rate.

### Inland Empire vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Inland Empire	4,560,470	4,600,396	4,580,402	4,610,050

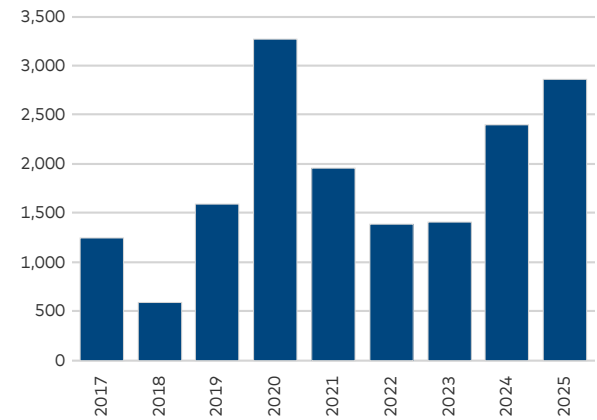
Source: U.S. Census

## SUPPLY

- ▶ Developers added 2,864 units in 2025 through June, 1.8% of the metro's total stock and 40 basis points higher than the U.S. rate, for the first time in 10 years. The metro is poised to record its best year yet, as deliveries through June already surpassed most annual volumes of the prior decade. Projects completed during the first half of 2025 consisted of 92.1% Lifestyle units, 2.1% RBN units and 5.8% fully affordable apartments.
- ▶ The construction pipeline remained robust, with 9,549 units underway and 43,000 in the planning and permitting stages. The under-construction pipeline featured only Lifestyle (78.2%) and fully affordable (21.8%) units.
- ▶ During the first half of 2025, 1,754 units across six properties started construction, an uptick from the 1,341 units across six properties that broke ground during the same interval in 2024. New construction activity moderated in the second half of 2024, to a total of 2,048 units across 13 properties.
- ▶ Developers were active in 18 of the 33 submarkets tracked by Yardi Matrix, with nearly one-third of the pipeline in Murrieta/Temecula (2,828 units). Next in line were Montclair/North Ontario (933 units) and East Riverside (779 units).

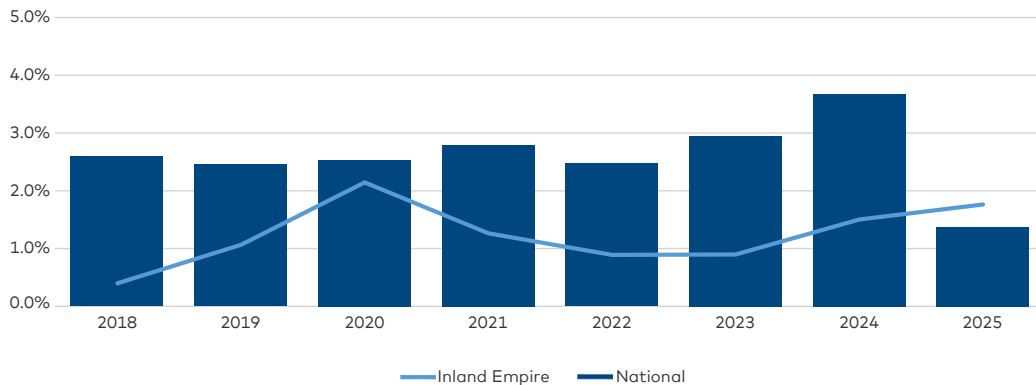
- ▶ The largest project delivered in the Inland Empire in 2025 through June was GH Palmer Associates' Vineyards, a 925-unit Lifestyle asset located in Montclair/North Ontario. The property includes 5,000 square feet of retail space and was built using a \$239 million construction loan originated by U.S. Bank in 2021.

**Inland Empire Completions (as of June 2025)**



Source: Yardi Matrix

**Inland Empire vs. National Completions as a Percentage of Total Stock (as of June 2025)**



Source: Yardi Matrix

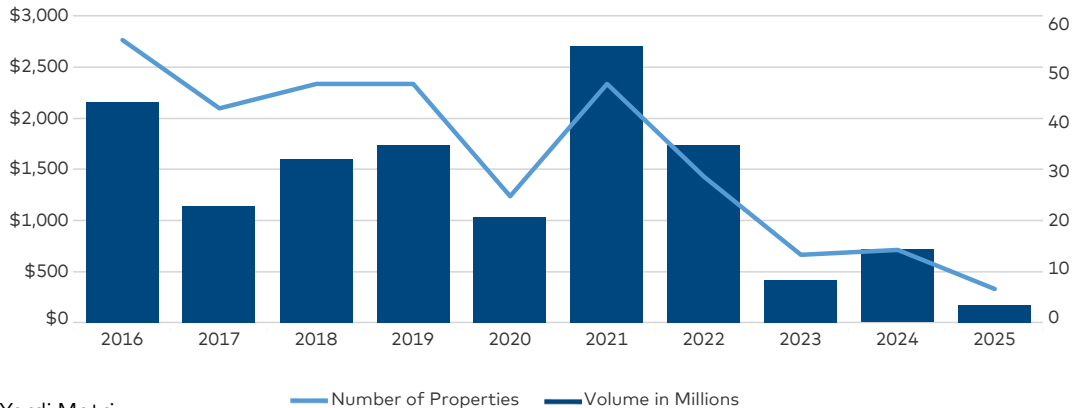
## TRANSACTIONS

- ▶ Multifamily sales totaled just \$168 million in the first half of 2025. Activity remained tepid in the Inland Empire for the third consecutive year, well below the prior decade's \$1.5 billion annual average. However, multifamily sales have slowed down significantly lately, with 2023 (\$417 million) and 2024 (\$715 million) falling short of the mark.
- ▶ Investors were focused exclusively on value-add plays, with all the transactions recorded in 2025

through June involving RBN assets. The average price per unit rose 19.7% this year, to an average of \$298,623, leading the U.S. rate, up 10.1% to \$212,317.

- ▶ The largest transaction recorded in the Inland Empire during the first half of 2025 was a \$90 million sale of a 290-unit property in Rancho Cucamonga. LivCor acquired the asset from Nuveen Real Estate for \$310,345 per unit.

### Inland Empire Sales Volume and Number of Properties Sold (as of June 2025)



Source: Yardi Matrix

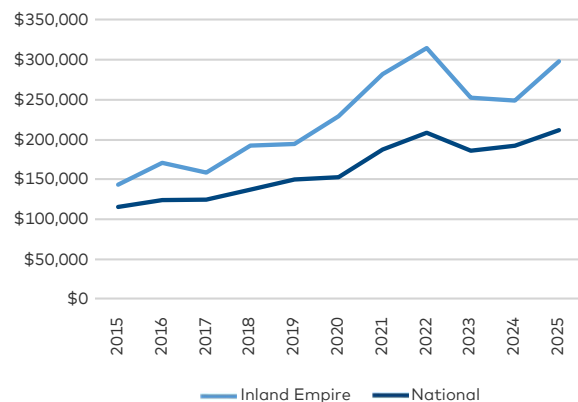
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Corona	328
Rancho Cucamonga	90
Montclair/North Ontario	67
West Riverside	57
East Riverside	50
Palm Desert/La Quinta	44
Victorville/Apple Valley/Big Bear	35

Source: Yardi Matrix

<sup>1</sup> From July 2024 to June 2025

### Inland Empire vs. National Sales Price per Unit



Source: Yardi Matrix



## Expanding California's Affordable Housing Stock: A Local Perspective

By Diana Firtea

The affordable housing crisis in California has only gotten worse over the past decade. EAH Housing—a nonprofit founded in 1968 to address the needs of low-income households and seniors living in California—has delivered 600 new units in the past year alone. “Our ability to sustain this pace stems from decades of experience navigating economic shifts and nuanced housing markets,” said Chief Real Estate Development Officer Welton Jordan.

*How do you identify new construction opportunities in California?*

Jordan: Location is paramount. We seek sites that offer residents easy access to public transportation, services and employment. Community and political support is another key factor. We look for areas where local governments recognize the need for affordable housing and offer the resources and incentives necessary to support these projects. Financial feasibility is equally as critical as securing diverse funding sources is key to long-term viability.

*How do you ensure that the needs and preferences of local communities are incorporated into your project plans?*

Jordan: For a long-term developer, owner and operator, receiving feedback is an essential part of the development process, particularly for projects involving public land or city-led initiatives. Whether outreach is handled by the city or directly by EAH as the developer, engaging with



neighbors and residents is key to understanding priorities and concerns.

Once we've gathered feedback, we integrate it in meaningful ways that align with project feasibility. Some aspects—such as exterior design choices or the inclusion of community amenities—can be tailored to reflect neighborhood preferences. At the same time, we must balance input with funding and regulatory requirements. Maintaining an open dialogue ensures that our developments enhance both the lives of residents and the fabric of the surrounding neighborhood. We strive to be a good neighbor.

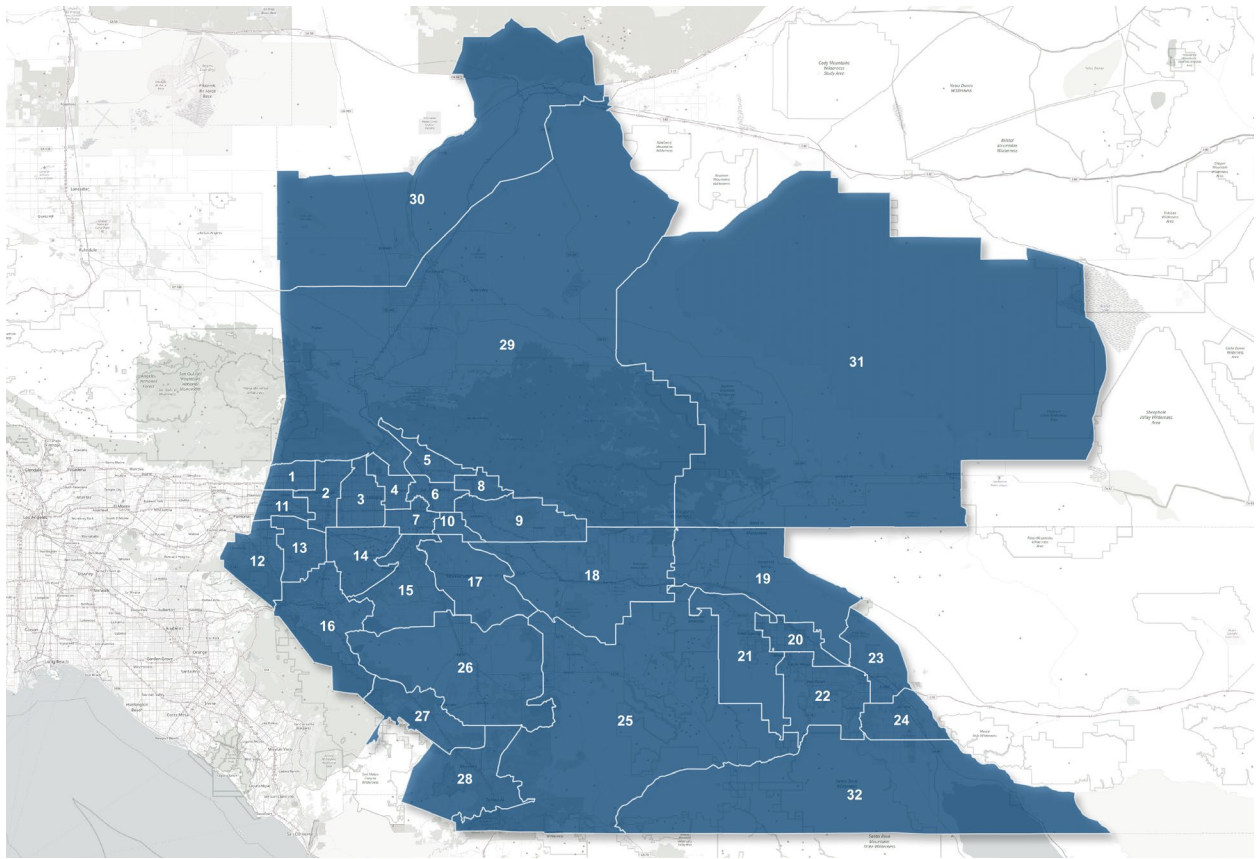
*You recently developed Greenfield Commons I in Greenfield, Calif., your first modular construction development. What are the benefits of modular construction? Is it feasible anywhere?*

Jordan: Modular construction has advantages, especially in areas with labor shortages or logistical constraints. At Greenfield Commons I, modular construction was a strategic choice to navigate challenges regarding the site's size, location and labor constraints.

By taking the modular approach, we overcame risks and inefficiencies associated with framing—a labor-intensive process requiring skilled workers. Sourcing these workers is a challenge. Waste reduction is another upside of modular construction. Because components are built in a controlled environment, there's less material waste and room for error.

*(Read the complete interview on [multihousingnews.com](https://multihousingnews.com).)*

# INLAND EMPIRE SUBMARKETS



Area No.	Submarket
1	Upland/Alta Loma
2	Rancho Cucamonga
3	Fontana
4	Rialto
5	North San Bernardino
6	South San Bernardino
7	Colton/GrandTerrace
8	Highlands
9	Redlands/Yucaipa
10	Loma Linda
11	Montclair/North Onta
12	Chino/Chino Hills
13	South Ontario
14	West Riverside
15	East Riverside
16	Corona

Area No.	Submarket
17	Moreno Valley
18	Beaumont/Banning
19	WhiteWater/Desert Hot Springs
20	Thousand Palms/Cathedral City
21	Palm Springs
22	Palm Desert/La Quinta
23	Indio
24	Coachella
25	Hemet/San Jacinto
26	Nuevo/Perris/Menifee
27	Lake Elsinore
28	Murrieta/Temecula
29	Victorville/Apple Valley
30	Adelante/Oro Grande
31	Yucca Valley/Morongo Valley
32	Indian Wells

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit [www.yardimatrix.com](http://www.yardimatrix.com) or call Ron Brock, Jr., at 480-663-1149 x14006.



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