



MULTIFAMILY REPORT

# Inland Empire: Holding Firm

December 2025

**Asking Rent Gains Outperform US**

**Investment Remains Slow**

**Deliveries Hit New Peak**

# INLAND EMPIRE MULTIFAMILY



## Rents Remain Resilient, Occupancy Rises

The Inland Empire's fundamentals showed resilience going into the fourth quarter. Amid record supply, average advertised asking rents were unchanged on a trailing three-month basis through October, at \$2,165, while the U.S. average slid 0.2% to \$1,743. Year-over-year, rents improved 1.7% vs. 0.5% nationally. The area's occupancy rate in stabilized assets inched up 20 basis points year-over-year, to 95.4% in September, even as deliveries shot up.

Employment growth stood at 0.7% through August, just below the 0.8% U.S. rate. Yet, unemployment rose to 6.1% in August, above the state (5.5%) and national (4.3%) rates. The Inland Empire added 14,600 net jobs over 12 months, led by education and health services (14,300), government (10,400) and leisure and hospitality (1,900), while the steepest losses were in construction (-6,600) and manufacturing (-2,800). Project advancements include the West Valley Connector, targeting a 2026 opening, SBCTA's hydrogen-powered ZEMU, now in service on the Arrow corridor, and Brightline West, advancing field work at Rancho Cucamonga toward a projected 2028 or 2029 launch.

Developers delivered 6,030 units through October, 3.6% of inventory and nearly triple the metro's 10-year pace. The construction pipeline had 7,235 units underway, with starts accelerating in 2025. Investment totaled \$756 million through October, while the average price per unit climbed significantly.

## Market Analysis | December 2025

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### Recent Inland Empire Transactions

#### The Venue at Orange



City: Redlands, Calif.  
Buyer: Sentinel Real Estate  
Purchase Price: \$148 MM  
Price per Unit: \$452,439

#### Ontario Town Square



City: Ontario, Calif.  
Buyer: Green Leaf Capital Partners  
Purchase Price: \$61 MM  
Price per Unit: \$432,143

#### Oasis Village

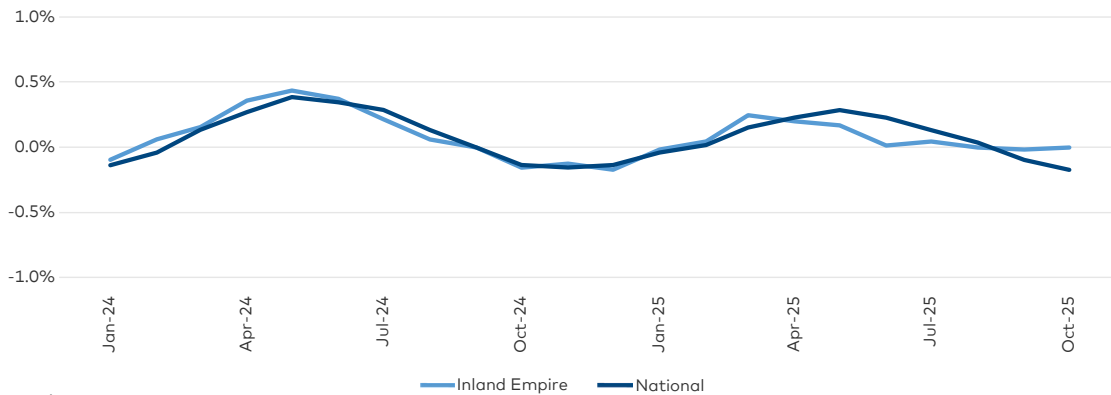


City: Adelanto, Calif.  
Buyer: Pro Residential  
Purchase Price: \$6 MM  
Price per Unit: \$78,117

## RENT TRENDS

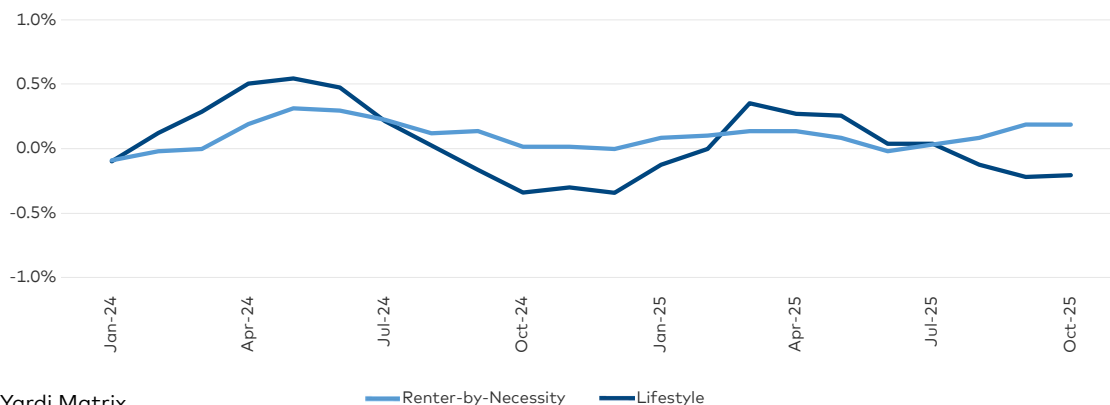
- ▶ The Inland Empire's average advertised asking rent was flat on a trailing three-month (T3) basis through October, at \$2,165, while the U.S. average slid 0.2%, to \$1,743. Despite the recent slowdown, year-over-year, Inland Empire asking rates were up 1.7%, well above the 0.5% U.S. average.
- ▶ On a T3 basis, working-class Renter-by-Necessity rates were up 0.2% through October, to \$1,948, marking three consecutive months of increases. Meanwhile, Lifestyle rates slid 0.2%, to \$2,450, declining for the third straight month.
- ▶ Occupancy in stabilized assets inched up 20 basis points year-over-year, to 95.4% in September, despite record supply in 2025. Strong demand for Lifestyle properties pushed the segment's occupancy up 30 basis points, to 95.4%, while the RBN rate remained unchanged, at 95.3%.
- ▶ Rent growth was uneven across the Inland Empire year-over-year through October, with 22 of the 33 submarkets tracked by Yardi Matrix posting gains. Chino/Chino Hills (0.8% to \$2,517) was the metro's priciest submarket, followed by Rancho Cucamonga (-0.9% to \$2,502) and South Ontario (-0.1% to \$2,412). Palm Springs recorded the strongest rent hike, up 12.8% to \$2,135, while the steepest decline was registered in Indio (-4.5% to \$1,627).
- ▶ Single-family rentals continued to outperform multifamily in the Inland Empire. Year-over-year, SFR rents rose 1.1% to \$3,034 as of October, while occupancy climbed 30 basis points over 12 months, to 96.4% as of September.

### 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

- ▶ The Inland Empire's employment growth accelerated to 0.7% through August, closely following the U.S. rate, which clocked in at 0.8% for the fifth month straight. Meanwhile, area unemployment rose to 6.1% as of August, up 80 basis points year-to-date. The metro trailed both the California (5.5%) and U.S. (4.3%) rates, and was the highest among major California metros.
- ▶ The Inland Empire added 14,600 net jobs in the 12 months ending in August, with gains in four sectors, led by education and health services (14,300 jobs), government (10,400) and leisure and hospitality (1,900). Six sectors lost 12,500 jobs combined, with the steepest drops in construction (-6,600) and manufacturing (2,800).
- ▶ Transit milestones include the West Valley Connector—a 19-mile zero-emission BRT with 21 stations—targeting a 2026 opening; SBCTA's hydrogen-powered ZEMU, in service since September on the Arrow corridor; and Brightline West, which advanced field work at Rancho Cucamonga ahead of a projected 2028 or 2029 launch.
- ▶ Meanwhile, Uncommon Developers secured full entitlements and preleasing for the 1.1 million-square-foot Apple Valley One Million Distribution Center, set against a 2025 slowdown in the Inland Empire pipeline (5.8 million square feet underway and 5.9 million delivered through June), even as investment remained active.

### Inland Empire Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	322.1	18.9%
90	Government	272.2	16.0%
70	Leisure and Hospitality	183.1	10.8%
80	Other Services	51.3	3.0%
50	Information	12.7	0.7%
60	Professional and Business Services	161	9.5%
40	Trade, Transportation and Utilities	450.4	26.5%
55	Financial Activities	42.6	2.5%
30	Manufacturing	92.4	5.4%
15	Mining, Logging and Construction	112.3	6.6%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- ▶ The Inland Empire added nearly half a million residents, or 12.0%, between the 2010 Census and 2022, well above the 8.9% national rate.
- ▶ The Inland Empire's population surpassed 4.7 million in 2024, climbing 0.8% year-over-year and 3.0% since 2020.

### 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

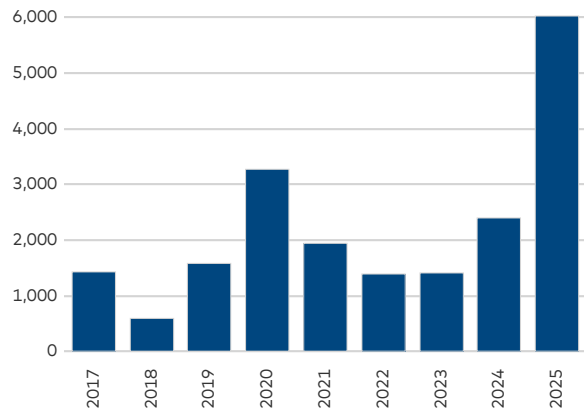
## SUPPLY

- ▶ Developers completed 6,030 units in the Inland Empire in 2025 through October, marking a new high for the market. That was the equivalent of 3.6% of existing stock, 100 basis points above the national average and three times the area's 10-year average. Nearly 85% of deliveries were Lifestyle projects, followed by fully affordable (14.0%) and RBN (2.5%).
- ▶ The Inland Empire's construction pipeline had 7,235 units underway as of October, and another 44,000 in the planning and permitting phases. Lifestyle remained the top preference for developers, accounting for 80.3% of the underway pipeline, followed by fully affordable (18.7%) and RBN (1.0%).
- ▶ New construction recorded a significant acceleration in 2025, with 3,952 units across 14 properties breaking ground through October. That was considerably above the 886 units across six properties that started construction during the first 10 months of 2024.
- ▶ Development was most active in Murrieta/Temecula (2,258 units), followed by East Riverside (991) and Rancho Cucamonga (942). Overall,

developers were active in 13 of the 33 submarkets tracked by Yardi Matrix.

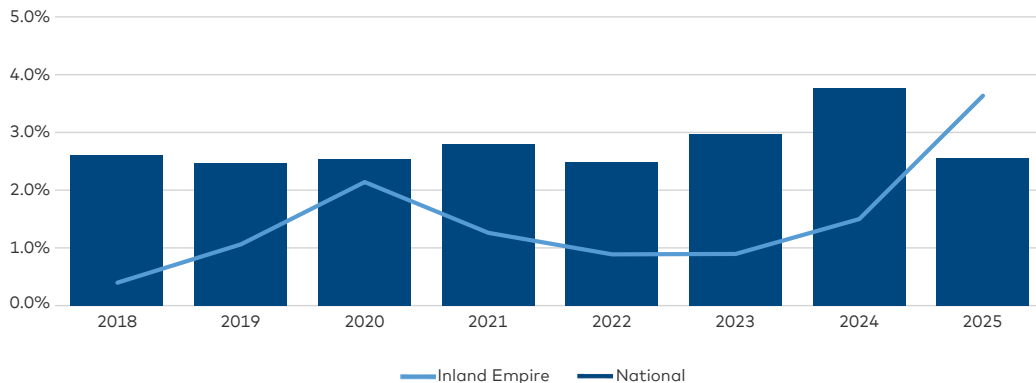
- ▶ Large, recent deliveries in the Inland Empire include Arroyo Crossings, a 400-unit, fully affordable property in Indio. Owned by The Pacific Cos., the asset was built with help from two construction loans totaling \$36.4 million, originated by the California Municipal Finance Authority.

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



Source: Yardi Matrix

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

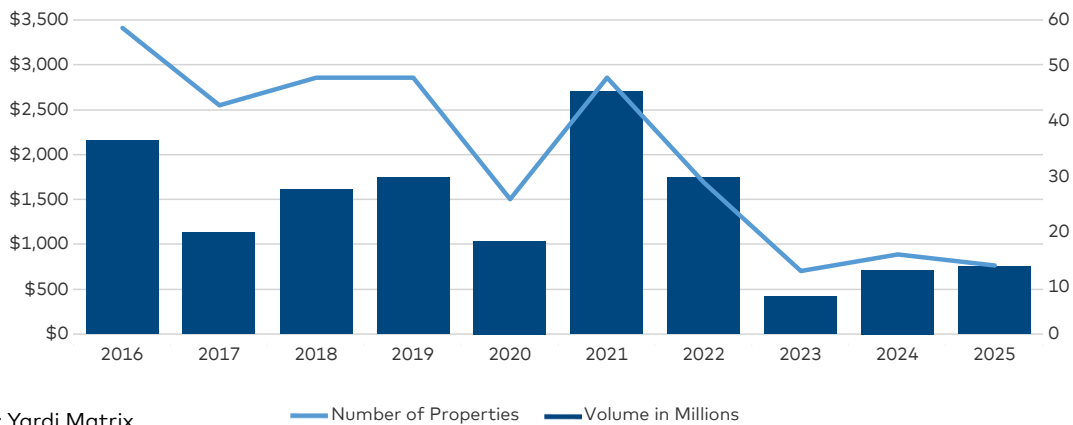


Source: Yardi Matrix

## TRANSACTIONS

- ▶ Transaction activity remained subdued in the Inland Empire, totaling \$756 million in 2025 through October. Year-to-date sales surpassed the full-year volumes for 2024 (\$715 million) and 2023 (\$417 million) but remained below the \$1.4 billion annual average of the past decade.
- ▶ The average price per unit increased significantly year-to-date, to \$360,772 through October. Yet, the increase was driven by a few large Lifestyle transactions in more expensive submarkets. Excluding those, the year-to-date average was near 2024 levels, consistent with an 80% value-add deal share rather than a broad market repricing.
- ▶ Several high-profile, single-asset sales closed across the Inland Empire in 2025, with two assets selling for more than \$100 million each: the 588-unit Esplanade at Riverwalk and the 328-unit Venue at Orange in Redlands. An additional two sales clocked in between \$50 million and \$100 million.

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



Source: Yardi Matrix

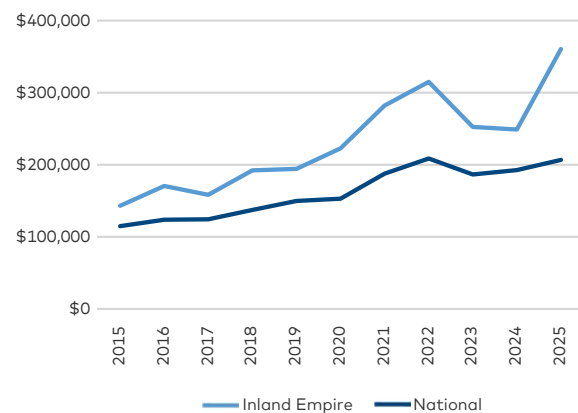
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
West Riverside	333
Redlands/Yucaipa	148
Montclair/North Ontario	128
Rancho Cucamonga	90
East Riverside	77
Palm Desert/La Quinta	44
Adelanto/Oro Grande	11

Source: Yardi Matrix

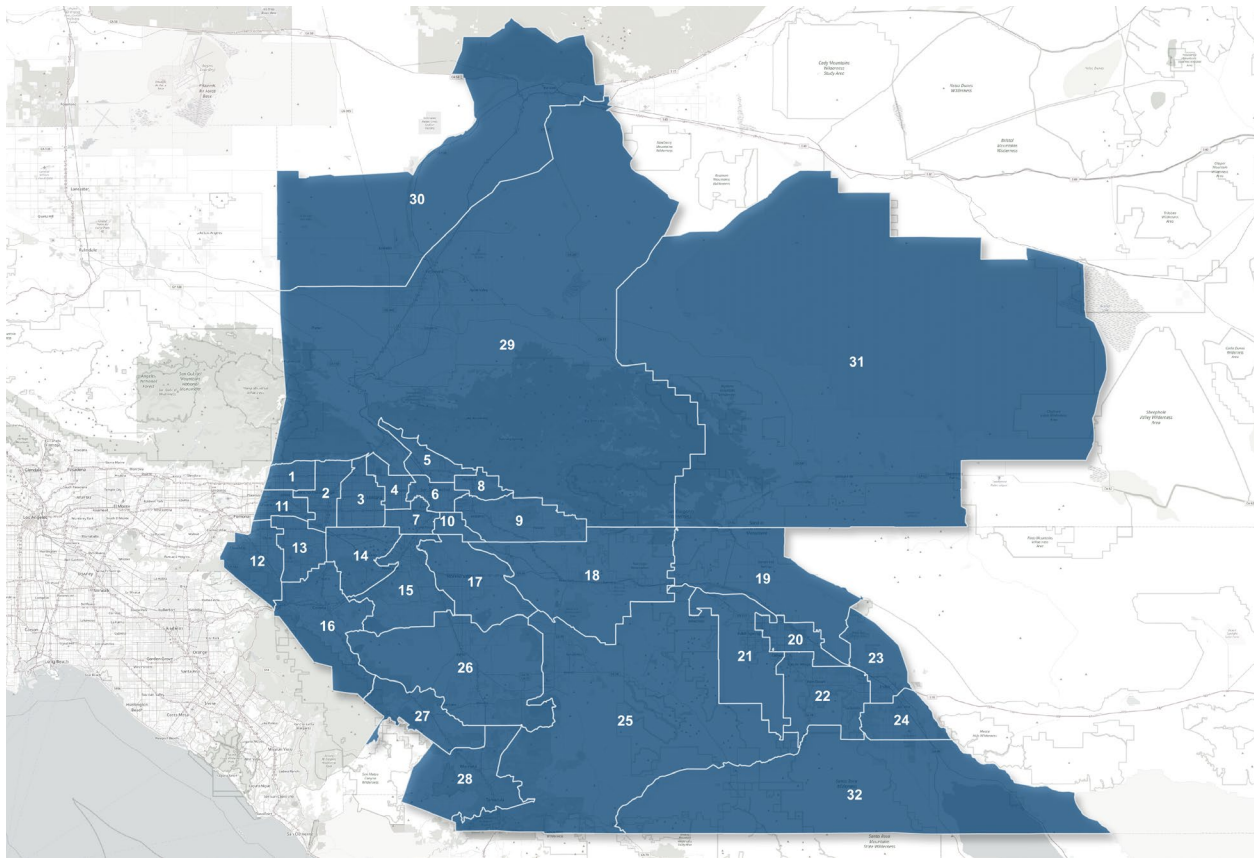
<sup>1</sup> From November 2024 to October 2025

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



Source: Yardi Matrix

# 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.

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