

# Inland Empire's Momentum

March 2026

Supply Growth Hits Decade Peak

Occupancy Stays Healthy

Rent Gains Slow Down



# INLAND EMPIRE MULTIFAMILY



## Rents Tick Down, Supply Holds Steady

The Inland Empire's multifamily market began 2026 with most fundamentals winding down, as economic uncertainty and a decade peak for deliveries pressured rents. Average advertised asking rents inched down 0.3%, on a trailing three-month basis through January, to \$2,151, 10 basis points below the U.S. average and marking the second consecutive month of contractions. Following 2025's record deliveries, the average occupancy across stabilized assets inched up only 10 basis points year-over-year through December, to 95.3%.

The area's employment growth clocked in at 0.7% year-over-year through September, 10 basis points below the U.S. figure. Meanwhile, unemployment was 5.1% as of December, above the 4.4% U.S. rate, but below California's 5.5%, according to preliminary data from the Bureau of Labor Statistics. The Inland Empire gained 14,900 net jobs over the 12-month period ending in September, with education and health services leading growth (15,600 positions). Five sectors lost a combined 13,200 jobs. One of the largest upcoming infrastructure projects is BNSF Railway's \$1.5 billion integrated rail facility.

Last year was the market's best for deliveries in this decade, with 7,014 units added. Activity will likely slow down this year. Developers had 7,198 units under construction as of January, along with an additional 45,000 units in the planning and permitting stages.

## Market Analysis | March 2026

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### Recent Inland Empire Transactions

#### Esplanade at Riverwalk



City: Riverside, Calif.  
Buyer: Abacus Capital Group  
Purchase Price: \$167 MM  
Price per Unit: \$283,163

#### The Venue at Orange



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

#### Loma Vista



City: San Bernardino, Calif.  
Buyer: Davis Management Corp.  
Purchase Price: \$14 MM  
Price per Unit: \$197,142

#### Heritage Park Senior

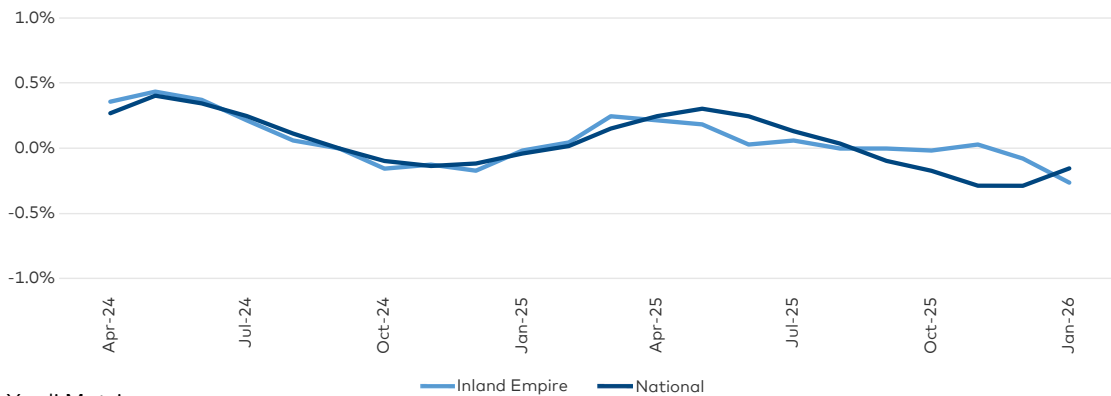


City: Norco, Calif.  
Buyer: Affordable Housing Access  
Purchase Price: \$14 MM  
Price per Unit: \$162,209

## RENT TRENDS

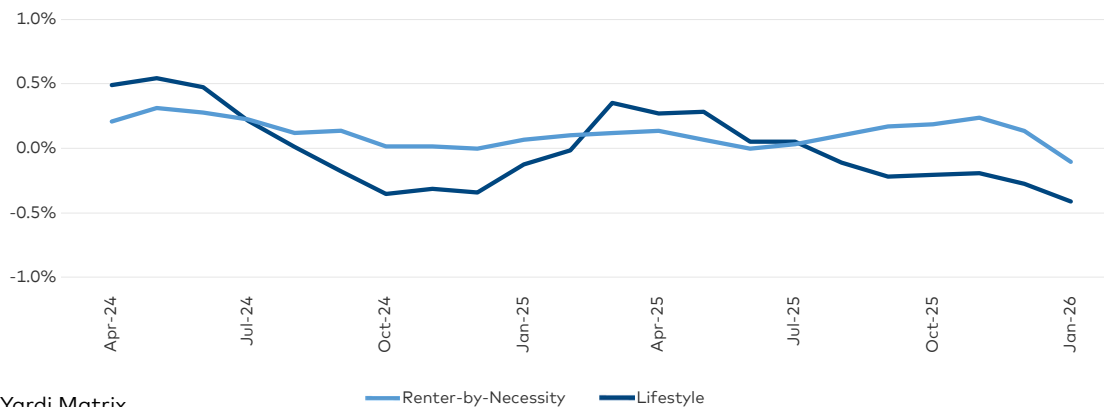
- ▶ Advertised asking rents ticked down 0.3%, on a trailing three-month (T3) basis through January, to \$2,151, 10 basis points below the U.S. figure. This was the second consecutive month of contractions for the market, on the heels of a very sluggish performance in 2025. Year-over-year, rent movement stalled completely, in part due to a large intake of new supply last year.
- ▶ Advertised asking rents for the working-class, Renter-by-Necessity segment were down just 0.1%, on a T3 basis through January, to \$1,942. This quality segment experienced a more stable trajectory over the past several quarters, with no contractions throughout 2025. In contrast, the upscale Lifestyle rate was down 0.4%, to \$2,421, with January marking the fifth consecutive month of contractions.
- ▶ The market's overall occupancy for stabilized assets ticked up just 10 basis points year-over-year through December, to 95.3%, which was 80 basis points higher than the U.S. average. Occupancy for the Inland Empire's Lifestyle segment increased 60 basis points, to 95.7%, while the RBN figure inched down 20 basis points, to 95.0%.
- ▶ Out of the Inland Empire's 33 submarkets, a few hotspots stood out for average advertised asking rent growth year-over-year through January. Nuevo/Perris/Menifee led with rates up 4.1%, to \$2,065, followed by Highlands (3.4% to \$1,750), Colton/Grand Terrace (3.2% to \$1,967), Fontana (2.9% to \$1,964) and North San Bernardino (1.7% to \$1,780).

### 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 stood at 0.7% year-over-year through September, just 10 basis points below the U.S. figure. This was a slight improvement over the previous quarters' performance, with some returning momentum. The Inland Empire had been trailing the national average for the past 10 months, but the gap is closing.
- ▶ The area's unemployment reached 5.1% as of December, down 40 basis points month-over-month, according to preliminary data from the BLS. The rate had been trending slightly down over the previous two quarters. California's rate stood at 5.5%, while the national figure was 4.4% in December.
- ▶ The Inland Empire added 14,900 net jobs over the 12-month period ending in September. Education and health services led growth, with 15,600 positions gained, followed by government (9,800) and leisure and hospitality (2,200). Five sectors lost a combined 13,200 jobs, including construction (-5,600) and manufacturing (-3,100).
- ▶ A few major projects promise to further boost the Inland Empire's dominance in logistics. In San Bernardino County, BNSF Railway plans to invest more than \$1.5 billion to develop a 4,500-acre integrated rail facility, set to include intermodal capabilities that will allow direct transfer from the ports of Long Beach and Los Angeles.

### Inland Empire Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	324.2	19.0%
90	Government	279.3	16.4%
70	Leisure and Hospitality	181.7	10.7%
80	Other Services	51.3	3.0%
50	Information	12.6	0.7%
60	Professional and Business Services	160.4	9.4%
55	Financial Activities	42.4	2.5%
40	Trade, Transportation and Utilities	449	26.4%
30	Manufacturing	91.6	5.4%
15	Mining, Logging and Construction	111.3	6.5%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- ▶ The Inland Empire's population grew to more than 4.7 million in 2024, according to recent Census estimates.
- ▶ This amounted to a 0.8% expansion year-over-year. From 2010 to 2022, the metro added 500,000 residents.

### Inland Empire vs. National Population

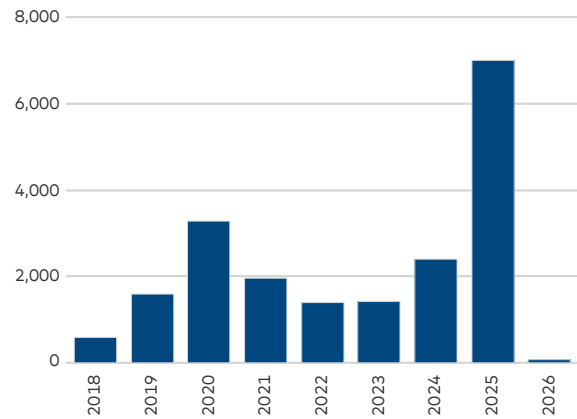
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Inland Empire	4,560,470	4,600,396	4,580,402	4,610,050

Source: U.S. Census

## SUPPLY

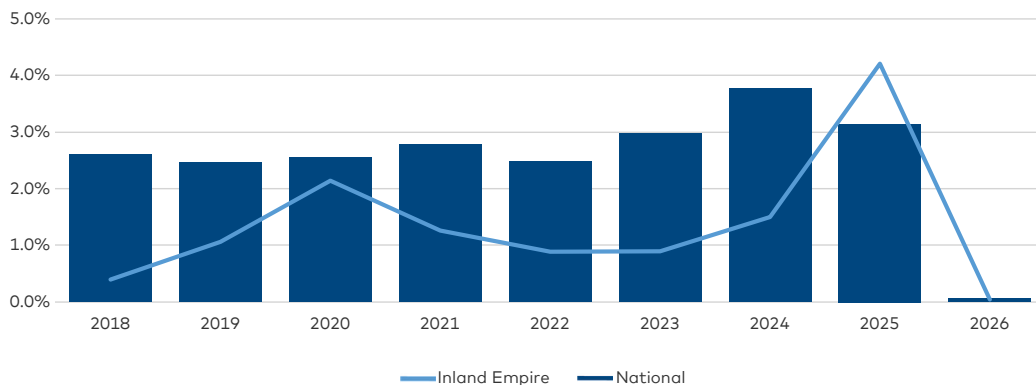
- ▶ Developers in the Inland Empire had 7,198 units under construction as of January, along with an additional 45,000 units in the planning and permitting stages. More than three-quarters of all units underway were in Lifestyle projects, 23.0% were in fully affordable developments, and only a single, 76-unit RBN property was in the pipeline.
- ▶ A total of 7,014 units came online in the Inland Empire in 2025, more than the previous three years combined, making last year the best-performing one since at least 2018. Completions amounted to 4.2% of existing stock, 110 basis points above the U.S. average. More than 80% of units added in 2025 were in Lifestyle projects, followed by fully affordable (11.7%) and RBN (4.4%). Momentum will likely dwindle this year, however, as roughly 4,300 units are expected to come online. Even so, this would still rank 2026 as the second-best year of the decade and above the 1,800-unit annual average recorded from 2018 to 2024.
- ▶ Developers broke ground on 4,609 units across 16 properties last year, more than five times the total recorded in 2024: 885 units across seven projects.
- ▶ The top three submarkets for construction in January were Murrieta/Temecula (2,268 units underway), Rancho Cucamonga (1,327) and East Riverside (992). All three benefit from demand drivers related to in-migration from Los Angeles and Orange County.
- ▶ A Community of Friends delivered the only project in January, dubbed Liberty Lane. Of the fully affordable community's 80 units, 62 are permanent supportive housing for veterans.

**Inland Empire Completions** (as of January 2026)



Source: Yardi Matrix

**Inland Empire vs. National Completions as a Percentage of Total Stock** (as of January 2026)

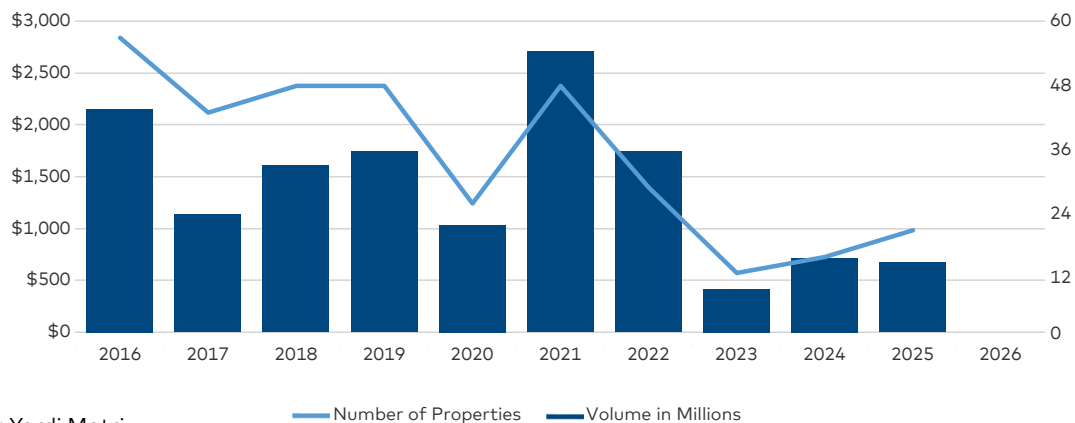


Source: Yardi Matrix

## TRANSACTIONS

- ▶ Multifamily investors in the Inland Empire traded \$672 million in rental assets in 2025, marking the third consecutive year with under \$1 billion in volume. This was also 6.0% less than 2024's total, as caution remains the norm. Last year was the second worst in terms of sales volume in this decade, as the average has been \$1.4 billion each year since 2016.
- ▶ A total of 21 single-asset transactions closed in 2025, with a focus on value-add plays. Of that total, 18 were RBN properties and only three were Lifestyle. The average price per unit for last year's sales reached \$266,495, up 6.8% from 2024.
- ▶ A total of \$594 million in multifamily assets traded over the 12-month period ending in February. Two high-profile deals amounted to more than half of this total—Abacus Capital Group's \$167 million acquisition of Esplanade at Riverwalk and Sentinel Real Estate's \$148 million deal for The Venue at Orange.

### Inland Empire Sales Volume and Number of Properties Sold (as of January 2026)



Source: Yardi Matrix

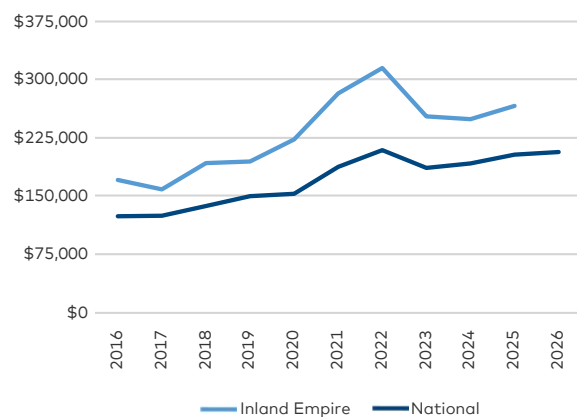
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Redlands/Yucaipa	190
West Riverside	167
Rancho Cucamonga	90
Montclair/North Ontario	61
East Riverside	27
Corona	14
Loma Linda	14

Source: Yardi Matrix

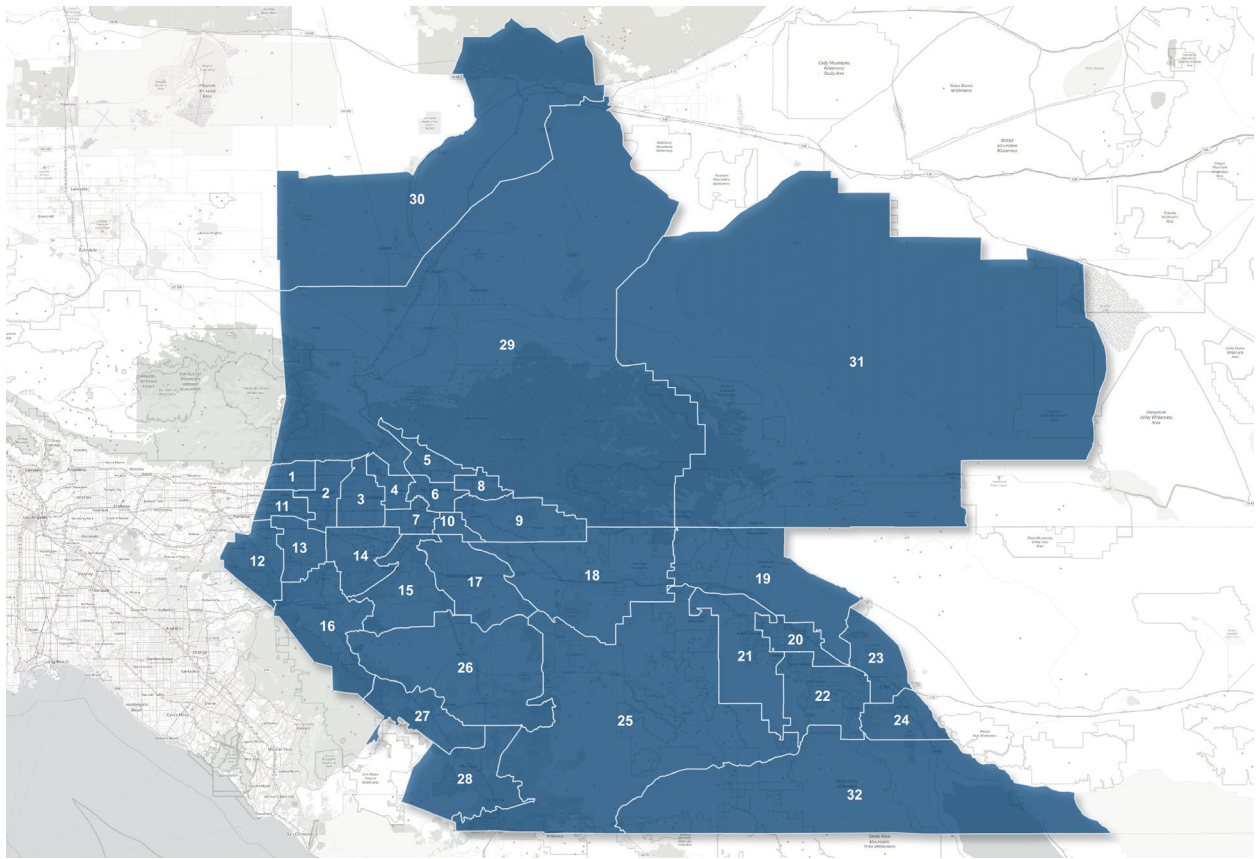
<sup>1</sup> From February 2025 to January 2026

### 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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