

Yardi® Matrix

Tighter Market, Rising Rents

Multifamily Report Fall 2019

Rent Growth Stays Above National Average

Health Care Leads Employment Gains

Construction Activity Picks Up

INLAND EMPIRE MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Rents Rise Amid Limited Supply

The Inland Empire's affordability advantage compared to other SoCal metros is drawing in new residents, expanding the local labor market and driving up demand for multifamily product. A historically limited supply of new apartments is maintaining rent growth above the national average.

Education and health services led employment gains as of June (12,900 jobs), as new outpatient facilities become operational while the number of residents without health insurance dropped significantly between 2012 and late 2018, following the implementation of the Affordable Care Act. Leisure and hospitality gained 6,900 jobs, due to record tourism numbers in 2018, when visitor spending exceeded \$7.8 billion in Riverside County and hit an all-time high of \$4.9 billion in San Bernardino County. Government employment rose by 5,100 jobs, followed by professional and business services (4,300 jobs) and trade, transportation and utilities (3,500 jobs).

In 2019 through August, more than \$1 billion in multifamily assets traded in the metro, at an average price per unit of \$209,785, a new cycle peak. Developers completed five projects totaling 1,357 units, a significant uptick following last year's cycle low of only 503 units, while another 4,481 units were under construction. Boosted by the migration of new residents from coastal counties, rent growth is expected to stay at 4.5% by year-end.

Recent Inland Empire Transactions

Promenade Terrace



City: Corona, Calif.
Buyer: LivCor
Purchase Price: \$99 MM
Price per Unit: \$300,000

Sonora at Alta Loma



City: Alta Loma, Calif.
Buyer: Sequoia Equities
Purchase Price: \$83 MM
Price per Unit: \$334,008

Lasselle Place



City: Moreno Valley, Calif.
Buyer: Praedium Group
Purchase Price: \$68 MM
Price per Unit: \$223,684

The District at Grand Terrace



City: Colton, Calif.
Buyer: Tower 16 Capital Partners
Purchase Price: \$63 MM
Price per Unit: \$179,119