

# Yardi® Matrix

## MULTIFAMILY REPORT

# The Inland Empire's Sturdy Status

Winter 2020

**Rents Top US Average**

**Health Care Leads Employment**

**Construction Activity Picks Up**

# INLAND EMPIRE MULTIFAMILY

## Yardi® Matrix

### Demand Outpaces New Supply

Multifamily demand in the Inland Empire remains strong, boosted by solid population and employment gains despite a chronic shortage of new supply. Consequently, rent growth and occupancy continue to exceed the national average.

Education and health services led job gains in the 12 months ending in November (16,000 jobs). A surge of insured residents following the implementation of the Affordable Care Act has spurred hiring in the sector, along with demand for medical office space. Since the region is facing a shortage of physicians, new medical schools have opened, including the California University of Science and Medicine, which debuted last summer in San Bernardino. Professional and business services gained 6,400 jobs, followed by trade, transportation and utilities (6,100 jobs).

More than \$1.4 billion in multifamily assets traded in the Inland Empire in 2019, most of it Renter-by-Necessity properties. With the state's rent control law—in effect since January 2020—impacting properties built before 2005, investors could lose interest in the metro's Class C assets, and therefore limit value-add plays. Developers completed 1,925 units last year, representing 1.3% of stock, while nearly 4,200 units were underway as of December. Absorption is expected to keep up, supporting consistent rent growth in 2020.

## Market Analysis | Winter 2020

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### Recent Inland Empire Transactions

Tides at Grand Terrace/  
Alvista Terrace



City: Colton, Calif.  
Buyer: Tides Equities  
Purchase Price: \$72 MM  
Price per Unit: \$197,404

### Vista Springs



City: Moreno Valley, Calif.  
Buyer: Crystal Asset Management  
Purchase Price: \$40 MM  
Price per Unit: \$186,321

### Sierra Vista



City: Redlands, Calif.  
Buyer: Afton Properties  
Purchase Price: \$37 MM  
Price per Unit: \$221,386

### ReNew Mills



City: Ontario, Calif.  
Buyer: FPA Multifamily  
Purchase Price: \$28 MM  
Price per Unit: \$196,479