

Yardi® Matrix

MULTIFAMILY REPORT

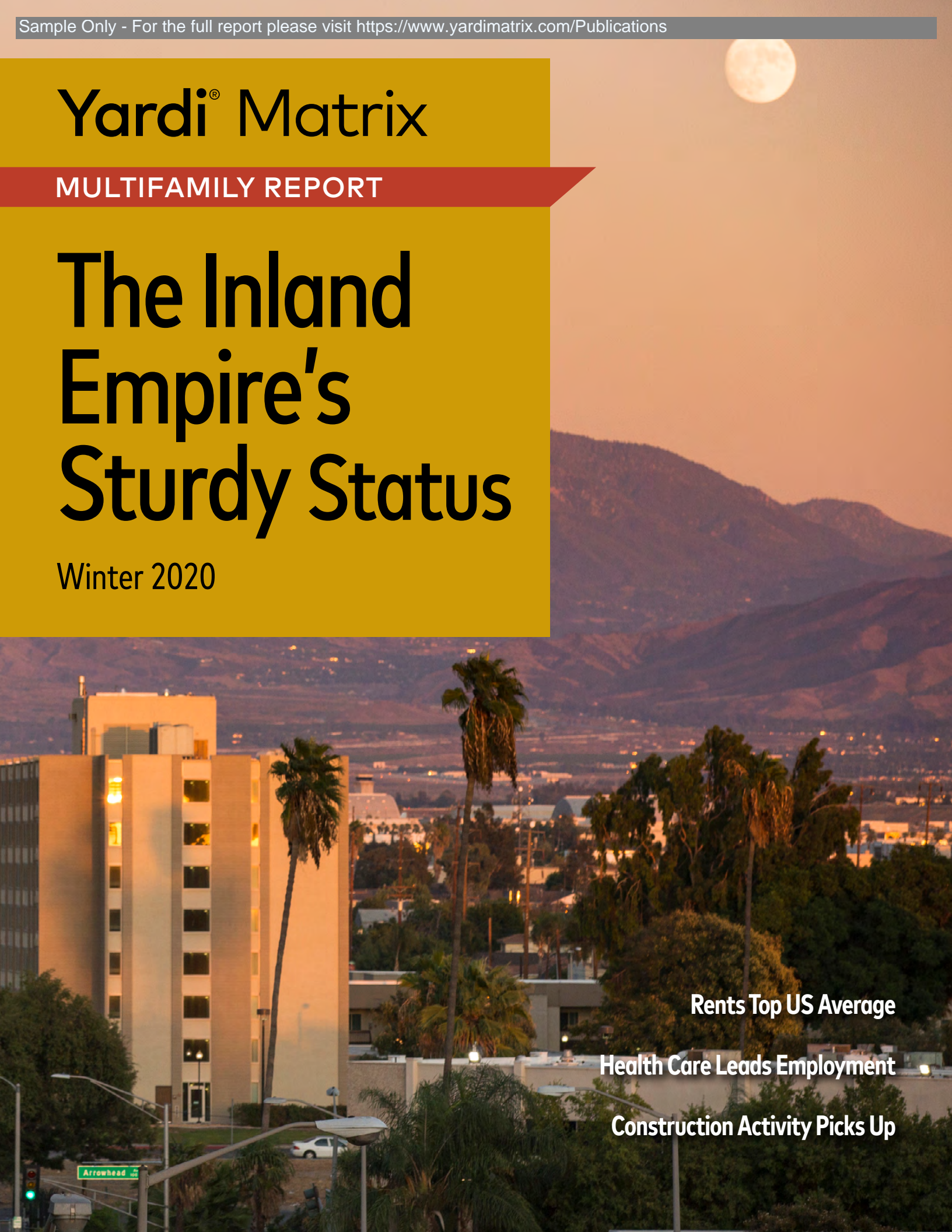
The Inland Empire's Sturdy Status

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

Contacts

Jeff Adler

Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(800) 866-1124 x2403

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Author

Adriana Pop

Senior Associate Editor

On the cover: Photo by Matt Gush/iStockphoto.com

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