

MARKET AT A GLANCE



OCCUPANCY RATE

96.3%

Up 10 bps since 1Q19



EFFECTIVE RENT

\$1,591

Up 4.5% since 1Q19



DELIVERIES

801

Units YTD

MARKET IMPACT ANALYSIS

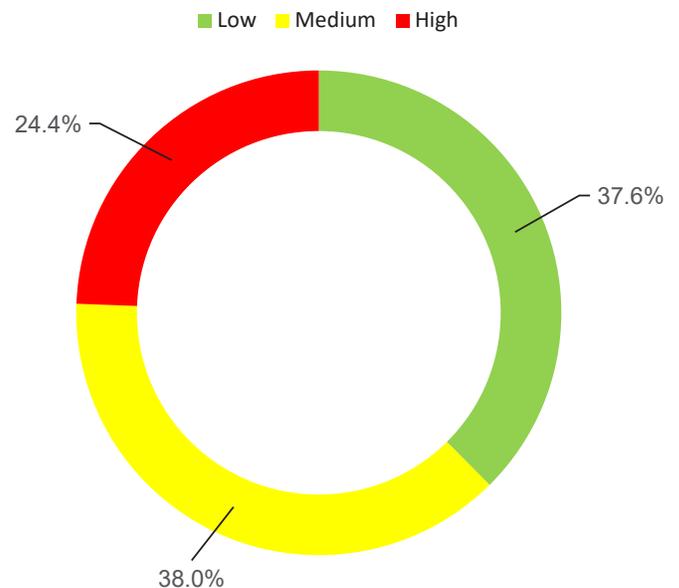
INLAND EMPIRE ECONOMY UNIQUELY POSITIONED TO WEATHER DISRUPTION

The Inland Empire is currently faced with extraordinarily unique challenges and advantages. Amid stay-at-home orders, workers in the information, the financial activities, and the professional and business services sectors are more likely to work from home—yet these workers comprise only 13.8% of people employed in the Inland Empire. Not surprisingly, a heat map published by the Economic Roundtable shows Riverside and San Bernardino Counties have considerably greater worker exposure to job loss than most of California. However, the Inland Empire's immense logistics network employs more than 141,000 metro residents and is crucial to the recent surge in online retail sales. This purchasing pattern may become the long-term norm and would solidify the Inland Empire as the primary logistics hub in the western U.S. The present economic environment has also exposed weaknesses in some types of investment property, but multifamily is not among them. The exodus of apartment renters from the neighboring coastal counties to the more affordable Inland Empire may intensify with periods of prolonged unemployment or if the economy rebounds slowly. California's rental market has risks, however. Of great concern to multifamily and single-family markets is the state legislature's recent appetite for protection of the renter to the detriment of rental property owners, particularly AB 828, which if passed, would limit landlords' ability to effectively manage their properties.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	1.0%	1.1%
Finance & insurance	1.9%	4.7%
Health care & social assistance	17.3%	16.0%
Information	0.9%	2.2%
Mining, quarrying, & oil & gas extraction	0.1%	0.5%
Transportation & warehousing	10.8%	4.4%
Utilities	0.4%	0.4%
Wholesale trade	5.2%	4.7%
Total	37.6%	33.9%
MEDIUM		
Administrative & waste services	8.3%	7.4%
Educational services	1.3%	2.3%
Manufacturing	7.9%	10.1%
Other services, except public administration	3.1%	3.6%
Professional & technical services	3.3%	7.5%
Retail trade	14.1%	12.2%
Total	38.0%	43.1%
HIGH		
Accommodation & food services	12.0%	11.1%
Arts, entertainment, & recreation	1.5%	1.9%
Construction	8.6%	6.1%
Management of companies & enterprises	0.7%	1.9%
Real estate & rental & leasing	1.6%	1.8%
Unclassified	0.0%	0.1%
Total	24.4%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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