

INLAND EMPIRE, CA

2022 MARKET AT A GLANCE

Occupancy Rate

97.9%



DOWN 70 BPS YOY

Effective Rent

\$2,217



UP 11.6% YOY

Rent Share of Wallet

36.7%



UP 280 BPS YOY

Transportation and Warehousing Hiring to Boost Economy in 2022

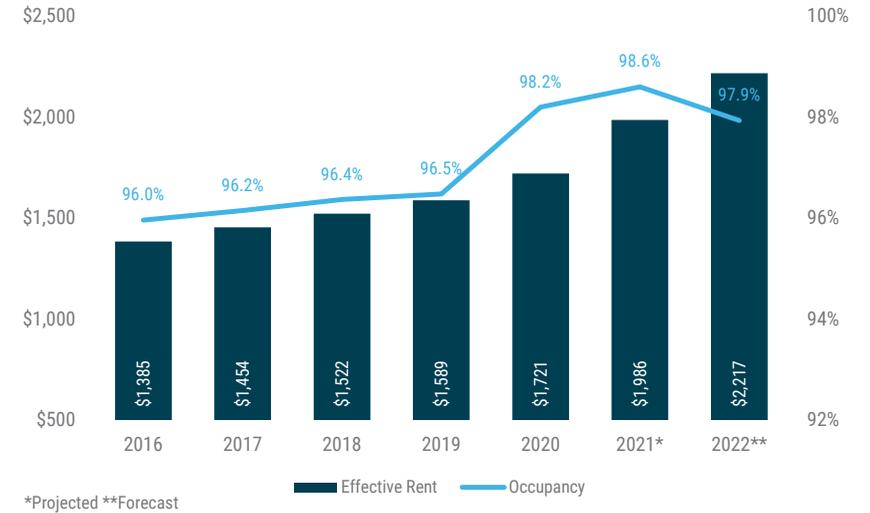
The Inland Empire apartment market remained an attractive draw for investment dollars in 2021. The number of multifamily deals and dollar volume by the third quarter of 2021 easily surpassed those in 2020. Investors will once again find the Inland Empire apartment market an appealing alternative to the coastal areas in 2022, as the average price per unit is expected to range from 22% to 32% lower than the Los Angeles, Orange County, and San Diego metro area apartment markets. Many renters from the coastal areas will also view the Inland Empire favorably, as a fair portion of them will comprise the projected 21,700 net new residents relocating there in 2022. Some of these new residents will also be attracted by the creation and restoration of 52,900 jobs in the Inland Empire in 2022. Transportation and warehousing sector employment is expected to expand significantly in 2022 as supply chain issues linger nationwide. At year-end 2021, 158 industrial and warehousing projects were under construction in the Inland Empire, representing an aggregate addition of 23.8 million square feet when complete, a 3.5% addition to existing inventory. As this space is placed into service, it is anticipated to fill quickly as one way to alleviate prolonged logistics challenges. New hires among the new logistics centers will contribute to a 3.4% overall projected increase in employment in 2022. The rise in staffing will support positive net apartment absorption, resulting in estimated 97.9% occupancy by year-end, as average monthly effective rent is forecast to reach \$2,217, an 11.6% annual gain.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

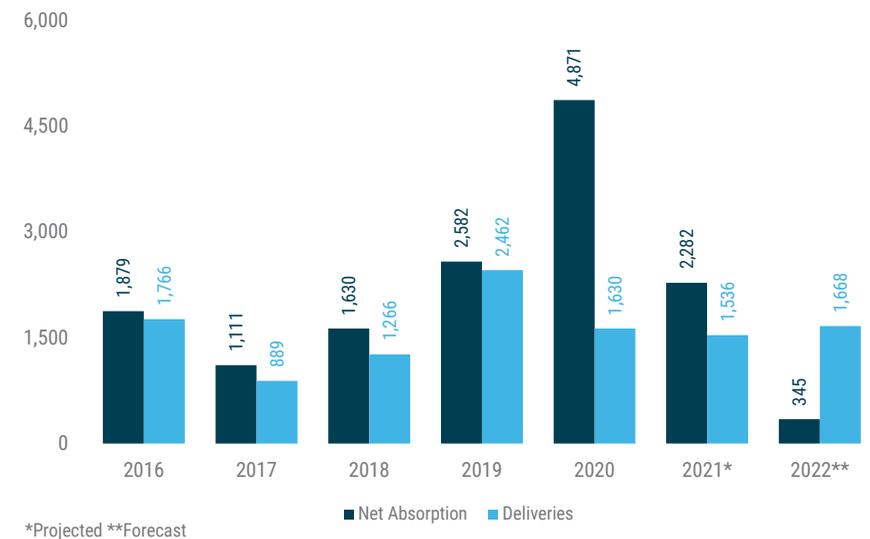
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy

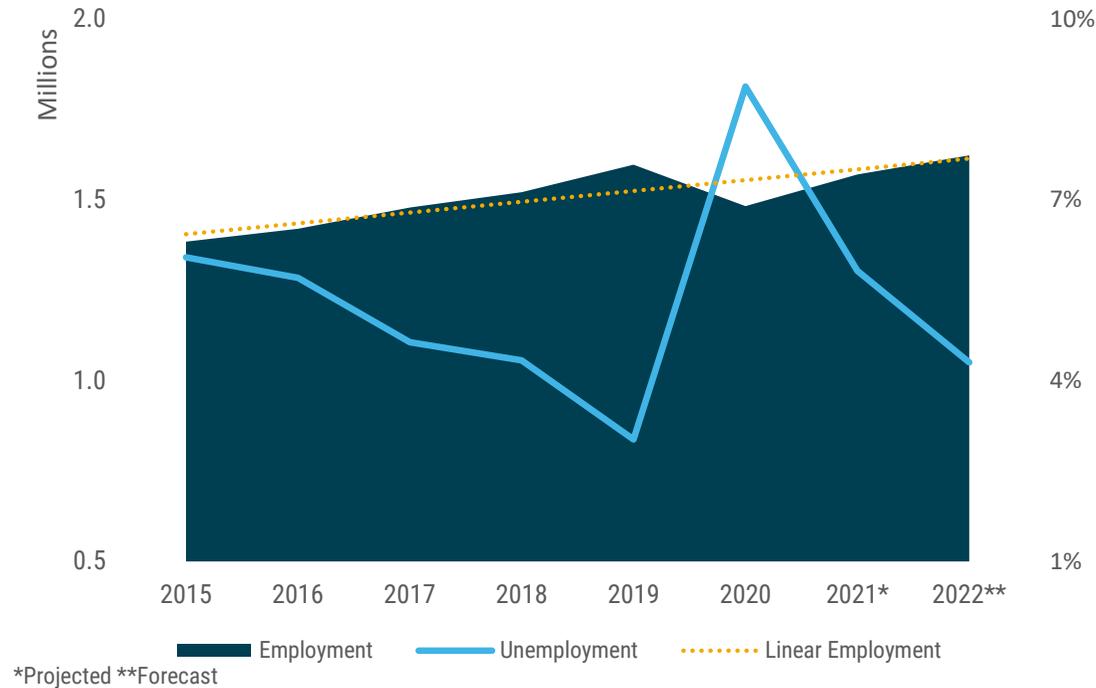


Absorption & Deliveries



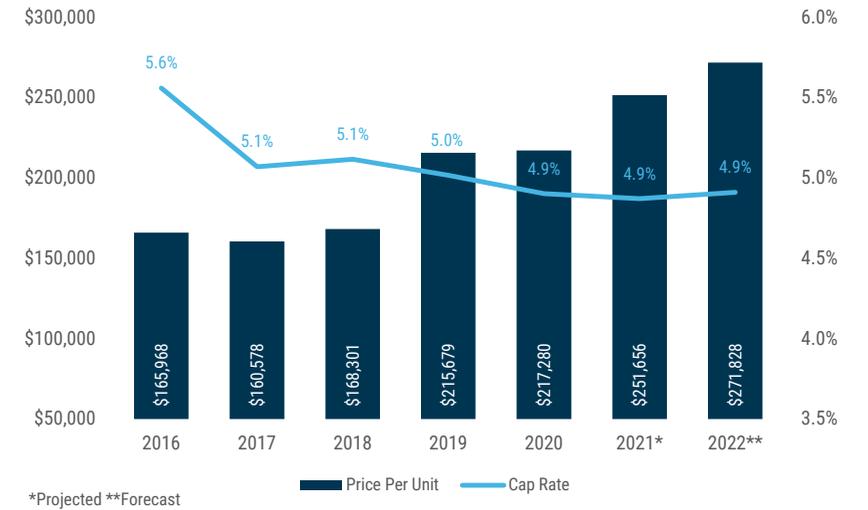
EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



Employment

1,623,600



UP 3.4% YOY

Unemployment

4.3%



DOWN 150 BPS YOY

Median Household Income

\$72,559



UP 3.1% YOY

Price Per Unit

\$271,828



UP 8.0% YOY

Cap Rate

4.9%



UNCHANGED YOY