

# INLAND EMPIRE, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.1%



DOWN 30 BPS YOY

Effective Rent

\$2,274



UP 3.4% YOY

Rent Share of Wallet

31.1%



UP 10 BPS YOY

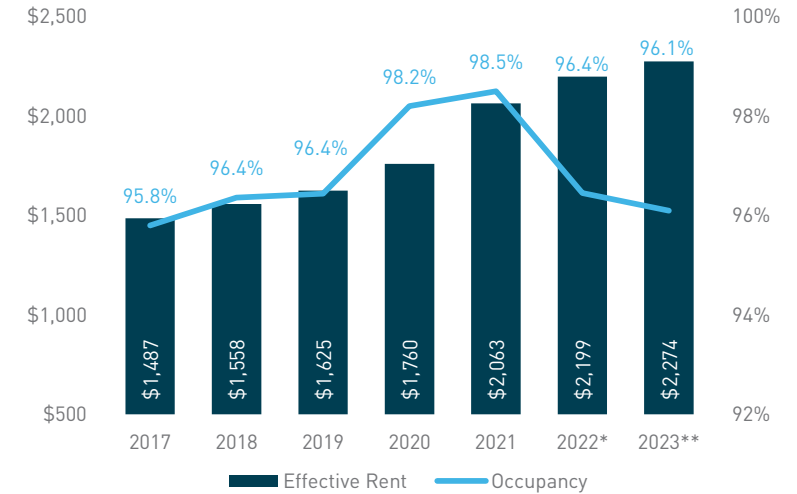
## Positive Apartment Fundamentals Anticipated Among Heightened Deliveries

In-migration and the rising cost of homeownership will continue to fuel the health of the Inland Empire apartment market in 2023. Moody's forecasts 31,400 net new residents in the Inland Empire this year. These arrivals will contribute to the projected formation of 20,600 households in 2023. The additional households will outnumber the 2,888 projected apartment units delivered and the approximately 13,100 new single-family homes completed this year. Overall net apartment absorption is forecast to total 2,091 units in 2023, approximately 25% greater than the average annual net absorption in the five years preceding the pandemic. The heightened demand will trail deliveries, leading to projected end-of-year apartment occupancy of 96.1%, on par with the pre-pandemic average. Monthly effective rent is expected to increase 3.4% this year, approximating historical annual rent appreciation. In addition to in-migration, job growth will also boost the metro's apartment market. Inland Empire payrolls are forecast to expand 1.7% in 2023. The metro's transportation and warehousing sector will play a key role in near- and long-term job growth. The sector will be underpinned by the emergence of new warehouses and distribution centers that lease-up rapidly. Following the recent opening of Amazon's new 4.1 million-square-foot fulfillment center in Ontario, which supported 1,500 new jobs, over 19 million square feet of warehouse and light industrial space are scheduled for completion metrowide in 2023.

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 2022 are projected values. 2023 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.

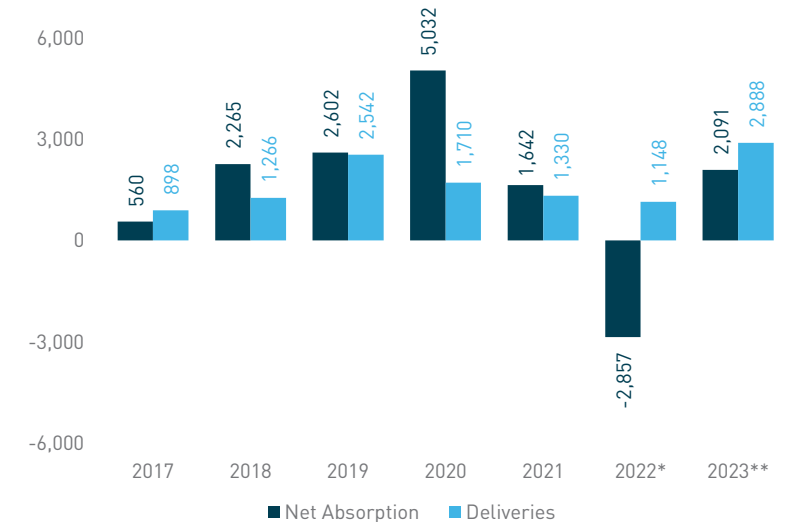
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

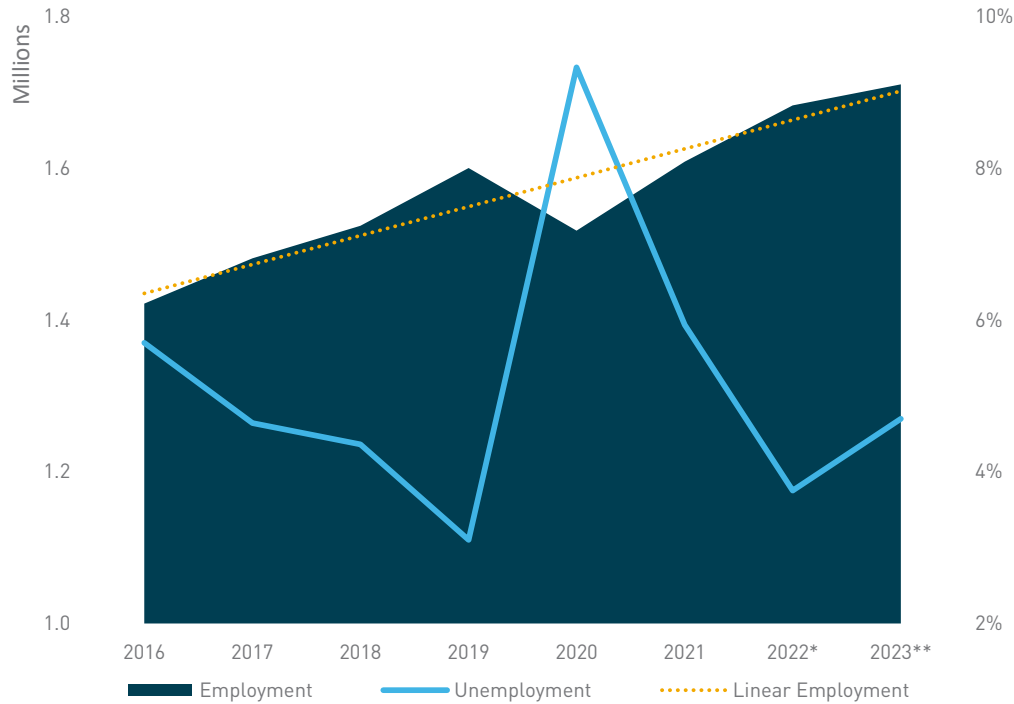


\*Projected \*\*Forecast

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## Employment Trends

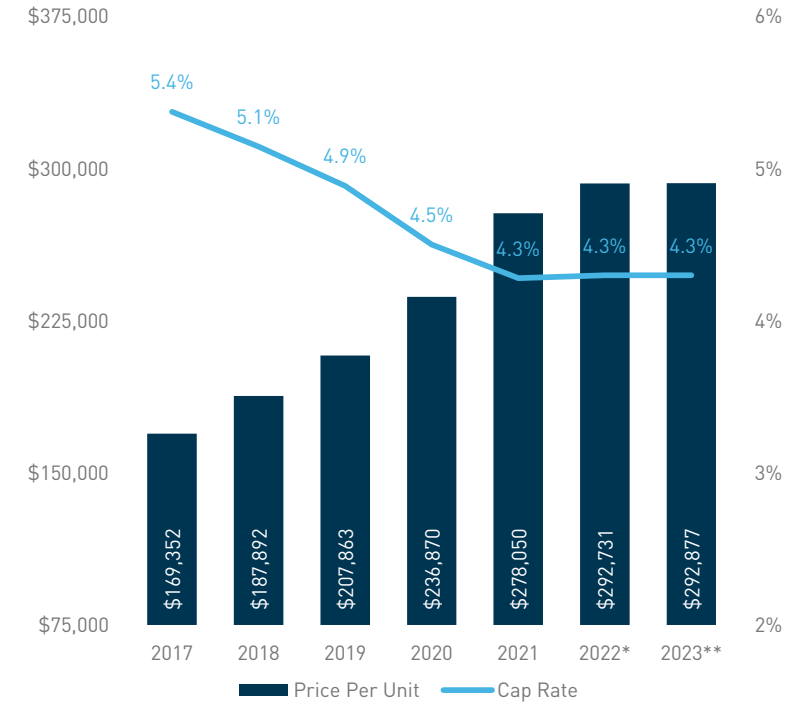
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,710,400</b></p> <p>↑</p> <p>UP 1.7% YOY</p>	<p>Unemployment</p> <p><b>4.7%</b></p> <p>↑</p> <p>UP 90 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$87,865</b></p> <p>↑</p> <p>UP 3.1% YOY</p>
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<p>Price Per Unit</p> <p><b>\$292,877</b></p> <p>=</p> <p>UNCHANGED YOY</p>	<p>Cap Rate</p> <p><b>4.3%</b></p> <p>=</p> <p>UNCHANGED YOY</p>
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