# INLAND EMPIRE, CA

## 2025 MARKET AT A GLANCE

| OCCUPANCY RATE (Q4 2025) | EFFECTIVE RENT (Q4 2025) | RENT SHARE OF WALLET (Q4 2025) |
|---|---|---|
| 97.4% | $2,287 | 31.1% |
| UP 210 BPS YOY | UP 3.1% YOY | UP 20 BPS YOY |

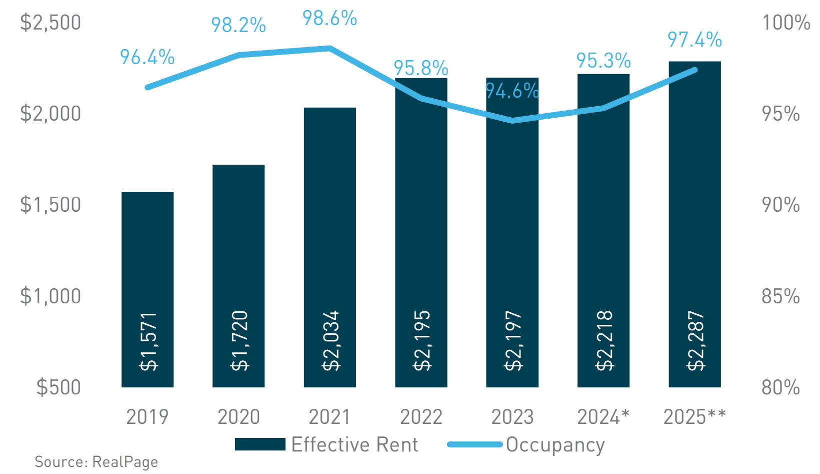
### Inland Empire Rents and Lower Cost of Living Will Continue Drawing Renters

Apartments in the Inland Empire will remain an attractive option for households priced out of homeownership in the metro area and the higher-rent apartments along the California coast. The Inland Empire's cost of living is considerably lower than that of California. Single-family mortgages recently originating in the Inland Empire have a monthly payment typically about 47% higher than the average apartment rent. Furthermore, the metro's median single-family home price is projected to rise 2% to $603,200 by year-end 2025, assuring many aspiring home buyers remain renters. Moody's forecasts 37,900 net new residents metrowide in 2025; many will come from the coastal communities. Multifamily developers, continually working to meet demand, will complete 4,963 new apartments. This year's deliveries in the Temecula/Murrieta submarket will account for nearly 30% of the new apartments metrowide. Most of these new apartment communities will be near Interstate 15, giving residents priced out of San Diego County convenient commutes to employment centers in northern San Diego County. Metrowide net apartment absorption in 2025 is forecast to outpace the heightened inventory expansion, spurring a projected 210-basis-point surge in occupancy by year-end. The greatest increases in the occupancy rate are predicted in the Coachella Valley, Victorville/Outer San Bernardino, Fontana/Rialto/Colton, and Temecula/Murrieta submarkets, the four submarkets with the lowest average effective rent in the metro area. The anticipated demand in these more affordable submarkets reflects the ongoing need of many lower-income renters who are on a strict budget.

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 2024 are projected values. 2025 figures are forecast projections.



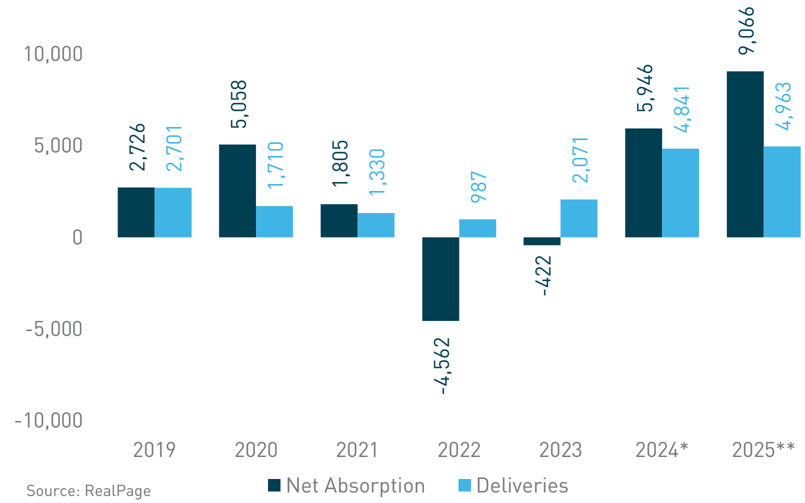
## APARTMENT TRENDS




Source: RealPage

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.




Source: RealPage

*Projected **Forecast

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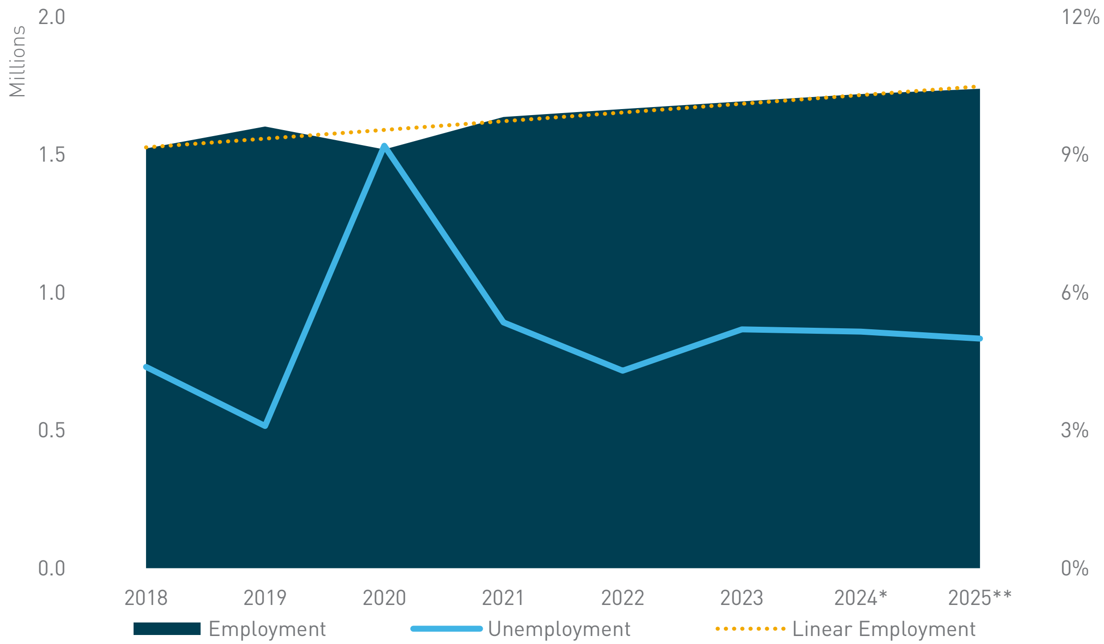
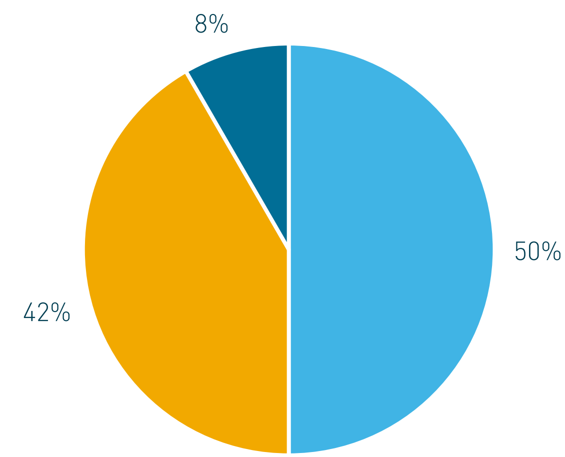
## EMPLOYMENT TRENDS




Source: Moody's Analytics

*Projected **Forecast

## 2024 SALES TRENDS*




Source: MSCI Real Capital Analytics

1979 & Earlier | 1980-99 | 2000-16

*YTD through Oct.

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

**EMPLOYMENT** (DEC. 2025)
1,739,900
UP 1.1% YOY

**UNEMPLOYMENT** (DEC. 2025)
5.0%
DOWN 10 BPS YOY

**MEDIAN HOUSEHOLD INCOME** (DEC. 2025 SAAR)
$88,356
UP 2.6% YOY

**PRICE PER UNIT** (2024 AVG.)
$221,700
DOWN 16.2% YOY

**CAP RATE** (2024 AVG.)
4.4%
UNCHANGED YOY