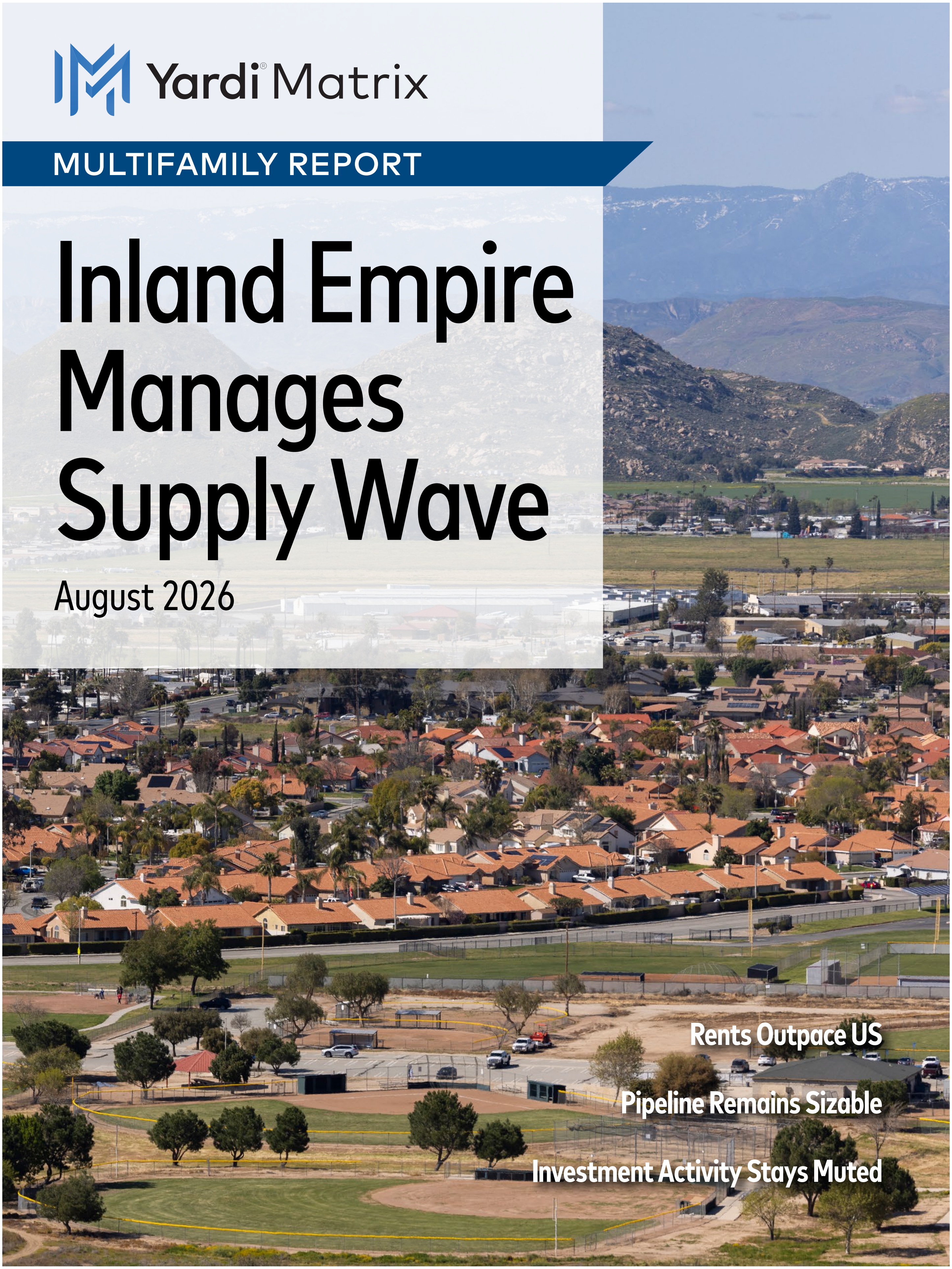
Yardi Matrix

MULTIFAMILY REPORT

Inland Empire Manages Supply Wave

August 2026



Rents Outpace US

Pipeline Remains Sizable

Investment Activity Stays Muted

INLAND EMPIRE MULTIFAMILY

Yardi Matrix

Market Holds Despite Elevated Deliveries

Fundamentals in the Inland Empire remained steady but supply-sensitive, with modest rent growth and limited occupancy contraction despite a recent delivery wave. Average advertised asking rents rose 0.2% on a trailing three-month basis through June, to $2,186, matching the national increase to $1,763. Year-over-year, rents advanced 0.5%, outpacing the 0.2% U.S. gain, while the occupancy rate in stabilized properties slipped 20 basis points to, 95.2%.

Employment growth outperformed the U.S. average, but the margin narrowed, with the metro up 0.3% year-over-year as of April, while the U.S. contracted 0.1%. The unemployment rate stood at 4.6% in May, below California's 5.3% but above the 4.3% U.S. average. A net gain of just 100 jobs in the 12 months ending in April reflected strong growth in education and health services, offset by losses across seven sectors led by professional and business services. Notable CRE drivers include Riverside Community Hospital's 342,690-square-foot Tower H and Union Pacific's planned West Colton and intermodal infrastructure upgrades.

Supply pressure moderated in the first half of 2026, with 1,412 units delivered through June and 6,253 units underway, even as starts dropped 90.3% year-over-year. Investment activity stayed modest, with $121.2 million in assets trading through June, while the average price per unit fell 24.7% year-to-date to $200,695, but remained 8.7% above the $184,594 U.S. average.

Market Analysis | August 2026

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Recent Inland Empire Transactions

The Hawthorne

City: Riverside, Calif.
Buyer: Alliance Residential Co.
Purchase Price: $65 MM
Price per Unit: $354,620

Golden Sands

City: Victorville, Calif.
Buyer: Aspen Real Estate Financial
Purchase Price: $21 MM
Price per Unit: $175,000

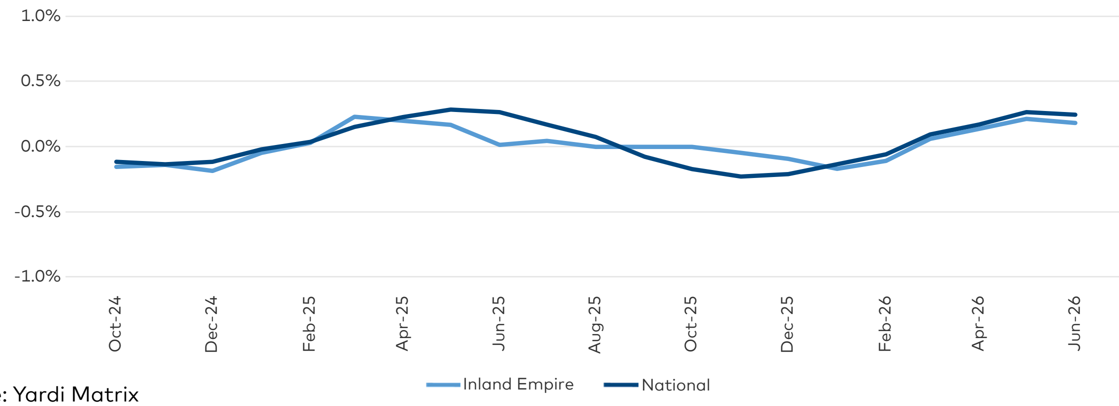
Kendall Brook

City: San Bernardino, Calif.
Buyer: Spring Property Group
Purchase Price: $17 MM
Price per Unit: $150,877

RENT TRENDS

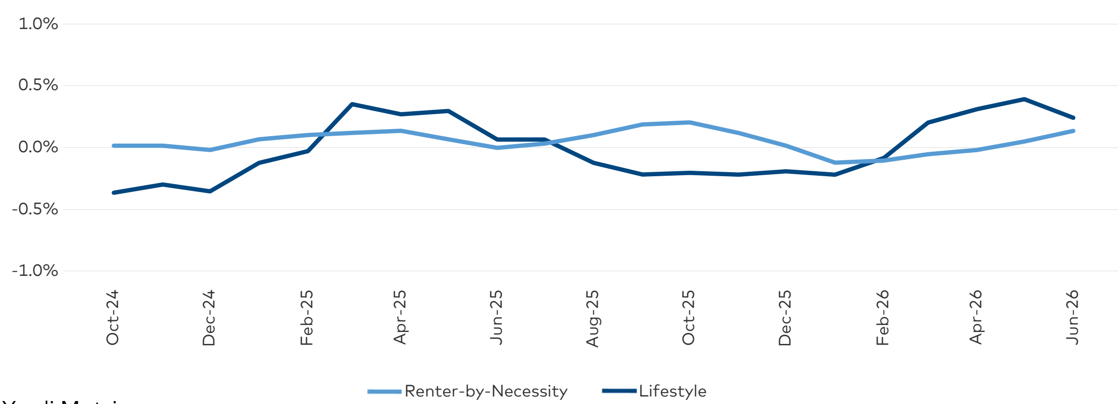
- Inland Empire advertised asking rents rose 0.2%, on a trailing three-month (T3) basis through June, to $2,186, matching the national increase to $1,763. Year-over-year, rents advanced 0.5%, outpacing the 0.2% U.S. gain, as the market continues to digest last year's record-setting supply wave and incoming completions.
- Lifestyle advertised asking rents rose 0.2%, on a T3 basis through June, to $2,478, down 20 basis points from May, but remaining the main source of near-term growth. The pullback also fits the supply backdrop, as Lifestyle accounted for most of the units delivered in the first half of the year. Renter-by-Necessity rents advanced 0.1% to $1,949, maintaining a slight positive pace after exiting negative territory in the spring.
- Inland Empire's occupancy rate in stabilized properties slipped 20 basis points year-over-year to 95.2% in June. The rate was relatively stable despite a surge in new supply in 2025. Lifestyle occupancy declined 30 basis points to 95.3%, while RBN dipped 10 basis points to 95.2%.
- Rent gains were uneven, with 22 of the 32 submarkets tracked by Yardi Matrix posting year-over-year increases. Of these, 10 recorded growth of 2.0% or higher, including Montclair/North Ontario (3.0% to $2,366), Upland/Alta Loma (2.6% to $2,339), East Riverside (3.5% to $2,239) and Fontana (2.0% to $2,005).
- SFR growth lagged multifamily, with rents down 2.0% year-over-year to $3,035 in June and occupancy down 60 basis points to 96.0%.

Inland Empire vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Inland Empire Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Inland Empire employment growth continued to outperform the U.S. average, but the margin narrowed through the spring. The metro's year-over-year employment growth slowed to 0.3% as of April, while the U.S. average decreased 0.1%. The unemployment rate stood at 4.6% in May, below California's 5.3% rate but above the 4.3% U.S. figure.

- The metro added a net 100 jobs year-over-year as of April, as gains in three sectors were almost fully offset by losses in seven. Education and health services added 20,500 positions and accounted for nearly all growth, while trade, transportation and utilities and other services added 100 positions each. Losses were led by professional and business services (-5,600 jobs), followed by mining, logging and construction (-4,400), manufacturing (-4,000) and government (3,500).

- Notable CRE drivers in the Inland Empire were tied to health-care expansion and logistics infrastructure. Riverside Community Hospital's Tower H moved forward on a 342,690-square-foot, 11-story patient tower with 326 beds. On the industrial side, Union Pacific's 2026 infrastructure plan includes reconfiguring the West Colton Hump Yard, expanding the Inland Empire Intermodal Terminal and Montclair Yard, and adding 8 miles of second main track along the Alhambra Subdivision.

Inland Empire Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	357	20.7%
40	Trade, Transportation and Utilities	448.2	26.0%
80	Other Services	52.1	3.0%
70	Leisure and Hospitality	189	11.0%
50	Information	11	0.6%
55	Financial Activities	42.2	2.5%
90	Government	267.6	15.6%
30	Manufacturing	92.2	5.4%
60	Professional and Business Services	152.1	8.8%
15	Mining, Logging and Construction	109.2	6.3%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- The Inland Empire's population rose 2.0% between 2022 and 2025, surpassing 4.7 million residents, as growth remained slightly below the national pace, according to data from the Census Vintage 2025. During the same interval, the U.S. population increased 2.3%.

Inland Empire vs. National Population

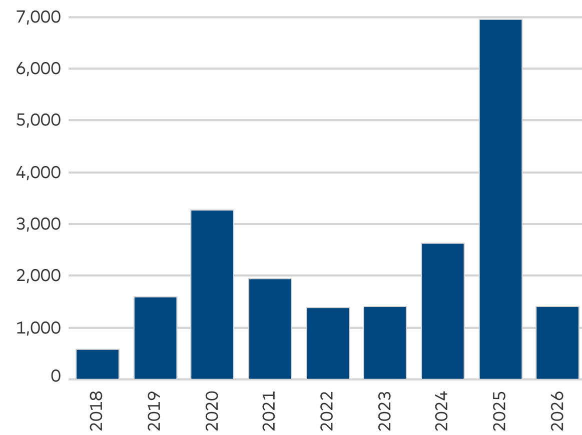
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Inland Empire	4,560,470	4,600,396	4,600,396	4,610,050

Source: U.S. Census

SUPPLY

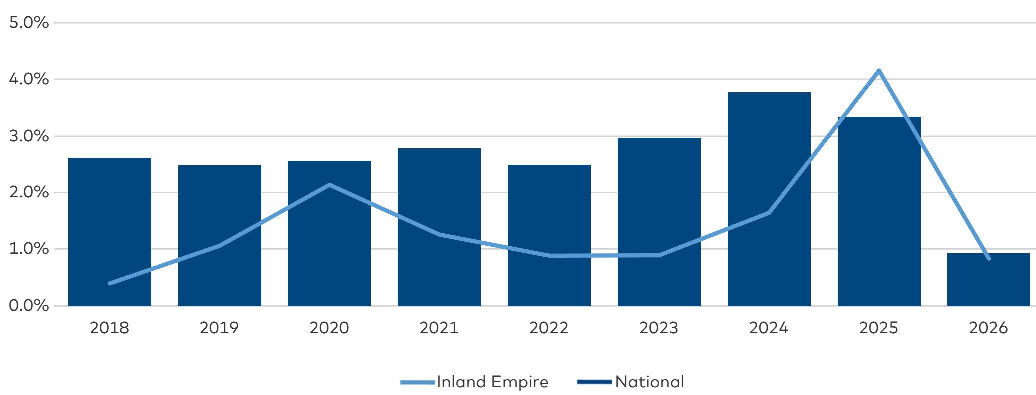
- Following last year's delivery surge, supply pressure in the Inland Empire moderated in the first half of 2026. Developers completed 1,412 units through June, 0.8% of stock and slightly below the 0.9% U.S. rate. The rate of delivery was well below 2025's supply growth of 4.2%, but in line with the 1.6% 10-year average. Deliveries recorded in 2026 through June comprised 75.3% Lifestyle and 24.7% fully affordable units.
- As of June, the construction pipeline was healthy, with 6,253 units underway and another 45,500 in the planning and permitting phases. The pipeline was led by the Lifestyle segment with a 66.9% share, followed by fully affordable (28.8%) and RBN (4.3%). The largest project underway was 4000 Ontario Center, a 694-unit property in Rancho Cucamonga, developed by Adept.
- New construction was restrained in 2026, with 284 units across three properties breaking ground in the Inland Empire through June, plummeting 90.3% from the same interval in 2025 (2,931 units across 10 properties).
- In mid-2026, the pipeline was heavily concentrated, with activity recorded in nine of the 32 submarkets tracked by Yardi Matrix. Murrieta/Temecula led with 1,828 units underway, followed by Rancho Cucamonga (1,327), East Riverside (659) and Montclair/North Ontario (652). Combined, these four accounted for more than 70% of the total.
- The largest project delivered in the first half of 2026 was North Grove, a 483-unit Lifestyle property in East Riverside. The asset is owned by AFG Development and was built with financing from a $157 million construction loan originated by Fifth Third Bank in 2022.

Inland Empire Completions (as of June 2026)



Source: Yardi Matrix

Inland Empire vs. National Completions as a Percentage of Total Stock (as of June 2026)

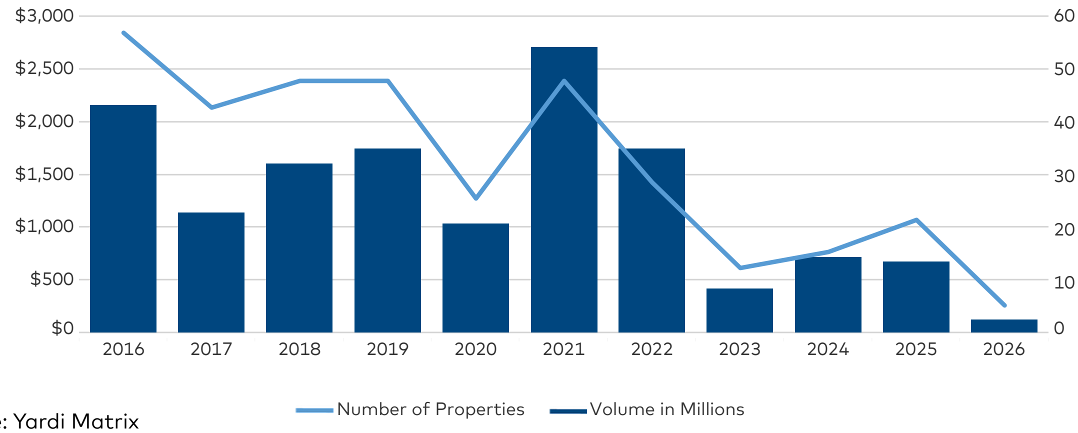


Source: Yardi Matrix

TRANSACTIONS

- Transaction volume in the Inland Empire remained modest in the first half of 2026, with $121 million in multifamily assets trading through June. Investment activity continued to trail typical volumes, extending a multiyear stretch of subdued investment well below the metro's 10-year average of $1.4 billion.
- Pricing also softened, with the average price per unit falling 24.7% from 2025 to $200,695 in June, partly shaped by the year-to-date deal mix, which leaned heavily toward RBN assets. Even so, the metro's average rate stood 8.7% above the U.S. average, which came in at $184,600 and was down 6.3% year-to-date.
- The only Lifestyle asset that traded in 2026 through June was The Hawthorne, a 184-unit asset in East Riverside acquired by Alliance Residential Co. in partnership with PCCP from The Carlyle Group for $64 million. The sale was financed with a $47 million loan provided by Walton Street Capital.

Inland Empire Sales Volume and Number of Properties Sold (as of June 2026)



Source: Yardi Matrix

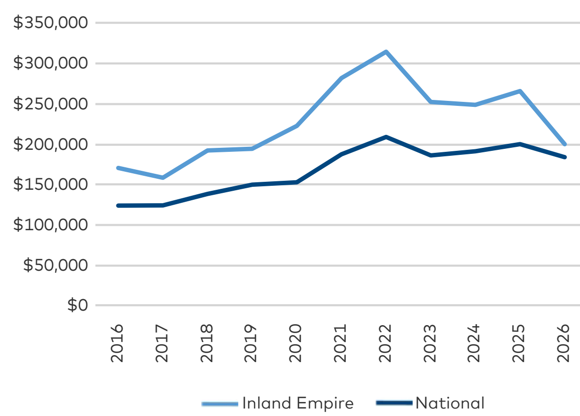
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Redlands/Yucaipa	190
West Riverside	167
East Riverside	93
Montclair/North Ontario	78
North San Bernadino	31
Victorville/Apple Valley/Big Bear	21
Corona	14

Source: Yardi Matrix

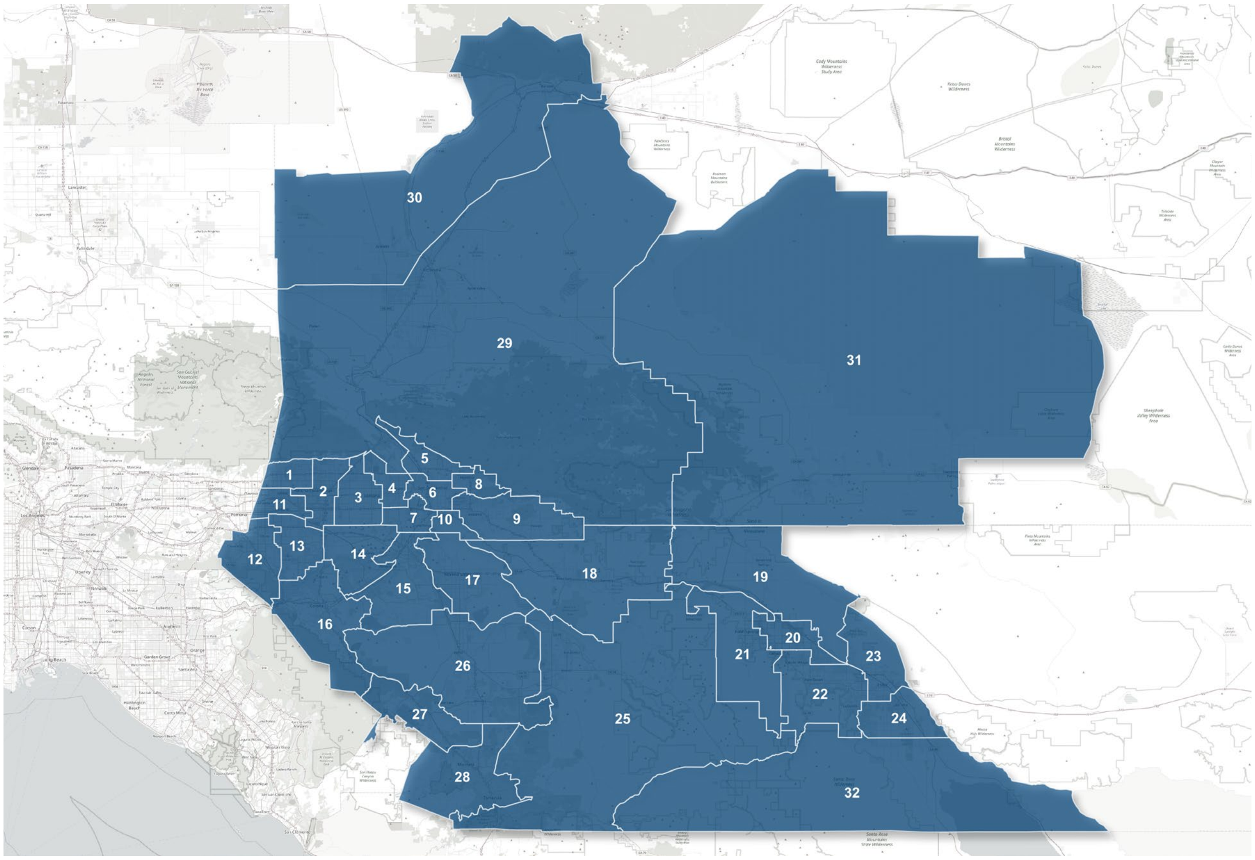
[1] From July 2025 to June 2026

Inland Empire vs. National Sales Price per Unit



Source: Yardi Matrix

INLAND EMPIRE SUBMARKETS



Area No.	Submarket
1	Upland/Alta Loma
2	Rancho Cucamonga
3	Fontana
4	Rialto
5	North San Bernardino
6	South San Bernardino
7	Colton/GrandTerrace
8	Highlands
9	Redlands/Yucaipa
10	Loma Linda
11	Montclair/North Onta
12	Chino/Chino Hills
13	South Ontario
14	West Riverside
15	East Riverside
16	Corona

Area No.	Submarket
17	Moreno Valley
18	Beaumont/Banning
19	WhiteWater/Desert Hot Springs
20	Thousand Palms/Cathedral City
21	Palm Springs
22	Palm Desert/La Quinta
23	Indio
24	Coachella
25	Hemet/San Jacinto
26	Nuevo/Perris/Menifee
27	Lake Elsinore
28	Murrieta/Temecula
29	Victorville/Apple Valley
30	Adelante/Oro Grande
31	Yucca Valley/Morongo Valley
32	Indian Wells

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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Yardi Matrix

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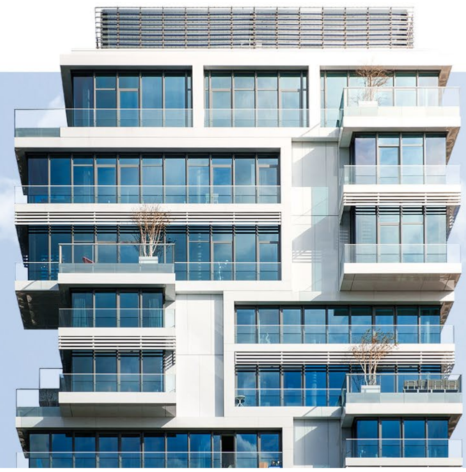
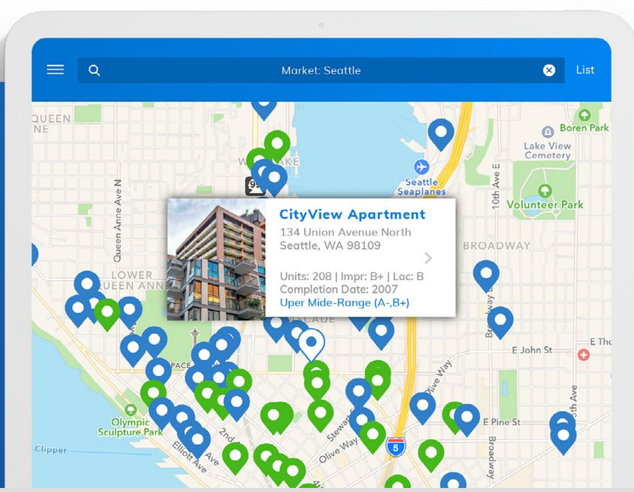


MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23.5 million units,** covering over **92% of the U.S. population.**

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