

Multifamily Market Outlook

Inland Empire Q2 2025



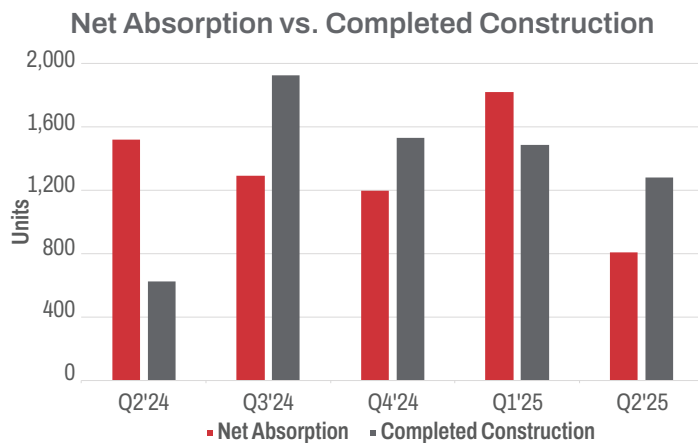
MARKET STATISTICS*

Submarket	Existing Inventory (Units)	Under Construction (Units)	Total Vacancy (%)	Average Asking Rent (\$/Unit)	YTD Units Sold	YTD Sales Volume (\$/Unit)	Average Sale Price (\$/Unit)	Average Cap Rate (%)
West	34,773	1,080	5.0%	\$2,412	338	\$108,430,500	\$305,683	4.3%
Riverside	62,032	1,626	6.0%	\$2,159	303	\$59,101,500	\$227,525	5.8%
Airport	31,825	1,127	6.2%	\$2,369	477	\$145,751,000	\$315,101	5.1%
San Bernardino	42,481	61	4.9%	\$1,801	204	\$30,201,000	\$147,046	6.2%
South	21,550	1,124	9.8%	\$2,249	34	\$7,298,000	\$329,688	5.3%
High Desert	18,615	0	5.3%	\$1,422	234	\$19,523,500	\$65,020	4.9%
Coachella Valley	27,613	299	5.0%	\$1,535	82	\$13,896,900	\$204,871	5.1%
Inland Empire	238,889	5,317	5.9%	\$2,124	1,672	\$384,202,400	\$227,832	5.4%

* Inventory includes all multifamily buildings. Rents reflect all market rate units.

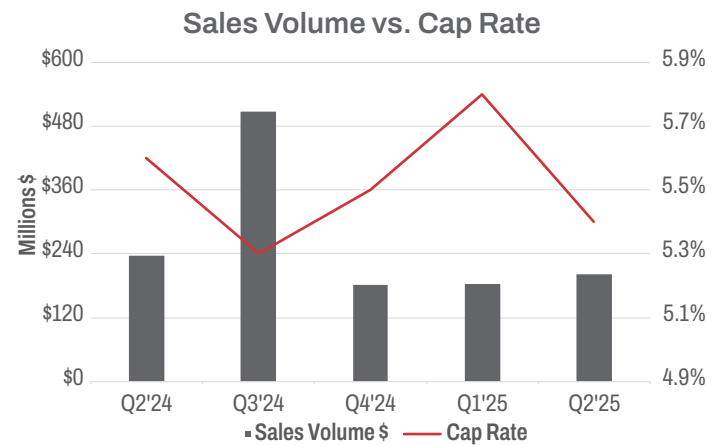
LEASING TRENDS

In the first half of 2025, developers delivered 2,767 multifamily units, while tenants absorbed 2,628—widening the gap between supply and demand. Year-to-date completions were 94.9% higher than the same period last year, underscoring a faster pace of construction even as new supply continues to outpace absorption.



SALES TRENDS

Following a strong start to the second half of last year, sales volume remained muted in the second half of 2025, as the Fed's decision to keep interest rates elevated continued to weigh on activity. Still, quarter-over-quarter sales edged up to approximately \$201 million—an increase of 10.0% from Q1 2025. Meanwhile, the average cap rate for investment sales declined by 40 basis points, settling at 5.4%.



SELECT SALES TRANSACTIONS

Address : Building Name	City	Submarket	Units	Sale Price
10757 Lemon Ave - Creekside Alta Loma	Alta Loma	Airport	290	\$90M
9800 7th Ave - 3 Palms	Hesperia	High Desert	113	\$4.06M
16224-16246 Arrow Blvd	Fontana		96	\$30.3M
1609-1699 N Arrowhead Ave - Arrowview Apartments	San Bernardino	San Bernardino	42	\$5.25M
1451 Michigan Ave - Beaumont Park Apartments	Beaumont	San Bernardino	33	\$5.3M
213 N 3rd St - Desert Royal Apartments	Barstow	High Desert	20	\$1.6M
3511 Chicago Ave - Sunshine Apartments	Riverside	Riverside	20	\$3.6M
845 E 6th St - Beaumont Apartments	Beaumont	San Bernardino	16	\$2.15M
2142 N Arrowhead Ave	San Bernardino	San Bernardino	16	\$1.65M
9223 Cypress Ave	Fontana	Airport	14	\$6.15M
5125 Bandera St	Montclair	West	12	\$3.92M
809 N Mountain View Ave - 8th Street Apartments	San Bernardino	San Bernardino	12	\$1.56M