

Multifamily shifts as supply rises and leasing activity softens



Note: Arrows indicate change from previous quarter.
 Source: CBRE Econometric Advisors, Q4 2025.

MARKET HIGHLIGHTS

–The Inland Empire multifamily market closed Q4 2025 with an occupancy rate of 95.5%, a 30-basis point decline from Q3 2025. The increase was driven by nearly 5,000 units delivering in 2025, with many projects still working through the initial lease-up process and pushing vacancy upward.

–Net absorption totaled negative 229 units in Q4 2025, down from 741 units in Q3 2025. The decline reflected the typical year end slowdown in leasing activity.

–There were 235 units delivered in Q4 2025, compared to 1,508 units in Q3 2025. Despite the slowdown in completions, housing starts remained elevated as sustained population and migration growth in the Inland Empire continued to attract development activity.

–Average rent per unit fell 1.3% quarter-over-quarter, closing Q4 2025 at \$2,295, driven by heightened competition from new supply which limited rent growth.

–Multifamily investment sales totaled \$111.2 million in Q4 2025, stabilizing after the \$395.2 million recorded in Q3 2025. The sharp drop was due to only small and mid-sized properties transacting this quarter. Notably, all transactions involved older assets.



Source: CBRE Econometric Advisors, Q4 2025.

Market Overview

FIGURE 2: Market Statistics by Submarket

Market	Inventory (Units)	Rent Per Unit Per Month	Completions (Units)	Completions Last 12 mos	Net Absorption (Units)	Net Absorption Last 12 mos	Vacancy Rate (%)
Total Market	189,928	\$2,295	235	4,958	(229)	4,809	4.5
Coachella Valley	28,131	\$2,002	235	780	246	512	6.3
Corona	9,222	\$2,400	0	50	(9)	11	3.9
Fontana/Rialto/Colton	16,849	\$2,017	0	922	(112)	884	4.5
Hemet/Perris/Lake Elsinore	11,032	\$2,127	0	376	(74)	246	5.0
Ontario/Chino	21,069	\$2,581	0	172	45	95	4.1
Rancho Cucamonga/Upland	18,419	\$2,499	0	291	27	550	3.6
Redlands	12,280	\$2,255	0	410	(132)	294	4.5
Riverside	18,435	\$2,320	0	683	(93)	480	4.9
San Bernardino	16,516	\$1,949	0	0	(43)	25	4.9
Temecula/Murrieta	10,385	\$2,275	0	673	(107)	531	5.7
University City/Moreno Valley	15,464	\$2,184	0	601	47	727	4.3
Victorville/Outer San Bernardino	12,126	\$1,783	0	0	(79)	265	4.2

FIGURE 3: Market Statistics by Building Vintage

Year Built	Avg Rent	% Rent Growth (Y-o-Y)	Occupancy Rate (%)	Occupancy Change (Y-o-Y)
Built 1960s	\$1,952	12.0%	95.3	0.6%
Built 1970s	\$2,047	4.6%	96	0.6%
Built 1980s	\$2,123	1.9%	96.2	0.8%
Built 1990s	\$2,233	-1.2%	95.9	-0.7%
Built 2000s	\$2,458	1.2%	96	0.0%
Built 2010s	\$2,604	0.6%	95.4	0.5%
Built 2020-present	\$2,682	2.1%	93.2	-0.3%

Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 4: Market Statistics by Unit Type

Unit Type	Avg. Rent	% Rent Growth (Y-o-Y)
Studio	\$1,791	8.6%
1 Bedroom	\$2,006	3.2%
2 Bedroom	\$2,388	2.9%
3 Bedroom	\$3,032	4.5%

Source: CBRE Econometric Advisors, Q4 2025.

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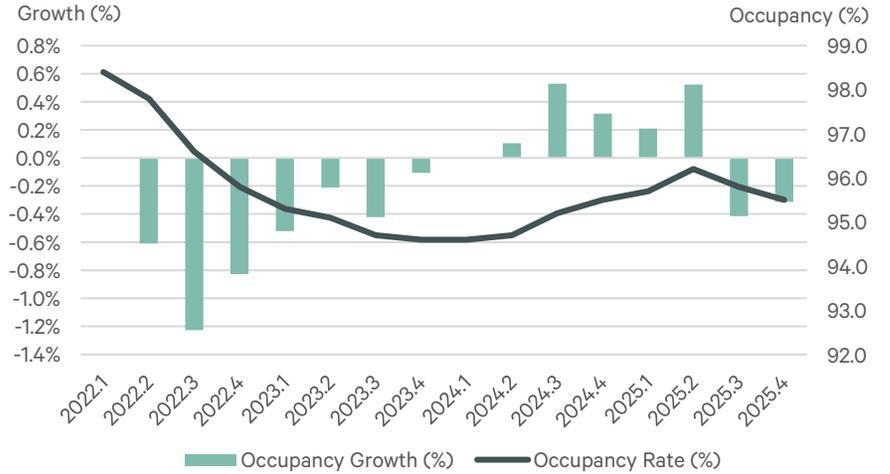
Average Rents and Occupancy

FIGURE 5: Rent Change Q-o-Q and Average Rent Trend



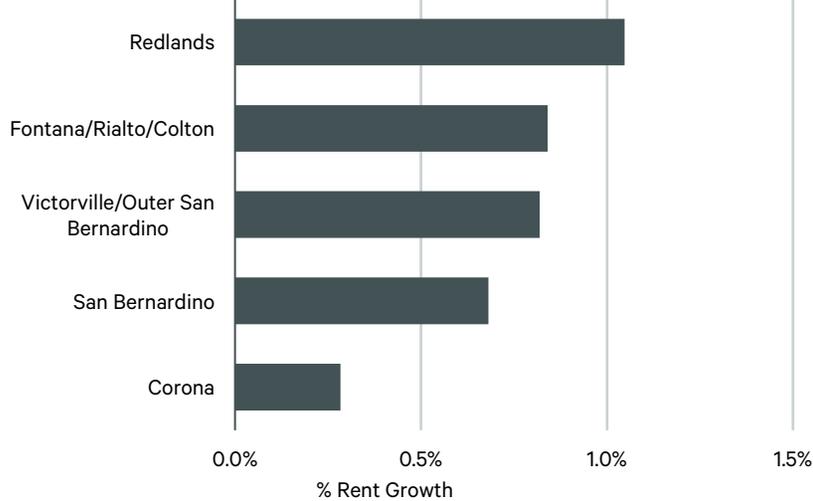
Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 6: Occupancy Change Q-o-Q and Occupancy Rate Trend



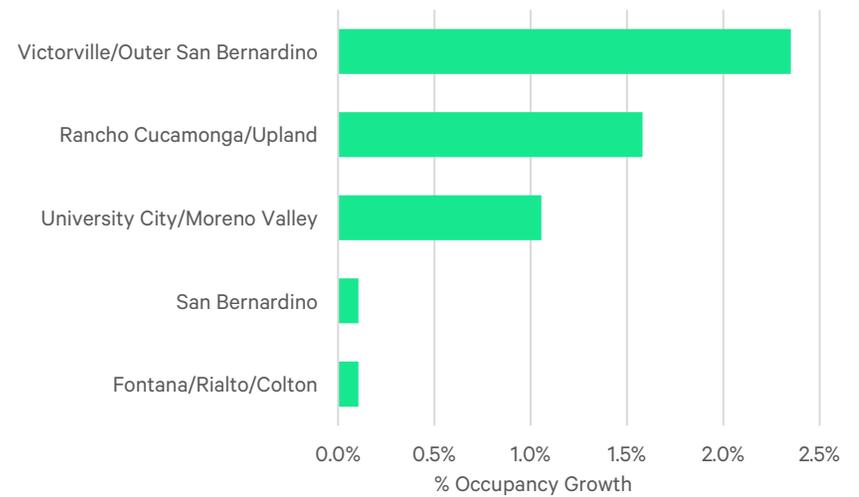
Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 7: Top Submarkets by Rent Growth Y-o-Y



Source: CBRE Econometric Advisors, Q4 2025.

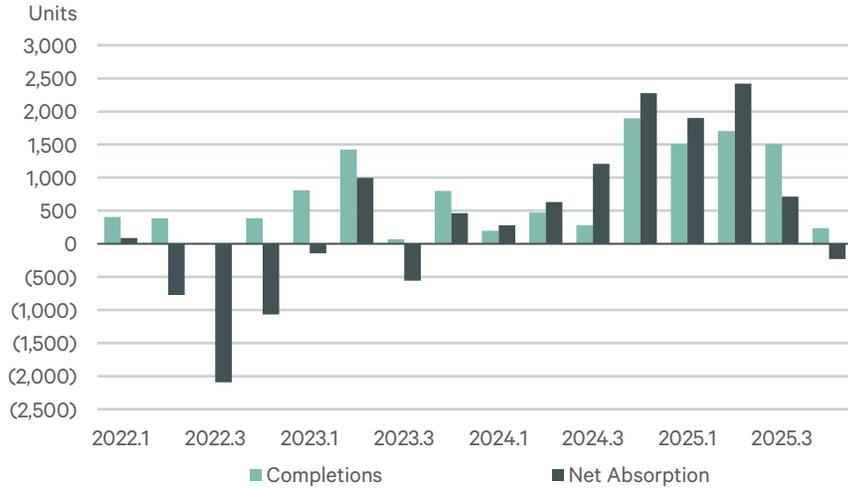
FIGURE 8: Top Submarkets by Occupancy Growth Y-o-Y



Source: CBRE Econometric Advisors, Q4 2025.

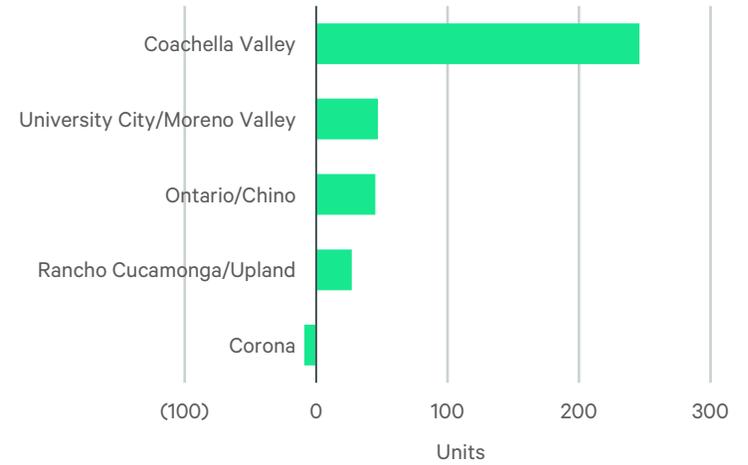
Construction, Net Absorption, and Detail by Inventory Type

FIGURE 9: Completions and Net Absorption



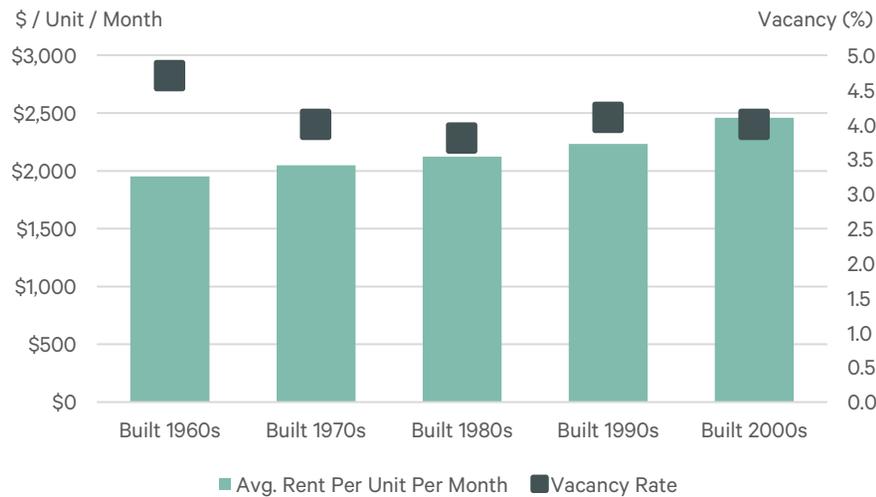
Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 10: Top Submarkets by Net Absorption



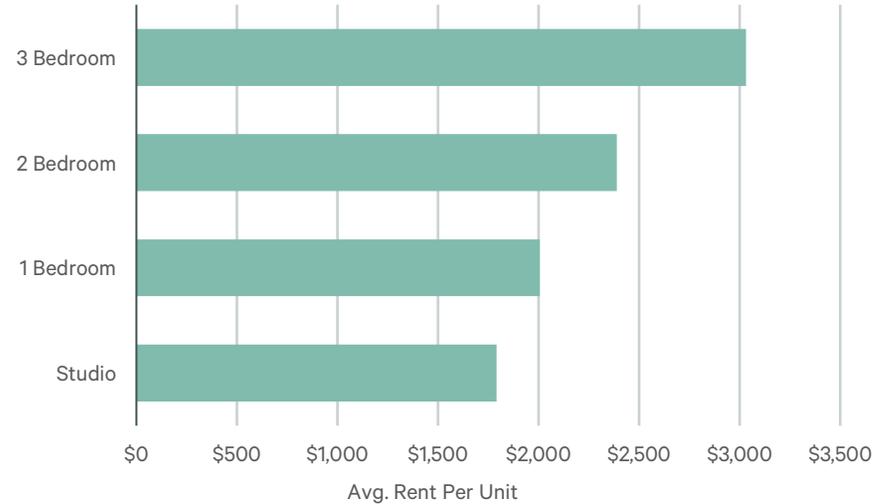
Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 11: Rent and Vacancy by Property Vintage



Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 12: Average Rent By Unit Size



Source: CBRE Econometric Advisors, Q4 2025.

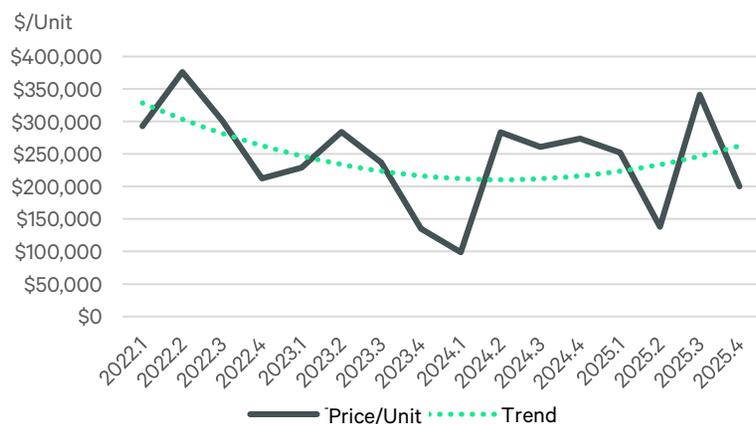
Investment Sales

FIGURE 13: Multifamily Investment Sale Volume



Source: MSCI Real Capital Analytics, Q4 2025.

FIGURE 15: Multifamily Investment Sale Price Per Unit



Source: MSCI Real Capital Analytics, Q4 2025.

FIGURE 14: Q4 2025 Largest Sale Transactions by # of Units

Buyer	Property Name	City	Units	Sale Price	Price / Unit
Undisclosed	561 South Highland Drive	Palm Springs	21	\$3,186,000	\$151,714
Michael Preet Nijjar	Tesoro Apts	Redlands	188	\$4,150,000	\$220,745
Ning Family (CA)	Springbrook Park	Riverside	120	\$27,300,000	\$227,500
Ning Family (CA)	Mayfield Park Apartment	San Bernardi	83	\$13,800,000	\$166,265
Affordable Housing Acce	Heritage Park	Norco	86	\$13,950,000	\$162,209
PAMA Management	Sierra Vista Apartments	San Bernardi	20	\$2,700,000	\$135,000
Manpreet Kaur	Casa Buena	Moreno Valle	14	\$3,153,000	\$225,214
Maria A Preciado	Colonial Manor Apartmen	Rialto	14	\$3,900,000	\$278,571
Roger Tomihama	4566 Orange Street	Riverside	10	\$1,760,000	\$176,000

Source: MSCI Real Capital Analytics, Q4 2025.

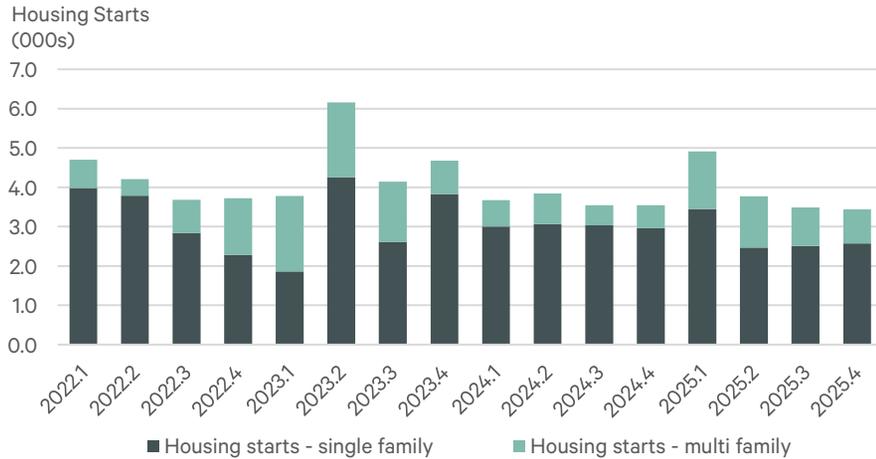
FIGURE 16: Q4 2025 Multifamily Investment Sales by Building Vintage

Year Built	Volume (\$)	Property Count	Total Units	Avg. PPU
Pre-1960	\$1,760,000	1	10	\$176,000
1960s	\$16,986,000	2	104	\$163,327
1970s	\$31,200,000	2	134	\$232,836
1980s	\$61,303,000	4	308	\$199,036
1990s	\$0	0	0	\$0
2000s	\$0	0	0	\$0
2010 - present	\$0	0	0	\$0
Grand Total	\$111,249,000	9	556	\$192,800

Source: MSCI Real Capital Analytics, Q4 2025.

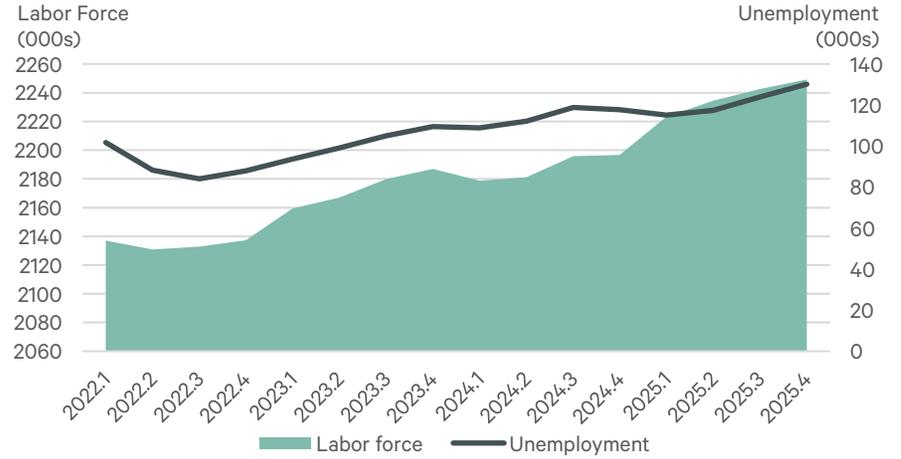
Economic Overview

FIGURE 17: Housing Starts



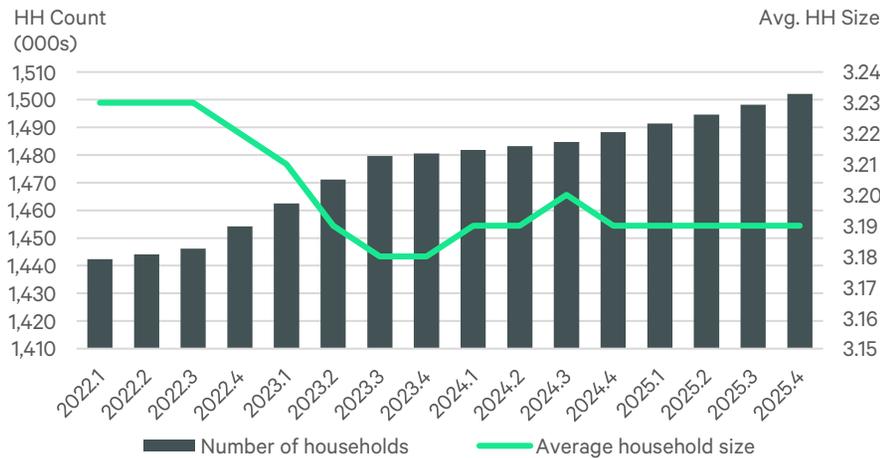
Source: Oxford Economics, Q4 2025.

FIGURE 18: Unemployment



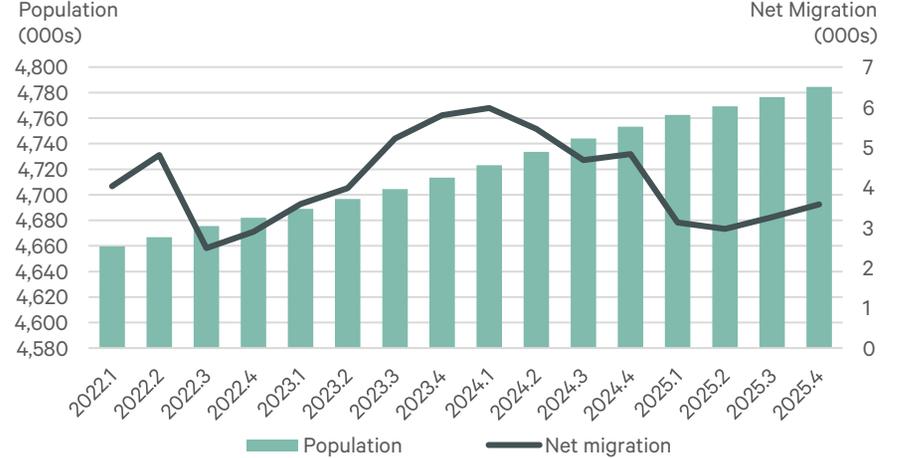
Source: Oxford Economics, Q4 2025.

FIGURE 19: Household Count & Average Size



Source: Oxford Economics, Q4 2025.

FIGURE 20: Total Population & Net Migration



Source: Oxford Economics, Q4 2025.

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Multifamily Definitions

- Stock units Total count of market-rate, multifamily units in structures containing five or more units. Does not include condos.
- Occupied Stock units Total count of occupied multifamily units.
- Rentable Completions units Change in rentable stock from one period to the next due to the construction of new multifamily units. Only includes market-rate units in structures containing five or more units. Does not include condos. A structure is considered complete when 60% or more of the building has been occupied.
- Net Absorption units Change in occupied stock from one period to the next.— Vacancy Rate % Unoccupied units expressed as a percent of rentable stock.
- Average Rent - Rent \$/unit/month, \$/SF/month Average price for multifamily space. Estimated from a sample of institutionally managed, market-rate properties with five or more units. Does not include condos. Properties must appear in current and previous quarterly sample ("same-store") to count toward this average. Rent levels represent effective rates that account for the impact of concessions offered in the form of free-rent periods or prorated discounts. Other leasing incentives such as reduced deposits, amenity upgrades and merchandise giveaways are not accounted for in the effective rent calculations.

Market Definition

The Inland Empire market consists of the submarket of Airport Area, Beaumont, Hemet, Chino, Chino Hills, Coachella Valley, Corona, Eastvale, Mojave River Valley, Moreno Valley, Perris, Redlands, Loma Linda, Riverside, San Bernardino, Twentynine, Palms, Upland, Montclair.

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