



# QUARTERLY ECONOMIC REPORT

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## INLAND EMPIRE CITY PROFILE 2015

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**H**ow did the Inland Empire's 52 cities rank during the past year? The annual Inland Empire City Profile (*Exhibits 1 & 2*) provides information to answer this question. The sources are the most recently available data for population, taxable sales, assessed valuation, poverty, housing prices and volumes, income and health insurance coverage.

**Population.** From 2010-2015, the CA Finance Department reports that the Inland Empire added 187,881 people to reach 4,412,732, up 4.4%. The gain represented 12.9% of California's population growth of 1,460,769. In the year from 2014 to 2015, the area added 48,390 people. Eleven cities continued to have over 100,000 people in 2015, led by Riverside (317,307) and San Bernardino (213,933) followed by Fontana (204,312) and Moreno Valley (200,670). The smallest cities were Needles (4,940), Big Bear Lake (5,165) and Indian Wells (5,194). Five cities added over 8,000 people from 2010-2015: Riverside (13,436), Temecula (8,823), Rancho Cucamonga (8,795), Fontana (8,243), and Indio (8,165). Six cities added under 500 people: Needles (96), Big Bear Lake (146) Indian Wells (236), Grand Terrace (312), Canyon Lake (340) and Calimesa (474). Two cities shrank: Norco (-1,172) and Blythe (-1,908).

Of California's 482 cities, the Inland Empire's five largest places in 2015, four retained their statewide ranks (*not shown*): Riverside (12<sup>th</sup>) and San Bernardino (17<sup>th</sup>), Fontana (*fell to* 21<sup>st</sup>), Moreno Valley (22<sup>nd</sup>) and Rancho Cucamonga (26<sup>th</sup>). The housing slowdown continued reducing population growth from 2014-2015. Still, the area had six of the state's 25 fastest growth rates (*not shown*): Beaumont (4.0%, 6<sup>th</sup>), Chino (3.4%, 10<sup>th</sup>), Lake Elsinore (3.1%, 14<sup>th</sup>), Montclair (3.0%, 16<sup>th</sup>), Temecula (2.5%, 22<sup>nd</sup>) and Eastvale (2.5%, 22<sup>nd</sup>). Two cities ranked in the top 25 in absolute growth: Chino (2,795, 10<sup>th</sup>) and Corona (2,664; 19<sup>th</sup>).

**Taxable Retail Sales.** Taxable sales are a major revenue source for cities that are in recovery from the steep downturn. The CA Board of Equalization reports the data quarterly, a year after they occur. Hinterliter DeLlamas provides data within

*Continued on page 4*





three months. In calendar year 2014, San Bernardino County's sales rose 6.5% to \$33.2 billion. Riverside County's sales increased 6.6% to \$32.0 billion (*Exhibit 1*). The combined Inland Empire growth (6.5%) was well above that of California (4.4%). In the first half of 2014, inland sales expanded by another 5.9%. If that continues for all of 2015, the inland area will reach \$68.9 billion in sales, putting it 12.8% above the 2006 record of \$61.1 billion. It needed to be up 16.0% to completely overcome inflation since that time.

In 2014, retail sales were led by Ontario (\$6.59 billion) and Riverside (\$5.01 billion), followed by Corona (\$3.24 billion), Fontana (\$2.90 billion) and Temecula (\$2.77 billion). San Bernardino (\$2.69 billion) ranked sixth followed by Rancho Cucamonga (\$2.44 billion), Chino (\$1.86 billion), Victorville (\$1.72 billion) and Palm Desert (\$1.59 billion). Of the 52 cities, the largest percentage gains were Adelanto (32.6%), Loma Linda (31.6%), Indian Wells (26.9%), Eastvale (18.4%) and Jurupa Valley (16.0%).

Per capita sales reveal how well sales taxes finance city services for each resident. In 2014, the leaders were unchanged: Ontario (\$39,223), Big Bear Lake (\$36,175), Palm Desert (\$31,385), Barstow (\$29,081) and Montclair (\$26,755). The weakest were Canyon Lake (\$1,254), Highland (\$3,632), Wildomar (\$4,081), Twentynine Palms (\$4,126) and Desert Hot Springs (\$4,705) [*Note: inmates not in per capita calculations*].

**Assessed Valuation.** Assessed valuation is important since property taxes are also a major municipal revenue source with values now beginning to turnaround. On July 1, 2015, San Bernardino County's valuation was \$186.9 billion, up 5.1%. Riverside County's was \$235.0 billion, up 5.9%. Both counties finally exceeded their 2008 record level. For cities, assessed valuation tends to follow industrial and housing development. In 2015, the top five cities were: Riverside (\$25.4 billion; 4.4%), Rancho Cucamonga (\$22.7 billion; 5.0%), Ontario (\$21.0 billion; 5.0%), Corona (\$17.9 billion; 4.4%) and Fontana (\$16.0 billion; 5.0%). Though San Bernardino is second in population and has an industrial base, its low home values put its valuation (\$11.9 billion; 5.5%) at tenth. All but one of 52 cities saw their FY 2014 assessed valuation increase: Needles (\$304 million; -0.5%). Assessment growth was again led by five Riverside County cities: Beaumont (10.2%), Menifee (8.5%), Moreno Valley

(8.4%), Indio (18.3%; 8.4%) and Perris (8.3%). San Bernardino County was led by Hesperia (7.8%).

Assessed value per capita measures the ability of property taxes to support city services for each resident. Here, five Coachella Valley cities continued to be strong led by Indian Wells (\$1,001,101) and third ranked Rancho Mirage (\$441,742) followed by La Quinta (\$300,521), Palm Desert (\$267,886) and Palm Springs (\$227,670). Two smaller cities did well: second ranked Big Bear Lake (\$607,668) and seventh ranked Canyon Lake (\$144,666). Ranked eighth to tenth were cities near Los Angeles County: Chino (\$136,311), Chino Hills (\$133,745), and Rancho Cucamonga (\$132,570). Three East SB Valley cities were weak: San Bernardino (42<sup>nd</sup>, \$57,643) Highland (43<sup>rd</sup>, \$57,523), and Colton (46<sup>th</sup>, \$54,174). Outlying desert cities ranked in the bottom tier: Desert Hot Springs (49<sup>th</sup>, \$49,327), Blythe (50<sup>th</sup>, \$48,695), Coachella (51<sup>st</sup>, \$35,725), and Twentynine Palms (52<sup>nd</sup>, \$32,549).

**Poverty.** Increasingly, the levels of poverty in the Inland Empire have been recognized as a threat to the region's public health. In 2014, the Census Bureau's American Community Survey showed that 19.1% of San Bernardino County's population was below the federal poverty level. It was 26.6% for the county's children under 18. In Riverside County, the share of all people was 17.3%. It was 24.3% for the county's children.

Data for all cities was available for 2013. Except for 3<sup>rd</sup> highest San Bernardino (34.4% for adults, 46.2% for children), the highest poverty levels were in desert cities: Adelanto (42.1%; 51.3%), Desert Hot Springs (35.3%, 49.4%), Coachella (33.9%, 44.3%) and Needles (30.8%; 44.1%). Among other cities of over 100,000 people, the difficulty was most prominent in #10, Victorville (22.9%, 25.2%) and #15 Moreno Valley (20.4%, 29.7%). The least poverty occurred in two larger and two smaller cities: Chino Hills (2.2%, 1.9%), Indian Wells (5.2%, 2.2%), Eastvale (5.4%, 7.5%) and Canyon Lake (6.2%, 6.2%).

**Home Sales Volumes.** CoreLogic provides home deed recordings by zip code using county re-corders' data. In 2014, existing home sales were still in the doldrums due to continued consumer fear and lack of access to credit despite low interest rates and price affordability. San Bernardino County's 2014 existing

home sales recordings fell -9.4% to 22,855 units; Riverside County's sales decreased by -10.5% to 27,617 sales (Exhibit 2). Except for Ontario (1,054, 15th), the largest cities had the most existing home sales. The leaders were Riverside (3,021) and San Bernardino (2,873) followed by Corona (2,572), Fontana (2,118) and Moreno Valley (2,073). Just two desert cities saw existing home sales growth: Blythe (158.3%) and Barstow (7.9%). Loma Linda was flat. Otherwise, the smallest losses were in Banning (-0.6%), Calimesa (-1.0%), Rialto (-2.5%), San Bernardino (-3.5%) and Hemet (-3.7%).

Riverside County's 2014 new home sales fell -2.3% to 4,346 units; San Bernardino County's dropped -6.8% to 1,843. Sales exceeded 400 units in Menifee (491), Lake Elsinore (445), Temecula (438) and Beaumont (423), all in Riverside County. In San Bernardino County, Chino led (395). Twenty-three of 52 cities had increased new home sales indicating some life is returning to the markets. Growth rates were led by gains in smaller markets Canyon Lake (244.8% to 4 sales), Colton (228.8% to 12), Redlands (218.1% to 31), Rancho Mirage (166.9% to 31) and Blythe (158.6% to 3).

**Home Prices.** From second quarter 2014-2015, Riverside County's median existing home price rose 6.2% to \$310,000; San Bernardino County's rose 6.8% to \$250,000. These homes were affordable to 42% of Riverside County's families and 58% of those in San Bernardino County. The highest 2015 prices were in Indian Wells (\$740,000), Rancho Mirage (\$602,250), Chino Hills (\$590,000), Palm Springs (\$490,126) and Upland (\$484,409). Several outlying desert cities again saw the lowest prices: Needles (\$54,500), Twentynine Palms (\$90,000), Yucca Valley (\$139,050), Adelanto (\$150,000), and Desert Hot Springs (\$152,813). Prices increased in 46 of 52 cities led by Blythe (158.5% to \$265,000), Barstow (143.6% to \$181,500), Loma Linda (23.8% to \$335,000), Twentynine Palms (16.9% to \$90,000), plus Coachella (13.3% to \$212,500) and Apple Valley (13.3% to \$188,911). Six cities saw price declines led by Indian Wells (-24.8% to \$740,000) and Calimesa (-14.8% to \$250,000).

San Bernardino County's median new home price from second quarter 2014-2015 rose 1.0% to \$419,000; Riverside County's increased 9.0% to \$386,000. The highest prices were in Rancho Mirage (\$1,454,250; 31 sales), Indian Wells (\$795,000; 23 sales), La

Quinta (\$621,000; 82 sales), Chino Hills (\$585,000, 6 sales) and Palm Springs (\$570,816; 95 sales). Under \$200,000 were Desert Hot Springs (\$194,750), Colton (\$185,000), Banning (\$140,000), Wildomar (\$92,308) and Needles (\$55,000). Eight cities saw no new homes sold.

**Income.** The 2013 median household income of Riverside County was \$54,095. It was \$52,323 in San Bernardino County. The income levels for 22 cities of 65,000 or more are from the 2013 American Community Survey (ACS). Another 23 cities with 20,000-64,999 people are from 2011-2013. The seven cities under 20,000 people are from 2009-2013 data. The highest median incomes were in Eastvale (\$110,974), Chino Hills (\$94,826), Norco (\$84,756), Indian Wells (\$83,884) and Rancho Cucamonga (\$82,489). For comparison, Irvine was \$87,830; Santa Monica was \$67,060. Total personal income was led by Riverside (\$6.21 billion), Rancho Cucamonga (\$5.36 billion), Corona (\$3.87 billion), Fontana (\$3.58 billion) and Moreno Valley (\$3.25 billion).

**Lack of Health Insurance.** Recently, there has been a major focus of national policy of late. In San Bernardino County, the shares of people without insurance in 2013 was 19.0% down from 20.6%. In Riverside County it was 19.7% down from 20.4%. Among cities, the highest shares without coverage were in Big Bear Lake (31.9%, down from 34.5%), Coachella (31.8% down from 34.0%) and Cathedral City (29.6% from 30.3%). Of the 11 cities with over 100,000 people, seven had more than 20% of their populations without health insurance: Moreno Valley (25.6%), San Bernardino (25.5%), Rialto (22.7%), Ontario (22.5%), Fontana (22.2%). Two major cities dropped off of this list: Riverside (17.7%) and Victorville (18.8%).

**Most Prosperous?** Which Inland Empire cities are the most economically prosperous? Summing city rankings for per capita retail sales, per capita assessed value and poverty share, as well as the rankings for absolute population growth, median income and median price of all homes, plus jobs:housing balance and share with no health insurance could yield a perfect score of 8 for eight first places or a worst score of 416 from nine 52nd places. In 2014, the best 10 scores on these criteria were: Rancho Cucamonga (58), Temecula (64), Indian Wells (68), Chino Hills (75), Eastvale (79), Rancho Mirage (82), Chino (84), La Quinta (86), Corona (102), Palm Desert (102). ■

# INLAND EMPIRE EMPLOYMENT ... Strong Jobs, Balanced Growth From 2011-2015!

From 2011-2015, the CA Employment Development Department (EDD) has shown that the Inland Empire gained 189,693 jobs (Exhibits 3-4). The loss from the Great Recession was -142,933, meaning the area has added 46,760 more jobs than were lost. In the growth period, 55.8% of jobs added in the Inland Empire were in the two moderate (\$40,000-\$55,000) and one good paying (\$55,000 plus) groups, leaving 44.2% in low paying sectors (under \$30,000). This was a far better record than California where 51.3% of job growth was in the lower paying sectors (not shown). The difference is because Inland Empire added 72,161 moderate paying blue collar and technical jobs or 38.0% of its new jobs; California added just 18.7% in that part of its economy. This underscores the state's problems with middle class employment. The state did much better in higher paying jobs (15.6% v. 0.9%), though management & professions did add 5.1% of local jobs.

## CLEAN WORK, GOOD PAY: 1,721 JOBS (I.E. 0.9% SHARE V. CA 15.6%) [SAND COLORED BARS]

Higher paying inland sectors showed weakness in 2011-2015, in large part due to problems with local government (-5,089; -2.7% of growth) and state and federal government (-4,275; -2.3% of growth). However, management and professions showed some strength, up 9,645 jobs. Its 0.9% of local job growth was well under California's 15.6%. Higher education was 0.8% of the local expansion (1,520 jobs). Mining was responsible for 0.1% (197 jobs). Utilities cost -0.1% of growth (-272 jobs).

## CLEAN WORK, MODERATE PAY: 31,892 JOBS (I.E. 16.8% SHARE V. CA 14.4%) [LT. BLUE BARS]

Inland sectors paying moderate incomes to white collar office workers during 2011-2015 were relatively strong, adding 31,892 positions (16.8% share). This exceed the state's 14.4% share. Health care has added 21,664 jobs or 11.4% of new jobs. K-12 education rebounded, up 9,692 positions (5.1% share). Financial activities sectors gained a 1.8% share (3,417). The publishing and information group lost -2,880 (-1.5% share). The decline was likely in journalism.

## DIRTY WORK, MODERATE PAY: 72,161 JOBS (I.E. 38.0% SHARE V. CA 18.7%) [DK. BLUE BARS]

In 2011-2015, the blue collar sectors that fundamentally drive the Inland Empire's economy gained 72,161 jobs (38.0% share of growth). Distribution and transportation added 42,768 jobs (22.5% share of growth) as fulfillment centers and international trade boosted employment. Construction activity continued its return adding 21,299 jobs (11.2% of growth). Manufacturing was up 8,095 positions (4.3% share) as growing demand offset California's poor climate for the sector. Each of these metrics far exceeded state shares of its job growth (respectively: 9.0%; 8.3%; 1.5%).

## LOWER PAYING JOBS: 83,913 JOBS (I.E. 44.2% SHARE V. CA 51.3%) [RED-BROWN BARS]

There was an increase of 83,913 jobs in lower paying sectors a 44.2% share of the inland expansion from 2011-2015. That compared very favorably with the state's 51.2%. Eating and drinking had a 13.0% share of new jobs (24,745). Social assistance grew by 18,488 jobs

### 3 INLAND EMPIRE EMPLOYMENT GROWTH 2011-2015e

Sector	2011	2012	2013	2014	2015ytd	2011-2015 Change	IE Share	CA Share
Mgmt & Professions	792	967	1,517	2,750	3,620	9,645	5.1%	14.4%
Higher Education	317	(150)	225	433	695	1,520	0.8%	2.5%
Mining	42	150	8	75	(78)	197	0.1%	0.2%
Utilities	75	(42)	(167)	(117)	(22)	(272)	-0.1%	0.1%
Federal & State	(1,975)	(1,392)	(1,000)	(75)	167	(4,275)	-2.3%	-1.4%
Local Government	(3,533)	(1,658)	(692)	683	111	(5,089)	-2.7%	-0.1%
<b>Clean Work, Good Pay</b>	<b>(4,283)</b>	<b>(2,125)</b>	<b>(108)</b>	<b>3,750</b>	<b>4,465</b>	<b>1,727</b>	<b>0.9%</b>	<b>15.6%</b>
Health Care	4,883	5,167	3,275	4,008	4,331	21,664	11.4%	8.4%
K-12 Education	(1,467)	850	3,308	3,575	3,425	9,692	5.1%	1.8%
Financial Activities	(1,033)	917	1,300	542	1,692	3,417	1.8%	1.9%
Publish, telecomm, Other	(1,817)	(483)	(183)	(308)	(89)	(2,880)	-1.5%	2.3%
<b>Clean Work, Moderate Pay</b>	<b>567</b>	<b>6,450</b>	<b>7,700</b>	<b>7,817</b>	<b>9,358</b>	<b>31,892</b>	<b>16.8%</b>	<b>14.4%</b>
Distribution & Transportation	2,517	8,192	9,875	10,600	11,584	42,768	22.5%	8.9%
Construction	(625)	3,558	7,392	6,942	4,032	21,299	11.2%	8.3%
Manufacturing	(58)	1,617	625	2,892	3,020	8,095	4.3%	1.5%
<b>Dirty Work, Moderate Pay</b>	<b>1,833</b>	<b>13,367</b>	<b>17,892</b>	<b>20,433</b>	<b>18,578</b>	<b>72,161</b>	<b>38.0%</b>	<b>18.7%</b>
Eating & Drinking	1,600	4,517	5,092	7,000	6,537	24,745	13.0%	13.7%
Social Assistance	(1,550)	3,925	12,700	4,125	(712)	18,488	9.7%	11.0%
Retail Trade	3,000	3,842	2,467	3,917	483	13,708	7.2%	7.8%
Admin. Support	717	1,833	2,367	800	5,289	11,005	5.8%	3.9%
Employment Agencies	917	(1,317)	1,025	1,875	4,107	6,607	3.5%	6.8%
Other Services	867	975	1,067	2,067	577	5,552	2.9%	3.4%
Amusement	(425)	400	1,008	700	1,289	2,972	1.6%	2.1%
Accommodation	75	433	367	758	33	1,667	0.9%	0.9%
Agriculture	(125)	83	(500)	(125)	(165)	(831)	-0.4%	1.7%
<b>Lower Paying Jobs</b>	<b>5,075</b>	<b>14,692</b>	<b>25,592</b>	<b>21,117</b>	<b>17,338</b>	<b>83,913</b>	<b>44.2%</b>	<b>51.3%</b>
<b>Total, All Industries</b>	<b>3,192</b>	<b>32,383</b>	<b>51,075</b>	<b>53,117</b>	<b>49,704</b>	<b>189,693</b>	<b>100.0%</b>	<b>100.0%</b>

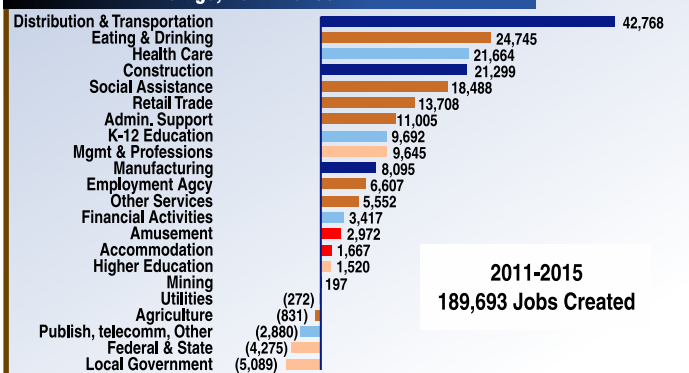
2015e based upon January through September growth by sector  
Source: CA Employment Development Department

(9.7% share). Retailing was up 13,708 positions (7.2% share). Business administrative support jobs added 11,005 (5.8% share) as office sectors added a little strength. Employment agencies added 6,607 jobs or a 3.5% share, far less than the share anticipated by those criticizing the area's job mix. Other services were up 5,552 jobs (2.9% share). Amusement added 2,972 workers (1.6% share). Accommodation has yet to really take off, up 1,667 jobs (0.9% share) in part due to lack of activity at Ontario International Airport. Agriculture lost -831 jobs (-0.4% share) because of water issues and greater efficiency.

### COMMENT

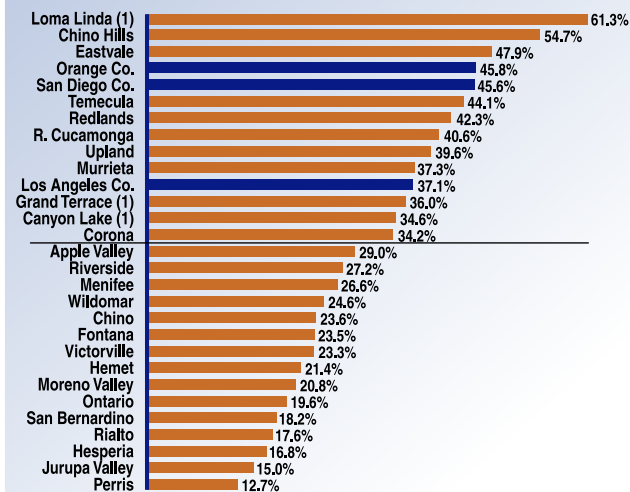
2015 marks the third year in a row that the Inland Empire is expanding by roughly 50,000 jobs, an historical first. Not only has the region reached new records in employment, its job quality is as good as it was before the recession. This stands in contrast to the state's record where middle income sectors (\$40,000-\$55,000) are growing weakly. The main issue is the need to expand private sector high paying sectors and college employment. ■

### 4 INLAND EMPIRE GROWING & DECLINING SECTORS Annual Average, 2011-2015e



Source: CA Employment Development Department  
U.S. Bureau of Labor Statistics, Economics & Politics, Inc.  
2015e is based on growth by sector for January thru September

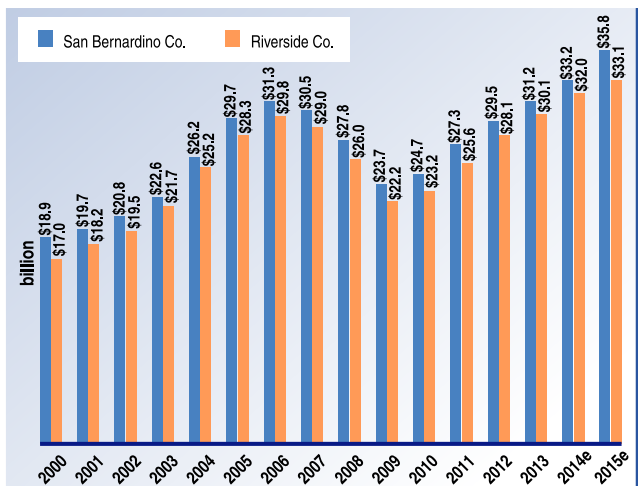
## 5 ASSOCIATES OR HIGHER DEGREE Inland Empire Cities over 65,000 & Coastal Counties



(1) 2013 data Source: American Community Survey, 2014

**A.A. & Higher.** The Inland Empire would like to see better paying sectors and jobs expand in the region. Largely, this is dependent on the availability of a competitive labor force. For 23 local cities over 65,000, 2014 data is now available. For each, the American Community Survey shows the share of residents with Associate of Arts or higher degrees. 2013 data for three strong smaller cities are also included. The data reveals three inland nodes that have become competitive with the coastal counties: the Western edge of both counties, southwestern Riverside County and the Redlands-Loma Linda area.

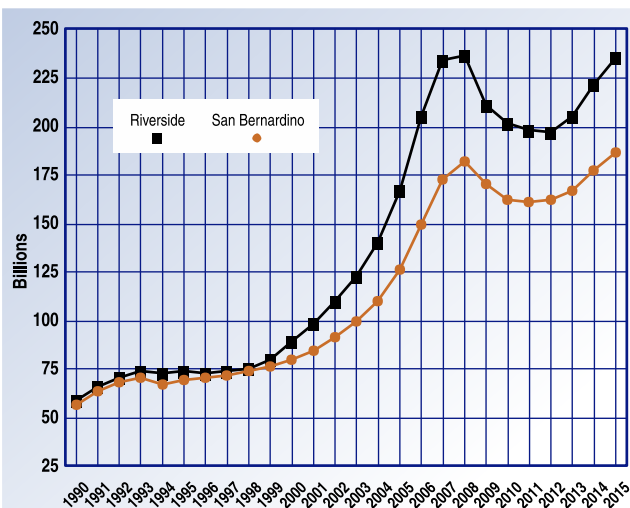
## 6 TAXABLE RETAIL SALES (billions) San Bernardino & Riverside Counties, 2000-2015e



Note: 2014-2015 = Hinderliter DeLlamas estimated percentage growth Source: CA State Board of Equalization

**Taxable Sales.** Based on six months data, San Bernardino County (\$35.8 billion) and Riverside County (\$33.1 billion) are seeing record taxable retail sales in 2015. San Bernardino will exceed its 2006 high (\$31.3 billion) by \$4.5 billion or 14.4%. Riverside will exceed its 2006 high by \$3.3 billion or 11.1%. While strong, the growth lags behind the 16.0% inflation between 2006-2015. While closing in, the purchasing power of the record sales taxes collected in the two counties still has not grown enough to reach the record level that existed in 2006.

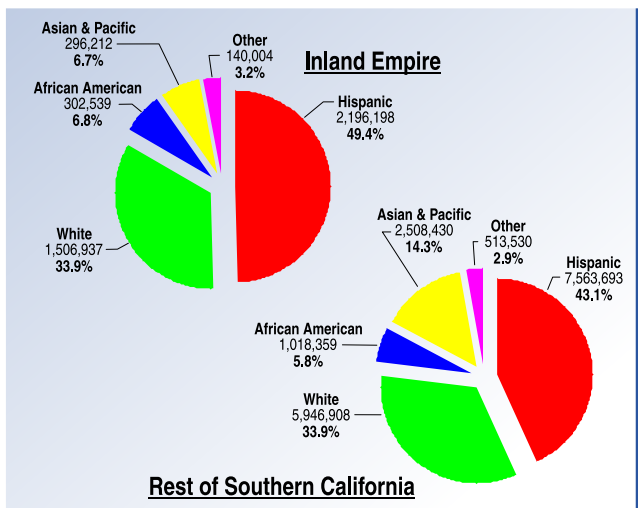
## 7 NET TAXABLE ASSESSED VALUATION Riverside & San Bernardino Counties, July 1, 1990-2015



Source: Riverside & San Bernardino County Assessor's Offices

**Assessed Valuation.** As of July 1, 2015, the assessed valuation in Riverside County (\$235.0 billion) and San Bernardino County (\$186.9 billion) are at or near record levels. Riverside was just short of its 2008 high (\$236.9 billion) by -\$1.9 billion or -0.8%. San Bernardino exceeded its 2008 high by \$5.1 billion or 2.8%. Again, these levels lag behind the 8.5% inflation between 2008-2015. The purchasing power of the property taxes collected in the two counties still has quite a way to grow enough to reach the record level that existed in 2008 in both places.

## 8 ETHNICITY OF POPULATION Inland Empire & Southern California, 2014



Source: American Community Survey

**Ethnicity.** There are some differences between the population composition of the Inland Empire and the balance of Southern California. Both have an identical population of White non-Hispanics at 33.9%. The Inland Empire's share of Hispanics at 49.4% is higher than the balance of the region at 43.1%. The share of inland Asians & Pacific populations at 6.7% is less than half the 14.3% elsewhere in Southern California. African Americans are a slightly larger share in the inland area at 6.8% than outside the area at 5.8%. The same is true of other population groups at 3.2% versus 2.9%.

## 9 SINGLE FAMILY HOME PRICES 3rd Quarter, 2014-2015

County	3rd-2014	3rd-2015	% Chg.
<b>NEW HOMES</b>			
Riverside	\$355,500	\$383,000	7.7%
San Bernardino	387,000	440,000	13.7%
Los Angeles	529,500	565,500	6.8%
Orange	802,500	825,000	2.8%
San Diego	607,500	625,000	2.9%
Ventura	495,000	495,000	0.0%
So. California	\$553,800	\$543,700	-1.8%
<b>EXISTING HOMES</b>			
Riverside	\$293,000	\$310,000	5.8%
San Bernardino	231,000	255,000	10.4%
Los Angeles	489,000	520,000	6.3%
Orange	645,500	680,000	5.3%
San Diego	489,000	515,000	5.3%
Ventura	540,000	562,000	4.1%
So. California	\$439,800	\$466,700	6.1%

Source: Dataquick

## 10 HOME DEED RECORDINGS Inland Empire, 3rd Quarter, 2014-2015

NEW HOMES				EXISTING HOMES			
Area	3rd 14	3rd 15	% Chg.	Area	3rd 14	3rd 15	% Chg.
Redlands, Loma Linda, Yucaipa	5	41	720.0%	Redlands, Loma Linda, Yucaipa	469	583	24.3%
Chino, CHill, Mtcl, Ontarop, RC, Upland	161	261	62.1%	SB Desert	437	501	14.6%
Fontana, Rialto, Colton, GT	71	109	53.5%	Fontana, Rialto, Colton, GT	970	1,075	10.8%
Victor Valley	53	81	52.8%	Chino, CHill, Mtcl, Ontario, RC, Upland	1,321	1,454	10.1%
San Bernardino, Highland	88	119	35.2%	Victor Valley	1,258	1,384	10.0%
SB Mountains	11	13	18.2%	SB Mountains	738	792	7.3%
SB Desert	12	13	8.3%	San Bernardino, Highland	769	781	1.6%
<b>SAN BDNO COUNTY</b>	<b>401</b>	<b>637</b>	<b>58.9%</b>	<b>SAN BDNO COUNTY</b>	<b>5,962</b>	<b>6,570</b>	<b>10.2%</b>
Riverside, Jurupa Valley	27	130	381.5%	Corona, Norco, Eastvale	531	645	21.5%
Corona, Norco, Eastvale	76	191	151.3%	Riverside, Jurupa Valley	959	1,147	19.6%
Coachella Valley	85	110	29.4%	Moreno Valley	367	438	19.3%
Murrieta, Temecula, L. Elsinore, Wildomar	327	344	5.2%	Beaumont, Banning, Calimesa	1,580	1,842	16.6%
Perris, Hemet, S. Jacinto, Menifee	315	301	-4.4%	Riverside Rural	780	888	13.8%
Beaumont, Banning, Calimesa	143	118	-17.5%	Coachella Valley	484	545	12.6%
Riverside Rural	113	88	-22.1%	Murrieta, Temecula, L. Elsinore, Wildomar	1,690	1,858	9.9%
Moreno Valley	37	23	-37.8%	Perris, Hemet, S. Jacinto, Menifee	1,109	1,185	6.9%
<b>RIVERSIDE COUNTY</b>	<b>1,123</b>	<b>1,305</b>	<b>16.2%</b>	<b>RIVERSIDE COUNTY</b>	<b>7,500</b>	<b>8,548</b>	<b>14.0%</b>
<b>INLAND EMPIRE</b>	<b>1,524</b>	<b>1,942</b>	<b>27.4%</b>	<b>INLAND EMPIRE</b>	<b>13,462</b>	<b>15,118</b>	<b>12.3%</b>

Source: Dataquick

## HOME MARKETS: Price Rises Continue, Volume Stepping Up!

In third quarter 2015, the Inland Empire recorded 16,286 *seasonally adjusted* existing and new home sales. Volume was flat for six quarters before jumping in the past two (*Exhibit 11*). For the first nine months of 2015, the inland region was again responsible for 33.4% of all home sales in Southern California (*Mexican border to Ventura County*). Meanwhile, the median existing home price in the two county area rose to \$284,950 (*Exhibit 12*) and the new home price was \$401,706. These levels are roughly the same as prices just before, 2004-2005, and just after 2007-2008, the speculative price surge between those periods.

### SALES

Riverside County had 8,548 existing home sales in third quarter 2015, up 14.0% from 2014. As recordings come at the end of escrow, this included many second quarter sales. Corona, Norco, Eastvale had the highest percentage gain (645 units; 21.5%). The southwest county area was the volume leader (1,858 sales; 9.9%). The county's 1,305 new home sales were up 16.2% from 2014 (*Exhibit 10*). Riverside, Jurupa Valley had the fastest growth (130 units, 381.5%). The Southwest county area was again the volume leader (344 sales; 5.2%).

San Bernardino County's existing home sales rose 10.2% to 6,570 units. Redlands, Loma Linda, Yucaipa had the largest percentage increase (583 sales, 24.3%). The Westend led in volume (1,454 sales; 10.1%). New home sales in third quarter 2015 rose 58.9% to 637 units. Redlands, Loma Linda, Yucaipa also had the fastest growth rate (41 sales; 720.0%). The Westend led in volume (261 sales; 62.1%).

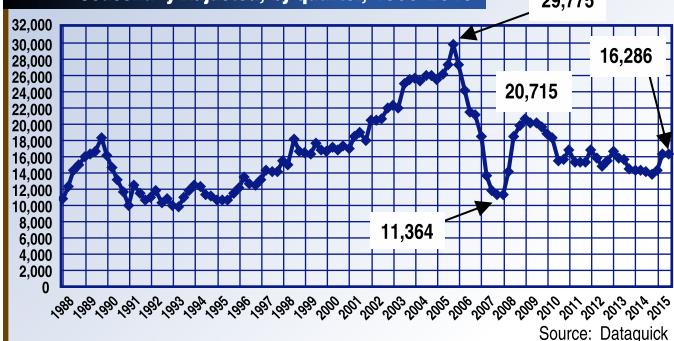
### PRICES

Riverside County's third quarter 2015 median new home price was \$383,000, down slightly from \$386,000 in the prior quarter but up 7.7% from 2014 (\$355,500) (*Exhibit 9*). The median existing home price was \$310,000, up 5.8% from \$293,000 in 2014 and equal to the prior quarter's \$310,000. San Bernardino County's median new home price was \$440,000, up 13.7% from 2014 (\$387,000) and well over second quarter's \$419,000. Its existing median home price of \$255,000 was 10.4% above 2014 (\$231,000) and up from second quarter's \$250,000. Southern California's new home price of \$543,700 was down -1.8% from 2014 (\$553,800). The region's existing home price of \$466,700 was up 6.1% from \$439,600 in 2014.

### SUMMARY

The Inland Empire's housing markets are in the early stages of a recovery. Prices are up strongly due to lack of supply. Demand is increasing as the general rise in Southern California's economy is causing a gain in consumer confidence. Affordability is high in San Bernardino County where 56% of local families can afford the median priced home. It is 40% in Riverside County. In the coastal counties just 20%-30% of families in each county can afford their county's median priced homes. That affordability factor has historically driven buyers inland. ■

## 11 ALL HOME SALES, INLAND EMPIRE Seasonally Adjusted, by quarter, 1988-2015



## 12 PRICE TRENDS, EXISTING HOMES Inland Empire, 1988-2015, Quarterly

