



# QUARTERLY ECONOMIC REPORT

RIVERSIDE & SAN BERNARDINO COUNTIES, CALIFORNIA

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## INLAND EMPIRE CITY PROFILE 2016

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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 2010-2016, the CA Finance Department reports that the Inland Empire added 262,547 people to reach 4,487,398 up 6.2%. The gain represented 13.1% of California's population growth of 2,001,927. In the year from 2015 to 2016, the area added 48,386 people (1.1%). Eleven cities continued to have over 100,000 people in 2016, led by Riverside (324,696) and San Bernardino (215,491) followed by Fontana (209,895) and Moreno Valley (205,383). The smallest cities were Big Bear Lake (4,905), Needles (5,035) and Indian Wells (5,412). Seven cities added over 10,000 people from 2010-2016: Riverside (20,825), Fontana (13,826), Corona (12,285), Indio (12,022), Moreno Valley (12,018), Menifee (11,485) and Murrieta (10,329). Six cities added under 500 people: Needles (191), Canyon Lake (120), Grand Terrace (275), Calimesa (410) and Indian Wells (454). Four cities shrank: Blythe (-1,004), Redlands (-379), Norco (-167) and Big Bear Lake (-114).

Of California's 482 cities, the Inland Empire's five largest places in 2016, two retained their statewide ranks (*not shown*): Riverside (12<sup>th</sup>), San Bernardino (*dropped to 18<sup>th</sup>*), Fontana (*rose to 20<sup>th</sup>*), Moreno Valley (22<sup>nd</sup>) and Rancho Cucamonga (*fell to 28<sup>th</sup>*). The housing slowdown continued reducing population growth from 2015-2016. Still, the area had six of the state's 25 fastest growth rates (*not shown*): Eastvale (3.8%, 9<sup>th</sup>), Beaumont (3.5%, 12<sup>th</sup>), Lake Elsinore (3.2%, 15<sup>th</sup>) and Blythe (2.9%, 21<sup>st</sup>). Four cities ranked in the top 25 in absolute growth: Riverside (3,041, 12<sup>th</sup>), Fontana (2,899, 15<sup>th</sup>), Eastvale (2,337, 22<sup>nd</sup>) and Rancho Cucamonga (2,049; 25<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

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**1 INLAND EMPIRE CITY PROFILE**

INLAND EMPIRE COUNTY POPULATION										INLAND EMPIRE COUNTY TAXABLE RETAIL SALES										INLAND EMPIRE COUNTY ASSESSED VALUATION										INLAND EMPIRE COUNTY POVERTY									
	Population				Taxable Retail Sales				Assessed Valuation				Poverty																										
	2016	Rank	2010-2016 Change	Rank	2015 (mil)	Rank	% Chg.	Per Capita	Rank	July 1, 2016 (mil)	Rank	% Chg	Per Capita	Rank	All People 2014	Rank	Under 18 2014	Rank																					
City	2016	Rank	2010-2016 Change	Rank	(mil)	Rank	% Chg.	Per Capita	Rank	(mil)	Rank	% Chg	Per Capita	Rank	All People 2014	Rank	Under 18 2014	Rank																					
SAN BERNARDINO COUNTY																																							
Adelanto	33,497	37	1,732	33	\$124	46	-5.1%	\$3,894	49	\$1,825	42	3.4%	\$56,884	46	38.0%	52	48.0%	52																					
Apple Valley	74,656	20	5,521	18	\$494	33	-0.7%	\$6,660	42	\$5,364	24	5.0%	\$71,854	34	14.1%	20	19.5%	21																					
Barstow	24,360	43	1,721	34	\$653	30	-3.8%	\$26,912	7	\$1,193	47	1.4%	\$48,962	50	30.2%	49	45.4%	51																					
Big Bear Lake	4,905	52	(114)	49	\$184	41	2.2%	\$37,540	2	\$3,238	34	3.2%	\$660,116	2	15.8%	24	15.6%	16																					
Chino	85,934	16	7,951	14	\$1,898	8	3.1%	\$23,669	9	\$11,279	13	5.7%	\$140,195	8	9.4%	10	11.8%	9																					
Chino Hills	78,866	18	4,067	21	\$708	27	6.9%	\$9,021	34	\$10,885	14	4.9%	\$138,018	9	9.0%	8	11.7%	8																					
Colton	53,351	28	1,197	38	\$698	28	5.5%	\$13,131	23	\$3,062	35	5.9%	\$57,390	44	23.3%	44	32.4%	44																					
Fontana	209,895	3	13,826	2	\$3,083	4	7.0%	\$14,790	19	\$16,819	5	5.2%	\$80,131	7	17.4%	27	22.6%	26																					
G. Terrace	12,315	47	275	46	\$76	48	3.8%	\$6,184	44	\$912	48	3.9%	\$74,020	32	9.1%	9	8.8%	7																					
Hesperia	93,226	13	3,053	25	\$771	25	-0.8%	\$8,305	36	\$5,336	26	4.7%	\$57,236	45	22.2%	42	27.9%	35																					
Highland	53,645	27	541	43	\$193	40	-3.4%	\$3,602	50	\$3,274	33	4.8%	\$61,028	41	20.3%	36	30.4%	42																					
Loma Linda	24,649	42	1,388	36	\$719	26	41.6%	\$29,252	5	\$1,900	41	5.8%	\$77,077	29	17.7%	29	26.6%	34																					
Montclair	38,686	35	2,022	32	\$1,134	14	10.0%	\$29,448	4	\$2,983	37	5.5%	\$77,107	28	19.0%	31	28.2%	37																					
Needles	5,035	51	191	47	\$37	51	6.4%	\$7,325	39	\$306	52	0.6%	\$60,695	43	23.4%	45	32.3%	43																					
Ontario	169,869	6	5,945	16	\$7,224	1	9.5%	\$42,740	1	\$21,741	3	3.7%	\$127,986	13	17.4%	28	22.2%	25																					
R. Cucamonga	175,251	5	9,982	8	\$2,500	7	4.5%	\$14,581	20	\$23,500	2	3.6%	\$136,252	10	8.1%	7	12.8%	10																					
Redlands	68,368	22	(379)	51	\$1,105	15	7.8%	\$16,195	15	\$8,211	19	6.0%	\$120,101	15	10.6%	14	12.9%	11																					
Rialto	107,330	11	8,159	13	\$933	19	-10.7%	\$8,728	35	\$7,337	23	5.8%	\$68,358	36	21.5%	40	26.5%	33																					
San Bdn	215,491	2	5,567	17	\$2,870	6	4.8%	\$13,817	21	\$12,662	9	6.2%	\$60,731	42	21.3%	39	26.3%	31																					
29 Palms	26,138	41	1,090	39	\$90	47	-7.4%	\$3,456	51	\$848	49	0.9%	\$32,462	52	16.5%	26	19.1%	20																					
Upland	75,774	19	2,042	31	\$1,136	13	5.6%	\$15,040	18	\$8,433	15	4.3%	\$111,285	17	15.1%	22	17.3%	17																					
Victorville	123,510	8	7,607	15	\$1,777	9	4.2%	\$15,042	17	\$7,907	21	4.6%	\$66,734	38	28.5%	48	42.4%	48																					
Yucaipa	53,779	26	2,412	28	\$286	38	2.5%	\$5,343	45	\$4,082	31	5.5%	\$75,895	30	16.4%	25	24.1%	28																					
Yucca Valley	21,281	44	581	42	\$287	37	6.6%	\$13,535	22	\$1,532	45	1.9%	\$71,998	33	19.8%	34	28.8%	38																					
SB County	2,139,570		104,360		\$35,823		8.4%	\$16,989		\$194,672		4.2%	\$91,919		20.6%		28.5%																						
RIVERSIDE COUNTY																																							
Banning	30,834	38	1,231	37	\$183	42	0.6%	\$6,228	43	\$1,961	40	4.2%	\$66,561	39	21.2%	37	40.9%	46																					
Beaumont	45,118	33	8,241	12	\$412	35	11.1%	\$9,286	32	\$3,915	32	7.5%	\$86,781	21	11.3%	15	13.3%	12																					
Blythe	19,813	45	(1,004)	52	\$152	43	-5.1%	\$11,269	29	\$688	51	5.8%	\$49,902	49	23.2%	43	34.0%	45																					
Calimesa	8,289	49	410	45	\$63	50	-1.6%	\$7,731	37	\$743	50	7.9%	\$89,598	20	15.4%	23	26.1%	30																					
Canyon Lake	10,681	48	120	48	\$19	52	27.5%	\$1,807	52	\$1,630	44	3.3%	\$152,569	7	5.4%	2	6.1%	4																					
Cathedral City	54,261	25	3,061	24	\$821	22	9.1%	\$15,196	16	\$4,099	30	5.2%	\$75,545	31	21.9%	41	29.5%	40																					
Coachella	45,407	32	4,703	20	\$326	36	-1.2%	\$7,216	40	\$1,665	43	6.1%	\$36,666	51	31.5%	50	42.0%	47																					
Corona	164,659	7	12,285	3	\$3,341	3	3.4%	\$20,372	12	\$18,657	4	4.2%	\$113,306	16	11.4%	16	17.4%	18																					
Dsrt Hot Spr.	29,048	39	3,110	23	\$133	45	-0.9%	\$4,589	47	\$1,482	46	6.8%	\$51,014	48	33.1%	51	45.2%	50																					
Eastvale	63,162	23	8,899	11	\$662	29	12.1%	\$10,674	31	\$8,404	17	5.2%	\$133,052	12	5.1%	1	5.9%	3																					
Hemet	80,070	17	1,413	35	\$1,011	17	2.2%	\$12,662	25	\$5,218	27	6.3%	\$65,166	40	28.0%	47	44.3%	49																					
Indian Wells	5,412	50	454	44	\$68	49	-31.4%	\$12,587	26	\$5,353	25	2.9%	\$989,059	1	5.6%	3	2.9%	1																					
Indio	88,058	15	12,022	4	\$955	18	8.3%	\$10,929	30	\$7,599	22	5.1%	\$86,298	22	21.3%	38	30.3%	41																					
Jurupa Valley	98,177	12	2,207	29	\$891	20	8.0%	\$9,132	33	\$8,405	16	8.3%	\$85,611	23	19.4%	33	26.4%	32																					
Lk Elsinore	61,006	24	9,185	9	\$773	23	5.2%	\$12,863	24	\$5,212	28	8.5%	\$85,435	24	14.5%	21	18.9%	19																					
La Quinta	39,977	34	2,510	27	\$773	23	4.8%	\$19,498	13	\$12,455	10	4.4%	\$311,543	4	9.6%	11	14.7%	14																					
Menifee	89,004	14	11,485	6	\$599	31	15.9%	\$6,795	41	\$8,049	20	6.7%	\$90,436	19	13.5%	18	19.5%	22																					
Moreno Vly.	205,383	4	12,018	5	\$1,569	11	6.3%	\$7,673	38	\$13,910	8	6.3%	\$67,726	37	20.1%	35	28.1%	36																					
Murrieta	113,795	9	10,329	7	\$1,289	12	3.7%	\$11,390	27	\$11,866	11	3.0%	\$104,275	18	7.4%	6	6.9%	5																					
Norco	26,896	40	(167)	50	\$550	32	7.7%	\$23,141	10	\$2,985	36	4.0%	\$124,365	14	7.1%	5	7.6%	6																					
Palm Desert	49,335	29	890	40	\$1,621	10	1.7%	\$33,029	3	\$14,028	7	2.6%	\$284,337	5	10.5%	12	14.7%	15																					
Palm Springs	46,654	31	2,102	30	\$1,061	16	2.4%	\$22,861	11	\$11,337	12	6.8%	\$243,006	6	10.5%	13	14.7%	13																					
Perris	73,722	21	5,336	19	\$824	21	4.1%	\$11,279	28	\$5,155	29	9.7%	\$69,928	35	25.1%	46	29.3%	39																					
Rancho Mirage	18,070	46	852	41	\$438	34	3.4%	\$24,315	8	\$8,224	18	4.1%	\$455,094	3	12.3%	17	20.8%	24																					
Riverside	324,696	1	20,825	1	\$5,443	2	7.3%	\$16,880	14	\$26,740	1	5.0%	\$82,540	26	19.0%	30	23.8%	27																					
San Jacinto	47,656	30	3,457	22	\$237	39	9.9%	\$5,008	46	\$2,596	39	5.9%	\$54,470	47	19.1%	32	24.7%	29																					
Temecula	109,064	10	8,967	10	\$3,006	5	8.5%	\$27,722	6	\$14,660	6	5.0%	\$134,416	11	6.3%	4	5.0%	2																					
Wildomar	35,168	36	2,992	26	\$143	44	1.8%	\$4,085	48	\$2,963	38	6.1%	\$84,257	25	13.7%	19	20.1%	23																					
Riv County	2,347,828		158,187		\$33,021		3.1%	\$14,222		\$247,047		5.1%	\$105,719		17.1%		23.7%																						
Inl. Empire	4,487,398		262,547		\$68,844		5.8%	\$15,539		\$441,719		4.7%	\$99,158		18.8%		26.0%																						

Source: CA Finance Dept., E-5 Population Report; CA Bd. of Equalization, Taxable Retail Sales; San Bernardino/Riverside Co. Assessors, American Community Survey

## 2 INLAND EMPIRE CITY PROFILE

	EXISTING HOMES						NEW HOMES										INCOME				
	2015		2014-15		2016 2nd Q		2015-16		2015		2014-15		2016 2nd Q		2015-16		2014		2014		No Ins.:
City	Volume	Rank	%Chg	Median P	Rank	%Chg	Volume	Rank	%Chg	Median P	Rank	%Chg	Volume	Rank	%Chg	Median	Rank	(mil.)	Rank	Health	
SAN BERNARDINO COUNTY																					
Adelanto	501	37	-0.6%	\$170,000	45	13.3%	104	21	36.8%	\$250,750	39	18.3%	\$35,262	49	\$298	48	30.6%				
Apple Valley	1,324	13	8.4%	\$204,049	43	8.0%	78	26	9.9%	\$265,895	35	-0.7%	\$49,821	31	\$1,692	16	9.8%				
Barstow	349	40	-14.5%	\$90,250	50	24.5%	8	43	-50.0%	\$128,000	45	11.8%	\$40,648	45	\$414	43	17.5%				
Big Bear Lk	247	44	-46.7%	\$148,750	47	-43.9%	2	51	-33.3%	\$0	48	NA	\$41,058	43	\$147	51	38.7%				
Chino	645	31	4.2%	\$435,316	10	4.3%	285	13	-27.8%	\$543,853	9	-0.8%	\$79,218	7	\$1,571	21	16.5%				
Chino Hills	826	26	14.9%	\$610,000	3	3.4%	34	32	472.8%	\$900,500	1	53.9%	\$99,601	2	\$2,522	10	10.1%				
Colton	441	38	6.3%	\$251,500	35	14.3%	3	48	-75.0%	\$609,750	7	229.6%	\$39,915	47	\$796	33	34.9%				
Fontana	2,153	5	1.7%	\$354,608	18	5.4%	359	10	70.1%	\$426,190	20	3.8%	\$64,399	15	\$3,755	5	24.4%				
G. Terrace	124	50	12.7%	\$301,500	25	2.2%	4	44	33.3%	\$427,500	19	NA	\$64,140	16	\$347	47	16.0%				
Hesperia	1,374	12	14.4%	\$208,750	41	16.0%	39	30	-37.1%	\$242,000	40	5.9%	\$46,952	35	\$1,498	23	21.7%				
Highland	628	32	4.0%	\$302,500	24	9.9%	9	42	-25.0%	\$489,500	13	NA	\$53,385	27	\$1,114	28	22.8%				
Loma Linda	209	47	13.6%	\$300,000	26	-10.4%	1	52	-66.7%	\$0	48	NA	\$58,259	22	\$700	37	17.1%				
Montclair	182	48	-10.8%	\$359,500	17	3.6%	17	37	240.0%	\$505,000	12	NA	\$48,767	33	\$624	38	34.0%				
Needles	50	52	47.1%	\$80,000	52	46.8%	19	36	1459.9%	\$60,000	47	NA	\$33,045	51	\$91	52	23.0%				
Ontario	1,110	15	5.3%	\$364,054	16	4.9%	156	18	73.3%	\$445,687	16	-8.3%	\$52,225	28	\$3,126	9	22.3%				
R. Cucamonga	1,685	10	8.3%	\$505,148	5	9.1%	331	11	59.1%	\$558,550	8	11.2%	\$82,489	5	\$5,360	2	14.5%				
Redlands	873	25	18.6%	\$391,297	12	11.3%	67	27	114.6%	\$824,409	4	60.7%	\$71,742	10	\$5,295	3	12.8%				
Rialto	925	23	-0.9%	\$292,587	27	9.9%	30	33	-63.9%	\$435,000	18	23.8%	\$63,444	17	\$1,879	13	10.7%				
San Bdn	2,924	2	1.8%	\$244,005	36	9.9%	387	6	23.6%	\$408,542	24	1.4%	\$50,647	30	\$1,660	18	20.8%				
29 Palms	274	43	1.5%	\$85,189	51	-5.3%	4	44	-33.3%	\$159,000	44	NA	\$40,890	44	\$422	41	14.9%				
Upland	738	28	21.4%	\$498,913	6	3.0%	135	19	52.0%	\$424,957	21	-22.0%	\$54,681	25	\$2,065	11	16.1%				
Victorville	1,474	11	6.5%	\$207,396	42	9.3%	78	25	4.0%	\$255,971	36	7.9%	\$43,589	39	\$1,709	15	22.1%				
Yucaipa	717	29	9.8%	\$315,500	22	5.2%	93	22	830.0%	\$347,000	31	7.3%	\$58,506	20	\$1,326	26	20.7%				
Yucca Valley	554	35	12.4%	\$151,250	46	8.8%	13	39	-23.5%	\$255,500	37	2.2%	\$43,086	41	\$417	42	26.8%				
SB County	24,651		7.9%	\$270,000		8.0%	2,286		24.0%	\$432,750		3.3%	\$52,041		\$42,188		12.7%				
RIVERSIDE COUNTY																					
Banning	531	36	15.4%	\$230,000	39	20.4%	8	43	-11.1%	\$103,000	46	NA	\$39,556	48	\$586	39	29.6%				
Beaumont	899	24	17.7%	\$290,000	29	13.7%	415	5	-1.9%	\$335,000	32	11.5%	\$66,775	14	\$1,016	30	18.1%				
Blythe	247	44	-27.6%	\$148,750	47	-43.9%	2	51	-33.3%	\$0	48	NA	\$46,393	37	\$297	49	23.0%				
Calimesa	97	51	1.0%	\$148,750	47	-40.5%	35	31	-49.3%	\$0	48	NA	\$42,392	42	\$197	50	22.1%				
Canyon Lake	387	39	5.7%	\$340,000	20	-2.9%	4	44	0.0%	\$184,000	43	NA	\$74,682	9	\$369	46	12.5%				
Cathedral City	609	34	1.2%	\$261,000	33	0.4%	14	38	3.5%	\$348,000	30	16.0%	\$43,128	40	\$981	31	40.0%				
Coachella	221	46	-4.7%	\$230,000	39	13.3%	11	40	-71.5%	\$194,500	42	-13.4%	\$40,423	46	\$477	40	44.0%				
Corona	2,741	3	6.6%	\$457,593	9	4.7%	466	2	17.7%	\$507,530	11	9.1%	\$69,407	13	\$4,276	4	16.4%				
Dsrt Hot Spr.	628	32	2.4%	\$178,106	44	16.6%	10	41	3.5%	\$205,000	41	5.3%	\$33,575	50	\$383	45	37.2%				
Eastvale	1,002	21	4.7%	\$482,295	8	6.0%	595	1	66.7%	\$472,393	14	-0.3%	\$109,783	1	\$1,510	22	18.1%				
Hemet	1,986	8	14.2%	\$214,631	40	11.4%	130	20	-40.1%	\$306,118	34	11.6%	\$31,942	52	\$1,344	25	19.7%				
Indian Wells	165	49	-9.3%	\$836,250	1	13.0%	27	34	17.0%	\$895,000	2	12.6%	\$85,000	4	\$412	44	12.4%				
Indio	1,235	14	1.4%	\$271,427	31	4.9%	382	7	-0.3%	\$363,326	28	10.9%	\$47,280	34	\$1,663	17	29.7%				
Jurupa Valley	709	30	-1.4%	\$332,500	21	2.4%	230	14	641.9%	\$422,000	22	-3.4%	\$57,972	24	\$1,638	19	25.8%				
Lk Elsinore	1,101	16	12.0%	\$313,774	23	7.4%	457	3	2.7%	\$364,656	27	3.2%	\$63,303	18	\$1,119	27	25.7%				
La Quinta	1,089	17	5.3%	\$373,000	14	-1.8%	60	28	-26.8%	\$655,000	5	5.5%	\$71,074	12	\$1,485	24	19.3%				
Menifee	1,876	9	9.8%	\$290,079	28	6.2%	457	3	-6.9%	\$379,653	26	-0.8%	\$58,179	23	\$1,814	14	15.3%				
Moreno Vly.	2,220	4	7.1%	\$284,388	30	10.4%	93	22	-24.4%	\$332,100	33	-10.8%	\$54,054	26	\$3,331	6	24.7%				
Murrieta	2,127	6	10.7%	\$388,994	13	8.5%	366	8	23.2%	\$405,143	25	4.4%	\$76,766	8	\$3,172	8	15.1%				
Norco	283	42	-2.4%	\$483,000	7	9.8%	3	48	-25.0%	\$0	48	NA	\$85,142	3	\$711	36	14.6%				
Palm Desert	1,050	18	8.6%	\$371,563	15	5.3%	166	17	70.8%	\$447,231	15	42.3%	\$52,053	29	\$1,928	12	23.7%				
Palm Springs	969	22	8.3%	\$548,353	4	11.9%	167	16	75.4%	\$643,864	6	12.8%	\$45,497	38	\$1,593	20	28.4%				
Perris	1,004	20	9.8%	\$265,518	32	10.2%	200	15	23.5%	\$350,856	29	4.2%	\$49,425	32	\$913	32	33.4%				
Rancho Mirage	318	41	-13.1%	\$615,000	2	2.1%	21	35	-33.2%	\$885,750	3	-39.2%	\$71,688	11	\$1,094	29	17.9%				
Riverside	3,327	1	10.5%	\$346,560	19	7.9%	366	8	215.5%	\$439,667	17	0.9%	\$58,368	21	\$6,464	1	20.0%				
San Jacinto	762	27	16.7%	\$238,172	37	13.4%	90	24	130.8%	\$254,833	38	2.5%	\$46,714	36	\$743	34	28.8%				
Temecula	2,058	7	11.5%	\$414,946	11	3.8%	325	12	-25.8%	\$516,591	10	24.7%	\$80,753	6	\$3,229	7	12.2%				
Wildomar	1,043	19	5.5%	\$254,371	34	5.2%	59	29	-33.2%	\$413,059	23	347.5%	\$60,816	19	\$712	35	25.6%				
Riv County	30,082		8.9%	\$330,000		6.5%	5,001		15.1%	\$404,500		4.8%	\$57,006		\$51,454		14.4%				
Inl. Empire	54,733		8.4%	\$303,837		7.1%	7,287		17.7%	\$414,409		4.6%	\$54,681		\$93,642		13.6%				

Source: Dataquick, U.S. Census Bureau, Economics & Politics, Inc.

three months. In calendar year 2015, San Bernardino County's sales rose 8.4% to \$35.8 billion. Riverside County's sales increased 3.1% to \$33.0 billion (*Exhibit 1*). The combined Inland Empire growth (5.8%) was well above that of California (3.2%). In the first half of 2015, inland sales expanded by another 4.5%. If that continues for all of 2016, the inland area will reach \$71.9 billion in sales, putting it 17.7% above the 2006 record of \$61.1 billion. It needs to be up a smaller 17.2% to completely overcome inflation since that time.

In 2015, retail sales were led by Ontario (\$7.22 billion) and Riverside (\$5.44 billion), followed by Corona (\$3.34 billion), Fontana (\$3.08 billion) and Temecula (\$3.01 billion). San Bernardino (\$2.87 billion) ranked sixth followed by Rancho Cucamonga (\$2.50 billion), Chino (\$1.90 billion), Victorville (\$1.78 billion) and Palm Desert (\$1.62 billion). Of the 52 cities, the largest percentage gains were Loma Linda (41.6%), Canyon Lake (27.5%), Menifee (15.9%), Eastvale (12.1%) and Montclair (10.0%).

Per capita sales reveal how well sales taxes finance city services for each resident. In 2015, the leaders were almost unchanged: Ontario (\$42,740), Big Bear Lake (\$37,540), Palm Desert (\$33,029), Montclair (\$29,448) while Loma Linda (\$29,252) replaced Barstow. The weakest were Canyon Lake (\$1,807), Twentynine Palms (\$3,456), Highland (\$3,602), Adelanto (\$3,894) and Wildomar (\$4,085). [*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, 2016, San Bernardino County's valuation was \$194.7 billion, up 4.2%. Riverside County's was \$247.0 billion, up 5.1%. The counties exceeded their 2008 record level by 8.6%, just under the 8.7% inflation rate since then. For cities, assessed valuation tends to follow industrial and housing development. In 2016, the top five cities were: Riverside (\$26.7 billion; 5.0%), Rancho Cucamonga (\$23.5 billion; 3.6%), Ontario (\$21.7 billion; 3.7%), Corona (\$18.7 billion; 4.2%) and Fontana (\$16.8 billion; 5.2%). Though San Bernardino is second in population and has an industrial base, its low home values put its valuation (\$12.3 billion; 6.2%) at ninth. Each of the 52 cities saw their FY 2017 assessed valuation increase. Assessment growth was again led by five

Riverside County cities: Perris (9.7%), Lake Elsinore (8.5%), Jurupa Valley (8.3%), Calimesa (7.9%), Palm Springs (6.8%). San Bernardino County was led by San Bernardino (6.2%).

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 (\$989,059) and third ranked Rancho Mirage (\$455,094) followed by La Quinta (\$311,543), Palm Desert (\$284,337) and Palm Springs (\$243,006). Two smaller cities did well: Second ranked Big Bear Lake (\$660,116) and seventh ranked Canyon Lake (\$152,569). Ranked eighth to tenth were cities near Los Angeles County: Chino (\$140,165), Chino Hills (\$138,018), and Rancho Cucamonga (\$136,252). Three East SB Valley cities were weak: Highland (41<sup>st</sup>, \$61,028), San Bernardino (42<sup>nd</sup>, \$60,731) and Colton (44<sup>th</sup>, \$57,390). Outlying desert cities ranked in the bottom tier: Desert Hot Springs (48<sup>th</sup>, \$51,014), Blythe (49<sup>th</sup>, \$49,902), Barstow (50<sup>th</sup>, \$48,962), Coachella (51<sup>st</sup>, \$36,666), and Twentynine Palms (52<sup>nd</sup>, \$32,462).

**Poverty.** Increasingly, the levels of poverty in the Inland Empire have been recognized as a threat to the region's public health. In 2015, the Census Bureau's American Community Survey showed that 19.0% of San Bernardino County's population was below the federal poverty level. It was 27.4% for the county's children under 18. In Riverside County, the share of all people was 16.2%. It was 22.8% for the county's children (*Exhibit 1 shows the higher 2014 data*).

Data for all cities was only available for 2014. The highest poverty levels were found in Adelanto (38.0%; 48.0%), Desert Hot Springs (33.1%, 45.2%), Coachella (31.5%, 42.0%), Barstow (30.2%, 45.4%) and Victorville (28.5%, 42.4%). Among other cities of over 100,000 people, the difficulty was most prominent in Rialto (21.5%, 26.5%), San Bernardino (21.3%, 26.3%) and Moreno Valley (20.1%, 28.1%). The least poverty occurred in one larger and two smaller cities: Eastvale (5.1%, 5.9%), Indian Wells (5.6%, 2.9%), and Canyon Lake (5.4%, 6.1%).

**Home Sales Volumes.** CoreLogic provides home deed recordings by zip code using county recorders' data. In 2015, existing home sales were still in the doldrums due to continued consumer fear and lack of access to credit despite low interest rates and relative price affordability. San Bernardino County's 2015



**existing home sales** recordings rose 7.9% to 24,651 units; Riverside County's sales rose by 8.9% to 30,082 sales (*Exhibit 2*). Except for Ontario (1,110, 15<sup>th</sup>), the largest cities had the most existing home sales. The leaders were Riverside (3,327) and San Bernardino (2,924) followed by Corona (2,741), Moreno Valley (2,220) and Fontana (2,153). There was sales growth in 41 of 52 cities led by Needles (47.1%), Upland (21.4%), Redlands (18.6%), Beaumont (17.7%) and San Jacinto (16.7%). The largest declines were in three smaller cities: Big Bear Lake (-46.7%), Blythe (-27.6%) and Barstow (-14.5%).

Riverside County's 2015 **new home sales** rose 15.1% to 5,001 units; San Bernardino County's increased 24.0% to 2,286. Sales growth was led by Eastvale (595), Corona (466), Menifee (457), Lake Elsinore (457) and Beaumont (415), all in Riverside County. San Bernardino city (387) led in San Bernardino County. Twenty-seven of 52 cities had increased new home sales indicating life is returning to the markets. Growth rates were led by gains in smaller markets Needles (1,460% to 19 sales), Yucaipa (229% to 93), Jurupa Valley (642% to 230), Chino Hills (473% to 34) and Montclair (240% to 17).

**Home Prices.** From second quarter 2015-2016, Riverside County's **median existing home price** rose 6.5% to \$330,000; San Bernardino County's rose 8.0% to \$270,000. These homes were affordable to 41% of Riverside County's families and 56% of those in San Bernardino County. The highest 2016 prices were in Indian Wells (836,250), Rancho Mirage (\$615,000), Chino Hills (\$610,000), Palm Springs (\$548,353) and Rancho Cucamonga (\$505,148). Several outlying desert cities again saw the lowest prices: Needles (\$80,000), Twentynine Palms (\$85,189), Barstow (\$90,250) and Blythe, tied with Calimesa and Big Bear Lake (\$148,750). Prices increased in 45 of 52 cities led by Needles (46.8%), Barstow (24.5%), Banning (20.4% to \$230,000), Desert Hot Springs (16.6% to \$178,106) and Hesperia (16.0% to \$208,750). Three small cities had the largest price declines: Big Bear Lake (-43.9%), Blythe (-43.9%) and Calimesa (-40.5%).

San Bernardino County's **median new home price** from second quarter 2015-2016 rose 3.3% to \$432,750; Riverside County's increased 4.8% to \$404,500. The highest prices were in Chino Hills (\$900,500; 34 sales), Indian Wells (\$895,000;

27 sales), Rancho Mirage (\$885,750; 21 sales), Redlands (\$824,409, 67 sales) and La Quinta (\$655,000; 90 sales). Under \$200,000 were Coachella (\$194,500), Canyon Lake (\$184,000), Twentynine Palms (\$159,000), Barstow (\$128,000), Banning (\$103,000) and Needles (\$60,000). The greatest price increases were in Wildomar (347.5%), Colton (229.6%), Redlands (60.7%), Chino Hills (53.9%) and Palm Desert (42.3%).

**Income.** The 2015 median household income of Riverside County was \$58,292. It was \$53,803 in San Bernardino County (2014 shown in exhibits). Incomes for all cities were only available for 2014. The highest median incomes were in Eastvale (\$109,783), Chino Hills (\$99,601), Norco (\$85,142), Indian Wells (\$85,000) and Rancho Cucamonga (\$82,489). For comparison, Irvine was \$90,743; Santa Monica was \$82,096. Total 2014 personal income was led by Riverside (\$6.46 billion), Rancho Cucamonga (\$5.36 billion), Redlands (\$5.30 billion), Corona (\$4.28 billion), Fontana (\$3.76 billion) and Moreno Valley (\$3.33 billion).

**Lack of Health Insurance.** Health insurance has been a major focus of national policy in recent times. In San Bernardino County, the shares of people without insurance in 2015 was 12.7% down from 20.6%. In Riverside County, it was 14.4% down from 20.4% (*Exhibit shows 2014 data*). Among cities, the highest shares in 2014 without coverage were in Coachella (44.0%) and Cathedral City (40.0%). Of the 11 cities with over 100,000 people, none now had more than 25% of their populations without health insurance. The cities in most difficulty were: Fontana (24.4%), Moreno Valley (24.7%), Ontario 22.3%, Victorville (22.1%) and San Bernardino (22.8%).

**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 52<sup>nd</sup> places. In 2015, the best 10 scores on these criteria were: Temecula (55), Rancho Cucamonga (65), Chino (79), Chino Hills (80), Eastvale (85), Indian Wells (85), Indian Wells (85), Corona (88), Murrieta (92) and Rancho Mirage (98). ■

## INLAND EMPIRE EMPLOYMENT ... Strong Jobs, Balanced Growth From 2011-2016!

From 2011-2016, the CA Employment Development Department (EDD) has shown that the Inland Empire gained 237,448 jobs (*Exhibits 3-4*). The loss from the Great Recession was -140,650, meaning the area has added 96,798 more jobs than were lost. In the growth period, 60.2% 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 39.8% in low paying sectors (*under \$30,000*). This was a far better record than California where 46.8% of job growth was in the lower paying sectors (*not shown*). The difference is because Inland Empire added 99,130 moderate paying blue collar and technical jobs or 41.7% of its new jobs; California added just 19.9% 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 with private and public positions (18.3% v. 0.1%), though management & professions did add 2.8% of local jobs.

### CLEAN WORK, GOOD PAY: 168 JOBS (I.E. 0.1% SHARE V. CA 18.3%) [YELLOW BARS]

Higher paying inland sectors showed weakness in 2011-2016, in large part due to problems with local government (-2,908; -1.2% of growth), state and federal government (-3,526; -1.5% of growth) and information (-2,650; -1.1% of growth). However, management and professions showed some strength, up 6,559 jobs. Its 2.8% of local job growth was well under California's 12.5%. Higher education was 1.2% of the local expansion (2,863 jobs). Mining was responsible for 0.1% of growth (158 jobs). Utilities cost -0.1% of the job change (-305 jobs).

### CLEAN WORK, MODERATE PAY: 43,788 JOBS (I.E. 18.4% SHARE V. CA 15.1%) [GREEN BARS]

Inland sectors paying moderate incomes to white collar technical workers during 2011-2016 were relatively strong, adding 43,788 positions (18.4% share). This exceeded the state's 15.1% share. Health care has added 27,164 jobs or 11.4% of new jobs vs. the state's 9.5%. K-12 education continued to rebound, up 13,772 positions (5.8% share) against California's 3.3%. Financial activities sectors gained a 1.2% share (2,867) versus the state's 2.2%.

### DIRTY WORK, MODERATE PAY: 99,130 JOBS (I.E. 41.7% SHARE V. CA 19.9%) [BLUE BARS]

In 2011-2016, the blue collar sectors that fundamentally drive the Inland Empire's economy gained 99,130 jobs (41.7% share of growth). Distribution and transportation added 55,252 jobs (23.3% share of growth) as fulfillment centers and international trade boosted employment. Construction activity continued its return adding 30,710 jobs (12.9% of growth). Manufacturing was up 13,205 positions (5.6% 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*: 8.8%; 9.2%; 1.8%).

### LOWER PAYING JOBS: 94,413 JOBS (I.E. 39.8% SHARE V. CA 46.8%) [RED BARS]

There was an increase of 94,413 jobs in lower paying sectors, a 39.8% share of the inland expansion from 2011-2016. That compared very favorably with the state's 46.8%. Eating and drinking had a 10.6% share of new jobs (25,173). Social assistance grew by

### 3 INLAND EMPIRE EMPLOYMENT GROWTH 2011-2016e

Sector	2011	2012	2013	2014	2015	2016ytd	2011-2016 Change	IE Share	CA Share
Mgmt & Professions	792	967	1,517	2,083	200	1,001	6,559	2.8%	12.5%
Higher Education	317	(150)	225	367	808	1,296	2,863	1.2%	2.9%
Mining	42	150	8	92	42	(175)	158	0.1%	-0.1%
Utilities	75	(42)	(167)	(183)	(67)	78	(305)	-0.1%	0.1%
Information	(1,817)	(483)	(183)	(275)	42	67	(2,650)	-1.1%	3.0%
Local Government	(3,533)	(1,658)	(692)	617	800	1,558	(2,908)	-1.2%	0.8%
Federal & State	(1,975)	(1,392)	(1,000)	(100)	283	658	(3,526)	-1.5%	-0.9%
<b>Clean Work, Good Pay</b>	<b>(6,100)</b>	<b>(2,608)</b>	<b>(292)</b>	<b>2,600</b>	<b>2,108</b>	<b>4,459</b>	<b>168</b>	<b>0.1%</b>	<b>18.3%</b>
Health Care	4,883	5,167	3,275	4,408	5,233	4,197	27,164	11.4%	9.5%
K-12 Education	(1,467)	850	3,275	2,325	2,883	5,905	13,772	5.8%	3.3%
Financial Activities	(1,083)	775	1,117	908	983	167	2,867	1.2%	2.2%
<b>Clean Work, Moderate Pay</b>	<b>2,333</b>	<b>6,792</b>	<b>7,667</b>	<b>7,642</b>	<b>9,100</b>	<b>10,255</b>	<b>43,788</b>	<b>18.4%</b>	<b>15.1%</b>
Distribution & Transport	2,492	8,225	9,783	10,825	13,600	10,327	55,252	23.3%	8.8%
Construction	(625)	3,558	7,392	7,558	7,642	5,185	30,710	12.9%	9.2%
Manufacturing	(58)	1,617	625	3,975	4,250	2,797	13,205	5.6%	1.8%
<b>Dirty Work, Moderate Pay</b>	<b>1,808</b>	<b>13,400</b>	<b>17,800</b>	<b>22,358</b>	<b>25,492</b>	<b>18,272</b>	<b>99,130</b>	<b>41.7%</b>	<b>19.9%</b>
Eating & Drinking	1,600	4,517	5,092	7,242	5,192	1,531	25,173	10.6%	13.8%
Social Assistance	(992)	2,475	9,492	3,158	4,742	1,806	20,681	8.7%	6.3%
Retail Trade	3,000	3,842	2,467	4,583	4,067	2,444	20,403	8.6%	7.8%
Employment Agcy	917	(1,317)	1,025	4,350	3,900	460	9,335	3.9%	6.5%
Other Services	867	975	1,067	1,883	983	1,357	7,132	3.0%	3.4%
Admin. Support	717	1,833	2,367	492	975	(900)	5,484	2.3%	3.0%
Accommodation	75	433	367	908	733	467	2,984	1.3%	1.1%
Amusement	(425)	400	1,008	783	775	200	2,742	1.2%	2.9%
Agriculture	(125)	83	(500)	(42)	625	444	485	0.2%	2.0%
<b>Lower Paying Jobs</b>	<b>5,633</b>	<b>13,242</b>	<b>22,383</b>	<b>23,358</b>	<b>21,992</b>	<b>7,804</b>	<b>94,413</b>	<b>39.8%</b>	<b>46.8%</b>
<b>Total, All Industries</b>	<b>3,675</b>	<b>30,825</b>	<b>47,558</b>	<b>55,958</b>	<b>58,692</b>	<b>40,739</b>	<b>237,448</b>	<b>100.0%</b>	<b>100.0%</b>

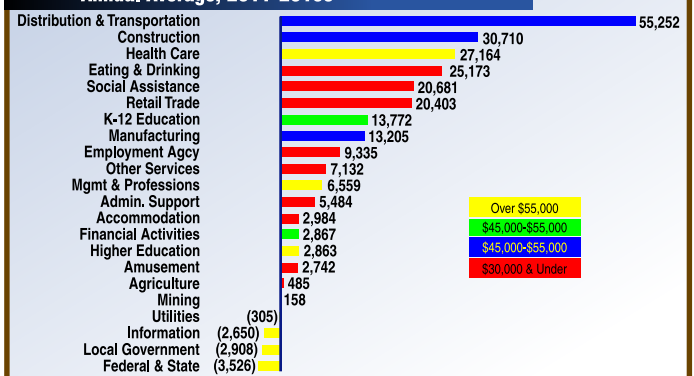
2016e based upon January through September growth by sector  
Source: CA Employment Development Department

20,681 jobs (8.7% share). Retailing was up 20,403 positions (8.6% share). Employment agencies added 9,335 jobs or a 3.9% share, far less than the share anticipated by those criticizing the area's job mix. Other services were up 7,132 jobs (3.0% share). Business administrative support jobs added 5,484 (2.3% share) as office sectors added a little strength. Accommodation has yet to really take off, up 2,984 jobs (1.3% share) in part due to lack of activity at Ontario International Airport. Amusement added 2,742 workers (1.2% share). Agriculture gain 485 jobs (0.2% share) because of water issues and greater efficiency.

### COMMENT

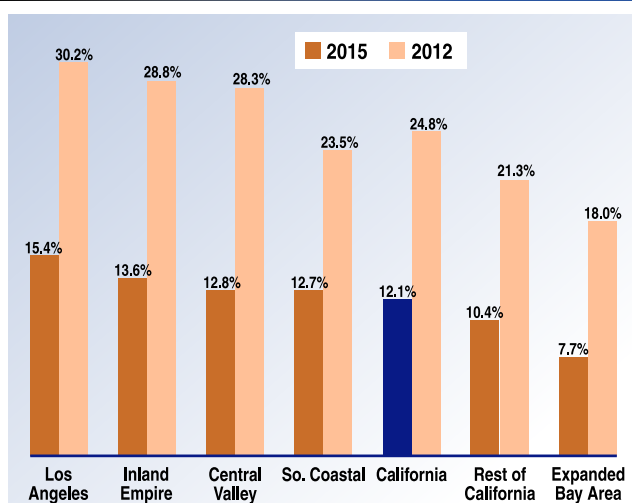
2016 data show job growth in the Inland Empire strong but slower than the very rapid gains of 2014 and 2015. Still, the region reached new records in employment, with job quality as good as before the recession. This stands in contrast to the state's record where middle income sectors (\$40,000-\$55,000) are growing weakly. The inland area's main issue is the need to expand private sector high paying sectors and employment of four year graduates. ■

### 4 INLAND EMPIRE GROWING & DECLINING SECTORS Annual Average, 2011-2016e



Source: CA Employment Development Department,  
U.S. Bureau of Labor Statistics, Economics & Politics, Inc.  
2016e = January to September growth

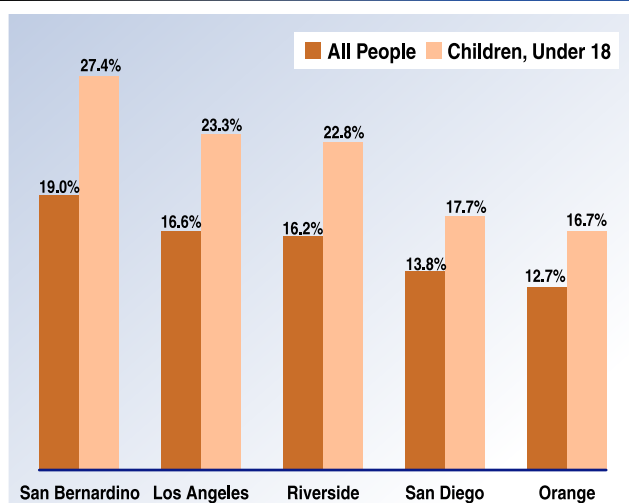
## 5 SHARE OF POPULATION WITHOUT HEALTH INSURANCE People 18-64, CA Regions, 2012 vs. 2015



Source: American Community Survey, 2012 & 2015

**Health Insurance Improvement.** There has been a dramatic improvement in the share of California residents without health insurance. This includes the Inland Empire. In 2012, 24.8% of Californians lacked coverage. It was 28.8% in the Inland Empire. In 2015, the share for California was slightly more than cut in half to 12.1%. In the inland area, the percent was 13.6%, significantly more than a 50% reduction. The inland region still ranks second highest however, though the margin is much smaller.

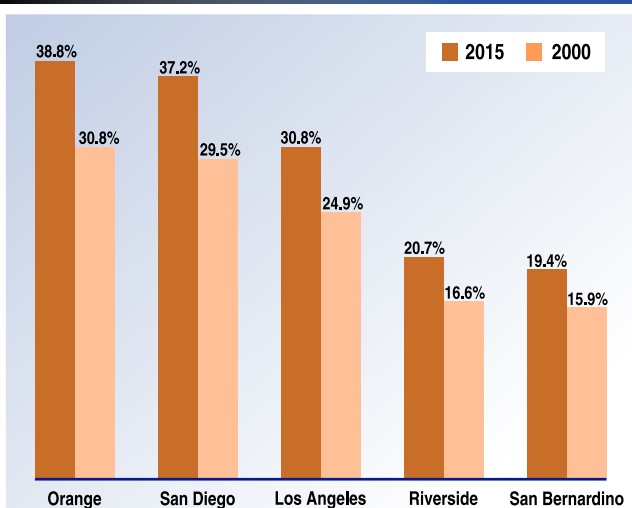
## 6 SHARE OF POPULATION LIVING IN POVERTY Southern California, by County, 2015



Source: American Community Survey, 2015

**Poverty.** A continuing difficulty impacting the Inland Empire has been the share of its population living in poverty. In 2015, it was 19.0%, down slightly from 2014 (19.1%) for all San Bernardino County residents and 16.2% down from 2014 (17.3%) of those in Riverside. A greater problem for the region's long term future is the fact that 27.4% of children under 18 in San Bernardino County were living in poverty, up from 2014 (26.6%). It was 22.8% in Riverside County, down from 2014 (24.3%). Given the difficulty the region has had with the educational level of its workforce, these figures add an unfortunate dimension to the challenges facing today's school children.

## 7 EDUCATIONAL ATTAINMENT: BA OR HIGHER Adults, 25 & Over, by County, 2015 vs. 2000



Source: American Community Survey, 2015

**Bachelor's Degrees & Above.** A competitive difficulty for the Inland Empire is the relatively low share of adults with four year degrees or higher, though the figures are increasing. In San Bernardino County, the 2015 share was 19.4%, up from 19.1% in 2014 and 15.9% in 2000. In Riverside County, it was 20.7%, down from 21.0% in 2014, but up from 16.6% in 2000. The 2015 shares remain well below the coastal counties, where the shares of four year college graduates have grown faster: Orange (38.8%, up from 30.8% in 2000), San Diego (37.2%, up from 29.5% in 2000), Los Angeles (30.8%, up from 24.9%). This makes it difficult to lure firms needing a well educated workforce to inland locations.

## 8 MEDIAN PAY PER YEAR Major Western Markets, May 2015



Note: Median Pay Per Year, Weighted by Inland Empire Employment  
Source: U.S. Bureau of Labor Statistics

**Median Pay By Sector.** The Inland Empire offers Southern California employers a labor cost advantage. This is calculated by looking at the \$39,632 median pay for all workers (*half of workers above/half below*) in the inland economy during 2015. Using the pay levels for competitor areas but the same worker pattern by sector, the coastal counties are 5%-7% more costly: Los Angeles (\$42,580), San Diego (\$42,381) and Orange (\$41,806). Workers are paid more in Seattle, Denver, Portland and Dallas, but less in Las Vegas, Phoenix, Salt Lake City, San Antonio and Albuquerque.



## 9 SINGLE FAMILY HOME PRICES 3rd Quarter, 2015-2016

County	3rd-2015	3rd-2016	% Chg.
<b>NEW HOMES</b>			
Riverside	\$383,000	\$404,000	5.5%
San Bernardino	440,000	429,750	-2.3%
Los Angeles	565,500	582,750	3.1%
Orange	825,000	820,000	-0.6%
San Diego	625,000	626,000	0.2%
Ventura	495,000	530,000	7.1%
So. California	\$543,700	\$576,800	6.1%
<b>EXISTING HOMES</b>			
Riverside	\$310,000	\$335,000	8.1%
San Bernardino	255,000	275,000	7.8%
Los Angeles	520,000	557,750	7.3%
Orange	680,000	705,000	3.7%
San Diego	515,000	546,000	6.0%
Ventura	562,000	584,000	3.9%
So. California	\$466,500	\$494,500	6.0%

Source: Dataquick

## 10 HOME DEED RECORDINGS Inland Empire, 3rd Quarter, 2015-2016

NEW HOMES				EXISTING HOMES			
Area	3rd 15	3rd 16	% Chg.	Area	3rd 15	3rd 16	% Chg.
Fontana, Rialto, Colton, GT	109	150	37.6%	SB Desert	501	576	15.0%
Chino, CHill, Mtcl, Ont, RC, Upl	261	301	15.3%	San Bernardino, Highland	781	825	5.6%
SB Mountains	13	11	-15.4%	Chino, CHill, Mtcl, Ont, RC, Upl	1,454	1,437	-1.2%
SB Desert	13	10	-23.1%	Fontana, Rialto, Colton, GT	1,075	1,054	-2.0%
San Bernardino, Highland	119	90	-24.4%	SB Mountains	792	775	-2.1%
Victor Valley	81	57	-29.6%	Victor Valley	1,384	1,350	-2.5%
Redlands, Loma Linda, Yucaipa	41	22	-46.3%	Redlands, Loma Linda, Yucaipa	583	513	-12.0%
<b>SAN BDNO COUNTY</b>	<b>637</b>	<b>641</b>	<b>0.6%</b>	<b>SAN BDNO COUNTY</b>	<b>6,570</b>	<b>6,530</b>	<b>-0.6%</b>
Moreno Valley	23	36	56.5%	Perris, Hemet, S. Jacinto, Menifee	1,858	1,938	4.3%
Corona, Norco, Eastvale	191	192	0.5%	Corona, Norco, Eastvale	888	920	3.6%
Perris, Hemet, S. Jacinto, Menifee	301	296	-1.7%	Coachella Valley	1,185	1,224	3.3%
Murrieta, Temecula, L. Elsinore, Wildomar	344	319	-7.3%	Beaumont, Banning, Calimesa	438	431	-1.6%
Beaumont, Banning, Calimesa	118	104	-11.9%	Riverside Rural	545	513	-5.9%
Riverside, Jurupa Valley	130	100	-23.1%	Murrieta, Temecula, L. Elsinore, Wildomar	1,842	1,709	-7.2%
Coachella Valley	110	84	-23.6%	Riverside, Jurupa Valley	1,147	1,037	-9.6%
Riverside Rural	88	42	-52.3%	Moreno Valley	645	552	-14.4%
<b>RIVERSIDE COUNTY</b>	<b>1,305</b>	<b>1,173</b>	<b>-10.1%</b>	<b>RIVERSIDE COUNTY</b>	<b>8,548</b>	<b>8,324</b>	<b>-2.6%</b>
<b>INLAND EMPIRE</b>	<b>1,942</b>	<b>1,814</b>	<b>-6.6%</b>	<b>INLAND EMPIRE</b>	<b>15,118</b>	<b>14,854</b>	<b>-1.7%</b>

Source: Dataquick

## HOME MARKETS: Price Rises Continue, Volume Flat!

In third quarter 2016, the Inland Empire recorded 15,874 *seasonally adjusted* existing and new home sales. Volume has essentially been flat since 2<sup>nd</sup> quarter 2010 (*Exhibit 11*). For the first nine months of 2016, the inland region was again responsible for 33.8% 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 \$307,085 (*Exhibit 12*) and the new home price was \$413,072. The existing home level is -21.3% below the late 2006 peak of \$389,924. The new home price is just -5.5% under the mid-2006 peak of \$437,200.

### SALES

Riverside County had 8,324 existing home sales in third quarter 2016, down -2.6% from 2015. As recordings come at the end of escrow, this included many second quarter sales. The south I-215 area had the highest percentage gain and was the volume leader (1,983 units; 4.3%). The county's 1,173 new home sales were off -10.1% from 2015 (*Exhibit 10*). Moreno Valley had the fastest growth (36 units, 56.5%). The south I-15 area was the volume leader (319 sales; -7.3%).

San Bernardino County's existing home sales fell -0.6% to 6,530 units. The outlying desert area had the largest percentage increase (576 sales, 15.0%). The Westend led in volume (1,437 sales; -1.2%). New home sales in third quarter 2016 rose 0.6% to 641 units. The mid I-10 area had the fastest growth rate (150 sales; 37.6%). The Westend led in volume (301 sales; 15.3%).

### PRICES

Riverside County's third quarter 2016 median new home price was \$404,000, up 5.5% from \$383,000 in 2015 but down -0.1% from second quarter's \$404,500 (*Exhibit 9*). The median existing home price of \$335,000 was 8.1% above 2015 (\$310,000) and up 1.5% from second quarter's \$330,000. San Bernardino County's median new home price of \$429,750 was down -2.3% from \$440,000 in 2015 and off -0.7% from second quarter's \$432,750. Its existing median home was \$275,000, up 7.8% from \$255,000 in 2015 and up 1.9% from the prior quarter's \$270,000. Southern California's new home price of \$576,800 was up another 6.1% from 2015 (\$543,700). The region's existing home price of \$494,500 was up 6.0% from \$466,500 in 2015.

### SUMMARY

The Inland Empire's housing markets remain stuck in a narrow band of home sales that has gone on six years. Lack of supply is propelling prices which continue to rise sharply in the face of demand that is increasing with the general rise in Southern California's economy as 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 41% in Riverside County. In the coastal counties just 22%-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, 1988-2016



## 12 PRICE TRENDS, NEW & EXISTING HOMES Inland Empire, 1988-2016, Quarterly

