

# QUARTERLY ECONOMIC REPORT

RIVERSIDE & SAN BERNARDINO COUNTIES, CALIFORNIA

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## INLAND EMPIRE CITY PROFILE 2018

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**W**hat does the most recent comparable data say about the 52 cities of the Inland Empire? The annual 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 jobs/housing balance.

**Population.** From 2010-2018, the CA Finance Department reports that the Inland Empire added 366,042 people to reach 4,059,893 (8.7%). The gain represented 14.3% of California's population growth of 2,255,737. The area now exceeds the populations of 25 U.S. states. From 2017 to 2018, the area added 52,633 people (1.2%). Eleven cities continued to have over 100,000 people in 2018, led by Riverside (325,860) and San Bernardino (221,130) followed by Fontana (212,000) and Moreno Valley (207,629). The smallest cities were Needles (5,177), Indian Wells (5,574) and Big Bear Lake (5,512). Eight cities added over 12,000 people from 2010-2018: Riverside (21,989), Corona (16,200), Fontana (15,931), Menifee (14,383), Moreno Valley (14,264), Ontario (13,665), Temecula (13,084) and Eastvale (12,855). Four cities added under 500 people: Big Bear Lake (493), Grand Terrace (484), Canyon Lake (457) and Needles (333). Two cities shrank: Blythe (-1,428) and Norco (-302).

Of California's 482 cities in 2018, five Inland Empire locations ranked in the top 30 (*not shown*): Riverside (12<sup>th</sup>), San Bernardino (17<sup>th</sup>), Fontana (20<sup>th</sup>), Moreno Valley (21<sup>st</sup>), Ontario (26<sup>th</sup>) and Rancho Cucamonga (29<sup>th</sup>). The housing slowdown continued reducing population growth from 2017-2018. Still, the area had three of the state's 25 fastest growth rates (*not shown*): Chino Hills (4.6%, 5<sup>th</sup>), Calimesa (3.6%; 16<sup>th</sup>) and Beaumont (3.2%, 23<sup>rd</sup>). Six inland cities ranked in the top 25 in absolute growth: Chino Hills (3,661; 11<sup>th</sup>), Moreno Valley (3,344; 14<sup>th</sup>), Riverside (2,670; 17<sup>th</sup>), Ontario (2,432; 20<sup>th</sup>), Jurupa Valley (2,393; 22<sup>nd</sup>) and Menifee (2,350; 23<sup>rd</sup>).

**Taxable Retail Sales.** Taxable sales are a major revenue source for cities that are in recovery from the steep downturn. The CA Department of Tax and Fee Administration now reports the data quarterly, a year after they occur. In calendar year 2017,

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INLAND EMPIRE  
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**1 INLAND EMPIRE CITY PROFILE**

City	Population				Taxable Retail Sales					Assessed Valuation					Poverty			
	2017	Rank	2010-2017 Change	Rank	2016 (mil)	Rank	% Chg.	Per Capita	Rank	July 1, 2017 (mil)	Rank	% Chg.	Per Capita	Rank	All People 2015	Rank	Under 18 2015	Rank
<b>SAN BERNARDINO COUNTY</b>																		
Adelanto	35,293	37	3,528	31	\$137	46	18.0%	\$4,095	51	\$2,075	42	6.9%	\$62,204	47	42.2%	52	54.9%	52
Apple Valley	73,984	21	4,849	22	\$547	33	4.7%	\$7,428	40	\$5,977	27	5.9%	\$80,786	34	16.8%	26	24.7%	28
Barstow	24,411	42	1,772	38	\$662	30	3.7%	\$27,166	6	\$1,375	47	6.9%	\$56,325	49	36.7%	51	51.9%	51
Big Bear Lake	5,512	51	493	47	\$210	42	5.1%	\$38,425	2	\$3,532	34	4.8%	\$640,816	2	18.5%	33	26.8%	35
Chino	86,757	16	8,774	17	\$2,300	8	10.6%	\$28,420	7	\$13,397	10	9.7%	\$164,779	7	15.8%	22	23.7%	24
Chino Hills	83,159	18	8,360	18	\$664	29	2.2%	\$8,166	35	\$12,312	14	6.3%	\$148,060	11	6.5%	3	5.7%	2
Colton	53,724	28	1,570	41	\$795	25	6.1%	\$14,824	24	\$3,469	35	5.6%	\$64,576	44	20.5%	37	29.8%	40
Fontana	212,000	3	15,931	3	\$3,363	4	7.0%	\$15,933	19	\$19,666	5	11.0%	\$92,766	25	11.8%	14	18.6%	17
G. Terrace	12,524	47	484	48	\$73	49	-1.4%	\$5,843	44	\$1,072	48	10.9%	\$85,626	30	9.0%	9	8.5%	5
Hesperia	94,829	13	4,656	23	\$801	24	6.9%	\$8,500	36	\$6,012	26	5.8%	\$63,399	45	20.7%	38	27.7%	38
Highland	54,761	26	1,657	40	\$221	41	8.0%	\$4,053	50	\$3,628	33	5.6%	\$66,256	43	20.1%	36	25.9%	32
Loma Linda	23,946	43	685	45	\$576	32	1.8%	\$24,082	10	\$2,212	40	4.8%	\$92,385	26	17.8%	30	26.4%	34
Montclair	39,326	35	2,662	35	\$1,178	16	1.0%	\$30,081	4	\$3,385	36	6.0%	\$86,081	29	16.9%	27	24.5%	26
Needles	5,177	52	333	50	\$39	51	2.0%	\$7,513	39	\$353	52	13.5%	\$68,254	41	24.9%	47	32.0%	43
Ontario	177,589	5	13,665	6	\$7,735	1	-3.2%	\$43,853	1	\$25,565	3	10.0%	\$143,954	12	14.6%	18	25.0%	31
R. Cucamonga	176,671	6	11,402	11	\$2,595	7	3.7%	\$14,983	21	\$26,411	2	5.9%	\$152,380	9	8.4%	8	9.5%	8
Redlands	71,196	22	2,449	36	\$1,129	18	1.2%	\$15,900	16	\$9,180	19	5.4%	\$128,942	15	12.6%	17	12.3%	10
Rialto	107,041	11	7,870	19	\$1,460	14	52.1%	\$13,673	34	\$9,146	20	15.7%	\$85,439	31	18.1%	31	24.8%	29
San Bernardino	221,130	2	11,206	13	\$3,022	6	2.6%	\$14,129	22	\$14,216	9	6.1%	\$66,304	42	29.4%	48	44.0%	49
29 Palms	27,046	40	1,998	37	\$99	48	-1.7%	\$3,715	49	\$892	49	3.7%	\$32,968	52	21.6%	41	23.9%	25
Upland	77,017	20	3,285	32	\$1,206	15	2.2%	\$15,672	17	\$9,383	18	5.5%	\$121,834	17	15.6%	21	26.9%	36
Victorville	123,701	8	7,798	20	\$1,877	9	2.8%	\$15,716	18	\$8,727	21	5.7%	\$73,129	39	22.9%	44	32.2%	44
Yucaipa	54,651	27	3,284	33	\$312	36	3.6%	\$5,727	45	\$4,495	32	4.5%	\$82,249	32	17.5%	29	23.3%	21
Yucca Valley	21,834	44	1,134	43	\$306	38	2.0%	\$14,034	23	\$1,696	46	6.5%	\$77,696	36	22.0%	43	29.5%	39
<b>SB County</b>	<b>2,174,938</b>		<b>139,728</b>		<b>\$38,047</b>		<b>3.0%</b>	<b>\$17,746</b>		<b>\$221,726</b>		<b>7.3%</b>	<b>\$102,979</b>		<b>16.2%</b>		<b>23.0%</b>	
<b>RIVERSIDE COUNTY</b>																		
Banning	31,282	38	1,679	39	\$225	40	14.1%	\$7,526	42	\$2,201	41	5.5%	\$73,554	38	23.2%	45	37.7%	47
Beaumont	48,237	30	11,360	12	\$430	35	4.4%	\$9,066	32	\$4,699	30	10.2%	\$97,414	21	11.3%	12	13.1%	11
Blythe	19,389	45	(1,428)	52	\$149	44	-1.2%	\$11,355	30	\$747	51	4.1%	\$56,010	50	23.7%	46	31.9%	42
Calimesa	8,876	49	997	44	\$72	50	11.3%	\$8,214	38	\$888	50	9.7%	\$100,091	20	16.3%	24	23.6%	23
Canyon Lake	11,018	48	457	49	\$21	52	-0.3%	\$1,939	52	\$1,774	44	4.6%	\$161,044	8	6.3%	2	8.8%	6
Cathedral City	54,791	25	3,591	30	\$805	23	1.5%	\$14,755	20	\$4,496	31	4.8%	\$82,055	33	21.8%	42	31.6%	41
Coachella	45,635	33	4,931	21	\$308	37	3.2%	\$6,786	43	\$1,878	43	6.1%	\$41,157	51	30.1%	49	42.6%	48
Corona	168,574	7	16,200	2	\$3,638	3	9.7%	\$21,697	13	\$20,835	4	5.4%	\$123,598	16	11.8%	13	14.2%	13
Dsrt Hot Spr.	29,742	39	3,804	28	\$140	45	10.7%	\$4,723	47	\$1,733	45	7.7%	\$58,252	48	33.9%	50	45.1%	50
Eastvale	64,855	23	12,855	8	\$768	26	20.4%	\$11,940	31	\$9,737	15	8.2%	\$150,134	10	7.3%	4	8.0%	3
Hemet	83,166	17	4,509	24	\$1,042	19	2.1%	\$12,588	26	\$5,834	29	5.9%	\$70,153	40	20.9%	39	27.3%	37
Indian Wells	5,574	50	616	46	\$103	47	-2.8%	\$18,568	14	\$5,905	28	6.5%	\$1,059,416	1	4.9%	1	0.0%	1
Indio	87,883	15	11,847	9	\$1,034	20	6.3%	\$11,845	29	\$8,349	23	5.0%	\$95,385	23	19.3%	34	26.3%	33
Jurupa Valley	106,054	12	11,054	14	\$974	21	8.7%	\$9,285	33	\$9,684	16	7.3%	\$91,315	28	17.0%	28	23.5%	22
Lk Elsinore	63,365	24	11,544	10	\$739	27	3.8%	\$11,749	28	\$6,144	25	9.7%	\$96,954	22	15.0%	19	20.2%	19
La Quinta	41,204	34	3,737	29	\$833	22	3.1%	\$20,368	12	\$13,348	11	3.7%	\$323,942	4	10.5%	11	15.0%	14
Menifee	91,902	14	14,383	4	\$684	28	10.1%	\$7,538	41	\$9,479	17	9.1%	\$103,141	19	8.2%	7	8.2%	4
Moreno Vly.	207,629	4	14,264	5	\$1,648	10	4.0%	\$8,002	37	\$15,633	7	6.4%	\$75,295	37	16.4%	25	24.6%	27
Murrieta	113,541	9	10,075	15	\$1,527	13	13.4%	\$13,553	27	\$13,308	12	6.1%	\$117,205	18	11.9%	15	17.4%	16
Norco	26,761	41	(302)	51	\$612	31	7.5%	\$25,381	9	\$3,316	38	6.3%	\$137,585	14	7.9%	5	9.2%	7
Palm Desert	52,769	29	4,324	25	\$1,618	11	-0.2%	\$30,873	3	\$14,978	8	4.2%	\$283,839	5	12.4%	16	17.3%	15
Palm Springs	47,706	32	3,154	34	\$1,153	17	7.3%	\$24,317	11	\$12,887	13	6.0%	\$270,139	6	19.4%	35	36.2%	46
Perris	77,837	19	9,451	16	\$1,545	12	63.7%	\$19,912	25	\$6,207	24	11.0%	\$79,748	35	21.0%	40	34.9%	45
Rancho Mirage	18,738	46	1,520	42	\$487	34	6.0%	\$26,117	8	\$8,591	22	3.0%	\$458,486	3	10.1%	10	13.4%	12
Riverside	325,860	1	21,989	1	\$5,516	2	-0.2%	\$17,035	15	\$29,855	1	6.2%	\$91,846	27	15.1%	20	18.7%	18
San Jacinto	48,146	31	3,947	27	\$256	39	4.1%	\$5,350	46	\$3,015	39	8.1%	\$62,627	46	18.4%	32	24.8%	30
Temecula	113,181	10	13,084	7	\$3,191	5	-0.5%	\$28,337	5	\$15,990	6	4.4%	\$141,279	13	8.1%	6	9.9%	9
Wildomar	36,287	36	4,111	26	\$152	43	3.1%	\$4,225	48	\$3,368	37	6.8%	\$92,802	24	16.1%	23	22.5%	20
<b>Riv County</b>	<b>2,415,955</b>		<b>226,314</b>		<b>\$36,221</b>		<b>6.1%</b>	<b>\$15,060</b>		<b>\$276,935</b>		<b>6.3%</b>	<b>\$115,163</b>		<b>12.9%</b>		<b>15.9%</b>	
<b>Inl. Empire</b>	<b>4,590,893</b>		<b>366,042</b>		<b>\$74,268</b>		<b>4.5%</b>	<b>\$16,291</b>		<b>\$498,661</b>		<b>6.7%</b>	<b>\$109,399</b>		<b>14.5%</b>		<b>19.3%</b>	

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

City	EXISTING HOMES						NEW HOMES						INCOME				
	2016 Volume	2016-17 Rank	2016-17 %Chg	2018 3rd Q Median P	2017-18 Rank	2017-18 %Chg	2017 Volume	2016-17 Rank	2016-17 %Chg	2018 3rd Q Median P	2017-18 Rank	2017-18 %Chg	2016 Median	2016 Rank	2016 (mil.)	2016 Rank	Jobs\ HH
<b>SAN BERNARDINO COUNTY</b>																	
Adelanto	516	38	-1.1%	\$220,000	46	11.1%	65	28	20.4%	\$276,500	43	7.0%	\$29,647	52	\$309	48	0.76
Apple Valley	1,584	11	6.2%	\$245,765	45	4.8%	92	22	-9.6%	\$298,200	40	13.6%	\$46,682	35	\$1,551	24	0.57
Barstow	410	40	9.0%	\$134,000	49	19.1%	1	51	-87.0%	\$115,250	50	NA	\$37,085	48	\$379	46	0.91
Big Bear Lake	606	33	34.1%	\$363,364	27	5.3%	4	48	75.0%	\$661,250	6	NA	\$46,655	36	\$160	51	1.69
Chino	706	29	4.4%	\$502,179	10	4.6%	431	9	39.2%	\$538,520	11	-5.3%	\$68,666	12	\$1,726	18	2.16
Chino Hills	800	25	-1.7%	\$710,000	2	10.7%	133	18	130.7%	\$940,000	2	31.7%	\$99,324	2	\$2,836	10	0.58
Colton	520	37	9.9%	\$302,000	37	7.9%	7	42	26.3%	\$394,000	32	23.9%	\$43,966	39	\$892	32	1.33
Fontana	2,164	6	1.4%	\$409,928	21	6.5%	620	3	8.9%	\$474,510	20	11.9%	\$66,073	15	\$4,428	4	1.16
G. Terrace	160	50	2.6%	\$370,000	26	9.6%	27	35	245.8%	\$425,000	25	4.6%	\$64,188	17	\$334	47	0.52
Hesperia	1,205	16	-15.1%	\$255,000	43	8.1%	47	32	94.5%	\$333,000	37	2.5%	\$51,255	29	\$1,720	19	0.53
Highland	683	30	9.5%	\$343,000	30	2.4%	99	21	306.7%	\$390,250	34	0.7%	\$51,390	28	\$660	36	0.72
Loma Linda	194	48	26.0%	\$390,500	22	3.4%	2	49	-47.4%	\$645,000	7	NA	\$50,374	30	\$651	37	2.14
Montclair	203	46	2.5%	\$430,000	16	8.9%	82	25	53.5%	\$479,000	19	8.8%	\$49,366	31	\$641	38	1.22
Needles	67	52	39.6%	\$95,000	52	47.3%	5	44	5.3%	\$222,500	47	-9.9%	\$34,214	50	\$86	52	0.53
Ontario	1,184	17	4.0%	\$430,661	15	8.7%	757	1	40.6%	\$532,379	13	10.3%	\$55,982	24	\$3,454	6	2.36
R. Cucamonga	1,705	10	2.3%	\$599,028	4	5.8%	140	16	-31.0%	\$894,250	3	13.6%	\$81,286	8	\$5,679	2	1.37
Redlands	890	24	4.3%	\$421,632	17	4.9%	78	26	120.4%	\$533,000	12	4.5%	\$72,094	9	\$2,172	13	1.56
Rialto	924	23	-4.7%	\$352,182	29	8.1%	4	47	-60.5%	\$424,800	26	41.6%	\$53,582	27	\$1,712	20	0.80
San Bernardino	3,302	2	-9.7%	\$419,386	18	28.0%	518	4	21.2%	\$294,135	41	-1.3%	\$39,472	46	\$3,140	9	1.67
29 Palms	397	41	10.0%	\$115,000	51	4.1%	6	43	-12.3%	\$100,000	51	-65.5%	\$40,888	42	\$430	43	0.42
Upland	791	26	8.5%	\$579,375	5	9.2%	134	17	13.1%	\$578,050	10	40.6%	\$65,578	16	\$2,279	12	1.06
Victorville	1,531	12	3.9%	\$257,286	41	7.6%	125	19	28.0%	\$307,300	39	10.4%	\$48,065	34	\$2,101	14	0.89
Yucaipa	775	28	1.0%	\$385,000	23	13.2%	47	31	-43.1%	\$450,500	23	8.6%	\$55,700	25	\$1,303	26	0.44
Yuca Valley	662	31	4.4%	\$200,000	48	14.4%	18	39	5.3%	\$262,500	44	-4.7%	\$41,569	41	\$459	42	0.51
<b>SB County</b>	<b>26,935</b>		<b>6.0%</b>	<b>\$315,000</b>		<b>6.8%</b>	<b>3,386</b>		<b>27.0%</b>	<b>\$490,500</b>		<b>6.3%</b>	<b>\$60,420</b>		<b>\$48,494</b>		<b>1.08</b>
<b>RIVERSIDE COUNTY</b>																	
Banning	564	36	6.8%	\$257,000	42	3.2%	8	41	96.2%	\$167,000	49	-9.7%	\$40,627	43	\$563	39	0.55
Beaumont	960	21	-1.9%	\$338,000	32	8.6%	491	7	43.2%	\$366,000	36	5.8%	\$68,369	13	\$1,049	30	0.48
Blythe	164	49	29.1%	\$120,000	50	-11.1%	2	50	1.5%	\$287,000	42	NA	\$40,448	45	\$264	49	1.37
Calimesa	119	51	1.7%	\$360,000	28	-10.0%	59	29	-31.2%	\$424,750	27	20.0%	\$46,070	37	\$210	50	0.38
Canyon Lake	387	42	7.2%	\$410,000	20	10.8%	4	46	5.6%	\$465,000	21	27.4%	\$84,015	6	\$428	44	0.34
Cathedral City	599	34	0.5%	\$316,250	36	5.8%	27	34	19.9%	\$390,000	35	0.3%	\$41,696	40	\$1,024	31	0.55
Coachella	245	45	-11.6%	\$250,000	44	6.7%	4	45	1.5%	\$175,000	48	NA	\$36,124	49	\$518	40	0.98
Corona	2,817	3	0.9%	\$525,311	9	6.2%	399	11	-31.4%	\$518,955	15	4.9%	\$71,584	10	\$4,626	3	1.70
Desert Hot Spr.	593	35	-6.9%	\$209,285	47	3.4%	16	40	-4.9%	\$249,750	45	-5.4%	\$34,059	51	\$393	45	0.37
Eastvale	1,044	20	-1.9%	\$553,123	7	5.2%	667	2	-13.1%	\$599,433	9	16.6%	\$104,940	1	\$1,603	23	0.27
Hemet	2,015	9	-1.9%	\$265,223	40	8.2%	23	38	-74.0%	\$230,500	46	-8.1%	\$37,314	47	\$1,420	25	0.70
Indian Wells	197	47	2.1%	\$970,000	1	22.8%	25	37	121.4%	\$850,000	5	27.8%	\$96,961	3	\$498	41	1.13
Indio	1,474	13	7.2%	\$328,152	35	11.4%	147	14	-24.6%	\$422,925	30	26.2%	\$40,449	44	\$1,936	15	0.67
Jurupa Valley	619	32	-1.0%	\$375,000	24	3.1%	83	24	-9.9%	\$392,500	33	26.6%	\$61,800	22	\$1,793	17	0.84
Lk Elsinore	1,242	15	5.0%	\$374,964	25	5.6%	517	5	17.6%	\$397,703	31	2.6%	\$63,306	20	\$1,199	27	0.73
La Quinta	1,285	14	15.8%	\$445,000	12	9.3%	55	30	-30.6%	\$867,500	4	-27.4%	\$71,338	11	\$1,613	22	0.94
Menifee	2,017	8	0.9%	\$342,280	31	4.1%	490	8	3.9%	\$423,883	29	5.1%	\$59,895	23	\$2,294	11	0.43
Moreno Vly.	2,394	4	6.8%	\$334,078	33	10.2%	141	15	-0.7%	\$424,512	28	-4.6%	\$64,008	18	\$3,640	5	0.78
Murrieta	2,185	5	0.3%	\$432,515	14	3.3%	512	6	-14.3%	\$492,582	18	17.7%	\$81,467	7	\$3,254	8	0.92
Norco	334	43	9.9%	\$550,000	8	10.1%	1	52	1.5%	NA	NA	NA	\$87,067	5	\$771	34	2.05
Palm Desert	1,159	19	6.2%	\$416,949	19	11.5%	77	27	-27.4%	\$503,214	17	26.9%	\$53,701	26	\$1,921	16	1.26
Palm Springs	934	22	-0.4%	\$560,544	6	1.9%	89	23	-20.3%	\$989,520	1	23.3%	\$46,059	38	\$1,687	21	1.16
Perris	265	44	-73.2%	\$331,079	34	9.6%	26	36	-86.1%	\$429,096	24	19.6%	\$48,974	32	\$1,113	28	1.29
Rancho Mirage	430	39	24.3%	\$674,500	3	3.8%	36	33	11.3%	\$530,500	14	-45.9%	\$66,083	14	\$1,108	29	1.59
Riverside	3,514	1	4.5%	\$436,768	13	4.6%	404	10	-11.5%	\$504,377	16	4.2%	\$63,548	19	\$7,147	1	1.76
San Jacinto	780	27	-5.7%	\$279,698	39	7.1%	150	13	10.0%	\$319,000	38	12.8%	\$48,382	33	\$790	33	0.54
Temecula	2,127	7	5.3%	\$479,753	11	2.8%	196	12	23.4%	\$601,500	8	8.9%	\$90,179	4	\$3,378	7	1.64
Wildomar	1,180	18	7.2%	\$297,136	38	1.8%	119	20	-11.1%	\$462,741	22	2.9%	\$62,976	21	\$733	35	0.47
<b>Riv County</b>	<b>32,161</b>		<b>4.0%</b>	<b>\$385,000</b>		<b>5.5%</b>	<b>4,947</b>		<b>-4.4%</b>	<b>\$438,000</b>		<b>2.8%</b>	<b>\$63,944</b>		<b>\$60,956</b>		<b>0.94</b>
<b>Inl. Empire</b>	<b>59,096</b>		<b>4.9%</b>	<b>\$352,500</b>		<b>5.9%</b>	<b>8,333</b>		<b>6.3%</b>	<b>\$456,800</b>		<b>3.5%</b>	<b>\$62,303</b>		<b>\$109,451</b>		<b>1.01</b>

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

San Bernardino County's sales rose 3.0% to \$38.0 billion. Riverside County's sales increased 6.1% to \$36.2 billion (*Exhibit 1*). The combined Inland Empire growth (4.5%) was above that of California (3.4%). In first quarter 2018, Hinderliter DeLlamas indicated San Bernardino County increased by another 5.5%, Riverside County by 1.8% (*not shown*).

In 2017, retail sales were again led by Ontario (\$7.74 billion) and Riverside (\$5.52 billion), followed by Corona (\$3.64 billion), Fontana (\$3.36 billion) and Temecula (\$3.19 billion). San Bernardino (\$3.02 billion) ranked sixth followed by Rancho Cucamonga (\$2.60 billion), Chino (\$2.30 billion), Victorville (\$1.88 billion) and Moreno Valley (\$1.65 billion). Of the 52 cities, the five largest 2016-2017 percentage gains were in Perris (63.7%), Rialto (52.1%), Eastvale (20.4%), Adelanto (18.0%) and Banning (14.1%).

Per capita sales reveal how well sales taxes finance city services for each resident. In 2017, the five leaders were almost unchanged: Ontario (\$43,853), Big Bear Lake (\$38,425), Palm Desert (\$30,873), Montclair (\$30,081) and Chino moved to fifth (\$28,420). The weakest per capita sales were in Canyon Lake (\$1,939), Twentynine Palms (\$3,715), Highland (\$4,053), Adelanto (\$4,095) and Wildomar (\$4,225). [*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 turn around. On July 1, 2018, San Bernardino County's valuation was \$221.7 billion, up 7.3% and 21.9% above its 2008 high (\$181.8 billion). Riverside County's was \$276.9 billion, up 6.3% and 16.9% over its 2008 high (\$236.9 billion). From 2008-2018, the inflation rate was 18.3%, meaning that the value of property taxes has recovered in San Bernardino County but not Riverside County. For cities, assessed valuation tends to follow industrial and housing development. In 2018, the top five cities were: Riverside (\$29.9 billion; 6.2%), Rancho Cucamonga (\$26.4 billion; 5.9%), Ontario (\$25.6 billion; 10.0%), Corona (\$20.8 billion; 5.4%) and Fontana (\$19.7 billion; 11.0%). Though San Bernardino is second in population and has an industrial base, its low home values kept its valuation (\$14.2 billion; 6.1%) at ninth. Each of the 52 cities saw their FY 2019 assessed valuation increase. Assessment growth was led by: Rialto (15.7%), Needles (13.5%), Fontana (11.0%), Perris (11.0%) and Grand Terrace (10.9%).

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 (\$1,059,416) and third ranked Rancho Mirage (\$458,486) followed by La Quinta (\$323,942), Palm Desert (\$283,839) and Palm Springs (\$270,139). Two smaller cities did well: Second ranked Big Bear Lake (\$640,816) and eighth ranked Canyon Lake (\$161,044). Several cities near Los Angeles County ranked high: Chino (7<sup>th</sup>; \$164,044), Rancho Cucamonga (9<sup>th</sup>; \$152,380), Eastvale (10<sup>th</sup>; \$150,134), Chino Hills (11<sup>th</sup>; \$148,060) and Ontario (12<sup>th</sup>; \$143,954). Three East SB Valley cities remained weak: San Bernardino (42<sup>nd</sup>; \$66,304), Highland (43<sup>rd</sup>; \$66,256), and Colton (44<sup>th</sup>, \$64,576). Outlying desert cities ranked in the bottom tier: Twentynine Palms (52<sup>nd</sup>, \$32,968), Coachella (51<sup>st</sup>, \$41,157), Blythe (50<sup>th</sup>, \$56,010), Barstow (49<sup>th</sup>, \$56,325) and Desert Hot Springs (48<sup>th</sup>, \$58,252).

**Poverty.** Increasingly, the levels of poverty in the Inland Empire have been recognized as a threat to the region's public health. The good news is that these rates have fallen as the area's economy has aggressively expanded. In 2017, the Census Bureau's American Community Survey showed that 16.2% of San Bernardino County's population was below the federal poverty level, down from 17.7% in 2016. It was 23.0% for the county's children under 18, down from 26.0%. In Riverside County, the share of all people was 12.9%, down from 15.3% in 2016. It was 15.9% for the county's children, off from 2016's level of 21.1%.

Data for all cities was only available for 2016. The highest poverty levels (*all; under 18*) were found in Adelanto (42.2%; 54.9%), Barstow (36.7%; 51.9%), Desert Hot Springs (33.9%; 45.1%), Coachella (30.1%; 42.6%) and San Bernardino (29.4%; 44.0%). Among cities of over 100,000 people, the difficulty was most prominent in San Bernardino, Victorville (22.9%; 32.2%). The least poverty occurred in Indian Wells (4.9%; 0.0%), Canyon Lake (6.3%; 8.8%), Chino Hills (6.5%; 5.7%), Eastvale (7.3%; 8.0%) and Norco (7.9%; 9.2%).

**Home Sales Volumes.** CoreLogic affiliate Dataquick provides home deed recordings by zip code using county recorders' data. In 2017, existing home sales were still slow due to lack of homes for sale. San Bernardino County's 2017 **existing home sales** recordings rose 6.0% to 26,935 units; Riverside County's sales rose by 4.0% to 32,161 sales (*Exhibit 2*). The first four cities with the



largest volumes were the same as in 2016: Riverside (3,514), San Bernardino (3,302), Corona (2,817) and Moreno Valley (2,394) and Murrieta (2,185). There was sales growth in 39 of 52 cities. Most of the fastest sales growth rates were in smaller cities: Needles (39.6%), Big Bear Lake (34.1%), Blythe (29.1%), Loma Linda (26.0%) and Rancho Mirage (24.3%). The largest declines were in Perris (-73.2%), Hesperia (-15.1%), Coachella (-11.9%) and San Bernardino (-9.7%).

Riverside County's 2017 **new home sales** fell -4.4% to 4,947; San Bernardino County's sales increased 27.0% to 3,386. City growth was led by Ontario (757). It was followed by Eastvale (667), Fontana (620), San Bernardino (518) and Lake Elsinore (517). Thirty of 52 cities had increased new home sales, up from 29 in 2016. Growth rates were led by Highland (306.7% to 99 sales). Next were Grand Terrace (245.8% to 27 sales), Chino Hills (130.7% to 133 sales), Indian Wells (121.4% to 25 sales) and Redlands (120.4% to 78 sales).

**Home Prices.** From third quarter 2017-2018, Riverside County's **median existing home price** rose 5.5% to \$385,000; San Bernardino County's rose 6.8% to \$315,000. These homes were affordable to 37% of Riverside County's families and 49% of those in San Bernardino County. The highest prices in third quarter 2018 were led by Indian Wells (\$970,000), Chino Hills (\$710,000), Rancho Mirage (\$674,500), Rancho Cucamonga (\$599,028) and Upland (\$579,375). Outlying desert cities continued with the lowest prices: Needles (\$95,000), Twentynine Palms (\$115,000), Blythe (\$120,000), Barstow (\$134,000), and Yucca Valley (\$200,000). Prices increased in 50 of 52 cities led by Needles (47.3% to \$95,000), San Bernardino (28.0% to \$419,389), Indian Wells (22.8% to \$970,000), Barstow (19.1% to \$134,000) and Yucca Valley (14.4% to \$200,000). Prices fell in two small cities: Blythe (-11.1% to \$120,000) and Calimesa (-10.0% to \$360,000).

San Bernardino County's **median new home price** from third quarter 2017-2018 rose 6.3% to \$490,500; Riverside County's increased 2.8% to \$438,000. The highest prices were in Palm Springs (\$989,520; 89 sales), Chino Hills (\$940,000; 133 sales), Rancho Cucamonga (\$894,250; 140 sales), La Quinta (\$867,500; 55 sales) and Indian Wells (\$850,000; 25 sales). Under \$200,000 were four small cities: Coachella (\$175,000, 4 sales), Banning (\$167,000, 8 sales), Barstow (\$115,250, 1 sales) and Twentynine Palms (\$100,000, 6 sales). The great-

est 2017-2018 price increases were in Rialto (41.6% to \$424,800), Upland (40.6% to \$578,050), Chino Hills (31.7% to \$940,000), Canyon Lake (27.4% to \$465,000) and Palm Desert (26.9% to \$503,214).

**Income.** 2017 median household income in Riverside County was \$63,944 and gross county income was \$60.1 billion. Those levels were \$60,420 and \$48.5 billion for San Bernardino County. Incomes for all 52 inland cities were only available for 2016. The highest median incomes were in Eastvale (\$104,940), Chino Hills (\$99,324), Indian Wells (\$96,961), Temecula (\$90,179) and Norco (\$87,067). For comparison, Irvine was \$104,185; Santa Monica was \$90,088. Total 2016 personal income was led by Riverside (\$7.15 billion), Rancho Cucamonga (\$5.68 billion), Corona (\$4.63 billion), Fontana (\$4.43 billion) and Moreno Valley (\$3.64 billion).

**Jobs/Housing Balance.** Often, the fastest growing Inland Empire cities see population surges before job growth, creating commuting issues. Within the region, one city may be the job hub for its neighbors. The ratio of city-based jobs to occupied homes is a measure of this with 1.26 showing balance for Southern California. San Bernardino County is closer to that level (1.08), than faster growing Riverside (0.94). The 10 highest city ratios were: Ontario (2.36), Chino (2.16), Loma Linda (2.14), Norco (2.05), Riverside (1.76) followed by Corona (1.70), Big Bear Lake (1.69), San Bernardino (1.67), Temecula (1.64) and Rancho Mirage (1.59). Sixteen of the region's 52 cities equaled or exceeded the 1.26 balanced ratio.

**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 rankings for absolute 2010-2018 population growth, median income and median price of all homes, plus jobs:housing balance could yield a perfect score of "7" for seven first places or a worst score of "364" from seven 52<sup>nd</sup> places. In 2017-2018, the best 10 scores on these criteria were: Temecula (56), Corona (68), Rancho Cucamonga (73), Ontario (74), Chino (75), Indian Wells (87), Rancho Mirage (90), Norco (96), Riverside (104) and La Quinta (104). ■

# INLAND EMPIRE EMPLOYMENT ... Job Growth Better Balanced Than California!

From 2011-2018e, the CA Employment Development Department (EDD) has shown that the Inland Empire gained 349,778 jobs (Exhibit 3). The Great Recession loss was -140,650, so the area has added 209,128 more jobs than were lost. It is 16.0% above its pre-recession level compared to 10.7% for California. In the growth period, 59.4% of jobs were added in the Inland Empire's two moderate paying (\$45,000-\$60,000) and the good paying (\$60,000 plus) groups, leaving 40.6% in low paying sectors (under \$30,000), much better than California's 45.3%. The difference is because Inland Empire added 139,663 moderate paying blue collar and technical jobs (39.9% share). California added just 21.7%, underscoring the state's problems with middle class positions. For new higher paying jobs, the state's 26.3% share was strong. While the inland area had a 9.6% share of growth in health care and only 11.1% for the full high paying group.

## CLEAN WORK, GOOD PAY: 38,847 JOBS (I.E. 11.1% SHARE V. CA 26.3%)

Higher paying inland sectors showed weakness in 2011-2018e, despite health care's 9.6% share of job growth (33,626) outpacing California's 9.3%. Management and professions were 1.5% of new jobs (5,285), well under the state's 9.8%. Higher education was 1.4% of local growth (5,015) versus state's 2.9%. Local government's 0.4% of job growth (1,564) was below California's 1.3%. Mining (-0.0%; -94) and utilities (-0.2%, -650) were nearly flat. State/federal government (-2,968; -0.8% of growth), information (-2,930; -0.8% of growth) all lost jobs.

## CLEAN WORK, MODERATE PAY: 29,333 JOBS (I.E. 8.4% SHARE V. CA 6.7%)

Inland sectors paying moderate incomes to white collar technical workers during 2011-2018e were modestly strong, adding 29,333 positions (8.4% share), exceeding the state's 6.7% share. K-12 education reached 24,850 positions (7.1% share) against California's 4.1%. Financial activities sectors had a 1.3% share of job gains (4,482) versus the state's 2.6%.

## DIRTY WORK, MODERATE PAY: 139,663 JOBS (I.E. 39.9% SHARE V. CA 21.7%)

In 2011-2018e, the blue collar/technical sectors that fundamentally drive the Inland Empire's economy gained 139,663 jobs (39.9% share of growth vs. California's 21.7%). Distribution and transportation added 82,459 jobs (23.6% share of growth vs. state's 9.1%) as fulfillment centers and international trade continued boosting employment. Construction has now added 43,382 jobs (12.4% of growth vs. state's 10.3%). Manufacturing was up 13,822 positions (4.0% share vs. state's 2.3%) as growing demand offset California's poor climate for producers.

## LOWER PAYING JOBS: 141,936 JOBS (I.E. 40.6% SHARE V. CA 45.3%)

There was an increase of 141,936 jobs in lower paying sectors, a 40.6% share of the inland expansion from 2011-2018e. That compared very favorably with the state's 45.3%. Eating and drinking had 38,273 share of new jobs (10.9% vs. state's 13.4%). Social assistance grew by 31,970 jobs (9.1% share vs. state's 8.0%).

### 3 INLAND EMPIRE EMPLOYMENT GROWTH 2011-2018e

Sector	2011	2012	2013	2014	2015	2016	2017	2018e	2011-2018 Change	IE Share	CA Share
Health Care	4,883	5,167	3,275	4,408	5,583	4,383	3,700	2,226	33,626	9.6%	9.3%
Mgmt & Professions	792	533	1,475	1,942	(217)	142	(17)	635	5,285	1.5%	9.8%
Higher Education	317	(150)	225	367	725	675	942	1,915	5,015	1.4%	2.9%
Local Government	(3,533)	(1,658)	(692)	617	875	1,842	2,375	1,739	1,564	0.4%	1.3%
Mining	42	150	8	92	(8)	(358)	(8)	(11)	(94)	-0.0%	-0.1%
Utilities	75	(42)	(167)	(183)	(117)	(92)	(158)	33	(650)	-0.2%	0.0%
Federal & State	(1,975)	(1,392)	(1,000)	(100)	225	458	292	524	(2,968)	-0.8%	-0.6%
Information	(1,817)	(483)	(183)	(275)	150	58	(158)	(222)	(2,930)	-0.8%	3.7%
<b>Clean Work, Good Pay</b>	<b>(1,217)</b>	<b>2,125</b>	<b>2,942</b>	<b>6,867</b>	<b>7,217</b>	<b>7,108</b>	<b>6,967</b>	<b>6,838</b>	<b>38,847</b>	<b>11.1%</b>	<b>26.3%</b>
K-12 Education	(1,467)	850	3,275	2,325	3,267	6,908	4,692	5,000	24,850	7.1%	4.1%
Financial Activities	(1,083)	1,208	1,175	1,025	1,083	650	(133)	557	4,482	1.3%	2.6%
<b>Clean Work, Moderate Pay</b>	<b>(2,550)</b>	<b>2,058</b>	<b>4,450</b>	<b>3,350</b>	<b>4,350</b>	<b>7,558</b>	<b>4,558</b>	<b>5,558</b>	<b>29,333</b>	<b>8.4%</b>	<b>6.7%</b>
Logistics	2,492	8,225	9,783	10,825	13,567	11,192	14,025	12,350	82,459	23.6%	9.1%
Construction	(625)	3,558	7,392	7,558	8,075	6,292	5,083	6,049	43,382	12.4%	10.3%
Manufacturing	(58)	1,617	625	3,975	4,783	2,492	67	322	13,822	4.0%	2.3%
<b>Dirty Work, Moderate Pay</b>	<b>1,808</b>	<b>13,400</b>	<b>17,800</b>	<b>22,358</b>	<b>26,425</b>	<b>19,975</b>	<b>19,175</b>	<b>18,721</b>	<b>139,663</b>	<b>39.9%</b>	<b>21.7%</b>
Eating & Drinking	1,600	4,517	5,092	7,242	5,075	6,633	4,508	3,606	38,273	10.9%	13.4%
Social Assistance	(992)	2,475	9,492	3,158	4,183	3,917	6,208	3,529	31,970	9.1%	8.0%
Retail Trade	3,000	3,842	2,467	4,583	4,858	3,750	4,075	3,887	30,462	8.7%	6.5%
Admin. Support	717	1,833	2,367	492	1,433	2,308	2,483	2,302	13,936	4.0%	2.7%
Employment Agency	917	(1,317)	1,025	4,350	7,500	(4,875)	(308)	4,266	11,557	3.3%	4.7%
Other Services	867	975	1,067	1,883	967	625	967	1,172	8,522	2.4%	4.4%
Amusement	(425)	400	1,008	783	892	733	375	1,003	4,770	1.4%	2.5%
Accommodation	75	433	367	908	958	1,075	658	(387)	4,088	1.2%	1.3%
Agriculture	(125)	83	(500)	(42)	358	(142)	(233)	(1,041)	(1,641)	-0.5%	1.8%
<b>Lower Paying Jobs</b>	<b>5,633</b>	<b>13,242</b>	<b>22,383</b>	<b>23,358</b>	<b>26,225</b>	<b>14,025</b>	<b>18,733</b>	<b>18,336</b>	<b>141,936</b>	<b>40.6%</b>	<b>45.3%</b>
<b>Total, All Industries</b>	<b>3,675</b>	<b>30,825</b>	<b>47,575</b>	<b>55,933</b>	<b>64,217</b>	<b>48,667</b>	<b>49,433</b>	<b>49,453</b>	<b>349,778</b>	<b>100.0%</b>	<b>100.0%</b>

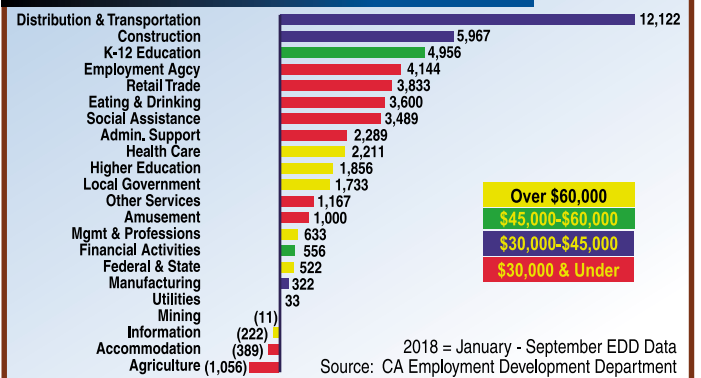
2018e based upon January through September growth by sector  
Source: CA Employment Development Department

Retailing was up 30,462 positions (8.7% share vs. 6.5%). Business administrative support added 13,936 jobs (4.0% share vs. 2.7%). Employment agencies added 11,557 jobs (3.3% share vs. 4.7%), far less than thought by those criticizing the area's job mix. Other services were up 8,522 jobs (2.4% share vs. 4.4%). Amusement was up 4,770 jobs (1.4% share vs. state's 2.5%). Accommodation added 4,088 workers (1.2% share vs. 1.3%). Agriculture lost -1,641 jobs (-0.5% share vs. state's 1.8%).

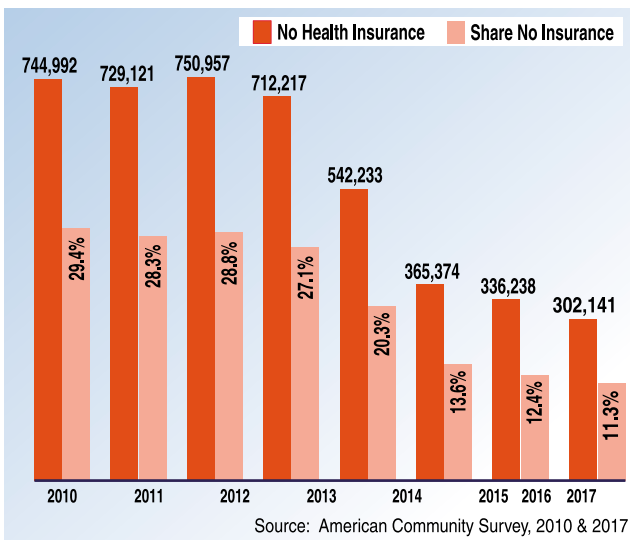
### 2018 GROWTH

2018 data through September show the Inland Empire's job growth to be very strong (49,453 jobs) dominated by logistics (12,122) and construction (5,967) (Exhibit 4). The gain so far this year is matching the very rapid pace of 2013-2017 with the region headed for a new employment record (1,516,382; up 3.4%) and job quality as good as before the recession. With unemployment averaging a record low of 4.3%, the strong economy has help move the Inland Empire's poverty rates for 2016 and 2017 from 23.5% to 19.3% for children and 16.4% to 14.5% for all people. ■

### 4 INLAND EMPIRE GROWING & DECLINING SECTORS 2011-2018e

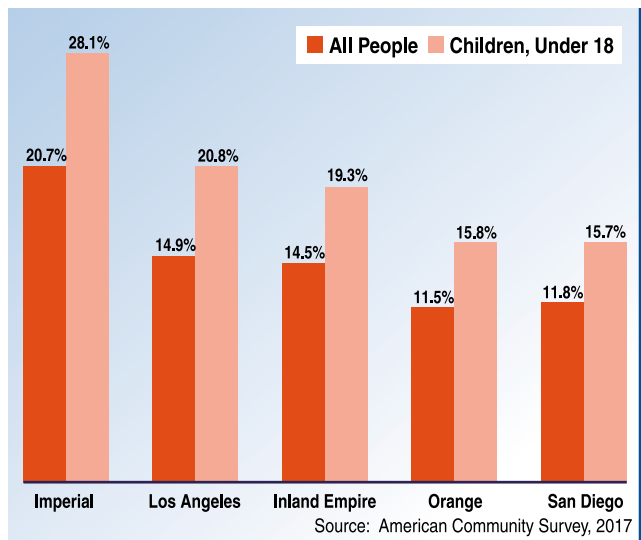


## 5 NUMBER & SHARE OF POPULATION WITHOUT HEALTH INSURANCE Inland Empire, 2010-2017



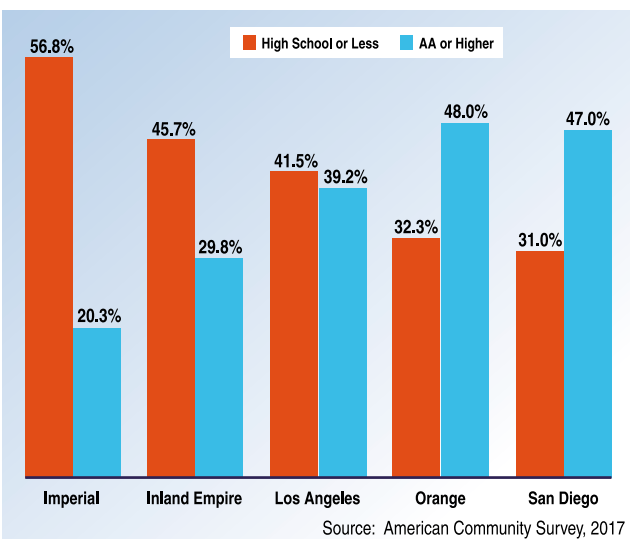
**Health Insurance Improvement.** In 2012, the American Community Survey (ACA) found that 28.8% or 750,957 of the Inland Empire's non-institutionalized adults had no health insurance. In 2017, those figures were down to 11.3% and 302,141. That was a reduction of -448,816 adults or -59.8%. This represents a substantial increase in demand for health care services. The sector's employment has not adjusted as rapidly in part because local out-patient and in-patient care facilities are still working through the process of how to gear up for the increase in demand. Executives in the sector have also been cautious in hiring, given the constant attacks on the ACA in Washington DC.

## 6 SHARE OF POPULATION LIVING IN POVERTY Southern California, by Region, 2017



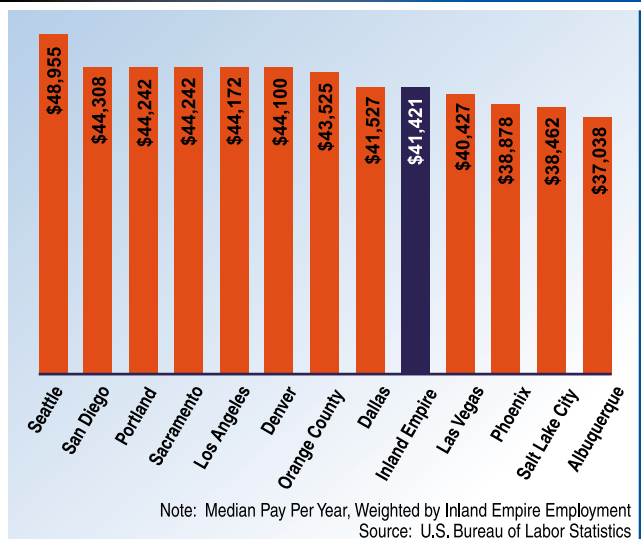
**Poverty.** A continuing difficulty impacting the Inland Empire has been the share of its population living in poverty. Fortunately, a review of the most recent economic data shows job growth soaring to historic highs, and unemployment falling to an historic low. As a result, the level of poverty has dropped significantly as those metrics are at historic lows. The share of children under 18 living below the poverty line has fallen from 23.5% in 2016 to 19.3% in 2017. Poverty for all people dropped from 16.4% to 14.5%. For the first time in recent memory, poverty levels for the Inland Empire now rank below Los Angeles County.

## 7 EDUCATIONAL ATTAINMENT: High School or Less & AA or Higher Adults, 25 & Over, by County, 2017



**Educational Attainment.** A competitive difficulty for the Inland Empire is the modest levels of educational completion by its adults. In 2017, those with community college or higher degrees stood at 29.8%, up from 29.2% in 2016. While a slight improvement, in the coastal counties with which the region competes, the shares were much higher at 39.2% to 48.0%. The share of inland area adults with high school or less schooling was 45.7% in 2017, down from 46.3% in 2016. Again, this share was much higher than the 41.5% to 31.0% in the coastal counties. These data impact the kinds of economic activity for which the inland area can compete.

## 8 MEDIAN PAY PER YEAR Major Western Markets, May 2017



**Median Pay By Sector.** The Inland Empire generally offers employers a labor cost advantage. Its 2017 median pay for all workers was up 1.8% to \$41,421 from \$40,695 in 2016 (*half workers above/half below*). Using pay levels by sector for competitor areas weighted by the inland area's employment in those sectors, the coastal counties were more costly: San Diego (\$44,308), Los Angeles (\$44,172) and Orange (\$43,525). The region's labor cost was also below Seattle (\$48,955), Sacramento (\$44,242), Portland (\$44,242), Denver (\$44,100) and Dallas (\$41,527). It was above Las Vegas (\$40,427), Salt Lake City (\$38,462), Phoenix (\$38,878) and Albuquerque (\$37,038). This is one reason the area's job growth has continually been the fastest in California.



## 9 SINGLE FAMILY HOME PRICES 3rd Quarter, 2017-2018

County	3rd-2017	3rd-2018	% Chg.
<b>NEW HOMES</b>			
Riverside	\$426,000	\$438,000	2.8%
San Bernardino	461,500	490,500	6.3%
Los Angeles	678,500	663,000	-2.3%
Orange	851,000	984,750	15.7%
San Diego	622,000	707,000	13.7%
Ventura	702,250	661,500	-5.8%
So. California	\$617,600	\$650,300	5.3%
<b>EXISTING HOMES</b>			
Riverside	\$365,000	\$385,000	5.5%
San Bernardino	295,000	315,000	6.8%
Los Angeles	600,100	635,000	5.8%
Orange	755,000	785,500	4.0%
San Diego	587,000	625,000	6.5%
Ventura	615,000	645,000	4.9%
So. California	\$528,700	\$556,400	5.2%

Source: Dataquick

## 10 HOME DEED RECORDINGS Inland Empire, 3rd Quarter, 2017-2018

NEW HOMES				EXISTING HOMES			
Area	3rd 17	3rd 18	% Chg.	Area	3rd 7	3rd 18	% Chg.
Victor Valley	72	125	73.6%	East of I-215	487	502	3.1%
SB Mountains	5	6	20.0%	SB Desert	584	598	2.4%
SB Desert	12	12	0.0%	San Bdn-Highland	892	869	-2.6%
West of I-15	457	431	-5.7%	West of I-15	1,437	1,335	-7.1%
East of I-215	28	22	-21.4%	I-15 to I-215	1,021	944	-7.5%
San Bdn-Highland	129	101	-21.7%	Victor Valley	1,438	1,295	-9.9%
I-15 to I-215	194	97	-50.0%	SB Mountains	1,011	857	-15.2%
<b>SAN BDNO COUNTY</b>	<b>897</b>	<b>794</b>	<b>-11.5%</b>	<b>SAN BDNO COUNTY</b>	<b>6,870</b>	<b>6,400</b>	<b>-6.8%</b>
Moreno Valley	23	91	295.7%	Coachella Valley	1,201	1,298	8.1%
Rural Desert	28	87	210.7%	Rural Desert	586	541	-7.7%
Coachella Valley	58	94	62.1%	Corona, Norco	937	862	-8.0%
I-215 South	224	357	59.4%	I-15 South	1,823	1,657	-9.1%
Pass Area	125	196	56.8%	Moreno Valley	626	567	-9.4%
Riverside	90	127	41.1%	Pass Area	461	417	-9.5%
Corona, Norco	215	178	-17.2%	Riverside	1,151	1,016	-11.7%
I-15 South	385	289	-24.9%	I-215 South	1,977	1,742	-11.9%
<b>RIVERSIDE COUNTY</b>	<b>1,148</b>	<b>1,419</b>	<b>23.6%</b>	<b>RIVERSIDE COUNTY</b>	<b>8,762</b>	<b>8,100</b>	<b>-7.6%</b>
<b>INLAND EMPIRE</b>	<b>2,045</b>	<b>2,213</b>	<b>8.2%</b>	<b>INLAND EMPIRE</b>	<b>15,632</b>	<b>14,500</b>	<b>-7.2%</b>

Source: Dataquick

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

In third quarter 2018, the Inland Empire recorded 15,964 *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 2018, the inland region was responsible for 41.0% of new home sales in Southern California, and 34.6% of existing home sales (*Mexican border to Ventura County*). Meanwhile, the median existing home price in the two county area rose to \$352,482 from \$332,801 last year (*Exhibit 12*); the new home price was \$456,828, up from \$441,569. The existing home level is -96% below the 2006 peak of \$389,924. The new home price is 4.5% above the prior peak \$437,200.

### SALES

Riverside County had 8,100 existing home sales in third quarter 2018, down -7.6% from 2017. As recordings come at the end of escrow, this included some second quarter sales. The Coachella Valley had the highest percentage gain (1,298 units; 8.1%). The I-215 south led in volume (1,742 units; -11.9%). The county's 1,419 new home sales were up 23.6% from 2017 (*Exhibit 10*). Moreno Valley had the fastest growth (91 units, 295.7%). I-215 south had the most sales (357 units, 59.4%).

San Bernardino County's existing home sales fell -6.8% to 6,400 units. The area east of I-215 on the I-10 had the largest percentage increase (502 sales, 3.1%). The area west of I-15 led in volume (1,335 sales; -7.1%). New home sales in third quarter 2018 fell -11.5% to 794 units. The Victor Valley area had the fastest growth (125 units; 73.6%). West of I-15 led in sales (431 units; -5.7%).

### PRICES

Riverside County's third quarter 2018 median new home price was \$438,000, up 2.8% from \$426,000 in 2017 and 2.1% from second quarter's \$429,000 (*Exhibit 9*). The median existing home price of \$385,000 was 5.5% above 2017's \$365,000 and up 2.1% from second quarter's \$380,000. San Bernardino County's 2018 median new home price of \$490,500 was up 6.3% from \$461,500 in 2017 and up 0.7% from second quarter's \$487,000. Its existing median home was \$315,000, up 6.8% from \$295,000 in 2017 and up 0.7% from the prior quarter's \$312,000. Southern California's new home price of \$650,300 was up another 5.3% from 2017 (\$617,600). The larger region's 2018 existing home price of \$556,400 was up 5.2% from \$528,700 the prior year.

### SUMMARY

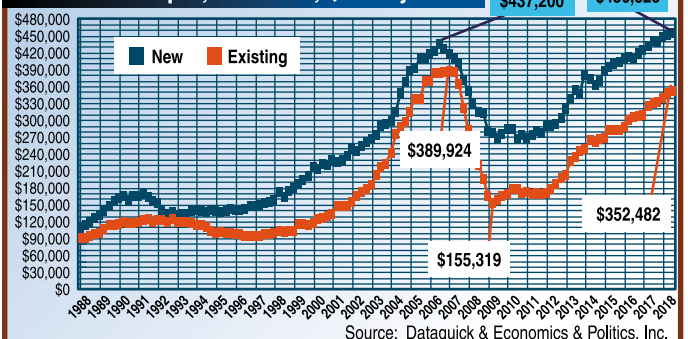
The Inland Empire's housing markets remain stuck in a narrow band of home sales that has gone on for eight years. Lack of supply is propelling prices which continue to rise sharply in the face of demand that is increasing with the general rise in Southern California's economy and consumer confidence. Affordability is high in San Bernardino County where 49% of local families can afford the median priced existing home. It is 37% in Riverside County. By contrast just 20% of Orange County families can afford their county's median priced homes. It is 23% in San Diego County and 28% in Los Angeles County. The coastal lack of affordability has historically driven buyers inland, but so far lack of supply has prevented this. ■

## 11 ALL HOME SALES, INLAND EMPIRE Seasonally Adjusted, by quarter, 1988-2018



Source: Dataquick

## 12 PRICE TRENDS, NEW & EXISTING HOMES Inland Empire, 1988-2018, Quarterly



Source: Dataquick & Economics & Politics, Inc.