



Business

Inland rents up, occupancy down

07:32 PM PDT on Wednesday, October 17, 2007

By **RODD CAYTON**
The Press-Enterprise

Residential rents in the Inland area increased slightly in the third quarter, while the occupancy rate dropped a bit compared to a year ago, according to RealFacts, a Novato-based research firm that released its third-quarter findings Wednesday.

The average rent in the area was \$1,159, up 2.6 percent from the third quarter of 2006, and up 23.7 percent since 2003.

During the quarter, the Inland region fell from ninth-priciest to 11th among the 25 areas in California that RealFacts studies.

The Los Angeles-Long Beach area had the state's highest average rent, at \$1,630.

Rents in Riverside County averaged \$1,144 for the quarter, up 2.3 percent from 2006, while San Bernardino County's average rent rose 3 percent to \$1,173.

The region's occupancy rate slipped to 92.9 percent, from 95.1 percent a year ago.

The third-quarter numbers were stagnant from the second quarter, when 92.8 percent of units were filled.

Chapman University chief economist Esmael Adibi said rent growth has slowed because the apartment complexes that RealFacts tracks have more competition for renters from homes that are being put up for rent for lack of buyers. Such homes aren't included in the study.

Adibi said he doesn't expect the occupancy rate to strengthen soon.

The supply of rental units will continue to grow, and that will act as a buffer against rent increases, he said.

He said occupancy could be cut by several factors, including a slowing job market that forces young would-be renters to remain in their parents' homes or leave the region for areas with more jobs.

Inland cities' average rents ranged from \$811 in Indio to \$1,373 in Rancho Cucamonga and \$1,538 in Chino Hills.

Indio and Riverside were the only cities where rents fell versus a year ago.

Indio's third-quarter average was down 1 percent, while Riverside's average of \$1,165 represented a 0.1 percent drop.

Palm Desert had the highest year-over-year growth in average rent, 10.3 percent to \$1,188.

Statewide, the average rent was \$1,413 (up 5.6 percent), and occupancy was at 95.3 percent (down 0.7 percent).

The highest average rent was Santa Monica's \$3,330, while the lowest was \$709 in Merced.

AVERAGE RENT

RealFacts data for selected cities:

Rancho Cucamonga: \$1,373

Ontario: \$1,280

Murrieta: \$1,247

Corona: \$1,225

Upland: \$1,189

Palm Desert: \$1,188

Temecula: \$1,179

Moreno Valley: \$1,171

Riverside: \$1,165

Redlands: \$1,112

Fontana: \$999

San Bernardino: \$978

Colton: \$897

Palm Springs: \$887

Hemet: \$869

Indio: \$811
