

# INLAND EMPIRE RESIDENTIAL LAND MARKET

Where Do We Go From Here?



## Where Have Land Prices Been Over the Past 10 Years?

- Land Bottomed in 2008 and Peaked in 2013
- Values have Flatlined or even Decreased Due to These

### Influencing Factors:

- FHA Cap for Conforming Loans in the Inland Empire has Limited Number of Buyers at Certain Price Point
- Increases in Development Fees
- Rising Cost of Construction

# Riverside County



# San Bernardino County



# Low Desert



## What are the Trends in Residential Land?

- Entitlement Challenges Getting Tougher
- More Infill, Less Master Plan Communities
- Lack of Infrastructure in Outlying Areas
- Apartments Becoming More Prevalent

## Entitlement Challenges

- Planning Staff are Very Busy
- Water Quality Control – Only Getting Tougher
- New Landscape Requirements
- Increased Fees

## More Infill, Less Masterplans

- Upfront Costs for Both Entitlement/Development
- Timing to Get Major Projects Approved is Longer, Often Challenged
- Less Risk with Infill Projects
- Projects are Closer to Jobs



## Apartments Becoming More Economically Viable

- Strong Rental Rate Growth
- Lack of Product Competition in Certain Markets
- Lack of Affordable Housing
- Inability to Qualify for a Loan

## Who is Buying Land?

1. Land to be Entitled
  - Depends on Location
  - Depends on Type/Size of Deal
  - Pure Land Developers Still in Outlying Areas
  - Closer In, Both Private and Most Public Builders
2. Tentative Maps
  - Private and Public Homebuilders
3. Final Maps
  - Private and Public Homebuilders

## What Does the Future Look Like?

- Demand Should Increase Due to Price Difference between Inland Empire and Coastal Markets
- Housing Sales Have Not Met Forecasted Demand
- There Could be a Surge of Demand for These Reasons

## Questions

The logo for WDland, featuring the letters 'WD' in a bold, sans-serif font followed by 'land' in a lighter, lowercase sans-serif font, all contained within a blue rounded square.

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**CONTACT US FOR MORE INFORMATION**

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