



# INLAND EMPIRE

## Quarterly Housing Update

June 4, 2026

Evan Forrest  
Senior Vice President, Advisory  
[eforrest@zondahome.com](mailto:eforrest@zondahome.com)

# Enterprise

The complete homebuilding data platform to help you *stay ahead*

- Zonda Enterprise

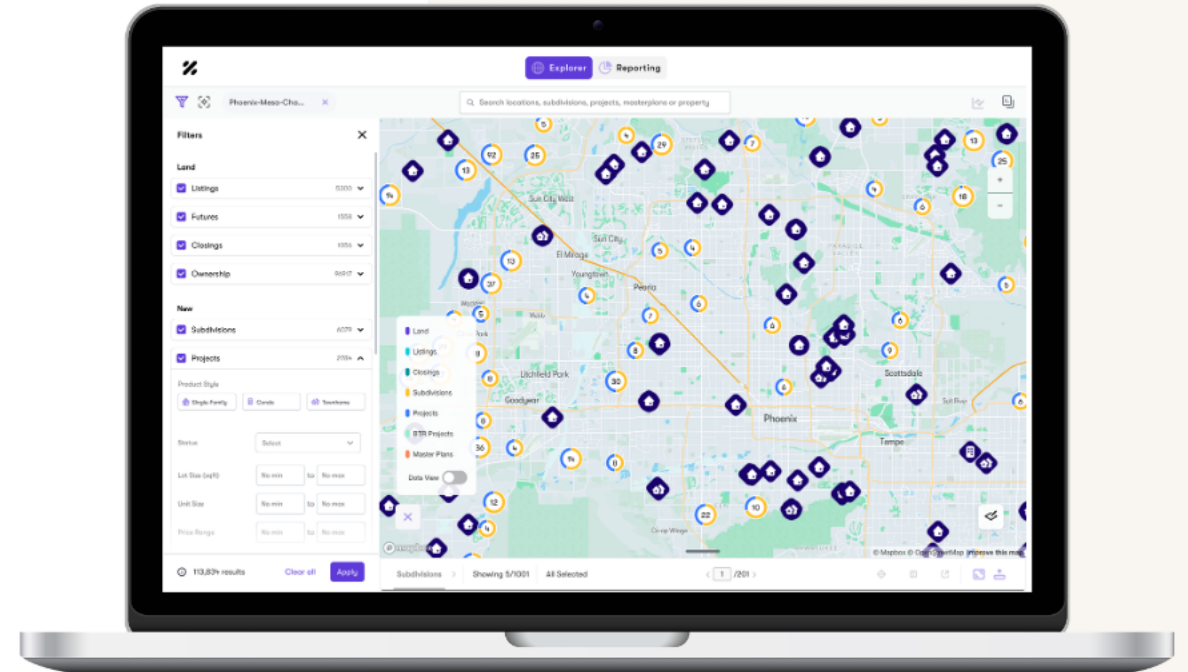
Giving builders the power to assess, track, and analyze the entire new residential construction lifecycle.

- BuildingProductPro

Providing building product professionals essential housing insights to increase strategic partnerships.

- MortgagePro

Helping lenders secure more builder business.



Learn more: [zondahome.com/enterprise](https://zondahome.com/enterprise)



# Regional and National Expert



**Evan Forrest**

Senior Vice President

[eforrest@zondahome.com](mailto:eforrest@zondahome.com)

(310) 980-5967

## RECENT ENGAGEMENTS

### Land Plan Optimizations

Land Plan Optimizations throughout the country to guide builders and developers on the highest and best use of properties

### Metropolitan Improvement Districts

Performed studies on Improvement Districts, assisting bonding work on developments

### Commercial Real Estate Studies

Determined the demand, type, and potential for various commercial real estate avenues.

| On to Today's Agenda

# Today's Agenda

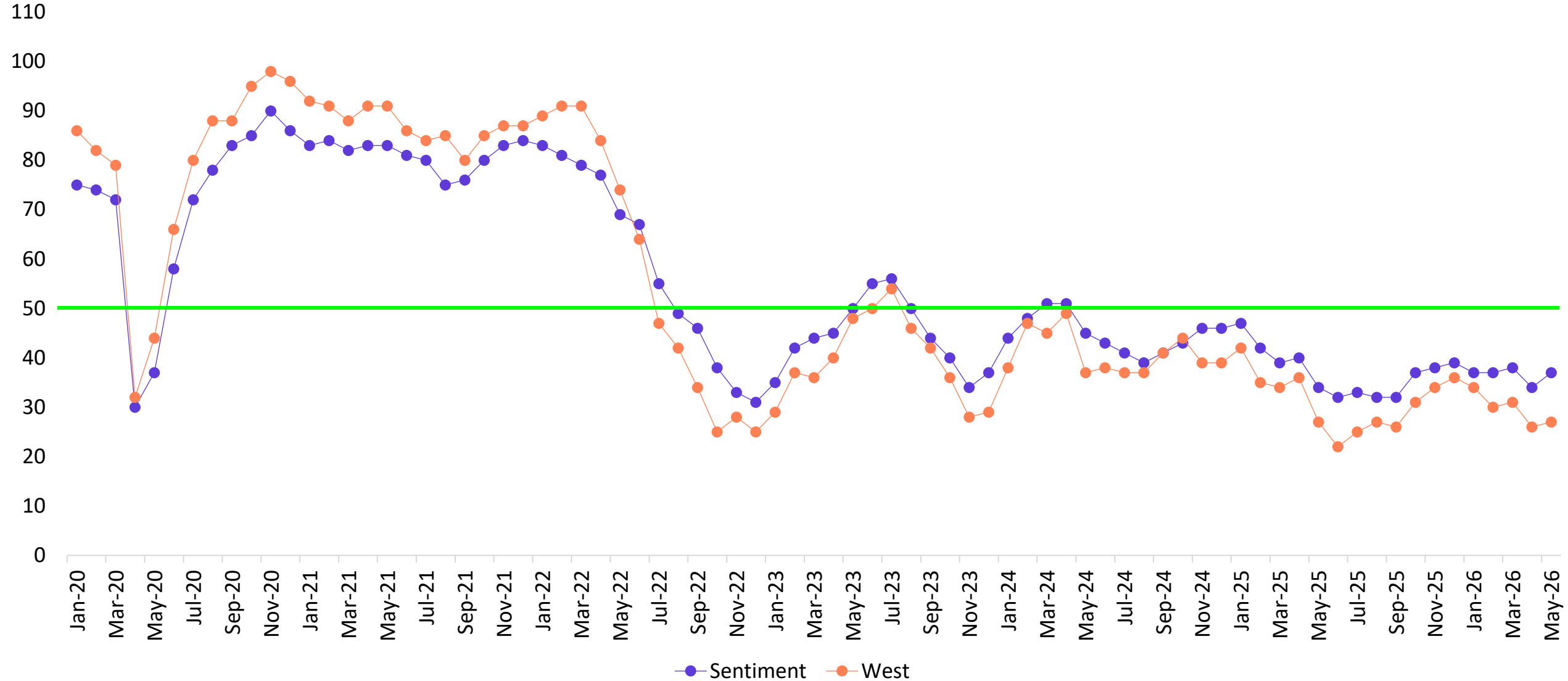
1. National Housing Market
2. California Comparison
3. Inland Empire Overview
4. On the Horizon



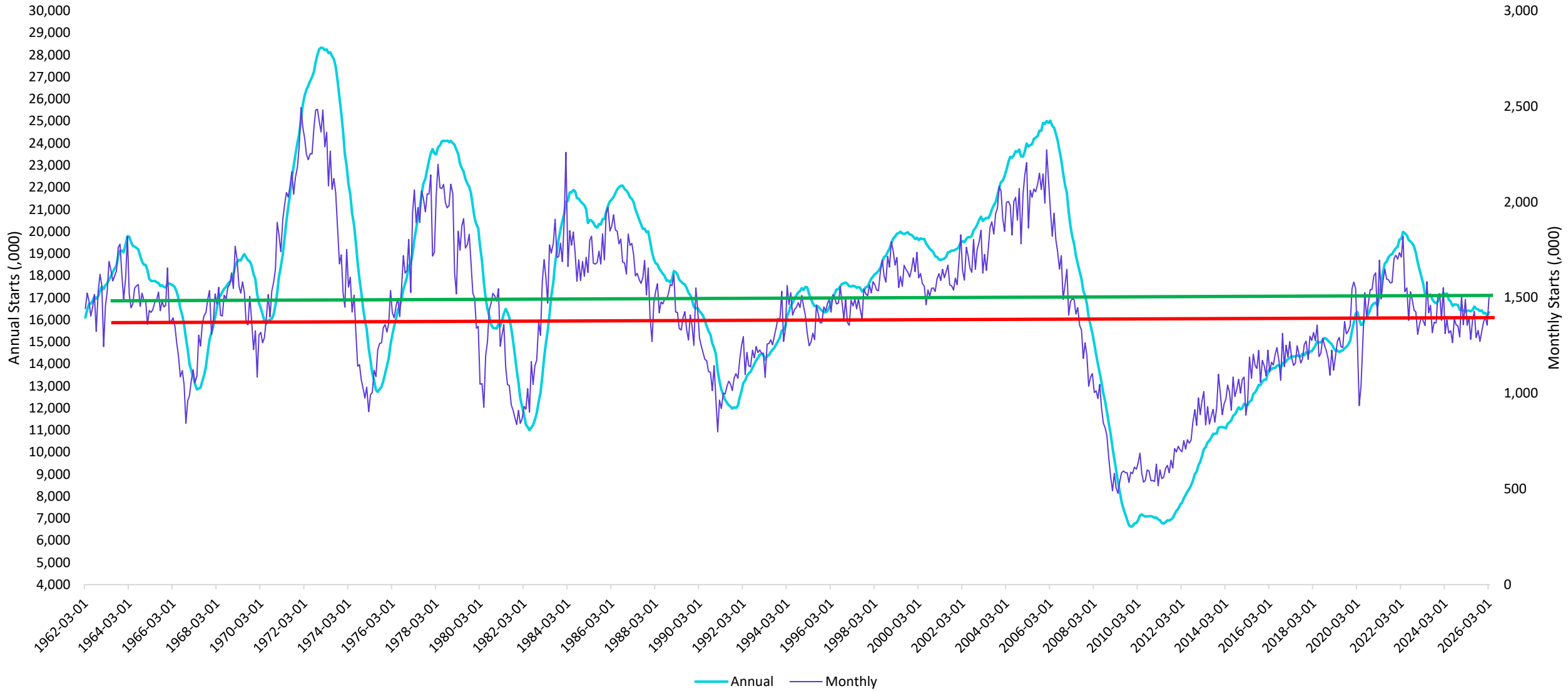
# National Overview



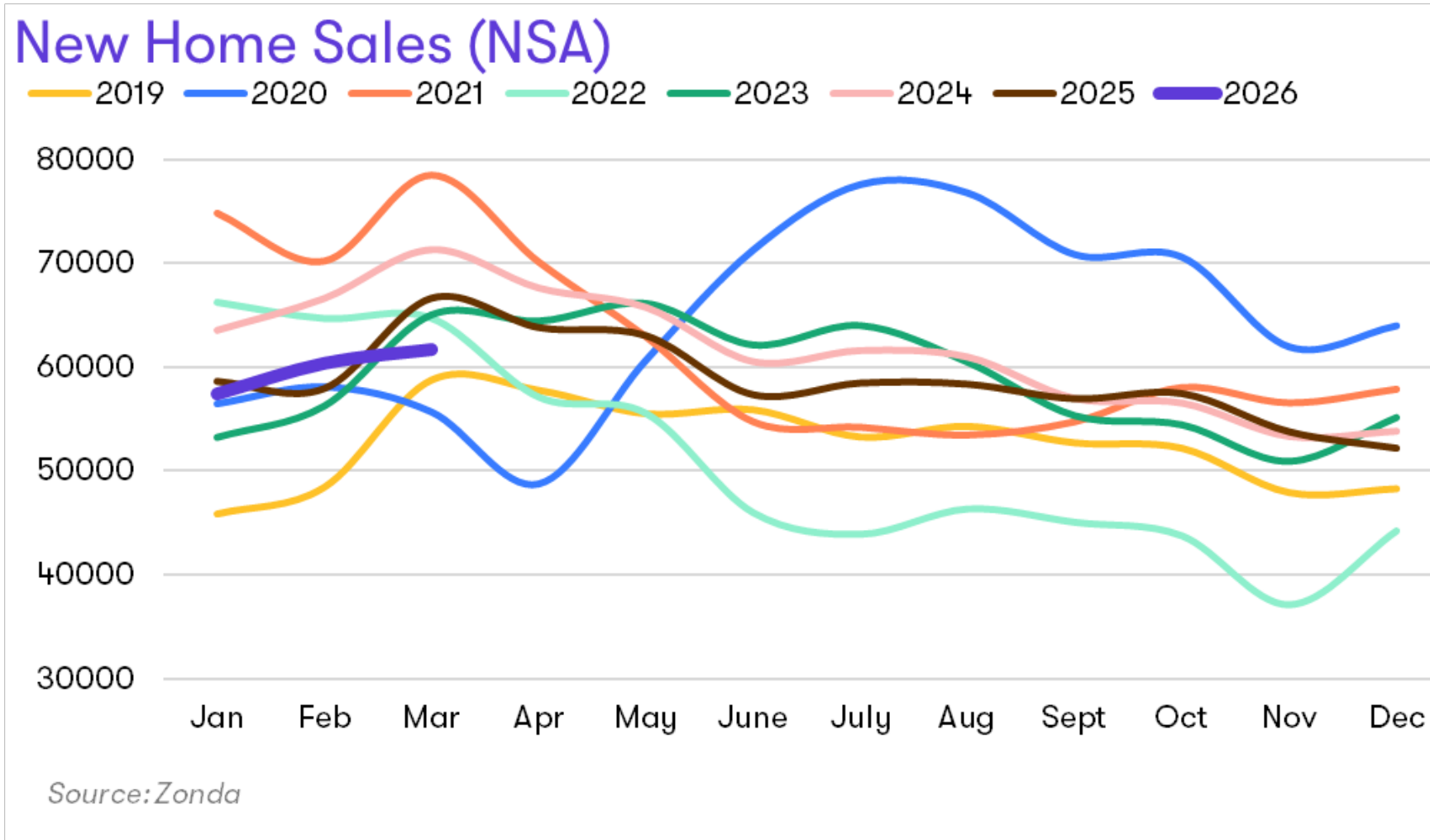
# Homebuilders are still pessimistic but rising according to the NAHB



# Privately Owned Housing Starts started to show growth

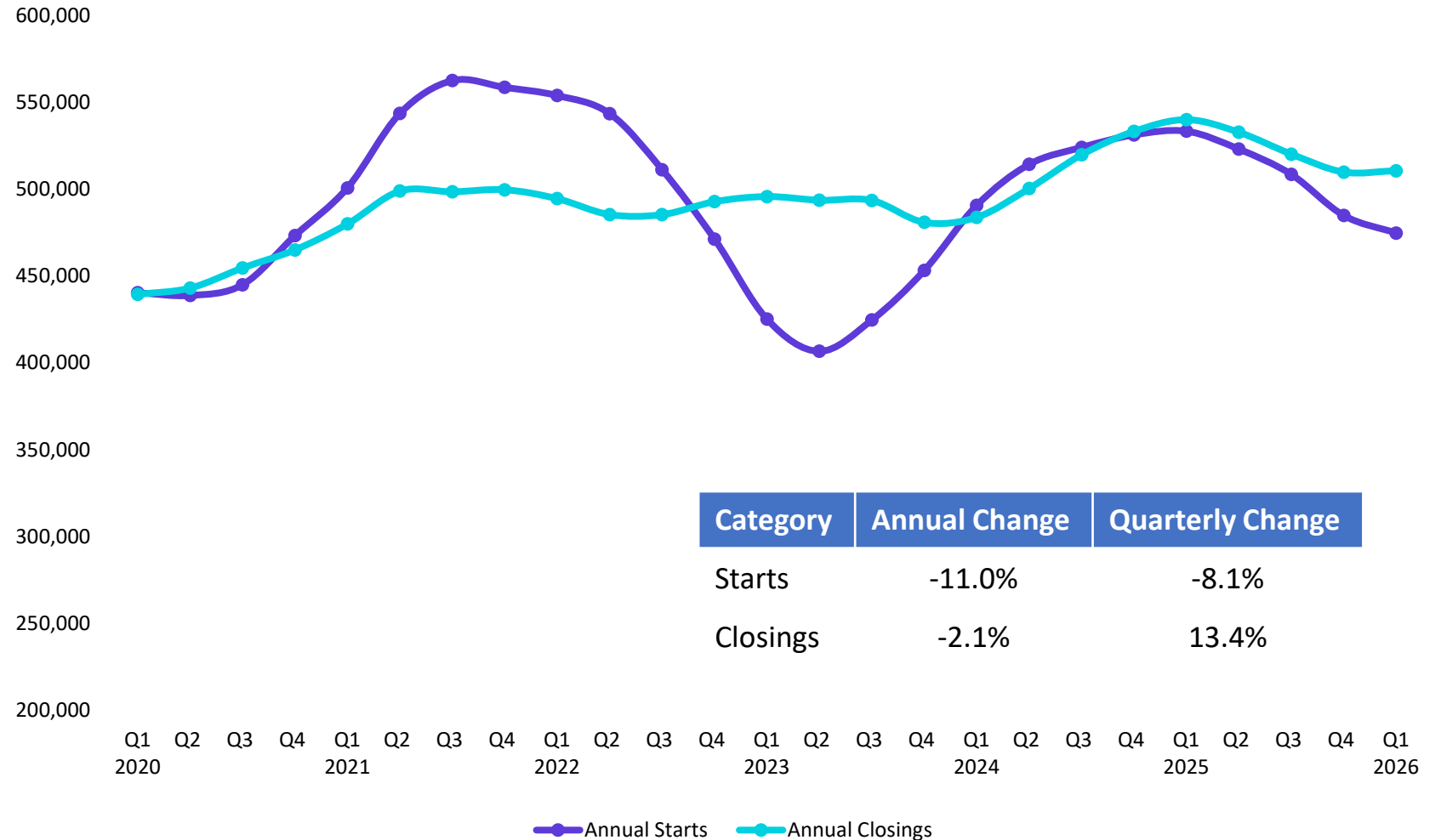


# New home contract sales showed initial spring selling positives

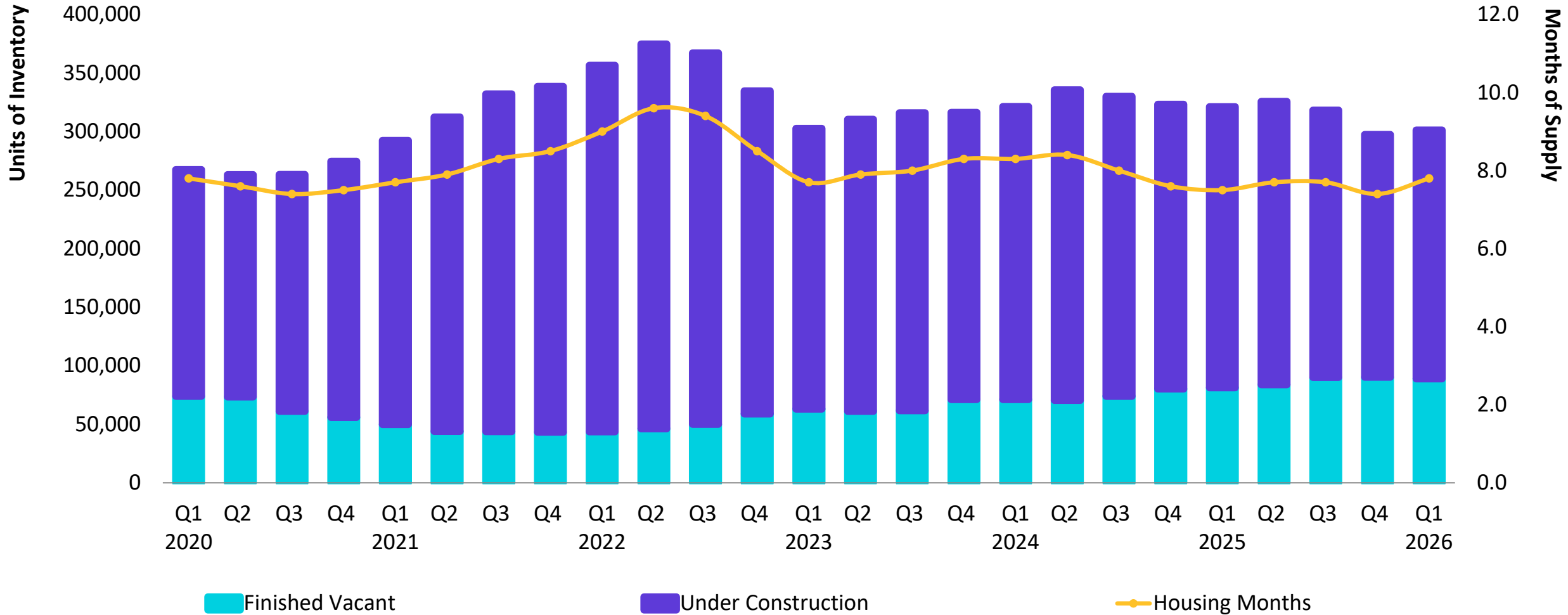


# Annual national starts/closings are heading? Potential further declines

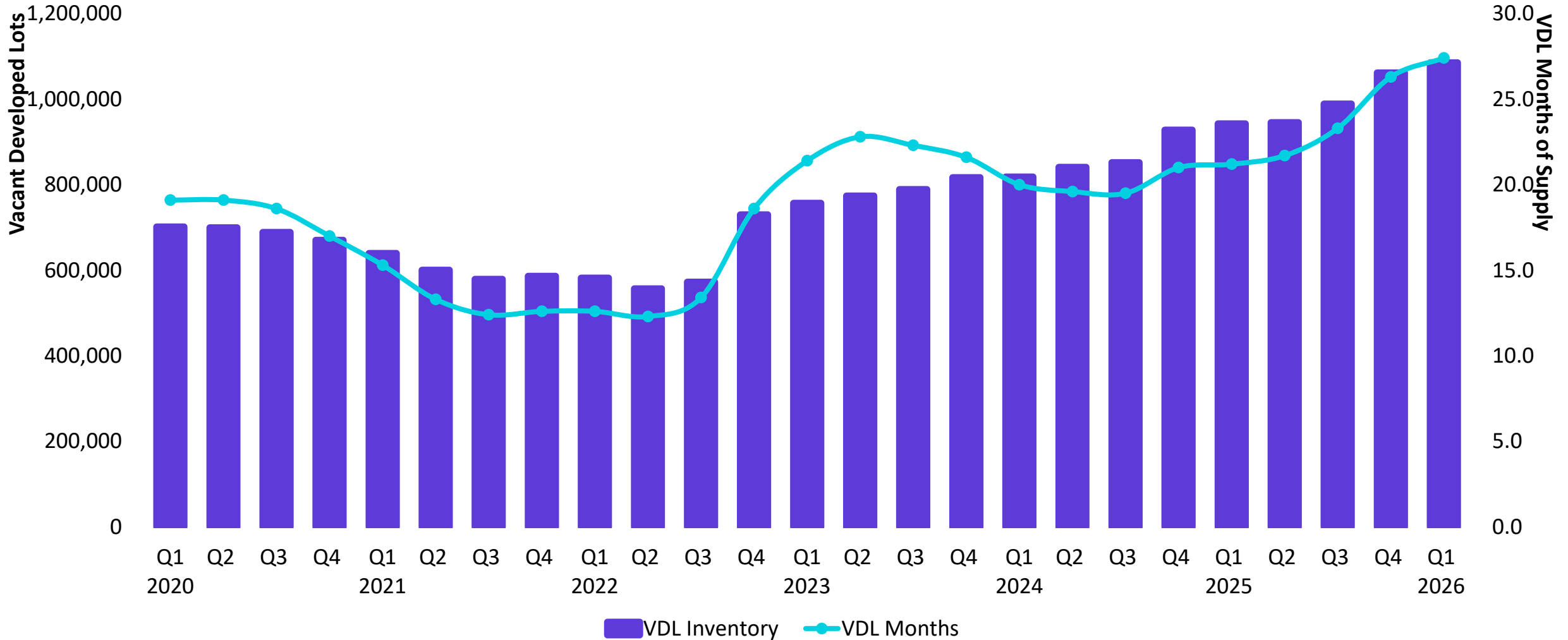
Builder's cautiousness helped prevent any blatant and longstanding buildup of supply



# Historical Housing Months is 8.1, Current is 7.8 below the average



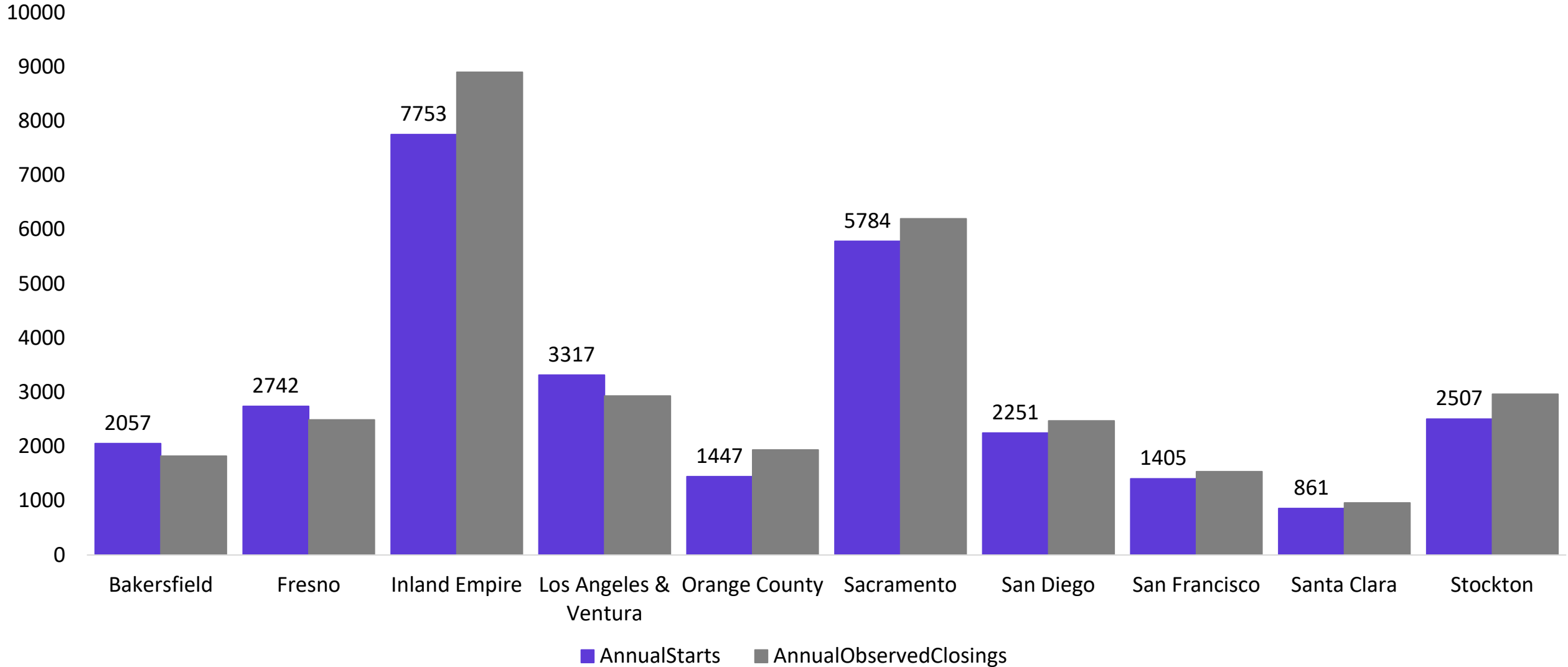
# Vacant developed lots are just above Equilibrium at 27.4 MOS



# California Comparisons

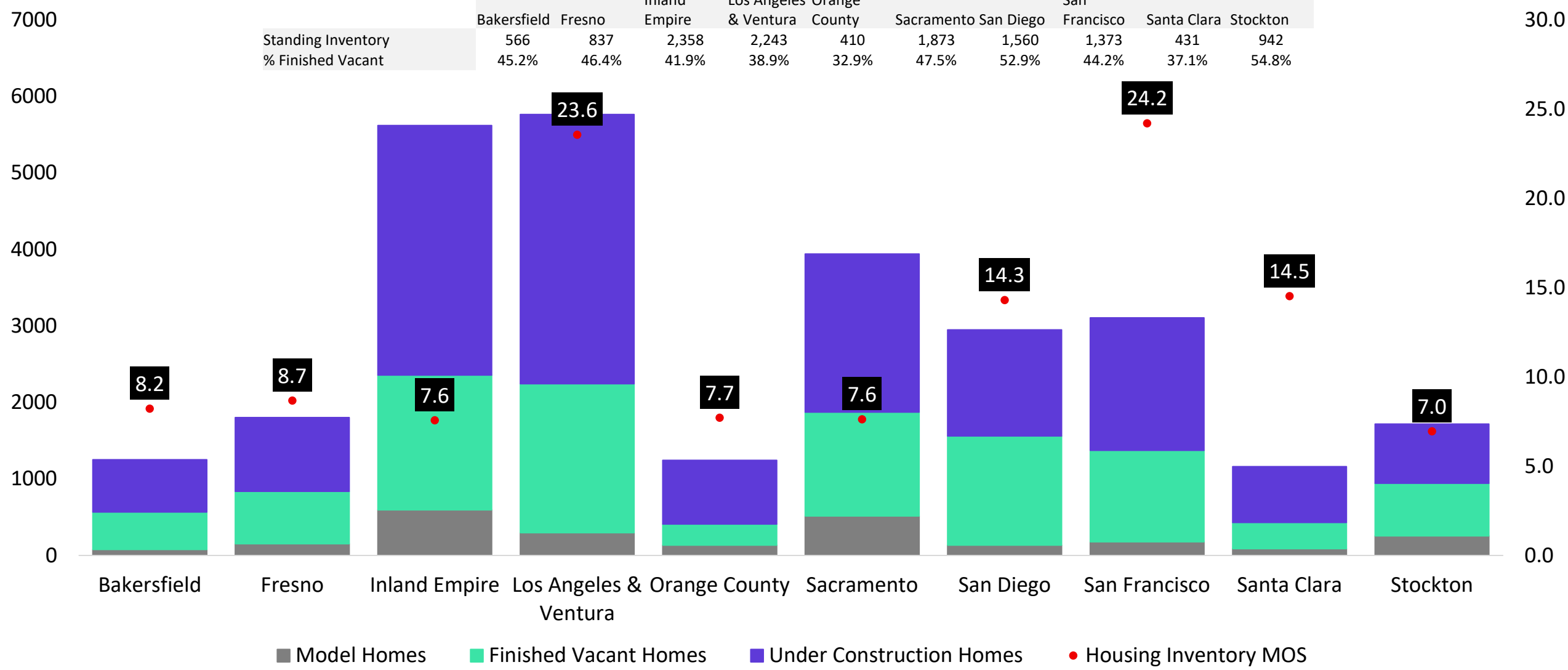


# Few CBSA's are seeing more starts than closings, eliciting further declines

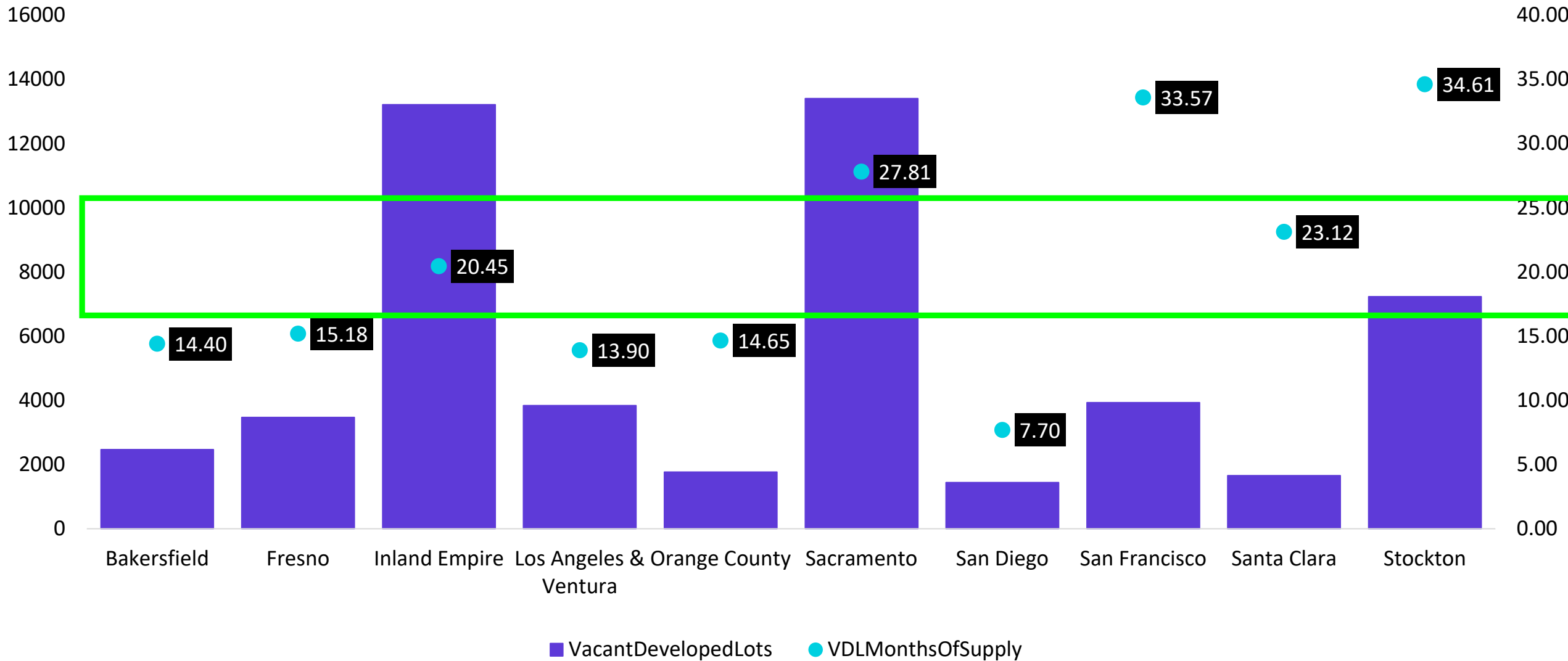


# Standing Inventory is Elevated but MOS is generally under control

	Bakersfield	Fresno	Inland Empire	Los Angeles & Ventura	Orange County	Sacramento	San Diego	San Francisco	Santa Clara	Stockton
Standing Inventory	566	837	2,358	2,243	410	1,873	1,560	1,373	431	942
% Finished Vacant	45.2%	46.4%	41.9%	38.9%	32.9%	47.5%	52.9%	44.2%	37.1%	54.8%

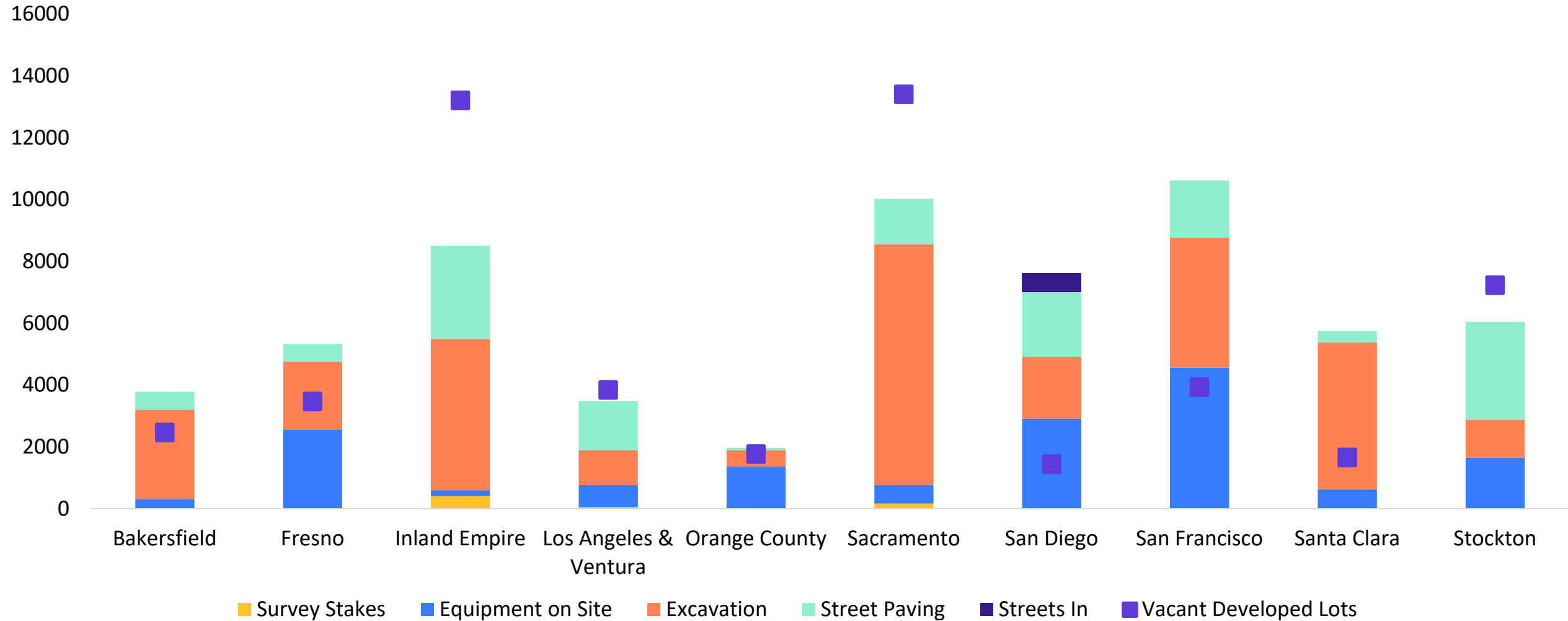


# Vacant Developed Lot Supply Shifted Upwards but Still Observes Under-Supply



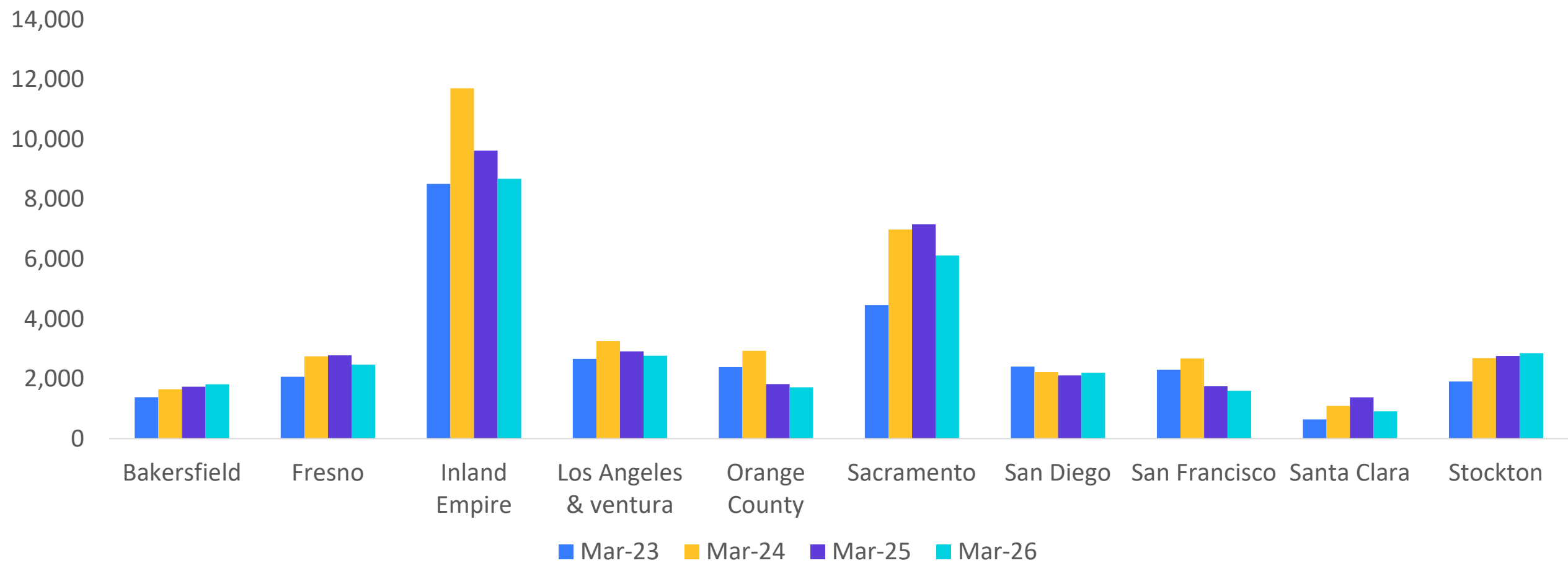
# Lots Under Development (within 18 Months) Does Not Appear to Push Lots Up

Lots Under Development vs. Current VDL



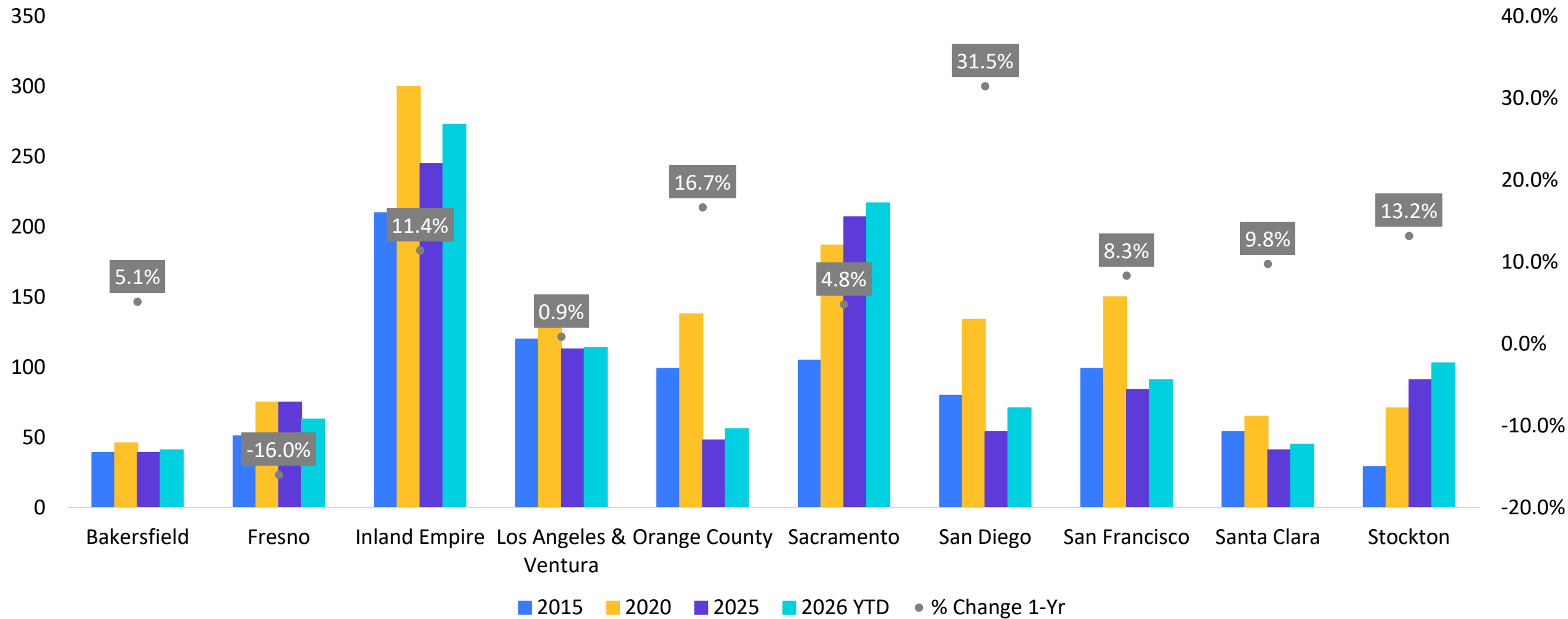
# Annual Contract Sales in March 2026 are down annually

However, annual sales rebounded in March 2026 compared to February 2026 – potentially finding a floor



# More actively selling neighborhoods are beginning to emerge

Actively Selling Neighborhoods

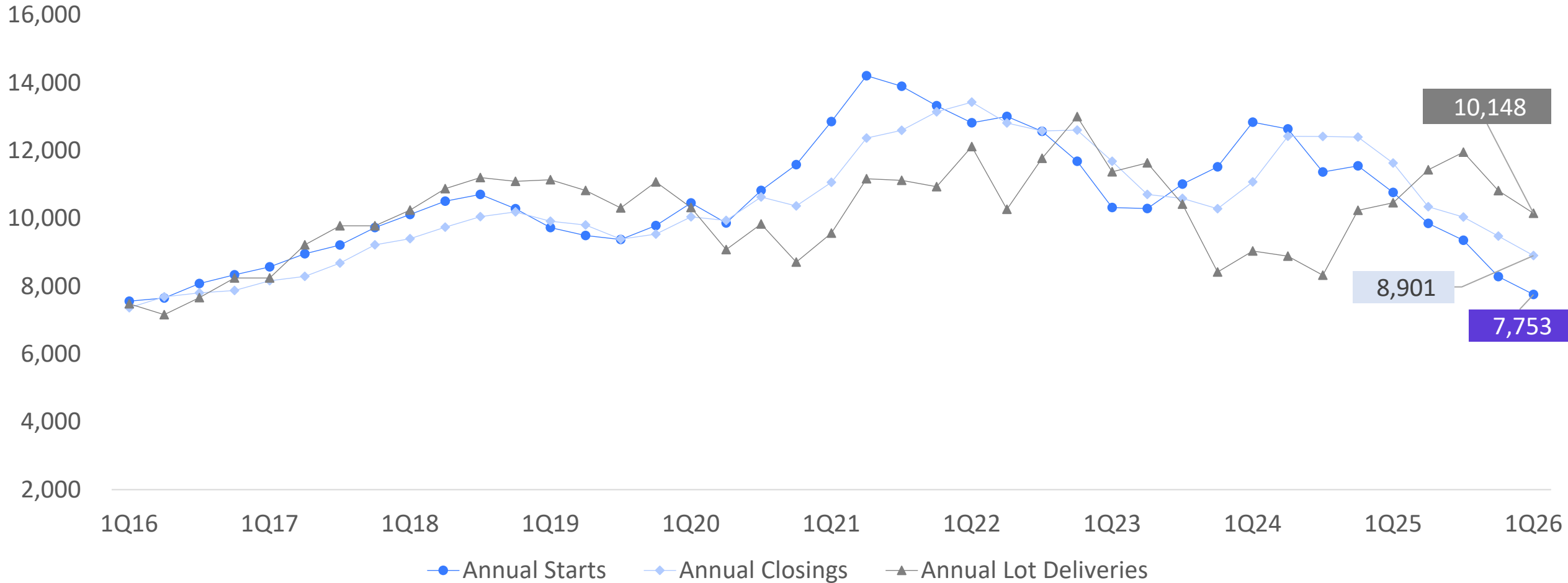


# For-Sale Market – Supply



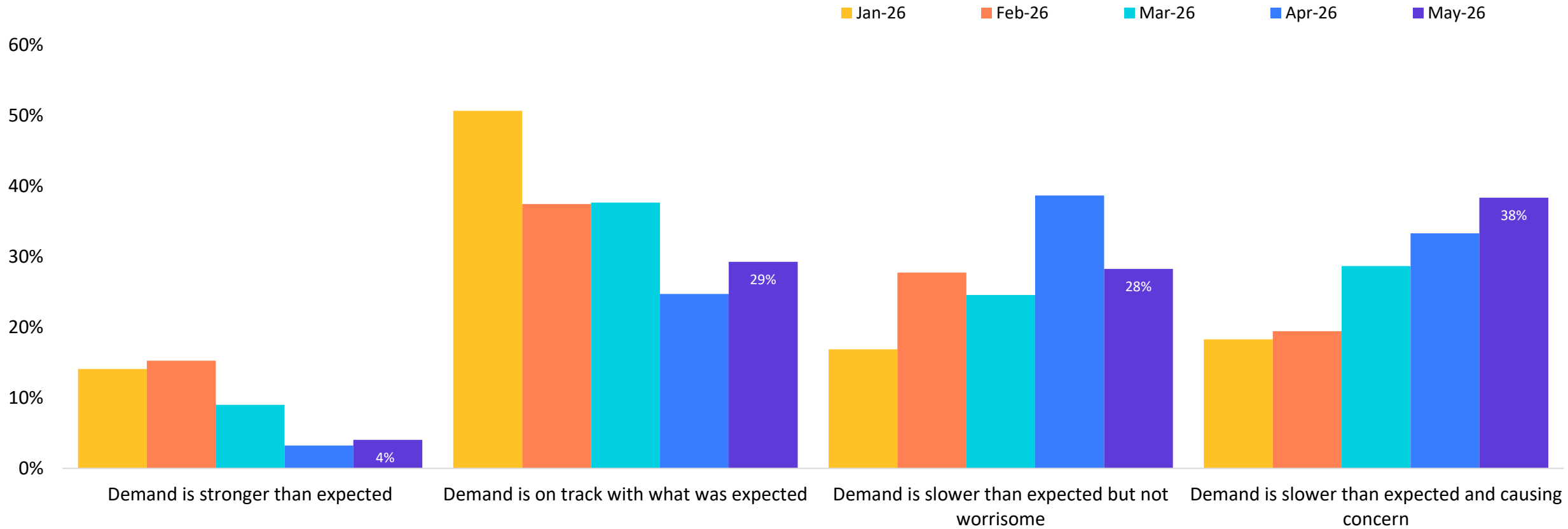
# Annual starts are down 28.0% ...with further declines likely

## Annual Starts, Closings, & Deliveries Market



# Demand is causing concern in the marketplace

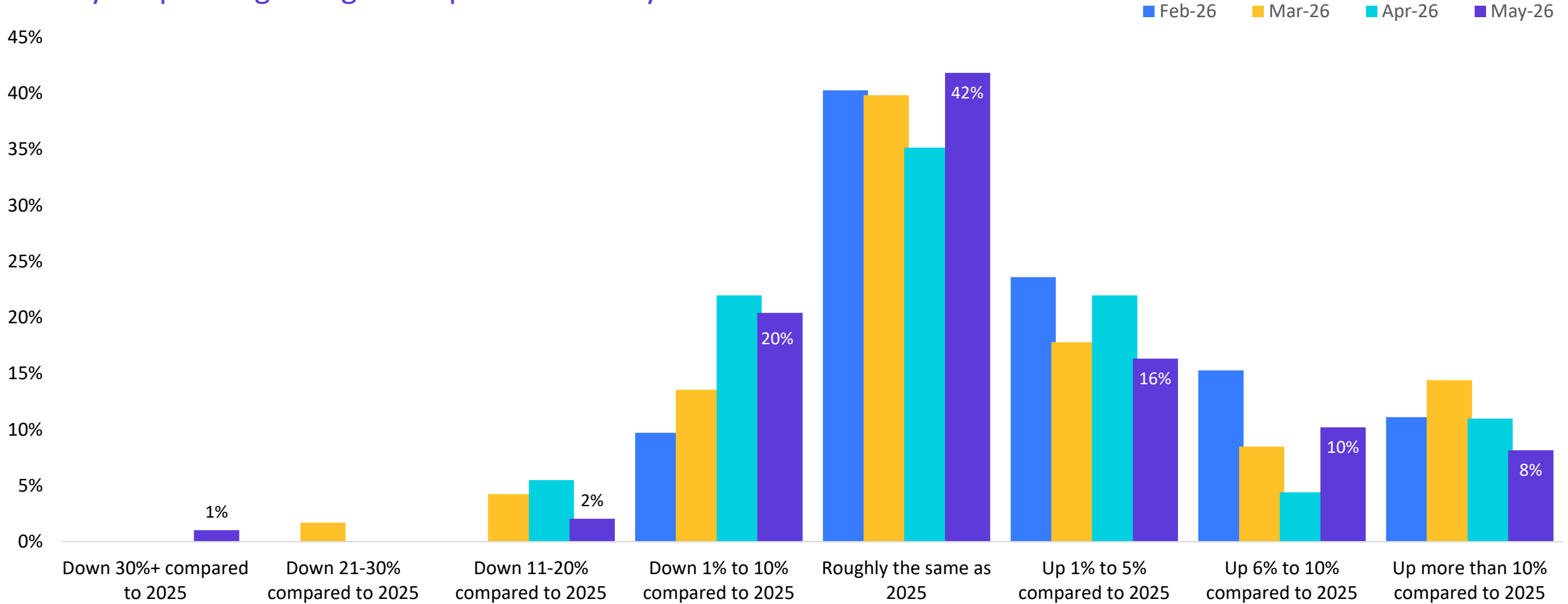
How is current demand shaping up so far for your local operation in comparison to your expectations?



Source: Zonda

# Builders expecting a bit more...of optimism

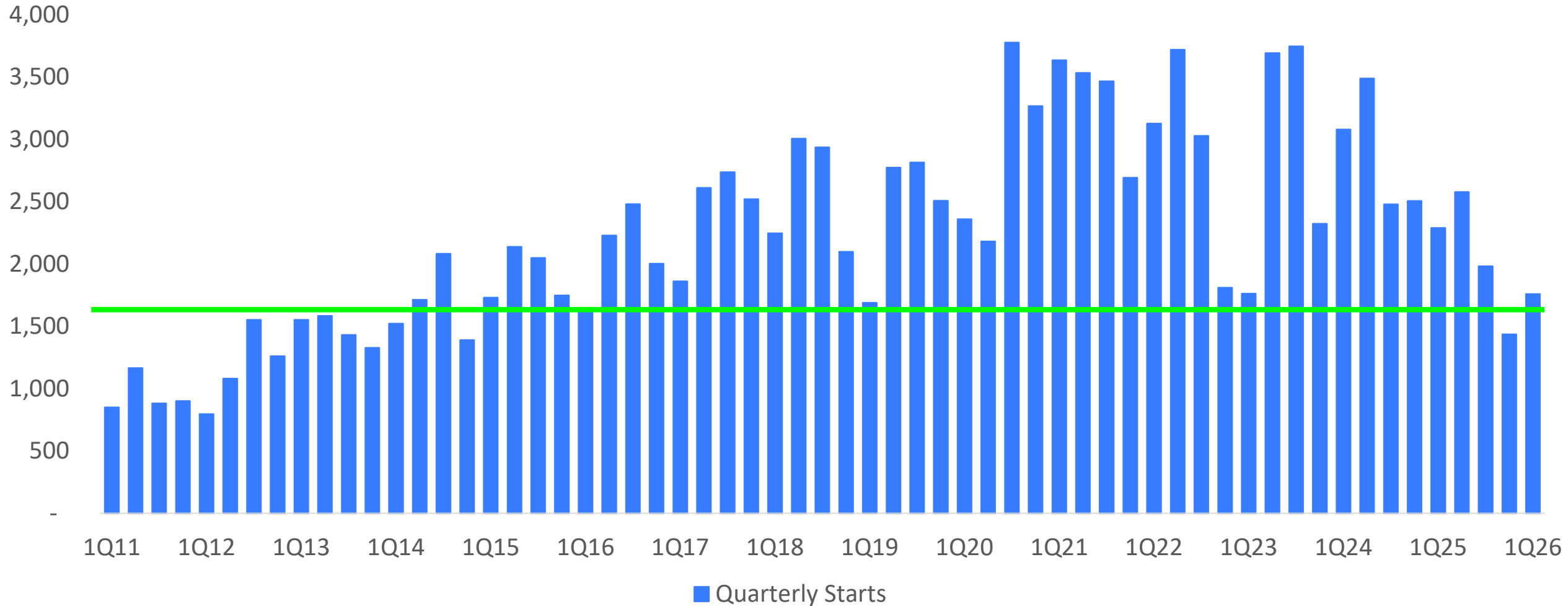
What is your plan regarding starts per community in 2026?



Source: Zonda

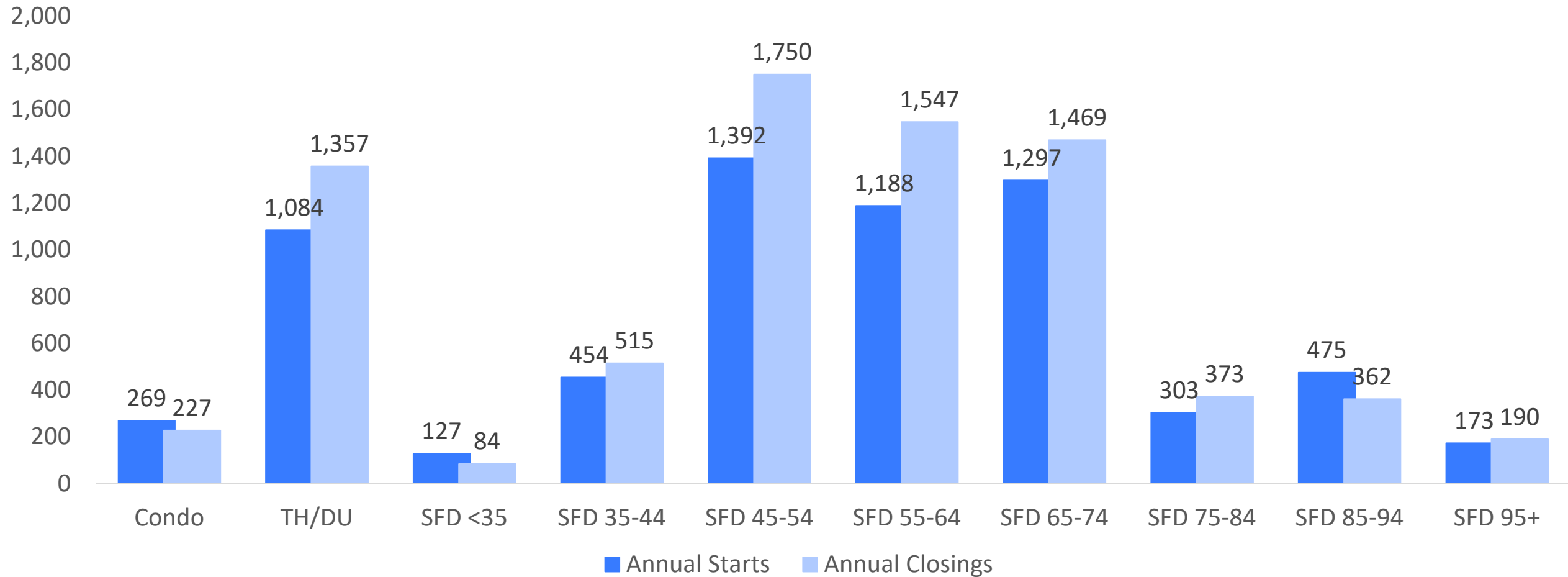
# Quarterly starts pointing to another quarter of annual declines

Quarterly Starts



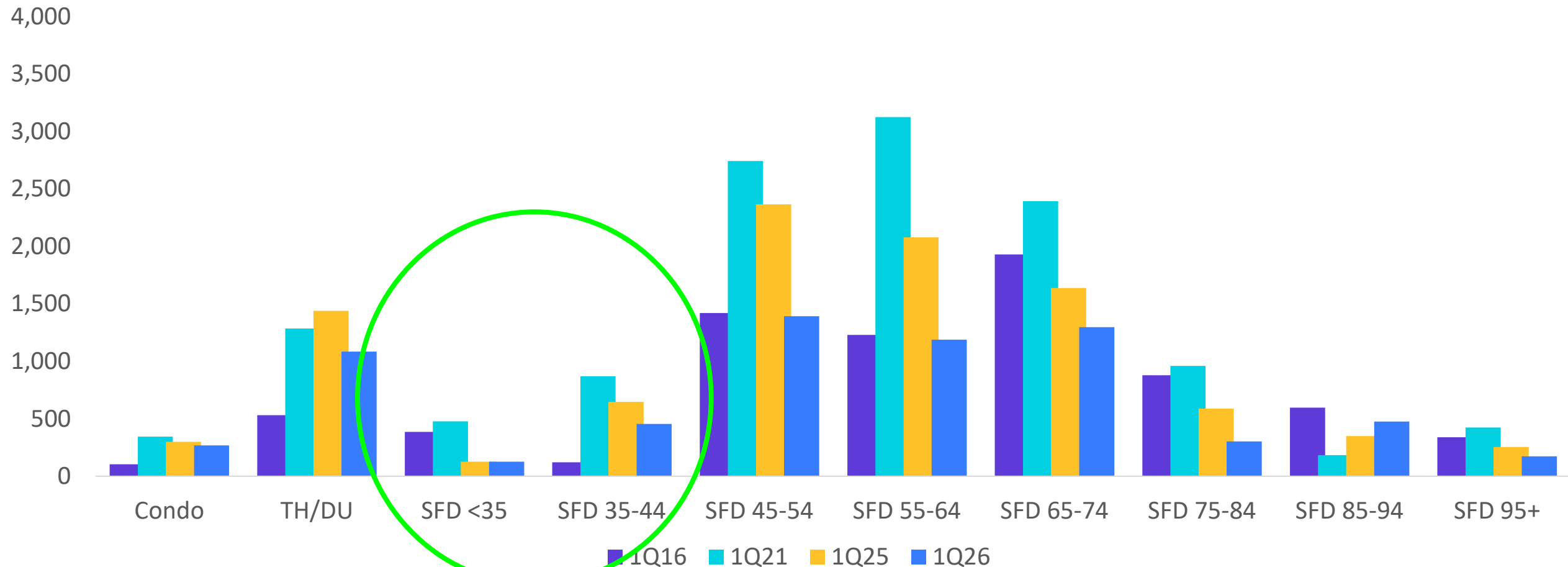
# Starts rarely out-performing closings

Product Distribution by Density (Product Type and Lot Frontage in Ft.)  
Market - Annual Starts & Closings



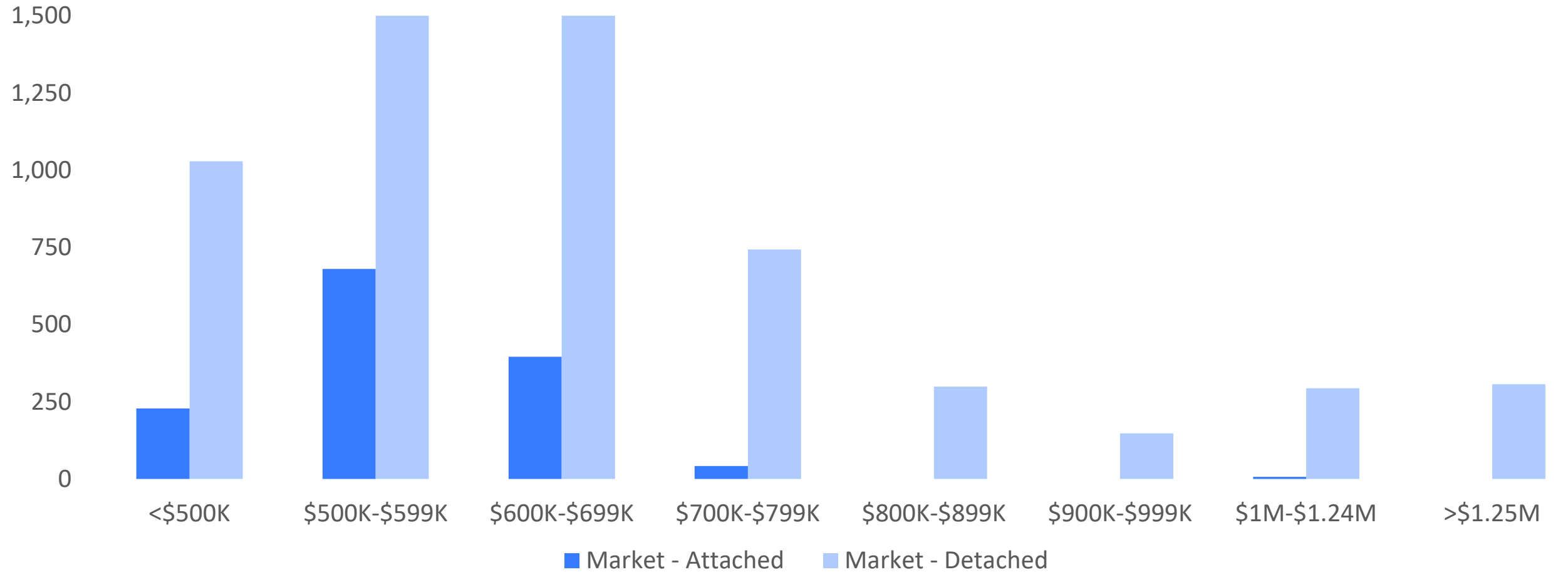
# Annual starts are exhibiting lot size gaps pushing townhome prices

Product Distribution by Density (Product Type and Lot Frontage in Ft.)  
Market - Annual Starts



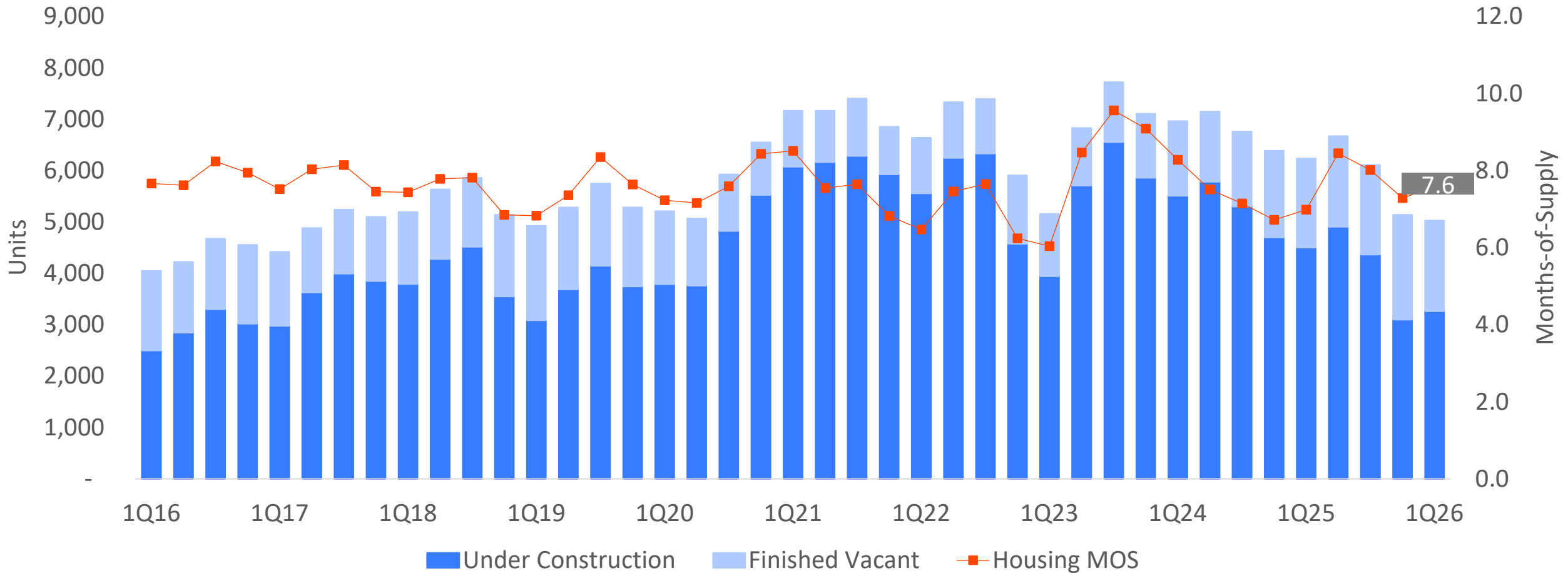
# Attainability remains strong in the Inland Empire

Rolling 12-Month Starts by Price Market



# Standing Inventory to 31.4% over the 10-year average of 21.4%

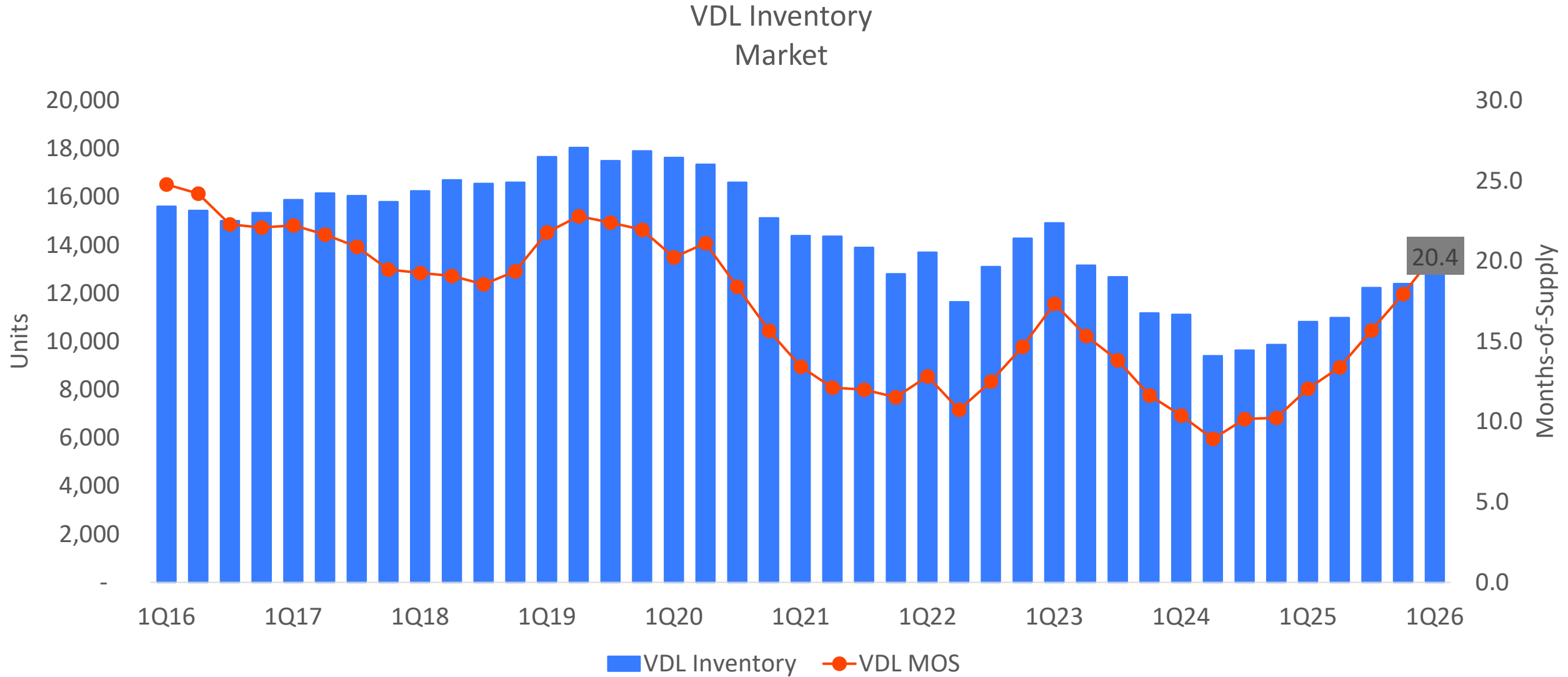
Housing Inventory Market



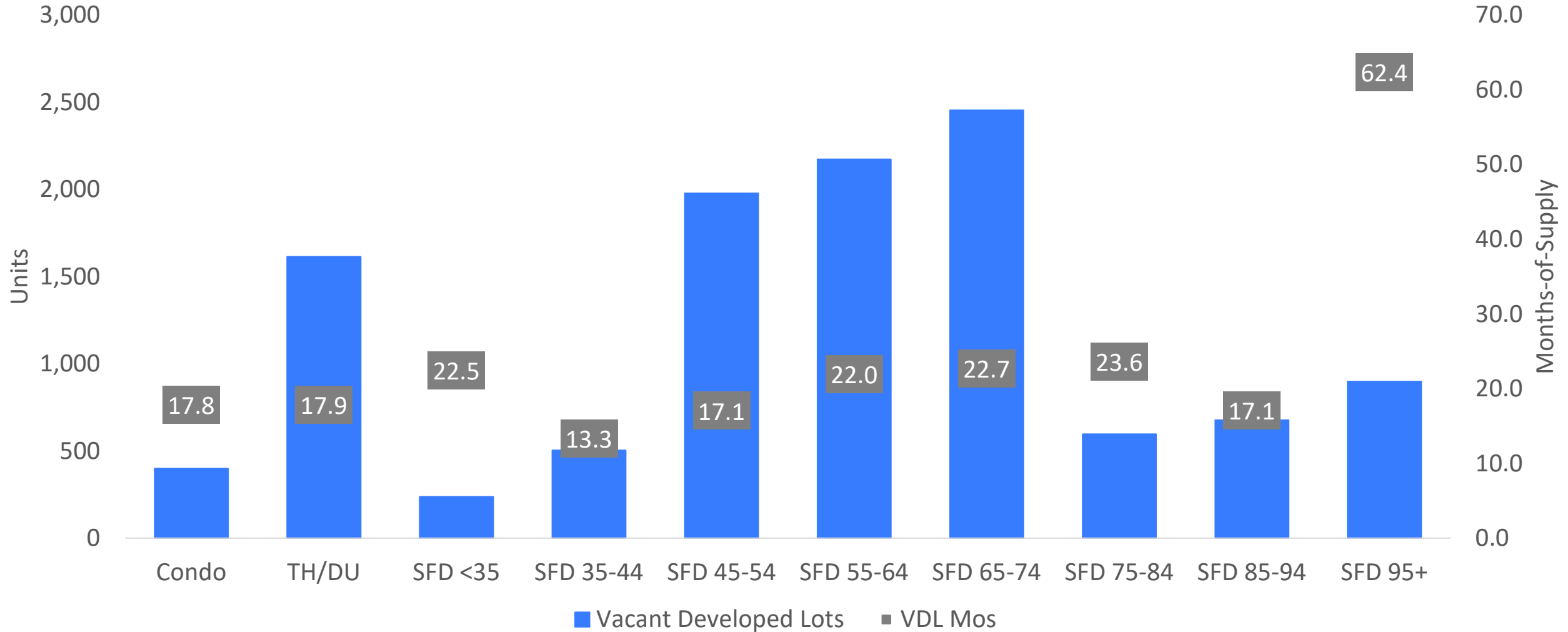
# For-Sale Market – Land Supply



# The Market is in equilibrium overall and rising

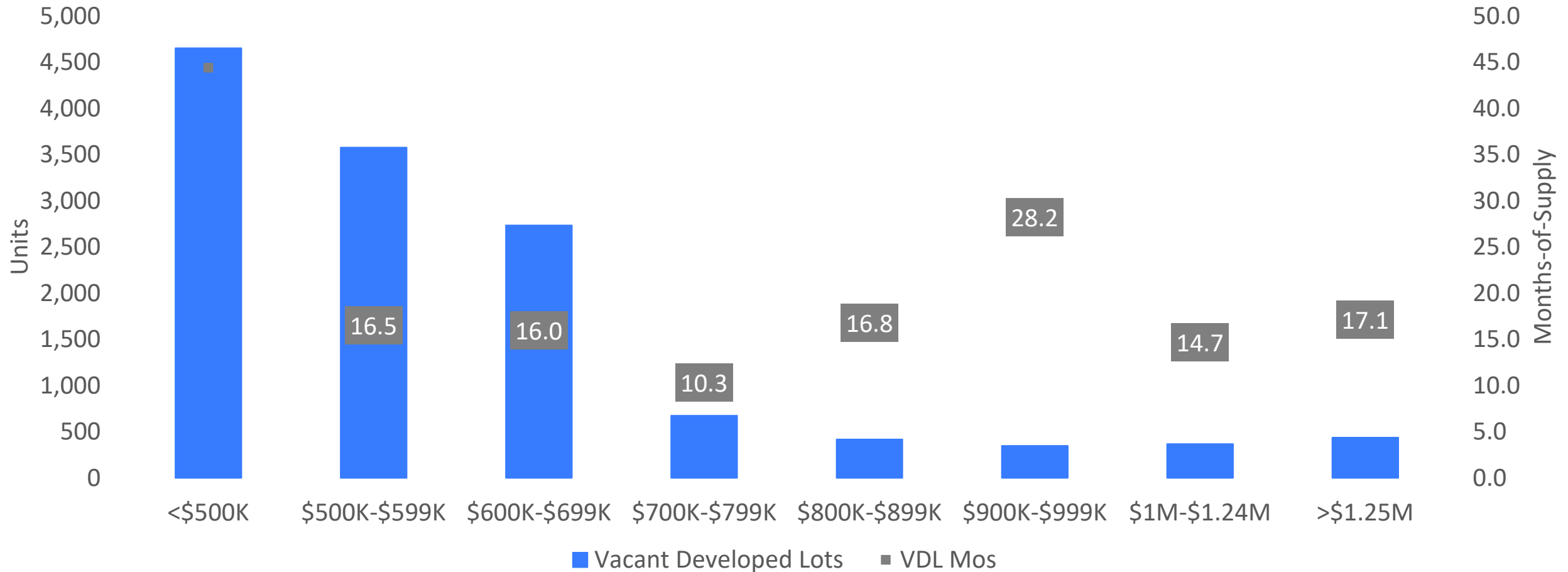


# In-Demand Segments are undersupplied, keeping prices elevated



# Price segments focused on attainability are still limited

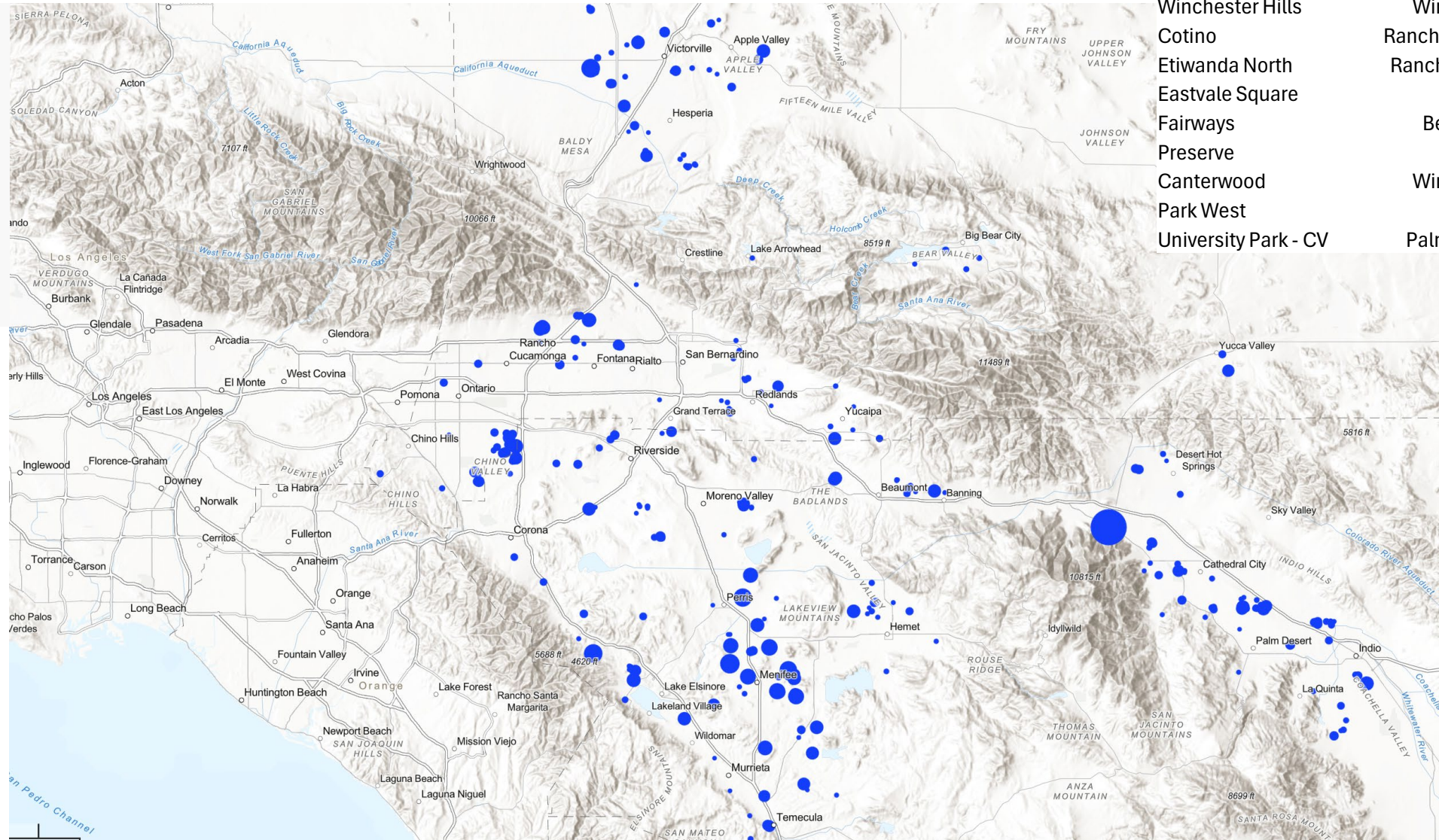
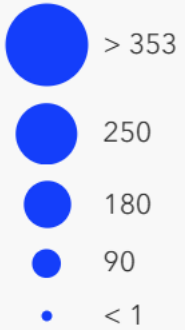
## Vacant Developed Lots by Price Market



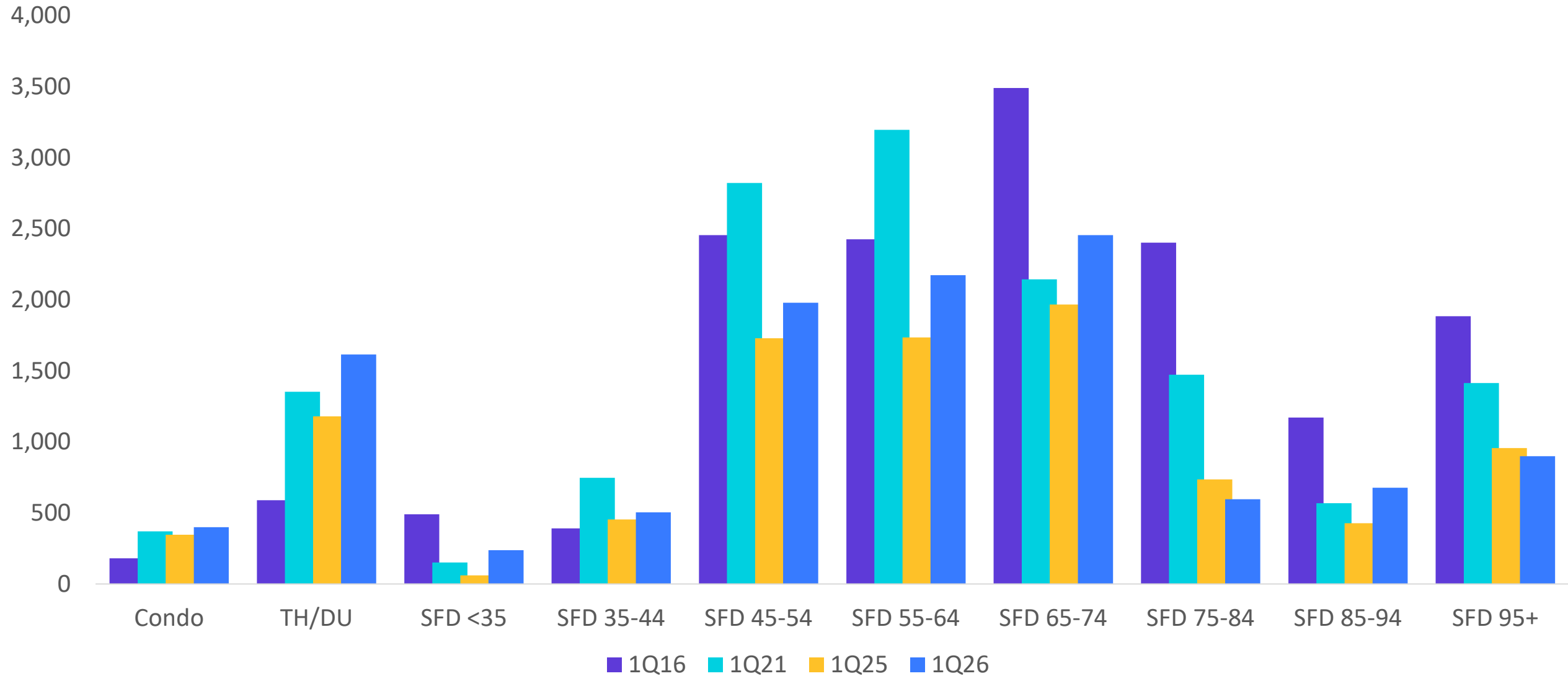
# Concentrations of VDL clustered

Planned Community	City	Vacant Developed Lots
Ontario Ranch	Ontario	762
Winchester Hills	Winchester	662
Cotino	Rancho Mirage	352
Etiwanda North	Rancho Cuca.	349
Eastvale Square	Eastvale	339
Fairways	Beaumont	335
Preserve	Chino	316
Canterwood	Winchester	256
Park West	Perris	253
University Park - CV	Palm Desert	248

Vacant Developed Lots

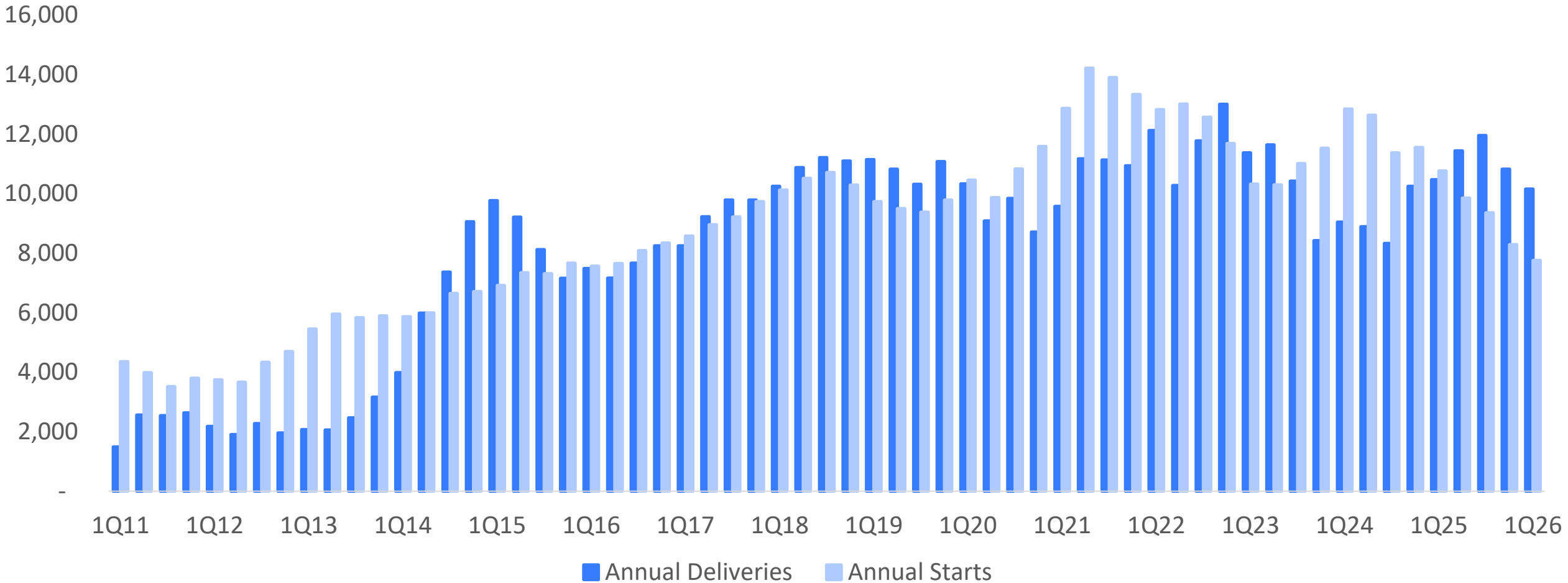


# Vacant Developed Lots share is increasing in the townhome product

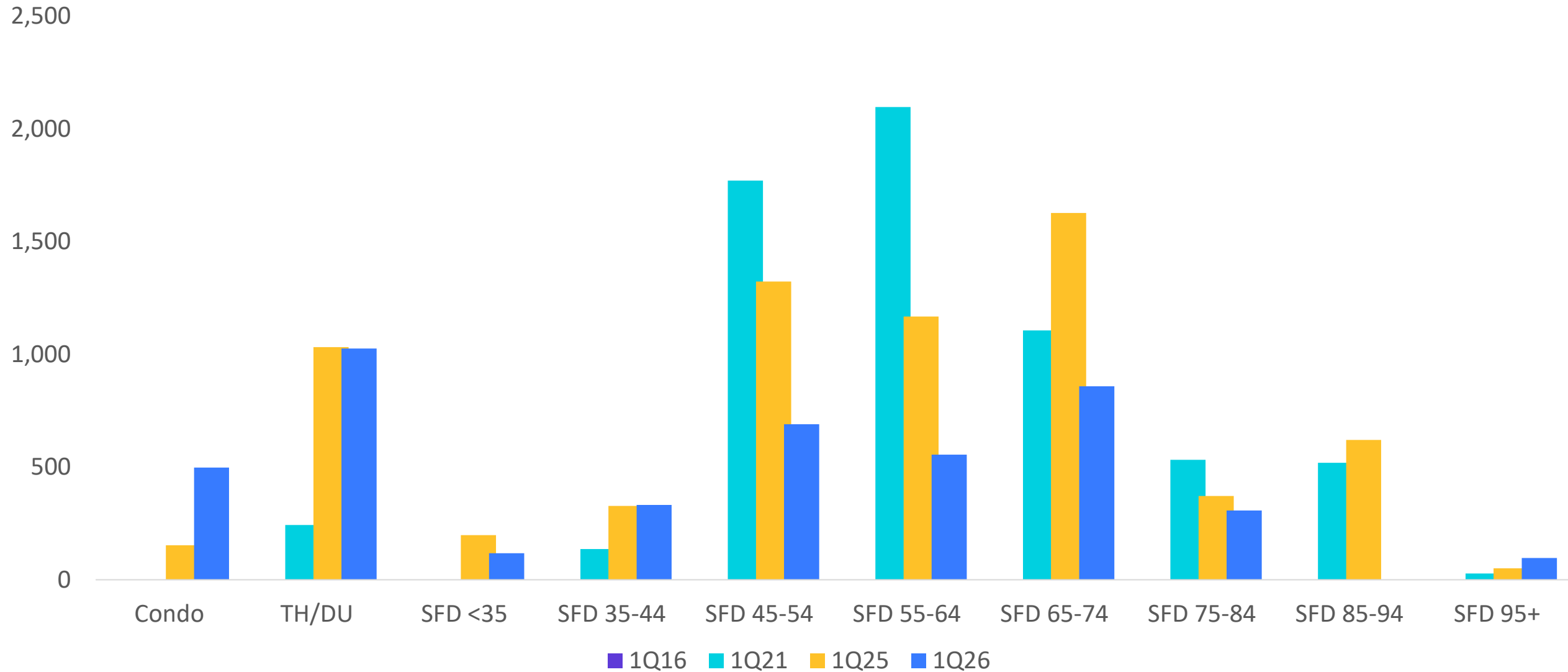


# Annual Deliveries have been out-pacing starts increasing inventory

Annual Starts & Lot Deliveries  
Market

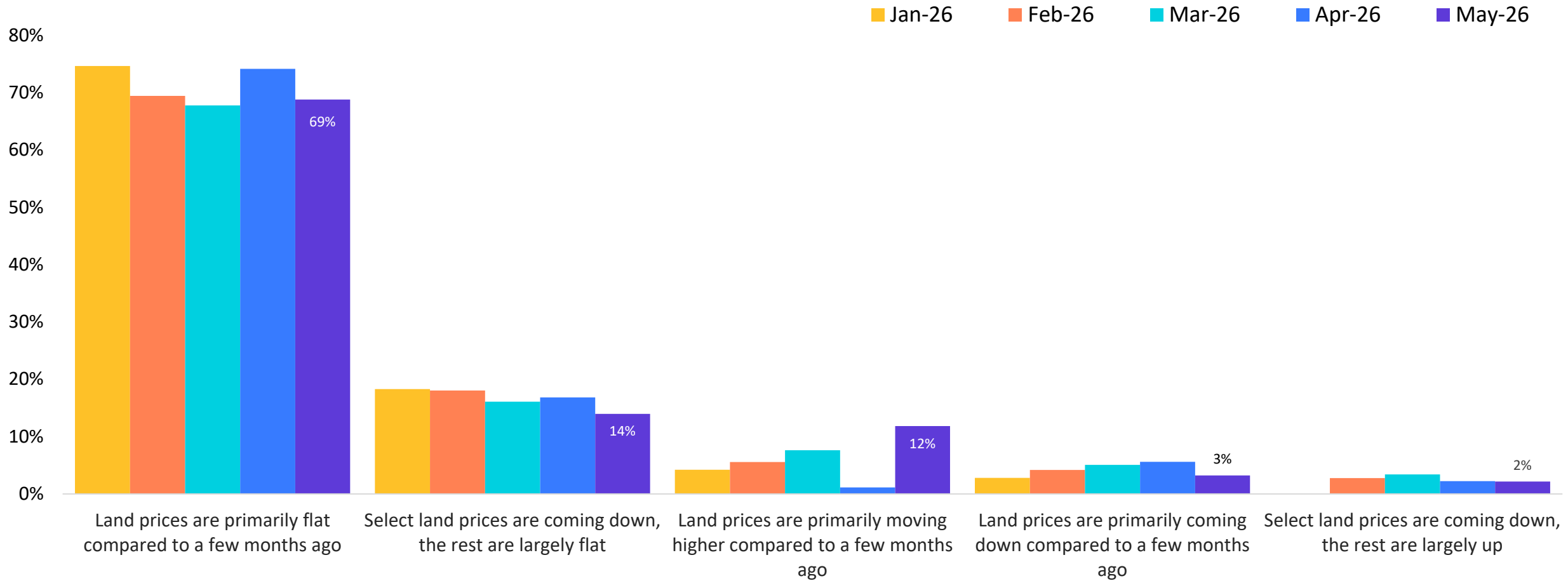


# Limited lots under development will keep prices high



# Land prices still aren't experiencing downward pressure

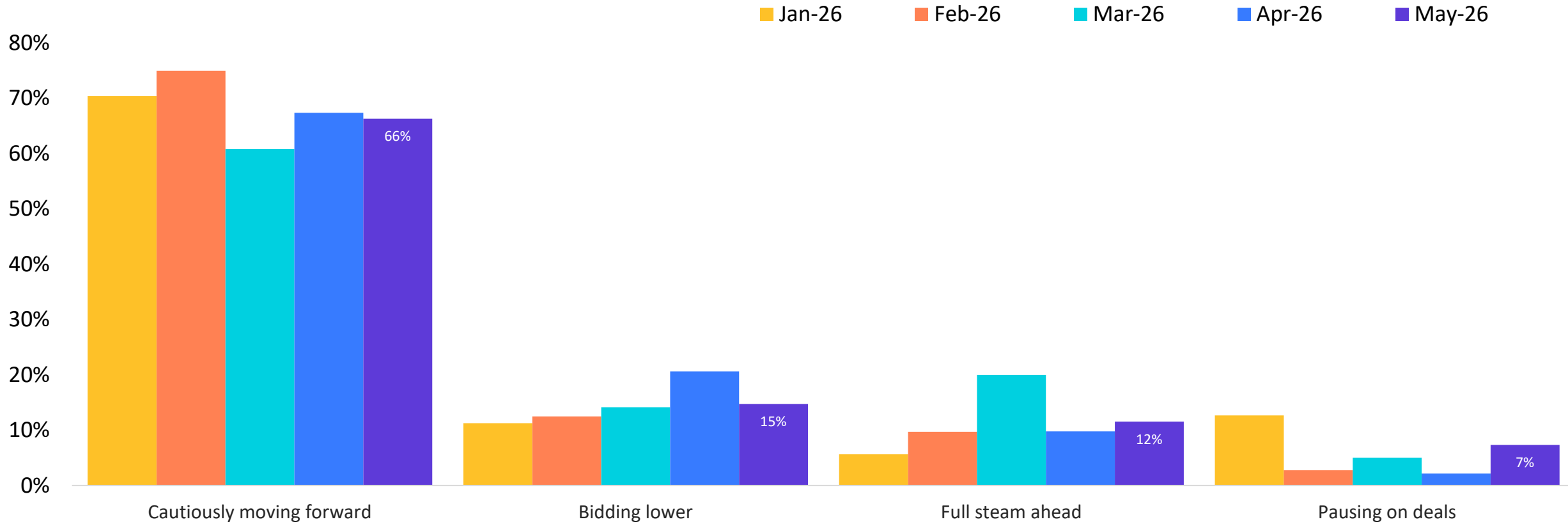
What are you seeing with land prices?



Source: Zonda

# Builders are becoming more cautious with land and lowering bids

How are you thinking about your land acquisition strategy?

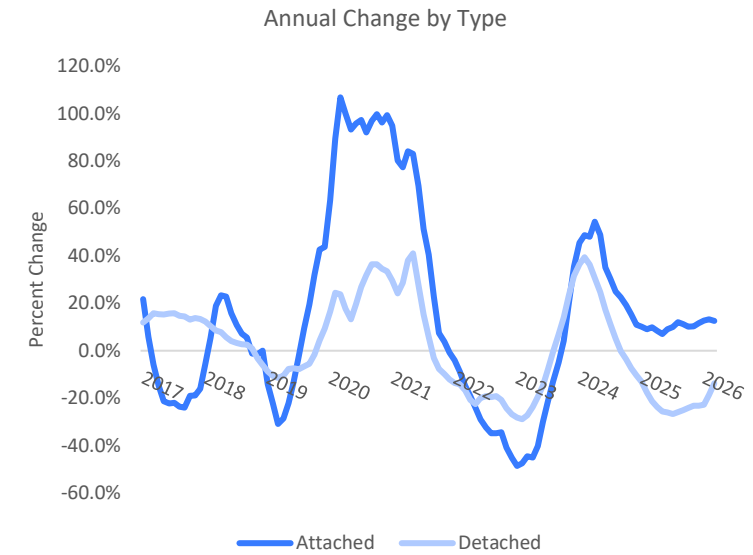
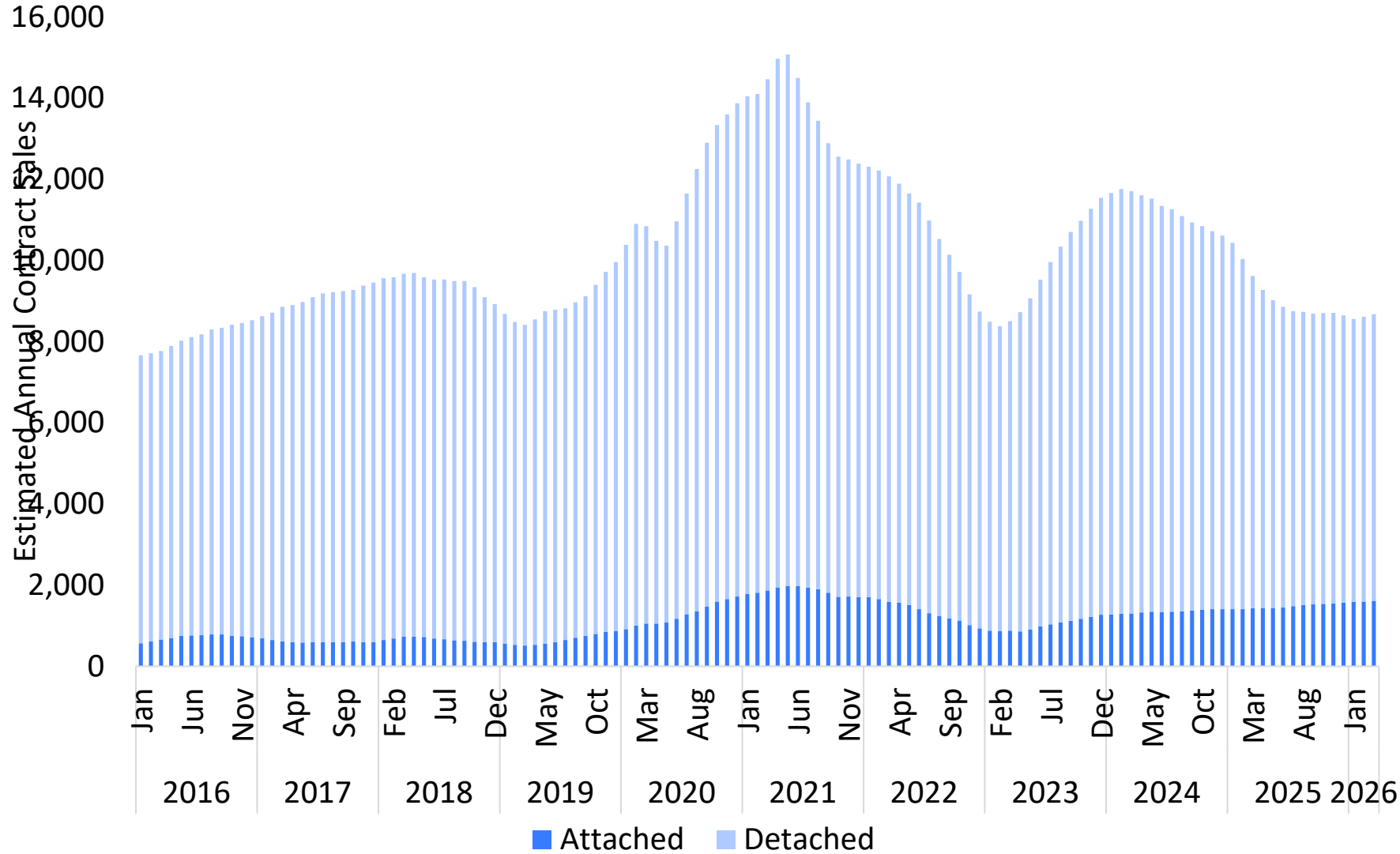


Source: Zonda

# For-Sale Market – Demand

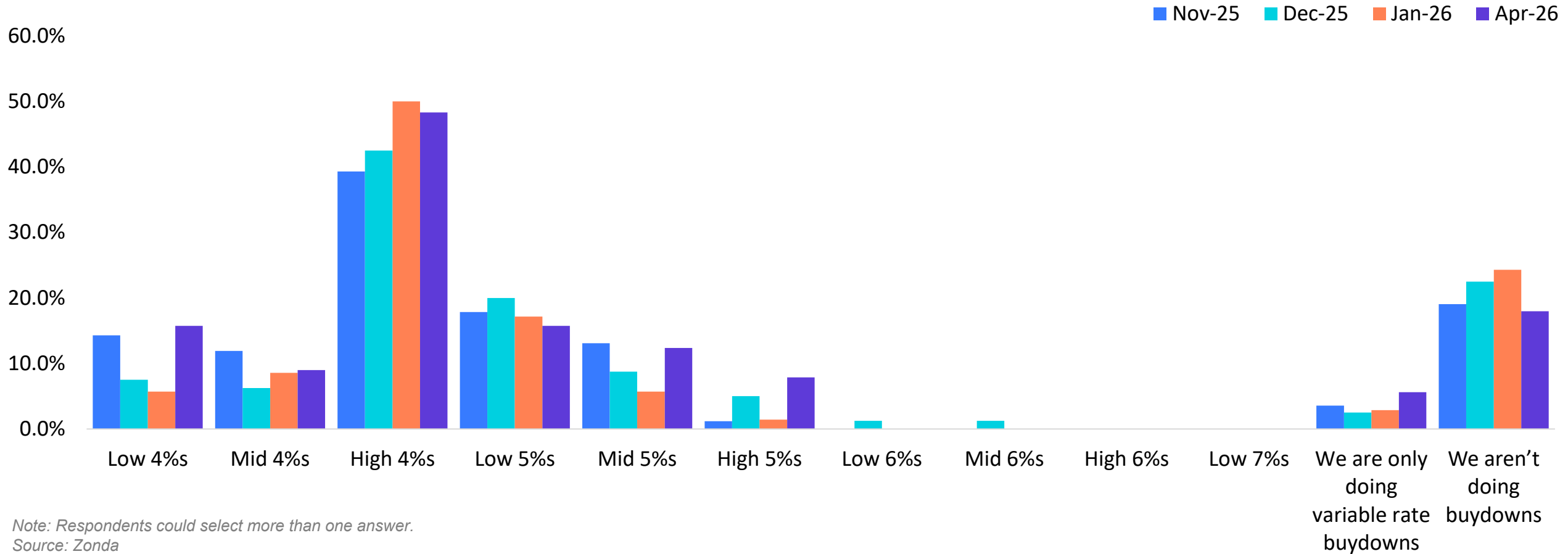


# Annual Contract Sales started to show upward trends in 2026



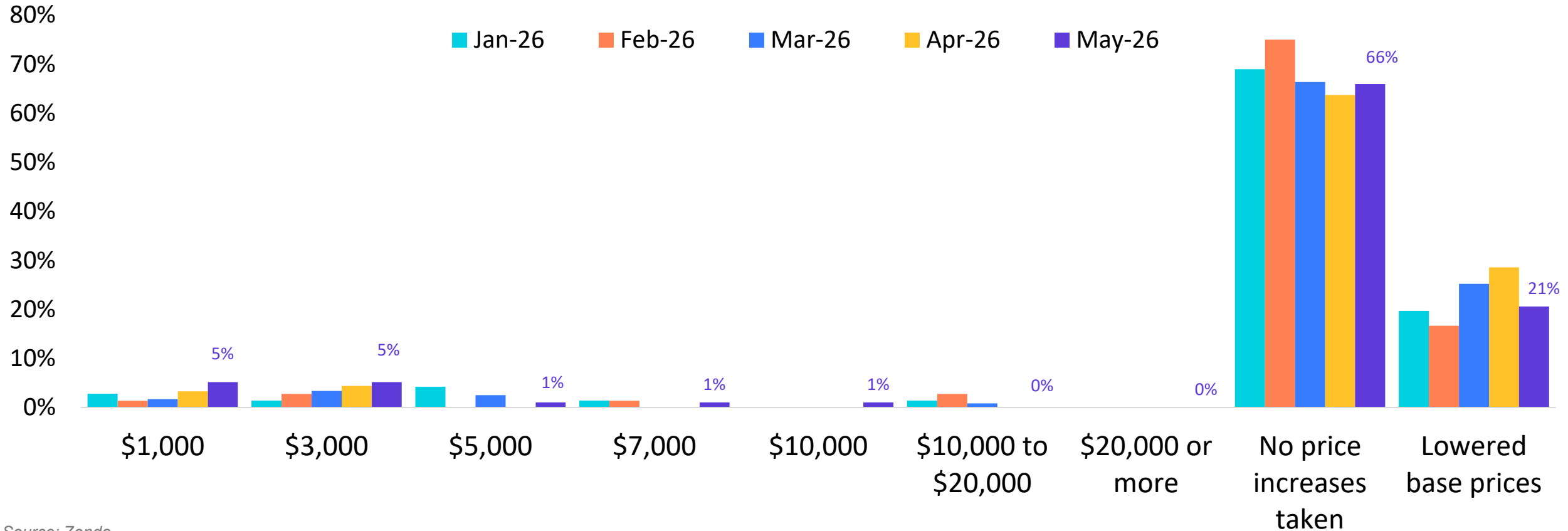
# Buydowns are pushing into the 4's that will increase attainability

If you are offering mortgage rate buydowns, what rate are you willing to pay for and able to get for FIXED RATES mortgages? Please select all that apply.



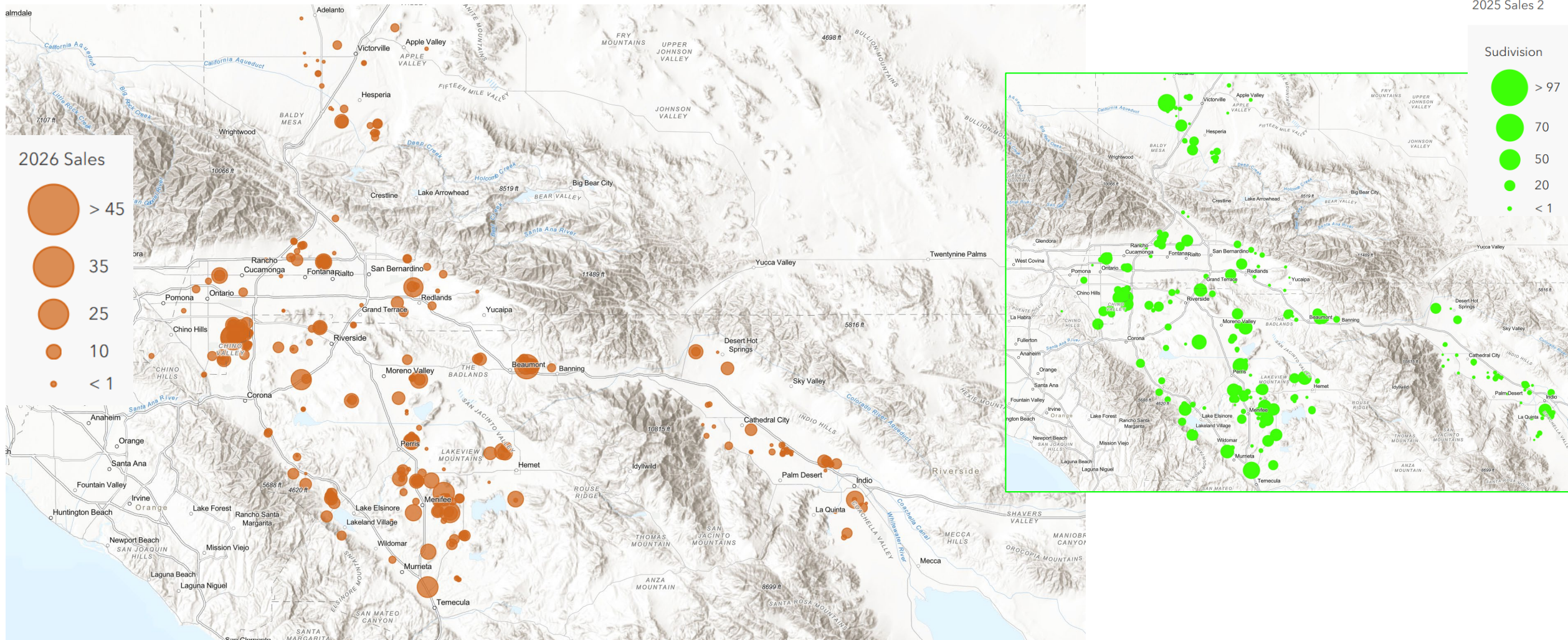
# More are lowering base prices

For those builders that took base price increases on average how much did you raise base prices?

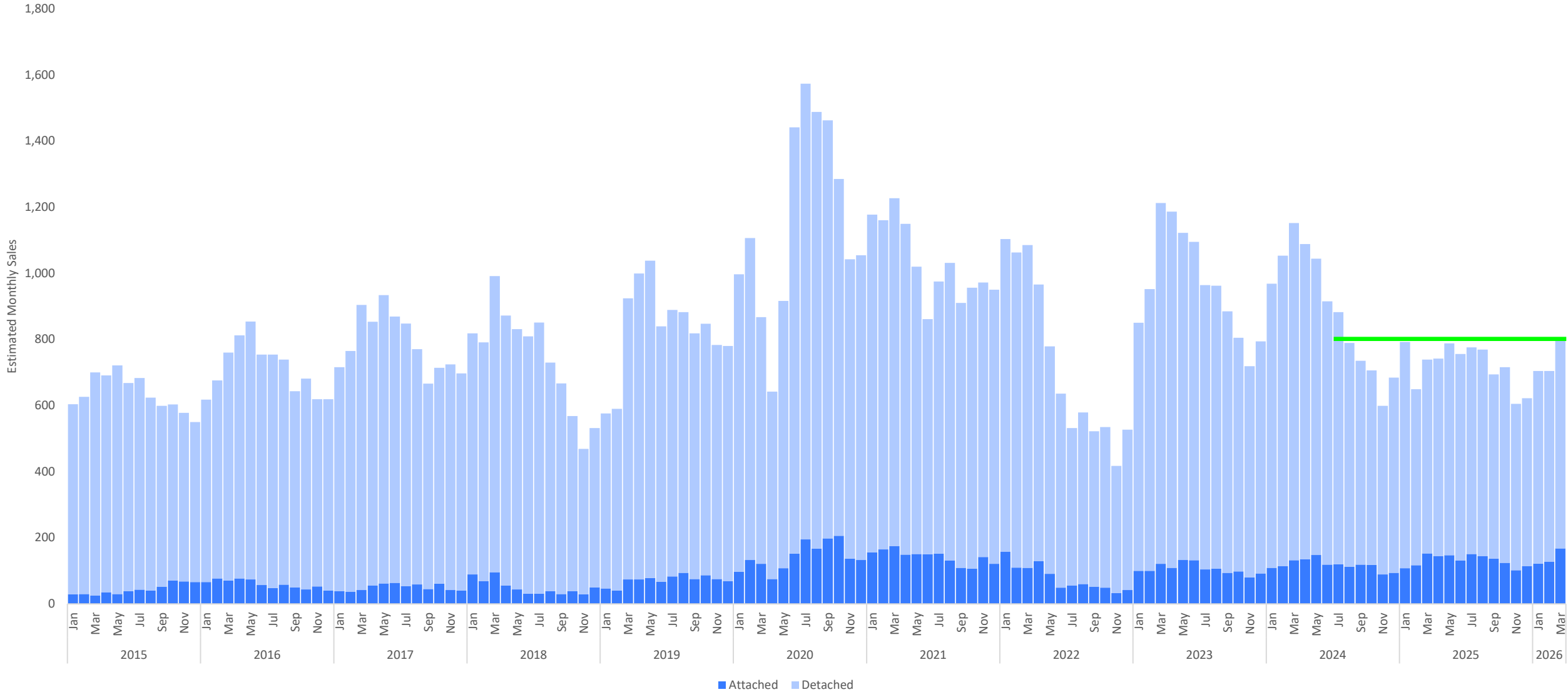


Source: Zonda

# Sales are centering in the Menifee and Ontario area in 2026 so far

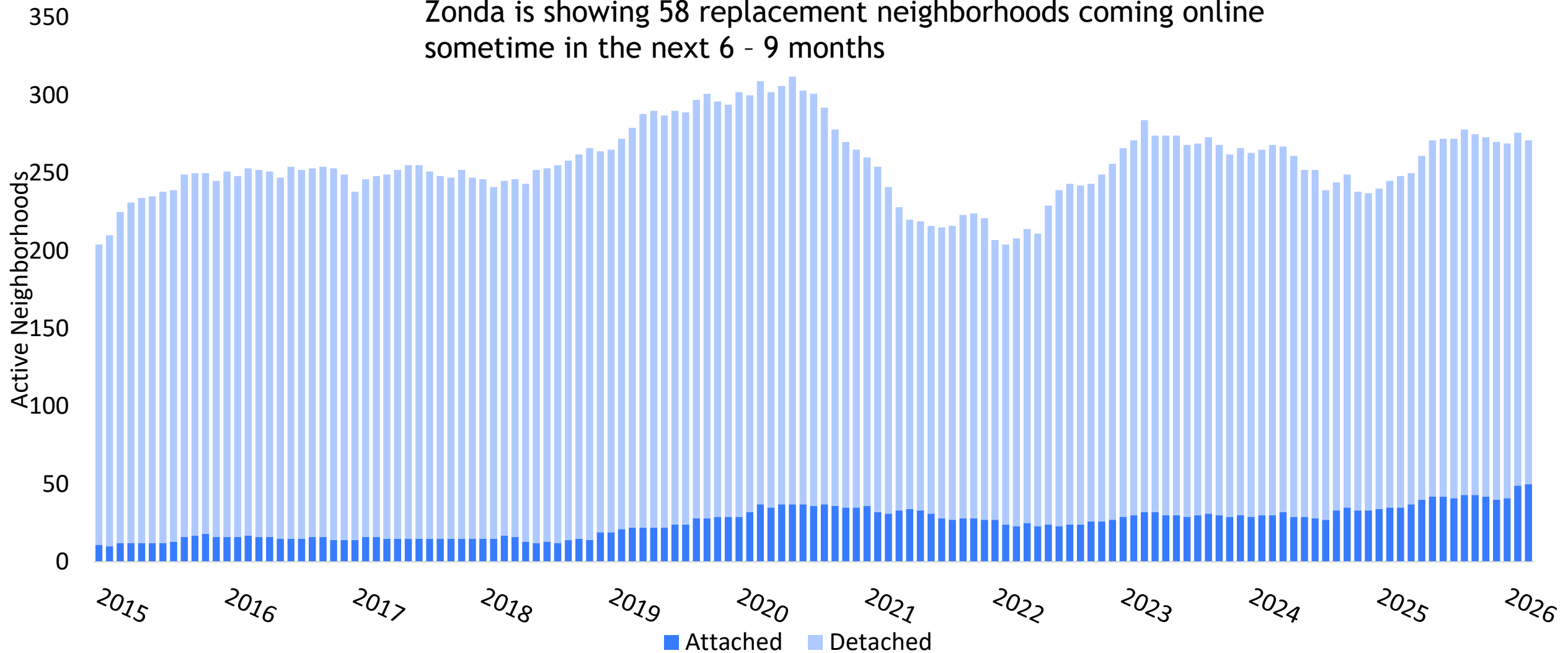


# March 2026 saw the largest number of sales since July 2024

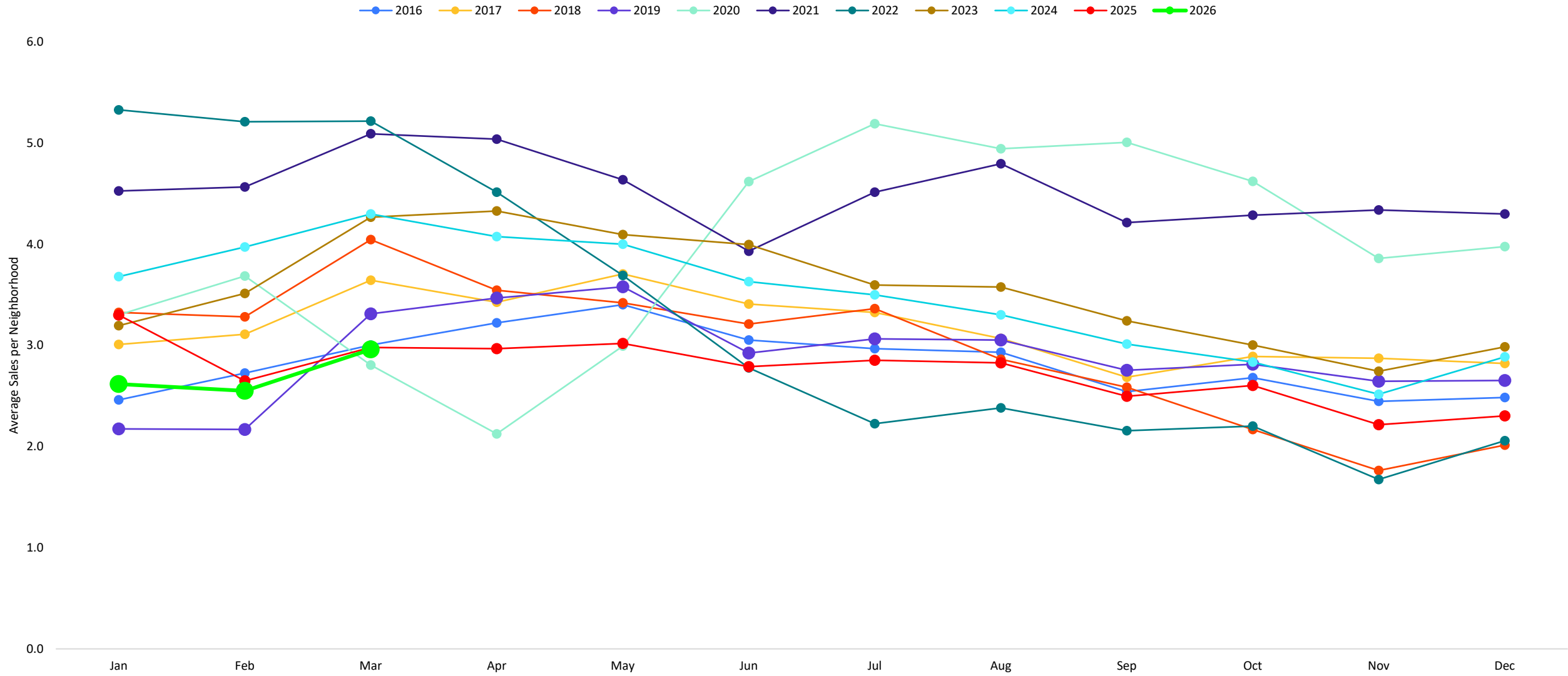


# Active Neighborhoods – 56 of 275 have less than 10 units

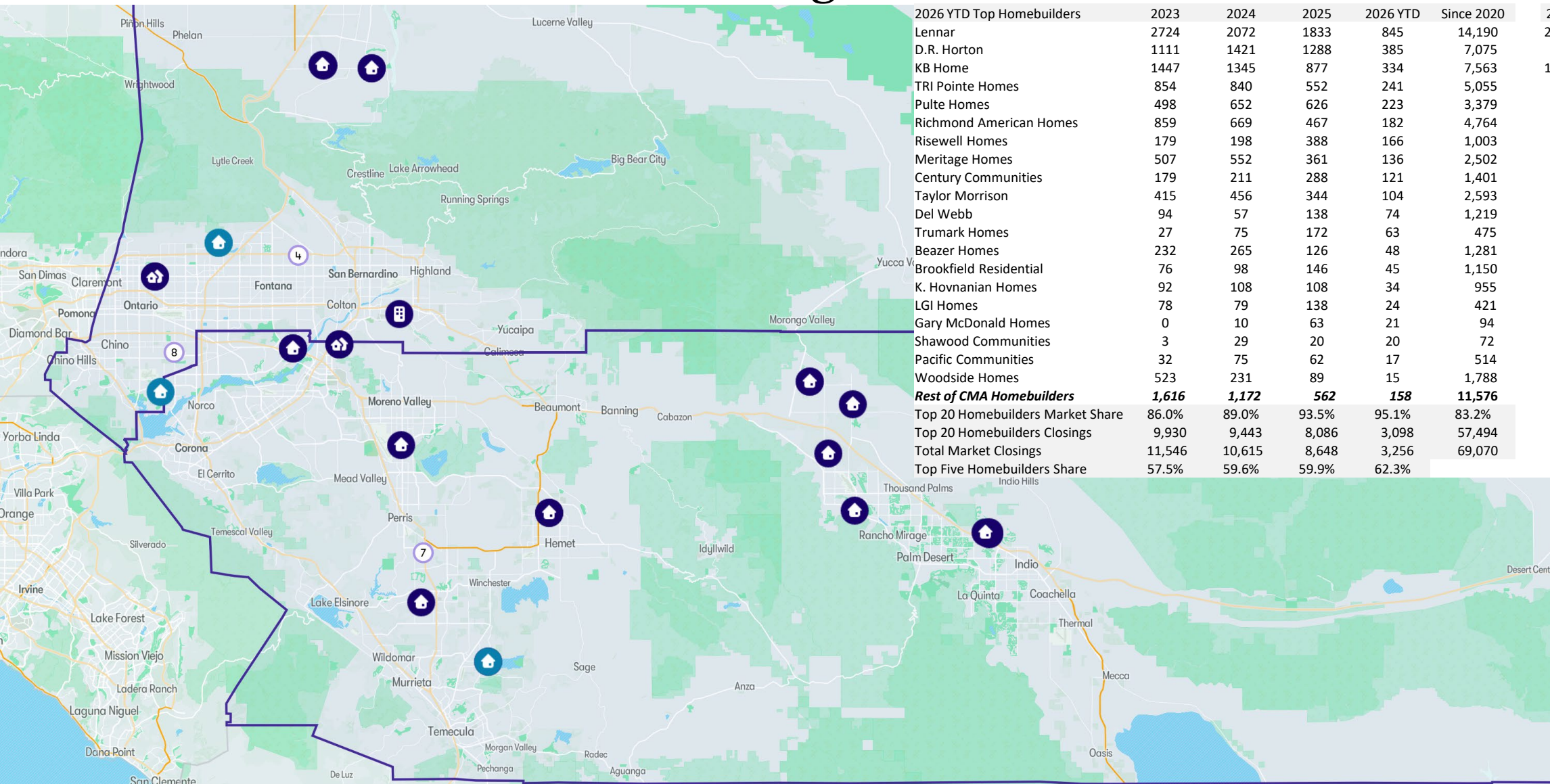
Zonda is showing 58 replacement neighborhoods coming online sometime in the next 6 - 9 months



# Average sales per neighborhood are still compressed



# Lennar Homes continues to reign over the market



2026 YTD Top Homebuilders	2023	2024	2025	2026 YTD	Since 2020	2023	2024	2025	2026 YTD
Lennar	2724	2072	1833	845	14,190	23.6%	19.5%	21.2%	26.0%
D.R. Horton	1111	1421	1288	385	7,075	9.6%	13.4%	14.9%	11.8%
KB Home	1447	1345	877	334	7,563	12.5%	12.7%	10.1%	10.3%
TRI Pointe Homes	854	840	552	241	5,055	7.4%	7.9%	6.4%	7.4%
Pulte Homes	498	652	626	223	3,379	4.3%	6.1%	7.2%	6.8%
Richmond American Homes	859	669	467	182	4,764	7.4%	6.3%	5.4%	5.6%
Risewell Homes	179	198	388	166	1,003	1.6%	1.9%	4.5%	5.1%
Meritage Homes	507	552	361	136	2,502	4.4%	5.2%	4.2%	4.2%
Century Communities	179	211	288	121	1,401	1.6%	2.0%	3.3%	3.7%
Taylor Morrison	415	456	344	104	2,593	3.6%	4.3%	4.0%	3.2%
Del Webb	94	57	138	74	1,219	0.8%	0.5%	1.6%	2.3%
Trumark Homes	27	75	172	63	475	0.2%	0.7%	2.0%	1.9%
Beazer Homes	232	265	126	48	1,281	2.0%	2.5%	1.5%	1.5%
Brookfield Residential	76	98	146	45	1,150	0.7%	0.9%	1.7%	1.4%
K. Hovnanian Homes	92	108	108	34	955	0.8%	1.0%	1.2%	1.0%
LGI Homes	78	79	138	24	421	0.7%	0.7%	1.6%	0.7%
Gary McDonald Homes	0	10	63	21	94	0.0%	0.1%	0.7%	0.6%
Shawood Communities	3	29	20	20	72	0.0%	0.3%	0.2%	0.6%
Pacific Communities	32	75	62	17	514	0.3%	0.7%	0.7%	0.5%
Woodside Homes	523	231	89	15	1,788	4.5%	2.2%	1.0%	0.5%
<b>Rest of CMA Homebuilders</b>	<b>1,616</b>	<b>1,172</b>	<b>562</b>	<b>158</b>	<b>11,576</b>				
<b>Top 20 Homebuilders Market Share</b>	<b>86.0%</b>	<b>89.0%</b>	<b>93.5%</b>	<b>95.1%</b>	<b>83.2%</b>				
<b>Top 20 Homebuilders Closings</b>	<b>9,930</b>	<b>9,443</b>	<b>8,086</b>	<b>3,098</b>	<b>57,494</b>				
<b>Total Market Closings</b>	<b>11,546</b>	<b>10,615</b>	<b>8,648</b>	<b>3,256</b>	<b>69,070</b>				
<b>Top Five Homebuilders Share</b>	<b>57.5%</b>	<b>59.6%</b>	<b>59.9%</b>	<b>62.3%</b>					

# On the Horizon

(Source: Zonda)



# Moving Forward – Turbulent 2026 before Picking up in 2027 Onward

- Inland Empire has conservative economics with a strong need for household creation
- Delta between Resale and New Homes is still tight making new homes attractive and values high
- Contract sales are showing some upward trends, showing increasing demand prior to April/May
- Housing inventory levels are within historical norms
- Vacant Developed Lots are needed in in-demand segments, keeping those LOT prices elevated
- Builders are slowly shifting lot sizes and homes, but are missing segments, keeping most price segments high
- **Demographics support growth, and consumer confidence can turn quickly**

# Forecast: A choppiier market than hoped

Original forecast was before Iran, higher mortgage rates, higher oil and gas prices, softer sales, and the slower labor market...

## Economic Projections in Zonda Forecast

	2022	2023	2024	2025E	2026P
30 Yr FRM	5.3%	6.8%	6.7%	6.6%	6.1%
Home Price Change (Case Shiller)	14.8%	2.5%	5.1%	1.9%	0.9%
<b>Total Housing Starts</b>	<b>1,553</b>	<b>1,420</b>	<b>1,367</b>	<b>1,357</b>	<b>1,300</b>
Single Family Housing Starts	1,005	948	1,013	941	920
Multifamily Housing Starts	547	472	354	416	380

\*Includes an adjustment downward of -2.7% cumulatively due to income overstatement due to weighting/sampling issues in BLS and Census inputs

Sources: BLS, BEA, NAR, Federal Reserve Flow of Funds, Census, NAR, MBA, Fannie Mae, NY Federal Reserve, Freddie Mac

50% of builders think starts will rise in 2026 vs 2025 + 20% expect flat

# Regional and National Expert



**Evan Forrest**

Senior Vice President

[eforrest@zondahome.com](mailto:eforrest@zondahome.com)

(310) 980-5967

## RECENT ENGAGEMENTS

### **Land Plan Optimizations**

Land Plan Optimizations throughout the country to guide builders and developers on the highest and best use of properties

### **Metropolitan Improvement Districts**

Performed studies on Improvement Districts, assisting bonding work on developments

### **Commercial Real Estate Studies**

Determined the demand, type, and potential for various commercial real estate avenues.

| THANK YOU!