California: What Housing is Built, Where? PART 2 OF 2

QUICK FACTS:

From 1990 through 2018...

- Riverside and San Bernardino Counties' population grew by 109% and 53%, respectively.

- Housing construction in Riverside and San Bernardino has not increased proportionally to population growth. Riverside County experienced a 75% increase in home construction while San Bernardino only saw a 33% increase for the same period.

- Cities that saw the highest rates of housing construction in Riverside and San Bernardino County were Beaumont, Murrieta, Temecula and Chino Hills.

- 16 cities in the two county region had a housing construction rate of less than 20% including Rialto, Lake Elsinore, Upland and San Bernardino.

Introduction

Part 1 of this Issue Brief presented the unequal housing construction rates among southern California counties. We found that although coastal areas have generally returned to pre-recession housing production levels, inland communities, including Riverside and San Bernardino, have not. Riverside and San Bernardino housing construction growth remains slow, even though these areas have experienced a higher rate of population growth than their coastal counterparts.

In California: What Housing is Built, Where? Part 2 of 2, we continue to ask: what housing is built throughout the Inland Counties?

Methodology

In this brief, we provide an examination of housing construction and population growth in Riverside and San Bernardino Counties. To do this, we utilize data from the California Department of Finance, and the United States Census Bureau.

The California Department of Finance uses the Housing Unit

Method (HUM) to estimate total housing units, population, household size, occupied housing units and household population. The Housing Unit Method is the most-commonly used method for making smaller scale population estimates. The California Department of Finance makes Housing Unit Method estimates with annual housing data reported by local jurisdictions and the United States Census Bureau. This data includes new construction numbers and annexations in addition to lost and demolished units. This housing unit estimate includes total stock of completed housing units, including vacant and seasonal units.

Population estimates are adapted from the United States Census Bureau population data and estimates.

Results

According to the United States Census Bureau, since 1990 California's population has increased by 33%. During the same period, Riverside County experienced population growth at a significantly higher rate. From 1990 to 2018, Riverside County's population grew by 109%, from 1,170,413 to 2,450,728 residents. Compared to Riverside, San Bernardino

County had a lower rate of growth. From 1990 to 2018 San Bernardino's population grew by 53%, from 1,418,380 to 2,171,603. Both Inland Counties' population growth rate was well above the rate in Los Angeles, Orange and San Diego Counties. Figure 1.1 shows the population growth rates by percentage for six southern California counties.
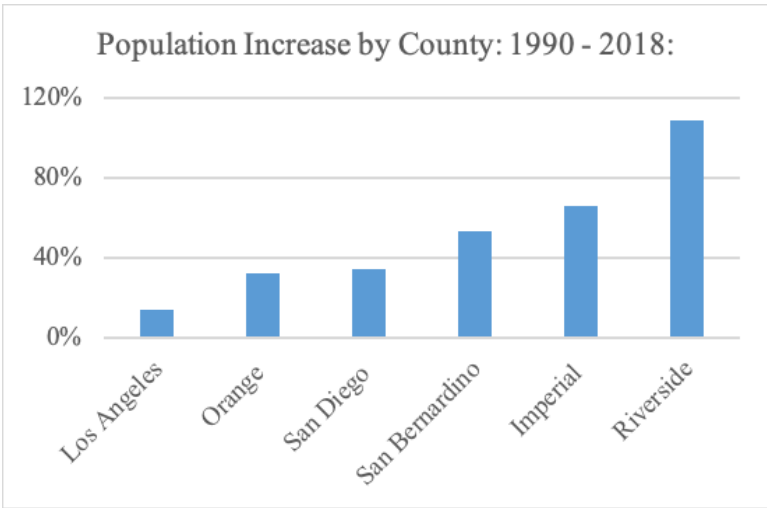

Figure 1.1: Adapted from United States Census Bureau

This distribution of population growth contrasts with the rate of housing construction in these same areas. While San Bernardino, Imperial and Riverside Counties have experienced the largest population growth by percentage, housing construction in these counties lags behind other parts of southern California. Figures 1.2 – 1.4 compare housing production and population growth in Riverside, Los Angeles and San Bernardino Counties.
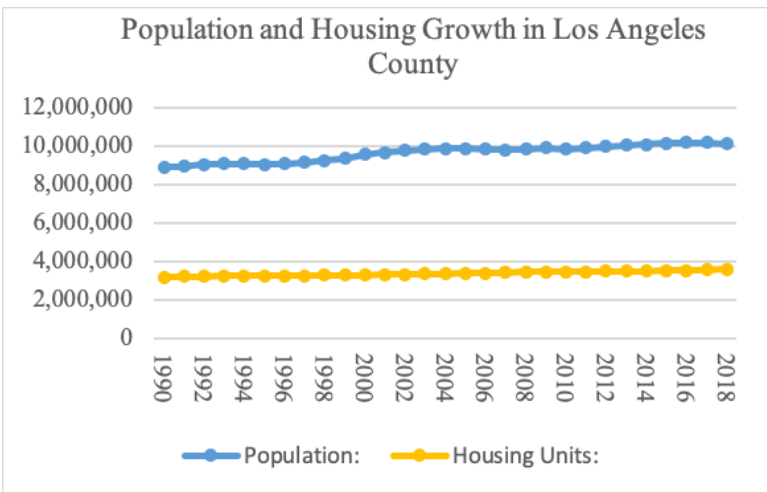

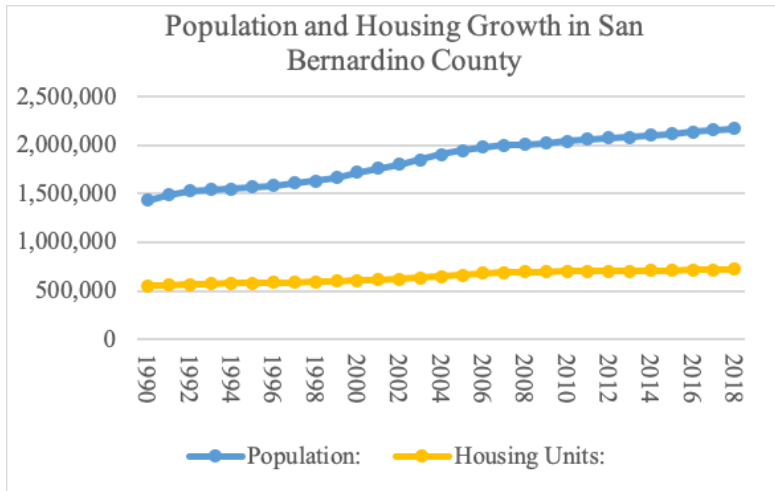Figure 1.2: Population Growth and Housing Production in Los Angeles County

Figure 1.3: Population Growth and Housing Production in San Bernardino County
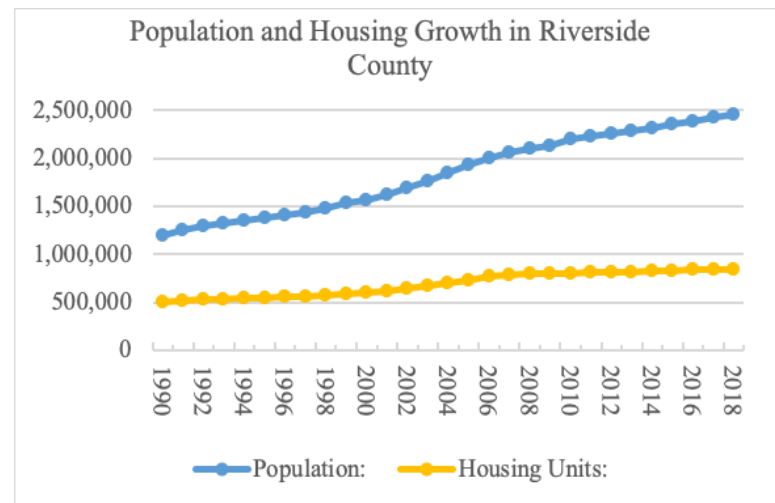

Figure 1.4: Population Growth and Housing Production in Riverside County

As demonstrated by figures 1.2 - 1.4, Los Angeles County's population and housing growth have remained relatively parallel, yet in Riverside and San Bernardino Counties population growth has outpaced housing production. The disparity between population and housing units is particularly evident in Riverside County. In 1990, there was approximately 1 housing unit for every 2.4 residents in Riverside County. By 2018, the number of residents per unit had risen to almost 2.9. In Los Angeles County from 1990 to 2018, the number of residents per unit remained stagnant at 2.8. The disparity between population and housing units in the Inland region is likely to become worse unless housing development increases on a significant scale.

The rate of housing production in Riverside and San Bernardino Counties appears to be area dependent. From 1990 to 2018, Riverside and San Bernardino Counties had 14 cities

with a housing growth rate of 100% or more. However, the two-county region also had 16 cities with a growth rate of less than 20% for the same time period. Beaumont had the highest housing production rate: over the past 30 years, Beaumont has produced 12,562 new housing units, a 338% growth rate. Conversely, Canyon Lake, had the lowest production rate, at 0%. From 1990 to 2018 Canyon Lake produced 8 new units. Full housing production statistics can be found in Appendix 1.

In general, cities with the highest housing production growth rates were located outside of more-established job and transportation networks. Many of the cities producing the most housing during this 30-year period are exurban style communities like Beaumont, Murrieta, and Temecula. Additionally, the Palm Springs-Coachella Valley region has five cities with a housing production growth rate of over 100% since 1990. More established cities including Riverside, San Bernardino and Ontario, all have experienced housing production growth rates of less than 30%.

References

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Appendix 1 on the next page.

Appendix 1

City:	Number Built:	Average Annual Percent Growth:	Percent Growth (since 1990 or Incorporation):
Beaumont	12,562	11.26%	338%
La Quinta	18,338	9.51%	285%
Murrieta	27,168	10.00%	280%
Adelanto	6,776	8.20%	246%
Temecula	25,861	8.09%	243%
Coachella	6,722	5.85%	176%
Chino Hills	10,973	6.21%	174%
Eastvale	11,843	18.78%	169%
Perris	11,541	4.94%	148%
Indio	19,224	4.91%	147%
Victorville	22,363	4.77%	143%
San Jacinto	8,895	4.33%	130%
Desert Hot Springs	6,180	3.75%	112%
Palm Desert	20,333	3.71%	111%
Blythe	2,559	2.93%	88%
Fontana	25,562	2.90%	87%
Corona	22,954	2.89%	87%
Hemet	16,330	2.76%	83%
Indian Wells	2,346	2.59%	78%
Hesperia	12,534	2.41%	72%
Rancho Cucamonga	23,032	2.11%	63%
Twentynine Palms	3,723	2.08%	62%
Apple Valley	10,328	2.06%	62%
Rancho Mirage	5,236	1.86%	56%
Chino	8,951	1.85%	55%
Moreno Valley	19,060	1.67%	50%
Banning	3,871	1.56%	47%
Yucaipa	6,046	1.41%	42%
Cathedral City	6,091	1.33%	40%
Loma Linda	2,756	1.30%	39%
Highland	4,262	1.13%	34%
Calimesa	973	1.06%	32%
Yucca Valley	2,072	0.96%	27%

Appendix 1 (continued)

City:	Number Built:	Average Annual Percent Growth:	Percent Growth (since 1990 or Incorporation):
Norco	1,541	0.89%	27%
Riverside	20,500	0.87%	26%
Needles	560	0.80%	24%
Ontario	8,118	0.64%	19%
Montclair	1,629	0.61%	18%
Palm Springs	5,383	0.59%	18%
Redlands	3,855	0.55%	17%
Menifee	4,848	1.45%	16%
Grand Terrace	646	0.53%	16%
Big Bear Lake	1,363	0.53%	16%
Lake Elsinore	2,288	0.52%	16%
Rialto	3,714	0.52%	16%
Upland	3,431	0.47%	14%
Barstow	1,134	0.44%	13%
Colton	1,725	0.39%	12%
San Bernardino	6,645	0.38%	11%
Wildomar	883	0.73%	8%
Jurupa Valley	1,763	0.88%	7%
Canyon Lake	8	0.01%	0%