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What the Indio Market Holds for MF

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Mogharebi:

“There is a secular growth trend in the area fueled by the aging Baby-Boomer population that finds Indio attractive due to its relative affordability and its warm weather.”

INDIO, CA—Indio is one of the most populous cities in the [Coachella Valley](#), and there is an increasing amount of activity in the area because of growing festival activity, the [Mogharebi Group](#)'s president **Alex Mogharebi** tells GlobeSt.com. The firm recently completed the sale of **Mountain View Cottages**, a 311-unit [apartment](#) community located on Arabia St. here, on behalf of the buyer, a Simi Valley-based private investor. The property sold with multiple offers for \$15.5 million.

We spoke with Mogharebi about the Indio **multifamily** market and what tenants and investors in this market seek.

GlobeSt.com: How would you characterize the Indio multifamily market?

Mogharebi: Indio is also the most populous city in Coachella Valley. It has a population of more than 85,000 people that is expected to rise to more than 140,000 by 2030, reflecting an annual growth rate of almost 6% per year that is significantly above the national average at 1%. Multifamily properties represent a relatively small market share at approximately 25% of residential units. The Indio submarket comprises mostly **workforce housing, senior housing, affordable housing** and short-term rentals (for snowbirds). There is increasing amount of activity in the area because of growing festival activity. There is also a secular growth trend in the area fueled by the aging **Baby-Boomer** population that finds Indio attractive due to its relative **affordability** and its warm weather.



The Mogharebi

Group saw opportunity in Mountain View Cottages.

GlobeSt.com: Who are the typical multifamily tenants there, and what are they seeking in an apartment?

Mogharebi: Workforce tenants comprise the largest portion of the market. They are employed mostly in the **retail, education, construction** and **leisure** sectors. These tenants like a functional design and a large unit size that can accommodate a family at a reasonable price. Unit amenities such as washer/dryer and multiple bathrooms and common-area amenities such as a swimming pool and fitness gym are in demand as well.

Seniors are typically retired and have their primary residence here, while short-term rental tenants or live within three hours of the area and have second homes here. They like discretionary finishes such as granite countertops, while a large unit size is less important.

GlobeSt.com: What does the investment market there look like?

Mogharebi: Recently, Indio has been a strong investment market due to increased demand from the growing number of festivals here that include the **Coachella Music Festival, Stagecoach** and **Desert Trip** (the newest addition). These events attract more than 12 million visitors annually, who generate more than \$4 billion per year and employ more than 19,000 people here. Due to the aging Baby-Boomer population, there is also the secular growth trend in senior housing. These new demand drivers represent a shift from the old normal, where

Indio was a slow-growth market that attracted investors seeking higher yields. It now represents a solid growth opportunity in addition to providing value.

GlobeSt.com: What else should our readers know about the Indio multifamily market?

Mogharebi: Despite the increased investment demand, Indio still offers investors an opportunity to acquire properties at a lower price on a pound-for-pound basis and still receive higher yields than are available in the primary markets to the west. There are approximately 25 million people within a 2.5-hour drive of Indio, making it a convenient getaway and retirement area. Thus, Indio's long-term growth rate is stronger than average due to the expected growth in retirees and vacationers.

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