

Industrial Market Outlook

Inland Empire Q2 2025

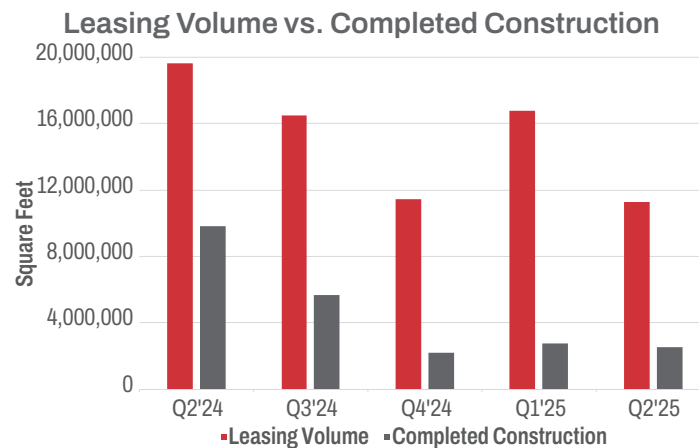
MARKET STATISTICS*

Submarket	Existing Total RBA (SF)	Under Construction (SF)	Total Available (%)	Total Vacancy (%)	Leasing Volume (SF)	YTD Leasing Volume (SF)	Sales Volume (SF)	YTD Sales Volume (SF)	Average Asking Rent (\$/SF NNN)	Average Sale Price (\$/SF)
East	323,009,836	4,589,851	14.8%	10.8%	3,887,623	9,851,614	756,775	1,799,196	\$0.98	\$270
High Desert	31,037,592	3,707,135	15.9%	11.0%	61,987	1,373,966	118,324	195,774	\$1.08	\$127
South	23,006,980	162,317	8.7%	4.2%	151,921	535,255	78,831	374,253	\$1.28	\$250
West	369,296,970	5,756,934	10.2%	6.2%	7,182,537	16,287,819	661,205	1,106,457	\$1.06	\$302
Inland Empire	746,351,378	14,216,237	12.4%	8.4%	11,284,068	28,048,654	1,615,135	3,475,680	\$1.03	\$270

* RBA includes industrial buildings of all sizes. Rents reflect buildings of 10,000 square feet or greater.

LEASING TRENDS

Leasing volume decreased 32.7% in Q2 compared to Q1 2025 and was down 14.9% year to date from 2024. Approximately 5.3 million square feet of new space was added year to date—a 71.1% decline from the same period last year—highlighting the broader slowdown in completed construction. Over the past five quarters, 22.9 million square feet has been completed.



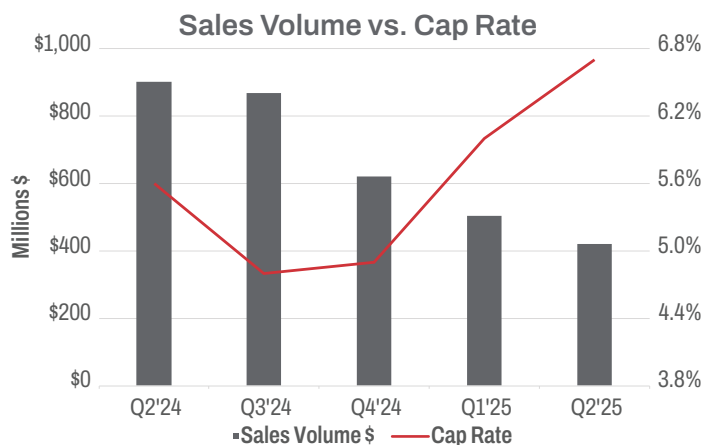
Select Lease Transactions

Address	City	Submarket	Square Feet
120 S Cedar Ave	Rialto	East	715,433*
21800 Authority Way	Riverside	East	620,000*
5650 Santa Ana St	Ontario	West	615,640
15207 Flight Ave	Chino	West	600,000**
15097 Van Vliet Ave	Chino	West	505,735*

*Renewal **Sublease

SALES TRENDS

In Q2 2025, sales volume continued to decline, down 16.7% from the previous quarter, while total sales fell 27.1% year over year—reflecting weaker demand and ongoing pricing adjustments between buyers and sellers. The average cap rate rose 70 basis points from the prior quarter and was up 110 basis points year over year, reaching 6.7%.



Select Sales Transactions

Address	City	Submarket	Square Feet
11296 Harrel St - Building B-2	Jurupa Valley	East	353,361
Rochester Business Center*	Ontario	West	243,870
990 W Renaissance Pky - Link Logistics Ctr	Rialto	East	134,256
2688 W Baseline Ave	Rialto	East	90,726
525 Klug Cir	Corona	West	41,790

*Portfolio of 4 Properties Sold