

Industrial Market Outlook

Inland Empire Q3 2025

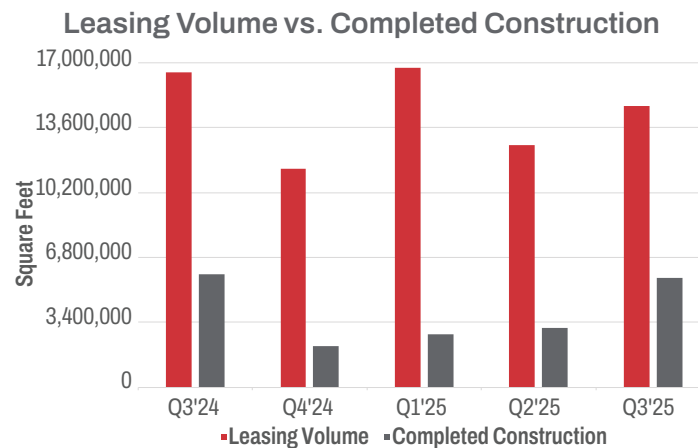
MARKET STATISTICS*

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	324,296,157	4,068,161	14.7%	10.7%	6,587,819	17,560,372	904,292	2,741,871	\$0.96	\$251
High Desert	31,009,834	4,123,273	14.1%	11.1%	1,111,647	2,485,613	139,946	335,174	\$1.03	\$81
South	373,655,459	1,908,600	10.4%	7.2%	6,746,028	23,264,126	194,795	576,786	\$1.23	\$188
West	366,388,190	9,443,046	11.4%	7.3%	7,758,072	23,652,772	847,175	1,943,112	\$1.05	\$272
Inland Empire	1,095,349,640	19,543,080	12.1%	8.4%	22,203,566	66,962,883	2,086,208	5,596,943	\$1.01	\$246

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

LEASING TRENDS

Leasing volume averaged 14.4 million square feet over the past five quarters, accelerating with a 16.2% quarter-over-quarter rise in Q3. This solid demand included new supply, as completed construction spiked 84.7% QoQ while developers raced to finish projects, despite the overall cycle starting to moderate (2.7% decrease compared to the Q3 2024 peak).



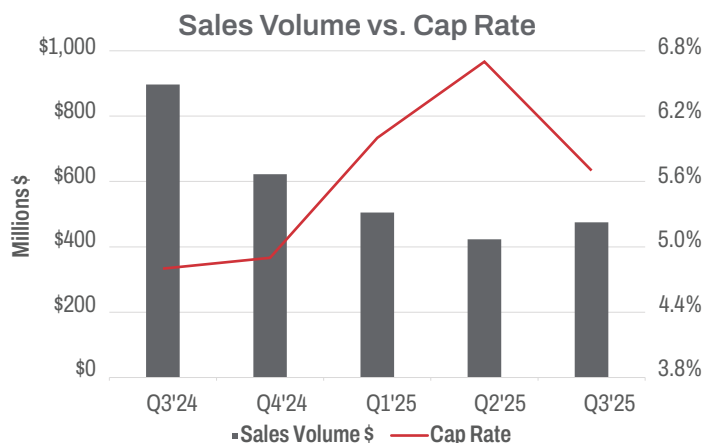
Select Lease Transactions

Address	City	Submarket	Square Feet
8130 Caliente Rd	Hesperia	High Desert	1,004,400
5690 Industrial Pky	San Bernardino	East	844,311
1300 California St*	Redlands	East	771,839
11991 Landon Dr	Jurupa Valley	East	765,456
11260 Cedar Ave	Bloomington	East	677,383

* Renewal

SALES TRENDS

In Q3 2025, sales volume increased 12.3% from Q2, yet it remained severely constrained overall, down 47.0% from last year. Market pricing reflected extreme volatility & a sharp correction: the average cap rate experienced a major quarterly compression, dropping 100 basis points from Q2. However, despite this large decline, the average cap rate remained elevated at 5.7%, still 90 basis points higher year-over-year.



Select Sales Transactions

Address	City	Submarket	Square Feet
22491 Harley Knox Blvd	Perris	East	348,375
720-780 S Milliken Ave (Portfolio)	Ontario	West	150,137
7190 Jurupa Ave	Riverside	East	111,725
4471 State St	Montclair	West	110,507
168 S Spruce Ave	Rialto	East	81,455