

Industrial Market Outlook

Inland Empire Q4 2025

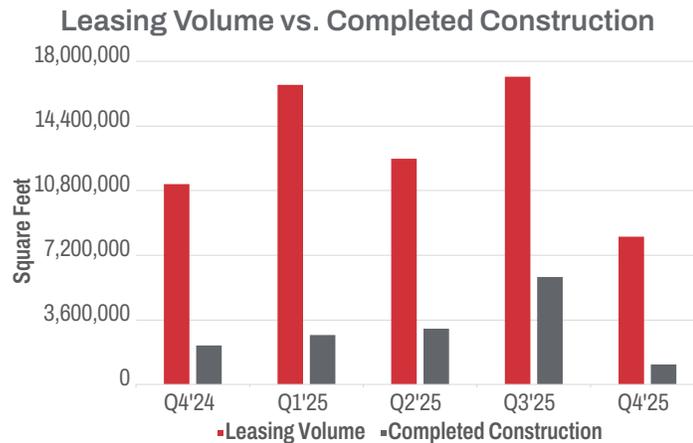
MARKET STATISTICS*

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	325,554,388	2,825,979	14.3%	10.5%	3,213,659	21,948,106	905,559	4,094,055	\$0.93	\$224
High Desert	31,032,319	4,133,273	14.2%	14.1%	54,664	2,545,277	80,846	283,466	\$0.98	\$227
South	24,015,739	1,926,398	14.4%	5.5%	107,353	911,666	281,210	993,088	\$1.16	\$135
West	373,971,972	2,042,060	10.4%	7.3%	4,857,935	29,238,087	941,602	4,761,801	\$1.04	\$211
Inland Empire	754,574,418	10,927,710	12.3%	8.9%	8,233,611	54,643,136	2,209,217	10,132,410	\$0.99	\$207

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

LEASING TRENDS

Leasing volume dropped 51.9% in Q4 compared to Q3 2025, contributing to a 9.8% YOY decline in total annual volume. The market saw a significant pullback in supply, with only 1.1M SF added this quarter. This brings the YTD total to approximately 13M SF—a 50.9% decrease from 2024—underscoring a broader, sustained slowdown in construction completions throughout the year.



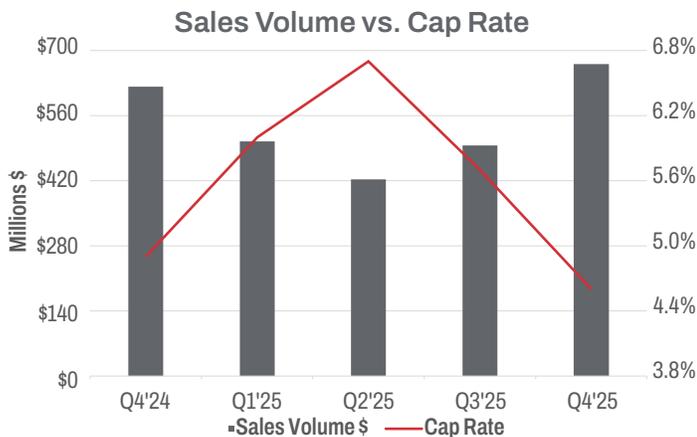
Select Lease Transactions

Address	City	Submarket	Square Feet
701 S Arrowhead Ave	San Bernardino	East	592,710*
9050 Hermosa Ave	Rancho Cucamonga	West	470,930
1495 E Locust St	Ontario	West	428,827
855 W Valley Blvd	Bloomington	East	401,106**
3100 S Hamner Ave	Ontario	West	250,369

*Renewal **Sublease

SALES TRENDS

Q4 saw a 15.8% surge in sales volume over Q3, though total annual volume finished 18.6% lower than in 2024. This rally reflects a combination of renewed user/investor demand and successful pricing recalibrations between buyers and sellers. The average cap rate compressed sharply by 110 bps from the prior quarter to 4.6%—a 30-bps decrease YOY—suggesting a significant firming of asset values as the year closed.



Select Sales Transactions

Address	City	Submarket	Square Feet
10681 Production Ave	Fontana	West	1,101,900
890 E Mill St	San Bernardino	East	525,756
11119 Juniper Ave	Fontana	West	436,424
41995 Zevo Dr	Temecula	South	227,232
1851 California Ave	Corona	West	223,801*

*Sale Leaseback