

Retail Market Outlook

Inland Empire Q1 2025

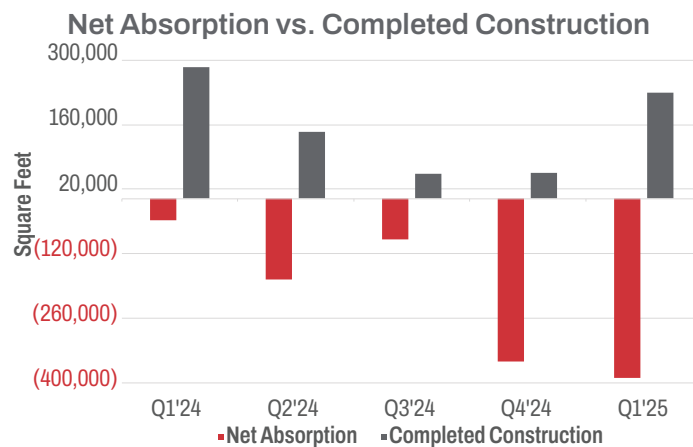
MARKET STATISTICS*

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)
Airport	27,808,960	274,023	4.3%	3.5%	107,430	107,430	220,694	220,694	\$2.33	\$796
High Desert	17,123,929	46,898	7.4%	7.6%	95,435	95,435	33,433	33,433	\$1.21	\$162
Riverside	38,725,043	312,162	6.2%	6.6%	146,113	146,113	168,657	168,657	\$1.85	\$275
San Bernardino	27,116,394	50,157	8.3%	7.1%	110,368	110,368	84,780	84,780	\$1.50	\$266
South	24,814,683	66,293	6.9%	6.3%	72,226	72,226	219,682	219,682	\$1.87	\$222
West	17,315,225	1,600	9.9%	8.7%	135,343	135,343	174,099	174,099	\$1.89	\$157
Inland Empire	152,904,234	751,133	6.9%	6.4%	666,915	666,915	901,345	901,345	\$1.74	\$318

*RBA includes retail buildings of all sizes. Rents reflect buildings of 5,000 square feet or greater.

LEASING TRENDS

Over the past five quarters, the retail market experienced significant downward pressure, culminating in negative net absorption of 389,884 square feet to start the year in Q1 2025. Meanwhile, 770,811 square feet of newly completed construction during the same period pushed the market further off balance.

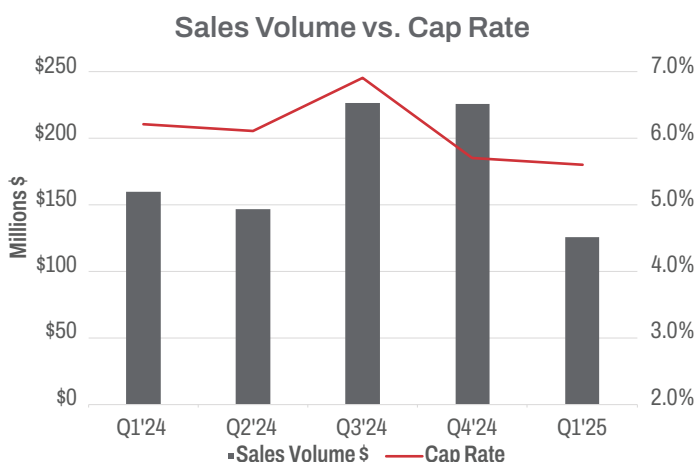


Select Lease Transactions

Address	City	Submarket	Square Feet
2522-2536 S Grove Av : Vallarta Supermarkets	Ontario	Airport	45,000
13017 Peyton Dr : T&T Supermarket	Chino Hills	West	31,080
13021 Peyton D : T&T Supermarket	Chino Hills	West	30,049
5265-5295 Arlington Ave: ALDI	Riverside	Riverside	21,000
Highway 18 & Rancherias Rd : ALDI	Apple Valley	High Desert	20,599

SALES TRENDS

In Q1 2025, sales volume fell 44.2% compared to Q4 and declined 21.2% year-over-year from the start of last year, reflecting how users and investors are coming to terms with a shifting outlook for brick-and-mortar retail. The average cap rate slid to 5.6%, marking a 60-basis-point decrease from the previous year.



Select Sales Transactions

Address	City	Submarket	Square Feet
920-1050 N Mountain Ave : Neighborhood Center	Ontario	Airport	135,333
30250-30590 Rancho California Rd : Lifestyle Center	Temecula	South	85,400
11762-11882 De Palma Rd : Neighborhood Center	Corona	Riverside	74,198
3626-3630 Grand Ave : Neighborhood Center	Chino Hills	West	37,786
1735 W Florida Ave : Neighborhood Center	Hemet	South	30,000