

# Retail Market Outlook

## Inland Empire Q2 2025

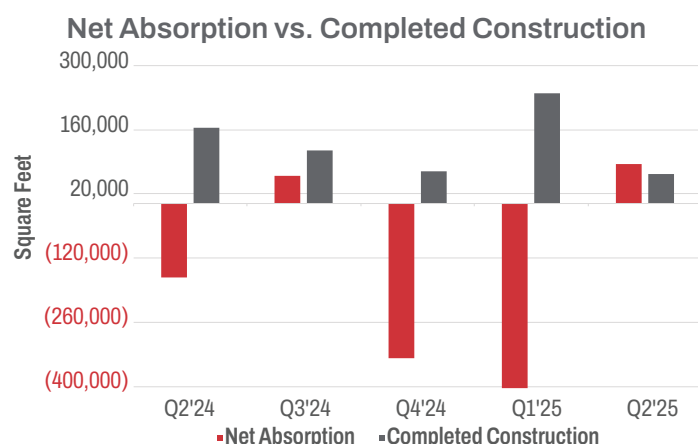
### MARKET STATISTICS\*

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)
Airport	27,888,976	218,460	4.3%	3.7%	107,430	92,758	76,330	297,024	\$2.32	\$381
High Desert	17,064,787	134,398	7.2%	7.0%	95,435	152,228	171,748	205,181	\$1.24	\$207
Riverside	38,907,636	179,750	6.0%	6.4%	146,113	290,073	189,109	357,766	\$1.83	\$432
San Bernardino	27,138,659	2,285	8.2%	7.1%	110,368	83,778	201,576	286,356	\$1.50	\$289
South	24,978,973	76,759	7.8%	6.5%	72,226	77,212	181,779	401,461	\$1.95	\$331
West	17,297,044	1,600	8.5%	8.5%	135,343	136,778	25,696	199,795	\$1.92	\$936
<b>Inland Empire</b>	<b>153,276,075</b>	<b>613,252</b>	<b>6.8%</b>	<b>6.3%</b>	<b>666,915</b>	<b>832,827</b>	<b>846,238</b>	<b>1,747,583</b>	<b>\$1.76</b>	<b>\$344</b>

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

### LEASING TRENDS

In the second half of last year, the retail market experienced significant downward pressure from retailer closures, culminating in negative net absorption in Q1 2025. Now, Q2 appears to be turning the tide, posting positive net absorption of 85,757 square feet. Meanwhile, 302,337 square feet of newly completed construction year to date contributed to a gradual rebalancing of the market.

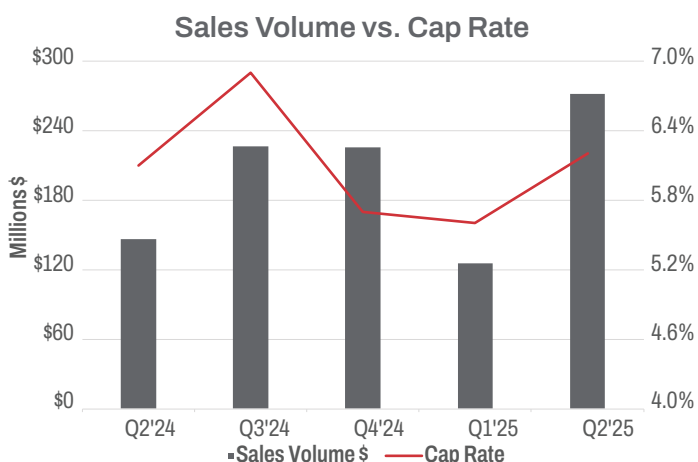


### Select Lease Transactions

Address	City	Submarket	Square Feet
22650 Town Circle : Area51 Museum	Moreno Valley	Riverside	100,000
14420 Bear Valley Rd : Round1 Bowling	Victorville	High Desert	78,000
22650 Town Circle : Skyzone	Moreno Valley	Riverside	50,000
16968 Main St : Crunch Fitness	Hesperia	High Desert	40,790
4010 Highland Ave : Fun & Find	Highland	San Bernardino	30,000

### SALES TRENDS

In Q2 2025, sales volume more than doubled compared to the prior quarter and rose 86.1% year over year, reflecting how users and investors are coming to terms with a shifting outlook for brick-and-mortar retail. The average cap rate edged up to 6.2%, down 60 basis points from the previous quarter but up 10 basis points from the same time last year.



### Select Sales Transactions

Address	City	Submarket	Square Feet
14444 Atstar Dr : Neighborhood Center	Victorville	High Desert	86,628
Bear Creek Village : Neighborhood Center	Wildomar	South	81,218
Larry H. Miller Toyota Corona : Auto Dealership	Corona	Riverside	65,902
NEC Citrus Ave & S Highland Ave : Neighborhood Center	Fontana	Airport	53,740
3350 Vine St : Riverside Market Place	Riverside	Riverside	30,000