

Retail Market Outlook

Inland Empire Q3 2024

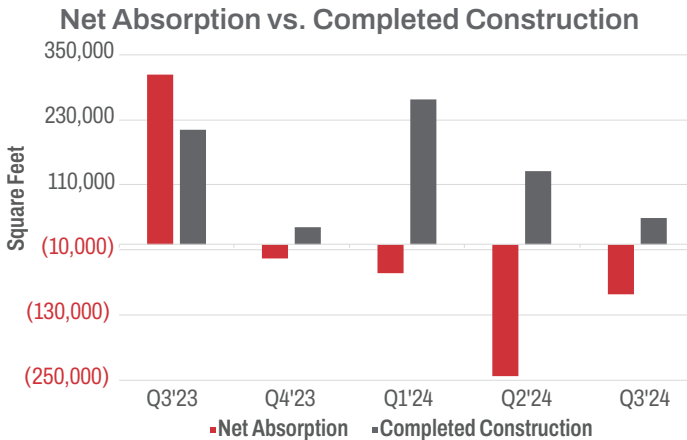
MARKET STATISTICS*

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	27,746,093	62,060	4.0%	3.1%	111,864	442,628	289,739	510,961	\$2.28	\$256
High Desert	17,045,808	29,921	7.6%	7.8%	105,940	236,722	83,702	228,100	\$1.16	\$306
Riverside	38,653,845	84,093	6.8%	5.8%	152,230	526,620	165,789	608,198	\$1.78	\$321
San Bernardino	27,078,324	51,000	7.2%	6.3%	98,656	445,868	120,971	962,251	\$1.67	\$373
South	24,850,618	204,294	6.6%	5.9%	179,419	514,143	221,261	339,345	\$1.78	\$273
West	17,159,572	26,426	8.6%	7.6%	52,211	255,034	95,935	595,649	\$2.05	\$420
Inland Empire	152,534,260	457,794	6.6%	5.8%	700,320	2,421,015	977,397	3,244,504	\$1.80	\$306

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

LEASING TRENDS

Throughout 2024, the retail market faced significant downward momentum, recording negative net absorption of 386,866 square feet year-to-date as it adjusted to 451,102 square feet of newly completed construction during the same period.

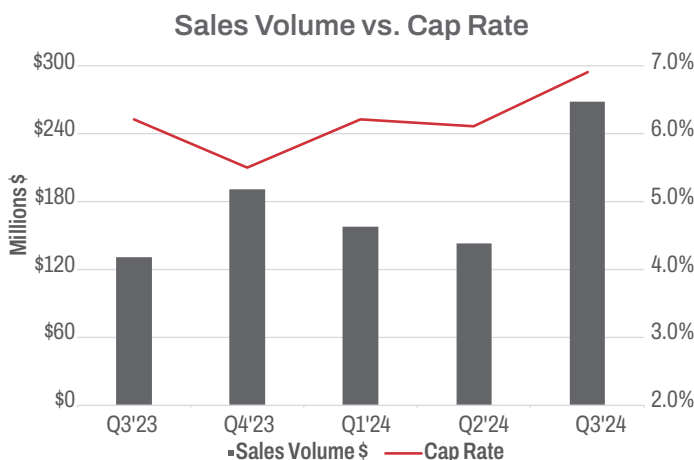


Select Lease Transactions

Address	City	Submarket	Square Feet
35914 Winchester Rd: EOS Fitness	Winchester	South	38,800
24420-24490 Village Walk Pl: Urban Air Adventure Park	Murrieta	South	33,356
14670 7th St: Pick 'n Save	Victorville	High Desert	29,680
27530-27536 W Lugonia Ave: Burlington Coat Factory	Redlands	San Bernardino	25,054
11530 4th St: Maison Furniture & Mattress	Rancho Cucamonga	Airport	24,244

SALES TRENDS

In Q3 2024, total sales volume surged by 87.1% compared to Q2. However, year-to-date sales volume reflected an 8.3% year-over-year decline, highlighting users and investors seeking opportunities amid a shifting outlook for brick-and-mortar retail. The average cap rate reached 6.9%, marking a 70-basis-point decline from the previous year.



Select Sales Transactions

Address	City	Submarket	Square Feet
Falcon Ridge Town Center: Power Center	Fontana	Airport	249,232
Promenade Temecula: Super Regional Mall	Temecula	South	118,520
Temecula Town Center: Neighborhood Center)	Temecula	South	48,188
6491-6499 Magnolia Ave: Storefront Retail	Riverside	Riverside	36,370
Corona Marketplace: Neighborhood Center	Corona	Riverside	43,913