

2026

2ND QUARTER

MARKET INSIGHT

Inland Empire East

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

LeePR

OVERALL VACANCY RATE

9.4%

YOY ▼ -8.7%
QOQ ▼ -5.1%

OVERALL ASKING LEASE RATES (NNN)

\$0.90

YOY ▼ -3.2%
QOQ = 0.0%

OVERALL LEASING ACTIVITY

8.2M SF

YOY ▲ 61.1%
QOQ ▲ 21.4%

UNDER CONSTRUCTION (PSF)

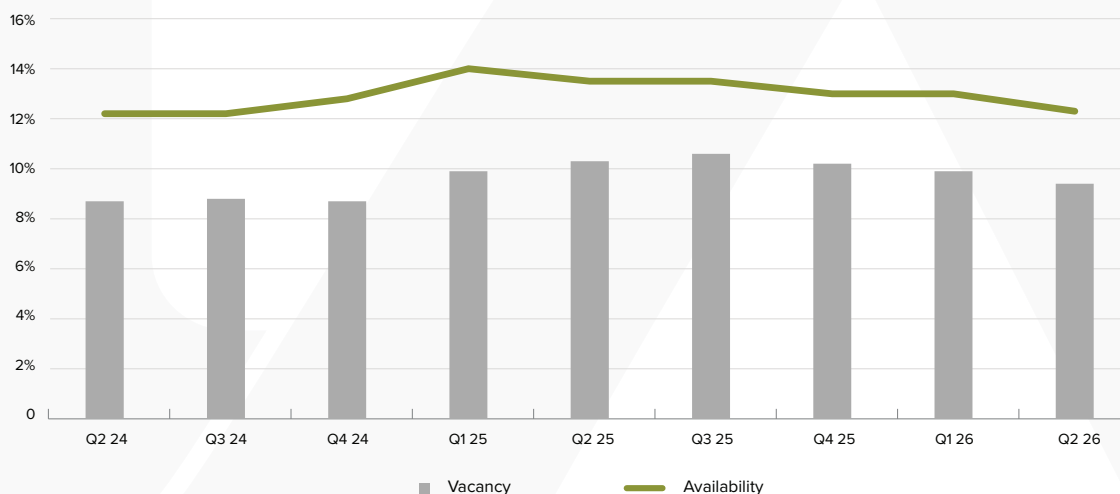
2.7M SF

YOY ▼ -49.5%
QOQ ▲ 151.0%

MARKET TRENDS

- ▶ Vacancy came in at 9.4% (-5.1% QoQ, -8.7% YoY), a clear step forward for the submarket's occupancy picture.
- ▶ Availability landed at 12.3% (-5.4% QoQ, -8.9% YoY), pointing to a shrinking pool of space being marketed for lease.
- ▶ Net absorption held strong at 1.88M SF, roughly in line with last quarter's level and a sharp turnaround from the negative reading a year ago.
- ▶ Leasing activity climbed (+21.4% QoQ) and jumped substantially (+61.1% YoY), while sales volume surged sharply (+78.6% QoQ, +283.3% YoY) year-over-year.
- ▶ Construction activity rebounded sharply (+151.0% QoQ) but remained well below year-ago levels (-49.5% YoY), while asking rents held flat at \$0.90 NNN (0.0% QoQ, -3.2% YoY).

VACANCY VS AVAILABILITY



ECONOMIC INDICATORS



US Unemployment Rate



GDP - Quarter 1*



US 10-Year Treasury Note

HISTORIC COMPARISON

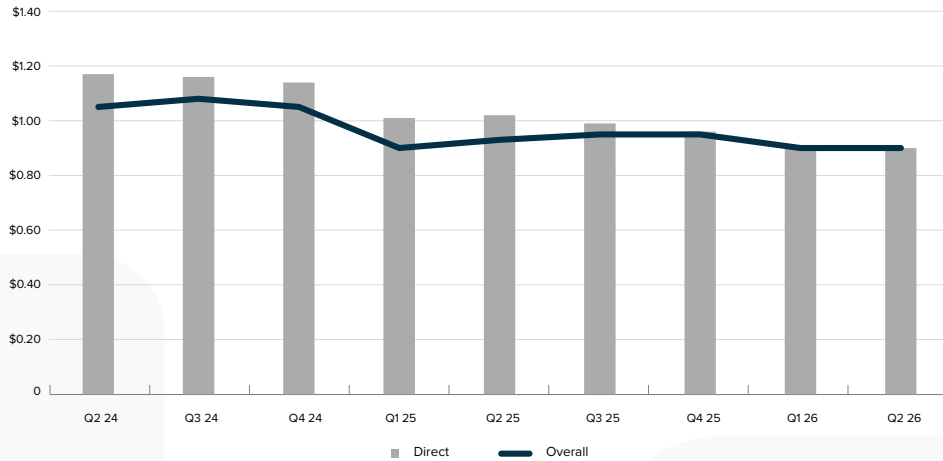
	Q2 2025	Q1 2026	Q2 2026	QoQ % Change	YoY % Change
Total Inventory (SF)	317,153,941	321,869,835	321,869,835	0.0%	1.5%
Overall Vacancy	10.3%	9.9%	9.4%	-5.1%	-8.7%
Overall Availability	13.5%	13.0%	12.3%	-5.4%	-8.9%
Under Construction (SF)	5,433,678	1,093,537	2,745,205	151.0%	-49.5%
Net Absorption (SF)	(928,918)	1,802,515	1,875,197	N/A	N/A
Leasing Activity (SF)	5,106,124	6,778,249	8,225,995	21.4%	61.1%
Sales Activity (SF)	1,200,146	2,576,144	4,600,420	78.6%	283.3%
Overall Asking Lease Rate (NNN)	\$0.93	\$0.90	\$0.90	0.0%	-3.2%

*Q2 will be published July 30, 2026, by BEA

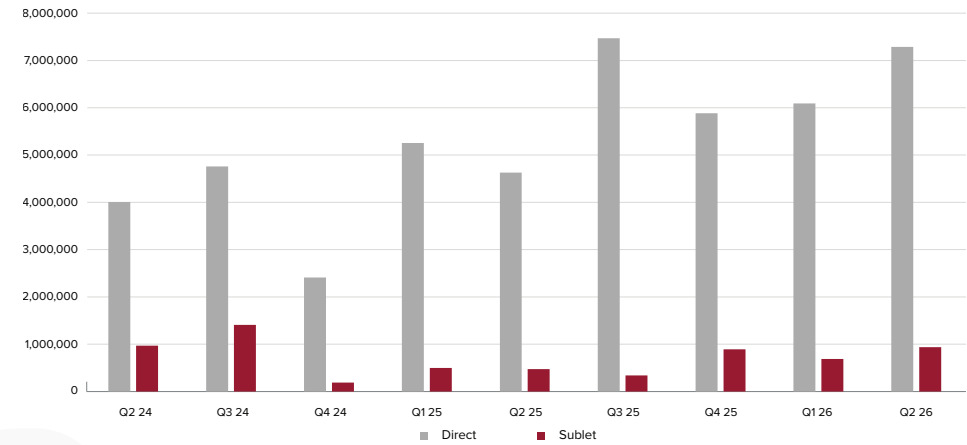
MARKET INSIGHT

Inland Empire East

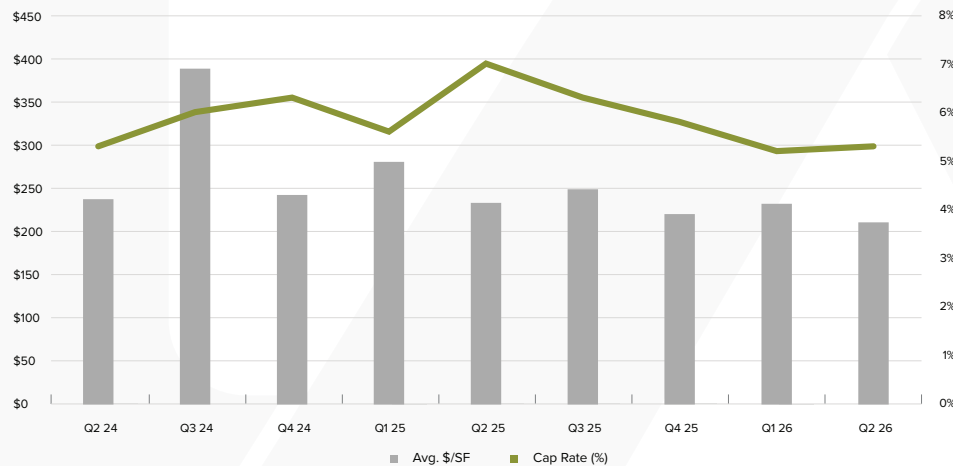
LEASE RATES



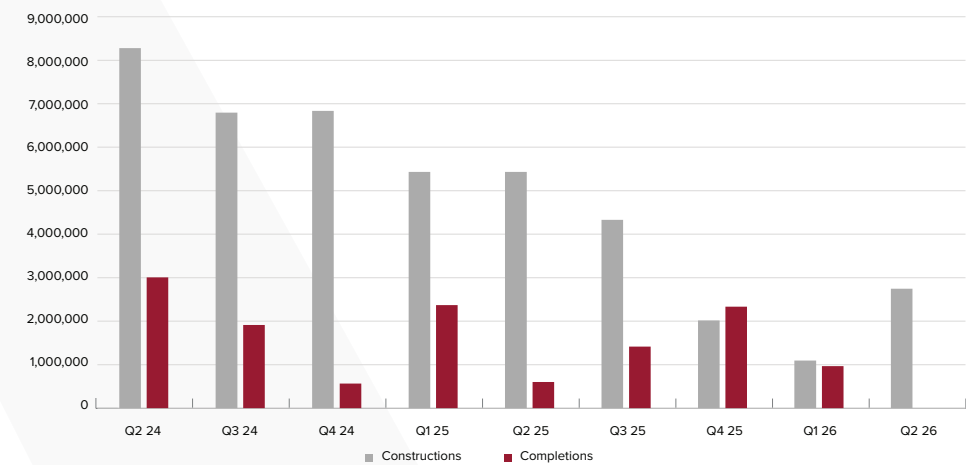
LEASING ACTIVITY



SALE TRENDS



CONSTRUCTION



MARKET INSIGHT

Inland Empire East

MAJOR CONSTRUCTIONS / DEVELOPMENT PROJECTS

Address / Submarket / Owner or Developer	Estimated Completion	Size (SF)
815 S Redlands Avenue Perris • IDI Logistics	2027	1,020,657
409 E Ellis Avenue Perris • Newcastle Partners	2027	631,011
1697 N Pepper Avenue Rialto • Bridge Logistics Properties	2026	468,563
1219 W Lincoln Street Banning • Banning LLC	2026	312,206
2610 E Alessandro Boulevard Riverside • Ozi Alessandro LLC	2026	115,476

TOP 5 LEASES

Address / Submarket / Landlord / Lease Type	Tenant	Size (SF)
24405 Krameria Avenue Moreno Valley • Prologis	DP World Logistics	1,331,763
6207 N Cajon Boulevard San Bernardino • Link Logistics	Confidential	830,750
7140 N Cajon Boulevard San Bernardino • IE Logistics	GXO Logistics	671,683
17335 Glen Helen Pkwy San Bernardino • Nordstrom, Inc	Elogistek LLC	616,710
3900 Indian Avenue Perris • GLP Capital Partners	Centric	579,708

TOP 5 SALES

Address / Submarket / Seller(s)	Size (SF)	Buyer	\$/SF	Price
1660 N Linden Avenue (Part of a 2 Property Deal) Rialto • Link Logistics	855,000	Premier Logistics Properties	\$165.00	\$141M
6227 Cajon Boulevard San Bernardino • EQT Real Estate	806,322	Bridge Logistics	\$151.00	\$122M
1568 N Linden Avenue (Part of a 2 Property Deal) Rialto • Link Logistics	614,848	Premier Logistics Properties	\$210.00	\$129M
4555 Redlands Avenue Perris • IDI Logistics	599,113	Prologis, Inc	\$175.00	\$105M
5990 N Cajon Boulevard San Bernardino • Transwestern Real Estate	392,983	Amazon	\$260.00	\$102M

MARKET INSIGHT

Inland Empire East

CITY-LEVEL BREAKDOWN

City	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Asking Sale Price (\$/SF)
Banning	50	2,029,975	4.2	50.1	300	7,000	\$0.91	\$230
Beaumont	48	8,753,395	0.1	9.4	0	0	\$0.70	\$235
Bloomington	123	11,738,923	5	7.7	(151,810)	22,970	\$0.00	\$276
Corona/Norco	1011	35,812,057	5.9	7.6	135,474	668,591	\$1.11	\$280
Colton/Grand Terrace	202	11,729,968	8	5.6	(13,750)	46,439	\$1.04	\$232
Moreno Valley	119	34,043,526	6.2	12.4	698,528	776,720	\$0.90	\$217
Perris	271	48,370,775	11.7	12.4	(324,599)	431,206	\$0.97	\$229
Redlands/ Loma Linda	255	32,035,785	9.6	14.1	183,722	203,992	\$0.83	\$243
Rialto	196	31,239,600	12.9	13.2	62,117	86,383	\$0.93	\$250
Riverside	1,143	58,430,692	11.8	13	(778,412)	854,627	\$0.90	\$236
San Bernardino/ Highland	623	47,685,139	9.3	11.3	2,063,627	2,568,433	\$0.90	\$234

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Sources: LAC-I Research, CoStar, Moody's I Port Statistics Sources: PLA, PLB

The data presented is based on a survey of industrial properties 5,000 square feet and larger. Leasing rates reflect asking triple-net (NNN). While the information in this report has been obtained from sources believed to be reliable, its accuracy cannot be guaranteed.