

Inland Empire East

Overall
Vacancy Rate

9.4% +27.0%

Overall
Asking Lease Rates (NNN)

\$1.01 -12.2%

Overall
Leasing Activity

6.3M SF +30.2%

Under Construction (PSF)

6.0M SF -20.4%

^ Percent Represents Year-Over-Year Change

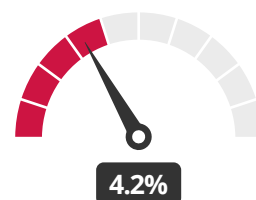
The Inland Empire East

Industrial market began 2025 with 2,092,034 square feet of negative net absorption, marking the sixth quarter of occupancy losses since early 2023. Vacancy climbed 90 basis points from the prior quarter to 9.4%, as new deliveries continued to exceed tenant demand.

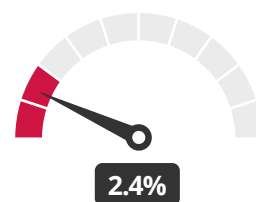
The highest vacancy rates remain concentrated in the 100,000–249,999 SF (8.0%) and 250,000–499,999 SF (11.3%) ranges, underscoring persistent softness in the lower end of the big-box segment. Average asking rents declined by \$0.04 quarter-over-quarter to \$1.01 NNN, a 3.8% decrease.

Summary

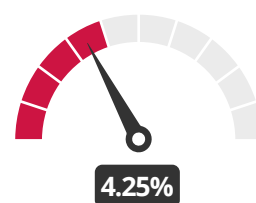
	Q1 2024	Q4 2024	Q1 2025	QoQ % Change	YoY % Change
Total Inventory (SF)	309,755,382	315,025,972	315,883,662	0.3%	2.0%
Overall Vacancy	7.4%	8.5%	9.4%	10.6%	27.0%
Overall Availability	11.2%	13.0%	14.1%	8.5%	25.9%
Under Construction (SF)	7,629,475	5,907,521	6,076,794	2.9%	(20.4%)
Net Absorption (SF)	(2,214,855)	803,066	(2,095,394)	N/A	N/A
Leasing Activity (SF)	4,872,121	2,591,105	6,345,656	144.9%	30.2%
Sales Activity (SF)	1,248,116	1,175,069	3,579,332	204.6%	186.8%
Overall Asking Lease Rate (NNN)	\$ 1.15	\$ 1.05	\$ 1.01	(3.8%)	(12.2%)



US Unemployment Rate



GDP - Quarter 4*



US 10-Year Treasury Note

Port of Los Angeles (Q1)

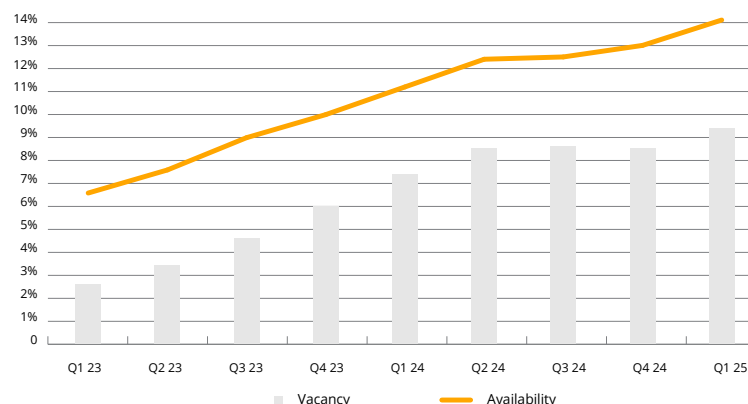
Total Loaded TEUs	1,628,000	Total TEUs YOY Change 5.2%
Total Empty TEUs	876,049	
Total TEUs	2,504,049	

Port of Long Beach (Q1)

Total Loaded TEUs	1,513,624	Total TEUs YOY Change 26.6%
Total Empty TEUs	1,021,952	
Total TEUs	2,535,576	

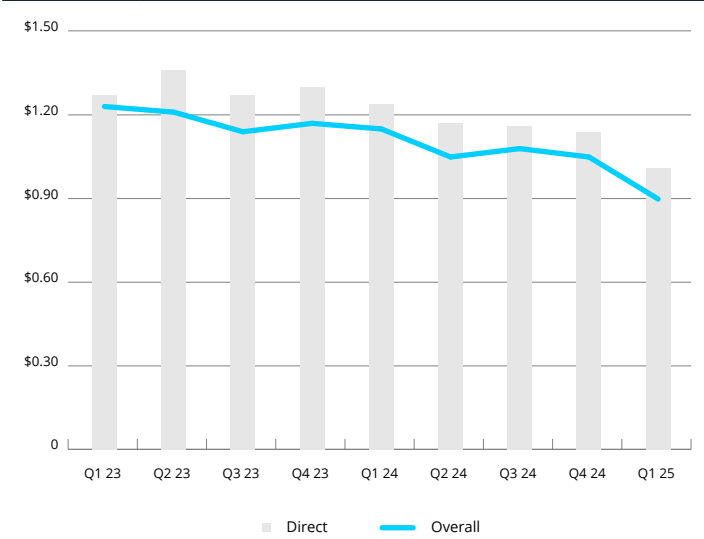
Vacancy vs Availability

- Since Q1 2024, vacancy has increased by 27.0% and availability by 25.9%

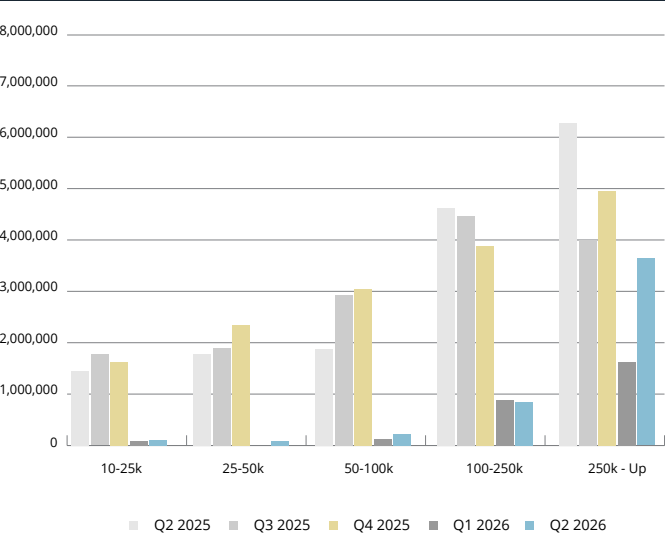


Lease Rates

- Overall lease rates have declined 12.2% year-over-year, returning to levels last seen in Q2 2022

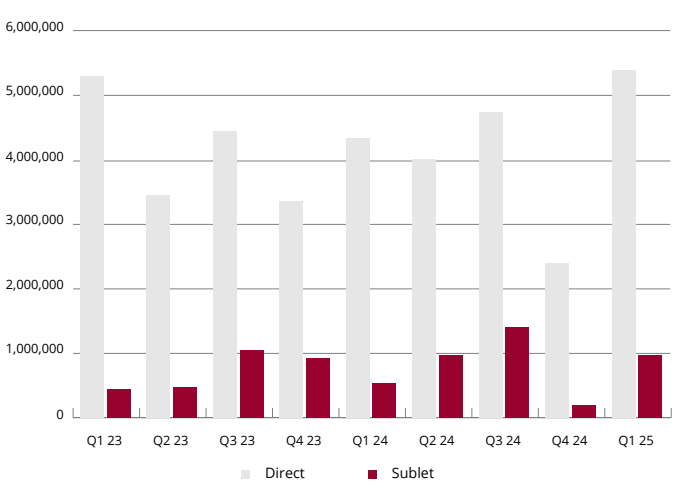


Lease Expiration: By Size Range



Leasing Activity

- Leasing activity surged this quarter, up 145% quarter-over-quarter and 30% year-over-year



Top 5 New Leases

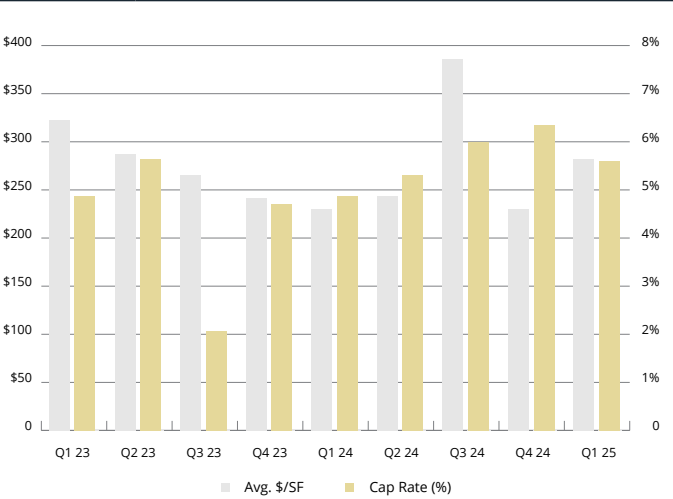
Address	Size (SF)	Lessor	Lessee(s)
3690 Webster Av Perris	855,330	Deca Companies	Komar Distribution Services Inc
1420 N Tamarind Ave Rialto	677,225	Prologis	US Elogistics Service Corp
2455 S Willow Ave Bloomington	525,110	IDI Logistics LLC	Geodis Logistics
375 Markham St Perris	456,652	IDI Logistics LLC	American Exchange
4120 Indian St Perris	414,060	General Mills, Inc	Kenco Logistics Services, Llc

Top 5 Sales

Address	Size (SF)	Buyer	Seller(s)	Price
21600 Cactus Ave Riverside	889,445	Burlington Stores, Inc	BlackRock, Inc.	\$257M
346 S I St San Bernardino	48,000	Lee & Associates	Tricia Kazarian	\$6.1M
1690 N Delilah St Corona	28,175	Ctk Fulfillment Center	FMK Labs, Inc.	\$10.4M
1131 Olympic Dr Corona	26,124	Xirong Liu	Zion Enterprises	\$7.3M
9118 Pulsar Ct Corona	21,442	Hotatech Inc.	Frank Thieng Lam	\$6.5M

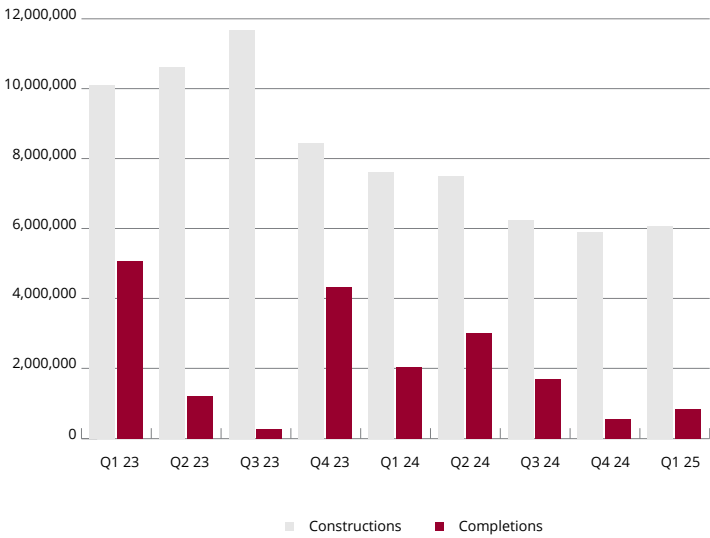
Sale Trends

- At 3.5 MSF, sales activity remained below the 10-year average of 4.4 MSF but rose 187% year-over-year



Construction

- There are 25 buildings totaling 6 MSF currently under development, down 20.4% year-over-year



Major Constructions / Development Projects

Address	Owner or Developer	Size (SF)	Est. Completion
801 S Redlands Ave Perris	IDI Logistics	1,020,657	2025
3690 Webster Ave Perris	Feron	855,330	2025
23784 Orange Ave Perris	The Dc Building	429,823	2025
21661 Barton Rd Colton	Neal, Robert J & Bernarda	417,809	2025
1304 E Alessandro Blvd Riverside	Rockefeller Group	400,000	2025

City	# of Bldgs	Inventory (SF)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Gross Absorption (SF)	Direct Asking Rate (NNN)	Asking Sale Price (\$/SF)
Banning	48	1,933,563	2.6	60	70,782	70,782	\$0.85	\$225
Beumont	48	8,059,576	7.1	7.1	(6,250)	0	\$0.59	\$238
Bloomington	124	11,083,355	11.7	16.1	(344,682)	26,760	\$0.80	\$281
Corona/Norco	1012	35,859,802	6.9	4.9	(257,051)	299,219	\$1.11	\$290
Colton/Grand Terrace	195	11,604,919	6.1	11	203,426	232,233	\$0.93	\$231
Moreno Valley	120	33,291,823	6	6	(3,056)	452,229	\$0.99	\$210
Perris	269	46,348,582	14.4	18	477,126	480,285	\$0.98	\$230
Redlands/Loma Linda	250	31,409,461	11.5	16.1	(997,817)	115,120	\$0.84	\$231
Rialto	212	31,745,700	10.6	14	(1,175,753)	50,686	\$1.08	\$256
Riverside	1,138	57,135,733	8.3	13.6	932,238	1,769,216	\$0.73	\$232
San Bernardino/Highland	616	47,411,148	9.5	15.3	(990,997)	154,078	\$0.77	\$240

Sources: LAC-I Research, CoStar, Moody's

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.

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