



Q2
2025

INLAND EMPIRE
INDUSTRIAL MARKET

PREPARED BY

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The Inland Empire industrial market continued to recalibrate during the second quarter of 2025, shifting further from the hyperactive pace of recent years toward a more measured, tenant-favorable environment. Vacancy in the core submarkets edged upward, influenced by softening demand across both the eastern and western regions. While the broader Inland Empire still recorded positive net absorption, the core area experienced a modest net loss, indicating that occupiers are becoming more selective amid changing market dynamics.

Leasing activity held steady, though rent adjustments became more pronounced. Gross leasing volume remained consistent, supported by sustained demand for large-format facilities. However, average asking rents declined, reflecting broader market adjustments. Sublease availability increased, with rates trending below those of direct deals, which added pressure to the market and underscored a shift in leverage toward tenants.










Transportation and warehousing have been the largest contributors to job gains, fueled by e-commerce growth and industrial development. Employment in this sector has grown nearly 30% since the pandemic, although it has pulled back from 2022 highs. Amazon is a major player, operating over 40 facilities and employing roughly 30,000 people locally. Investment activity remained muted, especially among institutional buyers. Continued uncertainty

around interest rates and global trade weighed heavily on transaction volumes. However, owner-user activity proved more resilient, as some users continued to see value in owning industrial real estate despite broader economic challenges. The Inland Empire's solid market fundamentals, proximity to major ports, and well-established logistics infrastructure continue to support its long-term investment outlook.

Port operations at Los Angeles and Long Beach remained stable, supporting sustained demand for industrial space throughout the Inland Empire. With reduced congestion and consistent container volumes, improved turnaround times helped maintain regional interest in distribution space. While global trade concerns are prompting some caution among occupiers, the Inland Empire's proximity to the ports remains a key competitive advantage.

Looking ahead, the Inland Empire is expected to remain a core industrial market, albeit with tempered momentum. Tenants are taking advantage of falling rates and increased concessions, while developers remain disciplined in new starts. Tariffs on key building materials and persistent inflation are adding complexity to construction planning. Although leasing is still active, decisions are more deliberate, with users focusing on operational efficiency and flexibility. The region remains well-positioned for long-term growth, but the current environment demands strategic navigation.

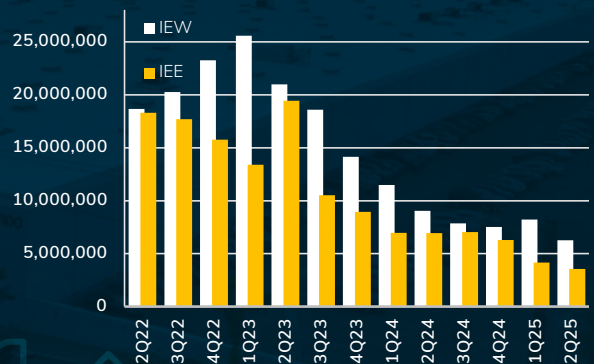
IE MARKET SNAPSHOT

	692,232,973 SF BASE INVENTORY
	11.95% AVAILABILITY RATE
	5.36% VACANCY RATE
	6.99% VACANCY RATE WITH SUBLEASES
	3,006,745 SF 2025 YTD NET ABSORPTION
	36,823,039 SF 2025 YTD GROSS ACTIVITY
	3,802,060 SF 2025 YTD DELIVERIES
	9,830,715 SF UNDER CONSTRUCTION
	\$1.05/SF (WEST) \$0.97/SF (EAST) AVG NNN LEASE RATE (100K+)

Q1 2025 COMPARISON

	2.82% LEASE RATES
	3.02% AVAILABILITY
	5.93% VACANCY
	57.74% DELIVERIES
	16.11% SUBLEASE SPACE

UNDER CONSTRUCTION

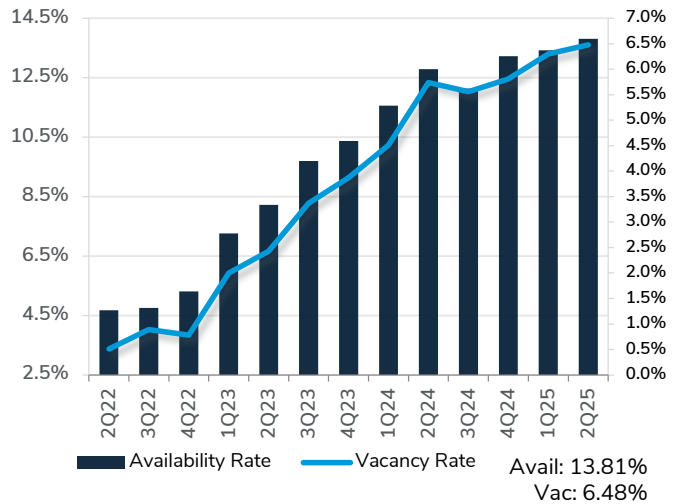




IE WEST AVAILABILITY & VACANCY



IE EAST AVAILABILITY & VACANCY

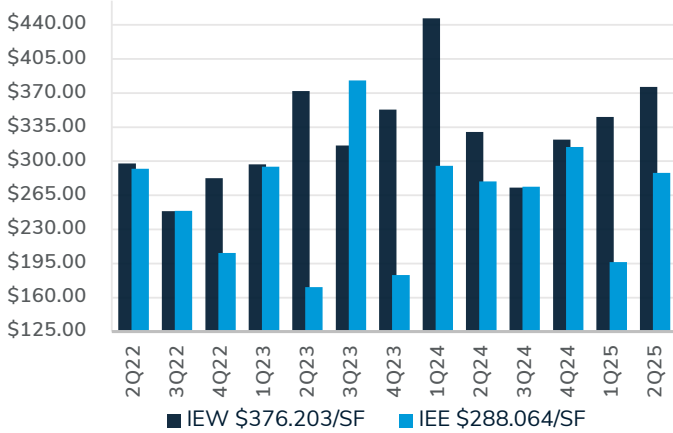


AVAILABILITY: All space being marketed (existing & U/C)

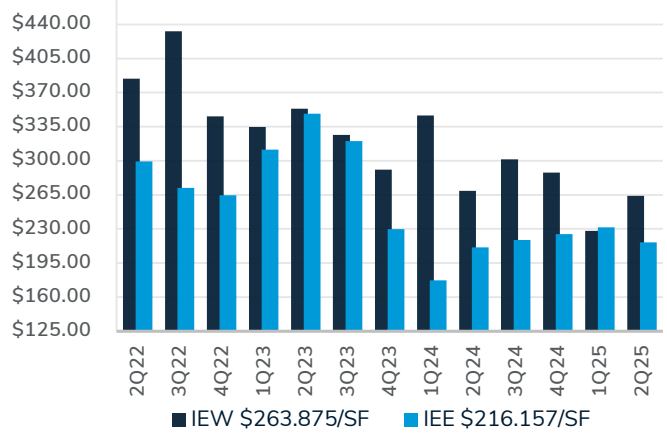
VACANCY: Unoccupied space (not including U/C or planned)

*INCLUDES ALL CLASSES OF BUILDINGS

USER SALES PRICE PER SF

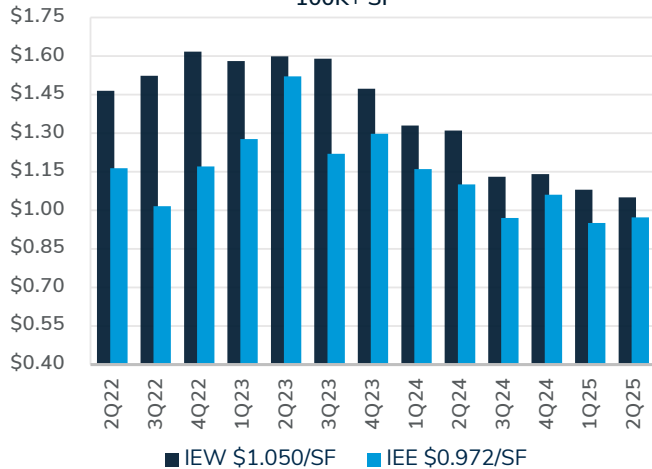


INVESTMENT SALES PRICE PER SF



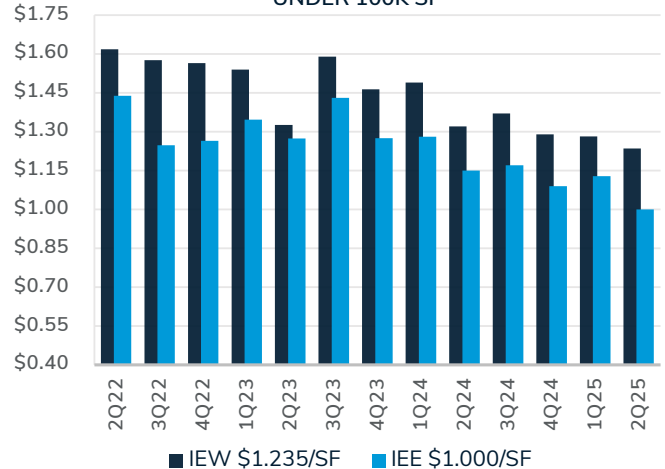
ACTUAL NNN LEASE RATE PRICE PER SF

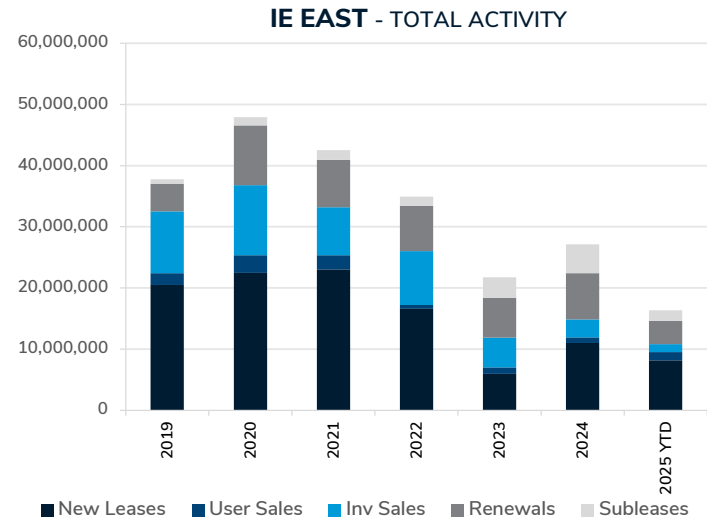
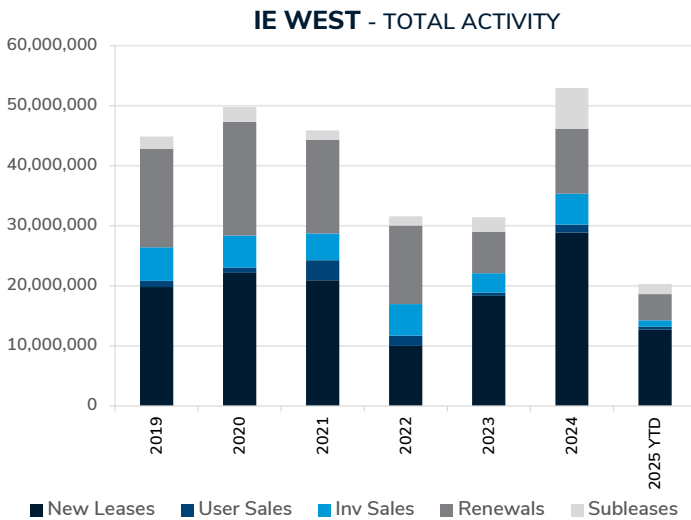
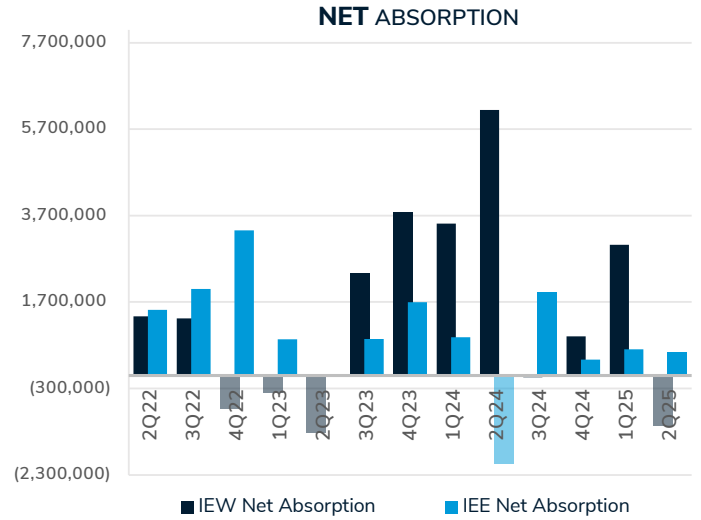
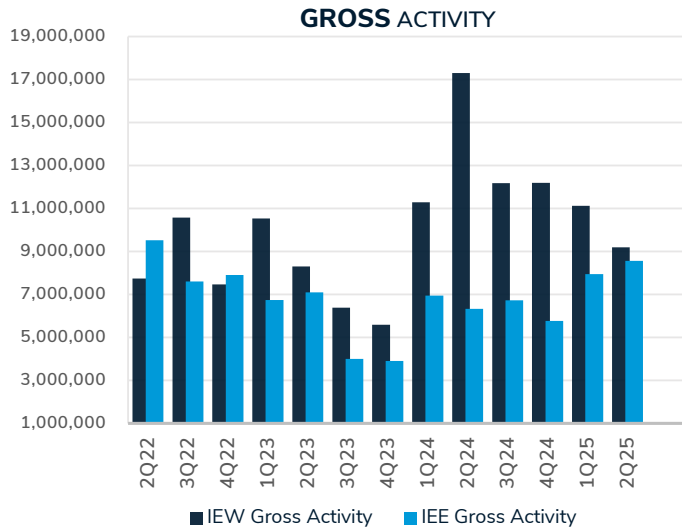
100K+ SF



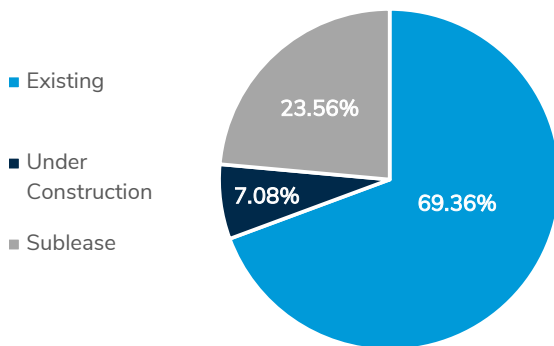
ACTUAL GROSS LEASE RATE PRICE PER SF

UNDER 100K SF





2Q25 Lease Availability BREAKDOWN



TOTAL ACTIVITY

Transaction Type	IEW	IEE	TOTAL
New Leases	5,954,508	3,367,474	9,321,982
Renewals	1,346,728	2,257,891	3,604,619
Subleases	1,040,333	909,101	1,949,434
User Sales	195,072	1,233,336	1,428,408
Investment Sales	651,151	797,265	1,448,416
2Q25 TOTAL	9,187,792	8,565,067	17,752,859



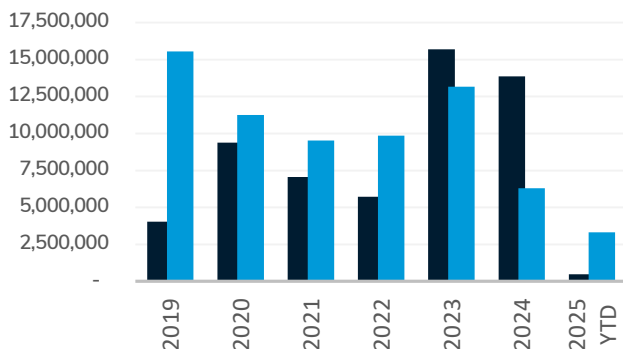
LEASED PROPERTY	LESSOR	LESSEE	SIZE	DEAL TYPE
450 E Rider St, Perris	IDI Logistics LLC	GreenBox Systems.	804,803	New
570 E Mill St, San Bernardino	Prologis	Burlington Coat Factory	758,000	Renewal
120 S Cedar Ave, Rialto	Alere Property Group, LLC	American Building Supply, Inc	715,433	Renewal
21800 Authority Way, Riverside	Morgan Stanley & Co, LLC	Nissan North America, Inc	620,000	Lease-Back
5650 Santa Ana St, Ontario	Alere Property Group, LLC	ELF Cosmetics	615,640	New
15207 Flight Ave, Chino	UMA Enterprises, Inc	Logistics Plus, Inc	600,000	Sublease
15097 Van Vliet Ave, Chino	Watson Land Company	US Elogistics Services Corp	505,735	New
300-310 S Tippecanoe Ave, San Bernardino	Advance Auto Parts	Confidential Tenant	490,749	Sublease
13479 Valley Blvd, Fontana	James Campbell Company, LLC	Custom Goods	410,800	Renewal
6509 Kimball Ave, Chino	Watson Land Company	JD Logistics United States Company	410,260	New
5200 Airport Rd, Ontario	Teachers Insurance of New York	Parker House Manufacturing Company	404,543	New
9425 Nevada St, Redlands	Prologis	KYT Technology, Inc	390,780	New
9409 Buffalo Ave, Rancho Cucamonga	Rancho San Marino Partners	AC Pro Inc	318,793	New
14090 Slover Ave, Fontana	Panattoni Development Company	Sika Corp	291,742	New
13204 Jurupa Ave, Fontana	Principal Life Insurance Company	B&G Foods North America	252,635	Renewal
9425 California St, Redlands	Lamps Plus	Moorpark Logistics	251,503	Sublease
3100 S Hamner Ave, Ontario	Ontario 2.0 LLC	CTK	250,369	New
13770 Jurupa Ave, Fontana	Panattoni Development Company	Elite Logistics & Fulfillment, LLC	231,355	New
1200 S Etiwanda Ave, Ontario	Property Reserve, Inc	Hanchett Paper Co / Shorr Packaging	223,170	New
26759 Almond Ave, Suite 200, Redlands	Prologis	International Paper Co	218,326	Renewal
11081 Banna Ave, Fontana	Prologis	Smart Warehousing, LLC	207,253	Renewal
100 W Walnut Ave, Perris	Ares Management	GPA Logistics Group, Inc	205,589	Renewal
1150 S Milliken Ave, Ontario	Prologis	PostPony	203,620	New
26759 Almond Ave Suite 100, Redlands	Prologis	Udpike Distribution Logistics, LLC	202,491	Renewal
9520 Santa Anita Ave, Rancho Cucamonga	Ares Management	Nongshim America, Inc	200,000	Renewal
10843 New Jersey St, Redlands	Cabot Industries	Sojo Industries	179,400	New
26763 W San Bernardino Ave, Redlands	Clarion Partners, LLC	Packaging Exchange	176,906	New

SOLD PROPERTY	BUYER	SELLER	SIZE	DEAL TYPE
21600 Cactus Ave, Riverside	Burlington Coat Factory	BlackRock Logistics	889,445	User
21800 Authority Way, Riverside	Morgan Stanley & Co. LLC	Nissan North America, Inc	620,000	Investment
11296 Harrel St, Jurupa Valley	LBA Realty LLC	STRS Ohio Real Estate Investments, LLC	353,361	Investment
1930 Rochester Ave, Ontario (Bulk Portfolio)	Faropoint LP	Blackstone Group	144,606	Investment
1990 W Renaissance Pkwy, Rialto	DHG Soluational LLC	Link Logistics Real Estate	134,256	User

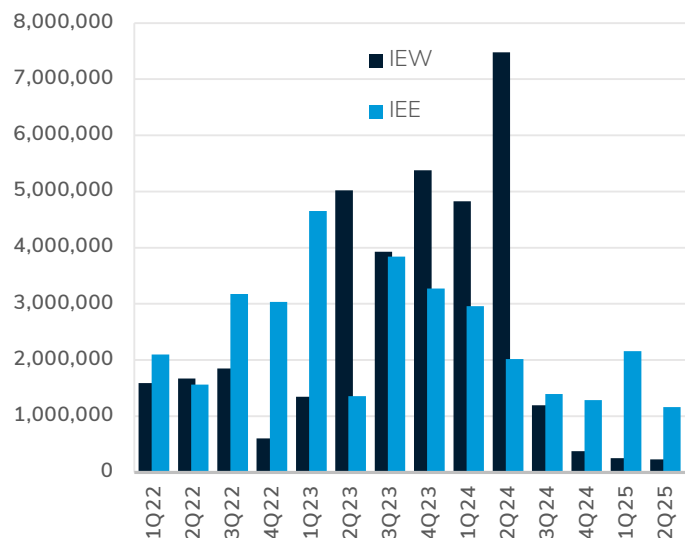
2nd Quarter 100K+ CONSTRUCTION COMPLETIONS

PROPERTY	SIZE	OWNER
1304 E Alessandro Blvd, Riverside	400,000	Rockefeller Group
33800 County Line Lane, Yucaipa	363,039	Brookfield Properties
7267 Barton St, Riverside	203,100	Rockefeller Group
605 S Bon View Ave, Ontario	190,279	WPT Capital Advisors
212 Smith Ave, Corona	157,920	Staley Point Capital
TOTAL SF COMPLETED	1,314,338	

CONSTRUCTION COMPLETIONS - BY YEAR



QUARTERLY CONSTRUCTION COMPLETIONS





Inland Empire WEST - 5,000 SF and Greater

CITY	BASE	SF AVAILABLE	AVAILABILITY RATE	SF VACANT	VACANCY RATE	2Q NET ABSORPTION	2Q CONSTRUCTION COMPLETIONS	UNDER CONSTRUCTION
Chino	57,840,798	2,793,451	4.83%	1,120,314	1.94%	43,236	0	0
Eastvale	14,087,411	2,012,126	14.28%	481,483	3.42%	(161,120)	0	0
Fontana	79,644,475	7,204,368	9.05%	3,693,405	4.64%	(498,730)	0	2,408,287
Jurupa Valley	35,484,541	5,303,742	14.95%	2,431,768	6.85%	(438,768)	0	0
Ontario	137,817,809	15,491,575	11.24%	6,423,075	4.66%	(255,334)	228,781	3,704,881
Rancho Cucamonga	45,445,815	5,493,762	12.09%	2,104,522	4.63%	150,924	0	151,455
TOTAL	370,320,849	38,299,024	10.34%	16,254,567	4.39%	(1,159,792)	228,781	6,264,623

Inland Empire EAST - 5,000 SF and Greater

CITY	BASE	SF AVAILABLE	AVAILABILITY RATE	SF VACANT	VACANCY RATE	2Q NET ABSORPTION	2Q CONSTRUCTION COMPLETIONS	UNDER CONSTRUCTION
Banning / Beaumont	10,430,229	2,191,504	21.01%	51,800	0.50%	8,000	0	0
Bloomington	4,149,226	1,742,541	42.00%	1,209,243	29.14%	(94,979)	0	304,040
Colton	10,872,651	1,220,546	11.23%	132,210	1.22%	47,170	0	599,032
Corona / Norco	38,064,869	2,384,684	6.26%	1,523,484	4.00%	(51,072)	157,920	0
Grand Terrace	443,436	0	0.00%	0	0.00%	0	0	0
Highland/Mentone/Yucaipa	1,975,433	363,039	18.38%	363,039	18.38%	0	363,039	0
Moreno Valley	32,864,001	4,027,446	12.25%	2,650,397	8.06%	(503,309)	38,820	32,510
Perris	44,191,119	8,245,910	18.66%	3,783,980	8.56%	819,674	0	1,285,153
Redlands / Loma Linda	32,952,976	4,404,582	13.37%	1,478,623	4.49%	810,127	0	564,791
Rialto	38,016,053	5,062,471	13.32%	2,611,361	6.87%	(23,397)	0	510,563
Riverside	61,851,759	8,188,313	13.24%	2,795,255	4.52%	(293,020)	603,100	241,323
San Bernardino	46,100,372	6,613,604	14.35%	4,251,971	9.22%	(180,779)	0	28,680
TOTAL	321,912,124	44,444,640	13.81%	20,851,363	6.48%	538,415	1,162,879	3,566,092

Inland Empire WEST - 100,000 SF and Greater

CITY	BASE	SF AVAILABLE	AVAILABILITY RATE	SF VACANT	VACANCY RATE	2Q NET ABSORPTION	2Q CONSTRUCTION COMPLETIONS	UNDER CONSTRUCTION
Chino	40,230,462	1,396,776	3.47%	687,581	1.71%	0	0	0
Eastvale	11,881,414	1,691,763	14.24%	161,120	1.36%	(161,120)	0	0
Fontana	65,891,987	5,899,034	8.95%	3,125,900	4.74%	(302,391)	0	2,335,411
Jurupa Valley	30,129,300	4,556,627	15.12%	1,906,109	6.33%	(391,455)	0	0
Ontario	103,878,198	12,137,447	11.68%	4,901,398	4.72%	(230,800)	190,279	3,461,156
Rancho Cucamonga	28,841,328	3,926,002	13.61%	1,544,333	5.35%	122,080	0	151,455
TOTAL	280,852,689	29,607,649	10.54%	12,326,441	4.39%	(963,686)	190,279	5,948,022

Inland Empire EAST - 100,000 SF and Greater

CITY	BASE	SF AVAILABLE	AVAILABILITY RATE	SF VACANT	VACANCY RATE	2Q NET ABSORPTION	2Q CONSTRUCTION COMPLETIONS	UNDER CONSTRUCTION
Banning / Beaumont	9,364,247	2,058,704	21.98%	0	0.00%	0	0	0
Bloomington	3,444,238	1,615,962	46.92%	1,161,434	33.72%	(112,609)	0	261,632
Colton	6,797,218	667,327	9.82%	125,801	1.85%	0	0	417,809
Corona / Norco	15,248,344	804,715	5.28%	804,715	5.28%	(100,950)	157,920	0
Grand Terrace	210,560	0	0.00%	0	0.00%	0	0	0
Highland/Mentone/Yucaipa	1,665,304	363,039	21.80%	363,039	21.80%	0	363,039	0
Moreno Valley	30,912,547	3,580,130	11.58%	2,307,092	7.46%	(524,097)	0	0
Perris	40,810,936	7,614,517	18.66%	3,499,383	8.57%	804,803	0	1,285,153
Redlands / Loma Linda	28,587,081	3,782,055	13.23%	1,065,917	3.73%	723,949	0	564,791
Rialto	32,937,827	4,459,285	13.54%	2,286,980	6.94%	(302,712)	0	468,563
Riverside	39,656,572	6,275,123	15.82%	2,101,164	5.30%	(271,250)	603,100	115,476
San Bernardino	36,212,817	5,924,863	16.36%	3,933,972	10.86%	(179,000)	0	0
TOTAL	245,847,691	37,145,720	15.11%	17,649,497	7.18%	38,134	1,124,059	3,113,424

Inland Empire - 500,000 SF and Greater

CITY	BASE	SF AVAILABLE	AVAILABILITY RATE	SF VACANT	VACANCY RATE	2Q NET ABSORPTION	2Q CONSTRUCTION COMPLETIONS	UNDER CONSTRUCTION
Inland Empire West	113,488,332	13,319,109	11.74%	8,924,613	7.86%	(4,307,194)	0	4,494,167
Inland Empire East	140,257,788	17,010,789	12.13%	4,393,923	3.13%	282,031	0	855,330
TOTAL	253,746,120	30,329,898	11.95%	13,318,536	5.25%	(4,025,163)	0	5,349,497



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