Q3 2025

INLAND EMPIRE
INDUSTRIAL MARKET

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INLAND EMPIRE MARKET BRIEF Q3 2025

The Inland Empire industrial market in the third quarter of 2025 continued to find its footing, moving toward a more balanced, tenant-friendly environment. Vacancy in the core submarkets remained relatively stable, with subtle differences emerging between the eastern and western regions. While overall market activity remained healthy, the core submarkets saw softer absorption, signaling that tenants are exercising greater selectivity as they navigate evolving market conditions. Leasing momentum picked up in key areas, especially near major logistics hubs, reflecting sustained demand for well-located industrial space despite the slower overall pace.

Leasing activity in the third quarter of 2025 remained robust, underscored by 47 substantial transactions exceeding 100,000 square feet. These large-scale deals, particularly concentrated in prime logistics hubs, drove steady demand for industrial space. Despite a slight uptick in vacancy rates, the market demonstrated resilience, with positive net absorption in the Inland Empire Core, indicating sustained interest from tenants. This activity reflects a strategic shift as businesses continue to optimize their supply chains, capitalizing on favorable leasing conditions to secure well located, large format facilities.

The Ports of Long Beach and Los Angeles reported strong cargo activity in Q3 2025, with both ports achieving record volumes. The Port of Long Beach handled 6.59 million TEUs through August, up 8.3% year-over-year, despite a temporary disruption in September when 67 containers fell into the harbor. The Port of Los Angeles processed over 950,000 TEUs in August, maintaining robust import activity. Growth was largely driven by front loading of shipments ahead of anticipated U.S. tariffs, particularly from Asia. This surge in port activity directly supports the Inland Empire and Southern California industrial markets, driving demand for warehouse, distribution, and logistics space. Ongoing tariff uncertainties may influence future shipping patterns, but the ports' high throughput continues to underpin industrial real estate demand and regional supply chain activity **(See Page 6).**

The Inland Empire's industrial market has seen a marked slowdown in new construction, as developers remain cautious about starting speculative projects. Rising vacancy rates and uncertain tenant demand are discouraging large-scale developments, while regulatory restrictions and environmental concerns are further slowing the pace of new construction. As a result, developers are now concentrating almost exclusively on built-to-suit projects designed to meet the specific needs of individual tenants, with over five new projects coming to market in Q3 that are exclusively build-to-suit for now.

Despite the overall slowdown in the development of new product, big-box activity dominated construction completion this quarter, totaling over 4.8 million square feet. Major projects delivered included Speedway Commerce Center II – Buildings 1 and 2, The Hub – Buildings 1 and 3, Loma Creek Logistics Center, Harvill Business Center, and Barton Road Industrial Center.

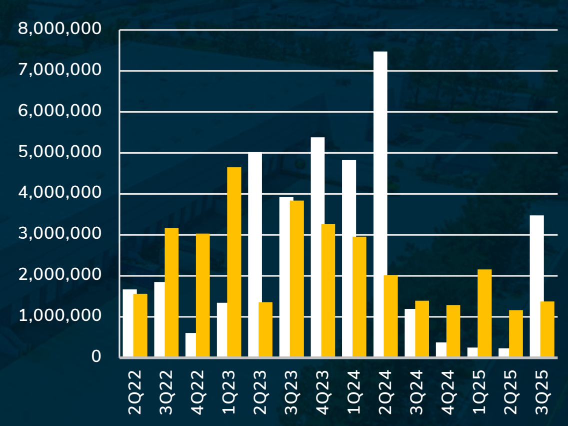
Overall, the Inland Empire's industrial market remains a cornerstone of Southern California's economy, combining resilience, strategic location, and sustained tenant demand. Market fundamentals are solid, with continued leasing activity reflecting confidence from occupiers and investors alike. Its role as a critical hub for distribution and logistics ensures ongoing relevance, even amid broader market fluctuations. The Inland Empire will continue to lead the region's industrial market with strength and stability.

IE MARKET SNAPSHOT

- **692,134,854 SF**
  BASE INVENTORY
- **12%**
  AVAILABILITY RATE
- **5.54%**
  VACANCY RATE
- **6.27%**
  VACANCY RATE WITH SUBLEASES
- **6,591,401 SF**
  2025 YTD NET ABSORPTION
- **59,957,929 SF**
  2025 YTD GROSS ACTIVITY
- **8,654,951 SF**
  2025 YTD DELIVERIES
- **5,027,048 SF**
  UNDER CONSTRUCTION
- **$1.04/SF** (WEST) | **$0.93/SF** (EAST)
  AVG NNN LEASE RATE (100K+)

Q2 2025 COMPARISON

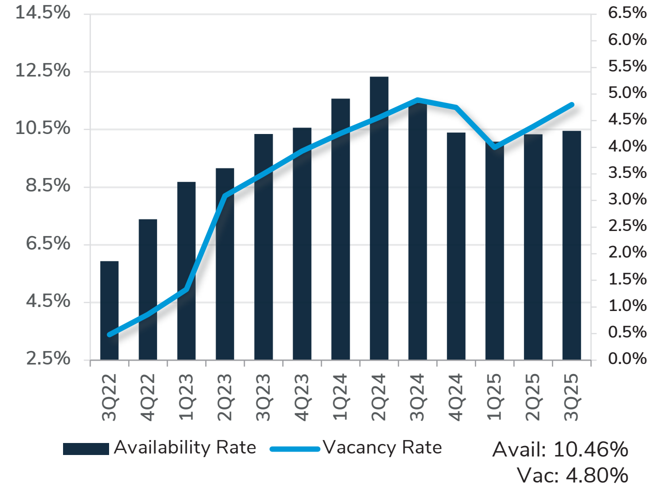
- ↓ 1.05% **LEASE RATES**
- ↑ 0.42% **AVAILABILITY**
- ↑ 3.30% **VACANCY**
- ↑ 77.90% **DELIVERIES**
- ↓ 10.90% **SUBLEASE SPACE**



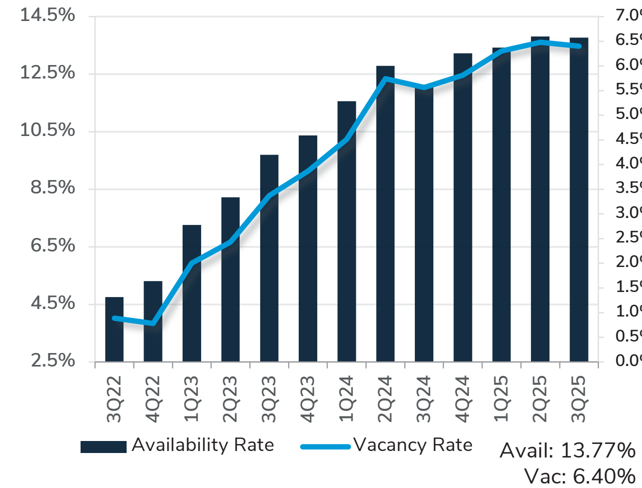
QUARTERLY CONSTRUCTION **COMPLETION**

KEY
- IEW
- IEE

IE WEST AVAILABILITY & VACANCY

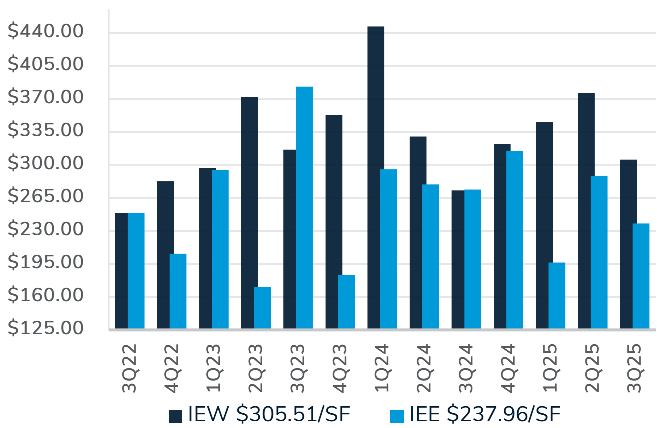


IE EAST AVAILABILITY & VACANCY

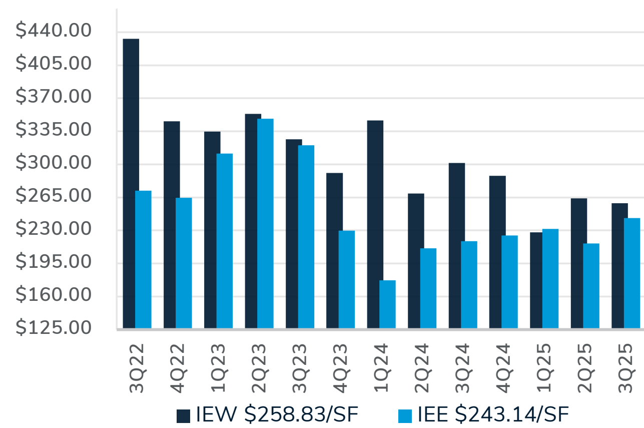


AVAILABILITY: All space being marketed (existing & U/C) *VACANCY: Unoccupied space (not including U/C or planned)* **INCLUDES ALL CLASSES OF BUILDILNGS*

USER SALES PRICE PER SF

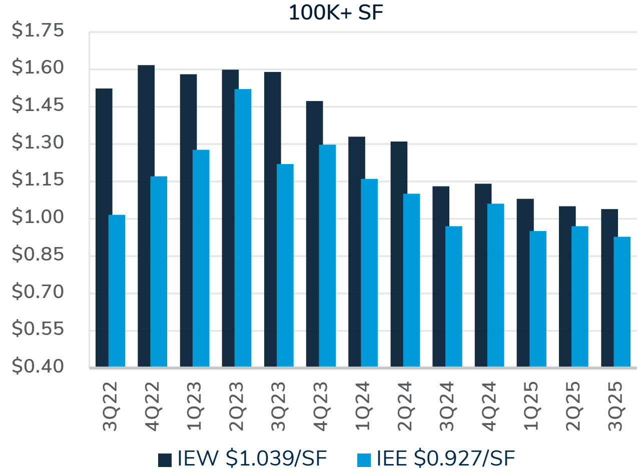


INVESTMENT SALES PRICE PER SF



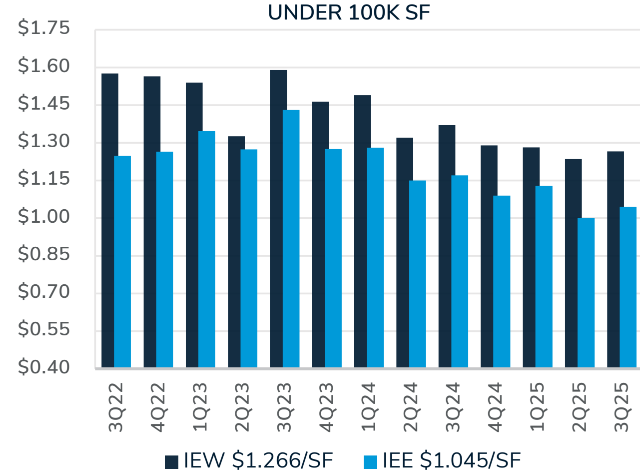
ACTUAL NNN LEASE RATE PRICE PER SF

100K+ SF

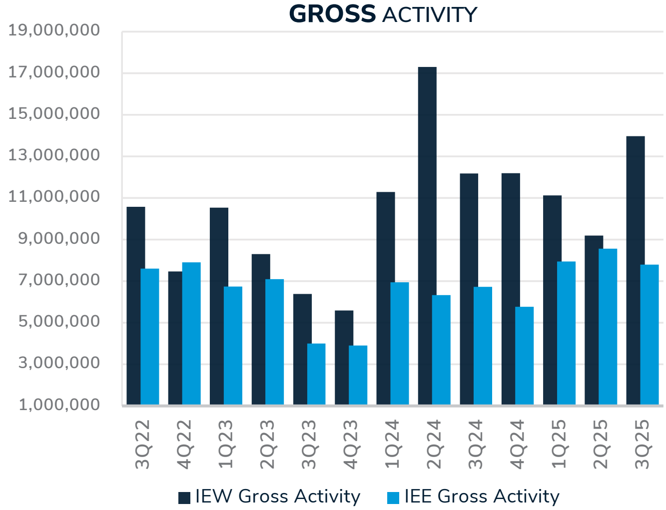


ACTUAL GROSS LEASE RATE PRICE PER SF

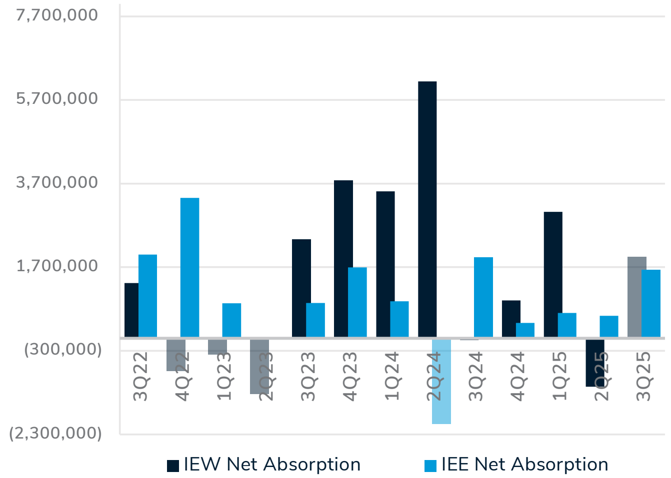
UNDER 100K SF



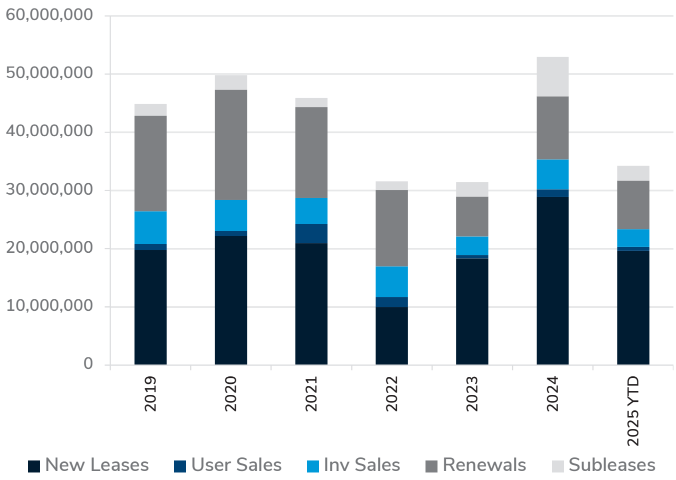
GROSS ACTIVITY



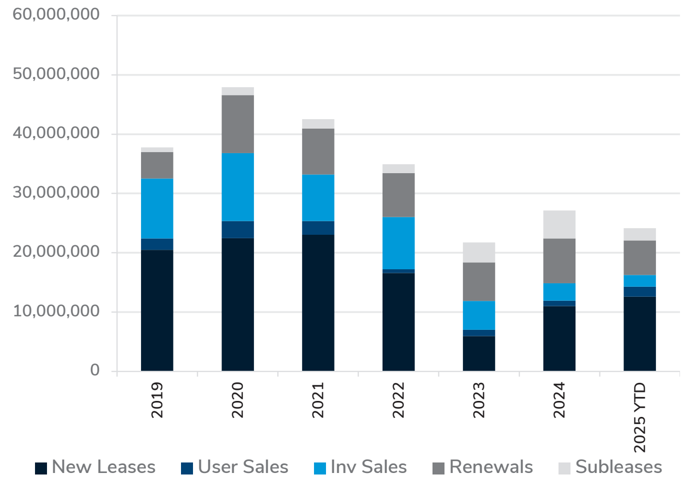
NET ABSORPTION



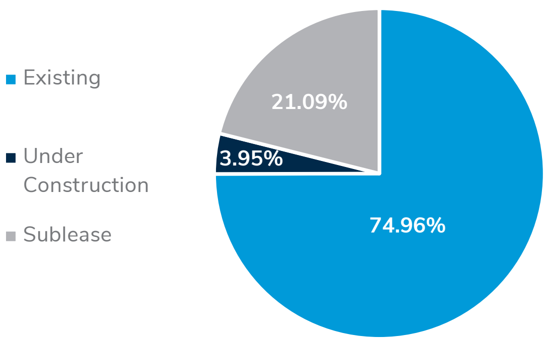
IE WEST - TOTAL ACTIVITY



IE EAST - TOTAL ACTIVITY



3Q25 Lease Availability BREAKDOWN



TOTAL ACTIVITY

Transaction Type	IEW	IEE	TOTAL
New Leases	6,971,150	4,421,362	11,392,512
Renewals	4,046,812	2,043,917	6,090,729
Subleases	871,819	345,759	1,217,578
User Sales	167,989	335,77	503,763
Investment Sales	1,909,939	649,152	2,559,091
3Q25 TOTAL	13,967,709	7,795,964	21,763,673

INLAND EMPIRE Q3 2025
NOTABLE DEALS & DELIVERIES

KEY | LEE & ASSOCIATES – ONTARIO DEAL

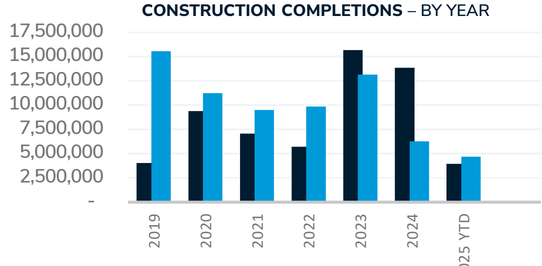
LEASED PROPERTY	LESSOR	LESSEE	SIZE	DEAL TYPE
5690 Industrial Pkwy, San Bernardino	Alere Property Group, LLC	IDC Logistics, Inc	844,311	New
13052 Jurupa Ave, Fontana	Principal Life Insurance Co	Elogistek, LLC	827,578	New
3994 Riverside Ave, Rialto	Link Logistics Real Estate, LLC	Living Spaces	796,841	Renewal
1300 California St, Redlands	Ares Management	DCG Fulfillment	771,839	Renewal
11991 Landon Dr, Jurupa Valley	Fortress Investment Group, LLC	United Parcel Service	765,456	Lease-Back
11260 Cedar Ave, Bloomington	ASB Real Estate Investments	US Elogistics Services Corp	677,383	New
2825 E Jurupa St, Ontario	Link Logistics Real Estate, LLC	JRC Logistics	612,083	New
11101 Etiwanda Ave, Fontana	La Salle Partners	Allied West Paper Co	611,968	Renewal
300-310 S Tippecanoe Ave, San Bernardino	Clarion Partners, LLC	Kumho Tire U.S.A, Inc	600,240	New
15730-15750 Mountain Ave, Chino	Majestic Realty Company	NFI	489,741	Renewal
13423-13473 Santa Ana, Fontana	EQT Exeter	Western Post, LLC	484,643	New
1405 Locust St, Ontario	James Campbell Company, LLC	Acuity Brands Lighting, Inc	434,555	Renewal
11555 Arrow Route, Rancho Cucamonga	Rancho Cucamonga II, LLC	Faro Logistics	418,265	Renewal
3601 Jurupa St, Ontario	Sares Regis Group	Warehouse Technologies Inc.	411,738	New
15704-15710 Mountain Ave, Chino	Majestic Realty Company	NFI	389,358	Renewal
18550 Orange St, Bloomington	The Orden Company	BDK Logistics	371,442	New
4271-4281 Edison Ave, Chino	Majestic Realty Company	California Distribution Centers	350,000	Renewal
5491 Philadelphia St, Ontario	Dedeaux Properties, LTD	COPE Services	325,524	New
10730 Production Ave, Fontana	Prologis	AllStars Corp.	320,990	New
520 E Orange Show Rd, San Bernardino	Prologis	BFG Supply Holdings, Inc	318,989	New
9409 Buffalo Ave, Rancho Cucamonga	Bradshaw International, Inc	AC Pro, Inc	290,732	Sublease
8449 Milliken Ave, Rancho Cucamonga	Prologis	Ford Motor Company	262,410	Renewal
3070 E Cedar St, Ontario	L & B Realty Advisors	WTS Logistics Inc	211,978	New
10855 Philadelphia Ave, Jurupa Valley	CenterPoint Properties Trust	The Merchants of Tennis, Inc	210,615	New
21511 Harvill Ave, Perris	IDS Real Estate Group	Medical Depot, Inc	207,130	New
1325 Sherborn St, Corona	GLP Capital Partners	Triple Rivers Smart Logistics	183,619	New
1220 S Baker Ave, Ontario	Institutional Industrial Investors, LLC	Aspire Bakeries, LLC	183,500	Renewal

SOLD PROPERTY	BUYER	SELLER	SIZE	DEAL TYPE
11911 Landon Dr, Jurupa Valley	Fortress Investment Group	UPS Logistics	765,456	Investment
22491 Harley Knox Blvd, Perris	Cabot Industrial Properties	Sares Regis Group	348,375	Investment
601 S Rockefeller Ave, Ontario (Bulk Portfolio)	Apollo Global Management	Bridge Investment Group	252,800	Investment
14928 Washington Dr, Fontana(Bulk Portfolio)	Bridge Investment Group	Patriot Development Partners	177,660	Investment
7190 Jurupa Ave, Riverside	Maps 7190 Jurupa Ave CA, LLC	Kx Riverside Airport, LLC	111,725	Investment

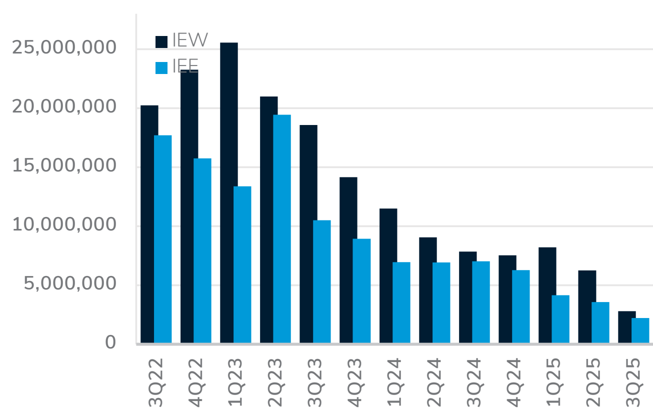
3rd Quarter 100K+ CONSTRUCTION COMPLETIONS

PROPERTY	SIZE	OWNER
9253 Dreamland Dr, Fontana	1,286,569	Hillwood Development
1002 S Carnegie Ave, Ontario	547,395	McDonald Property Group
3550 S Mill Creek Ave, Ontario	534,234	Brookfield Properties
9151 Dreamland Dr, Fontana	528,253	Hillwood Development
23784 Orange Ave, Perris	429,823	Ares Management
21661 Barton Rd, Colton	417,809	Clarion Partners, LLC
3560 E Airport Dr, Ontario	359,960	McDonald Property Group
19275 Slover Ave, Bloomington	261,632	Crow Holdings
27195 Almond Ave, Redlands	208,000	Xebec Realty Partners
1580 E Francis St, Ontario	167,174	Dermody Properties
TOTAL SF COMPLETED	**4,740,849**	

CONSTRUCTION COMPLETIONS – BY YEAR



UNDER CONSTRUCTION



LEE & ASSOCIATES
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Inland Empire WEST - 5,000 SF and Greater

CITY	BASE	SF AVAILABLE	AVAILABILITY RATE	SF VACANT	VACANCY RATE	3Q NET ABSORPTION	3Q CONSTRUCTION COMPLETIONS	UNDER CONSTRUCTION
Chino	57,843,760	4,023,083	6.96%	1,092,753	1.89%	27,561	0	0
Eastvale	14,089,110	1,158,469	8.22%	783,080	5.56%	(301,597)	0	0
Fontana	79,663,229	6,455,442	8.10%	4,246,848	5.33%	1,266,379	1,819,822	593,465
Jurupa Valley	35,516,976	6,316,298	17.78%	2,352,073	6.62%	79,695	0	0
Ontario	137,840,249	14,448,329	10.48%	6,919,162	5.02%	1,158,768	1,654,855	2,050,026
Rancho Cucamonga	45,445,649	6,331,327	13.93%	2,386,952	5.25%	(282,430)	0	151,455
TOTAL	370,398,973	38,732,948	10.46%	17,780,868	4.80%	1,948,376	3,474,677	2,794,946

Inland Empire EAST - 5,000 SF and Greater

CITY	BASE	SF AVAILABLE	AVAILABILITY RATE	SF VACANT	VACANCY RATE	3Q NET ABSORPTION	3Q CONSTRUCTION COMPLETIONS	UNDER CONSTRUCTION
Banning / Beaumont	10,430,229	2,791,688	26.77%	51,800	0.50%	0	0	0
Bloomington	4,149,226	999,963	24.10%	309,441	7.46%	1,161,434	261,632	42,408
Colton	10,872,651	1,502,447	13.82%	16,409	0.15%	533,610	417,809	181,223
Corona / Norco	38,064,869	2,898,756	7.62%	1,412,875	3.71%	110,609	0	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	0	0
Moreno Valley	32,864,001	4,448,667	13.54%	2,679,945	8.15%	(29,548)	0	32,510
Perris	44,191,119	8,588,152	19.43%	4,742,958	10.73%	(529,155)	429,823	855,330
Redlands / Loma Linda	32,952,976	3,543,465	10.75%	1,749,550	5.31%	(62,927)	208,000	356,791
Rialto	38,016,053	5,593,388	14.71%	2,388,393	6.28%	222,968	0	510,563
Riverside	61,851,759	7,798,571	12.61%	2,824,802	4.57%	31,403	60,950	224,597
San Bernardino	46,100,372	5,779,638	12.54%	4,054,085	8.79%	197,886	0	28,680
TOTAL	321,912,124	44,307,774	13.76%	20,593,297	6.40%	1,636,280	1,378,214	2,232,102

Inland Empire WEST - 100,000 SF and Greater

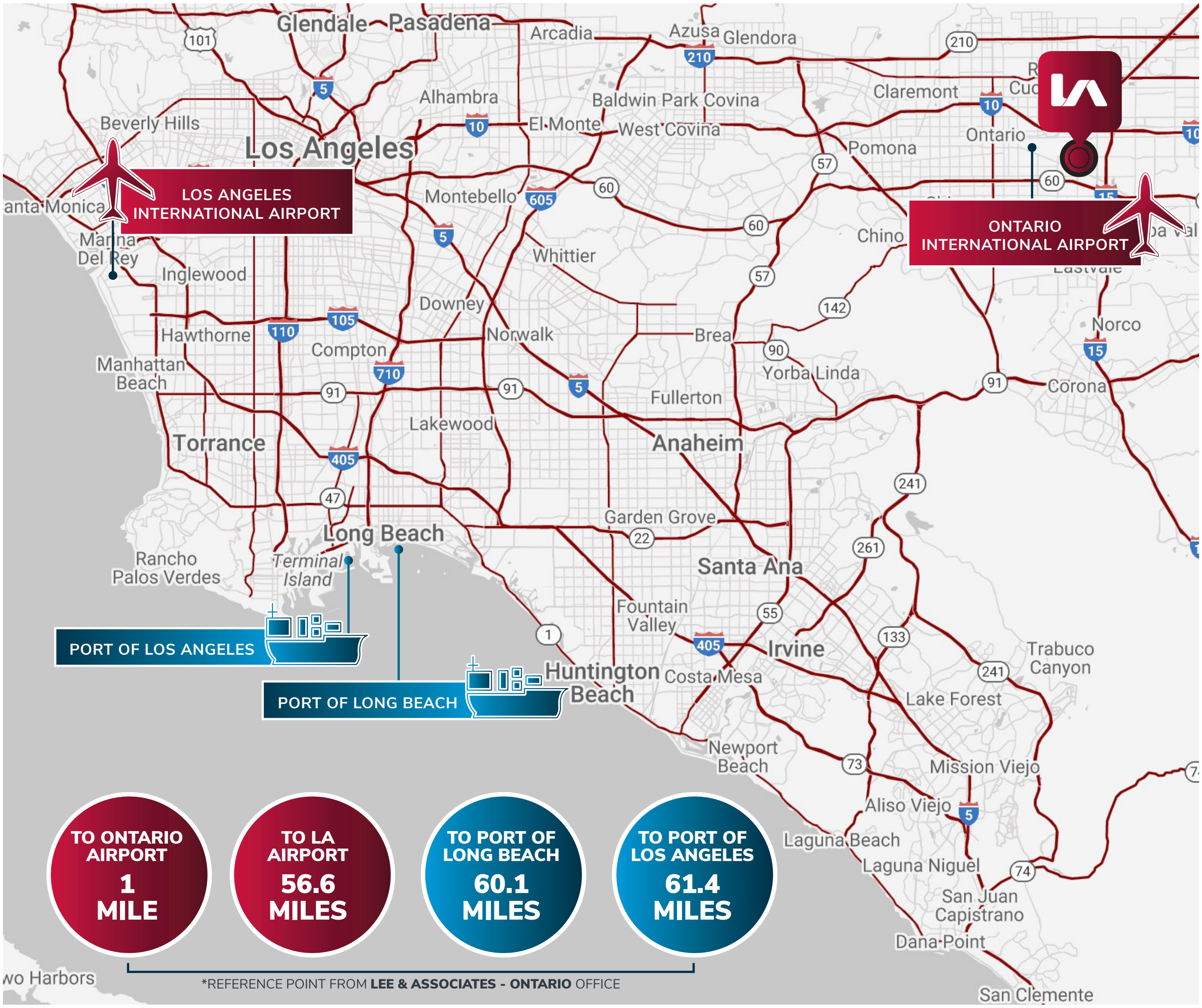
CITY	BASE	SF AVAILABLE	AVAILABILITY RATE	SF VACANT	VACANCY RATE	3Q NET ABSORPTION	3Q CONSTRUCTION COMPLETIONS	UNDER CONSTRUCTION
Chino	40,226,993	2,840,189	7.06%	474,597	1.18%	212,984	0	0
Eastvale	11,881,414	816,592	6.87%	462,717	3.89%	(301,597)	0	0
Fontana	65,887,083	5,097,338	7.74%	3,713,403	5.64%	1,227,319	1,814,822	520,589
Jurupa Valley	30,133,353	5,520,065	18.32%	1,946,131	6.46%	(40,022)	0	0
Ontario	103,982,072	10,873,372	10.46%	5,480,754	5.27%	1,029,407	1,608,763	1,852,393
Rancho Cucamonga	28,841,328	4,747,719	16.46%	1,834,793	6.36%	(290,460)	0	151,455
TOTAL	280,952,243	29,895,275	10.64%	13,912,395	4.95%	1,837,631	3,423,585	2,524,437

Inland Empire EAST - 100,000 SF and Greater

CITY	BASE	SF AVAILABLE	AVAILABILITY RATE	SF VACANT	VACANCY RATE	3Q NET ABSORPTION	3Q CONSTRUCTION COMPLETIONS	UNDER CONSTRUCTION
Banning / Beaumont	9,364,247	2,658,888	28.39%	0	0.00%	0	0	0
Bloomington	3,444,238	855,634	24.84%	261,632	7.60%	1,048,825	261,632	0
Colton	6,797,218	1,034,142	15.21%	0	0.00%	543,610	417,809	0
Corona / Norco	15,248,344	811,793	5.32%	618,525	4.06%	85,240	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	4,043,304	13.08%	2,307,092	7.46%	(524,097)	0	0
Perris	40,810,936	7,987,820	19.57%	4,458,552	10.92%	275,457	429,823	855,330
Redlands / Loma Linda	28,587,081	3,010,216	10.53%	1,387,974	4.86%	609,892	208,000	356,791
Rialto	32,937,827	5,030,452	15.27%	2,079,006	6.31%	(94,738)	0	468,563
Riverside	39,656,572	5,808,709	14.65%	2,102,593	5.30%	(272,679)	603,100	115,476
San Bernardino	36,212,817	4,927,658	13.61%	3,642,778	10.06%	112,194	0	0
TOTAL	245,847,691	36,531,655	14.86%	17,221,191	7.00%	1,783,704	2,441,323	1,796,160

Inland Empire - 500,000 SF and Greater

CITY	BASE	SF AVAILABLE	AVAILABILITY RATE	SF VACANT	VACANCY RATE	3Q NET ABSORPTION	3Q CONSTRUCTION COMPLETIONS	UNDER CONSTRUCTION
Inland Empire West	113,492,332	13,479,734	11.88%	7,000,309	6.17%	4,820,755	2,896,451	1,597,716
Inland Empire East	140,199,288	14,681,288	10.47%	4,213,419	3.01%	180,504	-	855,330
TOTAL	253,691,620	28,161,022	11.10%	11,213,728	4.42%	5,001,259	0	2,453,046



PORT OF LOS ANGELES

MONTH	LOADED INBOUND	LOADED OUTBOUND	EMPTIES INBOUND	EMPTIES OUTBOUND	TOTAL
JULY	543,727	544,230	503	354,099	1,019,837
AUGUST	504,514	127,378	456	326,005	958,355
SEPTEMBER	460,043	114,693	276	308,040	883,053
YTD	4,056,513	1,083,714	3,690	2,673,138	7,817,057

PORT OF LONG BEACH

MONTH	LOADED INBOUND	LOADED OUTBOUND	EMPTIES INBOUND	EMPTIES OUTBOUND	TOTAL
JULY	468,081	91,328	13,474	371,350	944,232
AUGUST	440,318	95,960	15,007	350,560	901,846
SEPTEMBER	388,084	85,081	15,390	308,982	797,537
YTD	3,584,986	828,731	134,596	2,841,932	7,390,245

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