

MARKET TRENDS | INLAND EMPIRE

INDUSTRIAL

2ND QUARTER
2020

▼ VACANCY | ▲ ABSORPTION | ▲ RENTAL RATE | ▼ CONSTRUCTION DELIVERIES

TOP SALE TRANSACTIONS FOR 2Q 2020

Property	Submarket	Square Feet	Sale Price	Price/SF	Buyer	Seller
825 E Central Ave & 890 E Mill St	San Bernardino	1,545,075	\$195,000,000	\$126.21	Brookfield Asset Mgmt., Inc.	Kohl's Corp.
1560 E 6th St	Corona/Eastvale	210,345	\$37,017,500	\$175.98	EverWest Real Estate Investors, LLC	Amrapur Overseas, Inc.
9520 Santa Anita Ave	Airport Area	200,000	\$30,504,000	\$152.52	Nuveen Real Estate	A&B Home Group, Inc.
42301 Zevo Dr	South Riverside	228,912	\$29,050,000	\$126.90	AEW Capital Management	Whitaker Investment Corp.
21937 Knabe Rd	Corona/Eastvale	139,800	\$22,787,400	\$163.00	Downey Wholesale, Inc.	Brothers Intl. Desserts, Inc.

TOP LEASE TRANSACTIONS FOR 2Q 2020

Property	Submarket	Square Feet	Date	Landlord	Tenant
1110 W Merrill Ave	San Bernardino	1,106,124	May 2020	Saadia Group LLC	All Ways Logistics
4501 Patterson Ave	Moreno Valley/Perris	800,218	May 2020	Duke Realty Corp.	Amazon
2163 S Riverside Ave	San Bernardino	447,190	June 2020	Black Creek Group	XPO Logistics
17783 N Indian St	Moreno Valley/Perris	436,350	June 2020	DRA Advisors LLC	Toolots, Inc.
9421-9687 Transportation Way	Airport Area	414,415	May 2020	Prologis	Fungyun, Inc.

TOP UNDER CONSTRUCTION

Property	Address	Submarket	Square Feet	Owner	Delivery Date
Ontario Ranch Logistics Center	4810 S Hellman Ave	Airport Area	1,245,049	REDA	September 2021
West Ontario Logistics Center	5051 Carpenter Ave	Airport Area	1,197,339	Joseph & Doleen Borba	August 2020
Colony Commerce Center	2650 E Merrill Ave	Airport Area	1,009,930	Ivanhoe Cambridge, Inc.	December 2020
4501 Patterson Ave	4501 Patterson Ave	Moreno Valley/Perris	800,218	Duke Realty Corp.	September 2020
Freeway Business Center	2677 Alessandro Blvd	Moreno Valley/Perris	709,081	Crow Holdings Industrial	August 2020

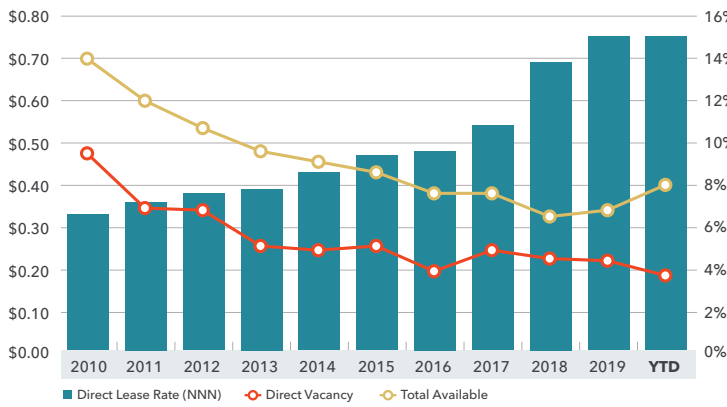
Market Breakdown

	2Q 2020	1Q 2020	2Q 2019	Annual % Change
Direct Vacancy Rate	3.5%	4.0%	3.8%	-7.01%
Total Availability Rate	7.8%	7.3%	6.0%	30.67%
Direct Asking Lease Rate	\$0.74	\$0.73	\$0.72	2.78%
Total Lease Transactions	5,849,854	14,952,935	14,722,103	-60.26%
Sale Transactions	2,999,443	2,585,607	6,356,526	-52.81%
Direct Net Absorption	4,449,245	6,953,729	7,309,916	N/A

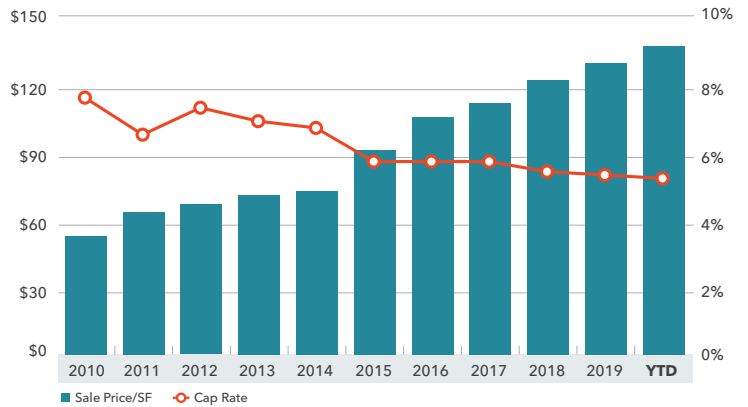
INLAND EMPIRE SUBMARKET STATISTICS

Submarket	Bldg. Count	Total Inventory	SF Under Construction	Direct Vac. Rate	Sublet Vac. Rate	Total Vac. Rate	Total Avail. Rate	2Q Direct Net Absorption	YTD Direct Net Absorption	2Q Leasing Activity	YTD Leasing Activity	Direct Rental Rate (NNN)
Chino/Chino Hills	903	52,661,199	1,063,553	1.7%	0.1%	1.8%	3.9%	(342,263)	22,013	196,654	1,144,155	\$0.85
Fontana	734	64,618,455	2,135,409	2.2%	0.7%	2.9%	6.5%	329,136	1,187,132	594,398	1,827,090	\$0.67
Jurupa Valley	300	30,304,135	1,255,270	0.8%	2.3%	3.1%	10.7%	(21,373)	(20,148)	337,948	829,615	\$0.69
Mira Loma	21	1,625,636	0	5.6%	0.0%	5.6%	3.5%	21,517	40,152	33,773	33,773	\$0.00
Montclair	200	3,750,245	164,757	9.4%	0.4%	9.8%	12.1%	(15,095)	82,416	19,497	118,883	\$0.75
Ontario	1,470	109,193,720	4,678,132	4.3%	0.4%	4.7%	8.7%	(1,506,878)	(752,817)	799,918	4,208,024	\$0.74
Rancho Cucamonga	732	40,696,343	252,935	3.4%	0.8%	4.2%	6.5%	(398,757)	421,699	532,016	1,226,459	\$0.84
Upland	252	3,956,268	56,024	2.7%	0.0%	2.8%	6.0%	(26,376)	(26,125)	13,318	59,274	\$0.74
West	4,612	306,806,001	9,606,080	3.0%	0.6%	3.6%	7.3%	(1,951,089)	954,412	2,527,522	9,447,273	\$0.78
Banning	49	975,004	0	7.1%	0.0%	7.1%	7.5%	19,262	29,692	30,234	30,324	\$0.77
Beaumont	45	6,379,904	0	0.2%	0.0%	0.2%	0.2%	999,936	999,936	0	0	\$0.70
Bloomington	104	8,238,267	1,431,111	13.5%	0.0%	13.5%	19.2%	0	1,254,592	0	615,310	\$0.68
Colton	164	10,072,894	701,049	8.5%	0.6%	9.1%	16.5%	(35,014)	(214,088)	21,011	109,073	\$0.72
Corona	900	30,930,661	133,208	5.6%	0.2%	5.8%	7.6%	121,379	(73,149)	200,112	572,541	\$0.73
Eastvale	54	11,667,092	333,629	6.2%	0.0%	6.2%	6.9%	211,723	211,723	138,071	138,071	\$0.66
Grand Terrace	13	429,469	0	2.7%	0.0%	2.7%	6.7%	11,000	10,140	0	2,760	\$0.00
Highland	16	217,387	121,294	0.0%	0.0%	0.0%	58.1%	0	700	0	0	\$0.00
Loma Linda	23	338,442	0	4.0%	0.0%	4.0%	4.0%	(13,492)	(13,492)	0	0	\$0.60
Moreno Valley	88	28,315,510	1,239,095	2.1%	0.7%	2.8%	5.8%	144,484	475,391	659,614	997,354	\$0.65
Norco	76	1,677,000	0	1.1%	0.0%	1.1%	0.9%	419,452	412,138	4,426	426,858	\$0.00
Perris	208	28,128,963	3,626,346	4.6%	0.0%	4.6%	10.4%	1,686,162	2,345,490	1,013,029	2,708,907	\$0.67
Redlands	209	27,414,703	154,946	1.6%	0.1%	1.7%	5.6%	70,884	114,362	34,400	130,175	\$0.64
Rialto	191	29,563,641	1,104,435	8.1%	0.2%	8.3%	10.8%	1,123,903	1,400,675	254,787	2,747,126	\$0.64
Riverside	1,072	51,746,558	1,636,587	2.9%	0.2%	3.1%	7.9%	891,099	1,590,901	414,973	1,456,663	\$0.65
San Bernardino	560	40,397,006	1,765,521	1.6%	0.1%	1.7%	8.1%	866,932	1,905,039	458,463	1,096,112	\$0.67
East	3,772	276,492,501	12,247,221	4.1%	0.2%	4.3%	8.5%	6,517,710	10,450,050	3,229,120	11,031,724	\$0.73
Hemet	86	1,578,121	0	9.3%	0.0%	9.3%	10.9%	(124,615)	(118,838)	0	17,662	\$0.58
Lake Elsinore	176	2,619,183	0	0.7%	0.4%	1.2%	5.5%	34,317	46,953	20,651	94,414	\$0.77
Menifee	25	513,036	0	0.0%	0.0%	0.0%	0.9%	46,600	46,600	6,600	6,600	\$0.60
Murrieta	254	3,870,040	0	3.0%	0.2%	3.2%	6.0%	(59,074)	4,392	32,401	48,069	\$0.00
San Jacinto	65	1,074,064	0	2.1%	0.0%	2.1%	2.3%	2,500	27,925	2,500	2,500	\$0.00
Temecula	333	10,571,505	0	3.8%	0.3%	4.1%	8.0%	(23,471)	(10,409)	31,060	148,180	\$0.68
Wildomar	12	324,860	0	1.4%	0.0%	1.4%	1.4%	6,367	1,889	0	6,367	\$0.79
South	951	20,550,809	0	3.5%	0.2%	3.7%	7.0%	(117,376)	(1,488)	93,212	323,792	\$0.68
5,000 - 24,999	5,868	69,673,632	572,709	2.9%	0.3%	3.1%	5.5%	(135,601)	(213,337)	539,556	1,117,912	\$0.85
25,000 - 49,999	1,367	47,698,131	838,689	2.7%	0.5%	3.2%	6.4%	(61,495)	(18,679)	450,654	1,011,306	\$0.75
50,000 - 99,999	809	55,812,575	1,713,051	3.7%	0.3%	4.1%	8.8%	131,217	555,441	509,760	1,922,247	\$0.71
100,000 - 249,999	701	106,606,697	5,248,385	4.8%	0.9%	5.7%	12.8%	(238,204)	446,955	1,871,896	3,882,526	\$0.66
250,000 - 499,999	343	123,299,885	4,696,952	5.3%	0.4%	5.7%	9.2%	389,307	150,310	1,263,355	4,477,403	\$0.59
500,000 - 999,999	193	130,293,626	4,322,551	3.4%	0.3%	3.7%	7.2%	1,240,066	3,881,247	1,214,633	6,040,222	\$0.54
1,000,000 +	54	70,464,765	4,460,964	0.0%	0.0%	0.0%	0.0%	3,123,955	6,601,037	0	2,351,173	\$0.48
Inland Empire Total	9,335	603,849,311	21,853,301	3.5%	0.4%	3.9%	7.8%	4,449,245	11,402,974	5,849,854	20,802,789	\$0.74

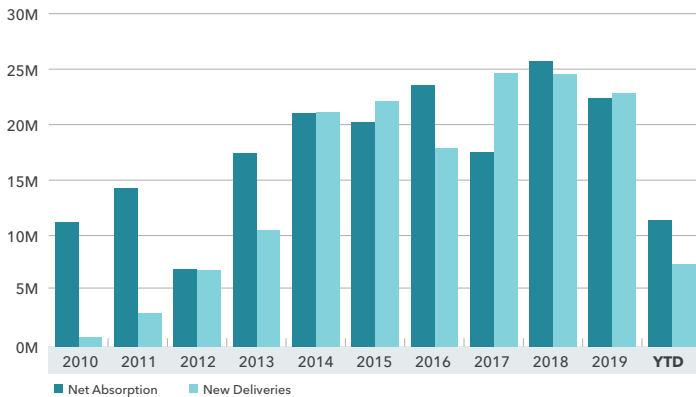
LEASE RATE, VACANCY, & AVAILABILITY



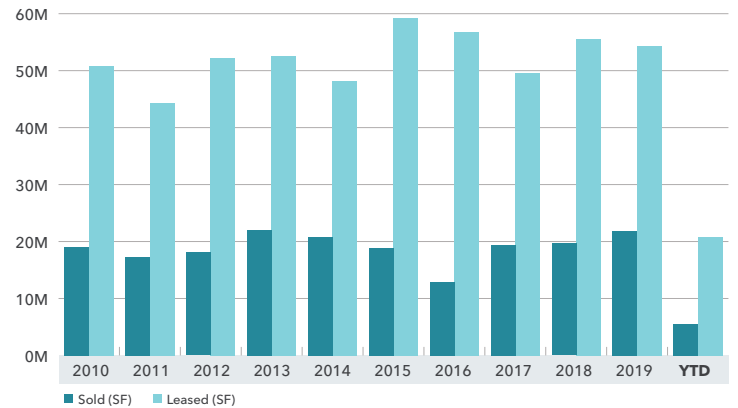
AVERAGE SALES PRICE/SF & CAP RATES



NET ABSORPTION & NEW DELIVERIES



SALE VOLUME & LEASE VOLUME



Kidder Mathews is the largest, independent commercial real estate firm on the West Coast, with 900 real estate professionals and staff in 22 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, and debt equity finance services for all property types.

The information in this report was composed by the Kidder Mathews Research Group.

JOHN CHA
Director of Research
206.248.7338
john.cha@kidder.com

ROBERT THORNBURGH, SIOR, CCIM
Regional President, Brokerage
Southern California
909.764.6500
robert.thornburgh@kidder.com
LIC N° 01324961

KIDDER.COM

COMMERCIAL BROKERAGE

27M ANNUAL SALES SF
440+ NO. OF BROKERS
\$9.6B ANNUAL TRANSACTION VOLUME
42M ANNUAL LEASING SF

VALUATION ADVISORY

1,680+ APPRAISALS ANNUALLY
38/24 TOTAL NO. APPRAISERS/MAI'S

PROPERTY MANAGEMENT

70M+ MANAGEMENT PORTFOLIO SF
\$12B+ IN ASSETS UNDER MANAGEMENT

This information supplied herein is from sources we deem reliable. It is provided without any representation, warranty or guarantee, expressed or implied as to its accuracy. Prospective Buyer or Tenant should conduct an independent investigation and verification of all matters deemed to be material, including, but not limited to, statements of income and expenses. CONSULT YOUR ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL ADVISOR.