

MARKET TRENDS

# INLAND EMPIRE INDUSTRIAL

The Inland Empire's industrial market is experiencing significant changes, with vacancy rates surging to 6.9% because of a 400-basis point increase, positioning it just behind Phoenix in national rankings.

#### MARKET DRIVERS

Despite over 34.5 million square feet of new industrial space added since 2023, with 34% still unleased, demand is declining, evidenced by major distribution center closures by companies like Maersk-owned Performance Team and NFI Industries, and an influx of sublease offerings. This paradox of booming construction amidst waning tenant interest is nudging the market towards a more balanced state, albeit with future uncertainties.

The reduction in construction starts may help maintain this balance, but the market's direction remains to be seen, depending on whether absorption rates can counteract current trends. The market has seen a -3.4 million square foot net absorption rate over the past 12 months and a decrease in asking rents for the first time in a decade, driven by a flood of discounted sublease space. Landlords are facing longer lease-up times, which compels them to adjust rents and offer concessions to attract quality tenants.

Conversely, tenants, particularly those with strong credit, find themselves in a favorable position to negotiate lease terms and rents, potentially redefining market rent standards. The Inland Empire's industrial landscape is at a crossroads, with its future dependent on the dynamic interplay between supply, demand, and broader economic factors.

# Market Summary

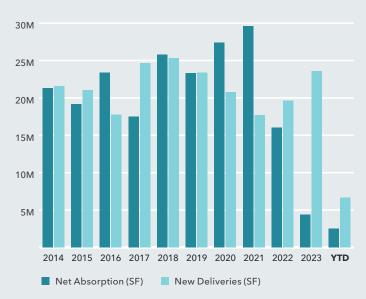
	1Q24	4Q23	1Q23	YOY Change
Direct Vacancy Rate	4.9%	4.3%	2.5%	94.06%
Total Availability Rate	12.5%	10.5%	7.7%	62.06%
Direct Asking Lease Rate	\$1.41	\$1.44	\$1.39	1.44%
	1001			
	1Q24	4Q23	1Q23	YOY Change
Total Lease Transactions	3,156,807	4 <b>Q23</b> 8,342,173	1 <b>Q23</b> 12,193,669	YOY Change -74.11%
Total Lease Transactions Sale Transactions				3



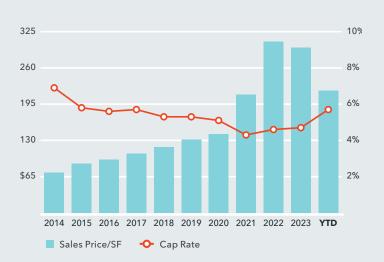
LEASE RATE, \$2.00 12% **VACANCY &** AVAILABILITY \$1.50 9% 6% \$1.00 Direct Lease Rate (FSG) -0-\$0.50 3% **Direct Vacancy** -0-**Total Availability** 2016 2017 2018 2019 2020



# **NET ABSORPTION & NEW DELIVERIES**



# AVERAGE SALES PRICE/SF & CAP RATE



## SALE VOLUME & LEASING ACTIVITY



# SUBMARKET STATISTICS

Banning 48 1,944,130 0 0,3% 2,9% 3,2% 5,4% 44,500 44,500 0 0 0 0,000 80,01 Bloamington 125 10,504,094 179,621 0,7% 2,6% 3,3% 5,6% 5,6% (9,500) 9,500) 0 0 0 0,000 Bloamington 125 10,504,094 179,621 0,7% 2,6% 3,3% 5,0% 9,000 9,000 137,744 137,744 - Colton 177 10,932,274 0 11.7% 0,5% 12,3% 12,3% 12,133 12	Submarket	Building Count	Total Inventory	SF Under Construction	Direct Vacancy Rate	Sublet Vacancy Rate	Total Vacancy Rate	Total Available Rate	QTR Direct Net Absorption	YTD Direct Net Absorption	QTR Total Leasing Activity	YTD Total Leasing Activity	AVG NNN Rental Rate
Feminar   Femi	Chino/Chino Hills	944	56,008,074	1,195,603	3.5%	1.7%	5.2%	8.4%	31,893	31,893	778,783	778,783	\$1.62
	Eastvale	71	14,439,175	274,405	2.1%	0.0%	2.1%	9.1%	(44,064)	(44,064)	0	0	\$1.60
Mina Loma 20 71,2,371 0 8.6% 1,1% 9.8% 9.8% 9.8% 0 0 0 0 0 0 0 0 53.49 1.86 Montclair 207 4,105,712 0 3.2% 9.0% 3.2% 9.0% 9.21 9.294 38,249 1.296,33 1.296,33 876,033 876,033 8.18 1.38 1.39 1.39 1.39 1.39 1.39 1.39 1.39 1.39	Fontana	784	73,231,398	5,632,699	4.8%	1.9%	6.8%	18.2%	1,048,166	1,048,166	27,690	27,690	\$1.51
Montclaik	Jurupa Valley	317	35,075,313	3,329,708	5.5%	0.1%	5.6%	16.3%	1,151,206	1,151,206	78,089	78,089	\$1.22
Obtained         1530         124,007,940         5,950,691         4,9%         1,9%         6,9%         11,9%         1,299,633         12,96,333         876,033         81,60         171         12,00	Mira Loma	20	712,371	0	8.6%	1.1%	9.8%	9.8%	0	0	0	0	\$1.36
Rench Cucamong   749	Montclair	207	4,105,712	0	3.2%	0.0%	3.2%	9.4%	69,214	69,214	38,249	38,249	=
Upland         259         4,078,220         7,000         7,2%         0,0%         7,2%         9,8%         (32,505)         (32,505)         20,125         20,125         \$1,08           West         4,881         355,825,755         16,652,090         4.8%         1.8%         6.6%         13,8%         3,657,160         2,005,778         2,005,178         \$1,53           Benning         48         1,944,130         0         0.3%         2,9%         3,2%         5,4%         44,500         44,500         0         0         0.00           Benning         48         1,944,130         0         0.1%         5,5%         5,6%         5,6%         0,900         (9,500)         0         0         0.00           Bloomington         125         1,056,404         179,671         0.7%         6,5%         2,3%         6,000         10,000         10,000         10,000           Corona         177         1,932,274         0         1,25%         0.0%         12,3%         1,00         0         1,142         1,142         1,142         1,144         7,144         1,142         1,142         1,142         1,142         1,142         1,142         1,142         1,142	Ontario	1530	124,607,940	5,950,691	4.9%	1.9%	6.9%	11.9%	1,299,633	1,299,633	876,033	876,033	\$1.58
Mathematical   Math	Rancho Cucamonga	749	43,567,552	261,284	4.6%	0.7%	5.3%	10.6%	133,617	133,617	186,209	186,209	\$1.71
Banning 48 1,944,130 0. 0.3% 2.9% 3.2% 5.4% 44,500 44,500 0. 0. 0. 0. 0.00 Bloomington 48 8,410,338 0. 0.1% 5.5% 5.6% 5.6% 5.6% (9,500) (9,500) 0. 0. 0. 0. 0.00 Bloomington 125 10,504,094 179,621 0.7% 2.6% 3.3% 5.0% 9,000 9,000 137,744 137,744 - Cotton 177 10,932,274 0. 11.7% 0.5% 12.3% 13.0% (50,360) 50,360) 12,133 12,133 90,67 Corona 926 33,027,070 203,823 5.8% 0.7% 6.5% 9.2% (93,043) 93,043) 71,914 71,914 14.12 Grand Terrace 13 424,525 10,000 1.3% 0.0% 1.2% 0.0% 1.3% 1.3% 0.0 0. 0. 0. 0. 0. 0. 0. 0. 0. 0. 0. 0.	Upland	259	4,078,220	7,700	7.2%	0.0%	7.2%	9.8%	(32,505)	(32,505)	20,125	20,125	\$1.07
Beamment	West	4,881	355,825,755	16,652,090	4.8%	1.8%	6.6%	13.8%	3,657,160	3,657,160	2,005,178	2,005,178	\$1.53
Beamment	ъ.	40	4.044.420	0	0.20/	0.00/	2.00/	F 40/	44.500	44.500	0	0	<b>#0.04</b>
Bloomington   125													
Cotton         177         10,932,274         0         11,7%         0.5%         12,3%         13,0%         (50,360)         (50,360)         12,133         12,133         \$0.67           Corona         926         33,027,070         203,823         5.8%         0.7%         6.5%         9.2%         (93,043)         (79,143)         71,914         81,000         0.00         3,850         30,00         0.00         1,000         3,850         30,00         50,00         1,000         50,74         40,000         1,000         50,74         1,000         1,000         50,74         1,000         1,000         50,74         1,000         1,000         50,74         1,000         1,000         1,000         50,000         50,000         50,000         50,000         50,000         50,000         50,000         50,000         50,000         50,000         50,000         50,000 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td><td></td><td>\$0.00</td></t<>											-		\$0.00
Corona         926         33,027,070         203,823         5.8%         0.7%         6.5%         9.2%         (93,043)         (93,043)         71,914         71,914         \$1.42           Grand Forace         13         424,525         10,000         1.3%         0.0%         1.3%         0         0         10,000         10,000         \$0.00           Loma Linda         25         434,679         0         28.6%         0.0%         28.6%         2.4%         (44,313)         (44,313)         8.00         8.00         \$0.74           Moreno Valley         111         33,003,219         291,194         0.8%         1.5%         2.3%         6.5%         12,692         12,697         126,679         126,679         \$1.29           Norco         87         2,693,547         0         33.6%         0.4%         34.0%         46.1%         3,844         3,844         5,375         5,375         \$1.22           Perris         249         42,430,715         2,877,243         4.4%         4.7%         9.1%         19,4%         96,385         105,675         15,257         \$1.18           Redlands         220         31,460,051         1,324,155         8.0%         0.2% <td></td> <td>- - - -</td>													- - - -
Grand Terrace         13         424,525         10,000         1.3%         0.0%         1.3%         1.3%         0.0         0         10,000         10,000         \$0.00           Highland         25         2.479,742         0         12.5%         0.0%         12.5%         12.3%         0         0         3.850         3.850         \$0.00           Loma Linda         25         434,679         0         28.6%         0.0%         28.6%         29.4%         (44,313)         (43,313)         8.000         8.00         \$0.74           Moreno Valley         111         33,003,217         291,174         0.8%         1.5%         2.3%         6.5%         12.692         12.6679         126,679         \$1.22           Norco         87         2,693,547         0         3.36%         0.4%         3.4%         6.5%         12.692         12,662         126,679         12.26           Perris         249         42,430,715         2,877         3.78         1.7%         19.777         11.97771         11.972         29.004         21.44           Redlands         22         3,392,81         13,400.05         13,241,55         8.0%         0.2%         12.5% <th< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>													
Highland   25											· · · · · · · · · · · · · · · · · · ·		
Loma Linda         25         434,679         0         28.6%         0.0%         28.6%         29.4%         (44,313)         (44,313)         8,000         8,000         \$0.74           Moreno Valley         1111         33,003,219         291,194         0.8%         1.5%         2.3%         6.5%         12,692         12,692         126,679         126,679         \$1.29           Norco         87         2,693,547         0         33.6%         0.4%         34.0%         46.1%         (3,844)         5,375         5,375         \$1.22           Perris         249         42,430,715         2,877,243         4.4%         4.7%         9.1%         696,385         696,385         10,557         10,557         \$1.18           Redlands         222         30,926,734         19,370         5.5%         7.7%         13.6%         15.2%         (31,687)         (31,687)         213,264         213,264         \$1.27           Rialto         210         31,460,051         1,324,156         8.0%         0.2%         8.2%         15.7%         (197,771)         (197,771)         29,804         29,804         \$1.27           Raito         133         43,678,854         1,241,525         5.													
Moreno Valley         111         33,003,219         291,194         0.8%         1.5%         2.3%         6.5%         12,692         126,672         126,679         126,679         \$1.29           Norco         87         2,693,547         0         33.6%         0.4%         34.0%         46.1%         (3,844)         (3,844)         5,375         5,375         \$1.22           Perris         249         42,430,715         2,877,243         4.4%         4.7%         9,1%         19,4%         696,385         10,557         10,557         \$1.18           Redlands         222         30,926,734         13,324,156         8.0%         0.2%         8.2%         15,7%         (197,771)         (197,771)         29,804         29,804         \$1.47           Riverside         1134         58,391,008         781,991         4.1%         2.7%         6.8%         9.7%         (256,800)         (256,800)         347,760         347,760         \$1.27           San Bernardino         584         43,678,854         1,241,525         5.9%         0.6%         6.5%         12.5%         (1166,545)         (106,545)         40,227         40,227         \$1.23           East         3,984         310,7409													•
Norco 87 2,693,547 0 33.6% 0.4% 34.0% 46.1% (3,844) (3,844) 5,375 5,375 \$1.22 Perris 249 42,430,715 2,877,243 4.4% 4.7% 9.1% 19.4% 696,385 696,385 10,557 10,557 \$1.18 Redlands 222 30,926,734 19,370 5.9% 7.7% 13.6% 15.2% (31,687) (31,687) 213,264 213,264 51.27 Rislato 210 31,460,051 1,324,156 8.0% 0.2% 8.2% 15.7% (197,771) (197,771) (27,600) 347,760 31,476 Riverside 1134 58,391,008 781,991 4.1% 2.7% 6.8% 9.7% (256,800) (256,800) 347,760 347,760 51.27 San Bernardino 584 43,678,854 1,241,525 5.9% 0.6% 6.5% 12.5% (11,66,545) (11,66,545) 40,227 40,227 \$1.23 East 3,984 310,740,980 6,928,923 5.3% 2.5% 7.8% 12.3% (1,091,286) (1,091,286) 1,017,307 10,17,307 51.23  Hemet 88 1,618,646 0 1.4% 0.0% 1.4% 4.2% 0 0 0 0 0 0 0 10,107,307 51.23  Menifee 27 1,330,986 544,115 15.4% 0.0% 15.4% 59.3% (183) (183) 0 0 0 1.017,307 51.23  Murrieta 275 4,543,790 56,716 4.7% 0.0% 15.4% 59.3% (183) (183) 0 0 0 5.102  San Jacinto 66 1,108,019 0 0 0,9% 0.0% 0.9% 0.9% 0.9% 0.60,000 0.500 2.500 \$1.13  Temecula 34 6 10,305,604 94,582 3.8% 1.2% 50.0% 8.8% 42,868 42,868 10,2675 102,675 51.28  Wildomar 12 331,720 0 1.1% 0.0% 1.1% 1.1% (3,664) (3,664) (3,664) 0.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			· · · · · · · · · · · · · · · · · · ·								· ·	· ·	
Perris         249         42,430,715         2,877,243         4.4%         4.7%         9.1%         19.4%         696,385         696,385         10,557         10,557         \$1.18           Redlands         222         30,926,734         19,370         5.9%         7.7%         13.6%         15.2%         (31,687)         (31,687)         213,264         213,264         \$1.27           Rialto         210         31,460,051         1,324,156         8.0%         0.2%         8.2%         15.7%         (197,771)         (197,771)         29,804         29,804         \$1.44           Riverside         1134         58,391,008         781,991         4.1%         2.7%         6.8%         9.7%         (256,800)         (256,800)         347,600         347,600         \$1.27           San Bernardino         584         43,678,854         1,241,525         5.9%         0.6%         6.5%         12.3%         (1,091,286)         (1017,307)         40,227         40,227         40,227         40,227         40,227         40,227         40,227         40,227         40,227         40,227         40,227         41,730         51,23         41,23         41,24         4.2%         0         0         0         0<													
Redlands         222         30,926,734         19,370         5.9%         7.7%         13.6%         15.2%         (31,687)         (31,687)         213,264         213,264         213,264         213,264         \$1.24           Rialto         210         31,460,051         1,324,156         8.0%         0.2%         8.2%         15.7%         (197,771)         (197,771)         29,804         29,804         \$1.44           Riverside         1134         58,391,008         781,991         4.1%         2.7%         6.8%         9.7%         (256,800)         (256,800)         347,760         347,760         \$1.27           San Bernardino         584         43,678,854         1,241,525         5.9%         0.6%         6.5%         12.5%         (1,166,545)         (1,091,286)         40,227         40,227         \$1.23           East         3,0984         310,740,980         6,928,923         5.3%         2.5%         7.8%         12.3%         (1,091,286)         (1,017,307)         10,17,307         10,17,307         \$1.23           Hemet         88         1,618,646         0         1.4%         0.0%         1.5%         69,33         (183)         (10,017,307)         10,07         11,00         1.0<												-	
Rialto         210         31,460,051         1,324,156         8.0%         0.2%         8.2%         15.7%         (197,771)         (197,771)         29,804         29,804         \$1.44           Riverside         1134         58,391,008         781,991         4.1%         2.7%         6.8%         9.7%         (256,800)         (256,800)         347,600         347,60         \$1.27           San Bernardino         584         43,678,854         1,241,525         5.9%         0.6%         6.5%         12.5%         (1,166,545)         (1,091,286)         10,7307         10,7307         \$1.23           East         3,984         310,740,980         6,928,923         5.3%         2.5%         7.8%         12.3%         (1,091,286)         (1,091,286)         1017,307         10,17,307         \$1.23           Hemet         88         1,618,646         0         1.4%         0.0%         1.4%         4.2%         0         0         0         0         0         5.00         \$1.03           Lake Elsinore         182         2,705,239         63,000         5.6%         0.0%         15.4%         59.3%         (183)         (183)         0         0         0         0         0													
Riverside 1134 58,391,008 781,991 4.1% 2.7% 6.8% 9.7% (256,800) (256,800) 347,760 347,760 \$1.27 San Bernardino 584 43,678,854 1,241,525 5.9% 0.6% 6.5% 12.5% (1,166,545) (1,166,545) 40,227 40,227 \$1.23 Hemet 88 1,618,646 0.28,923 5.3% 2.5% 7.8% 12.3% (1,091,286) (1,091,286) 1,017,307 1,017,307 \$1.23 Hemet 88 1,618,646 0.28,923 5.3% 2.5% 7.8% 12.3% (1,091,286) (1,091,286) 1,017,307 1,017,307 \$1.23 Hemet 88 1,618,646 0.27,05,239 63,000 5.6% 0.0% 5.6% 4.4% (80,531) (80,531) 2,000 2,000 \$1.03 Menifee 27 1,330,986 544,115 15.4% 0.0% 15.4% 59.3% (183) (183) 0.0 0.0 0.0 \$1.25 Murrieta 275 4,543,790 56,716 4.7% 0.0% 4.7% 5.5% (4,163) (4,163) 27,147 27,147 \$1.23 San Jacinto 66 1,108,019 0.09% 0.0% 0.9% 0.9% 0.9% (6,000) (6,000) 2,500 2,500 \$1.13 Temecula 346 10,305,604 94,582 3.8% 1.2% 5.0% 8.8% 42,868 42,868 102,675 102,675 \$1.28 Mildomar 12 331,720 0.11% 0.0% 1.1% 1.1% (3,664) (3,664) 0.0 0.5 South 996 21,944,004 758,413 4.6% 0.6% 5.1% 9.8% (51,673) (51,673) 134,322 134,322 \$1.23 S0,000 -49,999 1,462 51,241,907 1,720,458 4.4% 0.3% 4.7% 9.2% (49,038) (49,038) 524,008 524,008 \$1.45 50,000 -99,999 872 62,015,390 2,682,365 6.3% 0.8% 7.1% 1.2% 153,479 153,479 503,075 503,075 \$1.25 100,000 -99,999 872 62,015,390 2,682,365 6.3% 0.8% 7.1% 1.2% 153,479 153,479 503,075 503,075 51.25 100,000 -99,999 872 62,015,390 2,682,365 6.3% 0.8% 7.1% 1.2% 153,479 153,479 503,075 503,075 51.25 100,000 -99,999 872 62,015,390 2,682,365 6.3% 0.8% 7.1% 1.0% 1.7% (207,040) (207,040) 1,350,702 1,350,702 1.31 1,500,000 -99,999 872 62,015,390 2,682,365 6.3% 0.8% 7.1% 1.0% 1.7% (207,040) (207,040) 1,350,702 1,350,702 1.31 1,500,000 -99,999 872 62,015,390 2,682,365 6.3% 0.8% 7.1% 1.0% 1.7% (207,040) (207,040) 1,350,702 1,350,702 1.31 1,500,000 -99,999 872 146,069,141 0.0 3.3% 2.9% 6.2% 11.8% (31,228) (31,228) 0.0 0.0 0.0 1.15 1.15 1.000,000 -99,999 872 146,069,141 0.0 3.3% 2.9% 6.2% 11.8% (31,228) (31,228) 0.0 0.0 0.0 \$1.15 1.15 1.000,000 -99,999 217 146,069,141 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.													
San Bernardino         584         43,678,854         1,241,525         5.9%         0.6%         6.5%         12.5%         (1,166,545)         (1,166,545)         40,227         40,227         \$1.23           East         3,984         310,740,980         6,928,923         5.3%         2.5%         7.8%         12.3%         (1,091,286)         (1,091,286)         1,017,307         1,017,307         \$1.23           Hemet         88         1,618,646         0         1.4%         0.0%         1.4%         4.2%         0         0         0         \$1.00           Lake Elsinore         182         2,705,239         63,000         5.6%         0.0%         5.6%         4.4%         (80,531)         (80,531)         2,000         2,000         \$1.03           Menifee         27         1,330,986         544,115         15.4%         0.0%         15.4%         59.3%         (183)         0         0         0         \$1.25           Murrieta         275         4,543,790         56,716         4.7%         0.0%         0.9%         (6,000)         (6,000)         2,500         2,113           Temecula         346         10,305,604         94,582         3.8%         1.2%													•
Hemet 88 1,618,646 0 1.4% 0.0% 1.4% (80,531) (80,531) (80,531) 2,000 2,000 \$1.03  Menifee 27 1,330,986 544,115 15.4% 0.0% 1.5.4% 59.3% (183) (183) 0 0 \$1.25  Murrieta 275 4,543,790 56,716 4.7% 0.0% 0.9% 0.9% (6,000) (6,000) 2,500 2,500 \$1.13  Temecula 346 10,305,604 94,582 3.8% 1.2% 5.0% 8.8% 42,868 42,868 102,675 102,675 \$1.28  Wildomar 12 331,720 0 1.1% 0.0% 1.1% 1.1% (3,664) (3,664) 0 0 0  South 996 21,944,004 758,413 4.6% 0.6% 5.1% 9.8% (51,673) (51,673) 134,322 134,322 \$1.23  5,000 - 24,999 6,025 71,830,221 524,709 2.7% 0.2% 3.0% 4.8% 7,527 7,527 521,278 521,278 \$1.47  25,000 - 24,999 892 62,015,390 2,682,365 6.3% 0.8% 7.1% 12.2% 153,479 153,479 503,075 503,075 \$1.25  100,000 - 24,999 812 123,966,220 10,671,174 9.3% 1.7% 11.0% 17.0% (207,040) (207,040) 1,350,702 1,350,702 \$1.16  5,000 - 99,999 217 146,069,141 0 3.3% 2.9% 6.2% 11.8% (31,228) (31,228) 0 0 0 \$1.15  1,000,000 Plus 73 97,436,106 0 1.1% 0.6% 1.7% 7.0% 3,525,811 3,525,811 0 0 0 \$2.20											-	-	
Hemet 88 1,618,646 0 1.4% 0.0% 1.4% 4.2% 0 0 0 0 0 0 0 \$1.00													
Lake Elsinore         182         2,705,239         63,000         5.6%         0.0%         5.6%         4.4%         (80,531)         (80,531)         2,000         2,000         \$1.03           Menifee         27         1,330,986         544,115         15.4%         0.0%         15.4%         59.3%         (183)         (183)         0         0         \$1.25           Murrieta         275         4,543,790         56,716         4.7%         0.0%         4.7%         5.5%         (4,163)         (4,163)         27,147         27,147         \$1.23           San Jacinto         66         1,108,019         0         0.9%         0.0%         0.9%         (6,000)         (6,000)         2,500         2,500         \$1.13           Temecula         346         10,305,604         94,582         3.8%         1.2%         5.0%         8.8%         42,868         42,868         102,675         102,675         \$1.28           Wildomar         12         331,720         0         1.1%         0.0%         1.1%         (1,673)         (51,673)         134,322         134,322         \$1.28           South         96         21,944,004         758,413         4.6%         0.2%		0,70	0.0707.00	0,720,720	0.070		71070	121070	(.,0).,=00,	(1,011,1200)	.,0.,,00	.,0.,,00,	<u> </u>
Menifee         27         1,330,986         544,115         15.4%         0.0%         15.4%         59.3%         (183)         (183)         0         0         \$1.25           Murrieta         275         4,543,790         56,716         4.7%         0.0%         4.7%         5.5%         (4,163)         (4,163)         27,147         27,147         \$1.23           San Jacinto         66         1,108,019         0         0.9%         0.0%         0.9%         (6,000)         (6,000)         2,500         2,500         \$1.13           Temecula         346         10,305,604         94,582         3.8%         1.2%         5.0%         8.8%         42,868         42,868         102,675         102,675         \$1.28           Wildomar         12         331,720         0         1.1%         0.0%         1.1%         1.1%         (3,664)         (3,664)         0         0	Hemet	88	1,618,646	0	1.4%	0.0%	1.4%	4.2%	0	0	0	0	\$1.00
Murrieta 275 4,543,790 56,716 4.7% 0.0% 4.7% 5.5% (4,163) (4,163) 27,147 27,147 \$1.23 \$1.23 \$1.24 \$1.24 \$1.25 \$1.25 \$1.28 \$1.27 \$1.28 \$1.2	Lake Elsinore	182	2,705,239	63,000	5.6%	0.0%	5.6%	4.4%	(80,531)	(80,531)	2,000	2,000	\$1.03
San Jacinto 66 1,108,019 0 0.9% 0.0% 0.9% 0.9% (6,000) (6,000) 2,500 2,500 \$1.13  Temecula 346 10,305,604 94,582 3.8% 1.2% 5.0% 8.8% 42,868 42,868 102,675 102,675 \$1.28  Wildomar 12 331,720 0 1.1% 0.0% 1.1% 1.1% (3,664) (3,664) 0 0  South 996 21,944,004 758,413 4.6% 0.6% 5.1% 9.8% (51,673) (51,673) 134,322 134,322 \$1.23  5,000 - 24,999 6,025 71,830,221 524,709 2.7% 0.2% 3.0% 4.8% 7,527 7,527 521,278 521,278 \$1.47  25,000 - 49,999 1,462 51,241,907 1,720,458 4.4% 0.3% 4.7% 9.2% (49,038) (49,038) 524,008 524,008 \$1.45  50,000 - 99,999 892 62,015,390 2,682,365 6.3% 0.8% 7.1% 12.2% 153,479 153,479 503,075 503,075 \$1.25  100,000 - 249,999 812 123,966,220 10,671,174 9.3% 1.7% 11.0% 17.0% (207,040) (207,040) 1,350,702 1,350,702 \$1.31  250,000 - 499,999 381 136,049,097 8,740,720 5.8% 4.0% 9.8% 18.4% (885,310) (885,310) 257,744 257,744 \$1.46  500,000 - 999,999 217 146,069,141 0 3.33% 2.9% 6.2% 11.8% (31,228) (31,228) 0 0 0 \$1.15  1,000,000 Plus 73 97,436,106 0 1.1% 0.6% 1.7% 7.0% 3,525,811 3,525,811 0 0 0 \$2.20	Menifee	27	1,330,986	544,115	15.4%	0.0%	15.4%	59.3%	(183)	(183)	0	0	\$1.25
Temecula 346 10,305,604 94,582 3.8% 1.2% 5.0% 8.8% 42,868 42,868 102,675 102,675 \$1.28 Wildomar 12 331,720 0 1.1% 0.0% 1.1% 1.1% (3,664) (3,664) 0 0 - South 996 21,944,004 758,413 4.6% 0.6% 5.1% 9.8% (51,673) (51,673) 134,322 134,322 \$1.23 \$1.23 \$1.23 \$1.24 \$1.25 \$1.26 \$1.24 \$1.26 \$1.24 \$1.26	Murrieta	275	4,543,790	56,716	4.7%	0.0%	4.7%	5.5%	(4,163)	(4,163)	27,147	27,147	\$1.23
Wildomar 12 331,720 0 1.1% 0.0% 1.1% 1.1% (3,664) (3,664) 0 0	San Jacinto	66	1,108,019	0	0.9%	0.0%	0.9%	0.9%	(6,000)	(6,000)	2,500	2,500	\$1.13
South         996         21,944,004         758,413         4.6%         0.6%         5.1%         9.8%         (51,673)         (51,673)         134,322         134,322         \$1.23           5,000 - 24,999         6,025         71,830,221         524,709         2.7%         0.2%         3.0%         4.8%         7,527         7,527         521,278         \$21,278         \$1.47           25,000 - 49,999         1,462         51,241,907         1,720,458         4.4%         0.3%         4.7%         9.2%         (49,038)         (49,038)         524,008         524,008         \$1.45           50,000 - 99,999         892         62,015,390         2,682,365         6.3%         0.8%         7.1%         12.2%         153,479         153,479         503,075         503,075         \$1.25           100,000 - 249,999         812         123,966,220         10,671,174         9.3%         1.7%         11.0%         17.0%         (207,040)         (207,040)         1,350,702         1,350,702         \$1.31           250,000 - 499,999         381         136,049,097         8,740,720         5.8%         4.0%         9.8%         18.4%         (885,310)         (885,310)         257,744         257,744         \$1.46 <td>Temecula</td> <td>346</td> <td>10,305,604</td> <td>94,582</td> <td>3.8%</td> <td>1.2%</td> <td>5.0%</td> <td>8.8%</td> <td>42,868</td> <td>42,868</td> <td>102,675</td> <td>102,675</td> <td>\$1.28</td>	Temecula	346	10,305,604	94,582	3.8%	1.2%	5.0%	8.8%	42,868	42,868	102,675	102,675	\$1.28
5,000 - 24,999         6,025         71,830,221         524,709         2.7%         0.2%         3.0%         4.8%         7,527         7,527         521,278         521,278         \$1.47           25,000 - 49,999         1,462         51,241,907         1,720,458         4.4%         0.3%         4.7%         9.2%         (49,038)         (49,038)         524,008         524,008         \$1.45           50,000 - 99,999         892         62,015,390         2,682,365         6.3%         0.8%         7.1%         12.2%         153,479         153,479         503,075         503,075         \$1.25           100,000 - 249,999         812         123,966,220         10,671,174         9.3%         1.7%         11.0%         17.0%         (207,040)         (207,040)         1,350,702         1,350,702         \$1.31           250,000 - 499,999         381         136,049,097         8,740,720         5.8%         4.0%         9.8%         18.4%         (885,310)         (885,310)         257,744         257,744         \$1.46           500,000 - 999,999         217         146,069,141         0         3.3%         2.9%         6.2%         11.8%         (31,228)         (31,228)         0         0         \$2.20	Wildomar	12	331,720	0	1.1%	0.0%	1.1%	1.1%	(3,664)	(3,664)	0	0	-
25,000 - 49,999         1,462         51,241,907         1,720,458         4.4%         0.3%         4.7%         9.2%         (49,038)         (49,038)         524,008         524,008         \$1.45           50,000 - 99,999         892         62,015,390         2,682,365         6.3%         0.8%         7.1%         12.2%         153,479         153,479         503,075         503,075         \$1.25           100,000 - 249,999         812         123,966,220         10,671,174         9.3%         1.7%         11.0%         17.0%         (207,040)         (207,040)         1,350,702         1,350,702         \$1.31           250,000 - 499,999         381         136,049,097         8,740,720         5.8%         4.0%         9.8%         18.4%         (885,310)         (885,310)         257,744         257,744         \$1.46           500,000 - 999,999         217         146,069,141         0         3.3%         2.9%         6.2%         11.8%         (31,228)         (31,228)         0         0         \$1.15           1,000,000 Plus         73         97,436,106         0         1.1%         0.6%         1.7%         7.0%         3,525,811         3,525,811         0         0         \$2.20	South	996	21,944,004	758,413	4.6%	0.6%	5.1%	9.8%	(51,673)	(51,673)	134,322	134,322	\$1.23
25,000 - 49,999         1,462         51,241,907         1,720,458         4.4%         0.3%         4.7%         9.2%         (49,038)         (49,038)         524,008         524,008         \$1.45           50,000 - 99,999         892         62,015,390         2,682,365         6.3%         0.8%         7.1%         12.2%         153,479         153,479         503,075         503,075         \$1.25           100,000 - 249,999         812         123,966,220         10,671,174         9.3%         1.7%         11.0%         17.0%         (207,040)         (207,040)         1,350,702         1,350,702         \$1.31           250,000 - 499,999         381         136,049,097         8,740,720         5.8%         4.0%         9.8%         18.4%         (885,310)         (885,310)         257,744         257,744         \$1.46           500,000 - 999,999         217         146,069,141         0         3.3%         2.9%         6.2%         11.8%         (31,228)         (31,228)         0         0         \$1.15           1,000,000 Plus         73         97,436,106         0         1.1%         0.6%         1.7%         7.0%         3,525,811         3,525,811         0         0         \$2.20	5 000 24 000	6 02E	71 020 221	524 700	2 70/	0.29/	3 00/	/ QO/	7 527	7 5 2 7	521 270	521 270	¢1 //7
50,000 - 99,999         892         62,015,390         2,682,365         6.3%         0.8%         7.1%         12.2%         153,479         153,479         503,075         503,075         \$1.25           100,000 - 249,999         812         123,966,220         10,671,174         9.3%         1.7%         11.0%         17.0%         (207,040)         (207,040)         1,350,702         1,350,702         \$1.31           250,000 - 499,999         381         136,049,097         8,740,720         5.8%         4.0%         9.8%         18.4%         (885,310)         (885,310)         257,744         257,744         \$1.46           500,000 - 999,999         217         146,069,141         0         3.3%         2.9%         6.2%         11.8%         (31,228)         (31,228)         0         0         \$1.15           1,000,000 Plus         73         97,436,106         0         1.1%         0.6%         1.7%         7.0%         3,525,811         3,525,811         0         0         \$2.20													
100,000 - 249,999 812 123,966,220 10,671,174 9.3% 1.7% 11.0% 17.0% (207,040) (207,040) 1,350,702 1,350,702 \$1.31 250,000 - 499,999 381 136,049,097 8,740,720 5.8% 4.0% 9.8% 18.4% (885,310) (885,310) 257,744 257,744 \$1.46 500,000 - 999,999 217 146,069,141 0 3.3% 2.9% 6.2% 11.8% (31,228) (31,228) 0 0 \$1.15 1,000,000 Plus 73 97,436,106 0 1.1% 0.6% 1.7% 7.0% 3,525,811 3,525,811 0 0 \$2.20													
250,000 - 499,999 381 136,049,097 8,740,720 5.8% 4.0% 9.8% 18.4% (885,310) (885,310) 257,744 257,744 \$1.46 500,000 - 999,999 217 146,069,141 0 3.3% 2.9% 6.2% 11.8% (31,228) (31,228) 0 0 \$1.15 1,000,000 Plus 73 97,436,106 0 1.1% 0.6% 1.7% 7.0% 3,525,811 3,525,811 0 0 \$2.20										,			
500,000 - 999,999 217 146,069,141 0 3.3% 2.9% 6.2% 11.8% (31,228) (31,228) 0 0 \$1.15 1,000,000 Plus 73 97,436,106 0 1.1% 0.6% 1.7% 7.0% 3,525,811 3,525,811 0 0 \$2.20													
1,000,000 Plus 73 97,436,106 0 1.1% 0.6% 1.7% 7.0% 3,525,811 3,525,811 0 0 \$2.20													
Inland Empire Total 9,861 688,510,739 24,339,426 4.9% 1.9% 6.8% 12.5% 2,514,201 2,514,201 3,156,807 3,156,807 \$1.41													
	Inland Empire Total	9,861	688,510,739	24,339,426	4.9%	1.9%	6.8%	12.5%	2,514,201	2,514,201	3,156,807	3,156,807	\$1.41

#### SIGNIFICANT SALE TRANSACTIONS FOR 1Q24

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
17500 N Perris Blvd	Inland Empire East	692,600	\$111,690,000	\$161.26	TMG MV Real Estate Investments	Walgreen Co (Sale Leaseback)
8545 Pecan Ave	Inland Empire West	98,685	\$33,750,500	\$342.00	Pecan Ave, LLC	Xebec
40610 County Center Dr	Inland Empire East	163,690	\$28,250,000	\$172.58	SENTRE, Inc.	RR Donnelley (Sale Leaseback)
6450 Sycamore Canyon Blvd	Inland Empire East	71,700	\$16,600,000	\$231.52	WPT Capital Advisors, LLC	RJ Property Mgmt & Development
4001 Greystone Dr	Inland Empire West	41 871	\$13,800,000	\$329.58	Excelsior Partners LLC	GE Properties

## SIGNIFICANT LEASE TRANSACTIONS FOR 1Q24

Property	Submarket	SF	Transaction Date	Landlord	Tenant
Perris Logistics Center North	Inland Empire East	1,018,178	January 2024	IDI Logistics	Undisclosed
Citrus Commerce Center	Inland Empire West	1,003,592	February 2024	Alere Property Group	YQL Elogistek
Empire Gateway	Inland Empire West	779,052	January 2024	Invesco Limited	SharkNinja (Renewal)
Prologis IE Distribution Center II	Inland Empire West	373,283	March 2024	Prologis, Inc.	Undisclosed
Chino South Business Park	Inland Empire West	226,585	February 2024	Carson Companies	Undisclosed

#### SIGNIFICANT UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery
Merrill Commerce Center	Walker Ave & Merrill Ave Site	Inland Empire West	2,899,000	Prologis	March/April 2024
Ontario Commerce Center	Dreamland Dr   Napa St	Inland Empire West	1,970,034	Hillwood Development Corp	January 2025
Link - Space Center	3412-3413 Manitou Ct	Inland Empire East	1,939,312	Blackstone Inc.	Q2/3 2024
Agua Mansa Commerce Center	Clinker Dr   Sandstone Rd	Inland Empire East	1,390,396	CT Realty Investors	June 2024
Constellation Brands	3413 Manitou Ct	Inland Empire East	1,379,287	Blackstone Inc.	April 2024

Data Source: EDD, CoStar



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

# GARY BARAGONA

Director of Research 415.229.8925 gary.baragona@kidder.com

## **ERIC PAULSEN**

Regional President, Brokerage Southern California & Arizona 949.557.5079 eric.paulsen@kidder.com LIC N° 01001040 Kidder Mathews is the largest independent commercial real estate firm on the West Coast, with over 900 real estate professionals and staff in 19 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, asset services, consulting, and debt & equity finance services for all property types.

COMMERCIAL BROKERAGE	\$10B  3-YEAR AVERAGE TRANSACTION VOLUME	31.7M ANNUAL SALES SF	42.4M ANNUAL LEASING SF
ASSET SERVICES	51M SF  MANAGEMENT PORTFOLIO SIZE	750+ ASSETS UNDER MANAGEMENT	250+ CLIENTS SERVED
VALUATION ADVISORY	2,600+ 3-YEAR AVERAGE ASSIGNMENTS	43 TOTAL APPRAISERS	25 WITH MAI DESIGNATIONS