

MARKET TRENDS

# INLAND EMPIRE INDUSTRIAL

*The overall vacancy rate in Inland Empire County’s industrial market is 7.5%, as a result of an ongoing stream of newly constructed properties.*

**MARKET DRIVERS**

In the first quarter of 2025, the Inland Empire saw a slight recovery. Outcomes were better than expected due to limited supply growth, and net absorption returned to positive territory. Consumer spending has surged, and US companies are building up their stockpiles.

Although not as robust as the previous year, the amount of new industrial leasing nonetheless shows a generally positive trend. There are indications that the market vacancy rate will probably increase as a result of tenants leaving their older, less effective buildings.

**NEAR-TERM OUTLOOK**

International political events and commercial disputes between neighboring countries disrupted supply chains in 2025. The Inland Empire’s industrial real estate market continues to face challenges. These challenges have caused decreased consumer spending, job insecurity, and global supply chain disruptions. The job growth forecast for Inland Empires is more favorable than the national average due to the consistent rising patterns seen in neighboring counties.

Logistics has had an important influence on the region, which includes thriving industrial, healthcare, and academic sectors. This diversification contributes to safeguarding the economy against downturns in any one industry. The path’s third phase entails continuous enhancements to the transportation network, including new roads and rail extensions, in order to increase connectivity and facilitate corporate operations.

*Market Summary*

	1Q25	4Q24	1Q24	YOY Change
Direct Vacancy Rate	5.8%	6.1%	5.2%	<b>11.88%</b>
Total Availability Rate	11.8%	11.6%	11.6%	<b>2.00%</b>
Direct Asking Lease Rate	\$1.03	\$1.41	\$1.37	<b>-24.82%</b>
	1Q25	4Q24	1Q24	YOY Change
Total Lease Transactions (SF)	10,702,612	11,307,288	13,919,743	<b>-23.11%</b>
Sale Transactions (SF)	1,096,924	2,469,868	1,568,094	<b>-30.05%</b>
Direct Net Absorption	3,549,032	2,195,799	1,885,165	<b>N/A</b>

↓ **10.7M SF**  
LEASING ACTIVITY

↑ **3.5M SF**  
NET ABSORPTION

↑ **5.8%**  
VACANCY RATE

↓ **\$1.03**  
ASKING RENT (AVG)

↓ **1.4M SF**  
NEW DELIVERIES

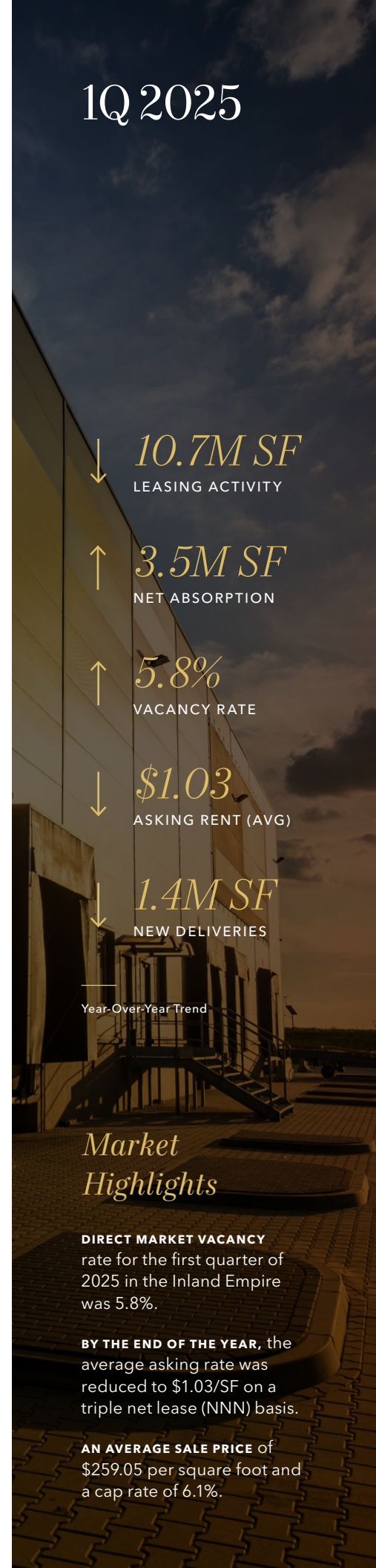
Year-Over-Year Trend

*Market Highlights*

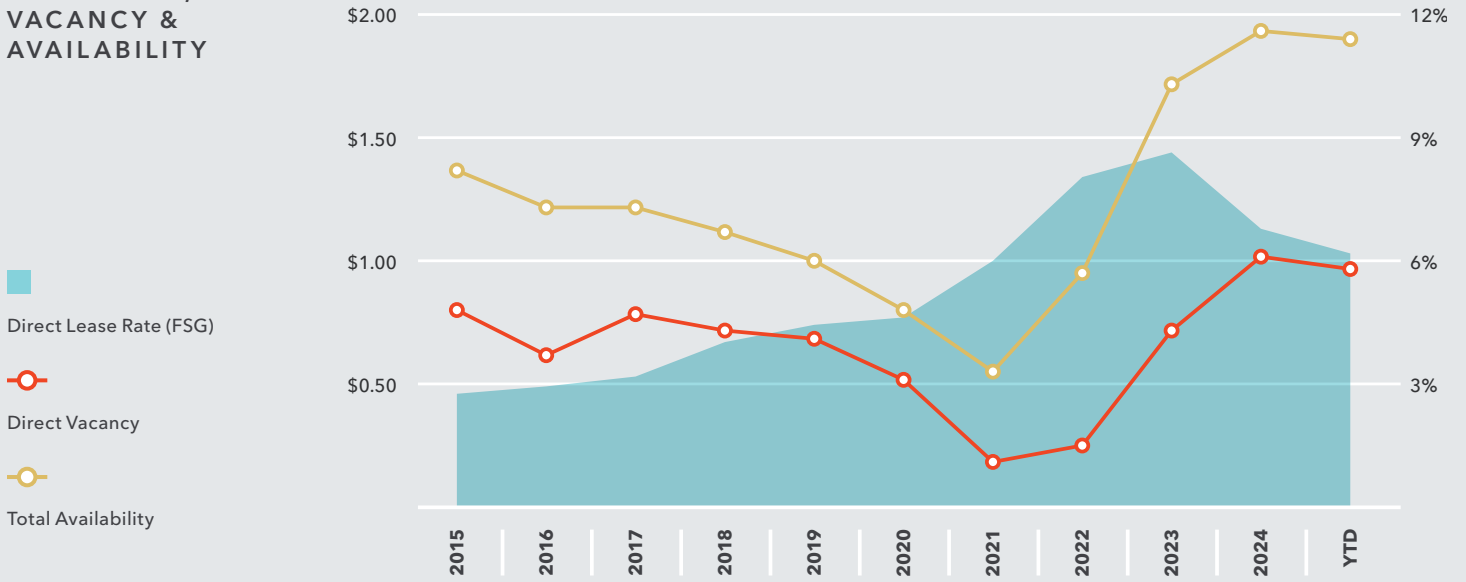
**DIRECT MARKET VACANCY** rate for the first quarter of 2025 in the Inland Empire was 5.8%.

**BY THE END OF THE YEAR**, the average asking rate was reduced to \$1.03/SF on a triple net lease (NNN) basis.

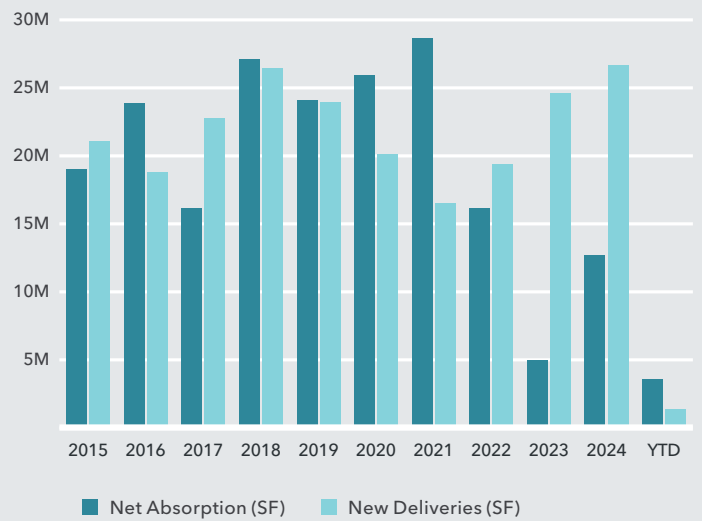
**AN AVERAGE SALE PRICE** of \$259.05 per square foot and a cap rate of 6.1%.



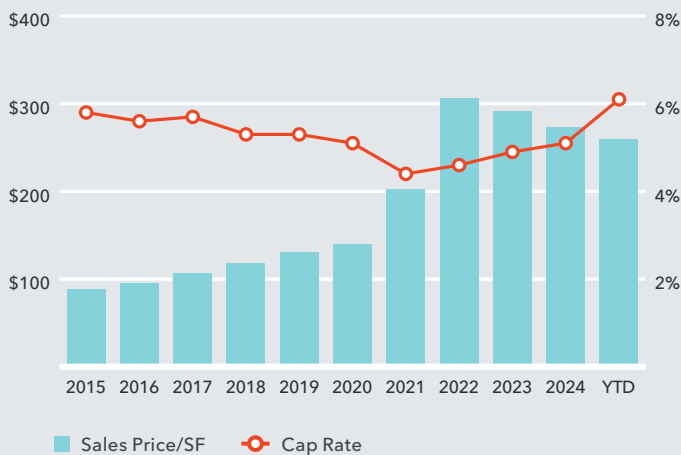
## LEASE RATE, VACANCY & AVAILABILITY



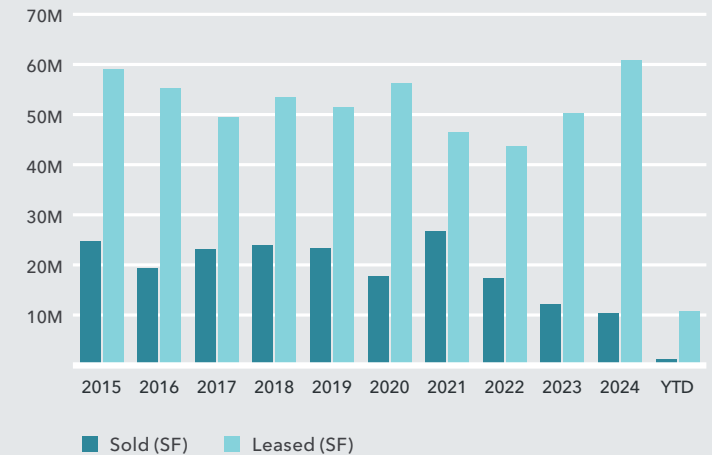
## NET ABSORPTION & NEW DELIVERIES



## AVERAGE SALES PRICE/SF & CAP RATE



## SALE VOLUME & LEASING ACTIVITY



SUBMARKET STATISTICS

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
Chino/Chino Hills	955	57,114,687	0	4.8%	0.1%	4.9%	6.5%	120,858	120,858	933,770	933,770	\$1.36
Eastvale	74	14,631,016	58,764	0.3%	3.4%	3.7%	6.9%	760,775	760,775	301,388	301,388	\$1.11
Fontana	806	77,306,562	1,918,736	5.5%	1.1%	6.6%	11.1%	-143,769	-143,769	633,411	633,411	\$1.18
Jurupa Valley	323	37,768,679	0	2.7%	0.0%	2.7%	7.6%	954,687	954,687	259,104	259,104	\$1.22
Mira Loma	20	711,296	0	5.6%	0.0%	5.6%	8.0%	0	0	0	0	\$1.00
Montclair	208	4,150,740	513,925	9.4%	2.4%	11.8%	28.4%	1,266	1,266	43,427	43,427	\$0.88
Ontario	1543	130,421,124	3,075,673	4.6%	1.2%	5.8%	12.0%	2,429,538	2,429,538	3,486,121	3,486,121	\$0.92
Rancho Cucamonga	750	43,682,426	151,455	5.9%	1.0%	7.0%	10.3%	715,189	715,189	312,524	312,524	\$1.26
Upland	261	4,084,505	7,700	4.2%	0.0%	4.2%	5.1%	26,921	26,921	55,591	55,591	\$1.26
<b>West</b>	<b>4,940</b>	<b>369,871,035</b>	<b>5,726,253</b>	<b>4.7%</b>	<b>1.0%</b>	<b>5.6%</b>	<b>10.2%</b>	<b>4,865,465</b>	<b>4,865,465</b>	<b>6,025,336</b>	<b>6,025,336</b>	<b>\$1.06</b>
Banning	48	1,933,563	0	5.5%	0.0%	5.5%	59.4%	-43,762	-43,762	5,510	5,510	\$0.82
Beaumont	48	6,550,430	0	0.1%	7.0%	7.1%	7.1%	-6,250	-6,250	0	0	\$0.00
Bloomington	126	11,175,060	261,632	11.6%	0.0%	11.6%	17.2%	-344,682	-344,682	0	0	\$0.80
Colton	180	11,166,502	599,932	6.6%	0.0%	6.6%	12.0%	169,093	169,093	456,643	456,643	\$0.93
Corona	926	33,361,101	0	4.1%	0.3%	4.4%	5.3%	-111,197	-111,197	525,103	525,103	\$1.18
Grand Terrace	15	438,417	0	0.0%	0.0%	0.0%	0.0%	0	0	2,800	2,800	\$0.00
Highland	25	2,478,622	0	12.5%	0.0%	12.5%	0.2%	0	0	305,617	305,617	\$0.00
Loma Linda	25	434,679	0	8.7%	0.0%	8.7%	8.7%	-1,368	-1,368	0	0	\$0.46
Moreno Valley	120	33,299,595	77,820	5.0%	1.0%	6.0%	10.5%	-195,121	-195,121	261,257	261,257	\$0.99
Norco	87	2,695,071	0	34.3%	0.0%	34.3%	28.7%	16,417	16,417	268,181	268,181	\$1.02
Perris	267	46,246,577	2,357,750	10.5%	4.5%	15.0%	18.9%	149,591	149,591	1,366,631	1,366,631	\$0.98
Redlands	224	30,944,782	565,610	8.9%	2.7%	11.6%	16.9%	-744,710	-744,710	38,423	38,423	\$0.88
Rialto	212	31,745,985	591,352	6.8%	4.0%	10.8%	14.4%	-24,262	-24,262	57,477	57,477	\$1.08
Riverside	1140	59,035,800	1,038,341	4.3%	4.9%	9.3%	13.2%	237,794	237,794	421,200	421,200	\$1.12
San Bernardino	593	44,949,562	335,460	7.7%	1.5%	9.3%	15.1%	-446,998	-446,998	889,866	889,866	\$0.76
<b>East</b>	<b>4,036</b>	<b>316,455,746</b>	<b>5,827,897</b>	<b>7.0%</b>	<b>2.7%</b>	<b>9.8%</b>	<b>13.9%</b>	<b>-1,345,455</b>	<b>-1,345,455</b>	<b>4,598,708</b>	<b>4,598,708</b>	<b>\$0.99</b>
Hemet	87	1,576,491	0	2.5%	0.0%	2.5%	5.1%	-6,786	-6,786	2,660	2,660	\$0.90
Lake Elsinore	183	2,724,788	0	6.9%	0.0%	7.0%	6.5%	-7,777	-7,777	9,974	9,974	\$1.30
Menifee	30	1,875,102	0	42.6%	0.0%	42.6%	43.9%	0	0	0	0	\$1.25
Murrieta	280	4,642,693	70,575	1.5%	0.1%	1.6%	5.9%	-9,825	-9,825	25,182	25,182	\$1.24
San Jacinto	66	1,107,869	0	1.5%	0.0%	1.5%	1.5%	0	0	0	0	\$0.85
Temecula	350	10,373,104	51,037	5.8%	0.1%	5.8%	7.0%	53,410	53,410	45,072	45,072	\$1.33
Wildomar	12	331,720	0	0.0%	0.0%	0.0%	4.4%	0	0	0	0	\$1.11
<b>South</b>	<b>1,008</b>	<b>22,631,767</b>	<b>121,612</b>	<b>7.6%</b>	<b>0.0%</b>	<b>7.6%</b>	<b>9.4%</b>	<b>29,022</b>	<b>29,022</b>	<b>82,888</b>	<b>82,888</b>	<b>\$1.28</b>
5,000 - 24,999	6,052	72,181,175	607,263	3.5%	0.2%	3.7%	5.2%	-242,086	-242,086	607,067	607,067	\$1.28
25,000 - 49,999	1,494	52,445,622	9,781,930	5.3%	0.5%	5.8%	8.5%	57,040	57,040	556,213	556,213	\$1.16
50,000 - 99,999	909	63,345,854	1,286,569	7.1%	0.8%	7.9%	10.4%	266,100	266,100	798,067	798,067	\$1.12
100,000 - 249,999	834	127,923,647	0	8.2%	0.4%	8.7%	13.9%	1,189,519	1,189,519	2,748,504	2,748,504	\$1.02
250,000 - 499,999	397	141,133,447	0	9.0%	2.7%	11.7%	16.9%	86,341	86,341	3,814,498	3,814,498	\$0.86
500,000 - 999,999	220	148,337,098	0	5.6%	2.3%	7.8%	13.4%	2,192,118	2,192,118	1,808,272	1,808,272	\$1.05
1,000,000 Plus	79	103,695,048	0	0.0%	3.4%	3.4%	7.3%	0	0	414,060	414,060	\$0.00
<b>Inland Empire Total</b>	<b>9,984</b>	<b>708,958,548</b>	<b>11,675,762</b>	<b>5.8%</b>	<b>1.7%</b>	<b>7.5%</b>	<b>11.8%</b>	<b>3,549,032</b>	<b>3,549,032</b>	<b>10,706,932</b>	<b>10,706,932</b>	<b>\$1.03</b>

## SIGNIFICANT SALE TRANSACTIONS FOR 1Q25

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
Serrano Business Park: 3 Industrial Properties	Inland Empire East	332,725	\$86,000,000	\$258.47	Miramar Capital	Pre Zero
West Ontario Distribution Center	Inland Empire West	174,494	\$55,227,351	\$316.50	U.S. Merchants	Prologis, Inc.
5733 W Whittier Ave	Inland Empire East	140,000	\$23,900,000	\$170.71	Edison International	Schaeffer Industries Inc.
13203-13215 Marlay Ave	Inland Empire West	60,800	\$16,150,000	\$265.63	Marlay 2025, LLC	Philip A. Homme Co., Inc.
Caterpillar Industrial Park	Inland Empire East	29,848	\$9,104,000	\$305.01	Mikasa Sports USA, Inc.	Nuveen
Airport Commerce Center (1031 Exchange)	Inland Empire West	24,500	\$8,000,000	\$326.53	Clover Mfg Co., Ltd	Pelenghian Development Co., LLC

## SIGNIFICANT LEASE TRANSACTIONS FOR 1Q25

Property	Submarket	SF	Transaction Date	Landlord	Tenant
Dedeaux IE Park	Inland Empire West	823,820	February 2025	Dedeaux Properties	Undisclosed
Etiwanda Center	Inland Empire West	800,526	February 2025	Alere Property Group	Samsung Electronics America (Renewal)
Park Mira Loma West	Inland Empire East	557,500	January 2025	TIAA	LC Logistics
Stratford Ranch	Inland Empire East	456,652	March 2025	IDI Logistics	Undisclosed
Space Center	Inland Empire East	445,455	March 2025	Blackstone Inc.	Olivet International, Inc. (Renewal)
Perris Valley Logistics Center	Inland Empire East	414,060	March 2025	PGIM, Inc.	Undisclosed (Sublease)

## SIGNIFICANT UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery
The Hub	Airport Dr - Carnegie Ave	Inland Empire West	2,088,132	Ontario Int'l Airport Authority	July 2025 - September 2025
Speedway Commerce Center	9151 + 9253 Dreamland Dr	Inland Empire West	1,814,822	Hillwood Development Corp	June 2025
Perris Logistics Center North	801 S Redlands Ave	Inland Empire East	1,020,657	IDI Logistics	March 2025
Perris Gateway	3690 Webster Ave	Inland Empire East	855,330	FSD Perris LLC	August 2025
Sycamore Hills Distribution Center	Alessandro Blvd - Barton St	Inland Empire East	603,100	Rockefeller Group	April 2025
Loma Creek Logistics Center	3550 Millcreek Ave	Inland Empire West	534,234	Brookfield Properties	August 2026
Oakmont Mission Ramona Bus Pk	Ramona Ave & Mission Blvd (8)	Inland Empire West	513,925	Oakmont Industrial Group	April 2025
Birtcher Logistics Center Rialto	350 W Valley Blvd	Inland Empire East	492,410	CT Realty Investors	April 2025

Data Source: EDD, CoStar



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<b>COMMERCIAL BROKERAGE</b>	<b>\$9B</b> AVERAGE ANNUAL TRANSACTION VOLUME	<b>26.2M</b> ANNUAL SALES SF	<b>36.7M</b> ANNUAL LEASING SF
<b>ASSET SERVICES</b>	<b>58M SF</b> MANAGEMENT PORTFOLIO SIZE	<b>850+</b> ASSETS UNDER MANAGEMENT	<b>250+</b> CLIENTS SERVED
<b>VALUATION ADVISORY</b>	<b>2,400+</b> AVERAGE ANNUAL ASSIGNMENTS	<b>39</b> TOTAL APPRAISERS	<b>24</b> WITH MAI DESIGNATIONS

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