

MARKET TRENDS

INLAND EMPIRE INDUSTRIAL

The Inland Empire industrial market experienced a slower start to 2026 but is showing signs of increased activity. Vacancy reached 7.7%, with availability at 12.7%, reflecting improvement compared to 4Q 2025. Tenants continue to hold negotiating leverage, and pricing and lease terms have yet to fully stabilize.

MARKET DRIVERS

The Inland Empire industrial market continues to recalibrate. Despite elevated inventory levels, gross leasing exceeded 48M SF, signaling sustained demand across the region.

Private buyers accounted for approximately 50% of sales activity, with knowledgeable investors operating selectively. Increased competition is driving both owners and tenants toward more efficient buildings, strengthening negotiating leverage for landlords with high-quality properties.

Ongoing geopolitical and regulatory uncertainties continue to influence market conditions, particularly within the supply chain sector, which remains sensitive to external disruptions.

FORWARD OUTLOOK

Market indicators suggest that lease rates will begin to stabilize in the latter half of 2026, extending into 2027, as available inventory is gradually absorbed. Development activity remains constrained, as many entitled projects have yet to break ground due to limited equity capital. As a result, developers are increasingly pursuing build-to-suit opportunities.

Stabilization is expected to favor Inland Empire West (IEW) over Inland Empire East (IEE), as absorption in the eastern submarket is likely to lag because of excess vacant inventory.

Vacancy rates are anticipated to decline for properties under 100,000 SF, while improved financing options are expected to attract owners and investors. Currently, few projects in this size are seeking city plan approval; however, development activity may increase in of the second half of 2026, as smaller projects typically encounter fewer approval hurdles.

Market Summary

	1Q26	4Q25	1Q25	YOY Change
Direct Vacancy Rate	7.7%	7.5%	6.1%	25.78%
Total Availability Rate	12.7%	12.0%	11.2%	13.41%
Direct Asking Lease Rate/SF/Mo	\$0.97	\$1.00	\$1.04	-6.73%
	1Q26	4Q25	1Q25	YOY Change
Total Lease Transactions (SF)	7,475,781	11,521,271	15,144,549	-50.64%
Sale Transactions (SF)	3,141,046	4,849,506	1,752,377	79.24%
Direct Net Absorption (SF)	(40,994)	1,710,173	3,931,442	N/A

↓ **7.5M SF**
LEASING ACTIVITY

↓ **-41K SF**
NET ABSORPTION

↑ **7.7%**
VACANCY RATE

↓ **\$0.97**
ASKING RENT (AVG)

↓ **1.6M SF**
NEW DELIVERIES

Year-Over-Year Trend

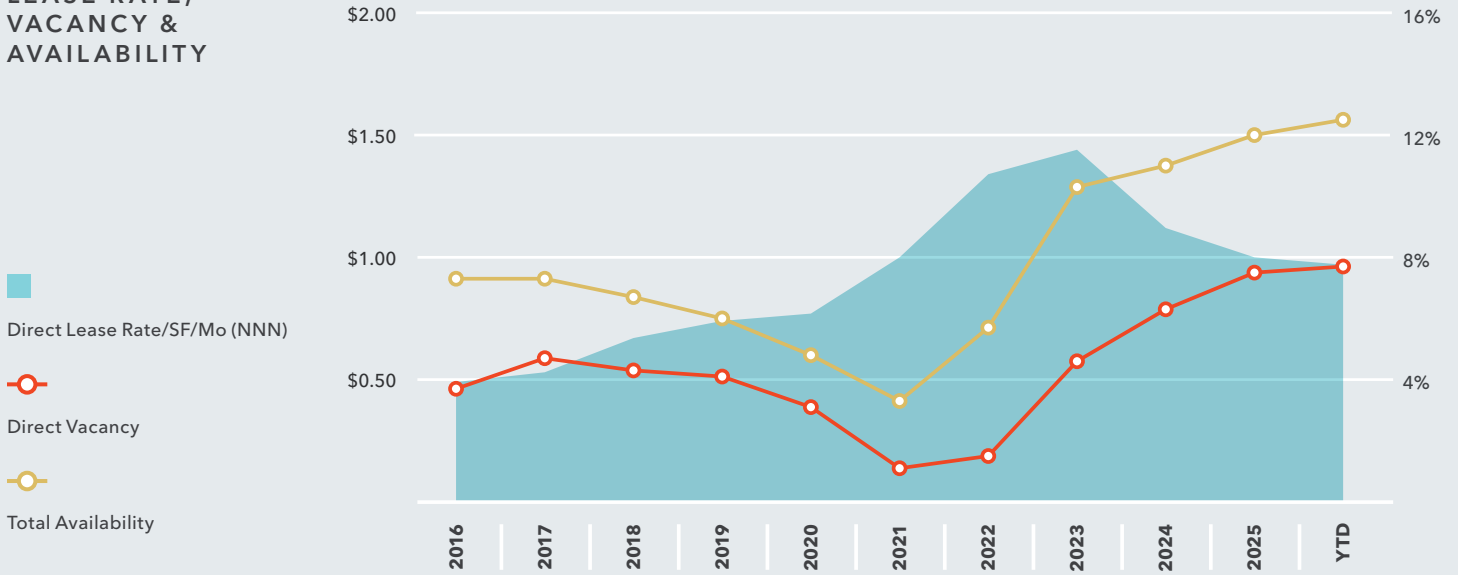
Market Highlights

DIRECT MARKET VACANCY ended the quarter at 7.7%

AVERAGE ASKING RATES were \$0.97 PSF on a triple net lease (NNN) basis

AVERAGE SALE PRICE was \$137.49 PSF with a cap rate of 5.6%

LEASE RATE, VACANCY & AVAILABILITY

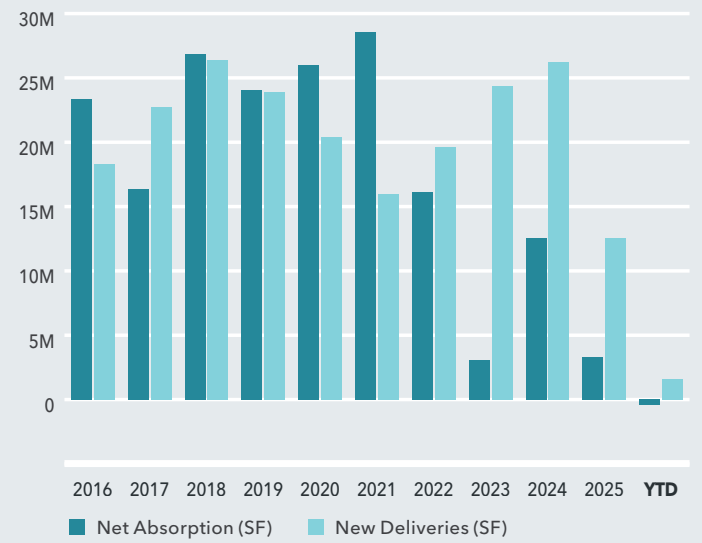


BIGGEST SALE OF THE QUARTER

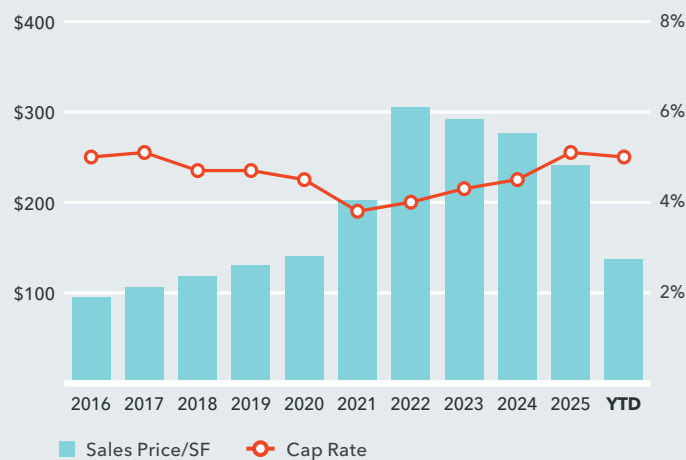
1001 Columbia Ave, Riverside, CA



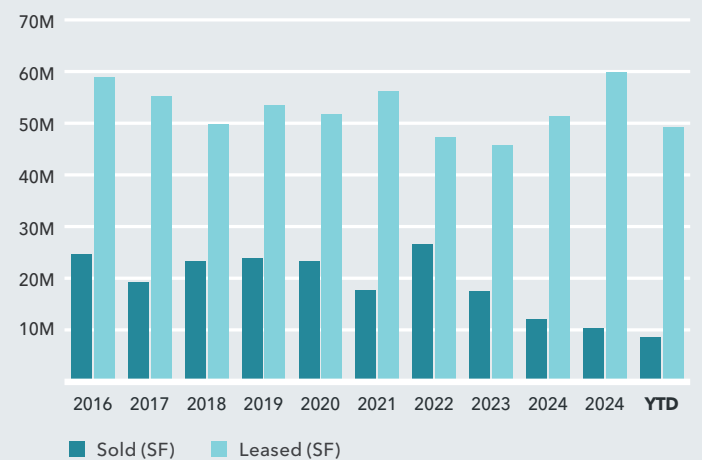
NET ABSORPTION & NEW DELIVERIES



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	1Q26 Direct Net Absorption	YTD Direct Net Absorption	1Q26 Total Leasing Activity	YTD Total Leasing Activity	Average Direct Rental Rate (NNN)
Chino/Chino Hills	953	57,026,986	343,137	4.7%	0.4%	5.1%	6.1%	-559,604	-559,604	1,436,257	1,436,257	\$1.15
Eastvale	73	14,623,846	0	6.8%	1.2%	8.0%	10.3%	-209,232	-209,232	58,423	58,423	\$1.23
Fontana	815	79,253,496	315,188	8.9%	0.7%	9.7%	13.3%	-485,699	-485,699	1,456,140	1,456,140	\$1.04
Jurupa Valley	325	38,386,684	0	8.6%	0.1%	8.6%	16.8%	48,991	48,991	153,940	153,940	\$1.10
Mira Loma	21	982,537	0	2.5%	0.0%	2.5%	3.5%	9,620	9,620	0	0	\$1.10
Montclair	215	4,590,110	0	8.8%	0.0%	8.8%	9.9%	77,053	77,053	13,850	13,850	\$1.04
Ontario	1549	132,426,359	641,038	7.3%	0.5%	7.7%	10.3%	-277,461	-277,461	1,546,717	1,546,717	\$0.89
Rancho Cucamonga	752	43,840,344	151,455	8.2%	0.3%	8.5%	15.7%	524,394	524,394	162,623	162,623	\$1.08
Upland	263	4,109,149	0	3.4%	0.0%	3.4%	6.0%	-27,242	-27,242	37,054	37,054	\$2.62
West	4,966	375,239,511	1,450,818	7.4%	0.5%	7.9%	11.5%	-899,180	-899,180	4,865,004	4,865,004	\$1.02
Banning	50	2,003,790	312,206	3.9%	0.0%	3.9%	55.9%	-21,000	-21,000	0	0	\$1.33
Beaumont	48	6,367,666	0	0.1%	0.0%	0.1%	18.9%	0	0	0	0	\$0.70
Bloomington	127	11,929,985	0	3.5%	0.2%	3.6%	7.1%	0	0	0	0	\$0.55
Colton	187	11,255,928	0	8.2%	0.0%	8.2%	9.8%	61,254	61,254	4,978	4,978	\$1.00
Corona	920	33,178,224	0	5.3%	0.7%	6.0%	7.6%	-184,439	-184,439	286,043	286,043	\$1.14
Grand Terrace	15	438,417	0	0.3%	0.0%	0.3%	0.6%	-1,312	-1,312	0	0	\$0.00
Highland	22	2,434,929	0	0.0%	0.0%	0.0%	0.0%	0	0	0	0	\$0.00
Loma Linda	26	453,631	0	0.0%	4.0%	4.0%	7.9%	0	0	0	0	\$0.93
Moreno Valley	120	34,080,151	42,510	8.3%	0.0%	8.3%	14.3%	817,422	817,422	457,440	457,440	\$0.90
Norco	91	2,738,916	0	12.8%	0.0%	12.8%	13.2%	46,704	46,704	0	0	\$1.00
Perris	270	48,360,259	0	8.7%	4.1%	12.8%	18.5%	965,016	965,016	17,355	17,355	\$0.95
Redlands	229	31,580,716	0	10.3%	3.3%	13.6%	15.1%	-888,153	-888,153	560,238	560,238	\$0.85
Rialto	213	32,267,963	510,971	9.7%	3.7%	13.4%	15.2%	-266,530	-266,530	186,857	186,857	\$0.96
Riverside	1146	60,320,675	136,615	6.8%	3.3%	10.1%	11.5%	-255,642	-255,642	837,673	837,673	\$1.00
San Bernardino	599	45,167,298	0	12.1%	1.5%	13.6%	16.1%	563,826	563,826	199,480	199,480	\$0.92
East	4,063	322,578,548	1,002,302	8.2%	2.2%	10.4%	13.9%	837,146	837,146	2,550,064	2,550,064	\$0.92
Hemet	89	2,439,643	0	1.7%	0.0%	1.7%	1.7%	12,000	12,000	12,000	12,000	\$0.00
Lake Elsinore	180	2,751,623	212,044	5.7%	0.0%	5.7%	13.5%	-32,128	-32,128	5,368	5,368	\$1.04
Menifee	30	1,873,710	1,863,854	37.7%	0.0%	37.7%	69.4%	0	0	16,000	16,000	\$0.00
Murrieta	290	4,726,640	0	1.7%	0.0%	1.7%	3.5%	29,912	29,912	16,183	16,183	\$1.19
San Jacinto	66	1,108,833	0	0.7%	0.0%	0.7%	1.1%	900	900	0	0	\$0.00
Temecula	351	9,918,418	0	2.5%	0.0%	2.5%	4.6%	8,099	8,099	7,498	7,498	\$1.07
Wildomar	12	329,540	0	0.0%	0.0%	0.0%	0.7%	2,257	2,257	3,664	3,664	\$1.17
South	1,018	23,148,407	2,075,898	5.4%	0.0%	5.4%	14.4%	21,040	21,040	60,713	60,713	\$1.11
5,000 - 24,999	6,071	72,411,081	97,366	3.9%	0.2%	4.1%	5.5%	6,276	6,276	632,606	632,606	\$1.20
25,000 - 49,999	1,510	53,007,094	343,808	6.1%	0.4%	6.6%	8.3%	-283,065	-283,065	627,314	627,314	\$1.05
50,000 - 99,999	915	63,821,481	197,633	6.9%	0.4%	7.3%	9.6%	-211,438	-211,438	809,785	809,785	\$1.01
100,000 - 249,999	842	129,408,793	266,931	9.8%	0.8%	10.7%	14.1%	-784,156	-784,156	1,354,951	1,354,951	\$1.04
250,000 - 499,999	403	143,779,216	1,759,426	10.7%	1.0%	11.7%	16.8%	-468,890	-468,890	1,036,968	1,036,968	\$0.88
500,000 - 999,999	226	153,171,122	611,638	8.8%	2.0%	10.9%	14.4%	1,325,029	1,325,029	1,912,757	1,912,757	\$0.89
1,000,000 Plus	81	105,471,022	1,252,216	3.4%	2.5%	5.9%	12.4%	375,250	375,250	1,101,400	1,101,400	\$0.00
Inland Empire Total	10,047	720,966,466	4,529,018	7.7%	1.2%	8.9%	12.7%	-40,994	-40,994	7,475,781	7,475,781	\$0.97

SIGNIFICANT SALE TRANSACTIONS 1Q 2026

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
Walmart Cold Storage	Inland Empire East	553,718	\$223,000,000	\$402.73	Walmart, Inc.	State Street Global Advisors
13680 Slover Ave	Inland Empire West	496,584	\$34,000,000	\$68.47	Lane Enterprises	We Hall Company, Inc.
9089 8th St - Bldg A	Inland Empire West	129,704	\$31,650,000	\$244.02	Wafra, Inc.	China Manufacturers Alliance, LLC
6260 Mango Ave	Inland Empire West	113,930	\$30,191,450	\$265.00	Lotus Distribution Inc	Magellan Value Partners
Birtcher Business Park@Bellegrave	Inland Empire East	121,320	\$25,350,000	\$208.95	Birtcher Anderson/Belay Inv.	TA Realty
5388 Arrow Hwy	Inland Empire West	98,508	\$25,200,000	\$255.82	Tai Hung Lin	Westpac Global

SIGNIFICANT LEASE TRANSACTIONS 1Q 2026

Property	Submarket	SF	Transaction Date	Landlord	Tenant
Sierra Business Park	Inland Empire West	1,101,400	January 2026	Rexford Industrial Realty, Inc.	Tireco Inc. (Renewed)
Perris Fulfillment Center North	Inland Empire East	1,020,657	January 2026	IDI Real Estate Group	Medline Industries, Inc.
Acco Airport Center	Inland Empire East	592,710	January 2026	Alere Property Group	Kohler (Renewed)
Colony Commerce Center	Inland Empire West	589,012	January 2026	Ivanhoe Cambridge/CapRock	US Elogistics Service Corp.
Chino South Business Park	Inland Empire West	549,195	February 2026	Manulife Financial Corporation	Undisclosed
Empire Gateway	Inland Empire West	522,267	February 2026	Invesco Ltd.	Undisclosed

SIGNIFICANT UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery
Amazon Fulfillment Center	Phelan Rd	Inland Empire East	2,500,000	Amazon	September 2026
Menifee Valley Business Park	26155-26375 Malaga Rd	Inland Empire East	1,863,854	Hillwood Development Corp	September 2026
21103 Lafayette St	21103 Lafayette St	Inland Empire East	1,207,135	Redwood West	May 2026
North Rialto Distribution Center	1697 N Pepper Ave	Inland Empire East	468,563	Bridge Investment Group	February 2026
The Hub	3560 E Airport Dr	Inland Empire West	359,960	Ontario Int'l Airport Authority	March 2026
South Ontario Logistics Center	7000 Merrill Ave	Inland Empire West	343,137	Clarion Management, Inc.	March 2026

Data Source: EDD, CoStar



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COMMERCIAL BROKERAGE	\$9B AVERAGE ANNUAL TRANSACTION VOLUME	32.4M ANNUAL SALES SF	32.5M ANNUAL LEASING SF
ASSET SERVICES	54M SF MANAGEMENT PORTFOLIO SIZE	800+ ASSETS UNDER MANAGEMENT	250+ CLIENTS SERVED
VALUATION ADVISORY	2,700+ AVERAGE ANNUAL ASSIGNMENTS	42 TOTAL APPRAISERS	23 WITH MAI DESIGNATIONS