



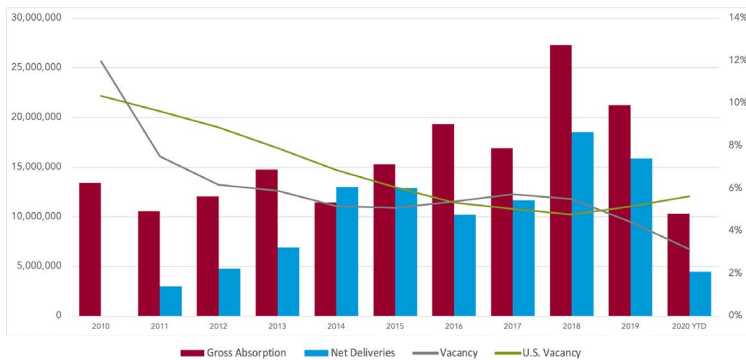
INDUSTRIAL MARKET OVERVIEW

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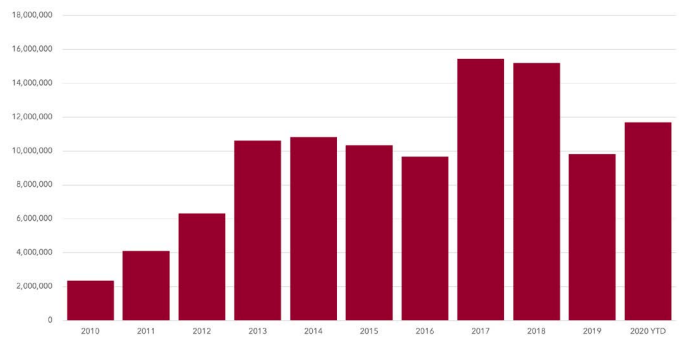
In the second quarter, the Inland Empire East continued to show strong activity and absorption despite the current pandemic. E-commerce and its demand for supply-chain storage space is expected to grow more in the last half of 2020 in this market as well as third party logistics and packaging companies. The switch from in-person to shopping online is expected to stick which bodes well for the big-box industrial sector in the East.

| MARKET INDICATORS | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| ▼ Gross Absorption | 4,935,772 SF | 5,377,415 SF | 4,148,594 SF | 3,972,991 SF | 9,228,383 SF |
| ▼ Vacancy Rate | 3.14% | 4.28% | 4.42% | 3.73% | 4.10% |
| ▲ Avg GRS Asking Rate | \$9.21 PSF | \$8.84 PSF | \$8.69 PSF | \$8.68 PSF | \$8.88 PSF |
| ▲ Under Construction | 11,690,924 SF | 10,810,933 SF | 9,828,695 SF | 16,732,914 SF | 16,362,419 SF |
| ▲ Inventory | 246,690,828 SF | 244,164,072 SF | 240,391,168 SF | 238,631,361 SF | 235,015,746 SF |

GROSS ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|------------|-------------------------------|--|----------------|
| 825 E. Central Ave San Bernardino, CA | 970,075 SF | \$110,563,500 \$114.00 PSF | Brookfield Asset Mgmt Kohl's Department Store | Class A |
| 890 E. Mill St San Bernardino, CA | 651,880 SF | \$84,437,000 \$130.00 PSF | Brookfield Asset Mgmt Kohl's Department Store | Class B |
| 825 E. Cooley Ave San Bernardino, CA | 33,433 SF | \$4,373,000 \$131.00 PSF | Chaffey Community College Dist. SD Marketing Corp | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|-----------------------------------|--------------|----------------------|--------------------------|--------------------|
| 1110 W. Merrill Ave Rialto, CA | 1,106,124 SF | Square Mile Capital | All Ways Logistics | Logistics |
| 4501 Patterson Ave Perris, CA | 800,218 SF | Duke Realty Corp | Amazon | E-Commerce |
| 120 S. Cedar Ave Rialto, CA | 734,240 SF | Alere Property Group | American Building Supply | Building Materials |