



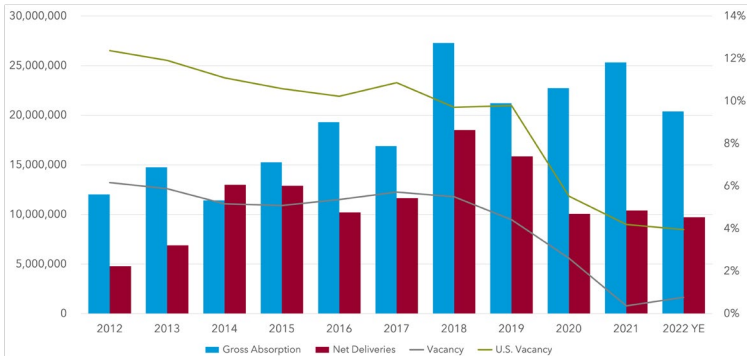
INDUSTRIAL MARKET OVERVIEW

CAROLINE PAYAN, *Director of Marketing & Research*

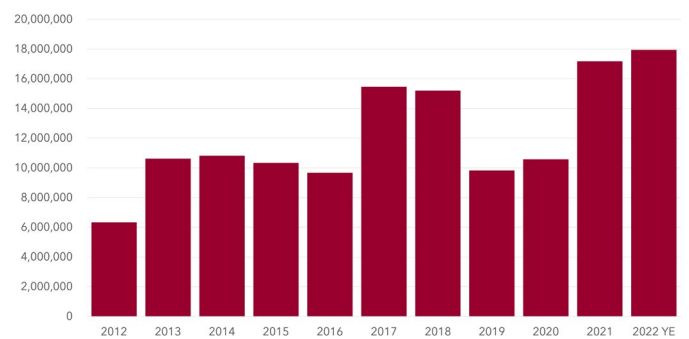
Just ended 2022 was one of the most prolific years in history with record prices, lease rates and deal flow. With many varying-size developments being delivered in the 4th quarter, vacancy rates seemed to have leveled off but are still below average and functional industrial product is hard to acquire. There is some evidence of a gradual slowdown as deals dipped slightly in Q4. Industrial demand remains strong, and investors are putting their money where their mouth is by moving forward with numerous industrial developments all over the East Valley. Many feel the industrial sector will pick up where it left off in the second half of 2023 as inflation and interest rates stabilize.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ Gross Absorption SF	3,459,099	8,194,939	3,975,366	4,765,076	7,704,277
▼ Vacancy Rate	0.77%	0.79%	0.41%	0.56%	0.37%
▲ Avg GRS Asking Rate PSF	\$15.66	\$15.44	\$15.05	\$14.47	\$11.87
▼ SF Under Construction	17,944,921	19,712,800	22,365,124	17,179,286	17,182,301
▲ Inventory SF	277,669,509	275,895,042	275,150,149	269,073,857	266,855,100

GROSS ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
251 E. Rider Street Perris, CA	354,810 SF	\$90,000,000 \$253.66 PSF	GLP Capital Partners Blackstone	Class A
100 Walnut Avenue Perris, CA	205,589 SF	\$59,275,000 \$288.32 PSF	Ares Management 2253 Apparel, Inc.	Class A
3080 12th Street Riverside, CA	165,000 SF	\$26,000,000 \$157.58 PSF	3080 12th St, LLC SMX Property, LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3700 Indian Avenue Perris, CA	1,309,710 SF	Blackstone/Link	Hanes Brands, Inc. (Renewal)	Apparel
2510-2580 Walnut Avenue Rialto, CA	1,196,733 SF	Prologis	Under Armour, Inc. (Renewal)	Apparel
2600 E. John Street Banning, CA	1,000,000 SF	Banning Industrial, LP	Skechers USA, Inc.	Apparel

