



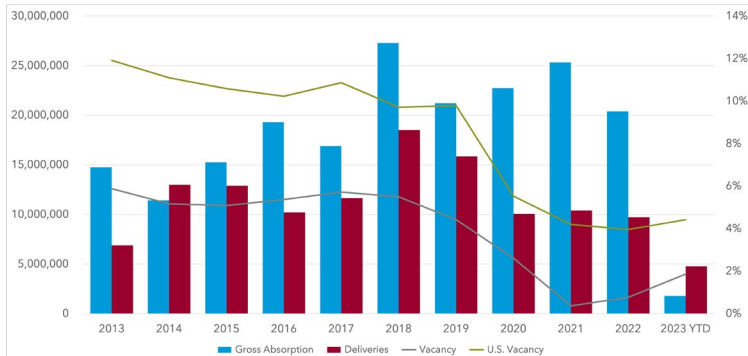
INDUSTRIAL MARKET OVERVIEW

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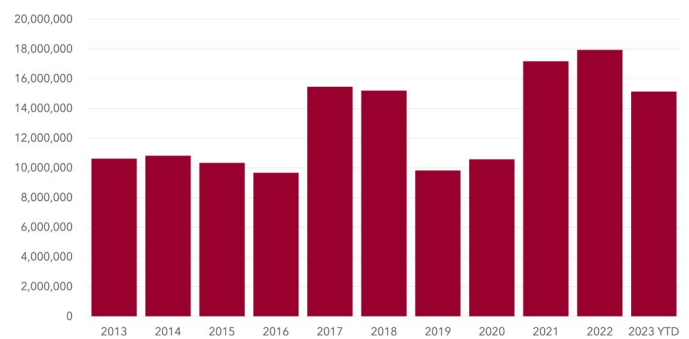
The Inland Empire East Valley industrial sector slowed during the first quarter of 2023. With many varying-sized industrial developments delivering at the end of 2022 and early 2023, vacancy and availability rates continued to climb in most submarkets. Although vacancy rates remain below long-term market averages, availability rates which will directly impact vacancy in the coming quarters, is up sharply. Although the market is slowing, lease rates remain at or near all-time highs. Sale prices have begun to decline, and cap rates have begun to increase. Institutional and developer activity on new transactions has slowed as money waits to see how market adjustments may impact values and returns.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ Gross Absorption SF	1,792,311	3,459,099	8,194,939	3,975,366	4,765,076
▲ Vacancy Rate	1.86%	0.77%	0.79%	0.41%	0.56%
▼ Avg GRS Asking Rate PSF	\$15.37	\$15.66	\$15.44	\$15.05	\$14.47
▼ SF Under Construction	15,136,063	17,944,921	19,712,800	22,365,124	17,179,286
▲ Inventory SF	279,326,974	277,669,509	275,895,042	275,150,149	269,073,857

GROSS ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
36312 & 36324 Cherry Valley Blvd. Cherry Valley, CA	1,832,667 SF	\$329,000,500 \$179.52 PSF	Brookfield Asset Mgmt The Shopoff Group	Class A
6075 Lance Drive Riverside, CA	361,346 SF	\$120,000,000 \$332.09 PSF	Altus Group Loctek Ergonomic	Class A
24773 Nandina Avenue Moreno Valley, CA	95,922 SF	\$27,241,848 \$284.00 PSF	Dalfen Industrial Molto Capital	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
657 W. Nance Street (Renewal) Perris, CA	864,000 SF	IPT Perris DC, LLC	NFI Industries, Inc.	3PL
17335 Glen Helen Parkway (Renewal) San Bernardino, CA	604,029 SF	Alere Property Group	Hautelook, Inc. (Nordstrom)	Retail
23450 Brodiaea Avenue (Renewal) Moreno Valley, CA	601,810 SF	Prologis Trust	Harbor Freight Tools	Retail

