



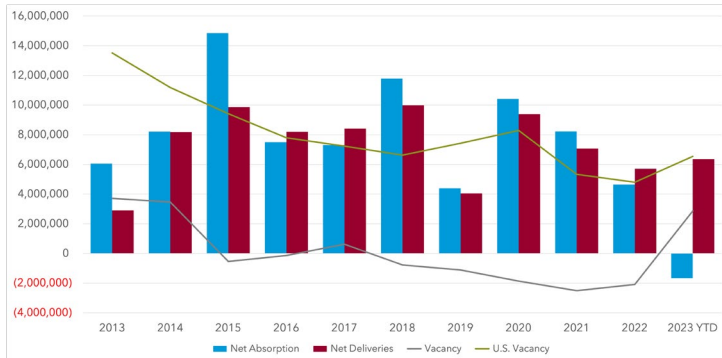
INDUSTRIAL MARKET OVERVIEW

KARLY KAZANJIAN, *Director of Operations*

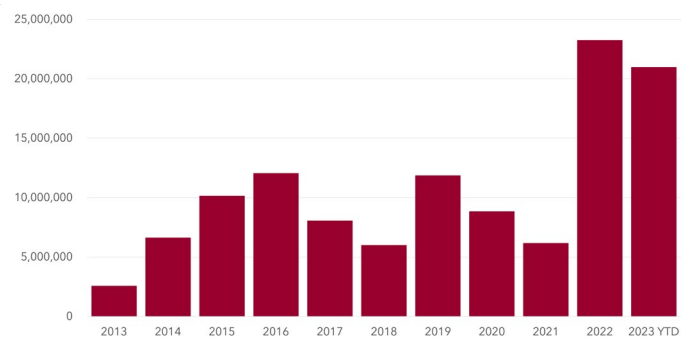
The past few consecutive quarters of negative net absorption have caught up with the Inland Empire West submarket, bumping the vacancy rate just above 3.00%. Despite occupiers relocating, the key market fundamentals hold stability. Asking rates remain elevated and consistent with the market's peak. Over 6.3M square feet of industrial product has been completed year-to-date with almost 21M square feet actively under construction. Credit tenants remain in the market by leasing-up and renewing big-box space. Investors acknowledge the Inland Empire West's strength and longevity, and they continue to pour capital into the market; one \$125M sale closed escrow this past quarter.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ Qtrly Net Absorption SF	(1,327,177)	(341,964)	(781,096)	1,319,814	1,367,935
▲ Vacancy Rate	3.09%	1.33%	0.86%	0.48%	0.33%
▼ Avg NNN Asking Rate PSF	\$20.28	\$20.47	\$20.77	\$20.28	\$15.66
▼ SF Under Construction	20,988,000	25,562,676	23,259,548	20,254,257	18,663,661
▲ Inventory SF	359,917,966	359,568,117	356,133,149	352,235,614	350,261,015

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4345 Parkhurst Street Jurupa Valley, CA	329,831 SF	\$125,500,000 \$380.50 PSF	GLP Capital State Teachers Retirement Sys of Ohio	Class B
2902-2976 Rubidoux Boulevard Jurupa Valley, CA	120,261 SF	\$19,500,000 \$162.15 PSF	Intersection Equities LLC Transition Properties LP	Class B
1945 S. Grove Street Ontario, CA	116,804 SF	\$57,281,088 \$490.40 PSF	GLP Capital EBS Realty / Penwood REIM	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
12430 Fourth Street Rancho Cucamonga, CA	1,422,524 SF	Bridge Development	Smart & Final	Retailer
11905 Landon Drive Jurupa Valley, CA	645,311 SF	Prologis	Maersk Warehousing	Logistics
9774 Calabash Avenue Fontana, CA	591,020 SF	Alere Property Group	Ontrac	Logistics

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com