



INDUSTRIAL MARKET OVERVIEW

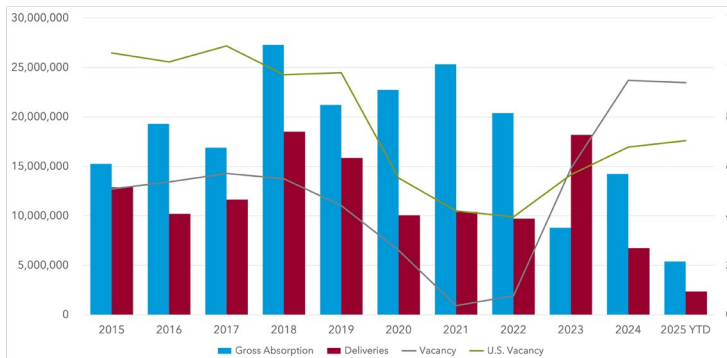
CAROLINE PAYAN, *Director of Marketing & Research*

The East Valley industrial market has experienced a gradual recovery after prior declines in early 2024. Gross absorption is up, however, vacancy rates continued to climb driven by new deliveries and sublease space. Lease rates have fallen year-over-year, prompting landlords to offer incentives. Investment activity has shown signs of life since Q4 of last year as interest rates declined. Construction activity continues to slow and tenants continue to benefit from favorable conditions in the mid-size and large building market segments. While absorption has slowed, the overall market tone heading into the rest of 2025 is optimistic, with improving fundamentals and investment sentiment slowly rebounding.

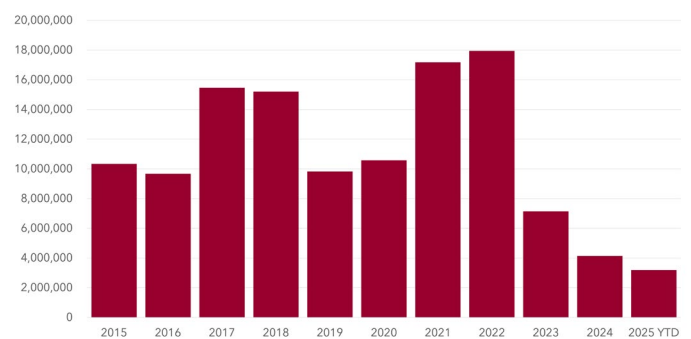
MARKET INDICATORS	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
▲ Gross Absorption SF	5,396,724	2,173,745	4,825,401	2,866,308	4,386,593
▼ Vacancy Rate	9.39%	9.48%	8.92%	7.98%	6.58%
▼ Avg NNN Asking Rate PSF	\$12.63	\$12.95	\$13.05	\$13.64	\$14.31
▼ Sale Price PSF	\$262.55	\$262.67	\$255.58	\$250.40	\$252.04
◀▶ Cap Rate	*	*	*	*	*
▼ Under Construction SF	3,192,367	4,142,725	4,621,148	5,493,686	6,628,275
▲ Inventory SF	288,525,678	288,490,063	288,160,074	287,541,048	285,455,326

*Please contact Lee & Associates Riverside for Cap Rate Information

GROSS ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
21600 Cactus Avenue Riverside, CA	889,445 SF	\$257,050,000 \$289.00 PSF	Burlington BlackRock	Class A
27400 E. 5th Street Highland, CA	121,294 SF	\$25,000,000 \$206.11 PSF	RLF LLC Brookfield	Class A
6143 20th Street Jurupa Valley, CA	29,848 SF	\$9,104,000 \$305.01 PSF	Mikasa USA Nuveen	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3690 Webster Avenue Perris, CA	855,330 SF	Deca Companies	Komar Distribution	Logistics
450 E. Rider Street Perris, CA	804,803 SF	IDI Logistics	Green Box	Manufacturing
1420 N. Tamarind Avenue (Renewal) Rialto, CA	677,224 SF	ProLogis	US eLogistics	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