



INDUSTRIAL MARKET OVERVIEW

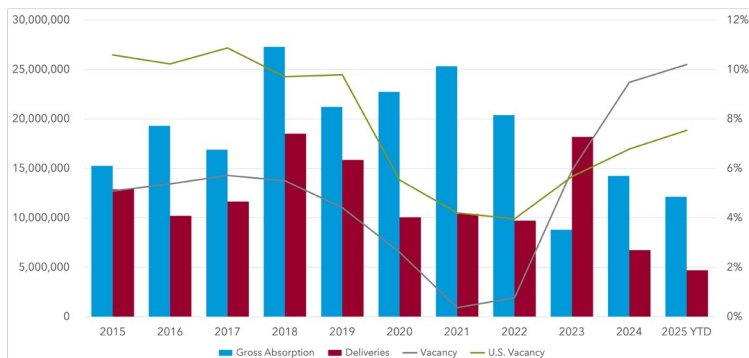
JENNIFER YINGST, *Research Director*

In Q3 2025 the industrial market showed firmer demand but continued normalization in pricing. Gross absorption registered 4.31M SF, a sharp +77% QoQ rebound yet 11% below Q3 2024. The vacancy rate ticked up to 10.20% (+16 bps QoQ; +128 bps YoY), reflecting earlier supply overhangs, while average NNN asking rents eased for a fourth straight quarter to \$11.87/yr PSF (\$0.99/SF/mo), -5.7% QoQ and -9.0% YoY. Investment pricing was steadier, with sales price PSF at \$267.07 (+1.6% QoQ; +4.5% YoY). On the supply side, the under-construction pipeline fell to 2.19M SF (-37% QoQ; -53% YoY), and total inventory was essentially flat at 289.2M SF. Taken together, activity improved quarter-to-quarter, rents continued to recalibrate, and a shrinking pipeline should help temper vacancy pressure if demand remains resilient.

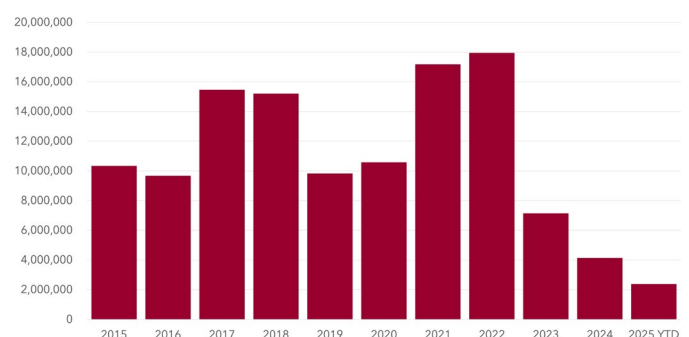
MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ Gross Absorption SF	4,307,405	2,428,599	5,396,724	2,173,745	4,825,401
▲ Vacancy Rate	10.20%	10.04%	9.39%	9.48%	8.92%
▼ Avg NNN Asking Rate PSF	\$11.87	\$12.58	\$12.63	\$12.95	\$13.05
▲ Sale Price PSF	\$267.07	\$262.82	\$262.55	\$262.67	\$255.58
◀▶ Cap Rate	*	*	*	*	*
▼ Under Construction SF	2,186,618	3,494,711	3,192,367	4,142,725	4,621,148
▲ Inventory SF	289,223,567	289,086,505	288,525,678	288,490,063	288,160,074

*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
22491 Harley Knox Boulevard Perris, CA	348,375 SF	\$90,600,000 \$260.06 PSF	Cabbot Properties, Inc. SRG Commercial, Inc.	Class A
7190 Jurupa Avenue Riverside, CA	111,725 SF	\$20,000,000 \$179.01 PSF	KX Riverside Airport LLC Marae Asset Global	Class B
1790, 1810 & 1880 Iowa Avenue Riverside, CA	93,373 SF	\$21,383,535 \$229.01 PSF	Citrus Park Technology LLC Iowa Avenue Industrial LLC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3994 S. Riverside Avenue Rialto, CA	796,841 SF (Renewal)	Blackstone Real Estate Income Trust, Inc.	Living Spaces	Furniture
1300 California Street Redlands, CA	771,839 SF	Prologis Trust	DCG Group	Fulfillment Center
11260 Cedar Avenue Rialto, CA	677,383 SF	ASB Real Estate Investments	US eLogistics Service Corp.	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 2025 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com