



INDUSTRIAL MARKET OVERVIEW

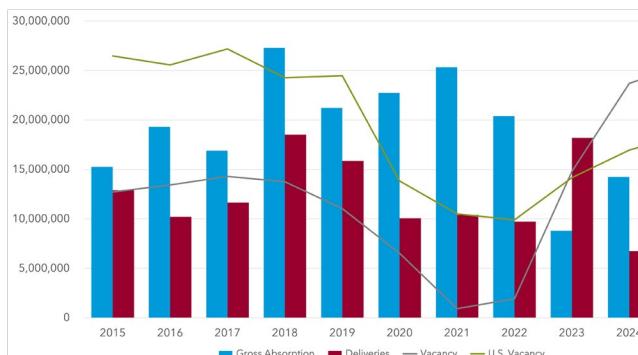
JENNIFER YINGST, Director of Marketing and Research

Absorption slowed this quarter as leasing activity normalized, resulting in relatively stable net absorption. Vacancy edged up with new deliveries coming online, though levels remain healthy. Average asking rates held firm, supported by construction costs and limited quality space, while the under-construction pipeline reflects continued developer confidence despite potential short-term pressure on vacancy.

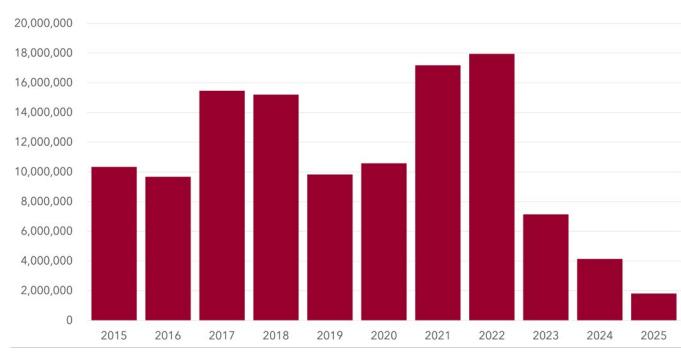
MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▼ Gross Absorption SF	4,102,197	4,307,405	2,428,599	5,396,724	2,173,745
▲ Vacancy Rate	10.26%	10.20%	10.04%	9.39%	9.48%
▲ Avg NNN Asking Rate PSF	\$12.16	\$11.87	\$12.58	\$12.63	\$12.95
▼ Sale Price PSF	\$226.33	\$267.07	\$262.82	\$262.55	\$262.67
◀ ▶ Cap Rate	*	*	*	*	*
▼ Under Construction SF	1,811,818	2,186,618	3,494,711	3,192,367	4,142,725
▲ Inventory SF	289,376,312	289,223,567	289,086,505	288,525,678	288,490,063

*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
890 E. Mill Street San Bernardino, CA	525,756 SF	\$123,000,000 \$233.95 PSF	890 E. Mill Street LLC Brookfield Asset Management	Class B
255 Pepper Avenue San Bernardino, CA	78,351 SF	\$24,000,000 \$306.31 PSF	Southern California Edison Forest River, Inc.	Class B
4795 Troy Court Jurupa Valley, CA	62,619 SF	\$16,907,500 \$270.01 PSF	Troy Cout Industrial Owner LLC Birtcher Anderson & Davis Assoc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4323 Indian Avenue Perris, CA	656,695 SF	Duke Realty Corporation	Undisclosed	Undisclosed
701 S. Arrowhead Avenue San Bernardino, CA	592,710 SF	Alere Property Group LLC	Kohler Company	Distribution/ Warehouse
22750 Cactus Avenue Moreno Valley, CA	522,772 SF	Prologis	Undisclosed	Undisclosed



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