



INDUSTRIAL MARKET OVERVIEW

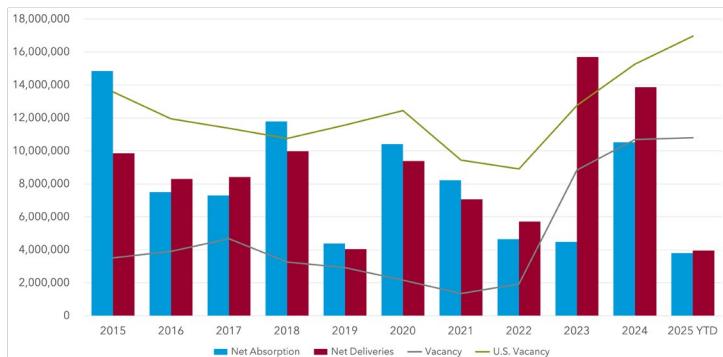
KIMBERLY ROMANILO, Director of Marketing and Research

As Q4 2025 concludes, the Inland Empire industrial market has clearly transitioned into a period of cooling and normalization following several years of rapid growth. Vacancy rates trended higher throughout the year, and overall availability including sublease space expanded, shifting negotiating leverage toward tenants. By year-end, asking rents had largely stabilized, with landlords increasingly offering concessions to remain competitive. Leasing activity remained steady in Q4 but finished the year below the highs recorded during prior peak cycles, while new construction continued to decelerate from pandemic-era levels. Performance varied by submarket, with newer, modern facilities maintaining stronger fundamentals than older inventory. Heading into 2026, demand remains most pronounced for large-format logistics space located near ports and key transportation corridors.

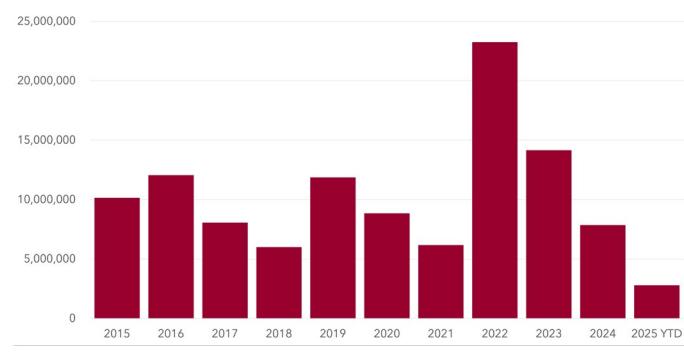
MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▼ 12 Mo. Net Absorption SF	2,013,829	3,812,944	1,864,568	3,024,360	906,006
▲ Vacancy Rate	5.61%	4.80%	4.39%	4.00%	7.75%
▼ Avg NNN Asking Rate PSF	\$11.76	\$12.76	\$12.54	\$13.13	\$14.84
▲ Sale Price PSF	\$277.53	\$272.07	\$300.80	\$269.50	\$287.78
◀ ▶ Cap Rate	*	*	*	*	*
▼ Under Construction SF	1,659,169	2,794,946	6,264,623	8,224,312	7,526,236
▼ Inventory SF	370,081,050	370,398,973	370,320,849	372,031,276	371,040,486

*Please contact Lee & Associates Ontario for Cap Rate Information

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10681 Production Avenue Fontana, CA	1,101,400 SF	\$174,312,000 \$158.26 PSF	Bridge Logistics Properties Scuderia Development LLC	Class A
11119 Juniper Avenue Fontana, CA	436,424 SF	\$128,500,000 \$294.44 PSF	Juniper Commerce Center LLC Clarion Partners LLC	Class A
13951 Monte Vista Avenue Chino, CA	87,550 SF	\$19,800,000 \$226.16 PSF	Jane Home Furniture Centerpoint Properties Trust	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1990 S. Vintage Avenue Ontario, CA	195,788 SF	Vintage Sterling Company	Good Warehouse LLC	Logistics
10404 6th Street Rancho Cucamonga, CA	177,550 SF	GiTi Tire	Undisclosed	Undisclosed
4325 Etiwanda Avenue Jurupa Valley, CA	124,258 SF	Rexford Industrial Realty, Inc.	Yanwen Express LLC	Logistics



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