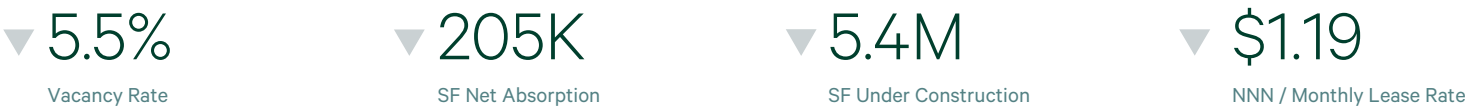


FIGURES | INLAND EMPIRE WEST INDUSTRIAL | Q4 2024

# Recovery signaled as vacancy declines and rates begin to stabilize

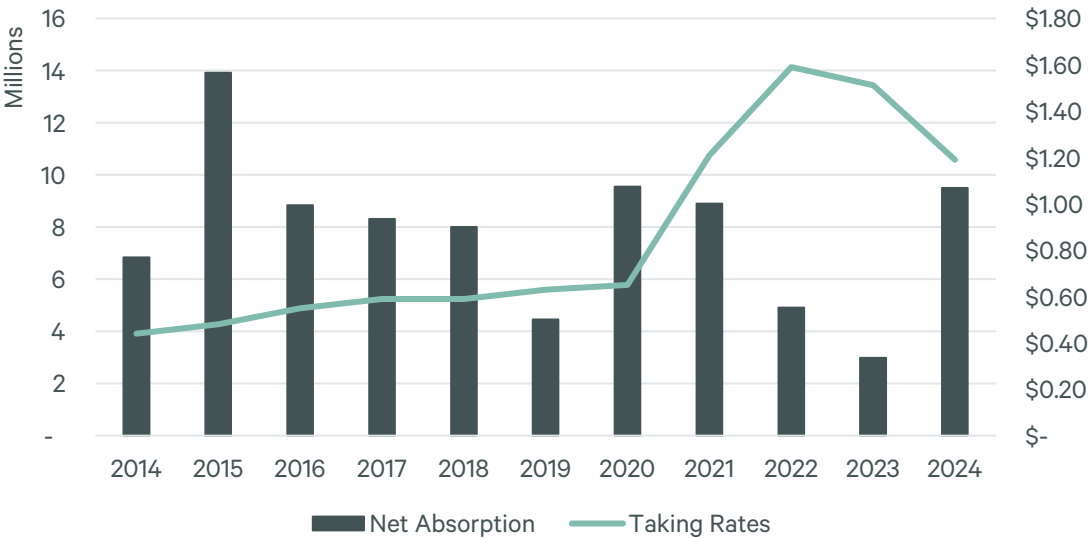


Note: Arrows indicate change from previous quarter.

## MARKET HIGHLIGHTS

- Leasing activity decreased 2.7% quarter-over-quarter to 6.4 million sq. ft. newly leased in the IE West in Q4 2024. Year-over-year, new leasing increased 28% from 5 million sq. ft. in Q4 2023. User sales decreased 75% quarter-over-quarter with only 144,000 sq. ft. transacted in the IE West.
- Taking rates only fell 2.5% to \$1.19 NNN per sq. ft. per month quarter-over-quarter in the IE West as competition among landlords to secure deals put downward pressure on rents. Year-over-year, taking rates decreased 21.3% from \$1.51 NNN per sq. ft. per month in Q4 2023.
- Development continued to dwindle in Q4 2024 as only 5.4 million sq. ft. of industrial real estate was under construction at the end of the quarter, down from 6.2 million sq. ft. in Q3 2024. Only 38,000 sq. ft. new development broke ground in Q4 2024 despite 586,000 sq. ft. delivering in the submarket.
- The vacancy rate decreased to 5.5% in Q4 2024, a 10-basis point (bps) decrease from Q3 2024. Availability decreased 80 bps quarter-over-quarter to 8.6%. Vacancy and availability declined in Q4 2024 due to falling construction deliveries and strong leasing activity in the logistics sector.

FIGURE 1: Net Absorption & Asking Rate Trend



Source: CBRE Research, Q4 2024.

FIGURE 2: Inland Empire West Submarket Statistics by City

CITY	BLDG. COUNT	BLDG SQ. FT.	U/C BLDG COUNT	U/C BLDG SQ. FT.	VACANT SQ. FT.	VACANCY RATE	AVAIL SQ. FT.	AVAIL RATE	NO. SALES	SQFT SOLD	NO. LEASES	SQ. FT. LEASED	4TH QTR GROSS ACTIVITY	2024 GROSS ACTIVITY	4TH QTR NET ABSORP.	2024 NET ABSORP.	AVG TAKING LEASE RATE (NNN)
Chino/Chino Hills	654	56,532,772	0	0	1,718,895	3.0	4,710,243	8.3	2	129,277	9	446,574	575,851	3,614,499	(10,493)	570,886	\$1.17
Fontana	599	78,596,369	3	1,856,822	4,450,395	5.7	5,904,812	7.5	0	0	10	1,153,916	1,153,916	8,811,150	168,421	3,889,518	\$1.25
Jurupa Valley/Eastvale	302	48,781,376	0	0	2,697,805	5.5	3,606,985	7.4	1	15,000	8	1,849,481	1,864,481	5,377,025	1,185,011	1,755,743	\$1.13
Ontario/Montclair/Upland	1,251	125,942,910	16	3,411,164	8,550,019	6.8	12,271,486	9.7	0	0	26	2,431,252	2,431,252	10,577,045	(586,586)	3,513,556	\$1.22
Rancho Cucamonga	608	44,394,807	1	151,455	2,212,684	5.0	3,884,060	8.7	0	0	9	471,257	471,257	2,773,131	(550,395)	(232,612)	\$1.13
Inland Empire West	3,414	354,248,234	20	5,419,441	19,629,798	5.5	30,377,586	8.6	3	144,277	62	6,352,480	6,496,757	31,152,850	205,958	9,497,091	\$1.19

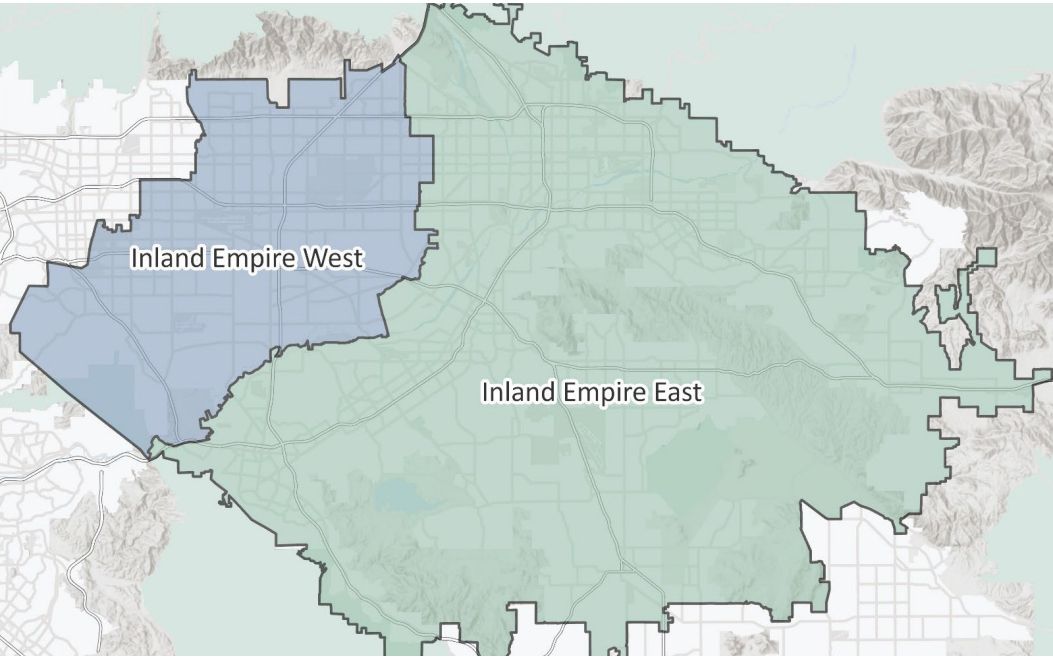
Source: CBRE Research, Q4 2024.

FIGURE 3: Inland Empire West Submarket Statistics by Building Size Range

BUILDING SIZE RANGE (SQ. FT.)	BLDG. COUNT	BLDG SQFT	U/C BLDG. COUNT	U/C BLDG SQFT	VACANT SQFT	VACANCY RATE	AVAIL SQFT	AVAIL RATE	NO. SALES	SQFT SOLD	NO. LEASES	SQFT LEASED	4TH QTR TOTAL ACTIVITY	2024 GROSS ACTIVITY	NEW TO MARKET	AVG TAKING RENT
10,000-19,999	1,071	14,670,555	0	0	239,633	1.6	513,903	3.5	1	15,000	11	160,700	175,700	755,346	131,058	\$1.18
20,000-29,999	490	11,936,082	0	0	575,831	4.8	856,052	7.2	1	28,662	7	165,378	194,040	831,695	231,643	\$1.35
30,000-39,999	282	9,740,738	6	212,910	493,249	5.1	699,411	7.2	0	0	4	107,372	107,372	719,967	140,327	\$1.30
40,000-49,999	194	8,569,205	3	129,923	369,562	4.3	433,922	5.1	0	0	8	325,994	325,994	852,730	0	\$1.15
50,000-59,999	165	8,907,527	0	0	470,488	5.3	587,480	6.6	0	0	1	23842	23,842	259,306	92,426	\$1.21
60,000-69,999	107	6,797,309	0	0	287,010	4.2	557,127	8.2	0	0	0	0	0	437,429	30,750	\$0.00
70,000-79,999	67	5,018,802	0	0	11,666	0.2	122,643	2.4	0	0	0	0	0	286,754	11,666	\$0.00
80,000-89,999	68	5,744,574	0	0	336,328	5.9	507,665	8.8	0	0	6	285,685	285,685	540,617	33,893	\$1.29
90,000-99,999	72	6,843,309	0	0	696,574	10.2	696,574	10.2	0	0	3	166,169	166,169	941,058	94,911	\$1.13
100,000-249,999	518	80,061,463	4	639,420	6,391,717	8.0	8,215,552	10.3	1	100,615	11	917,282	1,017,897	7,767,267	1,525,155	\$1.14
250,000-499,999	251	88,872,499	2	614,637	4,920,697	5.5	8,693,662	9.8	0	0	8	2,482,533	2,482,533	7,272,669	1,572,695	\$1.01
500,000 and GREATER	129	107,086,171	5	3,822,551	4,837,043	4.5	8,493,595	7.9	0	0	3	1,717,525	1,717,525	10,488,012	1,723,499	\$1.21
INLAND EMPIRE WEST	3,414	354,248,234	20	5,419,441	19,629,798	5.5	30,377,586	8.6	3	144,277	62	6,352,480	6,496,757	31,152,850	5,588,023	\$1.19

Source: CBRE Research, Q4 2024.

Market Area Overview



Contacts

Rick Cozart

Senior Research Analyst  
Inland Empire  
rick.cozartii@cbre.com

Deepa Shah

Research Manager  
Orange County, Inland Empire  
deepa.shah@cbre.com

Definitions

**Available Sq. Ft.:** Space in a building, ready for occupancy within six months; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total Building Area. **Building Area:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Gross Activity:** All user sales, pre-leased, and new lease transactions completed within a specified time period. Excludes investment sale transactions and lease renewals. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. **New to Market:** Available space added to the market during the specified quarter. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that can be occupied within 30 days. **Average Taking Rent:** The first-year base rent (NNN), not including property taxes, insurance and maintenance. **Inland Empire Core:** Includes the Inland Empire West and Inland Empire East submarkets which make up the original Inland Empire market and Out of Submarket cities of Upland and Montclair. **Inland Empire Total:** Includes Inland Empire West, Inland Empire East and Inland Empire North (Hesperia, Barstow, Victorville, Apple Valley, and Adelanto).

Survey Criteria

Includes all industrial buildings 10,000 sq. ft. and greater in size in the Inland Empire. Buildings which have begun construction as evidenced by site excavation or foundation work.