



//////////Los Angeles////////

//////////Orange County////////

//////////Ventura////////

//////////Inland Empire////////

//////////Phoenix////////

Q4 | 2025 Market Report

////////// Inland Empire Industrial



West

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MARKET REPORT Q4

Industrial 2025 Inland Empire West



MARKET ACTIVITY



KEY TAKE AWAYS

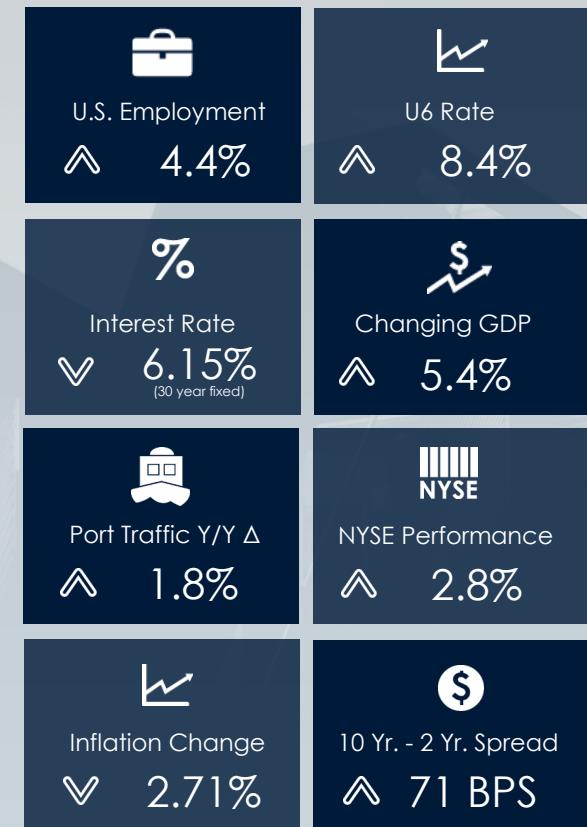
MARKET

- Vacancy Rate:** Declined by 5 bps from revised Q3 to a rate of 7.85% in Q4.
- Net Absorption:** Direct remained negative, but overall was positive totaling 360K SF.
- Asking Rents:** Declined \$0.02 PSF or 1.9% to a rate of \$1.04 PSF NNN. Searching for equilibrium post pandemic boom.
- Sales:** The median price PSF in Q4 was \$288.72. Volume in Q4 was down 14.8% to \$545.7M. In 2025, volume totaled \$1.65B. A decline of 14.3% compared to 2024.

ECONOMIC OUTLOOK

- Interest Rates:** FOMC decided cut rates twice over Q4. Ending the year at range of 3.50%-3.75%. Only one cut projected in 2026.
- Supply Chain:** YTD Y/Y volume at the San Pedro Port Complex is up 1.8% through Nov. The cost from China/East Asia to the West Coast increased 41.2% over Q4, ending at \$2,617 per container. (Freightos). US tariffs stabilized at country-specific rates (25-40% most nations, 125% China). Revenue collection from tariffs far out exceeding expectations. With consumers not being burdened by them yet.
- Geopolitics:** The removal of Venezuelan President Maduro may lead to lower energy prices in the future. Helping to fuel the AI boom.

ECONOMIC OUTLOOK



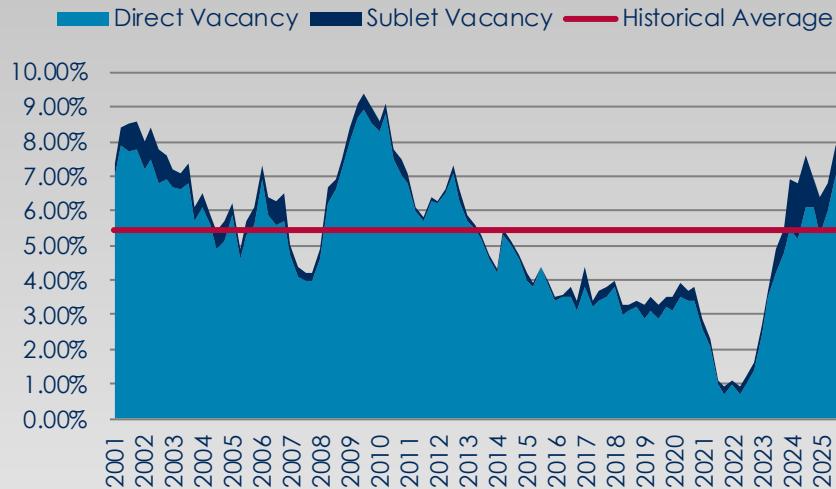
EXPERIENCE IN A CHANGING MARKET

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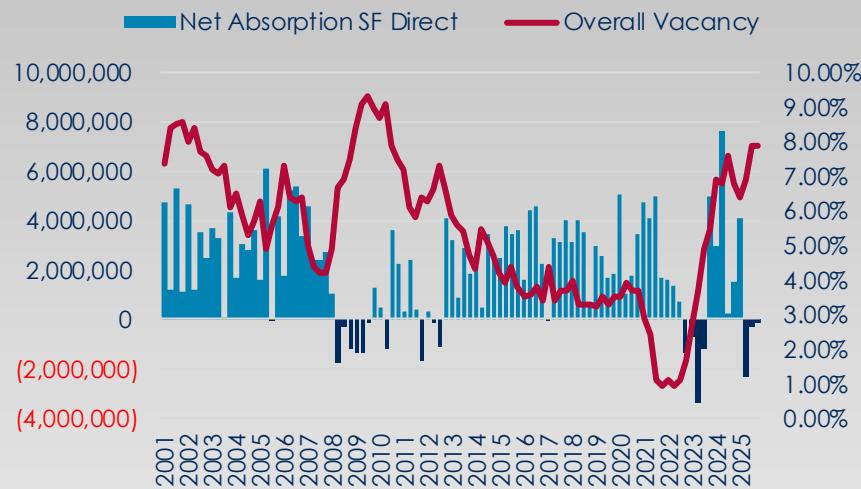


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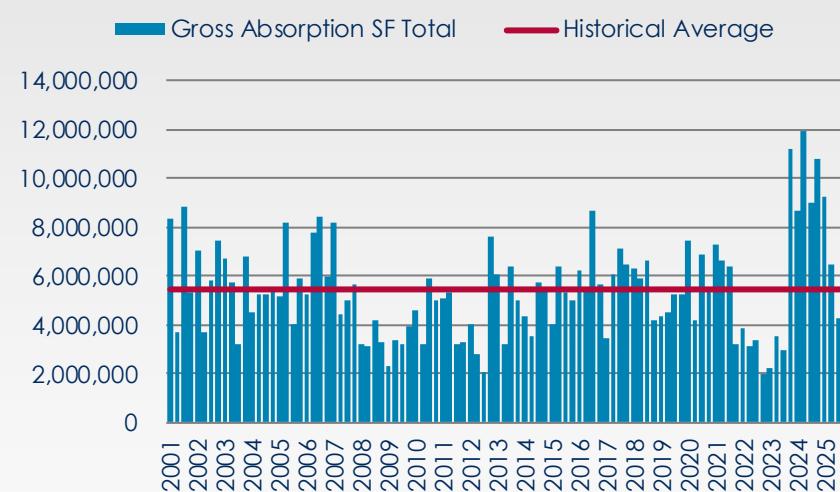
OVERALL VACANCY DECLINED 5 BPS FROM REVISED Q3 TO 7.85% IN Q4



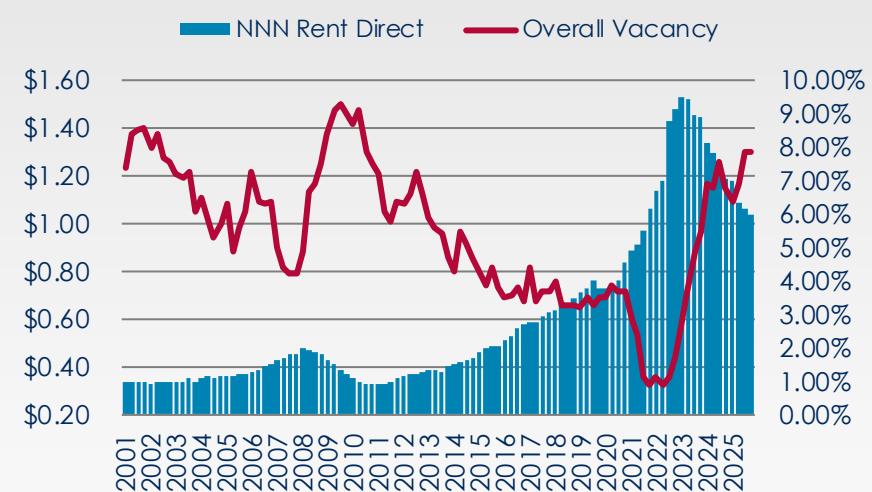
NET ABSORPTION IMPROVED IN Q4 TOTALING 360K SF



GROSS ABORTION INCREASED 109.5% FROM Q3 TOTALING 8.91 MSF IN Q4

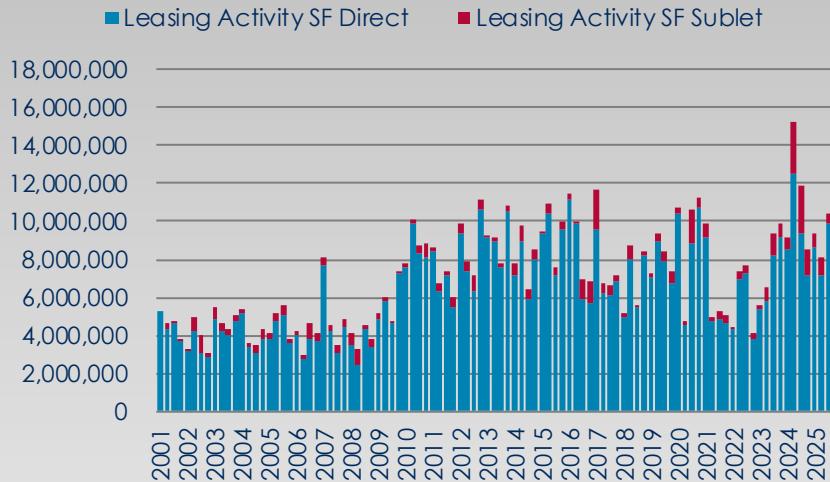


ASKING RENTS DECLINE OF \$0.02 PSF OR 1.9% TO A RATE OF \$1.04 PSF NNN IN Q4

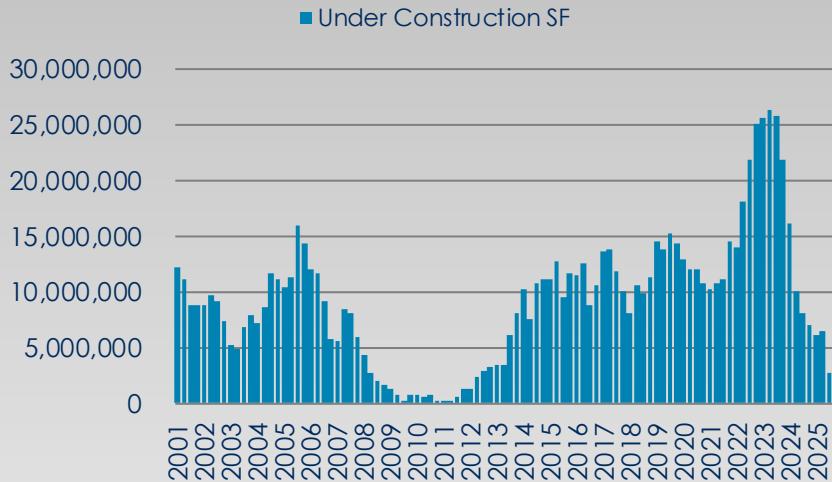


Q4 Market Report

LEASING ACTIVITY DECLINED 52.2% FROM REVISED Q3 TOTALING 5.0 MSF IN Q4

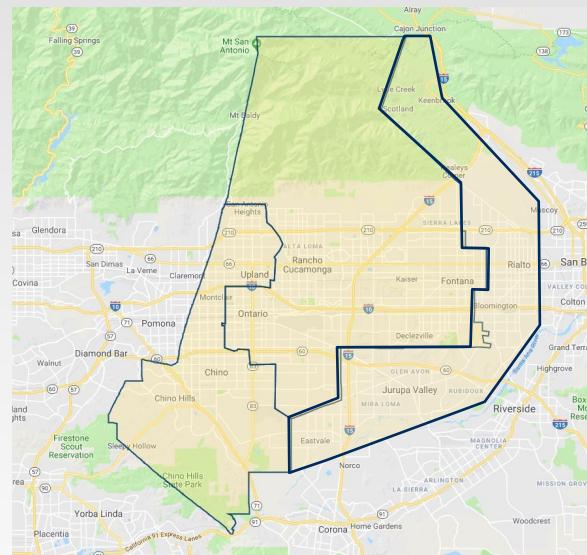
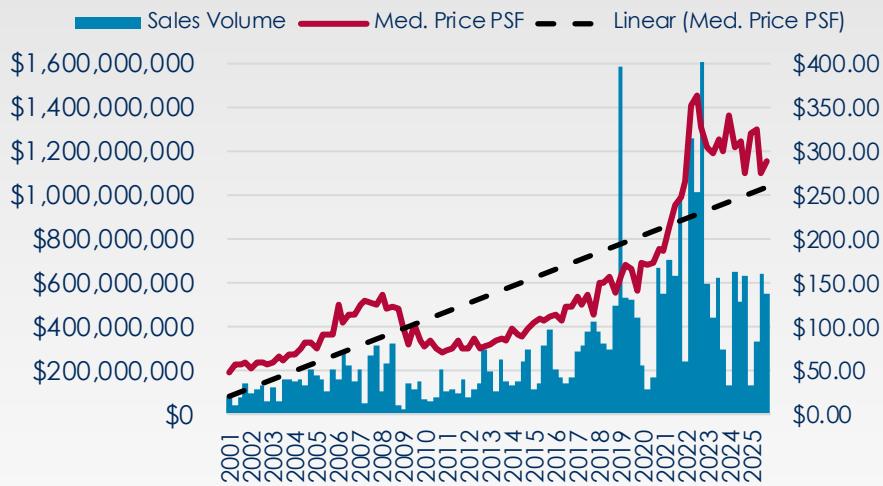


CONSTRUCTION ACTIVITY 280K SF WAS DELIVERED IN Q4. UC REVISED TO 2.5M SF



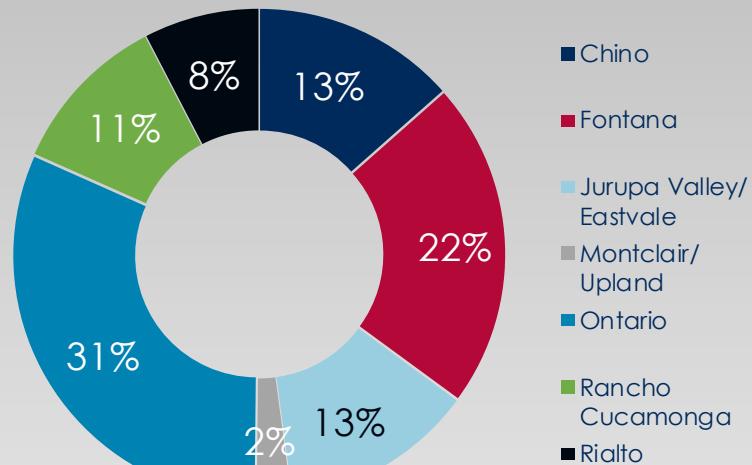
SALES

Q4 VOLUME WAS \$545.7M. MEDIAN PRICE WAS \$288.72 PSF

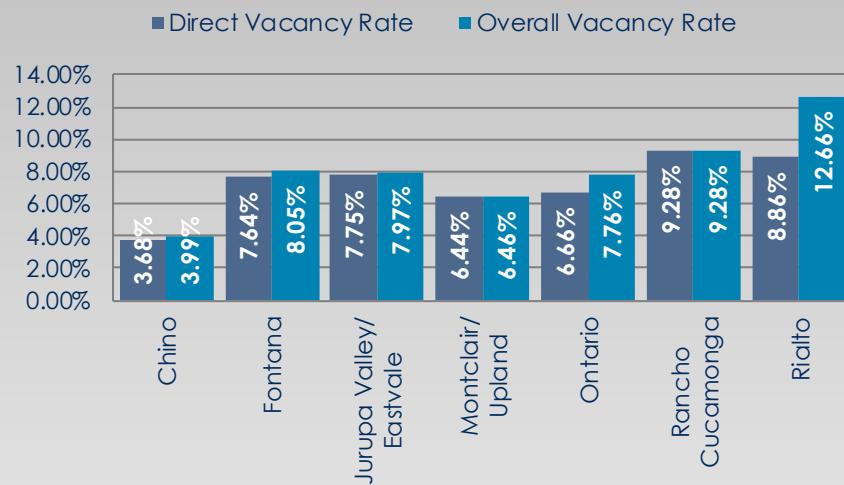


Q4 // Market Report

SQUARE FOOT BREAKDOWN- 424,071,563 SF MARKET SIZE



VACANCY BREAKDOWN



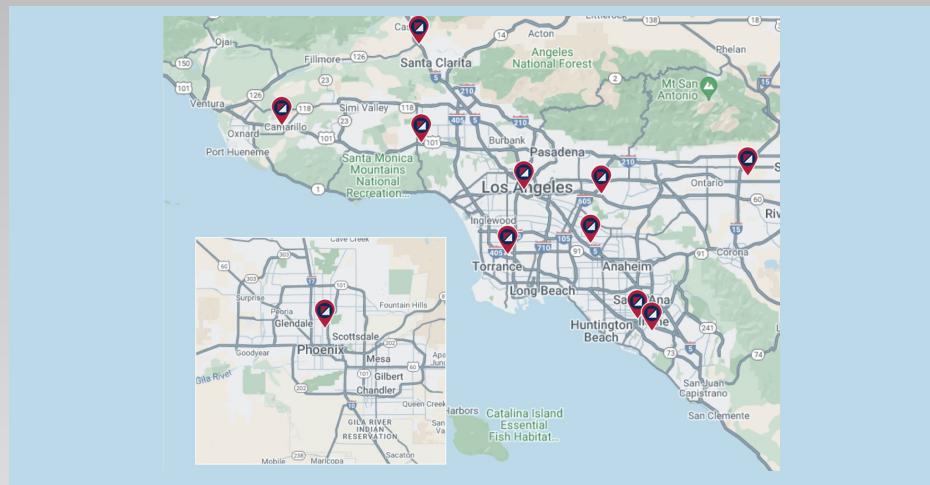
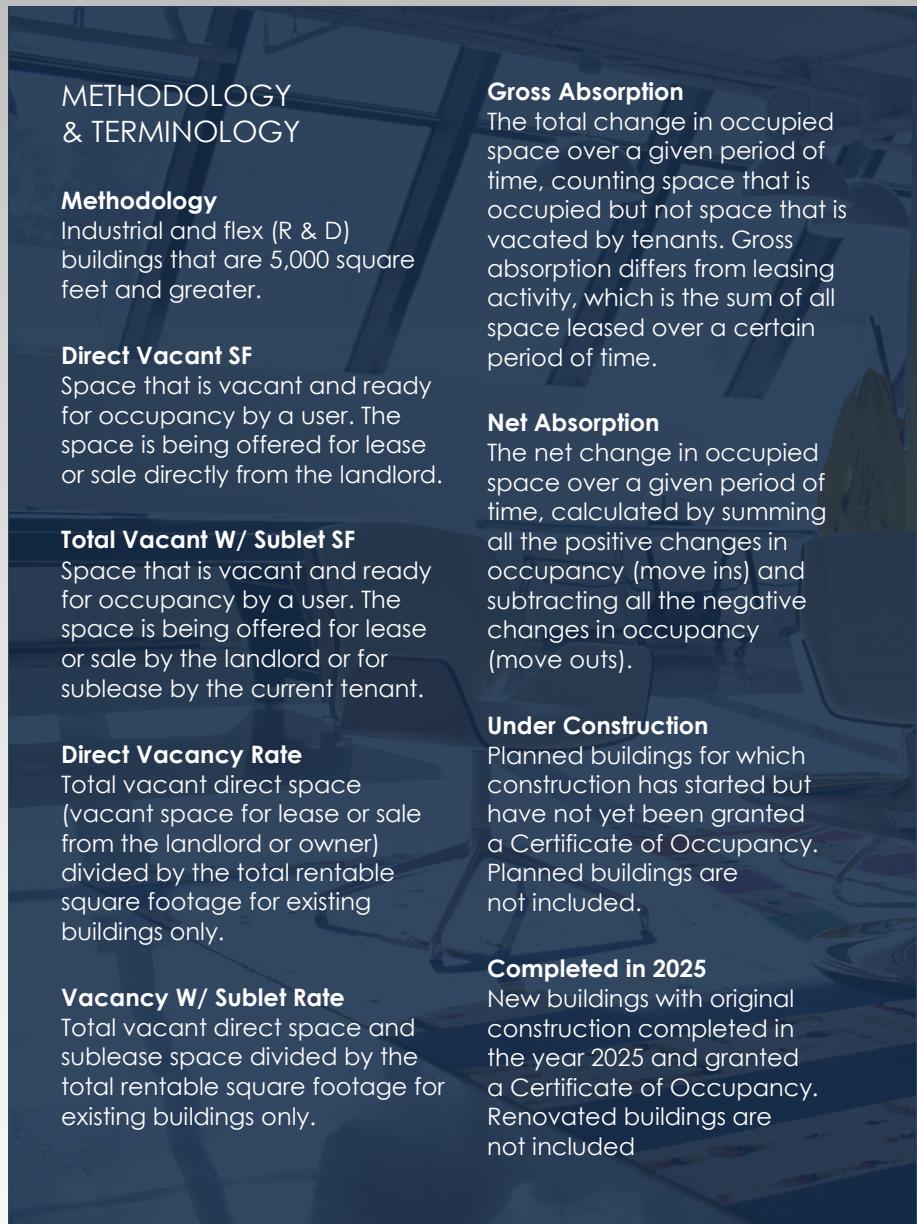
AVERAGE ASKING RENT PSF NNN AT CLOSE OF QUARTER



VOLUME BREAKDOWN



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MARKET	OFFICE ADDRESS	PHONE NUMBER
LOS ANGELES	801 S FIGUEROA ST. SUITE 600 LOS ANGELES, CA 90017	213-626-9101
LOS ANGELES NORTH	21820 BURBANK BLVD. SUITE 130 WOODLAND HILLS, CA 91367	818-887-3600
SANTA CLARITA VALLEY	27200 TOURNEY RD. SUITE 425 VALENCIA, CA 91355	661-705-2299
SAN GABRIEL VALLEY	13181 CROSSROADS PKWY N. SUITE 100 CITY OF INDUSTRY, CA 91746	562-695-7244
SOUTH BAY	19191 S VERNONT AVE. SUITE 850 TORRANCE, CA 90502	310-538-6700
MID-COUNTIES	13810 CERRITOS CORPORATE DR. SUITE C CERRITOS, CA 90703	562-207-3300
ORANGE COUNTY	4400 MACARTHUR BLVD. SUITE 950 NEWPORT BEACH, CA 92660	949-724-1900
VENTURA COUNTY	751 DAILY DR. SUITE 105 CAMARILLO, CA 93010	805-987-8866
INLAND EMPIRE	3595 E INLAND EMPIRE BLVD. BLDG 5 ONTARIO, CA 91764	909-980-1234
PHOENIX	1702 E HIGHLAND AVE. SUITE 120 PHOENIX, AZ 85016	602-957-7300
INVESTMENT DIVISION	650 TOWN CENTER DR. SUITE 120 COSTA MESA, CA 92626	949-341-4500
INDIAN WELLS	74900 HIGHWAY 111, SUITE 221 INDIAN WELLS, CA 92210	760-253-8539



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East

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MARKET REPORT Q4

Industrial 2025 Inland Empire East



MARKET ACTIVITY



Direct Vacancy
▲ 7.99%



Net Absorption
▲ 1,484,066 SF



Overall Vacancy
▼ 9.74%



Gross Absorption
▲ 5,008,203 SF



Under Construction
▼ 3,166,957 SF



Rental Rates (NNN)
▼ \$0.96



Median Sale \$/SF
▼ \$232.05



Deal Volume
▲ \$447.5M

KEY TAKE AWAYS

MARKET

Note: Market survey was expanded to include Beaumont/Hemet & Coachella Valley areas.

- Vacancy Rate:** Declined 26 bps to 9.74% in Q4.
- Net Absorption:** Stronger demand in Q4, totaling 1.48 MSF. Absorption was positive on the year totaling 949K SF in 2025.
- Sales:** The median sale price PSF in Q4 was \$232.05. Total volume in Q4 was up 93.5% to \$447.5M. The largest sale in Q4 was 890 E Mill St in San Bernardino. Overton Moore Properties acquired the Kohl's leased asset for \$123M at \$233.95 PSF. In 2025, sales volume totaled \$1.23B. A 14.7% increase compared to 2024.

ECONOMIC OUTLOOK

- Interest Rates:** FOMC decided cut rates twice over Q4. Ending the year at range of 3.50%-3.75%. Only one cut projected in 2026.
- Supply Chain:** YTD Y/Y volume at the San Pedro Port Complex is up 1.8% through Nov. The cost from China/East Asia to the West Coast increased 41.2% over Q4, ending at \$2,617 per container. (Freightos). US tariffs stabilized at country-specific rates (25-40% most nations, 125% China). Revenue collection from tariffs far out exceeding expectations. With consumers not being burdened by them yet.
- Geopolitics:** The removal of Venezuelan President Maduro may lead to lower energy prices in the future. Helping to fuel the AI boom.

ECONOMIC OUTLOOK



U.S. Employment
▲ 4.4%



U6 Rate
▲ 8.4%



Interest Rate
▼ 6.15%
(30 year fixed)



Changing GDP
▲ 5.4%



Port Traffic Y/Y Δ
▲ 1.8%



NYSE Performance
▲ 2.8%



Inflation Change
▼ 2.71%



10 Yr. - 2 Yr. Spread
▲ 71 BPS

EXPERIENCE IN A CHANGING MARKET

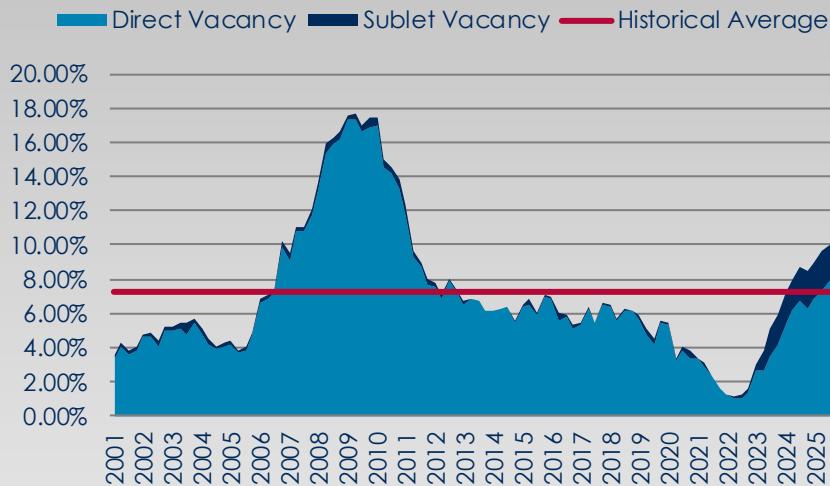
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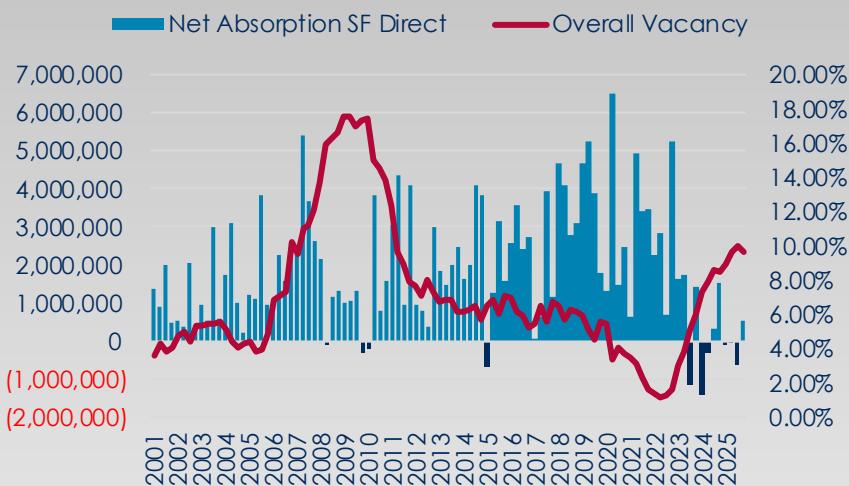
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Q4 Market Report

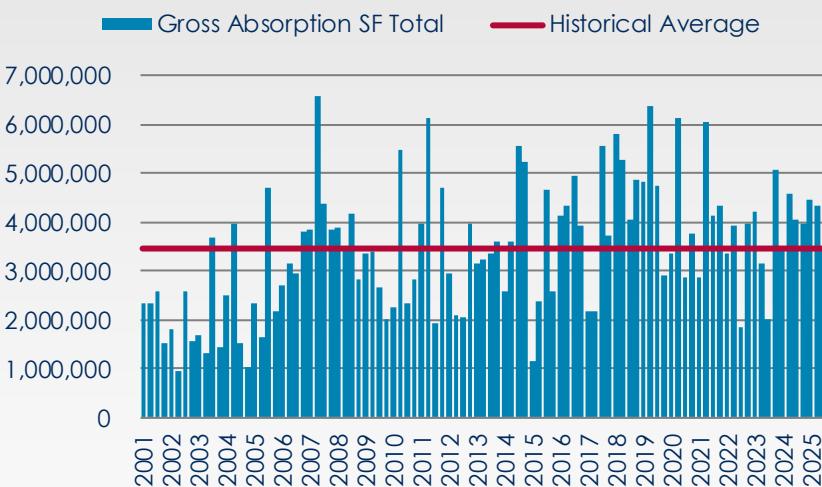
OVERALL VACANCY DECLINED 26 BPS FROM Q3 TO 9.74% IN Q4



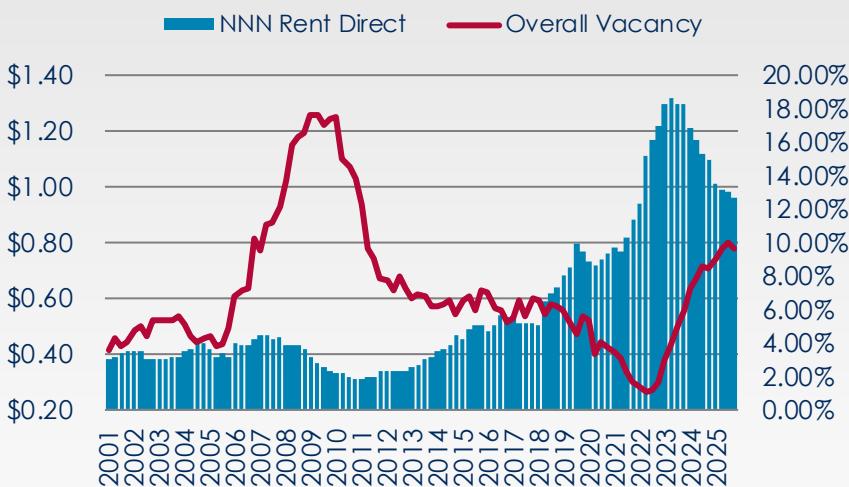
NET ABSORPTION STRONGER DEMAND IN Q4 TOTALING 1.48 MSF



GROSS ABORTION INCREASED BY 43.25% FROM Q3 TO 5.0M SF IN Q4

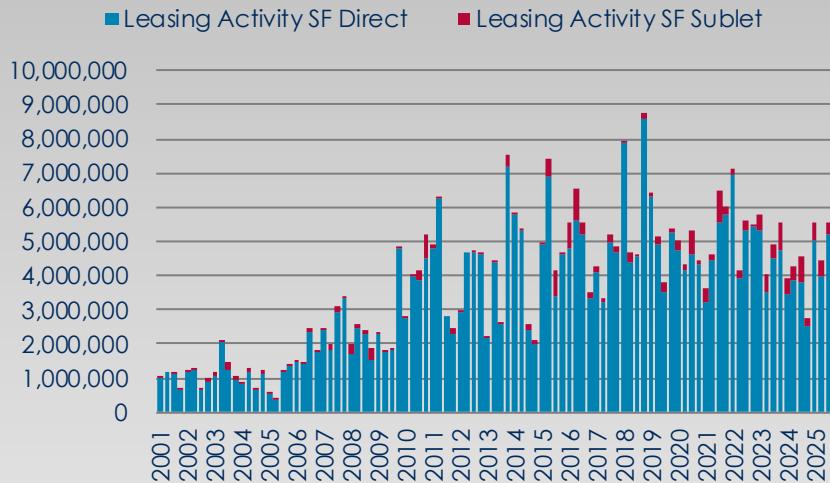


ASKING RENTS FELL BY \$0.02 PSF OR 2.0% TO \$0.96 PSF NNN IN Q4

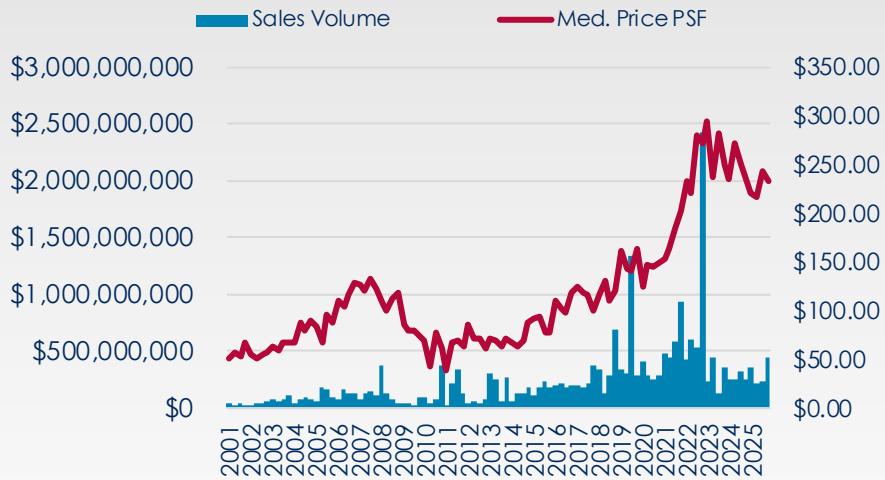


Q4 Market Report

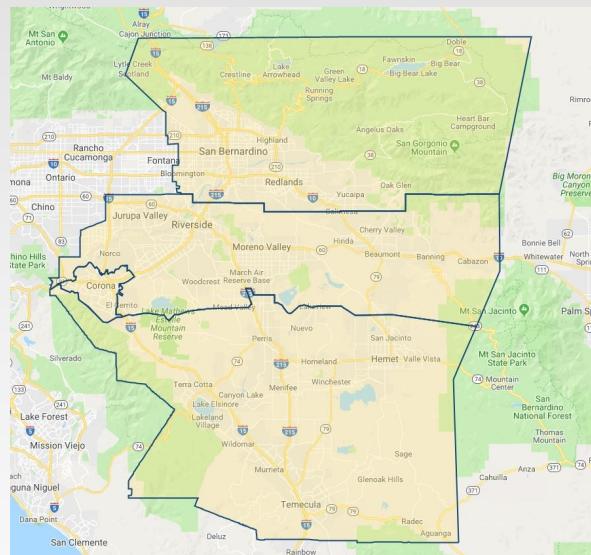
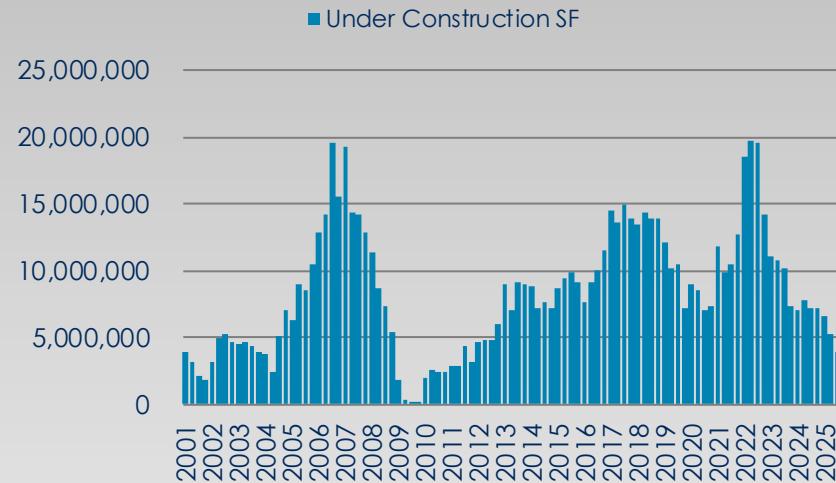
LEASING ACTIVITY DECLINED 38.3% FROM REVISED Q3 TOTALING 3.43 MSF IN Q4



SALES VOLUME WAS \$447.5M. MEDIAN PRICE IN Q4 WAS \$232.05 PSF

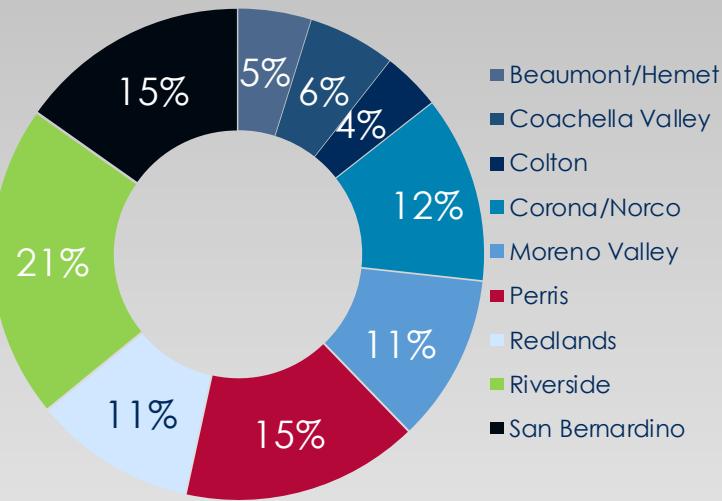


CONSTRUCTION ACTIVITY 786K SF WAS DELIVERED IN Q4. UC REVISED TO 3.17 MSF

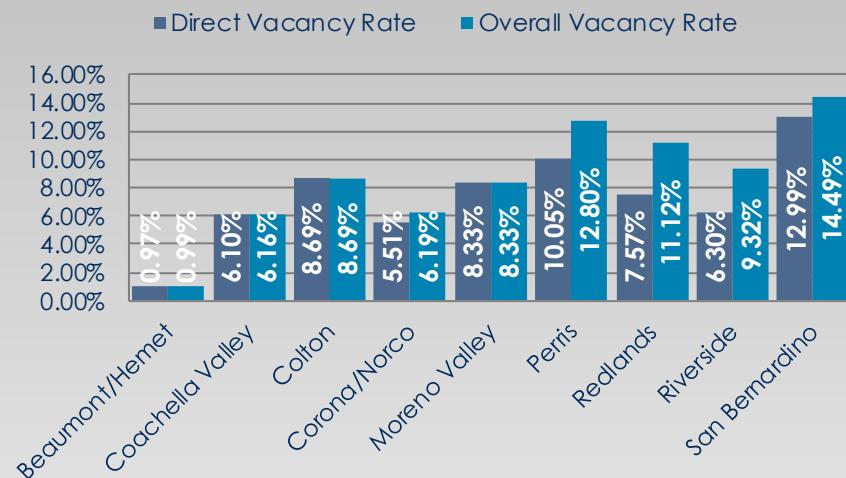


Q4 Market Report

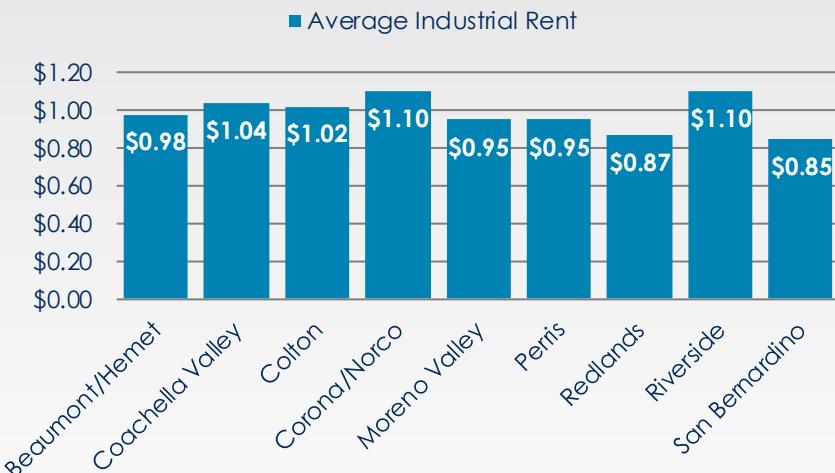
SQUARE FOOT BREAKDOWN- 301,349,209 SF MARKET SIZE



VACANCY BREAKDOWN

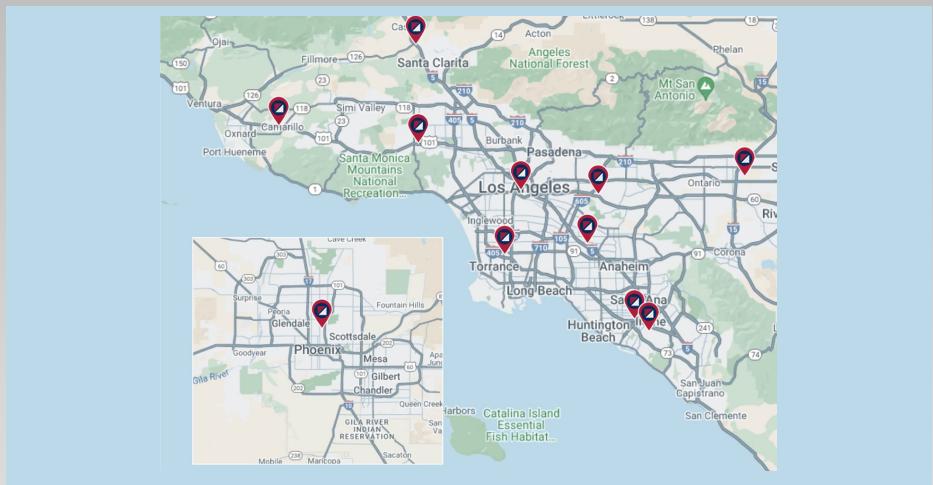
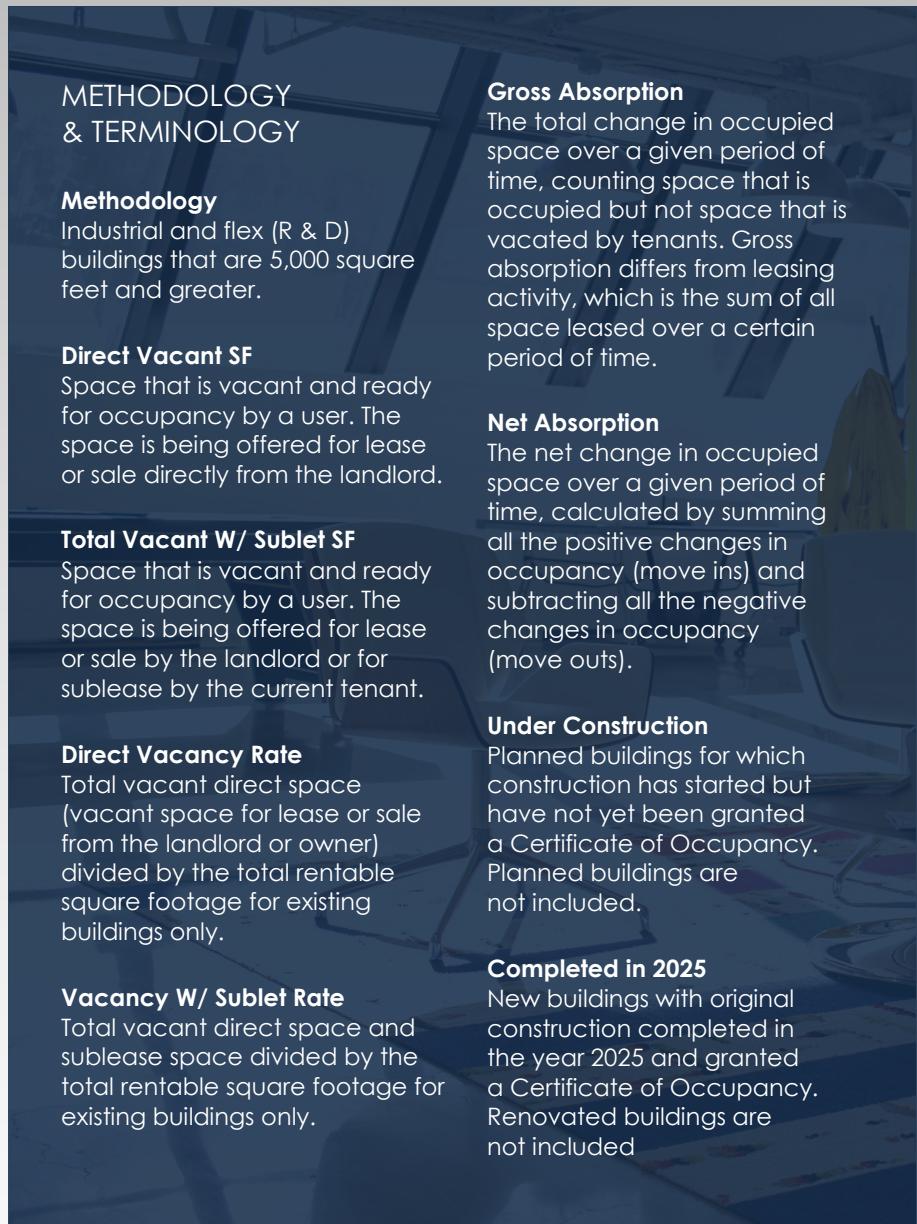


AVERAGE RENT PSF



VOLUME BREAKDOWN





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||||||| Phoenix |||||

Economic Overview

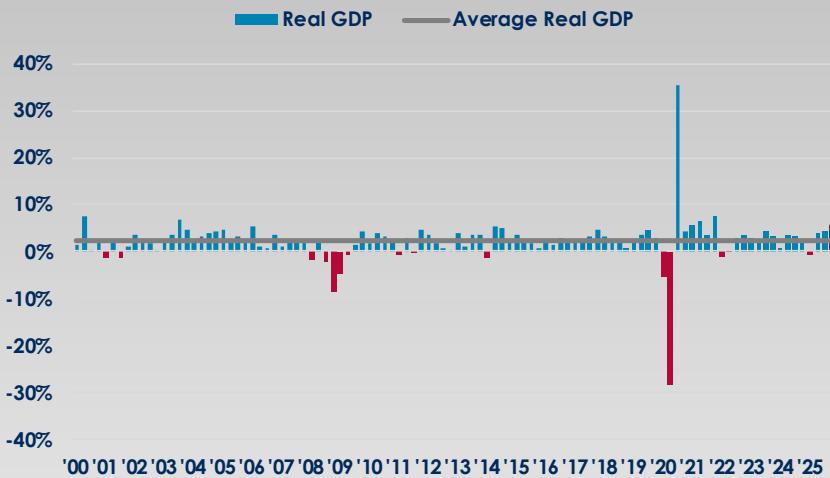
||||||| Q4 2025



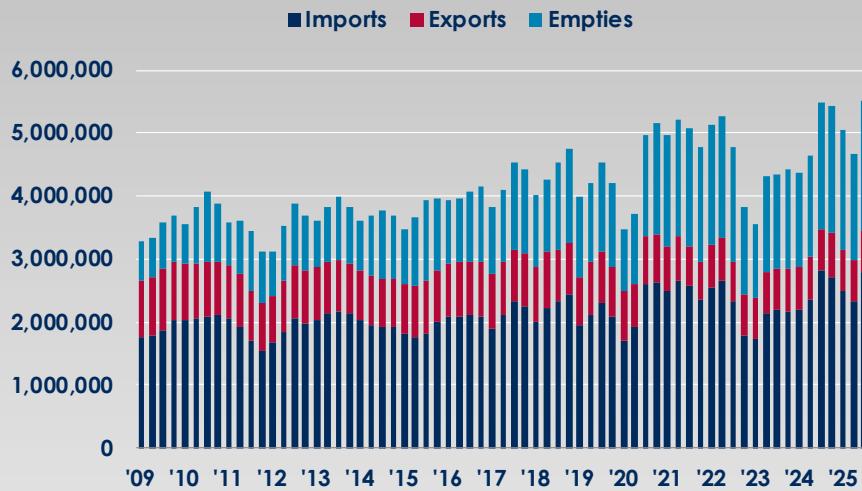
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Q4 Market Report

GDP IN Q3 FINISHED AT 4.3%. Q4 ESTIMATE AT 5.4% PER GDPNOW

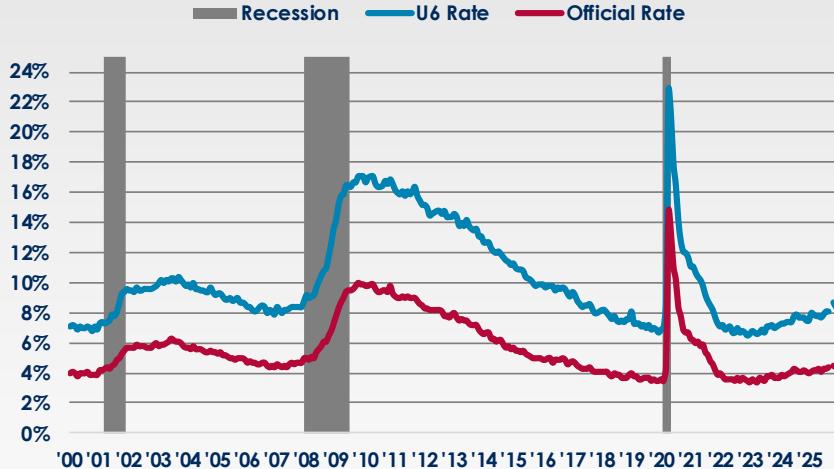


PORT ACTIVITY IN Q3 WAS UP 0.4% Y/Y. YTD 2025 UP 1.8% Y/Y

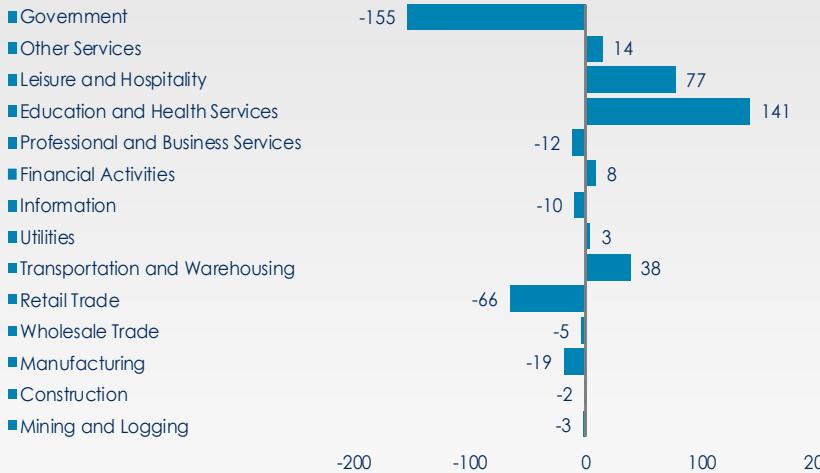


*5.4% Estimate for Q4-25 from the Federal Reserve Bank of Atlanta GDPNow

LABOR MARKET RESILIENCE LIKELY TO PAUSE RATE CUTS

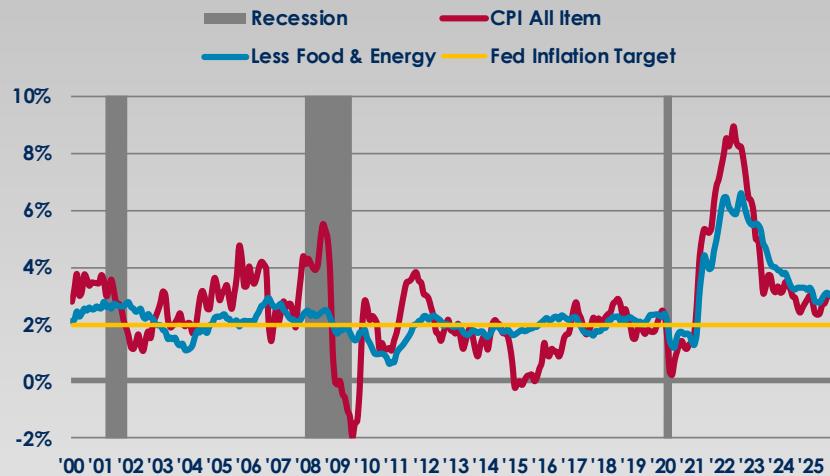


EDUCATION & HEALTH SERVICES LED JOB GAINS AGAIN IN Q4

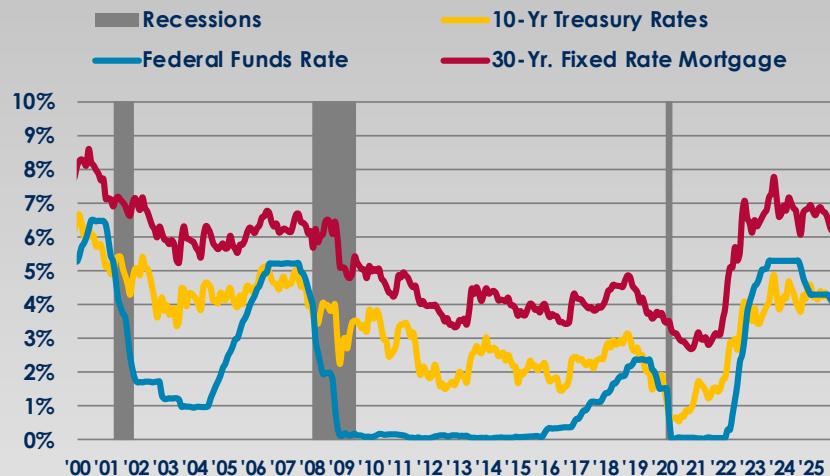


Q4 Market Report

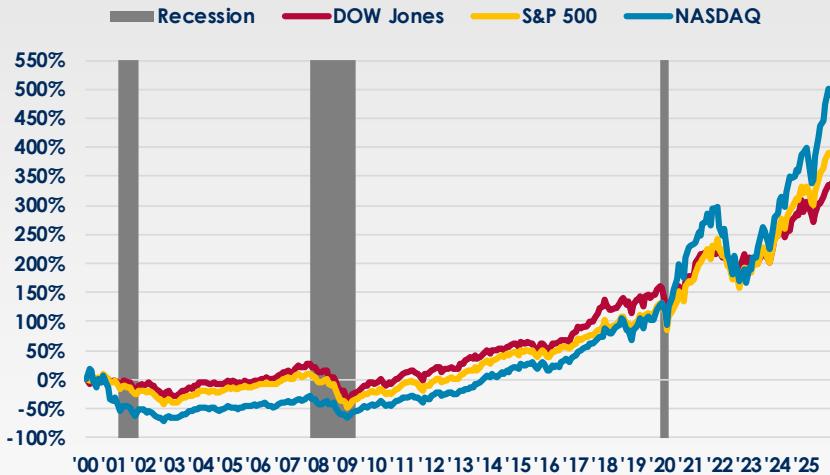
INFLATION TRENDING UPWARD ABOVE THE FED TARGET OF 2%



THE FED CUT RATES BY 50 BPS OVER Q4



MAJOR INDEXES REACHED ALL TIME HIGHS IN Q4



10-2 YEAR YIELD CURVE STEEPENED IN Q4

