MARKET REPORT · Q3 2026

Industrial

Inland Empire

Los Angeles | Orange County | Ventura | **Inland Empire** | Phoenix

8.61%
OVERALL VACANCY

3.27M SF
NET ABSORPTION

$1.24B
SALE VOLUME

A quarterly read on industrial leasing, absorption, and investment activity across the Inland Empire.

DAUM
COMMERCIAL REAL ESTATE SERVICES

Experience in a Changing Market

IN THIS REPORT

02 Executive Summary
03 Market Trends
04 Leasing & Sales Activity
05 Submarket Detail
07 Map & Methodology

QUARTER IN MOTION

Direct Vacancy	**7.47%**	▼ 48 bps
Leasing Activity	**12.98 MSF**	▼ 36.2%
Asking Rent NNN	**$1.00**	▼ $0.02
Under Construction	**8.51 MSF**	▲ 55.0%

Industrial Market Report

DAUM
COMMERCIAL REAL ESTATE SERVICES

8.61%

OVERALL VACANCY RATE

▼ 40 bps QoQ ▼ 17 bps YoY

Q3 AT A GLANCE

Vacancy declined 40 bps from revised Q2 to 8.61% as net absorption turned positive at 3.27 MSF, led by Ontario and Fontana. Gross absorption reached 18.19 MSF, the highest on record, while leasing activity fell 36.2% to 12.98 MSF. Sale volume rose 13.6% to $1.24B at a median $232.25 PSF, bringing YTD 2026 volume to $3.15B, up 66.5% Y/Y.

7.47%	3.27M SF	13.0M SF	$1.00	8.51M SF	$1.24B
DIRECT VACANCY	NET ABSORPTION	LEASING ACTIVITY	ASKING RENT NNN	UNDER CONSTRUCTION	SALE VOLUME
▼ 48 bps QoQ	▲ 5.68M QoQ	▼ 36.2% QoQ	▼ $0.02 QoQ	▲ 55.0% QoQ	▲ YTD up 66.5% Y/Y

MARKET

- **Vacancy Rate:** Declined 40 bps from revised Q2 to 8.61% in Q3. Y/Y decrease of 17 bps or 0.86 MSF.
- **Net Absorption:** Turned positive at 3.27 MSF in Q3, the most since Q4 2024. YTD 2026 totaled 2.13 MSF.
- **Asking Rates:** Declined $0.02 from revised Q2 to $1.00 PSF NNN in Q3.
- **Leasing Activity:** Down 36.2% from revised Q2 to 12.98 MSF in Q3.
- **Sale Activity:** Median price PSF in Q3 was $232.25. Volume up 13.6% from Q2 to $1.24B. YTD 2026 volume of $3.15B is up 66.5% Y/Y.

ECONOMIC OUTLOOK

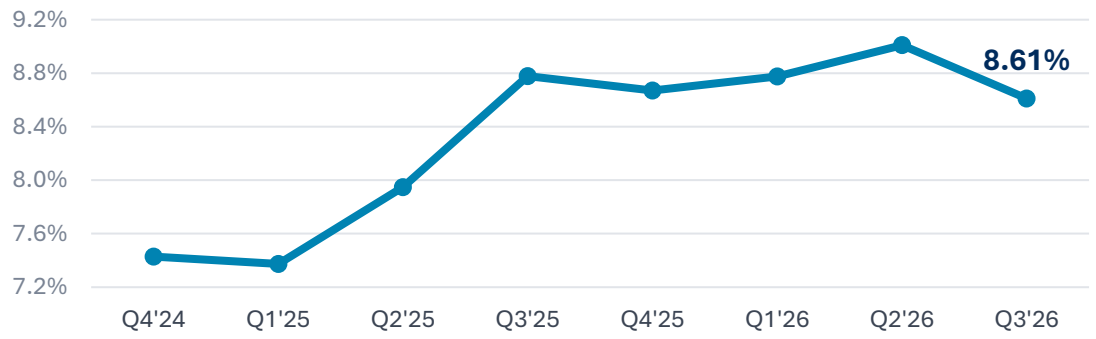
- **Interest Rates:** FOMC held rates in July, then raised by 25 bps in September to a range of 3.75%-4.00%.
- **Supply Chain:** Record volume at San Pedro Bay Port Complex totaling 5.80M TEUs in Q3. YTD Y/Y volume at the San Pedro Port Complex is up 3.6% through Sept. The cost from China/East Asia to the West Coast increased 36.2% over Q3, ending at $8,411 per container. (Freightos).
- **Geopolitics:** The conflict in Iran resumed in July after a June agreement briefly reopened the Strait of Hormuz, keeping shipping costs elevated.

Covers industrial & flex (R&D) buildings 5,000 SF and greater across the Inland Empire. · Source: DAUM Research, Q3 2026. · Full methodology on page 7.

Although all information is furnished regarding sale, rental or financing from sources deemed reliable, it has not been verified and no representation is made as to its accuracy.

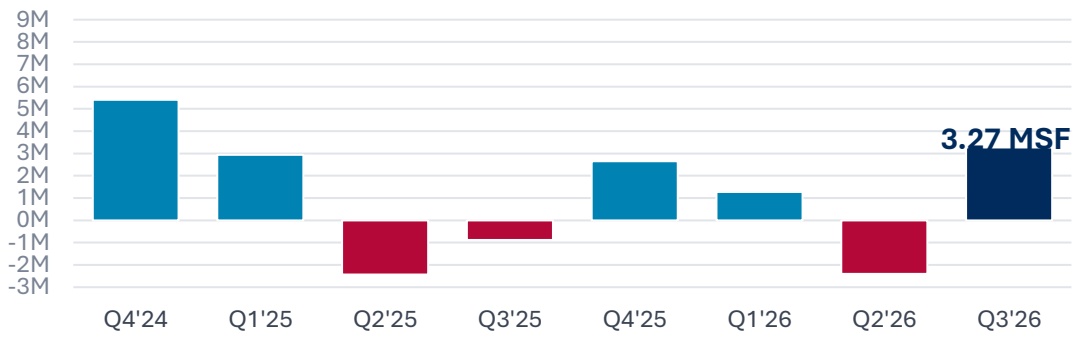
Leasing Fundamentals

Overall Vacancy



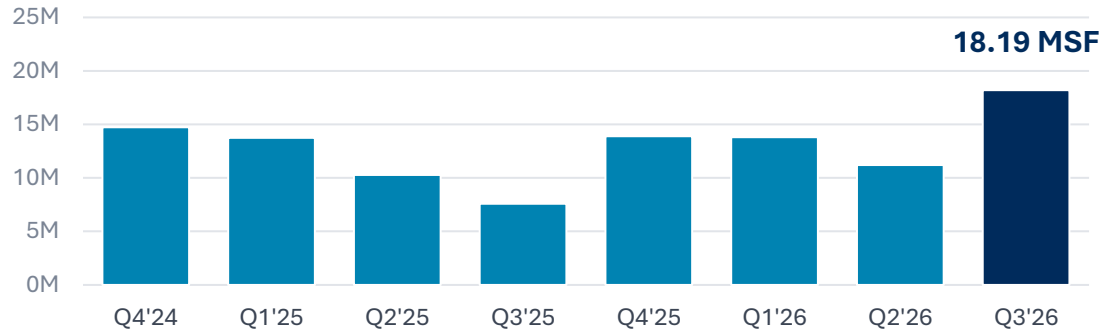
Declined by 40 bps from revised Q2 to 8.61% in Q3.

Net Absorption



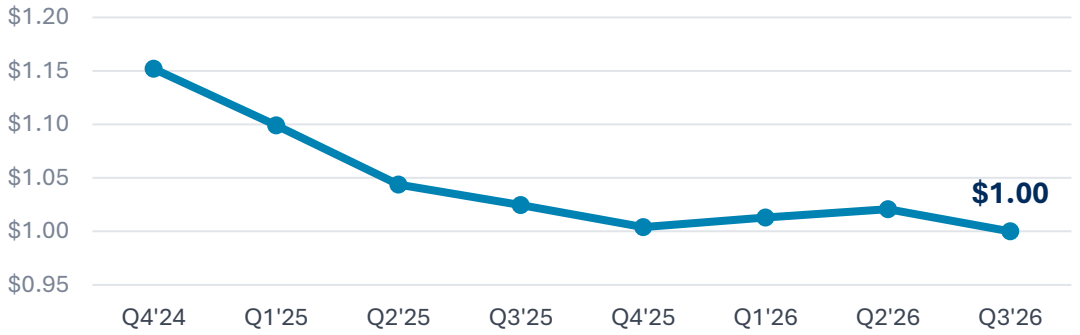
Turned positive in Q3, totaling 3.27 MSF.

Gross Absorption



Increased 62.4% from revised Q2 to 18.19 MSF in Q3, the highest on record.

Asking Rents (NNN)

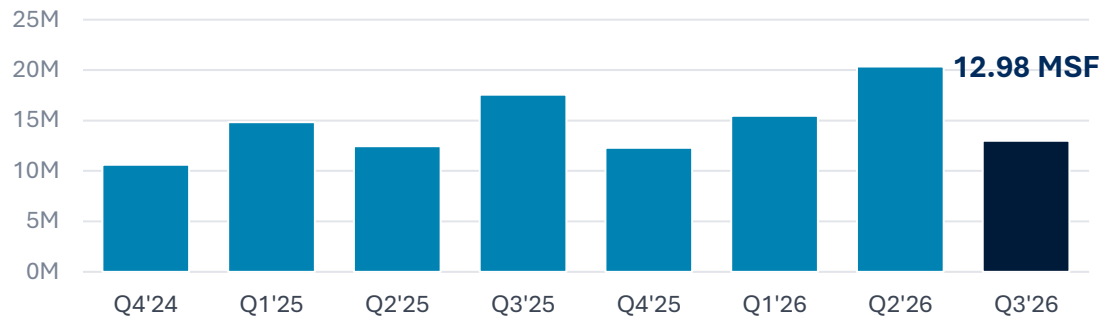


Declined $0.02 from revised Q2 to $1.00 PSF NNN in Q3.

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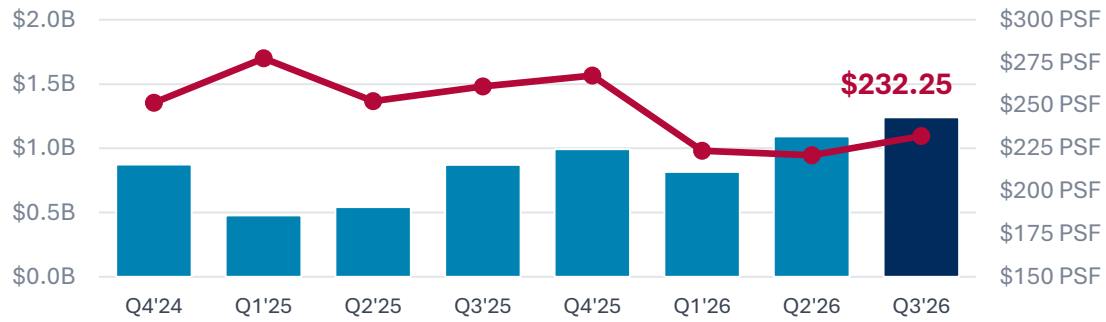
Leasing & Sales Activity

Leasing Activity



Declined 36.2% from revised Q2 totaling 12.98 MSF in Q3.

Sales Volume & Median Price PSF



Volume totaled $1.24B in Q3 at a median price PSF of $232.25.

NOTABLE LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	Type
3300-3500 Indian Ave	Perris	Wayfair	2,008,281	Direct
15207 Flight Ave	Chino	Undisclosed	600,140	Direct
9333 Hermosa Ave	Rancho Cucamonga	LC Logistics	573,000	Direct
1151 S Mildred St	Ontario	Alto Systems	433,463	Direct
20123 Harvill Ave	Perris	NFI Industries	423,665	Direct

NOTABLE SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / PSF
8 Properties; Part of 32-Property Portfolio	Multiple	Rexford/ EQT	1,369,327	$303.75M/ $221.82 PSF
2825 & 2880 Jurupa St	Ontario	Link Logistics/ Stonemont; PCCP	715,729	$116.98M/ $233.29 PSF
Interchange (3 bldgs)	San Bernardino	Cabot Properties/ EQT	667,024	$119.50M/ $179.15 PSF
5125 Ontario Mills Pky	Ontario	Link Logistics/ JPMorgan Chase & Co.	520,161	$143.00M/ $274.91 PSF
Bellegrave Business Park	Jurupa Valley/Eastvale	AEW Capital Mgmt./ Lincoln Property Co.	326,885	$74.70M/ $228.52 PSF

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By Submarket

SUBMARKET STATISTICS

SUBMARKET	INVENTORY (SF)	% OF TOTAL	DIRECT VACANT (SF)	DIRECT VACANCY	OVERALL VACANT (SF)	OVERALL VACANCY	QTR NET ABSORPTION	YTD NET ABSORPTION	YTD LEASING ACTIVITY	UNDER CONSTR. (SF)	YTD COMPL. (SF)	AVG. RENT NNN	SALES VOLUME	PRICE PSF
Chino	56,711,309	8%	3,209,219	5.66%	3,542,217	6.25%	–688,776	–1,245,398	3,830,730	0	20,000	$0.93	$14.7M	$325.00
Fontana	91,471,264	13%	7,409,420	8.10%	8,691,652	9.50%	1,643,053	–1,084,196	7,431,275	497,077	356,308	$0.93	$86.0M	$286.08
Jurupa Valley/Eastvale	54,266,117	7%	3,978,354	7.33%	4,518,759	8.33%	167,218	–197,873	1,813,257	0	0	$1.07	$469.7M	$228.59
Montclair/Upland	9,725,659	1%	558,353	5.74%	608,150	6.25%	104,528	65,257	279,711	0	29,661	$0.96	$2.5M	$320.00
Ontario	133,249,238	18%	7,456,284	5.60%	8,855,597	6.65%	1,932,396	1,079,550	9,308,408	4,510,688	776,867	$1.10	$347.3M	$228.95
Rancho Cucamonga	45,336,251	6%	4,907,143	10.82%	4,920,534	10.85%	–1,701,618	–547,868	3,724,241	620,000	151,455	$1.09	$13.3M	$282.87
Rialto	32,527,993	4%	2,342,851	7.20%	3,539,902	10.88%	740,171	587,706	1,390,249	0	42,408	$0.88	$23.7M	$261.00
Inland Empire West	**423,287,831**	**58%**	**29,861,624**	**7.05%**	**34,676,811**	**8.19%**	**2,196,972**	**–1,342,822**	**27,777,871**	**5,627,765**	**1,376,699**	**$1.02**	**$957.2M**	**$235.87**
Beaumont/Hemet	14,686,217	2%	3,018,306	20.55%	3,018,306	20.55%	–1,019,476	–2,869,843	50,603	312,206	0	$1.25	$6.7M	$85.74
Coachella Valley	16,890,374	2%	811,393	4.80%	834,304	4.94%	150,346	910,893	386,147	5,084	680,942	$1.19	$29.1M	$198.10
Colton	11,555,872	2%	394,236	3.41%	394,236	3.41%	543,964	607,002	814,840	0	0	$1.08	$10.2M	$253.01
Corona/Norco	37,063,116	5%	2,799,988	7.55%	2,876,813	7.76%	–702,897	–575,482	1,788,674	0	0	$1.14	$24.5M	$349.63
Moreno Valley	34,088,805	5%	1,748,851	5.13%	1,788,851	5.25%	332,268	1,843,444	4,721,933	195,037	861,732	$0.89	$11.5M	$263.76
Perris	48,396,686	7%	3,707,032	7.66%	5,161,002	10.66%	1,146,415	1,301,269	4,264,557	1,838,316	0	$0.98	$4.8M	$258.06
Redlands	32,132,976	4%	1,159,683	3.61%	2,093,136	6.51%	861,227	1,286,888	1,424,279	0	0	$0.87	$2.4M	$248.95
Riverside	62,254,802	9%	5,959,347	9.57%	6,627,568	10.65%	384,221	–793,093	3,513,089	127,263	21,139	$0.92	$59.7M	$186.30
San Bernardino	45,999,772	6%	4,819,853	10.48%	5,093,020	11.07%	–624,867	1,657,419	4,054,751	101,235	103,765	$0.88	$135.3M	$183.44
Inland Empire East	**303,068,620**	**42%**	**24,418,689**	**8.06%**	**27,887,236**	**9.20%**	**1,071,201**	**3,368,497**	**21,018,873**	**2,579,141**	**1,667,578**	**$0.97**	**$284.1M**	**$207.11**
Inland Empire Totals	**726,559,014**	**100%**	**54,280,313**	**7.47%**	**62,564,047**	**8.61%**	**3,268,173**	**2,129,018**	**48,796,744**	**8,512,942**	**3,044,277**	**$1.00**	**$1.24B**	**$232.25**

726,559,014 SF total market size · Source: DAUM Research, Q3 2026

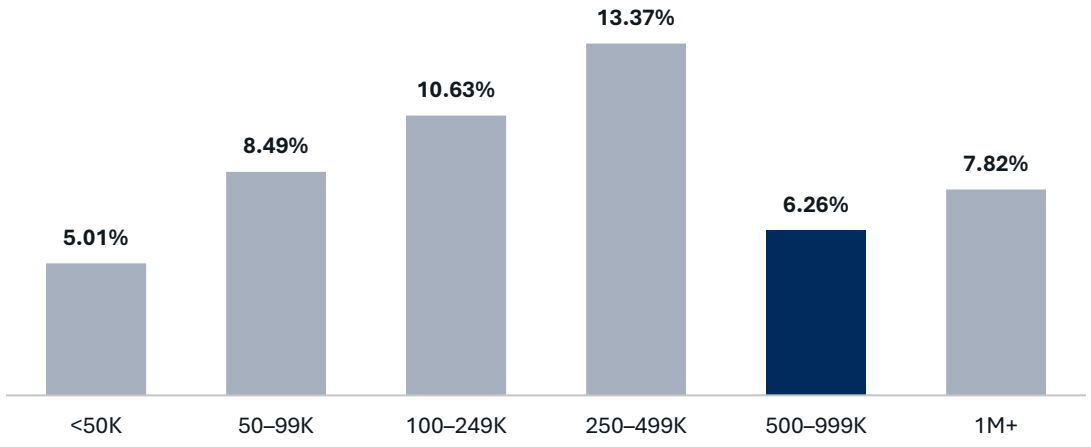
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By Building Size

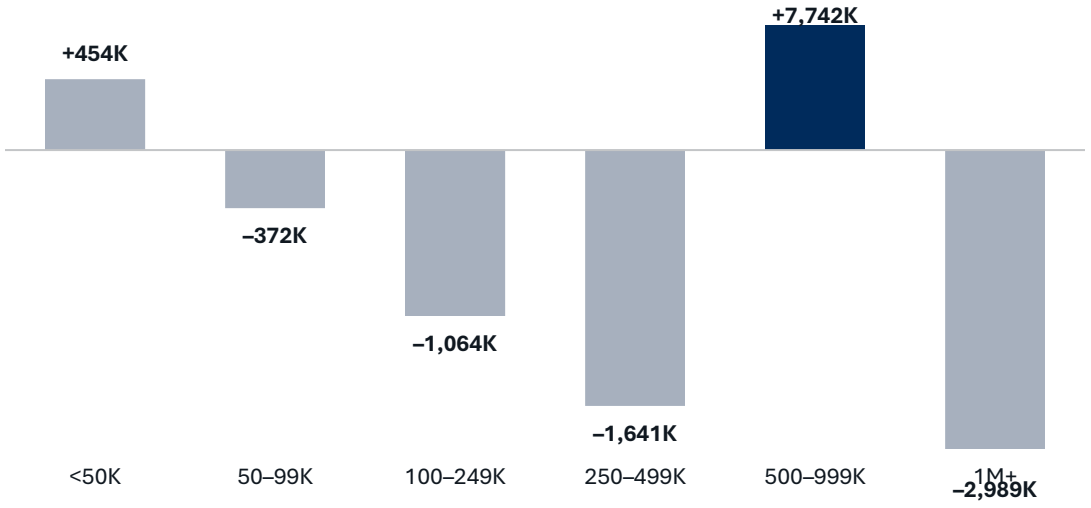
STATISTICS BY BUILDING SIZE RANGE

BUILDING SIZE RANGE	INVENTORY (SF)	% OF TOTAL	VACANCY RATE	AVG. ASKING RENT NNN	YTD NET ABSORPTION	UNDER CONSTR. (SF)
Below 50,000 SF	135,002,200	19%	5.01%	$1.15	453,619	211,192
50,000 – 99,999 SF	65,073,138	9%	8.49%	$1.03	–372,377	0
100,000 – 249,999 SF	127,609,448	18%	10.63%	$0.97	–1,063,994	1,065,318
250,000 – 499,999 SF	142,324,093	20%	13.37%	$0.94	–1,641,143	2,056,389
500,000 – 999,999 SF	152,550,259	21%	6.26%	$1.05	7,742,129	2,977,779
1,000,000 SF & Greater	103,999,876	14%	7.82%	$0.00	–2,989,216	2,202,264

VACANCY RATE BY BUILDING SIZE



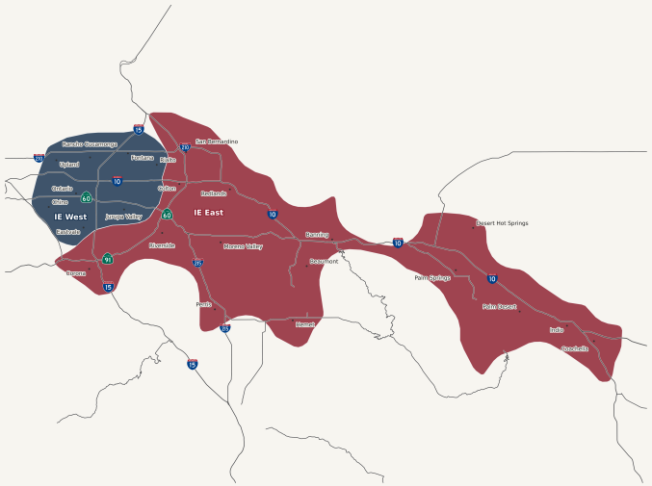
YTD NET ABSORPTION BY BUILDING SIZE (THOUSANDS SF)



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Map & Methodology

SUBMARKET MAP



METHODOLOGY & TERMINOLOGY

Methodology

Industrial and flex (R&D) buildings that are 5,000 square feet and greater.

Direct Vacancy Rate

Total vacant direct space divided by total rentable square footage.

Net Absorption

Net change in occupied space: positive changes (move-ins) less negative changes (move-outs).

Direct Vacant SF

Vacant space ready for occupancy, offered for lease or sale directly by the landlord.

Vacancy W/ Sublet Rate

Total vacant direct and sublease space divided by total rentable square footage.

Under Construction

Planned buildings where construction has started but no Certificate of Occupancy yet.

Total Vacant W/ Sublet SF

Vacant space offered by the landlord or for sublease by the current tenant.

Gross Absorption

Total change in occupied space, counting occupied space but not space vacated.

Completed in 2026

New buildings with original construction completed in 2026 and granted a C of O.

DAUM OFFICES

MARKET	ADDRESS	PHONE
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 Vermont Ave. Suite 850 Torrance, CA 90502	310-538-6700
Mid-Counties	13810 Cerritos Corporate Dr. Suite C Cerritos, CA 90703	562-207-3300

MARKET	ADDRESS	PHONE
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
Indian Wells	74900 Highway 111, Suite 221 Indian Wells, CA 92210	760-253-8539

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ECONOMIC OVERVIEW · Q3 2026

Economic Overview

National Indicators

BOTTOM LINE FOR CRE

Record Q3 port volume and a 3.6% GDP nowcast show firm goods demand, but the Fed's September hike and a 10-Year near 5% raise financing costs, while 11.2% input inflation keeps new supply constrained, favoring well-located existing buildings.

DAUM
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IN THIS SECTION

02 Trade & Growth

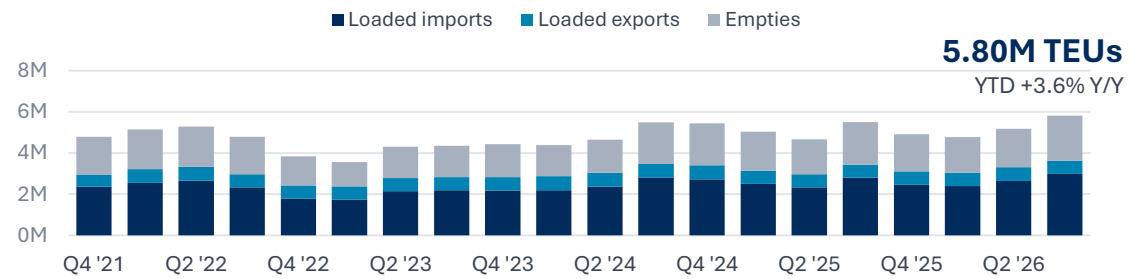
03 Prices, Labor & Capital

QUARTER IN MOTION

Port Volume, San Pedro Bay	**5.80M TEUs**	▲ 5.4% Y/Y
Trans-Pacific Freight	**$8,411**	▲ 36.2% Q/Q
Retail Inventory-to-Sales	**1.36**	2019 avg 1.46
Real GDP, Q3 GDPNow	**3.6%**	Q2 BEA 2.2%
CPI, September Y/Y	**3.7%**	▲ 0.2 pt Q/Q
Unemployment Rate	**4.2%**	Unch. Q/Q
Fed Funds Target	**3.75–4.00%**	▲ 25 bps Q/Q
10-Year Treasury, 9/30	**5.29%**	Sep avg 4.99%
Construction Input Costs	**159.1**	▲ 59.1% vs 1/20

Trade & Growth

Port Volume



Q3 port volume rose 5.4% Y/Y to a record 5.80M TEUs; loaded imports up 6.2% support distribution space demand.

Source: Ports of Los Angeles and Long Beach. Quarterly totals of monthly TEUs; Q3 2026 is a record since 1995.

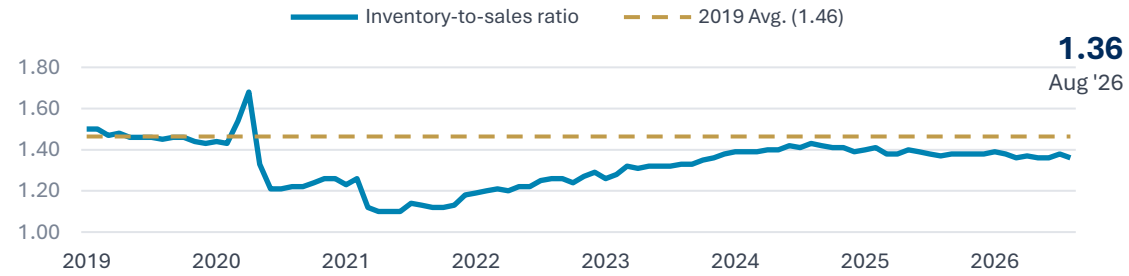
Freight Rates



Trans-Pacific spot rates rose 36.2% in Q3 to $8,411, the highest since June 2022; landed costs keep rising for importers.

Source: Freightos Baltic Index (FBX01), Asia to N. America West Coast, weekly to 9/25/2026. Events: CRS; UN News.

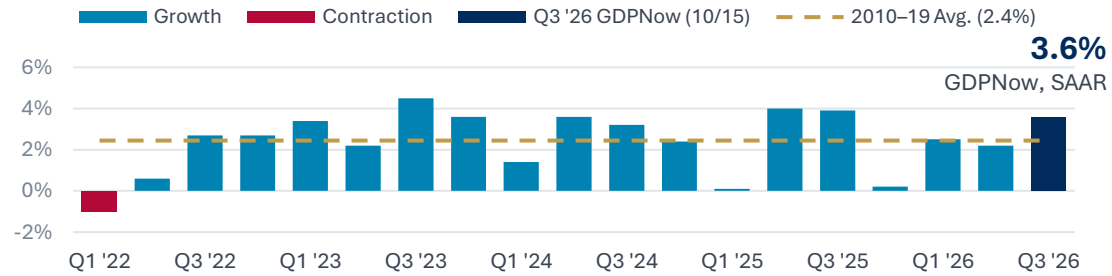
Retail Inventory to Sales



Retail inventory-to-sales was 1.36 in August after Census revisions, still below the 1.46 2019 norm; lean stocks temper storage demand.

Source: U.S. Census Bureau via FRED (RETAILIRSA), seasonally adjusted, 2026 annual revision. Latest: August 2026.

GDP



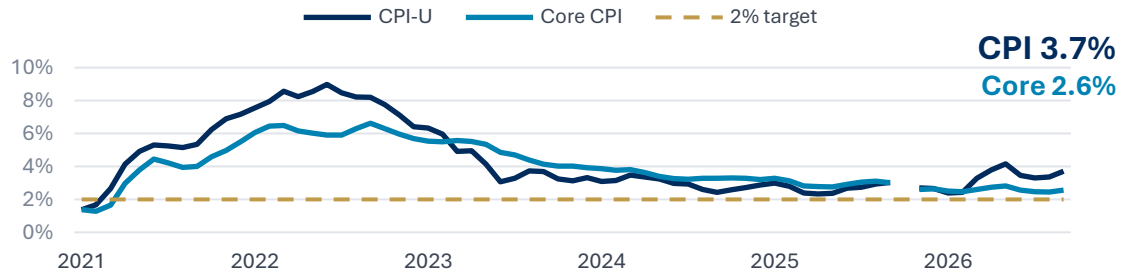
GDP: Q2 revised to 2.2%; GDPNow puts Q3 at 3.6%, with inventory building adding 1.9 points, a warehouse tailwind.

Source: BEA via FRED (A191RL1Q225SBEA), Q2 third est. 9/30/26. Q3: Atlanta Fed GDPNow model nowcast, 10/15/26.

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Prices, Labor & Capital

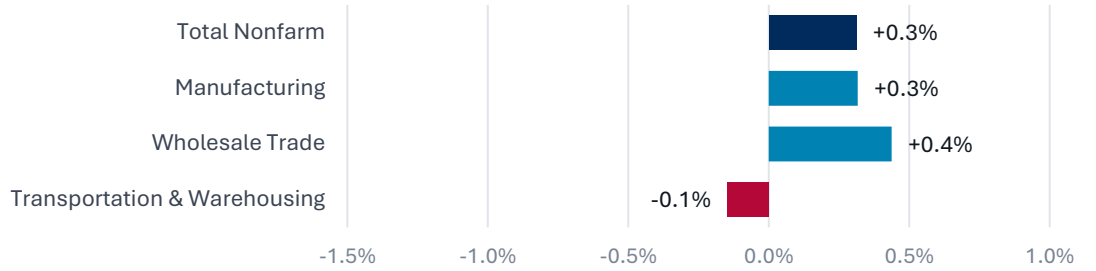
Inflation



CPI rose to 3.7% in September as gasoline jumped 9.1% m/m; core was 2.6%, keeping rate relief off the table.

Source: BLS via FRED (CPIAUCSL, CPILFESL), Y/Y from SA indexes. Through September 2026; Oct 2025 not published.

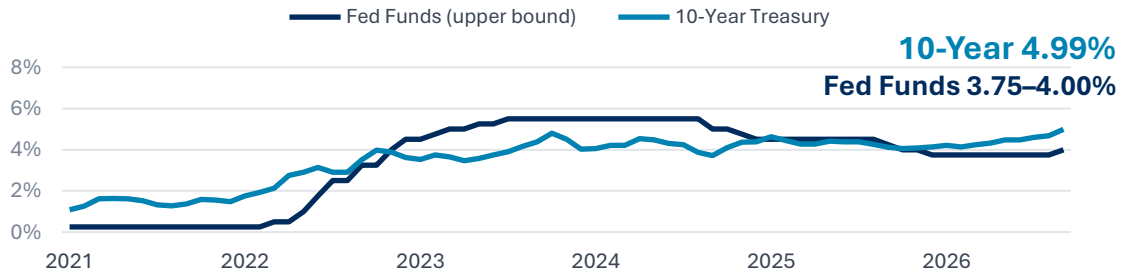
Employment



Industrial-using payrolls were mixed Y/Y in September and total hiring slowed to 29,000; occupier expansion stays cautious.

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, SA. Sept. 2026 (preliminary) vs. Sept. 2025.

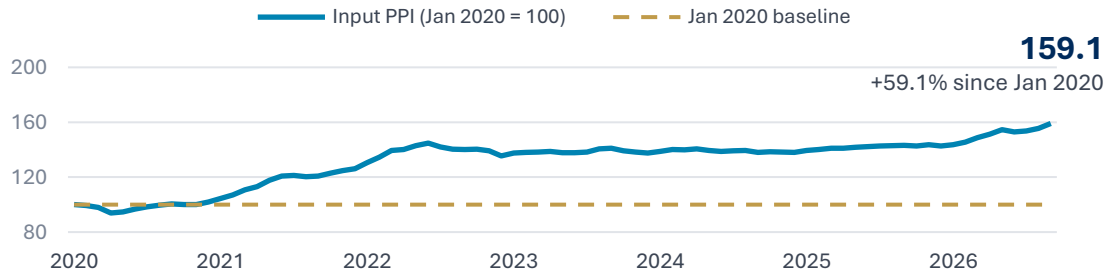
Interest Rates



The Fed raised rates to 3.75–4.00% on Sept. 16; the 10-Year averaged 4.99% in September, lifting debt costs for owners.

Source: Federal Reserve; Federal Reserve H.15 via FRED (GS10, monthly average). Through September 2026.

Construction Input Costs



Nonresidential construction input prices rose 11.2% Y/Y to 59.1% above January 2020, raising replacement costs and limiting new supply.

Source: U.S. Bureau of Labor Statistics via FRED (WPUIP2312001), not seasonally adjusted. Through September 2026.

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