

# Q1 Industrial Market Insight

Lee & Associates® Research  
Los Angeles Central  
City of Industry

— 2024

Inland Empire - West

Lee & Associates - Los Angeles Central  
5675 Telegraph Rd Suite 300  
Commerce, CA 90040  
(323) 720-8484

Lee & Associates - City of Industry  
13181 Crossroads Pkwy N Suite 300  
City of Industry, CA 91746  
(562) 699.7500



# Q1 2024 Market Insight

# Inland Empire West

## IE West Highlights

- Big Picture:** Apart from leasing activity, all the other metrics in the IE West were similar to trends across all submarkets in the Los Angeles Basin this quarter: vacancies and availability increased, lease rates decreased, sales activity were at historic lows, and construction starts diminished.
- Vacancy Rate:** Quarter-over-quarter, vacancy rose by 110 bps while it rose 350 bps year-over-year, reaching 6.4% at the end of Q1.
- Asking Rents:** Rental rates are \$1.40 NNN PSF, a year-over-year decline of \$0.13 or 8.4% from the Q1 2023 rate of \$1.53.
- Inflation:** Headline CPI continues to be elevated above the Fed's 2% target at 3.5%. Overall PCE inflation grew by 0.3% from February and 2.7% from the prior year, while core PCE inflation grew by 0.3 month-over-month and 2.8% year-over-year.
- GDP & Employment:** In Q1, the U.S. economy grew by 1.6% year-over-year, below market growth-expectations of 2.5%. The unemployment rate fell by 10 basis points (bps) to 3.8% and the labor force participation rate ticked up to 62.7%. Average hourly earnings rose by 4.1% year-over-year, in line with market expectations and above inflation.
- Port Activity:** Port of LA activity (measured by Total TEUs) is up 29.98% year to date as compared with the first three months of 2023.
- Supply Chain:** The cost from China/East Asia to North America West Coast increased 33.5% over Q1, ending at \$3,623 per container per Freightos.

CITY	# of Bldgs	Inventory	Vacancy	Availability	Net Absorption	Gross Absorption	Direct Asking Rate (NNN)	Asking Sale Rate
CHINO	938	55,902,777	5	8.5	-1,343,073	418,437	\$1.59	\$283
EASTVALE	71	14,456,540	9.4	13.5	-1,103,213	0	\$1.60	\$288
FONTANA	789	73,435,952	6.5	16.7	1,419,362	2,515,870	\$1.50	\$284
JURUPA VALLEY	316	33,069,507	5.6	11.6	1,151,823	1,315,406	\$1.27	\$257
MIRA LOMA	20	712,371	5.4	5.4	31,009	31,009	\$1.36	\$339
MONTCLAIR	208	4,164,242	3.4	18.9	61,979	105,986	\$0.67	\$335
ONTARIO	1528	124,434,981	7	11.5	716,950	3,805,428	\$1.28	\$273
RANCHO CUCAMONGA	746	43,344,526	5.1	12.3	-9,991	403,394	\$1.65	\$275
UPLAND	260	4,094,592	7.7	9.9	-54,441	51,122	\$1.09	\$276

↑ 3.8%

US Unemployment Rate

↑ 1.6%

GDP - Quarter 1 % - Change YOY

↑ 4.6%

U.S. 10-Year Treasury Note

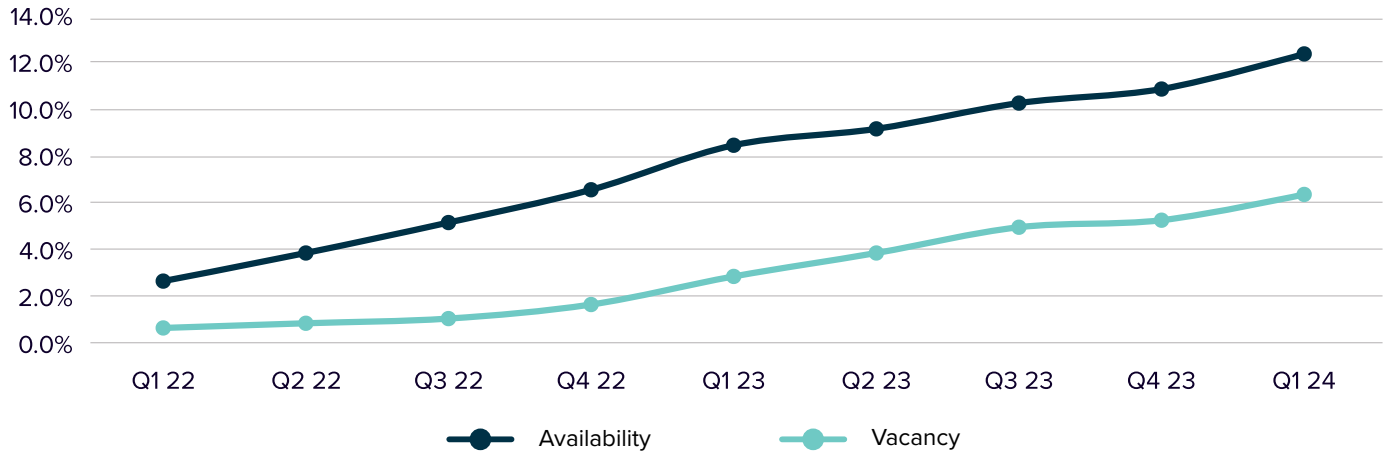
### > Market Summary

	Q1 2023	Q4 2023	Q1 2024
<b>Total Inventory (SF)</b>	341,792,712	350,859,316	356,225,514
<b>Overall Vacancy</b>	2.9%	5.3%	6.4%
<b>Overall Availability</b>	8.5%	10.9%	12.4%
<b>Under Construction (SF)</b>	25,674,647	22,144,131	16,929,388
<b>Net Absorption (SF)</b>	-724,899	5,465,814	849,174
<b>Overall Asking Lease Rates (NNN)</b>	\$1.53	\$1.46	\$1.40

### > Labor Force

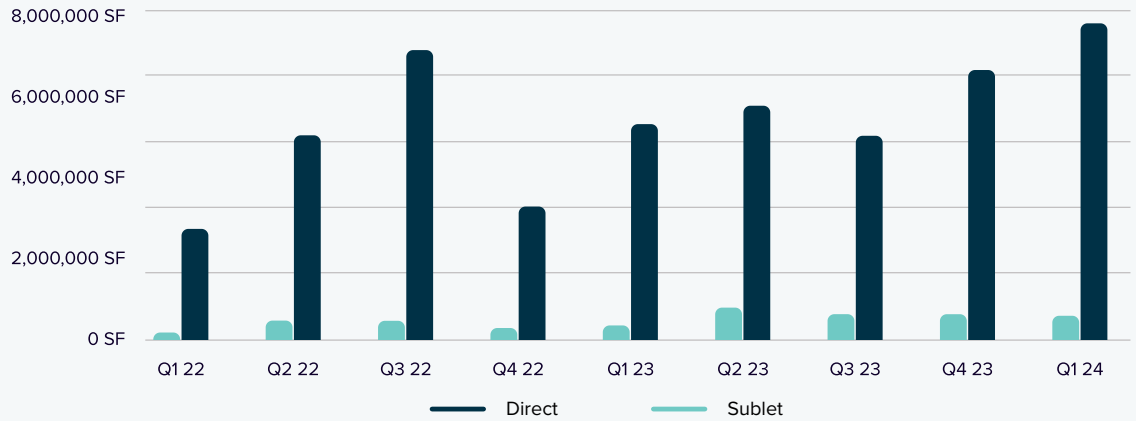
	Construction	Manufacturing	Transportation, Trade & Utilities
12-Mo Employment Growth (%)	0.5%	-1.5%	-0.1%
12-Mo Actual Employment Change	-700	-4,900	-1,200

## > Vacancy vs Availability

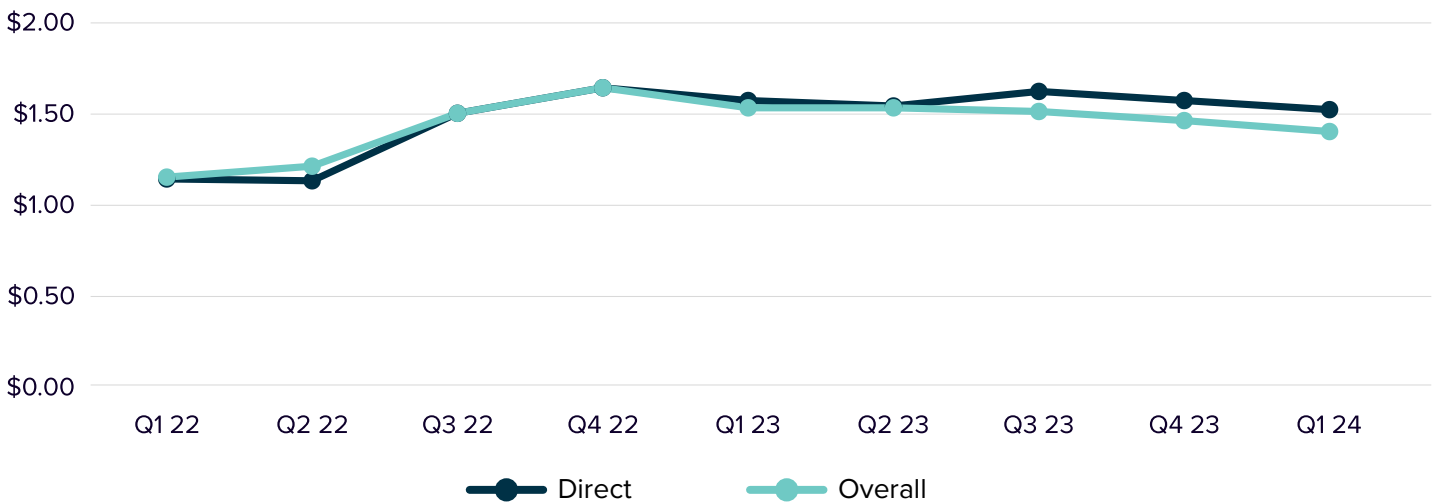


## Leasing Activity & Absorption

Leasing activity totaled **8.4 million square feet (MSF)** in Q1, far surpassing the historical quarterly average of **5.9 MSF** typical for the submarket. Amazon has returned to the market in a big way having signed two large leases at the end of Q1 totaling over **2 MSF** in Eastvale and Jurupa Valley. Amazon is rumored to be looking to lease more space in the coming quarters as they have found it easier to lease existing buildings and modify as appropriate, rather than build new structures from the ground up due to lengthy entitlement processes and time sensitive infrastructure hurdles.



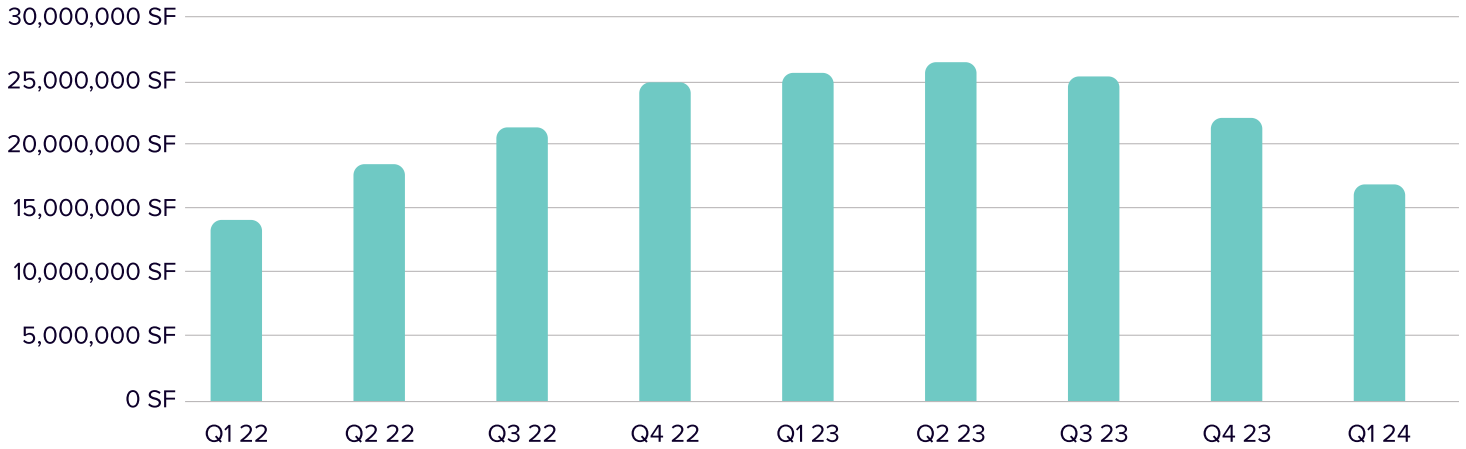
## > Rental Rates



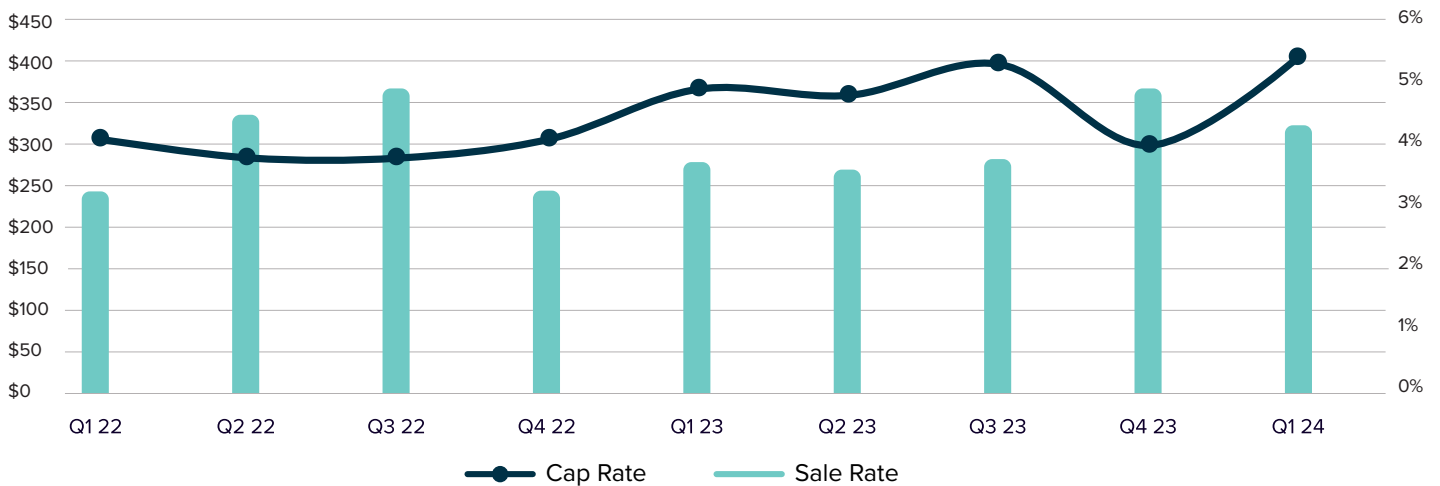


# Q1 24 | Inland Empire West

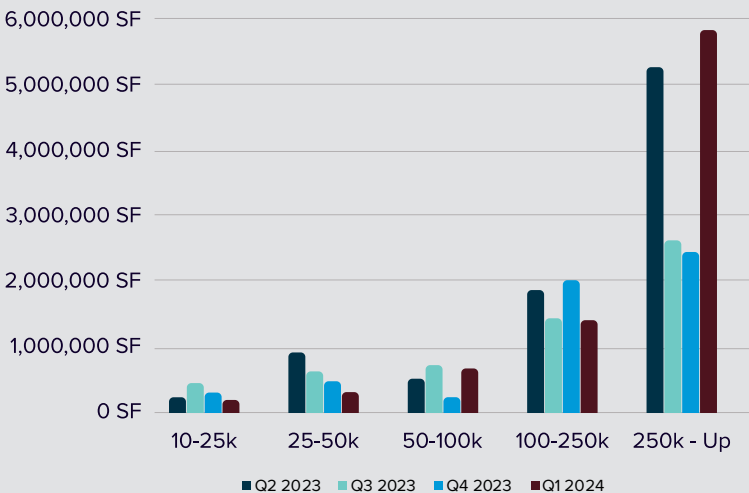
## > Construction



## > Sales Trends



## > Lease Expiration



**Inland Empire - West**  
**Largest Lease Transaction**  
**By Square Foot**  
Lessee: Amazon  
6120 Clinker Dr, Bldg 1, Jurupa Valley, CA

**1,025,132sf**



## > Top 5 Sales

Address	City	Size (SF)	Buyer	Seller(s)
8545 PECAN AV	Rancho Cucamonga	98,685	Pecan Ave, LLC	Xebec
4001 GREYSTONE	Ontario	41,814	Excelsior Partners, LLC	GF Properties
4115 SCHAEFER AVE (PART OF PORTFOLIO)	Chino	33,500	Rexford	Blackstone
1893 SLAKE PL	Ontario	24,732	MJP Capital LLC	Chase Lake Logistics Fund I LP
2072 W11TH ST	Upland	15,400	Amertop, LLC	Yellow Iron Development 257 LLC

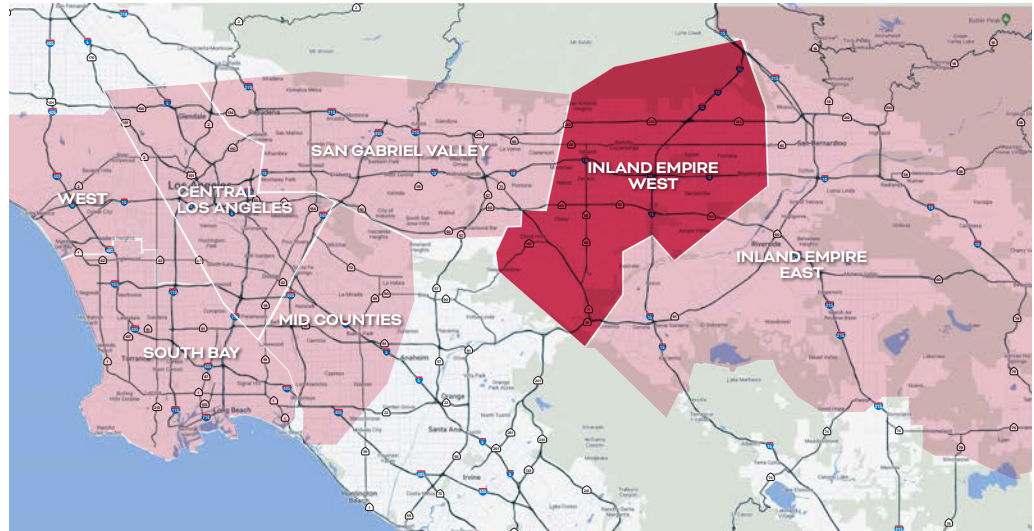
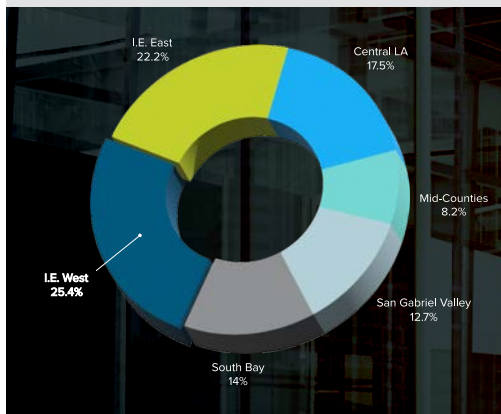
## > Top 5 New Leases

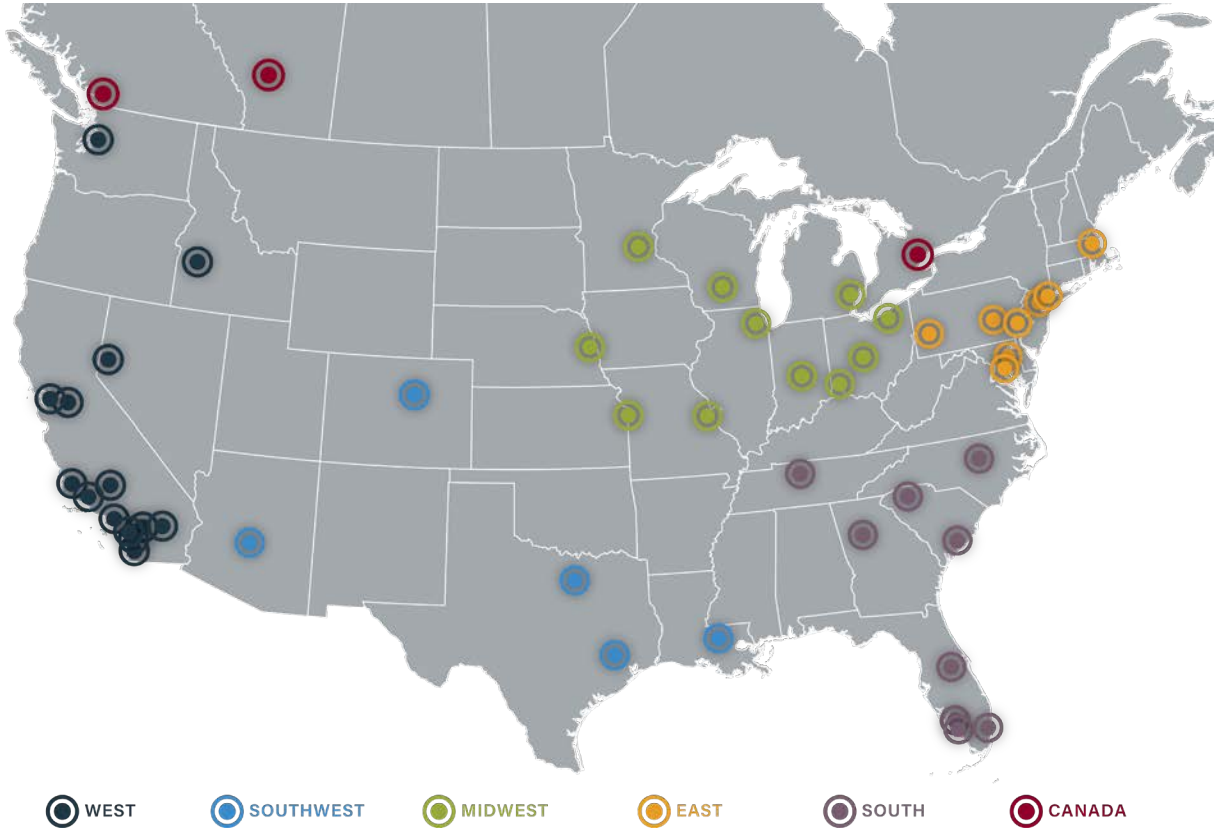
Address	City	Size (SF)	Lessor	Lessee(s)
6120 CLINKER DR	Jurupa Valley	1,025,132	CT Realty Investors	Amazon
4000 HAMNER AV	Eastvale	10,003,918	Dermod Properties	Amazon
11281 CITRUS AV	Fontana	1,003,592	Alere Property Grp	Elogistek
16300 FERN AV	Chino	799,052	Invesco	Shark Ninja
14120 RAMONA	Chino	435,000	Majestic Realty	Amcor Rigid Plastics

## > Major Construction / Development Projects

Address	City	Developer	Size (SF)	Est. Completion
1363 MERRILL AV	Ontario	Prologis	1,488,800	Jun-24
4704 WALKER AV	Ontario	Prologis	1,411,000	Apr-24
3413 MANITOU	Jurupa Valley	Blackstone	1,379,287	May-24
9253 DREAMLAND DR	Fontana	Hillwood	1,286,550	Jan-25
4121 COYOTE CANYON	Fontana	CapRock Partners	1,171,788	May-24

## Inventory Comparison





**108%** Increase in Brokered Sale & Lease SF Over 5 Years

**\$32<sup>+</sup>** Billion Transaction Volume (2022)

**1.5K<sup>+</sup>** Professionals and Growing Internationally

**75<sup>+</sup>** Offices Nationwide

● WEST
● SOUTHWEST
● MIDWEST
● EAST
● SOUTH
● CANADA

## INDUSTRY SPONSORSHIPS & ORGANIZATIONS



# THE **LEE** ADVANTAGE

**LEE & ASSOCIATES IS THE LARGEST BROKER-OWNED COMMERCIAL REAL ESTATE FIRM IN NORTH AMERICA, AND ONE OF THE FASTEST GROWING!**

Every Lee & Associates office delivers world-class service to an array of regional, national, and international clients from small businesses and local investors to major corporate users and institutional investors.

Our professionals combine the latest technology, resources, and market intelligence with their experience, expertise, and commitment to superior service to optimize client results.

For more information on Lee & Associates®, or to locate a commercial real estate expert to work for you, visit:

**LEE-ASSOCIATES.COM**



**LEE & ASSOCIATES® - LOS ANGELES CENTRAL**  
 5675 E Telegraph Rd, Suite 300  
 City of Commerce, CA 90040  
**P: 323.720.8484 F: 323.720.8474**

**LEE & ASSOCIATES® - CITY OF INDUSTRY**  
 13181 Crossroads Pkwy North, Suite 300  
 City of Industry, CA 91746  
**P: 562.699.7500 F: 562.695.3133**

**CORPORATE ID# 01125429**

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. Third-party data sources: Costar Group, Inc., S&P Dow Jones, Globest.Com, WSJ Real Estate, Bankrate.Com, Loopnet, Los Angeles Port Authority, Georgia Port Authority, American Associate of Port Authorities, Mihalayo Land Use Institute, Cal State Fullerton.

These reports are based on industrial single and multi-tenant buildings that are greater than 5,000.  
 © Copyright 2020 Lee & Associates all rights reserved.