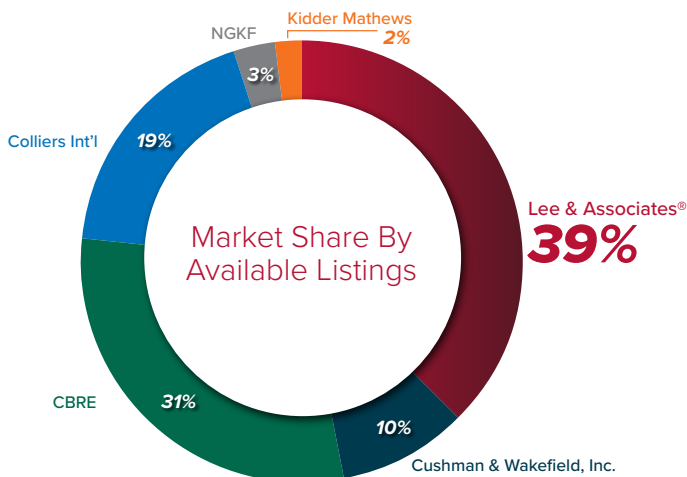


Key Takeaways

- On account of historically low vacancies in the IE West, it is the IE East that has continued to top the region in leasing velocity with 12 msf leased in the first half of the year. The IE's year-to-date total of 25 msf is now on pace to beat 2015's record leasing activity which totaled 43.7 msf.
- Strong demand will intensify competition for the more desirable and functional spaces that become available and new supply is not expected to apply significant upward pressure on vacancy.
- Asking rental rates have continued to rise, now averaging \$0.75 NNN per square foot per month (psf/mo), a 11% increase from a year ago and more than twice the post-recession low established in 2010 at \$0.33 NNN psf/mo.
- Expect Inland Empire's competitive edge vis-à-vis the market rents of Los Angeles and Orange County to continue; however, we expect the gap between IE's rental rates and LA and OC's to shrink as rents continue to rise in the IE.

Inland Empire (West) Industrial Market

The Inland Empire continues its impressive run and firmly secures its place as the number one industrial/logistics market in the West Coast. Despite the tumult and uncertainty stemming from the trade wars between the U.S. and China, the underlying economic fundamentals that drive demand for industrial space remain healthy. As E-Commerce continues to thrive, the need for warehousing and distribution space will continue. In a 2016 study, Prologis estimated that for every \$1.0 billion in e-commerce sales transacted, 1 million square feet of logistics space is required. Although the market is experiencing record development activity, occupancy gains have matched construction stride-for-stride and should keep vacancy rates at record lows. Furthermore, rental rates should continue to rise even as occupancy gains remain on par with new construction.

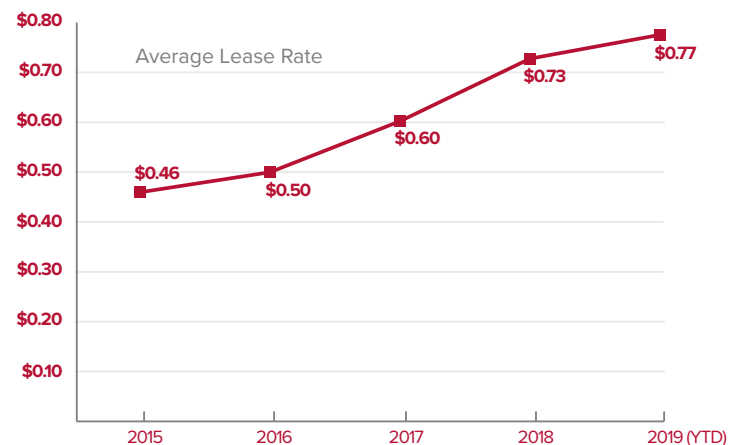
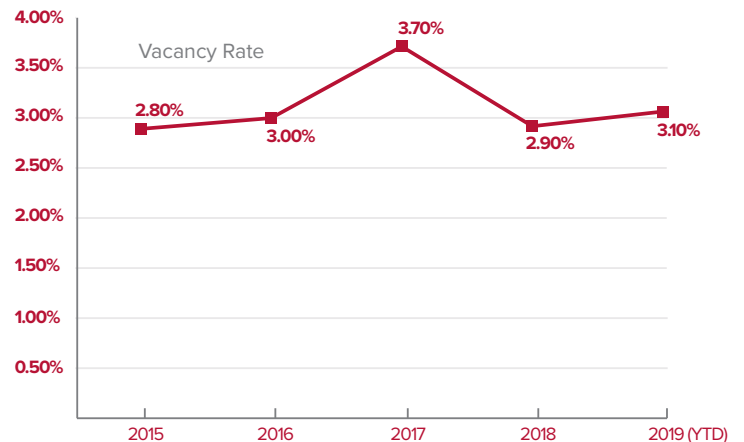


Economic Indicators

	Q1-19	Q2-19
Los Angeles Unemployment	4.9%	3.7%
U.S. Unemployment	4.0%	3.6%
Crude Oil Prices	\$70.35	\$62.40
Dow Jones Average	24,271	26,158
U.S. 10 year Treasury	1.97%	2.85%

Key Industrial Stats

	Q1-19	Q2-19
Inventory SF	296,851,897	304,801,616
Vacancy Rate	3.90%	3.10%
Availability Rate	4.30%	3.90%
YTD Lease Activity (SF)	6,289,929	5,363,054
Asking Rental Rate	\$0.72	\$0.77
YTD Sale Activity	5,741,574	3,135,602
Asking Sale Price	\$126	\$139



City	Industrial Buildings	Inventory SF	Availability Rate	Vacancy Rate	Market Rental Rate	YTD Leasing Activity	YTD Sale Activity	YTD Net Absorption
Chino/Chino Hills	528	47,927,987	2.25	1.72	0.68	2,252,765	248,431	17,400
Fontana	379	50,520,961	5.24	4.44	0.71	3,098,767	1,326,875	514,584
Mira Loma/Jurupa Valley	258	31,029,451	2.2	1.4	0.73	118,668	932,158	99,916
Eastvale	37	9,942,568	8.1	5.7	0.34	358,065	0	-565,598
Montclair	121	2,911,148	7.6	1.5	0.68	70,266	8,596	-13,103
Ontario	1160	105,125,267	1.5	2.2	0.77	2,906,189	370,175	-367,715
Rancho Cucamonga	565	39,531,694	5.9	4.5	0.77	708,601	52,933	-57,550
Upland	130	3,133,043	4.6	1.4	0.71	13,836	17,783	5,129

► Criteria: Industrial, 10K+

Notable Transactions | Q2-2019

13626 Monte Vista Ave. Chino, CA

Sold 89,358 SF

Pat Bogan, Steve Coulter, Steve Shatafian
(Listing)



15469 Dupont Ave. Chino, CA

Leased 39,281 SF

Michael Lee, Simon Chen
(Listing/Procuring)



5475 Daniels St. Chino, CA

Leased 24,858 SF

Kevin Ching, Jason Woods, Justin Chiang
(Listing)



14721 Hilton Dr. Fontana, CA

Leased 9,832 SF

John Espinosa
(Listing)



2141 S. Parco Ave. Ontario, CA

Leased 7,348 SF

John Espinosa
(Listing)



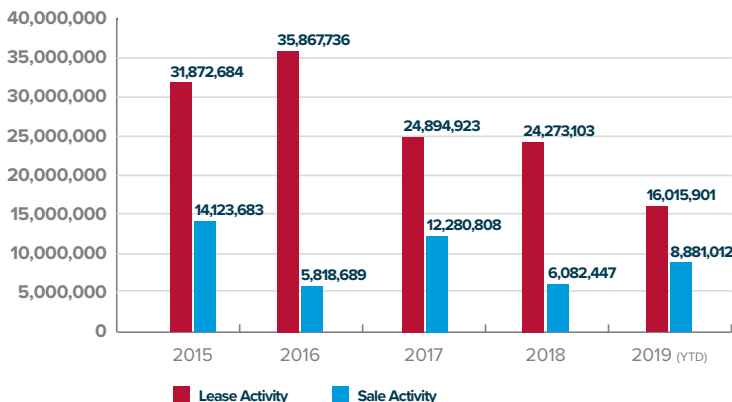
3969 Schaefer Ave. Chino, CA

Leased 6,900 SF

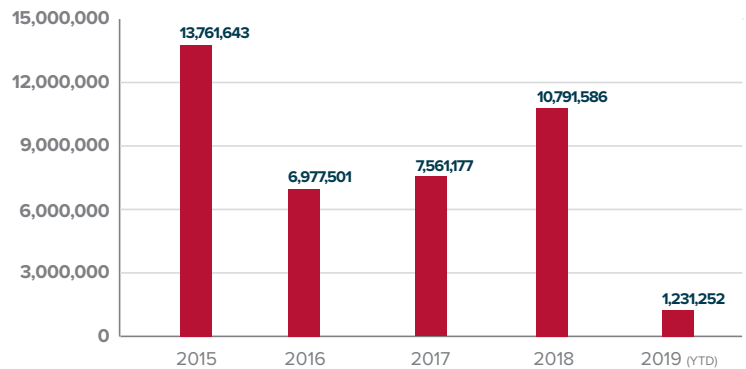
Michael Lee, Simon Chen,
Ben Fukukura (Listing/Procuring)



Gross Absorption (SF)



Net Absorption (SF)



Featured Available Properties

	Building	SF	Rent Price	Owner/Broker	Comments
	1460 Archibald Ave Ontario, CA 91761	57,500 SF	Negotiable	Simon Chen Michael Lee	Sublease Through 5/31/2023 Adjacent to Ontario International Airport Immediate Access to 10/15/60 Freeways 9 Loading Docks plus 1 Ramp ESFR Sprinkler
	315 S Sultana Ave Ontario, CA 91761	43,794 SF	\$0.75 Monthly/SF	Michael Lee	Free Standing Building Fenced and Paved Yard Existing Recycling Use
	13602 12th St Chino, CA 91710	41,584 SF	\$0.68 Monthly/SF	Michael Lee Ben Fukukura	POL 104,600 SF Building Fenced Yard Area, 2,902 SF Office 8 Dock High / 3 Ground Level Doors Sublease to August 31, 2021
	938 E Belmont St Ontario, CA 91761	38,944 SF	\$0.76 Monthly/SF	Steve Coulter Pat Bogan	Excellent Free Standing Building Four (4) Dock High Doors - One (1) EOD Leveler 24' Clearance - Fenced Yard Energy Efficient Lighting Convenient Access to 60 Freeway & Ontario Int'l Airport
	11380 7th St Rancho Cucamonga, CA 91739	38,261 SF	\$0.88 Monthly/SF	Ben Fukukura Michael Lee	Approximately 38,261 SF of Drop Storage 4 Dock High Position, 2 Ground Level Door 24' Clear Height 24 Hour Tenant Access Seeking 6 Month Short Term
	5002 Lindsay Ct Chino, CA 91710	32,050 SF	\$0.80 Monthly/SF	Patrick Bogan Steve Coulter	The Rail Center Sublease Thru 1/31/21 Outstanding Distribution Manufacturing Building 4 Dock High Doors - 24' Clearance Up To 400 Amps
	14235 Ramona Ave Chino, CA 91710	25,000 SF	Negotiable	Simon Chen Michael Lee	Drop Storage Space with Office Option Potential 4 Dock Doors Fenced Yard Convenient Access to 60 and 71 Freeway Sublease Through 3/31/2020
	4850 Murrieta St Chino, CA 91710	20,700 SF	List Price \$4,684,870.00	Steve Coulter Pat Bogan	High Image Free Standing Building Large Fenced Yard & LED Warehouse Lighting Two (2) Dock Positions w/EOD Levelers 2,376 SF Office Centralized Chino Location
	13924 Mountain Ave Chino, CA 91710	20,369 SF	\$0.95 Monthly/SF	Steve Coulter Pat Bogan	Immaculate Condition / 10' Ceilings In Office Area Dock High Loading and Oversized GL Doors Easy Access to the 60 & 71 Freeways
	15338 El Prado Rd, Bldg 6 Chino, CA 91710	15,685 SF	Negotiable	Stacy Martin	El Prado Business Park, Building #6 New State of the Art Free Standing Building Immediate (71) Freeway Access Excellent City of Chino Location
	4795 Murrieta St Chino, CA 91710	9,044 SF	\$0.85 Monthly/SF	John Espinosa	Heavy Power Large Secured Yard M-2 Zone
	2045-2047 Baker Ave Ontario, CA 91761	8,013 SF	\$1.10 Monthly/SF	Patrick Bogan Steve Coulter	Free Standing Building Professional Business Park Environment Two (2) Ground Level Doors Verizon FIOS Internet Service Available at Property Easy Access to 60 Freeway / \$0.05 Cam Charge
	1920 S Archibald Ave Ontario, CA 91764	1,440 SF	\$0.85 Monthly/SF	Jeffrey Bethel	Ontario Airport Commerce Center High Image Business Park Excellent Access to 60 & 15 Freeways

► For a complete list of available properties please visit | lee-associates.com



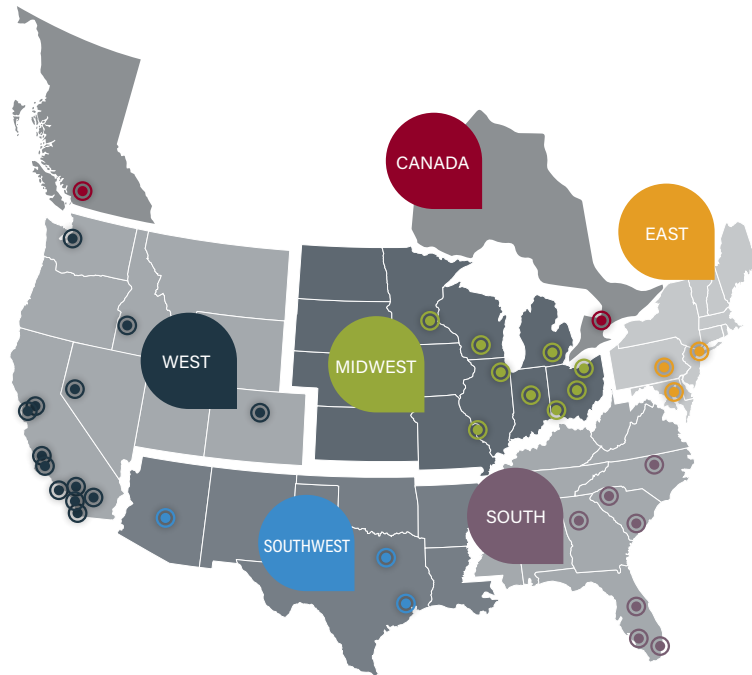
LOCAL EXPERTISE. INTERNATIONAL REACH. WORLD CLASS.

At Lee & Associates® our reach is international but our expertise is local market implementation. This translates into seamless, consistent execution and value driven market-to-market services.

Our agents understand real estate and accountability. They provide an integrated approach to leasing, operational efficiencies, capital markets, property management, valuation, disposition, development, research and consulting.

We are creative strategists who provide value and custom solutions, enabling our clients to make profitable decisions.

- OFFICE**
- INDUSTRIAL**
- RETAIL**
- INVESTMENT**
- APPRAISAL**
- MULTI-FAMILY**
- LAND**
- PROPERTY MANAGEMENT**
- VALUATION & CONSULTING**



For more information on Lee & Associates®, or to locate a commercial real estate expert near you, please Contact:

PETER D. BACCI, SIOR
Executive Vice President, Principal
LIC NO 00946253
pbacci@lee-associates.com
323.767.2022 | 213.447.4137

MIKE TSAPARIAN, CCIM
Executive Vice President, Principal
LIC NO 00901326
mtsaparian@lee-associates.com
323.767.2111 | 213.268.0777

JP GORMLY
Associate
LIC NO 01921853
jpgormly@lee-associates.com
323.767.2036 | 949.533.5016

ADAM VILAN
Senior Associate
LIC NO 01903742
avilan@lee-associates.com
323.767.2047 | 310.292.1499



500 Citadel Dr, Suite 140
Commerce, CA 90040
P 323.720.8484 • F 323.720.8474
Corp. ID # 01125429