

Increased leasing activity drives absorption gains and tightens availability

▼ 6.9%
Availability Rate

▲ 418K
SF Net Absorption (000s)

▲ 185K
SF Completed (000s)

▼ \$1.71
Avg. Asking Rent (NNN)

Note: Arrows indicate change from previous quarter.
Source: CBRE Econometric Advisors, Q1 2026.

MARKET HIGHLIGHTS

– Availability in the Inland Empire edged down to 6.9% in Q1 2026, a 10-basis-point decline from the prior quarter, as leasing momentum outpaced the addition of large-format space and tightened overall market conditions.

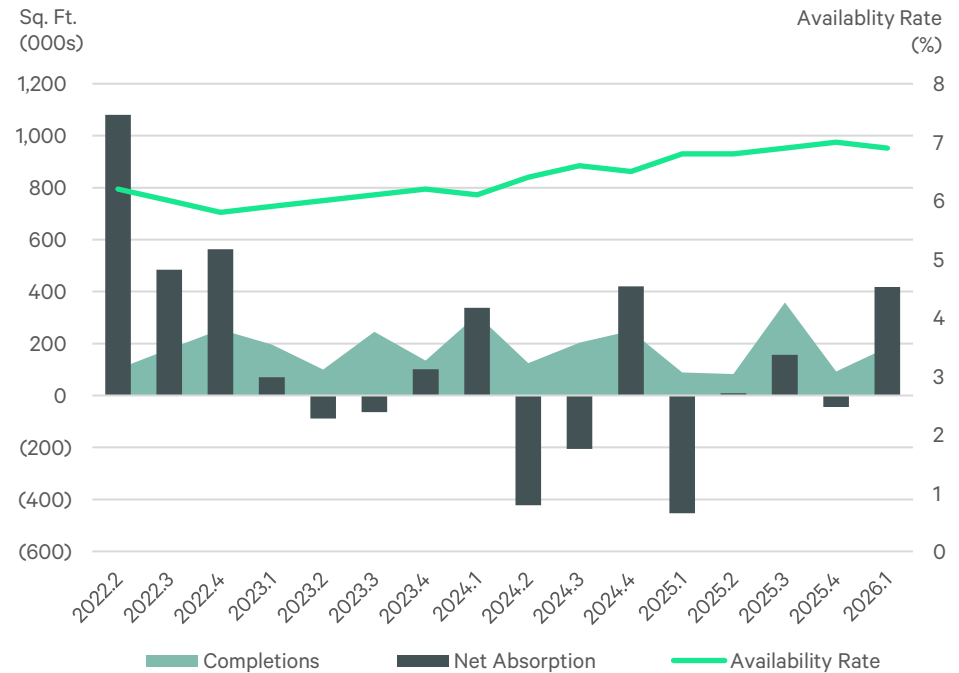
– Net absorption rebounded sharply to 418,000 sq. ft. of positive absorption in Q1 2026, reversing the negative 46,000 sq. ft. posted in Q4 2025. The recovery was driven by a shift toward larger lease transactions, with 44 deals exceeding 6,000 sq. ft. this quarter compared to 25 in the prior quarter.

– Construction deliveries accelerated in Q1 2026, with 185,000 sq. ft. delivering during the quarter, nearly double the 93,000 sq. ft. completed in Q4 2025, as sustained population growth continued to support demand for new retail projects.

– The overall average net asking rent remained unchanged at \$1.71 NNN per sq. ft. per month quarter-over-quarter, as continued big-box space entering the market limited landlords’ pricing power.

– Total retail investment sales surged to \$736.9 million in Q1 2026, up from \$525.6 million in Q4 2025. The increase was driven by the sale of Victoria Gardens, a 38-property lifestyle mall, which sold for \$530.9 million to private investors and significantly boosted quarterly volume.

FIGURE 1: Completions, Net Absorption, and Availability Rate



Source: CBRE Econometric Advisors, Q1 2026.

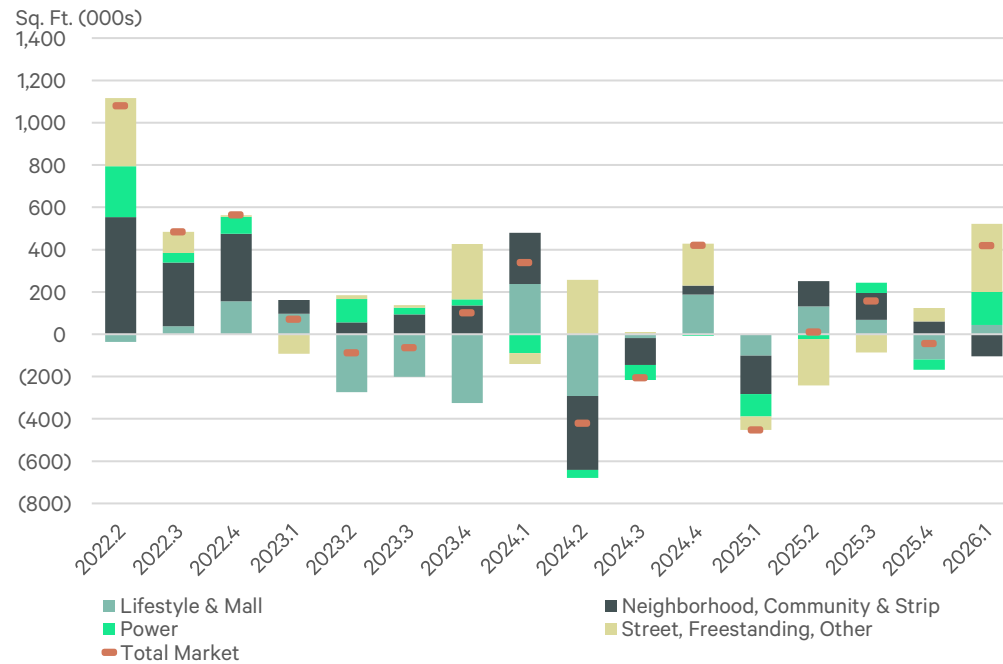
Market Overview

FIGURE 2: Market Statistics by Product Type

Market	Inventory (SF, 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Lifestyle & Mall	11,671	8.9	44	-	\$1.76
Neighborhood, Community & Strip	87,272	9.0	(104)	96	\$1.66
Power	18,341	5.4	155	-	\$2.20
Street, Freestanding, Other	62,332	4.0	323	89	-
Total Market	179,616	6.9	418	185	\$1.71

Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 3: Net Absorption by Center Type



Source: CBRE Econometric Advisors, Q1 2026.

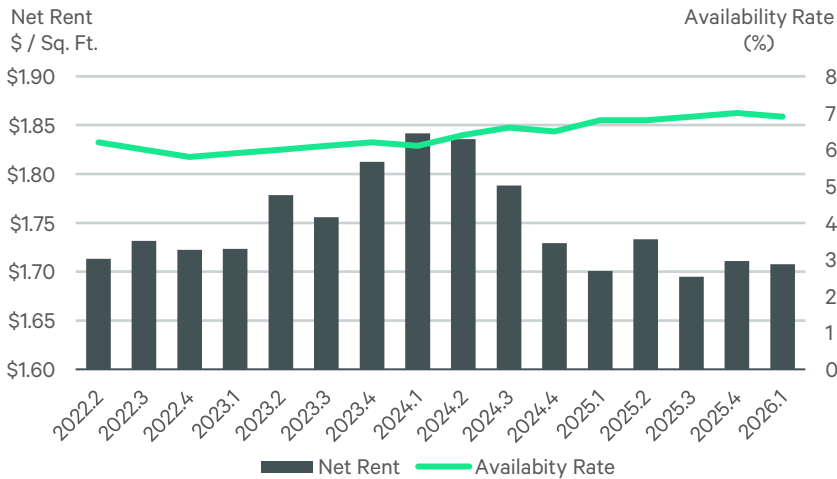
FIGURE 4: Market Statistics by Submarket

Market	Inventory (SF 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Total Market	179,616	6.9	418	185	\$1.71
East End	72,284	6.7	202	72	\$1.73
High Desert	17,159	6.6	1	88	\$1.45
Low Desert	27,907	8.3	39	9	\$1.66
Riverside Outlying	945	6.6	42	-	\$1.14
San Bernardino Out	1,123	10.0	(2)	-	\$1.38
South Riverside Co	17,500	6.6	69	16	\$1.62
West End	42,698	6.3	67	-	\$2.09

Source: CBRE Econometric Advisors, Q1 2026.

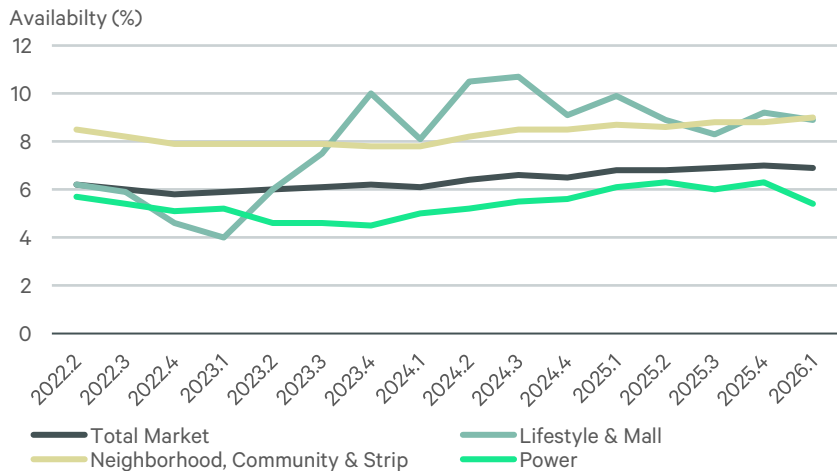
Asking Rents & Availability

FIGURE 5: Net Asking Rent and Availability Rate



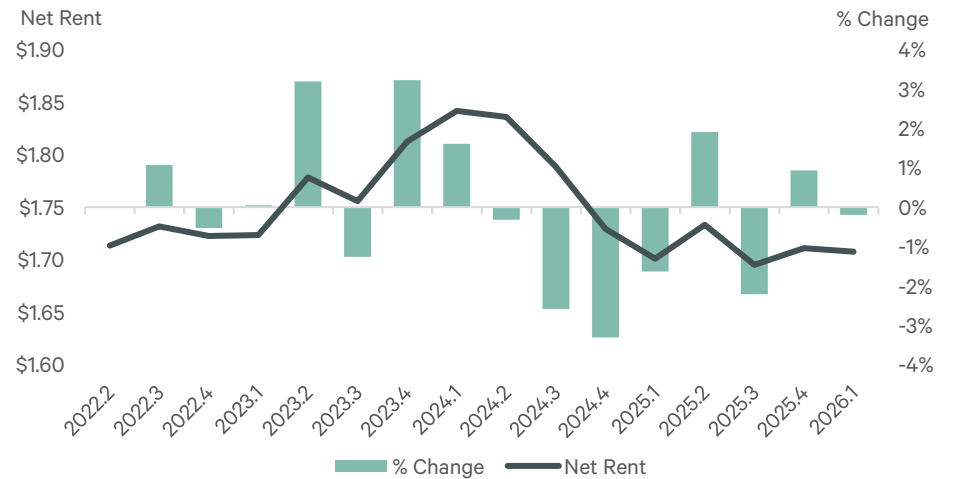
Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 7: Availability by Center Type



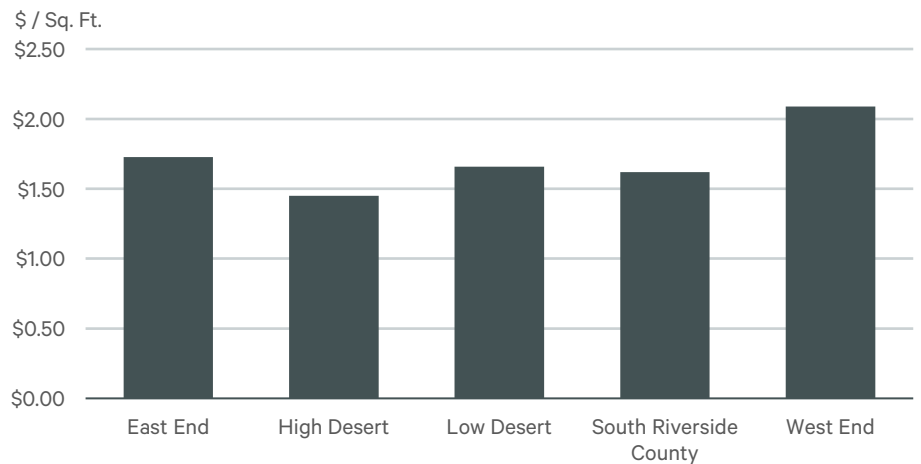
Source: CBRE Econometric Advisors, Q1 2026.

FIGURE 6: Net Rent and % Change



Source: CBRE Econometric Advisors, Q1 2026.

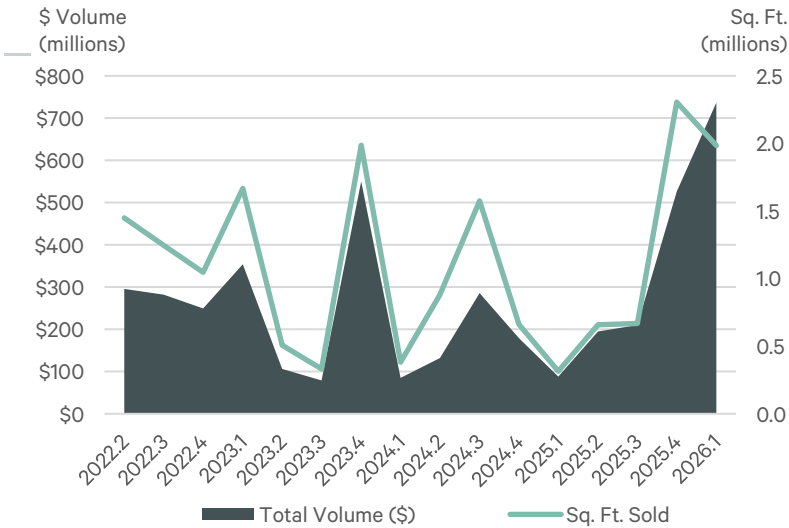
FIGURE 8: Top 5 Submarket by Net Rent



Source: CBRE Econometric Advisors, Q1 2026.

Investment Sales

FIGURE 9: Retail Investment Sale Volume



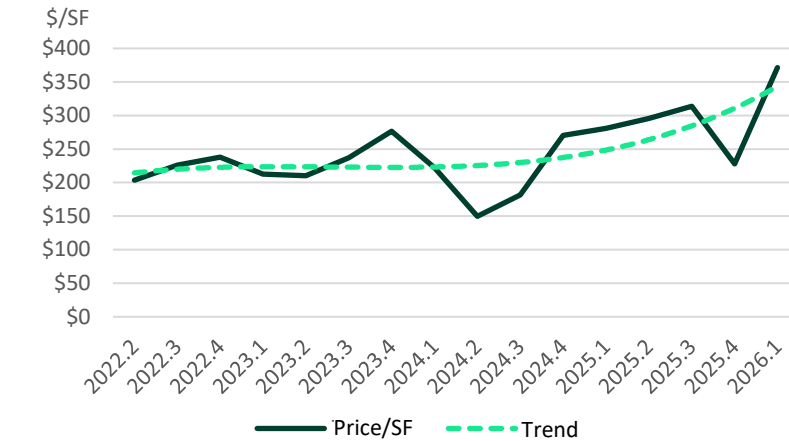
Source: MSCI Real Capital Analytics, Q1 2026.

FIGURE 11: Q1 2026 Sale Transactions

Buyer	Property Name	City	Building SF	Sale Price	Price / SF
Redwood West	Victoria Gardens	Rancho Cuc	1,162,000	\$530,850,000	\$457
4D Dev & Investment	Bass Pro Shops	Rancho Cuc	180,000	\$36,260,000	\$201
Ambient Capital Partners	fmr Kmart	Colton	108,000	\$13,820,000	\$128
Phillips Edison & Co (REIT)	Village at Indian Wells	Indian Wells	104,589	\$30,500,000	\$292
United Growth	Town Center Plaza	Palm Desert	82,900	\$20,050,000	\$242
Manuel Reynoso	Legend Business Center	Jurupa Valle	50,000	\$8,000,000	\$160
Desert Wind Investments LLC	Victor Town Center	Victorville	48,206	\$7,000,000	\$145
Bucksbaum Retail Props	One El Paseo Plaza - West Bl	Palm Desert	47,858	\$14,579,087	\$305
David Fahmy	3559 West Ramsey Street	Banning	47,700	\$5,000,000	\$105
B & B IDC LLC	Murrieta Plaza II	Murrieta	25,000	\$4,900,000	\$196
R & U Builder	Norco Town Center	Norco	17,700	\$4,375,000	\$247
PCG Wildomar LLC	Rite Aid	Wildomar	17,272	\$5,630,250	\$326

Source: MSCI Real Capital Analytics, Q1 2026.

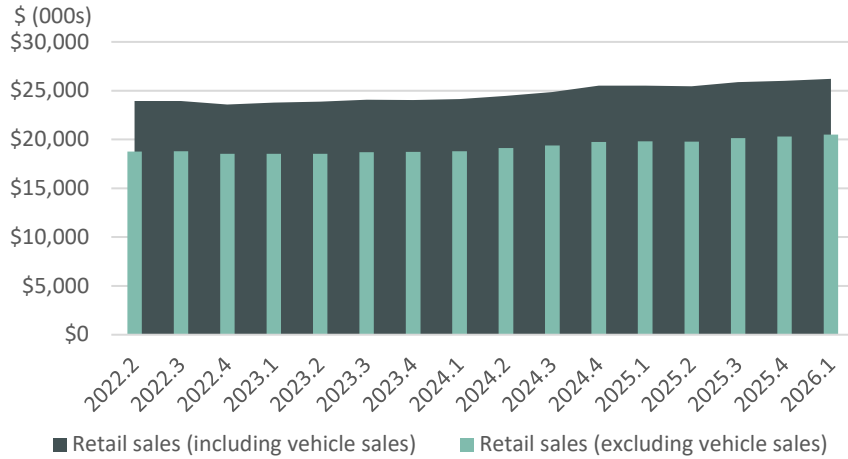
FIGURE 10: Retail Investment Sale Price Per Sq. Ft.



Source: MSCI Real Capital Analytics, Q1 2026.

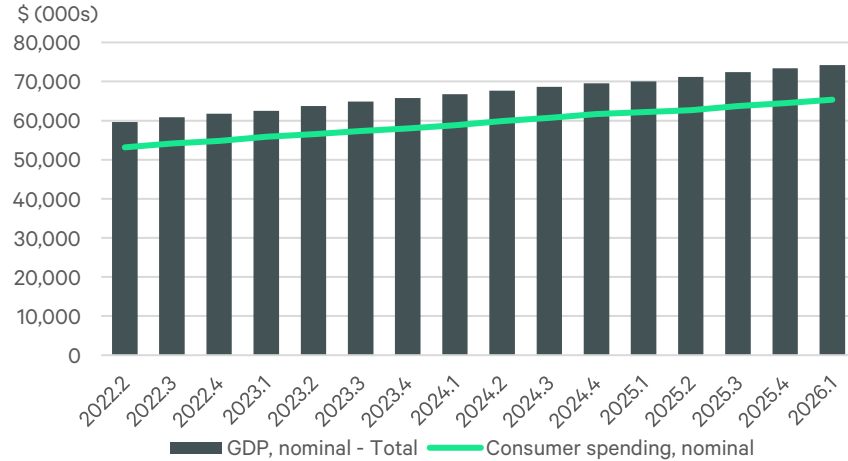
Economic Overview

FIGURE 12: Total Retail Sales



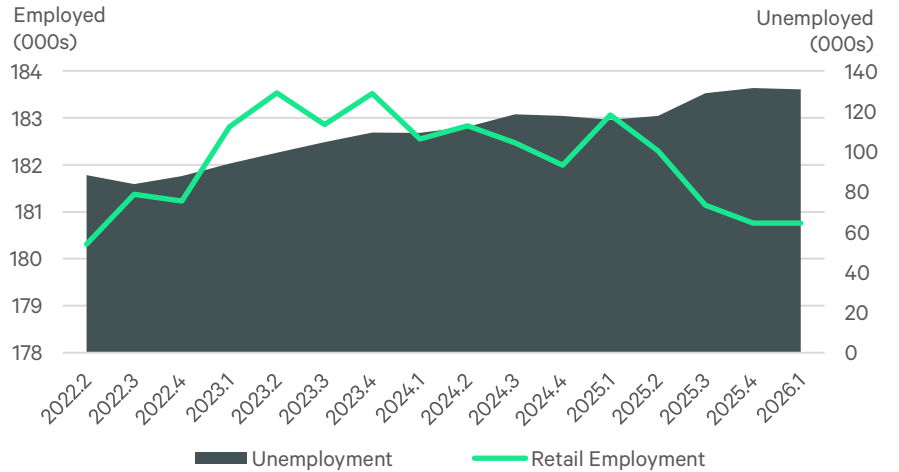
Source: Oxford Economics, Q1 2026.

FIGURE 14: GDP & Consumer Spending



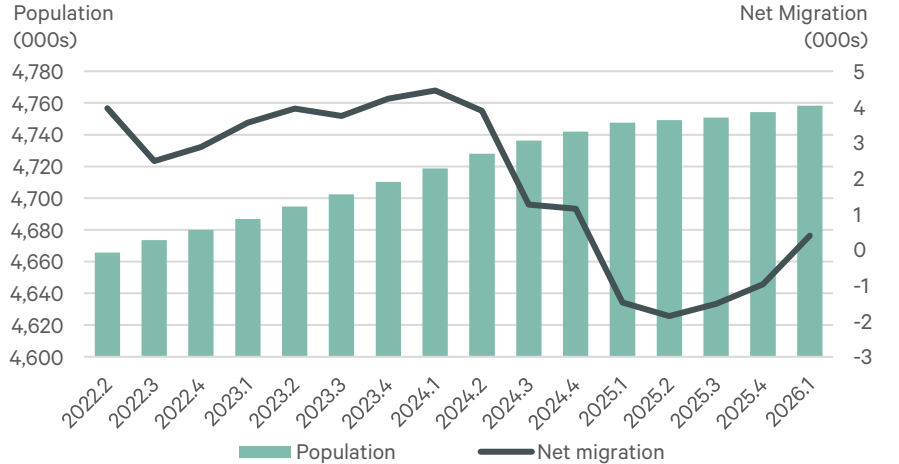
Source: Oxford Economics, Q1 2026.

FIGURE 13: Retail Employment vs. Unemployment



Source: Oxford Economics, Q1 2026.

FIGURE 15: Total Population & Net Migration



Source: Oxford Economics, Q1 2026.

Contacts

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Retail Definitions

Neighborhood, community and strip centers are groupings of buildings where there is most often an anchor property (except strip). Neighborhood properties are the largest ranging from 125,000 to 400,000 sq. ft., followed by community at 30,000 to 125,000 sq. ft., and strip with 30,000 or less sq. ft.

Lifestyle are upscale national-chain specialty stores with dining and entertainment in an outdoor setting. Lifestyle centers range from 150,000 to 500,000 sq. ft. Malls, including both regional and super regional malls, can provide a wide range of goods and services. Regional malls are built around full-line department stores and usually range over 300,000 sq. ft. Super regional malls are usually over 750,000 sq. ft. with more department stores.

Power Centers are category-dominant anchors, including discount department stores, off-price stores, and wholesale clubs, with only a few small tenants. They range from 250,000 to 600,000 sq. ft. and have multiple anchors.

Freestanding Retail are single-tenant occupied retail buildings. All other variables may vary.

Market Definition

The Inland Empire market consists of the submarket of Airport Area, Beaumont, Hemet, Chino, Chino Hills, Coachella Valley, Corona, Eastvale, Mojave River Valley, Moreno Valley, Perris, Redlands, Loma Linda, Riverside, San Bernardino, Twentynine, Palms, Upland, Montclair.

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