

Retail investment activity surged amid shifting market conditions

▲ 7.0%
Availability Rate

▼ (11K)
SF Net Absorption (000s)

▼ 106K
SF Completed (000s)

▲ \$1.73
Avg. Asking Rent (NNN)

Note: Arrows indicate change from previous quarter.
Source: CBRE Econometric Advisors, Q4 2025.

MARKET HIGHLIGHTS

–Availability in the Inland Empire edged up to 7.0% in Q4 2025, a slight 10 basis-points (bps) increase from Q3 2025, as new supply and slower leasing activity kept space on the market longer.

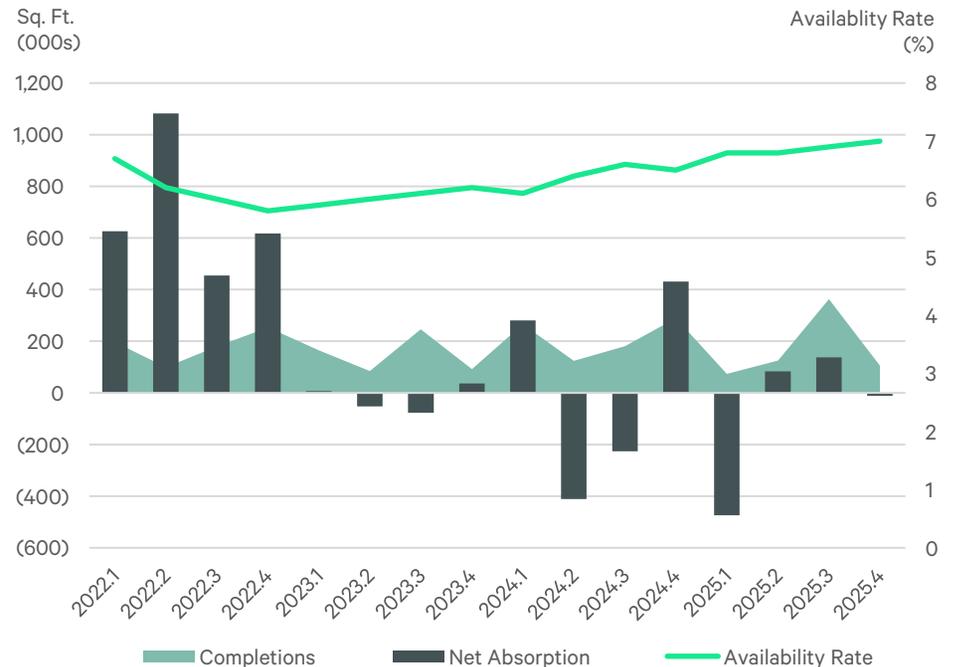
–Net absorption declined to negative 11,000 sq. ft. in Q4 2025 from positive 138,000 sq. ft. in Q3 2025. The 50% decline in leasing volume reflected a year-end slowdown and a shift toward smaller deals following the absorption of remaining big-box availabilities.

–Development activity normalized this quarter, with 106,000 sq. ft. delivered in Q4 2025 compared to 363,000 sq. ft. in Q3 2025. Despite the pullback in quarterly deliveries, development interest remained strong as the region’s rising population density continued to support demand for new retail projects.

–The overall average asking rent rose by \$0.02 quarter-over-quarter to \$1.73 NNN in Q4 2025, as leasing activity was concentrated in premium spaces while demand softened in older, lower quality buildings.

–Total retail investment sales jumped over 70% in Q4 2025 to \$356.7 million, up from \$208.2 million in Q3 2025. The increase was fueled by several large transactions, including four deals above the \$30 million mark. Among them was Murrieta Town Center, which sold for more than \$93 million.

FIGURE 1: Completions, Net Absorption, and Availability Rate



Source: CBRE Econometric Advisors, Q4 2025.

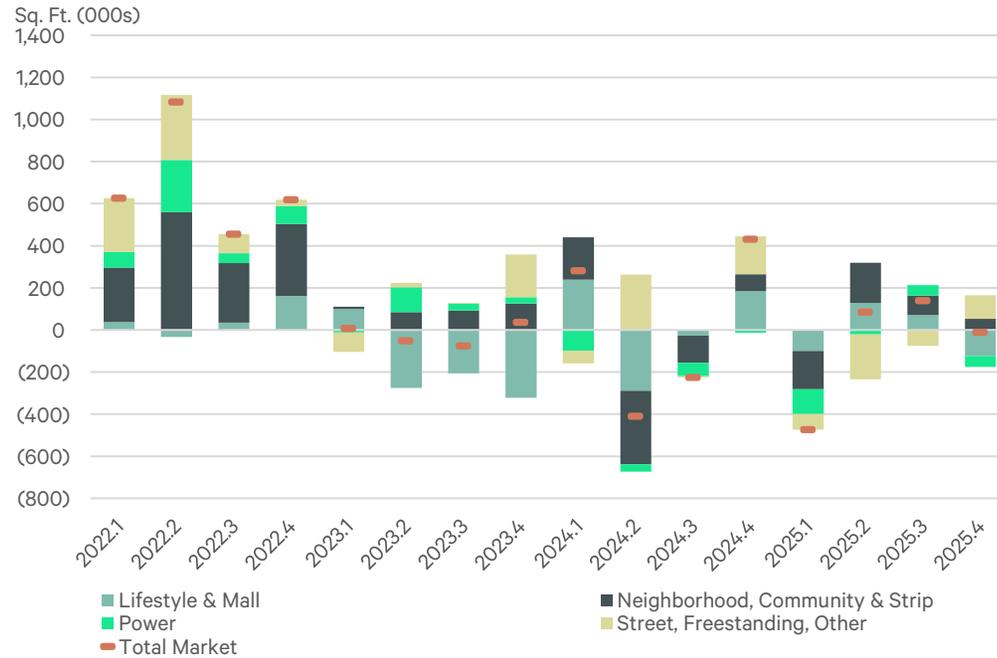
Market Overview

FIGURE 2: Market Statistics by Product Type

Market	Inventory (SF, 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Lifestyle & Mall	12,378	9.3	(124)	-	\$1.73
Neighborhood, Community & Strip	87,685	8.8	53	33	\$1.66
Power	18,699	6.3	(52)	-	\$2.51
Street, Freestanding, Other	61,767	4.2	112	73	-
Total Market	180,529	7.0	(11)	106	\$1.73

Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 3: Net Absorption by Center Type



Source: CBRE Econometric Advisors, Q4 2025.

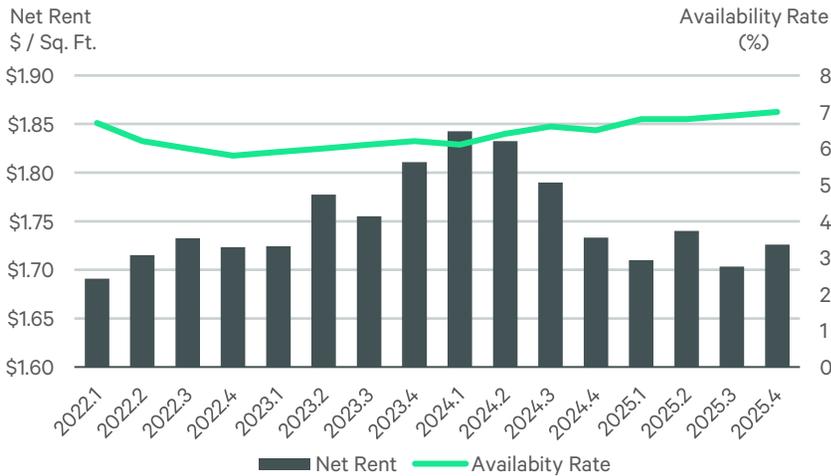
FIGURE 4: Market Statistics by Submarket

Market	Inventory (SF 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Total Market	180,529	7.0	(11)	106	\$1.73
East End	72,633	6.9	(115)	10	\$1.77
High Desert	17,047	6.1	192	28	\$1.42
Low Desert	27,837	8.5	(58)	1	\$1.66
Riverside Outlying	931	11.2	(7)	-	\$1.26
San Bernardino Out	1,121	9.9	(21)	-	\$1.83
South Riverside Co	17,370	7.0	5	67	\$1.59
West End	43,590	6.6	(7)	-	\$2.09

Source: CBRE Econometric Advisors, Q4 2025.

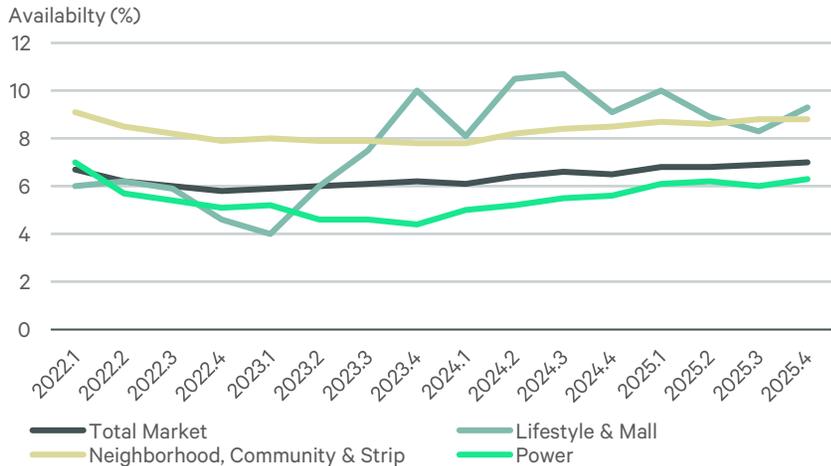
Asking Rents & Availability

FIGURE 5: Net Asking Rent and Availability Rate



Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 7: Availability by Center Type



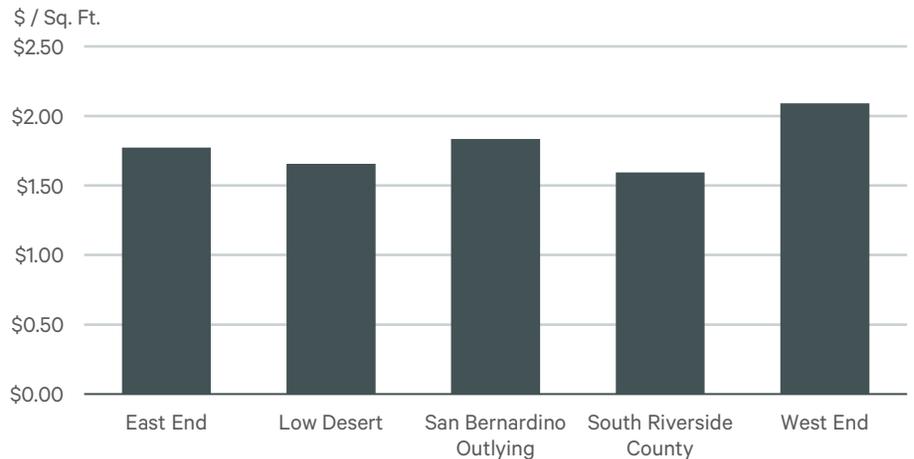
Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 6: Net Rent and % Change



Source: CBRE Econometric Advisors, Q4 2025.

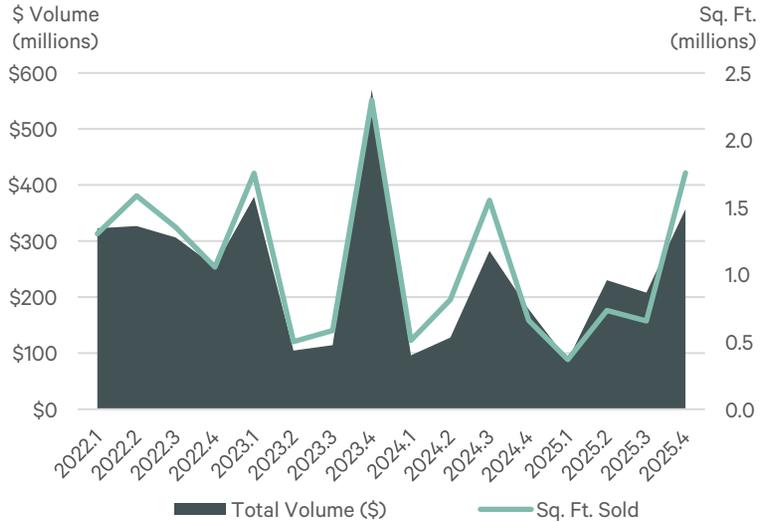
FIGURE 8: Top 5 Submarket by Net Rent



Source: CBRE Econometric Advisors, Q4 2025.

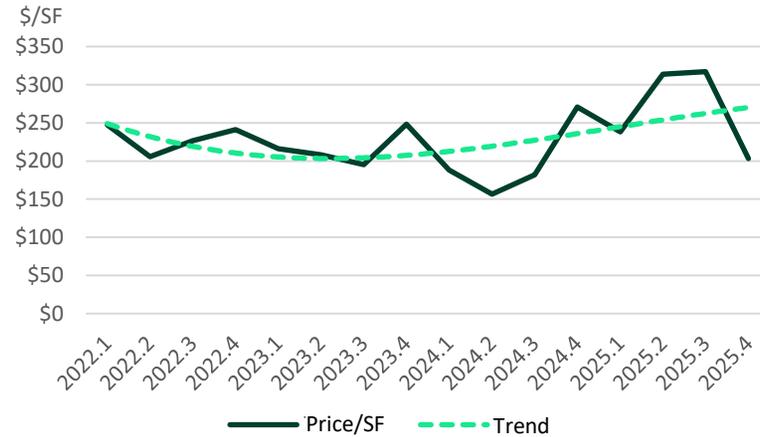
Investment Sales

FIGURE 9: Retail Investment Sale Volume



Source: MSCI Real Capital Analytics, Q4 2025.

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



Source: MSCI Real Capital Analytics, Q4 2025.

FIGURE 11: Q4 2025 Sale Transactions

Buyer	Property Name	City	Building SF	Sale Price	Price / SF
Arc Capital Partners	Murietta Town Center	Murrieta	500,000	\$93,400,000	\$187
TriPost Capital Partners	Marketplace at Beaumont	Beaumont	177,446	\$49,938,000	\$281
Town Square Dev Group LLC	Redlands Mall	Redlands	174,187	\$15,800,000	\$91
Longpoint Realty Partners LF	Five Points Plaza	Riverside	129,699	\$31,000,000	\$239
Undisclosed	Barstow Shopping Center	Barstow	111,872	\$3,600,000	\$32
Undisclosed	24 Hour Fitness	Indio	36,612	\$8,275,000	\$226
Mardit Properties LP	Sierra del Oro Town Center	Corona	110,865	\$38,200,000	\$345
Coach Plaza LLC	Coachella Plaza	Coachella	84,820	\$12,887,500	\$152
M Williams Promotions & Invt	Corona Freeway Center	Corona	70,075	\$3,700,000	\$53
Ebrahim Broukhim	Desert Hills Plaza	Yucca Valley	45,139	\$2,950,000	\$65
Arian Garcia	20222 US Highway 18	Apple Valley	39,741	\$3,000,000	\$75
J&E USA Group LLC	1097 Bloomington Ave	Rialto	36,600	\$3,850,000	\$105

Source: MSCI Real Capital Analytics, Q4 2025.

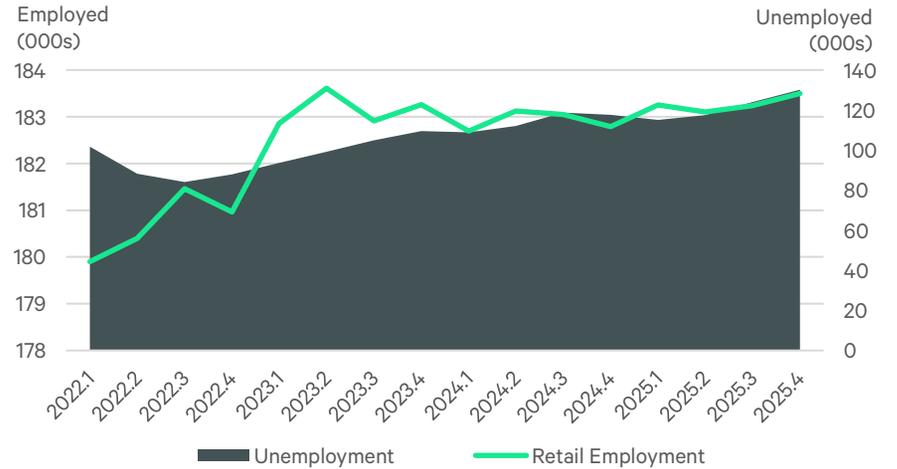
Economic Overview

FIGURE 12: Total Retail Sales



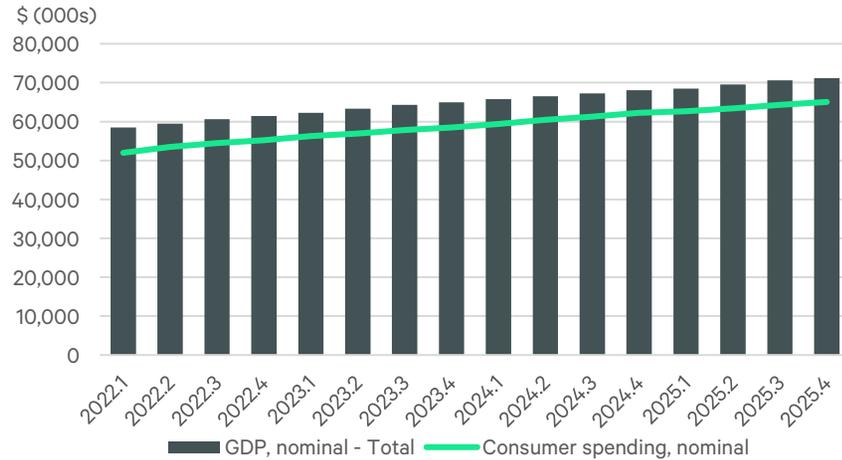
Source: Oxford Economics, Q4 2025.

FIGURE 13: Retail Employment vs. Unemployment



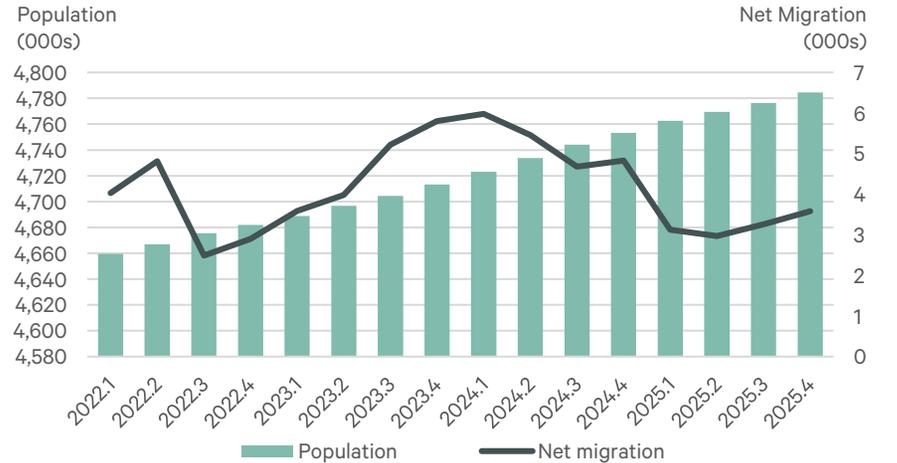
Source: Oxford Economics, Q4 2025.

FIGURE 14: GDP & Consumer Spending



Source: Oxford Economics, Q4 2025.

FIGURE 15: Total Population & Net Migration



Source: Oxford Economics, Q4 2025.

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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