

Office Market Outlook

Inland Empire Q1 2025

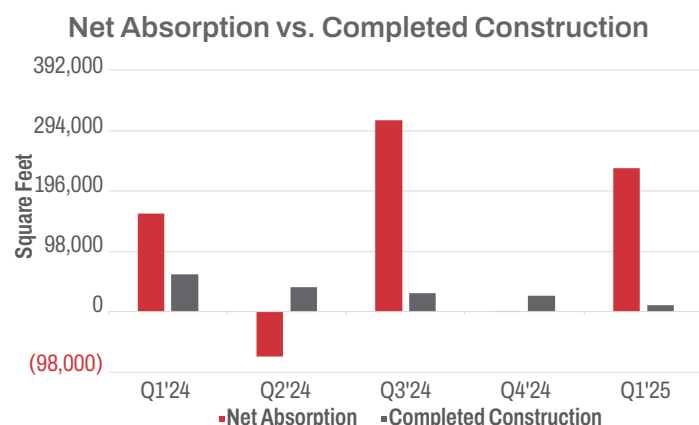
MARKET STATISTICS*

Submarket	Existing Total RBA (SF)	Under Construction (SF)	Total Available (%)	Total Vacancy (%)	Leasing Volume (SF)	YTD Leasing Volume (SF)	Sales Volume (SF)	YTD Sales Volume (SF)	Average Asking Rent (\$/SF FSG)	Average Sale Price (\$/SF)
Airport	14,240,828	9,250	9.1%	6.6%	202,653	202,653	29,794	29,794	\$2.39	\$311
High Desert	5,481,702	0	4.2%	2.0%	12,979	12,979	36,693	36,693	\$1.30	\$246
Riverside	19,052,506	48,887	7.4%	5.4%	178,480	178,480	108,629	108,629	\$2.41	\$244
San Bernardino	15,217,138	0	6.2%	4.4%	104,355	104,355	40,655	40,655	\$2.14	\$145
South	7,697,538	32,292	6.8%	4.4%	45,149	45,149	14,442	14,442	\$2.74	\$274
West	4,331,718	11,148	8.2%	6.0%	28,330	28,330	29,867	29,867	\$2.47	\$302
Inland Empire	66,021,430	101,577	7.2%	5.1%	571,946	571,946	260,080	260,080	\$2.35	\$241

* RBA includes office buildings of all sizes and classes. Rents reflect buildings of 20,000 square feet or greater.

LEASING TRENDS

In the first quarter, the office market recorded positive net absorption of 233,217 square feet. Over the past five quarters, a total of 630,615 square feet has been absorbed, signaling continued momentum. With 166,898 square feet of completed construction, the market reflects a balanced supply-and-demand environment.

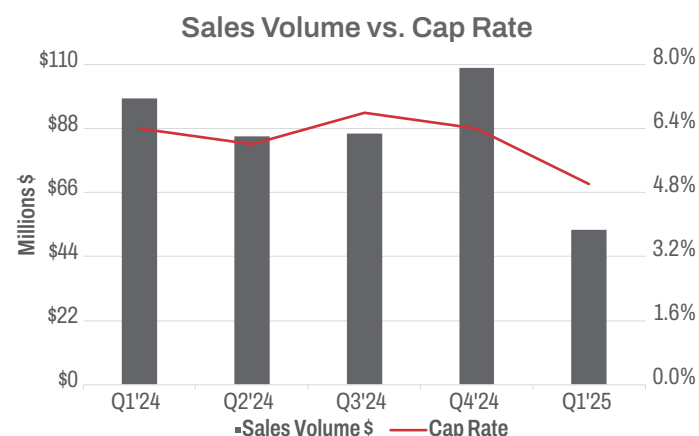


Select Lease Transactions

Tenant	Address	City	Submarket	SF
San Bernardino County Probation Department	862 E Hospitality Ln	San Bernardino	San Bernardino	59,018
Bradshaw Home	10760 4th St	Rancho Cucamonga	Riverside	42,302
QUES	3200 E Guasti Rd	Ontario	Airport	23,969
Living Word Rancho Cucamonga	8301 Elm Ave	Rancho Cucamonga	Riverside	11,370
Allied Universal	1040 Iowa Ave	Riverside	Riverside	10,941

SALES TRENDS

In Q1 2025, sales volume plummeted 51.2% compared to Q4 and declined 45.8% year-over-year, highlighting how owner-users and investors are navigating elevated borrowing costs as the office market outlook continues to shift. The average cap rate dipped to 5.0%, down 140 basis points from a year ago, when pricing conditions created more opportunities.



Select Sales Transactions

Tenant	Address	City	Submarket	SF
Western Riverside Council of Governments	1955 Chicago Ave	Riverside	Riverside	34,531
Patla & Associates Children And Family Therap	4950 San Bernardino St	Montclair	Westt	27,385
Reliable Service Co	1825 Chicago Ave	Riverside	Riverside	26,648
Ponce Ground Transportation Service	9421 Haven Ave	Rancho Cucamonga	Airport	20,660
Stacy Wolcott	1585 S D St	San Bernardino	San Bernardino	19,413