

Office Market Outlook

Inland Empire Q2 2025

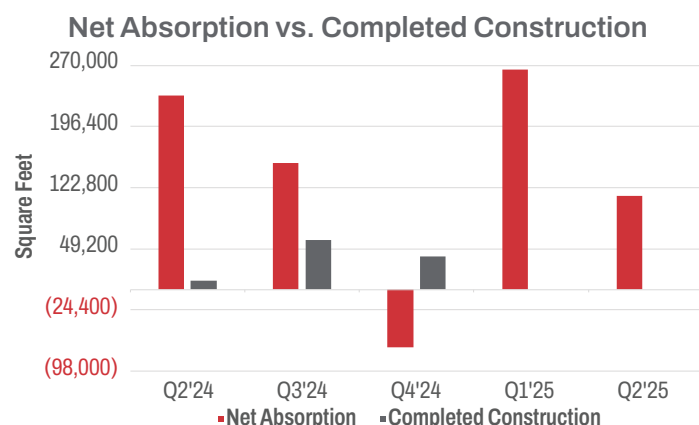
MARKET STATISTICS*

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	14,239,389	6,450	8.9%	6.6%	139,659	345,189	69,690	99,484	\$2.39	\$178
High Desert	5,485,352	0	4.9%	2.8%	14,357	31,934	35,868	72,561	\$1.33	\$191
Riverside	19,071,888	116,384	7.6%	5.0%	127,819	311,282	125,630	234,259	\$2.41	\$287
San Bernardino	15,175,170	0	5.8%	4.0%	67,733	177,001	198,934	231,442	\$2.11	\$200
South	8,207,998	32,292	6.4%	4.3%	72,437	117,586	58,267	72,709	\$2.71	\$319
West	4,315,327	11,148	7.3%	5.9%	63,269	91,599	113,779	143,646	\$2.38	\$345
Inland Empire	66,495,124	166,274	7.1%	4.9%	485,274	1,074,591	602,168	854,101	\$2.32	\$219

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

LEASING TRENDS

In the second quarter, the office market posted positive net absorption of 112,988 square feet. Over the past five quarters, a total of 694,597 square feet has been absorbed—indicating sustained momentum. With 110,592 square feet of new construction completed during the same period, the market remains in a relatively balanced supply-and-demand environment.

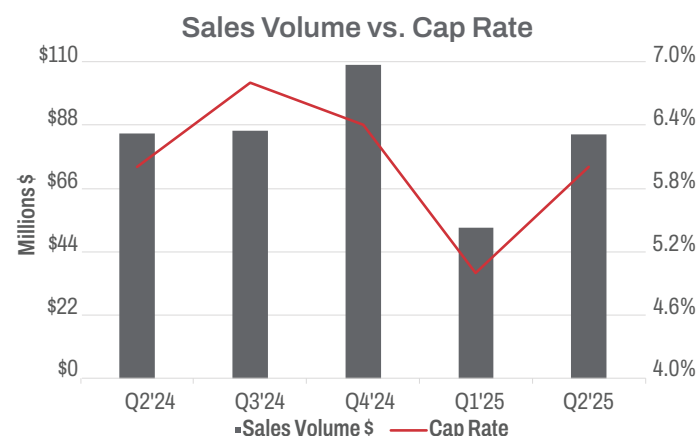


Select Lease Transactions

Tenant	Address	City	Submarket	SF
Unitek College	3237 E Guasti Rd	Ontario	Airport	25,686
Truecare	23119 Cottonwood Ave	Moreno Valley	Riverside	14,982
RadNet	399 E 21st St	San Bernardino	San Bernardino	13,194
Prolific Group	10608 Trademark Pky N	Rancho Cucamonga	Airport	11,558
Eide Bailly	901 Via Piemonte	Ontario	Airport	10,533

SALES TRENDS

In Q2 2025, office sales volume jumped 62.5% from the prior quarter and was down just 0.4% year-over-year—signaling how owner-users and investors are adjusting to elevated borrowing costs as the market outlook continues to evolve. The average cap rate rose to 6.0%, up 100 basis points from Q1 and flat year-over-year, as pricing conditions have presented mixed opportunities over the past five quarters.



Select Sales Transactions

Tenant	Address	City	Submarket	SF
Css Mountain View Llc	10417 Mountain View Ave	Loma Linda	San Bernardino	94,121
Almoutaz Shakally	13768 Roswell Ave	Chino	West	66,200
Apollo Capital Xi Llc	337 N Vineyard Ave	Ontario	Airport	61,056
Jcbc Properties Llc	1600 E Florida Ave	Hemet	South	45,243
Neighborhood Healthcare	4371 Latham St	Riverside	Riverside	45,114