

# Office Market Outlook

## Inland Empire Q3 2024

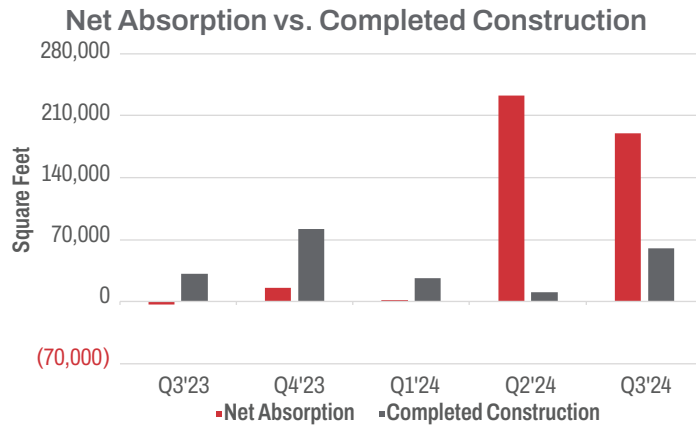
### MARKET STATISTICS\*

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	14,253,406	9,250	10.3%	6.6%	225,943	504,655	50,450	270,811	\$2.40	\$216
High Desert	5,451,153	0	4.2%	2.1%	21,959	82,588	21,519	46,388	\$1.26	\$185
Riverside	19,031,836	69,959	8.3%	6.2%	156,270	575,653	80,513	255,881	\$2.39	\$279
San Bernardino	15,183,115	0	5.7%	4.9%	135,581	305,738	311,737	477,669	\$2.08	\$131
South	7,676,662	0	6.1%	4.2%	79,063	254,701	34,642	222,554	\$2.75	\$157
West	4,332,766	50,897	7.3%	5.2%	32,243	131,494	26,115	52,423	\$2.26	\$216
<b>Inland Empire</b>	<b>65,928,938</b>	<b>130,106</b>	<b>7.5%</b>	<b>5.3%</b>	<b>651,059</b>	<b>1,854,829</b>	<b>524,976</b>	<b>1,325,726</b>	<b>\$2.32</b>	<b>\$171</b>

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

### LEASING TRENDS

Throughout 2024, the office market maintained momentum, recording positive net absorption of 401,364 square feet year-to-date, seemingly unaffected by the addition of just 97,149 square feet of newly completed construction during the same period..



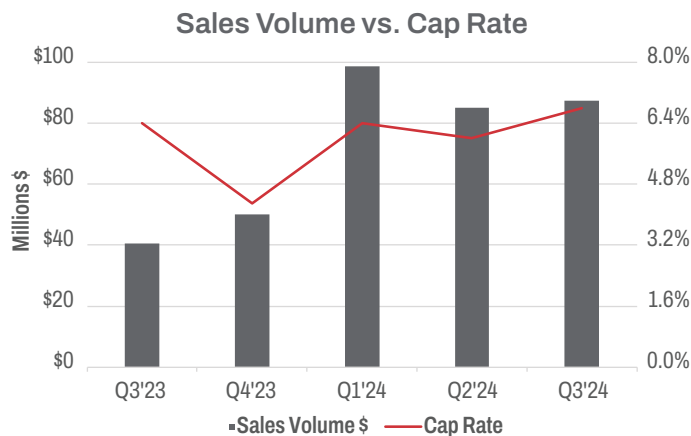
### Select Lease Transactions

Tenant	Address	City	Submarket	SF
San Bernardino Comm. College District	550 E Hospitality Ln	San Bernardino	San Bernardino	29,969
Tabula Healthcare	1181 California Ave	Corona	Riverside	22,171
Wings Speech and Language Center	1500 S Haven Ave	Ontario	Airport	21,868*
San Bernardino County Human Services	10875 Rancho Rd	Adelant	High Desert	20,800*
Wells Fargo	4141 Inland Empire Blvd	Ontario	Airport	17,190*

\*Renewal

### SALES TRENDS

In Q3 2024, total sales volume grew by 2.5% compared to Q2. Additionally, year-to-date sales volume reflected a 20.9% year-over-year surge, highlighting users and investors seeking opportunities amid a shifting outlook for office space. The average cap rate reached 6.8%, marking a 40-basis-point increase from the previous year.



### Select Sales Transactions

Tenant	Address	City	Submarket	SF
RC Civic Center, LLC	10565 Civic Center Dr	Rancho Cucamonga	Airport	43,893*
28441 Rancho California LLC	28441 Rancho California Rd	Temecula	South	21,964
Goodrich & Company Iii Llc	2701 Barstow Rd	Barstow	High Desert	18,372
Riverside Unified School District	4201 Brockton Ave	Riverside	Riverside	15,924*
Jacdoprime Lp	1426 W 6th St	Corona	Riverside	12,230

\*Sale Leaseback