

# Office Market Outlook

## Inland Empire Q4 2024

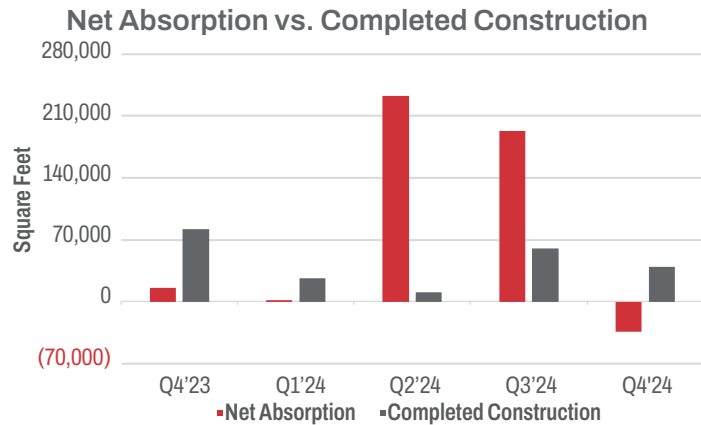
### MARKET STATISTICS\*

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	14,239,047	9,250	9.9%	7.2%	184,796	718,595	144,030	414,841	\$2.39	\$288
High Desert	5,443,592	0	4.1%	2.2%	24,511	107,380	31,258	77,646	\$1.28	\$202
Riverside	19,036,818	31,078	7.9%	6.1%	138,246	728,157	273,464	492,844	\$2.39	\$167
San Bernardino	15,219,753	0	5.9%	4.7%	77,966	480,126	34,325	511,847	\$2.12	\$209
South	7,676,980	32,292	6.4%	4.4%	47,972	332,861	45,058	268,061	\$2.64	\$274
West	4,343,915	11,148	7.2%	5.4%	35,026	165,920	10,903	54,254	\$2.33	\$812
<b>Inland Empire</b>	<b>65,960,105</b>	<b>83,768</b>	<b>7.3%</b>	<b>5.5%</b>	<b>508,517</b>	<b>2,533,039</b>	<b>539,038</b>	<b>1,819,493</b>	<b>\$2.32</b>	<b>\$229</b>

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

### LEASING TRENDS

In the fourth quarter, the office market gave some space back, but throughout 2024, it maintained momentum, recording positive net absorption of 393,510 square feet year-to-date, alongside 136,898 square feet of newly completed construction.



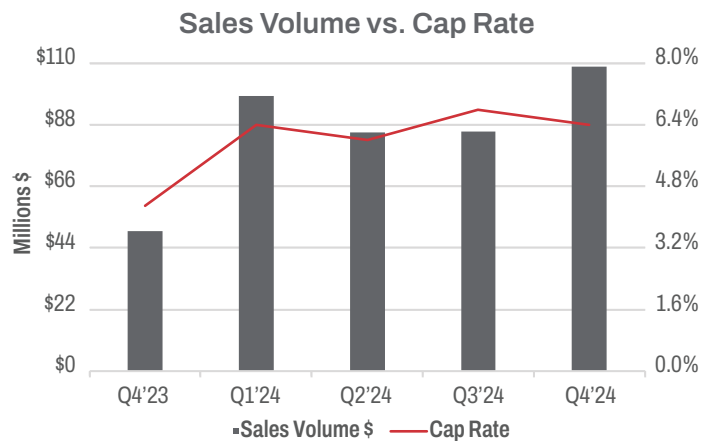
### Select Lease Transactions

Tenant	Address	City	Submarket	SF
Citizens Business Bank	9337 Milliken Ave	Rancho Cucamonga	Airport	47,720*
HUB International: Insurance Brokers	3801 University Ave	Riverside	Riverside	12,604
State Farm	1600 Iowa Ave	Riverside	Airport	11,735 *
Gold Star Foods	2855 E Guasti Rd	Ontario	Airport	10,352
Pure Life Home Health Care, Inc	455 D St	San Bernardino	San Bernardino	9,640

\* Renewal

### SALES TRENDS

In Q4 2024, sales volume shot up 27.4% compared to Q3. It also surged 118% year-over-year, reflecting how owner/users and investors are seeking opportunities in a shifting office market outlook. The average cap rate rose to 6.4%, a 210-basis-point increase from the previous year's low-sales-volume environment.



### Select Sales Transactions

Tenant	Address	City	Submarket	SF
Dunbar Real Estate Investment Management	Summit Business Center	Riverside	Riverside	138,697
Cardenas Three	1275 S DuPont Ave	Ontario	Airport	60,198
Inland Empire Health Plan	10769 Hole Ave	Riverside	Riverside	59,731
Howard Sangchol & Chun Hui An	9337 Milliken Ave	Rancho Cucamonga	Airport	47,720*
9707 Magnolia Ave	9707 Magnolia Ave	Riverside	Riverside	30,197

\* Sale Leaseback