

Office Market Outlook

Inland Empire Q4 2025

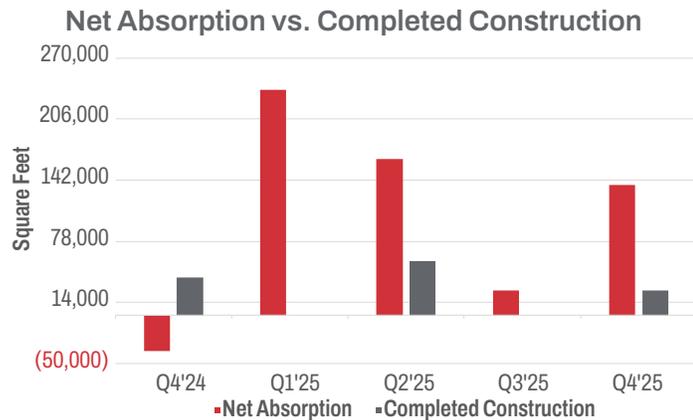
MARKET STATISTICS*

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	14,170,626	6,450	7.8%	5.7%	101,684	561,930	51,798	233,944	\$2.36	\$344
High Desert	5,452,461	0	3.8%	2.4%	22,809	82,137	130,384	286,000	\$1.27	\$110
Riverside	19,078,952	90,506	7.2%	5.0%	107,445	535,012	151,842	376,851	\$2.43	\$243
San Bernardino	14,874,916	0	5.7%	4.3%	74,559	323,211	167,265	416,484	\$2.08	\$195
South	8,356,537	32,292	5.6%	4.0%	89,054	364,137	257,352	319,189	\$2.62	\$154
West	4,345,902	11,148	6.9%	5.3%	47,592	183,032	109,593	151,290	\$2.45	\$274
Inland Empire	66,279,394	140,396	6.5%	4.7%	443,143	2,049,459	868,234	1,783,758	\$2.32	\$180

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

LEASING TRENDS

The office market recorded positive net absorption quarter after quarter throughout 2025, maintaining momentum and totaling 564,321 square feet year-to-date. Newly completed construction remained limited, with just 82,598 square feet delivered to the market.

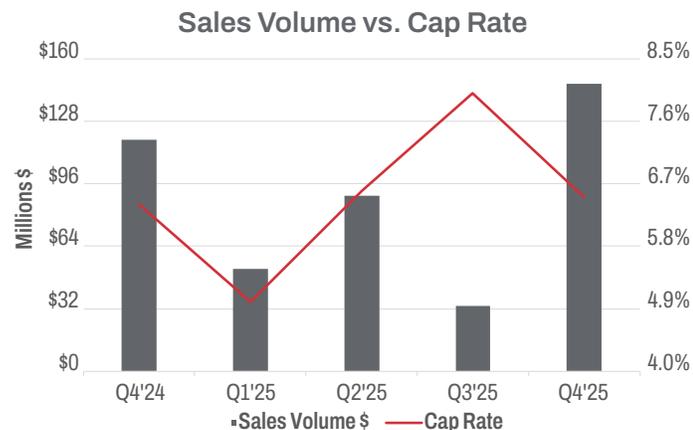


Select Lease Transactions

Tenant	Address	City	Submarket	SF
Direct New Lease	3390 University Ave	Riverside	Riverside	24,890
Direct New Lease	625 E Carnegie Dr	San Bernardino	San Bernardino	19,620
Direct New Lease	10641 Church St	Rancho Cucamonga	Airport	18,300
Direct New Lease	4055 Jurupa Ave	Riverside	Riverside	11,641
Direct New Lease	13843-13875 Park Ave	High Desert	Victorville	10,859

SALES TRENDS

In Q4 2025, sales volume jumped 339.4% compared to Q3. However, transaction volume remained 18.4% below 2024 levels year-over-year, reflecting how owner-users and investors are seeking opportunities amid a shifting office market outlook. The average cap rate increased to 6.5%, up 10 basis points from the prior year's lower-sales-volume environment.



Select Sales Transactions

Tenant	Address	City	Submarket	SF
Riverside Unified School District	The Grove Business Park	Riverside	Riverside	70,395
Wen Hou	265 E 4th St	San Bernardino	San Bernardino	50,082
Riverside Unified School District	The Grove Business Park	Riverside	Riverside	49,202
HR Singh LLC	Jefferson Plaza	Temecula	South	48,536
Nutan Bhaskar	Stewart Plaza	Upland	West	46,527