



Office Market Report

Inland Empire - CA

PREPARED BY



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OFFICE MARKET REPORT

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12 Mo Deliveries in SF

163K

12 Mo Net Absorption in SF

197K

Vacancy Rate

5.7%

12 Mo Rent Growth

2.7%

The Inland Empire's office tenant base primarily serves the local population, and recent leasing is driven by local firms, healthcare providers, and government establishments. As a result, the wide-scale increases in vacancy and availability that are seen in many urban metropolitan areas due to the growing prevalence of hybrid work are having a more limited impact on local fundamentals. The vacancy rate has fallen to 5.7% from 6.9% four years ago.

Inland Empire offers an affordable alternative in rents and labor costs to neighboring coastal communities, an attractive proposition for back-office operations. Rents average \$25.00/SF — about 40% less than rents in Los Angeles. Yet these low rents make it difficult to justify development costs, which is why apart from medical office buildings, development activity has been rare for over ten years.

In the few non-medical offices completed recently, leasing has been underwhelming. For example, a 146,000-SF office completed construction in September 2020 and remains 95% available. Medical office

construction, meanwhile, has mostly been built to suit or pre-leased, such City of Hope's 32,500-SF cancer treatment center which opened in February 2022 or the 41,100-SF Coachella Valley Community Health Center which opened in July 2022. Population is growing rapidly in various parts of the Inland Empire, while others have a high proportion of people in or near retirement ages, when demand for medical services increases.

The outperformance in the space market relative to coastal markets has helped drive steady investment activity, even as rising interest rates are weighing on investors. Sales volume reached a record \$764 million in 2022 and a 33-month drought in non-portfolio sales of properties valued over \$25 million ended in September 2022. Locally-based investors and owner-users have been active as buyers or sellers in some of these large deals. Note, however, that it took thirteen years for the market price to recover to its 2007 peak, whereas prices recovered in six years in the national index. Some recent sales have traded at prices near or even below the last financial crisis peak.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	8,722,513	4.9%	\$2.68	8.9%	20,921	0	52,630
3 Star	37,222,801	6.4%	\$2.19	9.3%	(31,675)	0	187,829
1 & 2 Star	31,540,247	5.2%	\$1.88	6.6%	60,673	0	0
Market	77,485,561	5.7%	\$2.12	8.2%	49,919	0	240,459
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.1%	9.3%	7.5%	15.9%	2009 Q3	5.6%	2023 Q1
Net Absorption SF	197K	1,009,601	(263,099)	2,940,704	2006 Q2	51,449	2008 Q4
Deliveries SF	163K	1,098,033	208,383	4,644,769	2007 Q4	121,972	2017 Q2
Rent Growth	2.7%	2.6%	0%	10.6%	2001 Q2	-12.1%	2009 Q4
Sales Volume	\$561M	\$415.5M	N/A	\$764M	2022 Q4	\$102.9M	2009 Q4

Large-scale leases are relatively rare and most leases in the market are for spaces under 10,000 SF. Few office tenants allow for a hybrid work strategy because many occupiers require client access, such as government offices, accountants, insurance, and real estate firms.

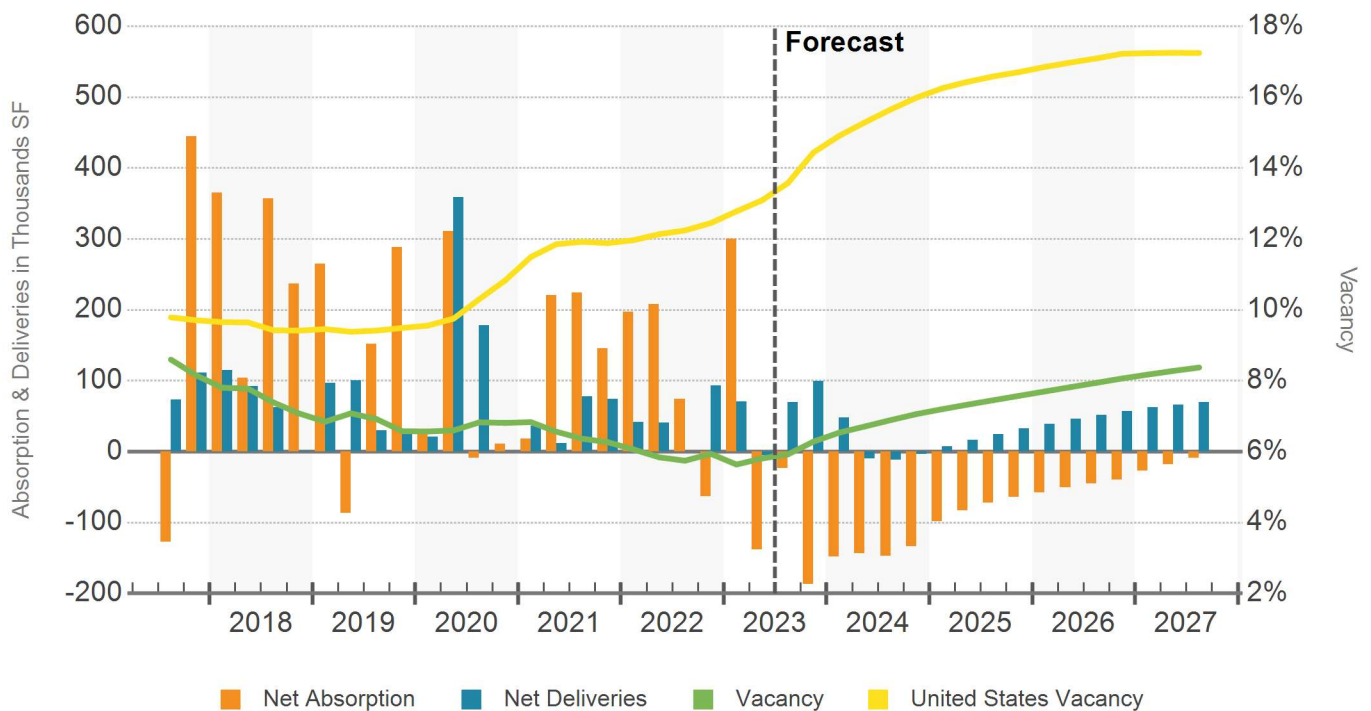
The largest lease signed since the start of 2022, as measured by square feet, came from CIRCOR Aerospace through a sale-leaseback deal, involving the entire 77,100 SF office in Corona that they sold in September.

Leasing activity in the 10,000 SF to 20,000 SF has

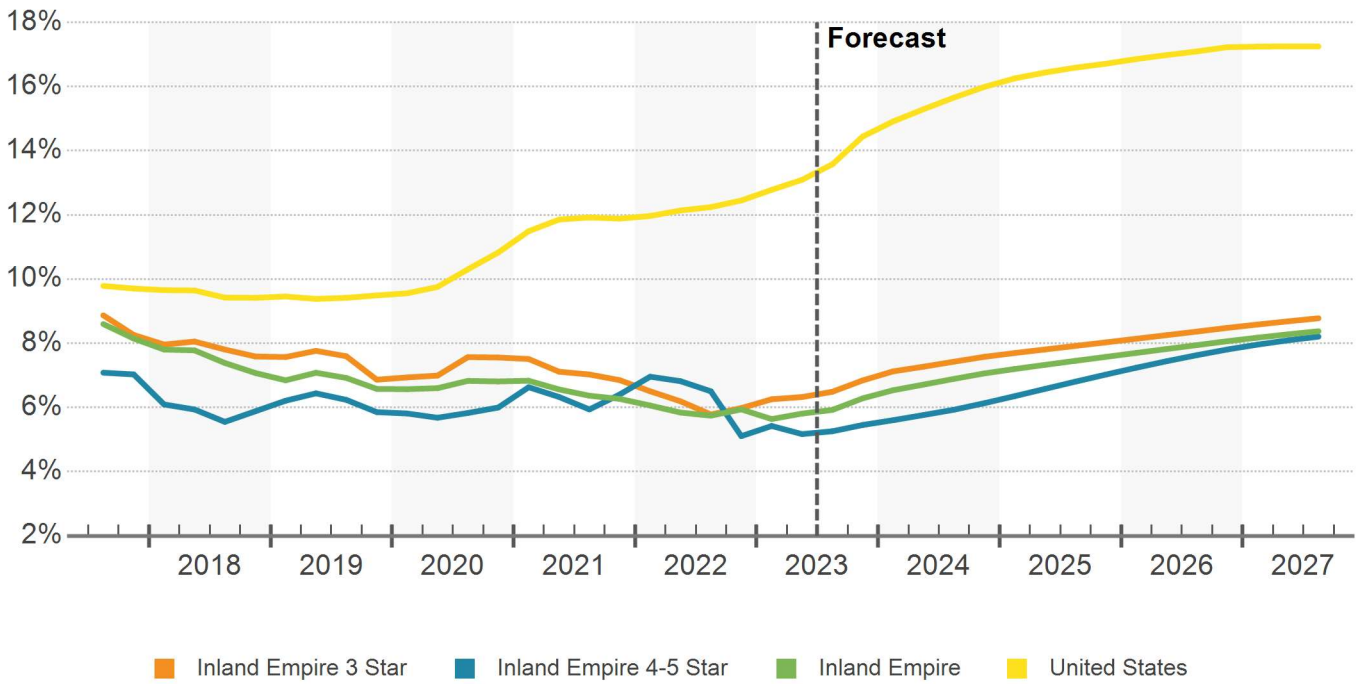
picked up since mid 2022. For example, The Mortgage Law Firm committed to 15,900 SF in Temecula's Westside Business Centre in December, located at 27368 Via Industria. The State of California's Department of Food and Agriculture leased 12,800 SF at the Empire Towers in Ontario. Opendoor, an iBuyer, meanwhile, committed to 11,000 SF in Riverside's Citrus Park Business Center.

Office vacancy in the Inland Empire has declined in the post-pandemic era, in large contrast to troubles plaguing most urban markets across the nation.

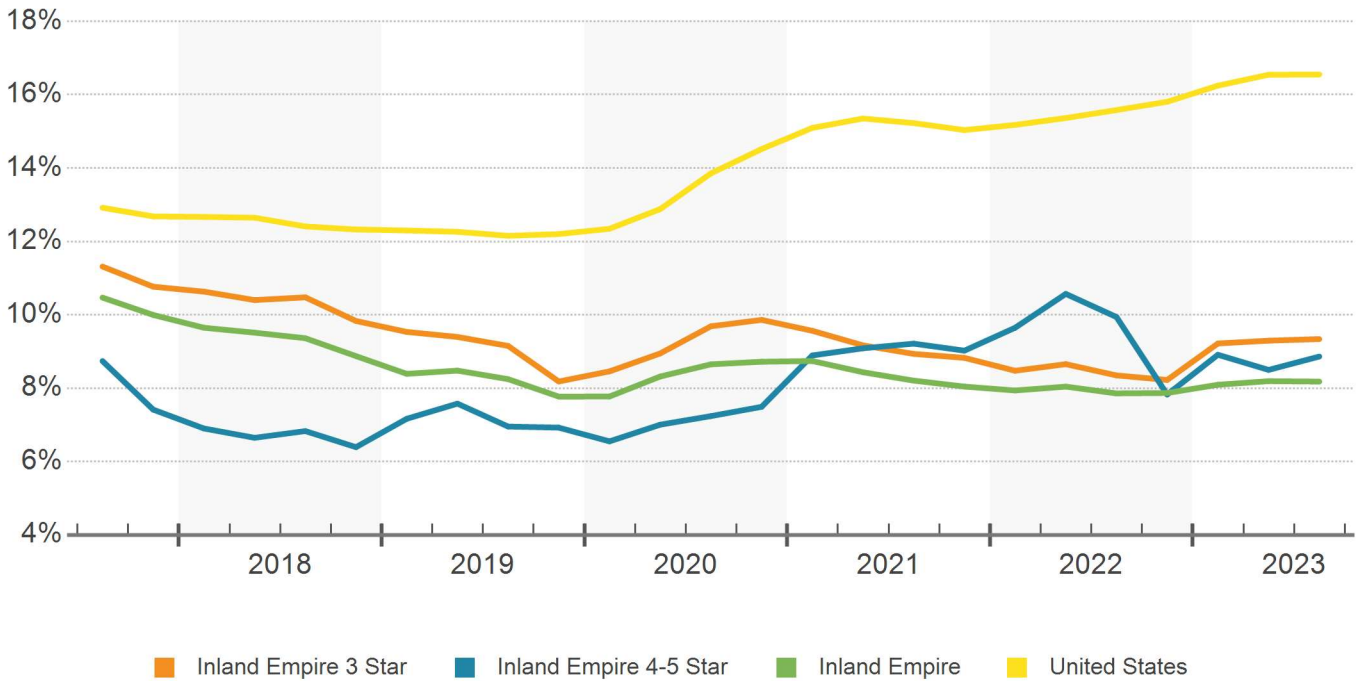
NET ABSORPTION, NET DELIVERIES & VACANCY



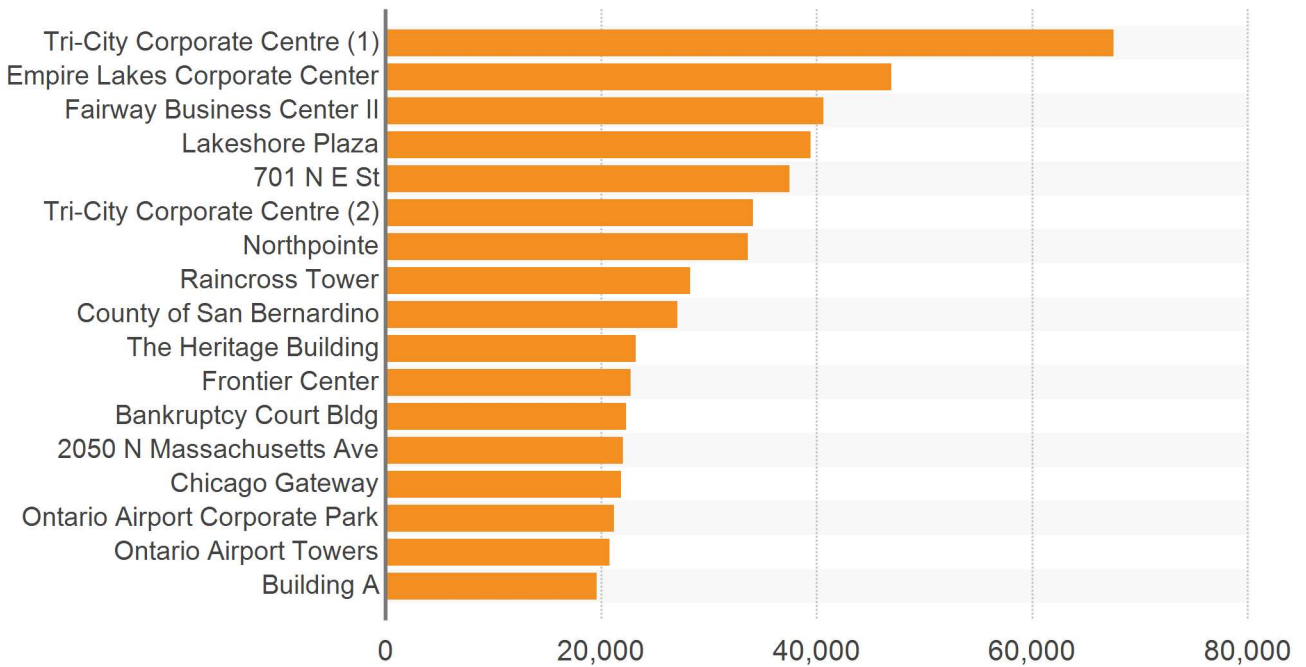
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Tri-City Corporate Centre (1)	San Bernardino	115,520	27,276	29,582	0	0	0	67,598
Empire Lakes Corporate Center	Airport Area	241,292	0	0	0	0	0	46,936
Fairway Business Center II	Airport Area	62,339	0	0	0	0	0	40,655
Lakeshore Plaza	Corona/Eastvale	145,949	98,624	0	39,436	0	0	39,436
701 N E St	San Bernardino	37,500	0	0	0	37,500	0	37,500
Tri-City Corporate Centre (2)	San Bernardino	70,621	1,779	21,796	19,130	0	0	34,123
Northpointe	San Bernardino	280,173	0	33,654	0	0	0	33,654
Raincross Tower	Riverside	140,245	57,215	5,284	0	0	0	28,296
County of San Bernardino	Mojave River Valley	27,109	0	25,709	1,400	0	0	27,109
The Heritage Building	San Bernardino	23,235	0	23,235	0	0	0	23,235
Frontier Center	Airport Area	35,150	0	1,363	0	0	0	22,732
Bankruptcy Court Bldg	San Bernardino	38,788	11,800	(11,800)	0	0	0	22,365
2050 N Massachusetts Ave	San Bernardino	33,792	0	0	0	0	0	22,038
Chicago Gateway	Riverside	26,120	0	0	0	0	0	21,859
Ontario Airport Corporate Park	Airport Area	34,860	0	0	0	0	0	21,197
Ontario Airport Towers	Airport Area	147,732	13,249	(11,318)	(1,931)	0	0	20,811
Building A	Coachella Valley	19,597	0	0	0	0	0	19,597
Subtotal Primary Competitors		1,480,022	209,943	117,505	58,035	37,500	0	529,141
Remaining Inland Empire Market		76,005,539	4,242,368	182,296	(196,001)	12,419	0	(332,459)
Total Inland Empire Market		77,485,561	4,452,311	299,801	(137,966)	49,919	0	196,682

TOP OFFICE LEASES PAST 12 MONTHS

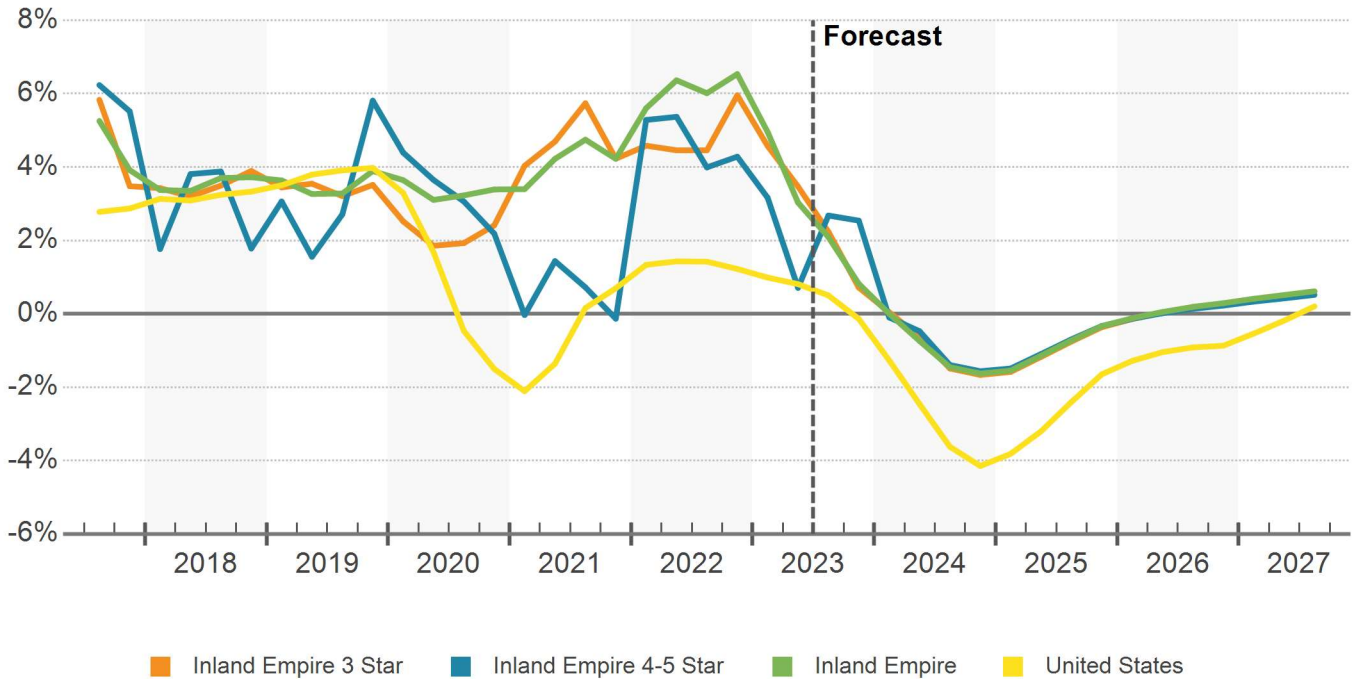
Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
2301 Wardlow Cir	Corona/Eastvale	77,118	Q3 22	CIRCOR Aerospace, Inc.	Colliers	Colliers
20 Trailer Positions located on 0.85...	Airport Area	37,026	Q1 23	-	-	CBRE
Tri-City Corporate Centre	San Bernardino	23,573	Q3 22	-	-	CBRE
Tri-City Corporate Centre	San Bernardino	23,484	Q4 22	Fidelity National Title	-	CBRE
1209 Nevada St	Redlands/Loma Linda	22,823	Q3 22	-	-	CBRE
1209 Nevada St	Redlands/Loma Linda	22,539	Q3 22	-	-	CBRE
Ontario Airport Corporate Park	Airport Area	21,197	Q4 22	-	-	Pinnacle Real Estate G...
Lakeshore Plaza	Corona/Eastvale	21,058	Q2 23	Lennar Homes	Lee & Associates;Le...	Lee & Associates;Lee...
Silver Hawk Business Park	South Riverside	19,500	Q1 23	Neighborhood Healthcare	Lee & Associates C...	Lee & Associates Com...
Citrus Business Park	Riverside	19,030	Q2 23	AA Casa Inc	-	Voit Real Estate Services
Lakeshore Plaza	Corona/Eastvale	18,312	Q2 23	General Services Adminis...	Cushman & Wakefield	Lee & Associates;Lee...
1605 N Sierra Way *	San Bernardino	16,844	Q4 22	Woodward Leadership Ac...	-	Kidder Mathews
Tri-City Corporate Centre *	San Bernardino	16,642	Q1 23	The County of San Bernar...	-	CBRE
Westside Business Centre	South Riverside	15,908	Q4 22	The Mortgage Law Firm	Lee & Associates C...	Lee & Associates Com...
Club Center	San Bernardino	15,324	Q1 23	The County of San Bernar...	-	CBRE
11255 S Central Ave	Upland/Montclair	15,000	Q1 23	ESL4ASIA	-	Lee & Associates;Lee...
Ontario Airport Towers	Airport Area	13,082	Q3 22	Gold Star Foods	JLL	JLL
Empire Towers	Airport Area	12,843	Q4 22	State of CA Food & Agric...	-	MGR Real Estate
Redlands Corporate Plaza	Redlands/Loma Linda	12,305	Q1 23	-	-	Lee & Associates
Temecula Corporate Center	South Riverside	11,216	Q2 23	HQE Services	Lee & Associates C...	Lee & Associates Com...
Citrus Park Business Center	Riverside	11,047	Q4 22	Opendoor	Cresa	Kennedy-Wilson Prope...
Garrett Corporate Center	South Riverside	10,877	Q1 23	Saxe Doernberger & Vita...	Lee & Associates C...	Lee & Associates Com...
Bear Valley Business Park *	Mojave River Valley	10,500	Q1 23	San Bernardino Workforc...	Lee & Associates C...	Lee & Associates Com...
Walsh Medical Arts Center *	South Riverside	10,233	Q2 23	Golden Triangle Surgicenter	-	CBRE
Hunter Technology Park	Riverside	9,993	Q3 23	-	-	CBRE
Summit Business Center	Riverside	9,943	Q4 22	-	-	CBRE
First Presbyterian Church Of Upland	Upland/Montclair	9,655	Q2 23	-	-	Miller Realty
Airport Corp Centre III	Airport Area	9,500	Q4 22	Foster Family Care	Lee & Associates C...	-
Citrus Tower	Riverside	9,293	Q3 22	-	-	Lee & Associates;Lee...
Wildrose Business Park	South Riverside	9,000	Q4 22	-	-	RE/MAX One
Tri-City Corporate Centre	San Bernardino	8,862	Q4 22	-	-	CBRE
Raincross Tower	Riverside	8,673	Q3 22	-	-	CBRE
Waterside Center *	Airport Area	8,508	Q4 22	United States of America...	-	MGR Real Estate
3999 E Inland Empire Blvd	Airport Area	8,479	Q2 23	Acevedo Real Estate	-	MGR Real Estate
Tri-City Corporate Centre	San Bernardino	8,431	Q4 22	-	-	CBRE
Shelby Office Park	Airport Area	8,298	Q3 22	A Greater Love Foster Fa...	First Team Commer...	KW Commercial
College Business Park *	Upland/Montclair	7,989	Q4 22	PAR Electrical Contractor...	JLL	-
Concours Corporate Center	Airport Area	7,791	Q4 22	-	-	CBRE
851-863 N D St	San Bernardino	7,500	Q1 23	-	-	Robert Shaw
Havengate Center	Airport Area	7,449	Q2 23	-	-	MGR Real Estate

Renewal

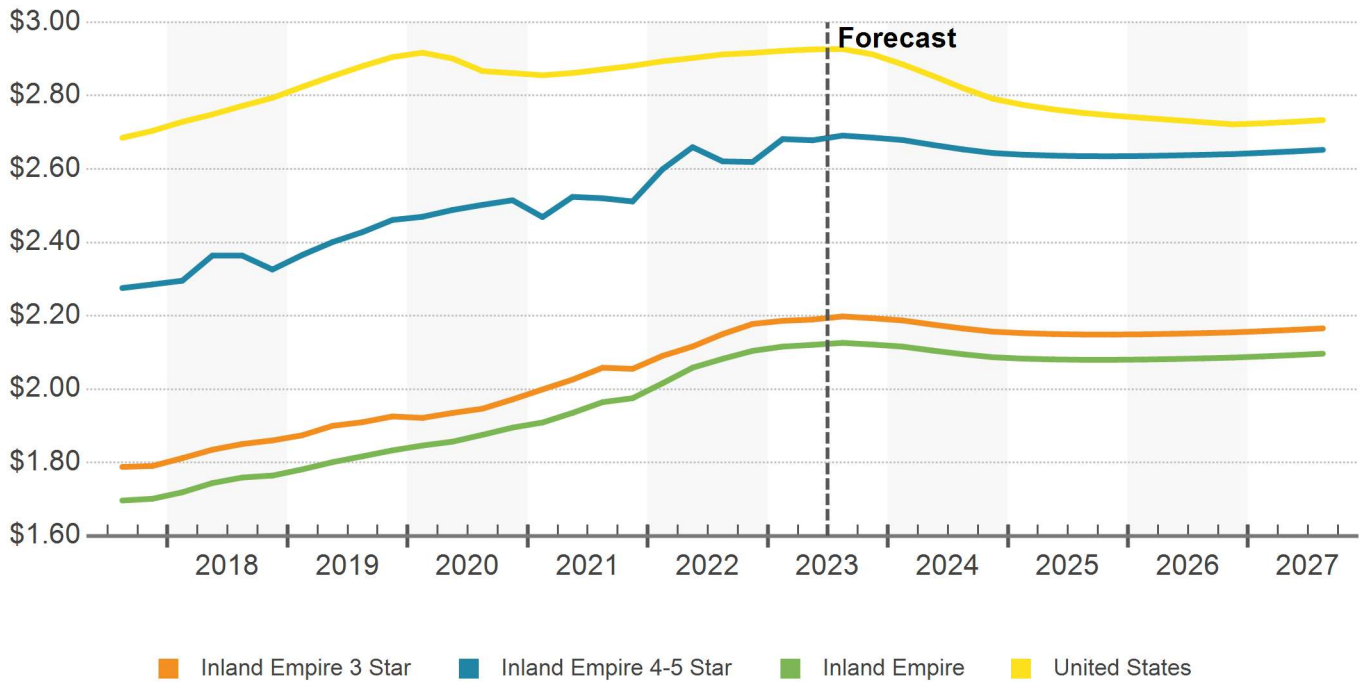
Office rents in the Inland Empire average \$25.00/SF gross. Rents have increased 2.7% over the past 12 months, slowing from an average 4.1% growth rate over the past five years. A high concentration of medical office space has helped lead to low vacancies and strong rent growth compared to other markets across the country.

More pronounced growth was evident in 4 & 5 Star offices before the pandemic, but year-over-year rent gains for high-end assets have slowed to 1.4%. While relatively low within the market, many California markets have displayed falling rents in 4 & 5 Star assets over the past 12 months.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Inland Empire	\$0.77	\$1.45	\$0.58	\$2.78	\$2.68	\$8.26
Inland Empire East	\$0.84	\$1.48	\$0.62	\$2.94	\$2.63	\$8.51
Inland Empire North	\$0.60	\$1.46	\$0.50	\$3.68	\$2.77	\$9.01
Inland Empire West	\$0.69	\$1.42	\$0.54	\$2.45	\$2.76	\$7.86

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Inland Empire	\$0.68	\$1.05	\$0.33	\$2.91	\$2.10	\$7.07
Inland Empire East	\$0.73	\$1.02	\$0.35	\$2.96	\$1.84	\$6.90
Inland Empire North	\$0.55	\$1.11	\$0.31	\$2.48	\$2.44	\$6.89
Inland Empire West	\$0.62	\$1.09	\$0.31	\$2.98	\$2.65	\$7.65

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Inland Empire	\$0.61	\$0.90	\$0.28	\$2.30	\$2.09	\$6.18
Inland Empire East	\$0.62	\$0.90	\$0.28	\$2.38	\$1.82	\$6
Inland Empire North	\$0.55	\$0.84	\$0.30	\$1.49	\$2.68	\$5.86
Inland Empire West	\$0.62	\$0.91	\$0.24	\$2.71	\$2.77	\$7.25

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

The amount of office construction never quite recovered to levels seen before the Great Financial Crisis. Part of the reason development has stagnated is a flattening of rent growth during that period. In addition, construction costs have increased, and vacant buildings sell at a discount to replacement costs.

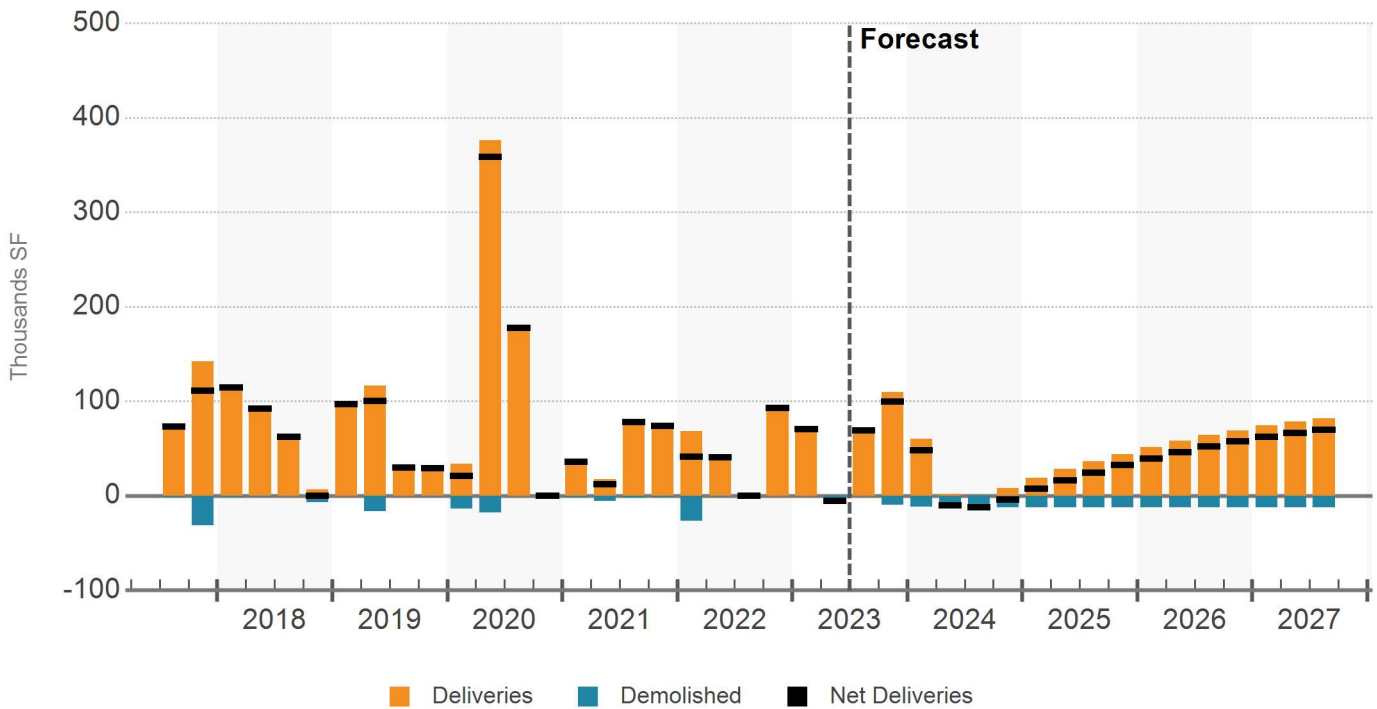
Roughly 160,000 SF delivered over the past year, and a large proportion consisted of medical office buildings. A 32,000-SF at Corona Regional Medical Campus opened in early 2022 fully leased to City of Hope. In addition, the 35,000-SF medical office for the Riverside University Health System opened in Palm Springs. The health system signed a 30-year lease in 2020 at an effective

rate of \$28.20/SF annually on a triple-net basis.

Only a few projects are underway, totaling 240,000 SF under construction and, again, mostly comprising medical offices. Among the largest developments, a 58,000-SF project is underway in the North Murrieta Business Park. The multitenant medical office building is fully leased.

Overall, there is very little traditional office being developed as many potential occupiers have embraced a remote workforce, even if only on a part-time basis. The lack of a clear future for office space and how much inventory will be needed long-term has left developers understandably hesitant to invest in new projects.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	South Riverside	2	118	58	49.2%	9	14,955	59,000	1
2	Redlands/Loma Linda	1	30	0	0%	10	8,192	30,000	2
3	Chino/Chino Hills	1	25	15	60.9%	8	10,508	25,000	3
4	Beaumont/Hemet	2	22	22	100%	1	6,234	11,247	5
5	Mojave River Valley	1	20	20	100%	1	6,401	19,830	4
6	Upland/Montclair	1	11	11	100%	1	9,695	11,148	6
7	Corona/Eastvale	1	6	6	100%	1	15,779	5,517	7
8	Riverside	1	4	4	100%	1	14,452	3,850	8
9	Airport Area	1	3	3	100%	1	17,380	2,800	9
10	Moreno Valley/Perris	1	2	2	100%	1	17,296	1,821	10
	All Other	0	-	-	-		11,697	-	
Totals		12	240	141	58.5%		11,875	20,038	

Under Construction Properties

Inland Empire Office

Properties

Square Feet

Percent of Inventory

Released

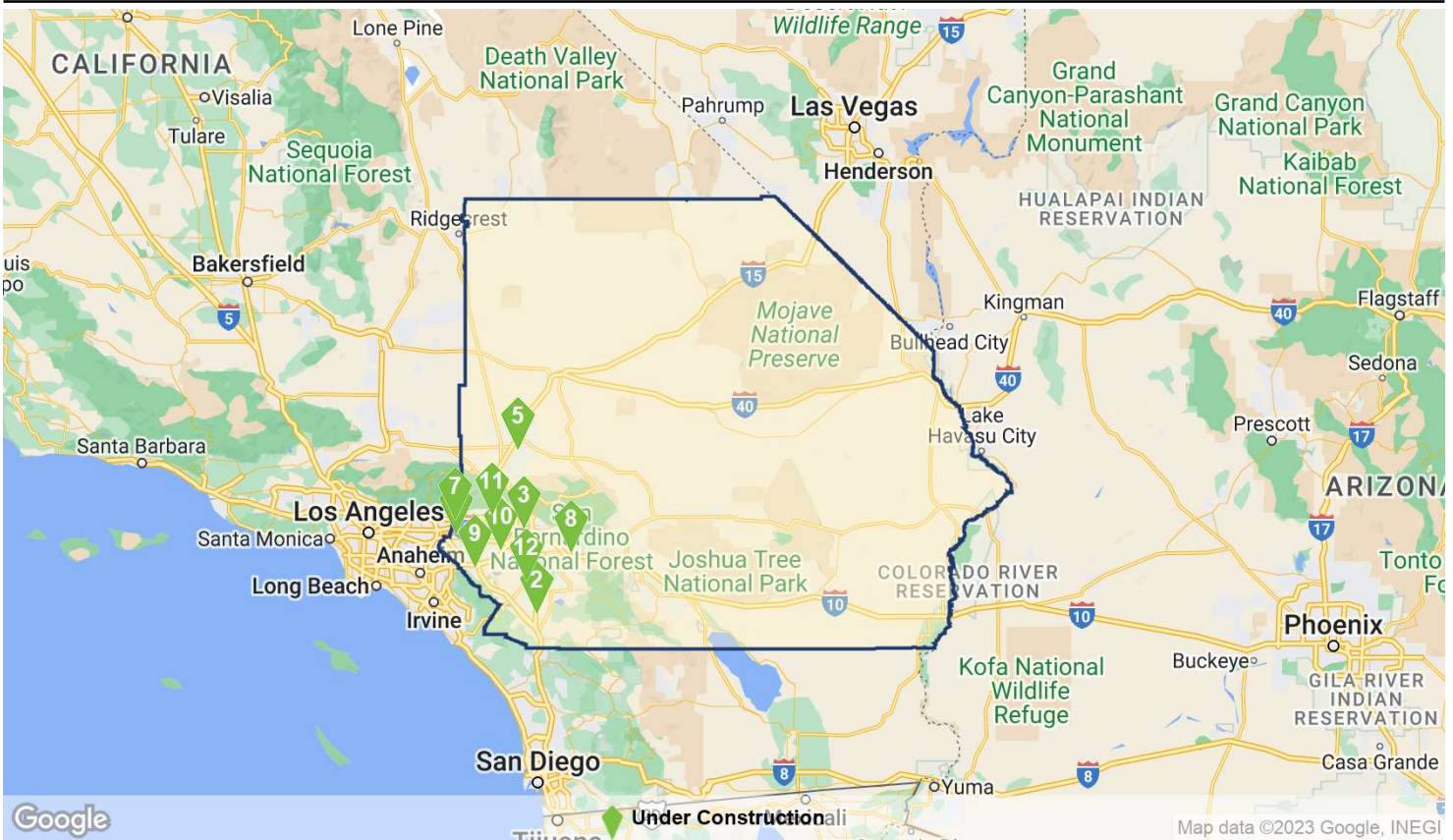
12

240,459

0.3%

58.5%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Phase I Baxter Rd	★ ★ ★ ★ ★	60,000	3	Jan 2023	Dec 2023	-
2 Building A 35070 Antelope Rd	★ ★ ★ ★ ★	58,000	2	Aug 2022	Oct 2023	Makena Murrieta
3 California Eye Care 25258 Redlands Blvd	★ ★ ★ ★ ★	30,000	2	Mar 2022	Sep 2023	Joseph M Perez
4 5632 Philadelphia St	★ ★ ★ ★ ★	25,000	3	Jan 2022	Oct 2023	-
5 12490 Business Center Dr	★ ★ ★ ★ ★	19,830	1	Mar 2022	Oct 2023	-
6 1588 E Eighth St	★ ★ ★ ★ ★	15,493	1	Aug 2022	Sep 2023	-
7 959 N Central Ave	★ ★ ★ ★ ★	11,148	2	Dec 2018	Sep 2023	Jehad Attiyah



Under Construction Properties

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 845 N Highland Springs...	★ ★ ★ ★ ★	7,000	1	Jun 2022	Sep 2023	-
9 2222 Vesper Cir	★ ★ ★ ★ ★	5,517	1	Dec 2021	Sep 2023	DOSH Construction Inc
10 Tibbetts Office Building 3785 Tibbetts St	★ ★ ★ ★ ★	3,850	1	Aug 2022	Sep 2023	-
11 Carbon Health NEC of Citrus Ave & Highl...	★ ★ ★ ★ ★	2,800	1	Aug 2022	Sep 2023	-
12 378 W 4th St	★ ★ ★ ★ ★	1,821	1	Jul 2023	Mar 2024	-

Sales activity in the Inland Empire's office market consists primarily of local and domestic private individuals, while institutional investors show limited interest. Sales volume reached a record \$764 million in 2022 but has subsided to just \$205 million in 2023 to date based on 130 deals.

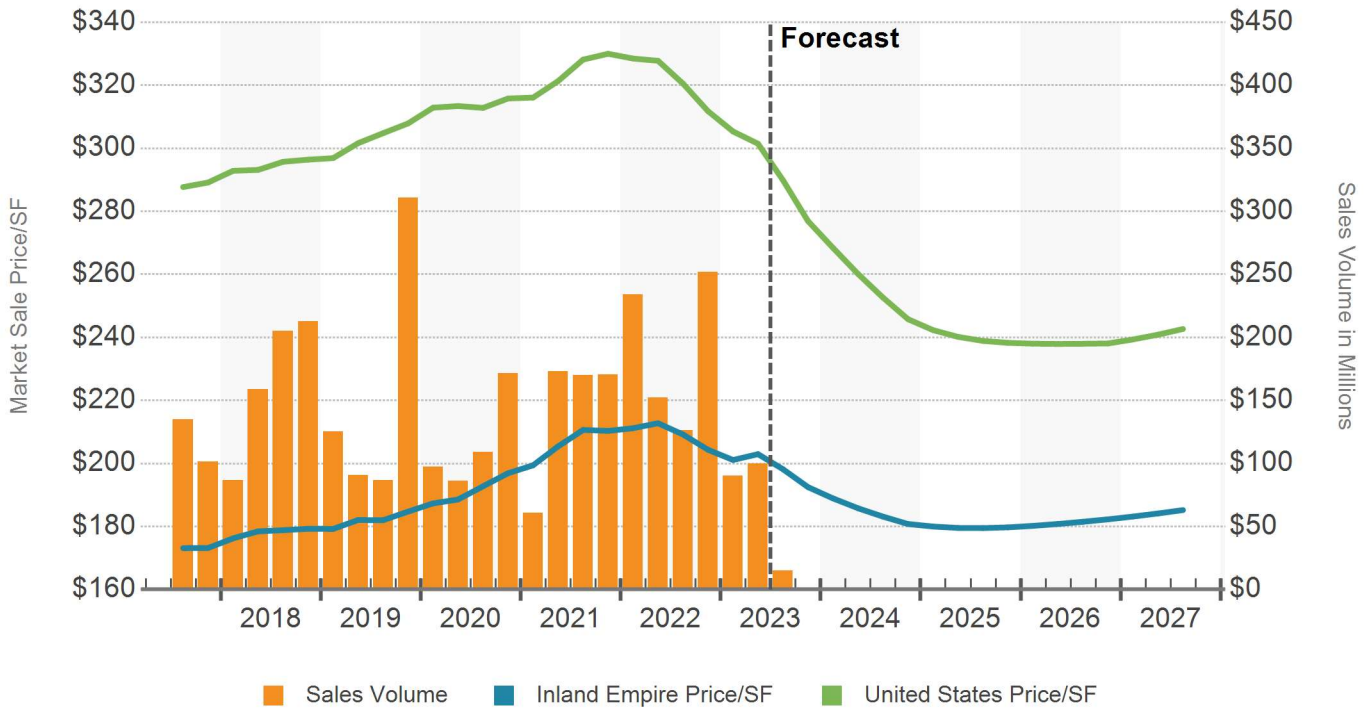
Several large office towers were traded in the second half of 2022. In September 2022, EQT Exeter acquired the 77,800-SF 2301 Wardlow Circle in Corona for \$30 million (\$386/SF) from CIRCOR International in a sale-leaseback deal. These types of deals can often help sellers increase cash reserves for operations. CIRCOR agreed to lease the property for 5 years, providing a 5.3% cap rate. Soon after and also in Corona, Topline acquired the 66,300-SF Corona Westgate Center for \$15.2 million (\$2.44/SF). With D.R. Horton as the largest occupant in the multitenant office, the property traded at a 7.2% cap rate.

In the Airport Area, where many of the largest and highest valued offices are located, several large office towers have traded since the beginning of 22Q4. In November, National Community Renaissance (National CORE) acquired Building E in Haven Park for \$18.25 million (\$243/SF) from owner-user Co-Op Financial Services. The seller, who will continue to occupy some space in the building, acquired the property in December 2008, near the peak of the Great Financial Crisis, for \$22.5 million.

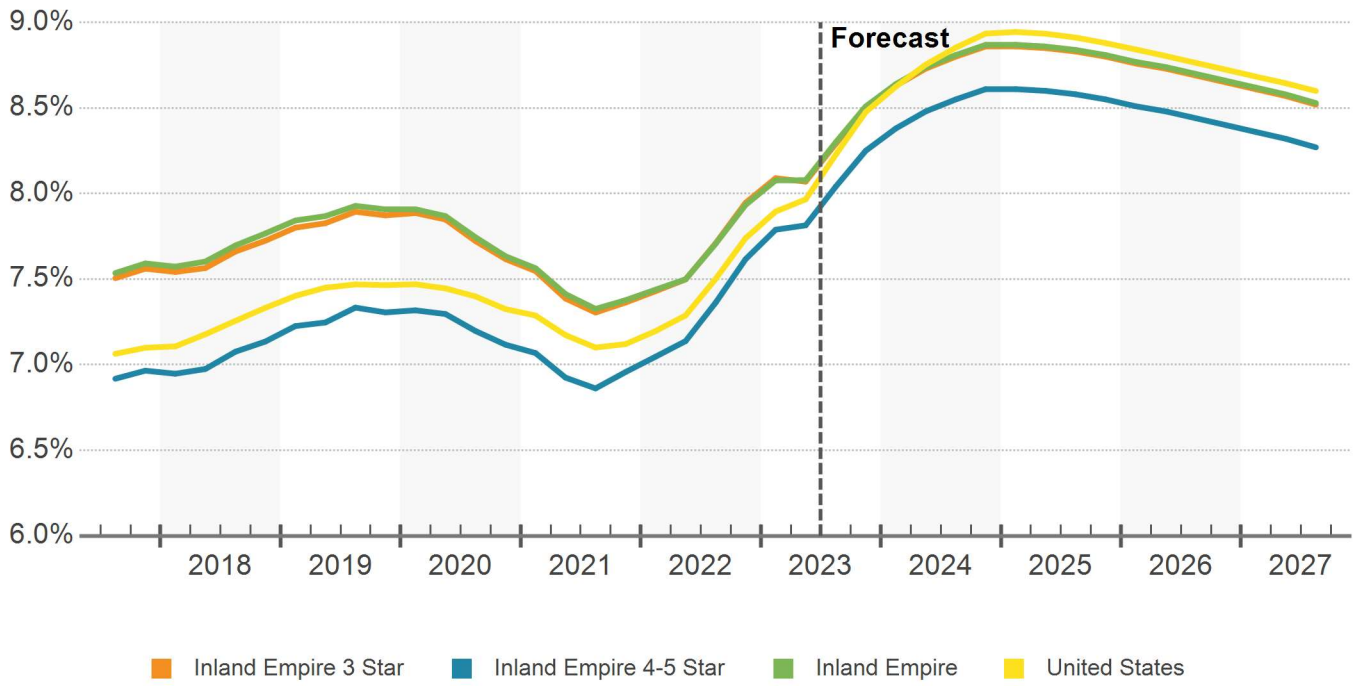
Another large Airport Area deal involves the 147,700-SF Building 1 in the Ontario Airport Towers, which was acquired by MGR Real Estate in December 2022 for \$38.5 million (\$261/SF). The property was 89% leased at the time of sale and traded at a 6.9% cap rate.

Cap rates have increased to 8.1% and are projected to rise higher through 2023, plateauing in the 9% range as higher borrowing costs weigh on investors.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Inland Empire Office

Sale Comparables

286

Avg. Cap Rate

5.9%

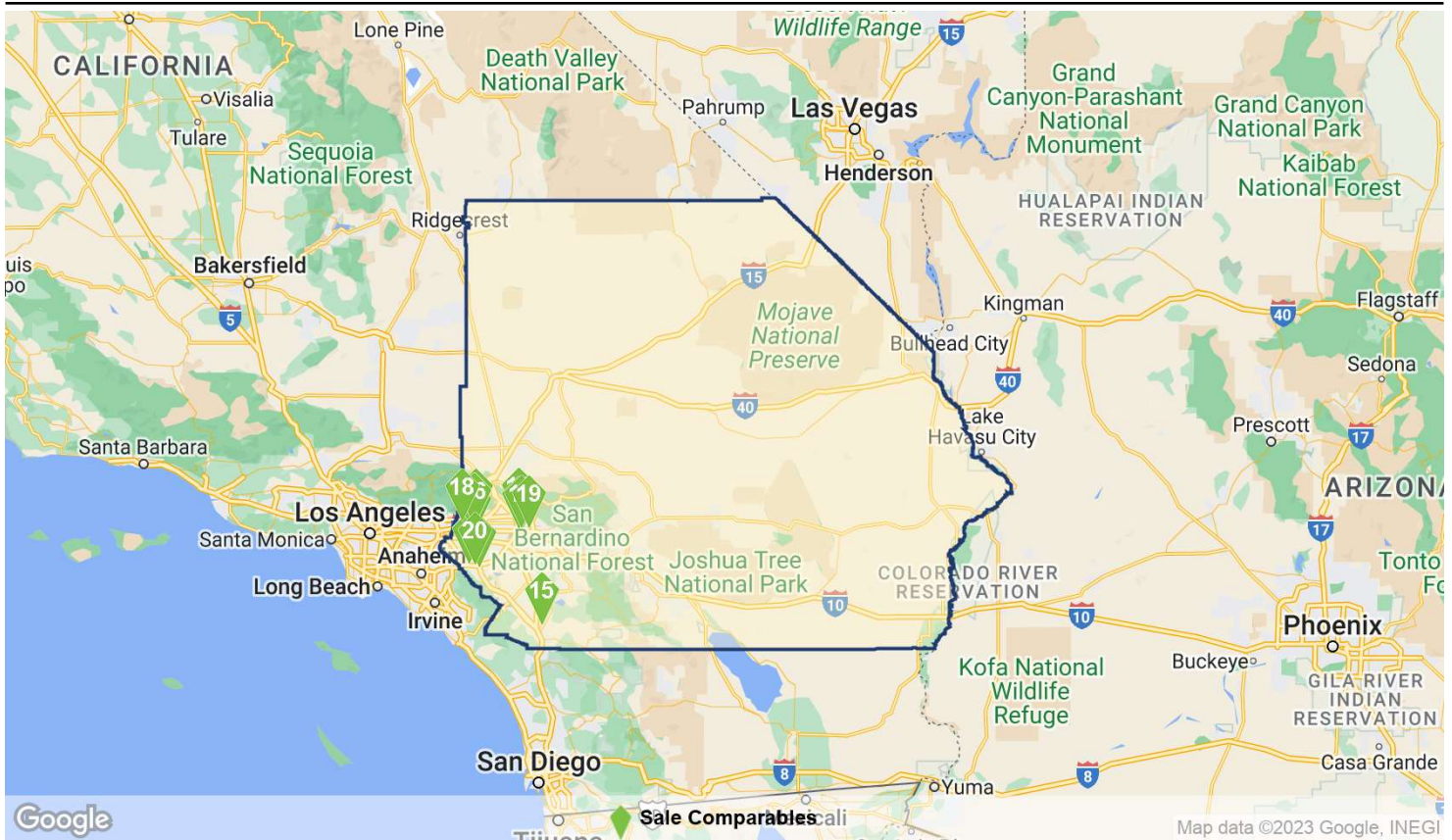
Avg. Price/SF

\$191

Avg. Vacancy At Sale

6.0%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$110,000	\$2,530,436	\$1,106,816	\$38,500,000
Price/SF	\$3.78	\$191	\$225	\$922
Cap Rate	3.0%	5.9%	6.1%	8.0%
Time Since Sale in Months	0.3	7.0	7.5	12.0
Property Attributes	Low	Average	Median	High
Building SF	759	13,090	4,972	280,173
Stories	1	1	1	6
Typical Floor SF	576	8,000	4,276	77,755
Vacancy Rate At Sale	0%	6.0%	0%	100%
Year Built	1894	1980	1984	2020
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★



Sales Past 12 Months

Inland Empire Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Bldg 1 2855 E Guasti Rd	★★★★★	2008	147,732	0%	12/21/2022	\$38,500,000	\$261	6.9%
2 Northpointe 1003 E Brier Dr	★★★★★	2007	280,173	0%	1/27/2023	\$35,250,000	\$126	-
3 2301 Wardlow Cir	★★★★★	1980	77,755	0%	9/7/2022	\$30,000,000	\$386	5.3%
4 11000 Eucalyptus St	★★★★★	2003	127,000	0%	5/16/2023	\$22,000,000	\$173	-
5 Co-Op Financial Service... 9692 Haven Ave	★★★★★	2007	75,000	0%	11/22/2022	\$18,250,000	\$243	-
6 Corona Westgate Center 2280 Wardlow Cir	★★★★★	1989	62,228	10.9%	11/2/2022	\$15,200,000	\$244	7.2%
7 1181 California Ave	★★★★★	2001	84,330	19.7%	10/25/2022	\$15,100,000	\$179	-
8 ACCO II 1819 S Excise Ave	★★★★★	2006	40,817	0%	5/10/2023	\$15,000,000	\$367	-
9 One Carnegie Plaza, Bld... 625 E Carnegie Dr	★★★★★	1989	68,579	14.7%	11/9/2022	\$13,683,268	\$200	-
10 Two Carnegie Plaza 685 E Carnegie Dr	★★★★★	1988	69,688	11.6%	11/9/2022	\$13,009,451	\$187	-
11 Social Security Administr... 605 N Arrowhead Ave	★★★★★	1997	44,719	0%	4/18/2023	\$11,760,000	\$263	-
12 9227 Haven Ave	★★★★★	1989	44,655	0%	10/6/2022	\$10,133,951	\$227	-
13 The Hospitality Lane Pro... 412 W Hospitality Ln	★★★★★	1981	51,410	33.1%	1/17/2023	\$9,800,000	\$191	-
14 South Plaza 38977 Sky Canyon Dr	★★★★★	2007	40,115	0%	10/25/2022	\$9,624,142	\$240	-
15 Silverhawk Corporate Ce... 38975 Sky Canyon Dr	★★★★★	2008	40,085	11.5%	10/25/2022	\$9,575,858	\$239	-
16 9267 Haven Ave	★★★★★	1988	33,648	0%	10/6/2022	\$7,636,049	\$227	-
17 One Carnegie Plaza, Bld... 621 E Carnegie Dr	★★★★★	1989	39,638	16.3%	11/9/2022	\$7,482,281	\$189	-
18 Magnolia Plaza 299 W Foothill Blvd	★★★★★	1986	36,870	15.3%	9/27/2022	\$6,680,000	\$181	-
19 2068 Orange Tree Ln	★★★★★	1986	36,350	2.8%	6/8/2023	\$6,050,000	\$166	-
20 Medical Art Building 760 S Washburn Ave	★★★★★	1970	42,345	17.2%	8/16/2022	\$5,491,000	\$130	-



The Inland Empire is one of the largest and fastest-growing logistics hubs in the United States due to its proximity to the southern California ports and its relatively affordable land. Nearly a third of all U.S. imports come through the two Los Angeles ports, and much of that cargo's eventual destination is farther inland, making the metro's rail and highway connections extremely valuable.

Housing is also affordable by southern California standards. Many residents commute west and south to job nodes in Los Angeles, Orange County, and San Diego because there are limited opportunities for high-wage workers. Median household income in Inland Empire is \$79,000, well below coastal metros, but higher than the national median of \$74,000.

Jobs in transportation and warehousing have persistently grown for over 10 years and account for 75% of job

growth since February 2020. Amazon is a major employer in the Inland Empire, with over three dozen facilities in the metro, and third-party logistics companies have been growing over the past decade. Many retailers have manufacturing and distribution facilities in the Inland Empire, as well.

The metropolitan area comprises two counties, Riverside and San Bernardino, as well as 52 incorporated cities. Riverside County has one of the fastest-growing populations in the state, and retirement communities are scattered throughout the metro. As a result, there is outsized demand for health care and education services and employment in the industry expands every year.

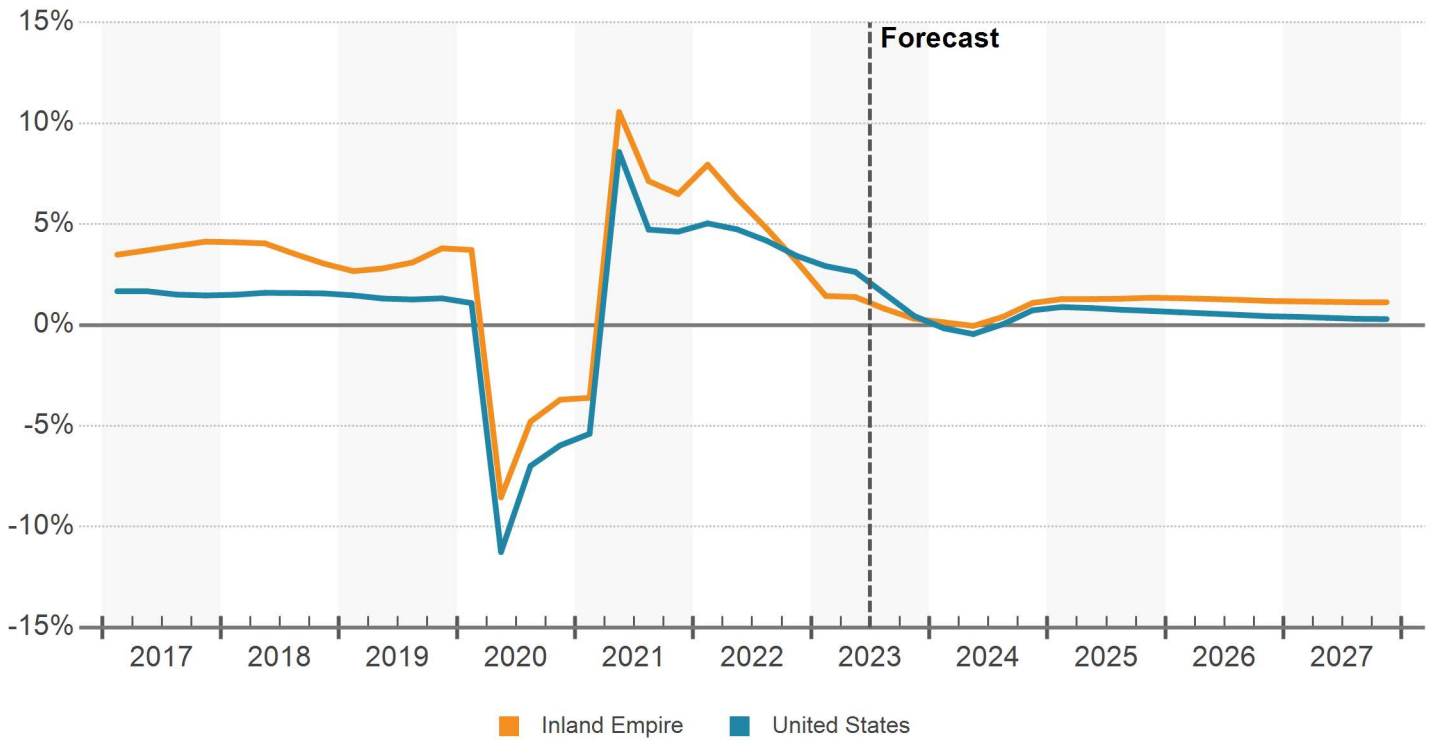
Tourism is vibrant in Palm Springs, Big Bear, and Temecula, primarily attracting in-state travelers. Payrolls in the leisure and hospitality sector have returned to pre-pandemic levels.

INLAND EMPIRE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	99	0.7	-1.46%	1.09%	1.29%	0.77%	0.05%	0.02%
Trade, Transportation and Utilities	464	1.5	-0.60%	0.72%	4.51%	1.18%	1.24%	0.08%
Retail Trade	182	1.1	0.68%	0.38%	1.05%	0.35%	0.28%	0.08%
Financial Activities	47	0.5	-0.55%	0.82%	1.12%	1.46%	0.10%	0.09%
Government	255	1.0	3.60%	2.06%	1.41%	0.34%	0.91%	0.34%
Natural Resources, Mining and Construction	116	1.3	-0.81%	2.46%	5.06%	2.47%	0.77%	0.19%
Education and Health Services	277	1.0	4.66%	3.80%	3.99%	1.81%	1.48%	0.63%
Professional and Business Services	182	0.7	2.63%	1.99%	3.25%	2.14%	0.27%	0.33%
Information	11	0.3	2.44%	-0.11%	-1.21%	1.30%	0.35%	0.20%
Leisure and Hospitality	179	1.0	-1.47%	5.18%	2.80%	1.55%	1.19%	0.92%
Other Services	50	0.8	3.22%	2.58%	1.78%	0.65%	0.29%	0.26%
Total Employment	1,681	1.0	1.18%	2.24%	3.17%	1.36%	0.95%	0.34%

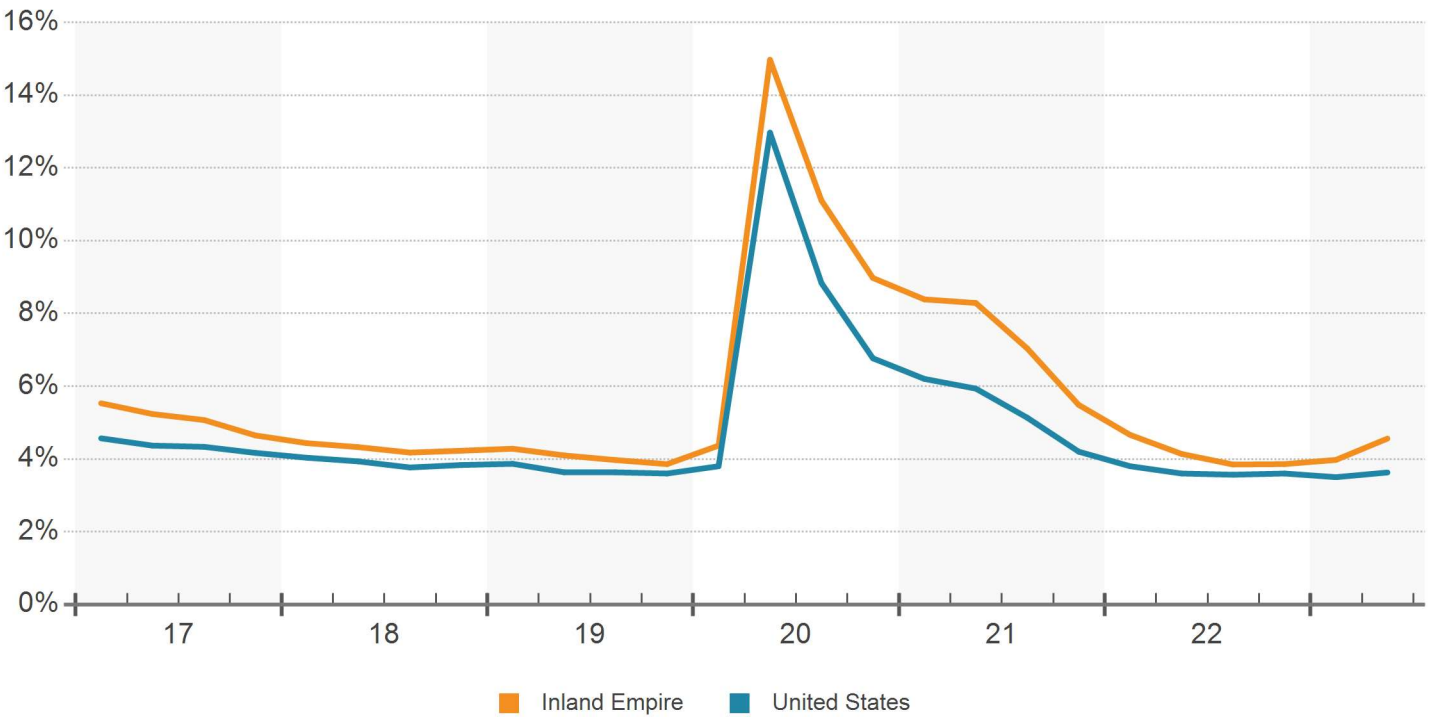
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

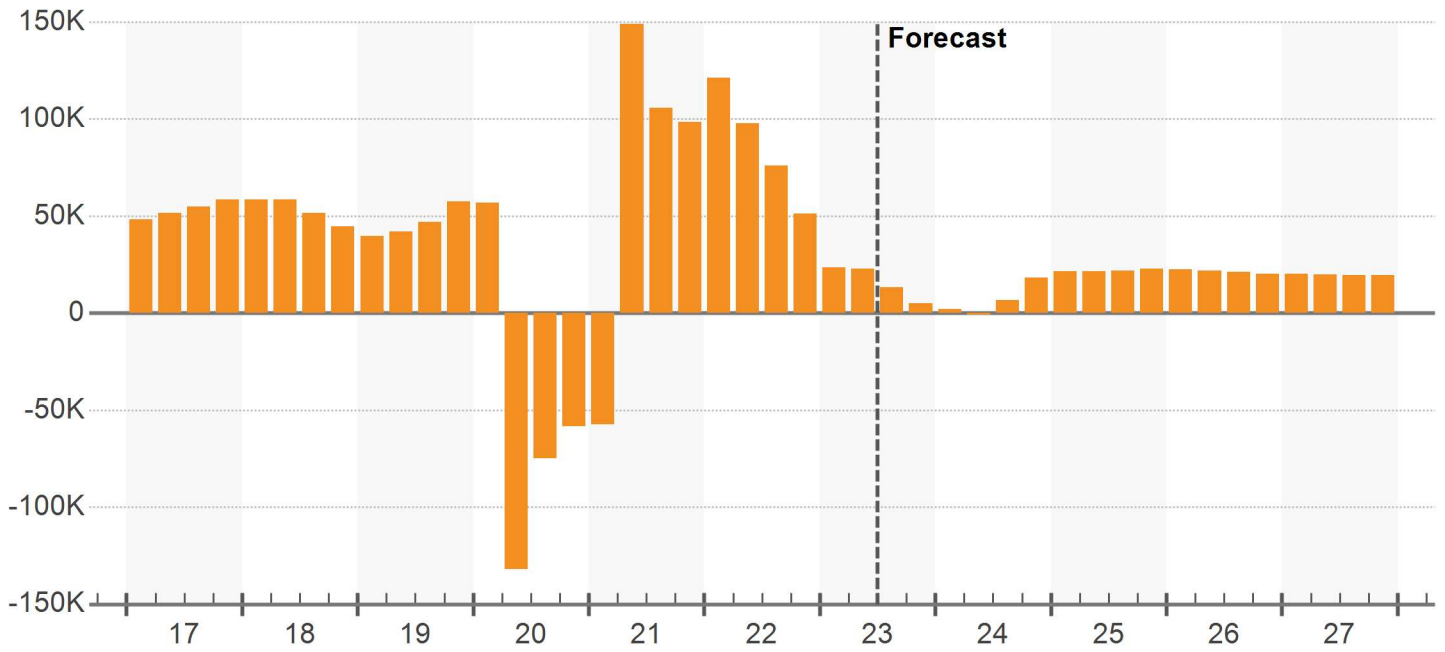


Source: Oxford Economics

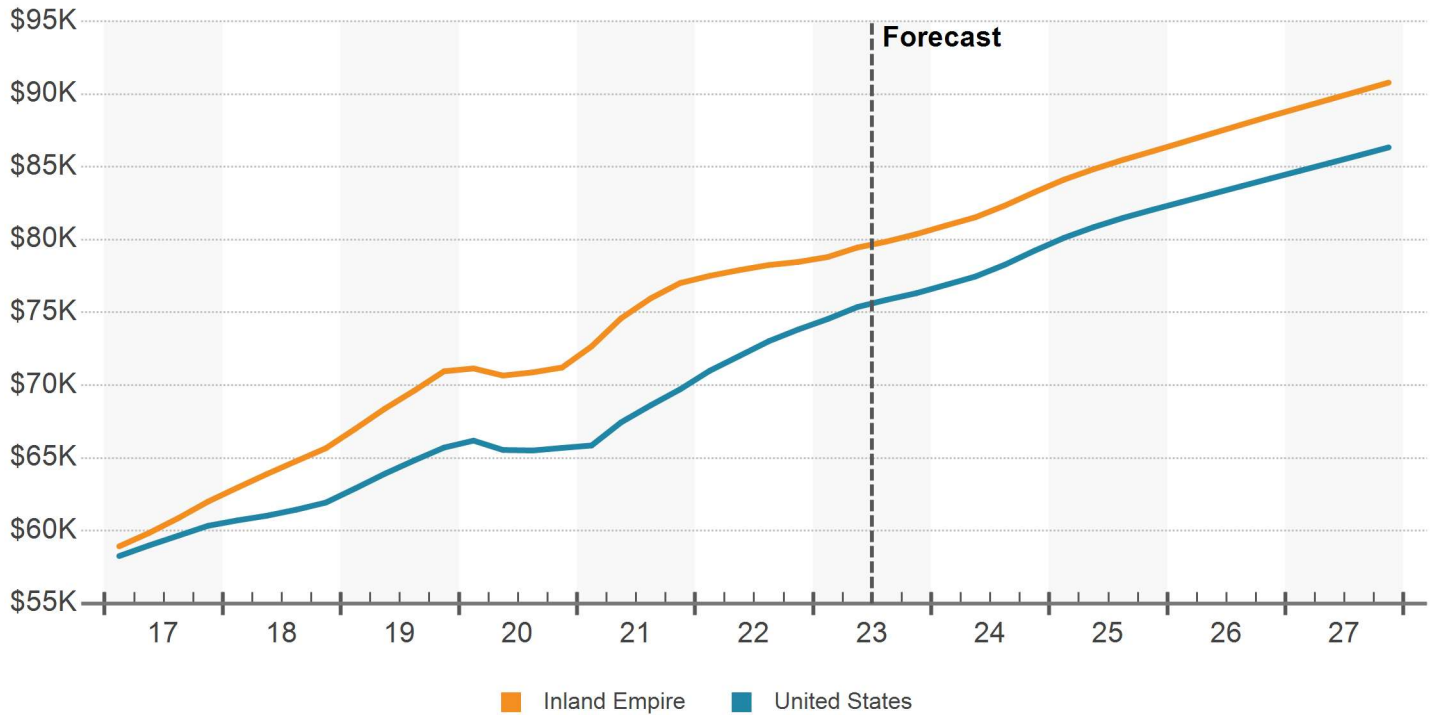
UNEMPLOYMENT RATE (%)



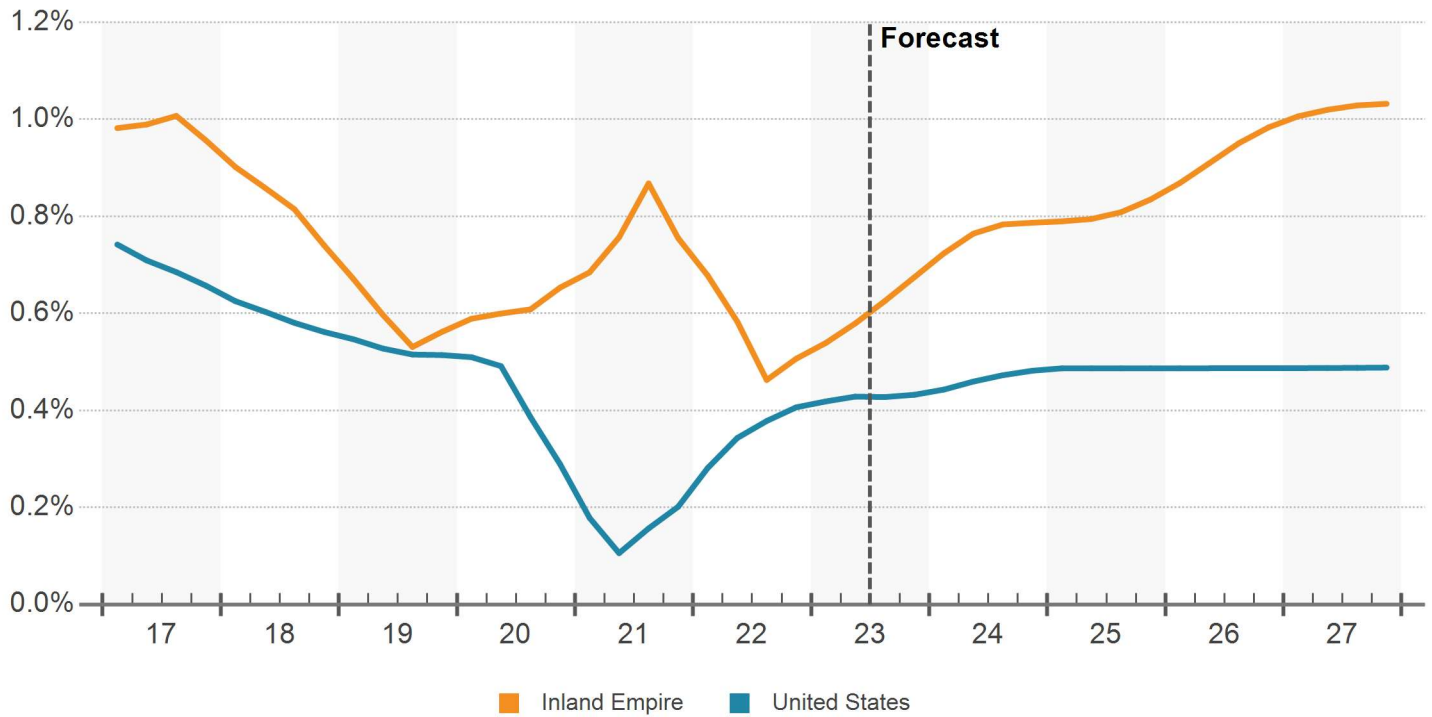
NET EMPLOYMENT CHANGE (YOY)



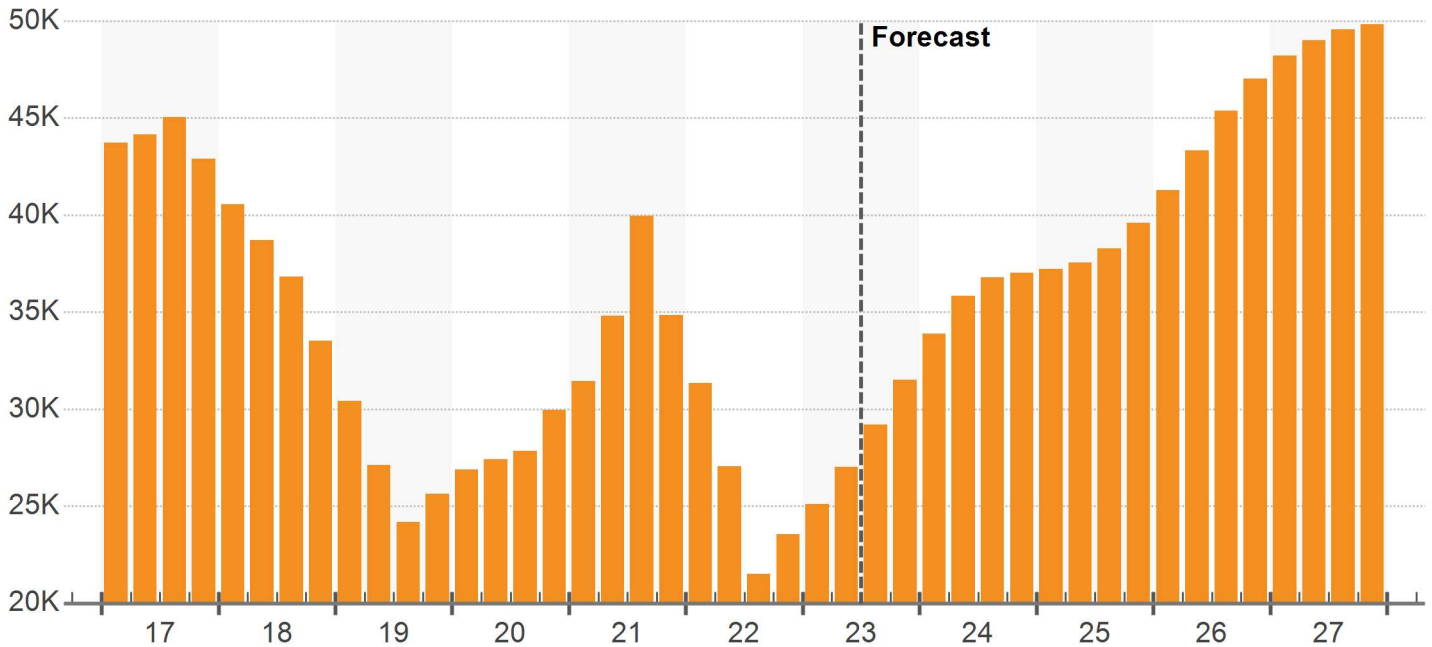
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

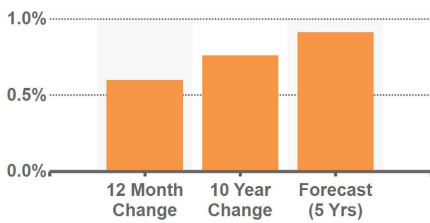


DEMOGRAPHIC TRENDS

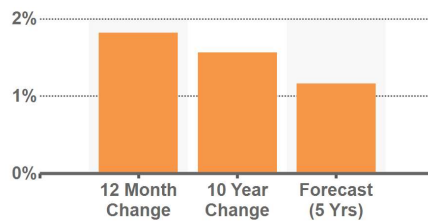
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	4,691,641	334,494,313	0.6%	0.4%	0.8%	0.6%	0.9%	0.5%
Households	1,468,732	129,868,852	0.9%	0.7%	0.9%	0.9%	1.0%	0.6%
Median Household Income	\$79,602	\$75,544	2.0%	4.4%	4.2%	3.8%	3.0%	3.0%
Labor Force	2,190,350	165,940,016	1.8%	1.1%	1.6%	0.6%	1.2%	0.3%
Unemployment	4.6%	3.6%	0.5%	0%	-0.5%	-0.4%	-	-

Source: Oxford Economics

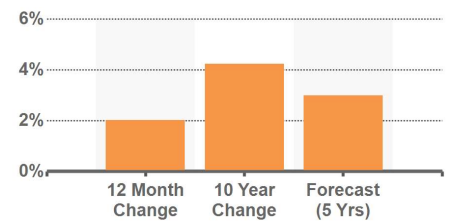
POPULATION GROWTH



LABOR FORCE GROWTH



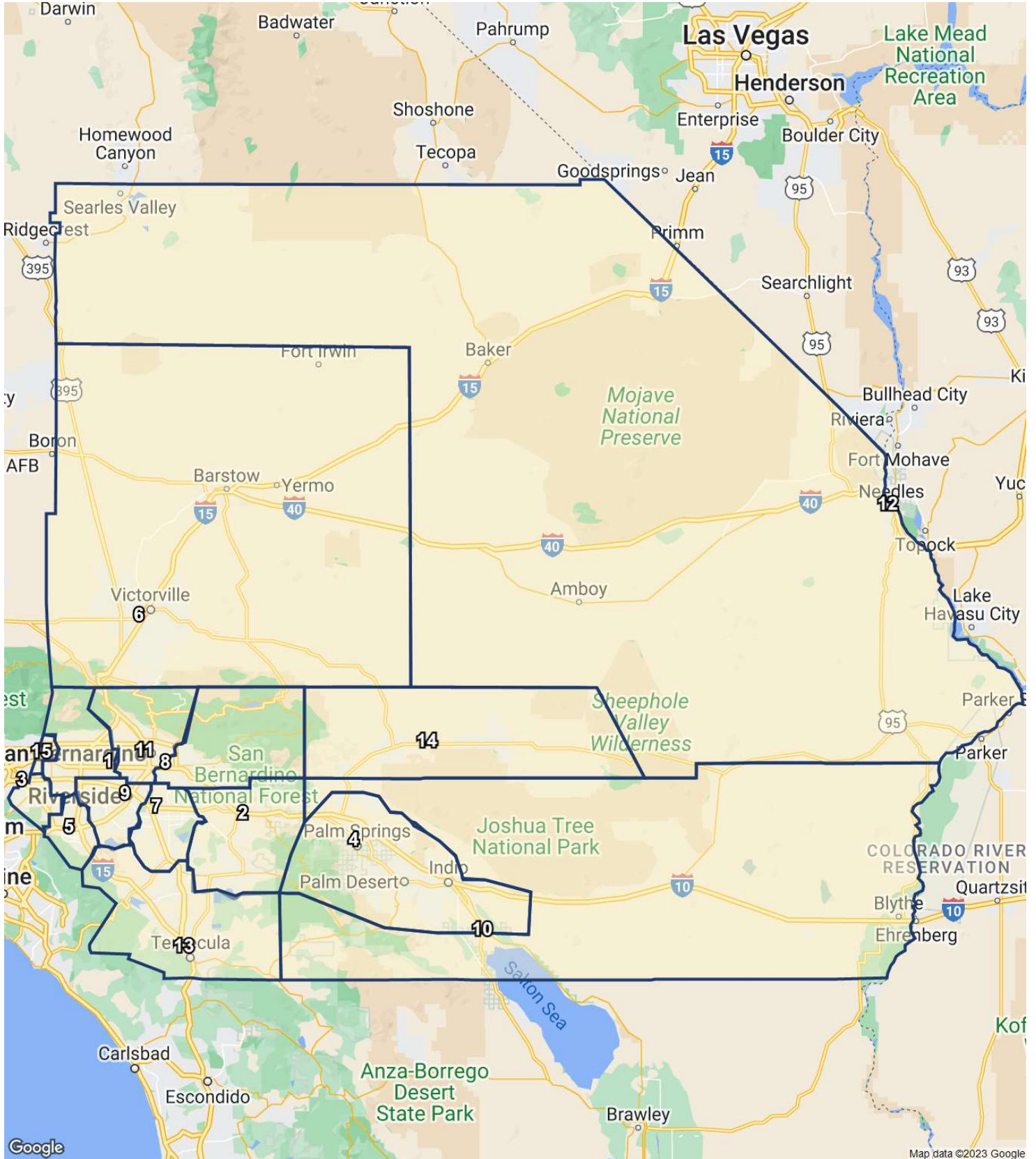
INCOME GROWTH



Source: Oxford Economics

Submarkets

INLAND EMPIRE SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Airport Area	782	13,591	17.5%	1	0	0	0%	-	1	3	0%	9
2	Beaumont/Hemet	382	2,382	3.1%	11	0	0	0%	-	2	22	0.9%	4
3	Chino/Chino Hills	157	1,650	2.1%	12	0	0	0%	-	1	25	1.5%	3
4	Coachella Valley	821	8,223	10.6%	4	0	0	0%	-	0	-	-	-
5	Corona/Eastvale	298	4,702	6.1%	7	0	0	0%	-	1	6	0.1%	7
6	Mojave River Valley	869	5,562	7.2%	6	1	27	0.5%	3	1	20	0.4%	5
7	Moreno Valley/Perris	186	3,217	4.2%	9	1	75	2.3%	1	1	2	0.1%	10
8	Redlands/Loma Linda	502	4,112	5.3%	8	1	43	1.0%	2	1	30	0.7%	2
9	Riverside	783	11,316	14.6%	3	1	18	0.2%	4	1	4	0%	8
10	Riverside Outlying	30	164	0.2%	14	0	0	0%	-	0	-	-	-
11	San Bernardino	884	12,716	16.4%	2	0	0	0%	-	0	-	-	-
12	San Bernardino Outlying	10	133	0.2%	15	0	0	0%	-	0	-	-	-
13	South Riverside	448	6,700	8.6%	5	0	0	0%	-	2	118	1.8%	1
14	Twentynine Palms	113	496	0.6%	13	0	0	0%	-	0	-	-	-
15	Upland/Montclair	260	2,521	3.3%	10	0	0	0%	-	1	11	0.4%	6

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Airport Area	\$2.28	3	2.0%	15	1.1%	5
2	Beaumont/Hemet	\$1.91	13	2.9%	8	-0.3%	14
3	Chino/Chino Hills	\$2.40	2	2.2%	14	2.1%	2
4	Coachella Valley	\$2.14	7	3.0%	6	0.4%	10
5	Corona/Eastvale	\$2.26	4	2.8%	9	1.6%	3
6	Mojave River Valley	\$1.75	15	3.5%	2	0%	13
7	Moreno Valley/Perris	\$2.13	9	2.6%	11	0.4%	9
8	Redlands/Loma Linda	\$2.14	8	3.3%	4	0.6%	7
9	Riverside	\$2.21	6	2.5%	13	1.0%	6
10	Riverside Outlying	\$1.95	11	2.9%	7	-0.9%	15
11	San Bernardino	\$1.92	12	2.8%	10	0.1%	12
12	San Bernardino Outlying	\$1.82	14	3.6%	1	0.2%	11
13	South Riverside	\$2.21	5	3.2%	5	1.4%	4
14	Twentynine Palms	\$2.41	1	3.3%	3	0.5%	8
15	Upland/Montclair	\$2.12	10	2.5%	12	2.2%	1

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Airport Area	935,303	6.9%	11	(50,721)	-0.4%	14	-
2	Beaumont/Hemet	100,519	4.2%	5	(32,149)	-1.3%	12	-
3	Chino/Chino Hills	81,865	5.0%	6	(30,784)	-1.9%	11	-
4	Coachella Valley	573,246	7.0%	12	(6,988)	-0.1%	9	-
5	Corona/Eastvale	388,767	8.3%	14	(54,939)	-1.2%	15	-
6	Mojave River Valley	162,287	2.9%	3	54,052	1.0%	2	0.4
7	Moreno Valley/Perris	166,209	5.2%	7	(2,178)	-0.1%	8	-
8	Redlands/Loma Linda	112,766	2.7%	2	8,877	0.2%	6	4.8
9	Riverside	764,958	6.8%	10	20,986	0.2%	4	0.9
10	Riverside Outlying	13,515	8.2%	13	(13,515)	-8.2%	10	-
11	San Bernardino	732,544	5.8%	8	303,780	2.4%	1	-
12	San Bernardino Outlying	-	-	-	0	0%	-	-
13	South Riverside	253,713	3.8%	4	23,345	0.3%	3	-
14	Twentynine Palms	3,266	0.7%	1	11,446	2.3%	5	-
15	Upland/Montclair	163,353	6.5%	9	(34,529)	-1.4%	13	-

Supply & Demand Trends

Inland Empire Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	78,221,436	270,952	0.3%	(54,564)	-0.1%	-
2026	77,950,484	194,504	0.3%	(192,786)	-0.2%	-
2025	77,755,980	79,880	0.1%	(317,811)	-0.4%	-
2024	77,676,100	21,634	0%	(573,085)	-0.7%	-
2023	77,654,466	233,185	0.3%	(48,089)	-0.1%	-
YTD	77,485,561	64,280	0.1%	211,754	0.3%	0.3
2022	77,421,281	174,463	0.2%	415,526	0.5%	0.4
2021	77,246,818	199,260	0.3%	608,233	0.8%	0.3
2020	77,047,558	556,886	0.7%	338,199	0.4%	1.6
2019	76,490,672	255,786	0.3%	618,077	0.8%	0.4
2018	76,234,886	267,728	0.4%	1,062,343	1.4%	0.3
2017	75,967,158	220,643	0.3%	1,060,838	1.4%	0.2
2016	75,746,515	197,550	0.3%	671,127	0.9%	0.3
2015	75,548,965	137,773	0.2%	901,941	1.2%	0.2
2014	75,411,192	309,117	0.4%	1,012,122	1.3%	0.3
2013	75,102,075	148,087	0.2%	1,217,071	1.6%	0.1
2012	74,953,988	60,425	0.1%	661,669	0.9%	0.1
2011	74,893,563	238,558	0.3%	791,347	1.1%	0.3

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	9,461,461	313,921	3.4%	242,396	2.6%	1.3
2026	9,147,540	238,610	2.7%	150,159	1.6%	1.6
2025	8,908,930	125,899	1.4%	38,561	0.4%	3.3
2024	8,783,031	7,888	0.1%	(52,177)	-0.6%	-
2023	8,775,143	95,612	1.1%	60,258	0.7%	1.6
YTD	8,722,513	42,982	0.5%	56,230	0.6%	0.8
2022	8,679,531	89,594	1.0%	196,500	2.3%	0.5
2021	8,589,937	0	0%	(35,009)	-0.4%	-
2020	8,589,937	231,726	2.8%	205,917	2.4%	1.1
2019	8,358,211	0	0%	1,828	0%	0
2018	8,358,211	38,500	0.5%	131,780	1.6%	0.3
2017	8,319,711	147,024	1.8%	200,281	2.4%	0.7
2016	8,172,687	11,780	0.1%	157,662	1.9%	0.1
2015	8,160,907	10,000	0.1%	(13,337)	-0.2%	-
2014	8,150,907	135,289	1.7%	451,936	5.5%	0.3
2013	8,015,618	0	0%	262,434	3.3%	0
2012	8,015,618	137,122	1.7%	205,332	2.6%	0.7
2011	7,878,496	152,797	2.0%	272,880	3.5%	0.6

Supply & Demand Trends

Inland Empire Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	37,422,465	5,409	0%	(140,097)	-0.4%	-
2026	37,417,056	4,117	0%	(165,308)	-0.4%	-
2025	37,412,939	2,195	0%	(166,759)	-0.4%	-
2024	37,410,744	61,938	0.2%	(216,582)	-0.6%	-
2023	37,348,806	153,114	0.4%	(178,761)	-0.5%	-
YTD	37,222,801	27,109	0.1%	(134,489)	-0.4%	-
2022	37,195,692	111,910	0.3%	427,989	1.2%	0.3
2021	37,083,782	209,759	0.6%	455,754	1.2%	0.5
2020	36,874,023	342,814	0.9%	64,361	0.2%	5.3
2019	36,531,209	265,628	0.7%	509,795	1.4%	0.5
2018	36,265,581	237,373	0.7%	460,596	1.3%	0.5
2017	36,028,208	125,603	0.3%	625,722	1.7%	0.2
2016	35,902,605	218,498	0.6%	391,432	1.1%	0.6
2015	35,684,107	180,819	0.5%	621,575	1.7%	0.3
2014	35,503,288	182,262	0.5%	525,645	1.5%	0.3
2013	35,321,026	204,106	0.6%	732,651	2.1%	0.3
2012	35,116,920	(42,048)	-0.1%	573,648	1.6%	-
2011	35,158,968	130,582	0.4%	743,338	2.1%	0.2

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	31,337,510	(48,378)	-0.2%	(156,863)	-0.5%	-
2026	31,385,888	(48,223)	-0.2%	(177,637)	-0.6%	-
2025	31,434,111	(48,214)	-0.2%	(189,613)	-0.6%	-
2024	31,482,325	(48,192)	-0.2%	(304,326)	-1.0%	-
2023	31,530,517	(15,541)	0%	70,414	0.2%	-
YTD	31,540,247	(5,811)	0%	290,013	0.9%	-
2022	31,546,058	(27,041)	-0.1%	(208,963)	-0.7%	-
2021	31,573,099	(10,499)	0%	187,488	0.6%	-
2020	31,583,598	(17,654)	-0.1%	67,921	0.2%	-
2019	31,601,252	(9,842)	0%	106,454	0.3%	-
2018	31,611,094	(8,145)	0%	469,967	1.5%	-
2017	31,619,239	(51,984)	-0.2%	234,835	0.7%	-
2016	31,671,223	(32,728)	-0.1%	122,033	0.4%	-
2015	31,703,951	(53,046)	-0.2%	293,703	0.9%	-
2014	31,756,997	(8,434)	0%	34,541	0.1%	-
2013	31,765,431	(56,019)	-0.2%	221,986	0.7%	-
2012	31,821,450	(34,649)	-0.1%	(117,311)	-0.4%	-
2011	31,856,099	(44,821)	-0.1%	(224,871)	-0.7%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$2.10	114	0.7%	-0.2%	6,620,691	8.5%	0.4%
2026	\$2.09	114	0.3%	-0.9%	6,287,048	8.1%	0.5%
2025	\$2.08	113	-0.3%	-1.2%	5,891,516	7.6%	0.5%
2024	\$2.09	114	-1.6%	-0.8%	5,485,449	7.1%	0.8%
2023	\$2.12	115	0.8%	0.8%	4,881,577	6.3%	0.3%
YTD	\$2.12	116	2.7%	0.9%	4,452,311	5.7%	-0.2%
2022	\$2.10	115	6.5%	0%	4,599,785	5.9%	-0.3%
2021	\$1.98	108	4.2%	-6.1%	4,841,662	6.3%	-0.5%
2020	\$1.90	103	3.4%	-9.9%	5,249,078	6.8%	0.2%
2019	\$1.83	100	3.9%	-12.9%	5,031,948	6.6%	-0.5%
2018	\$1.76	96	3.7%	-16.2%	5,394,085	7.1%	-1.1%
2017	\$1.70	93	3.9%	-19.2%	6,188,700	8.1%	-1.1%
2016	\$1.64	89	5.4%	-22.2%	7,028,895	9.3%	-0.7%
2015	\$1.55	85	5.5%	-26.2%	7,502,472	9.9%	-1.0%
2014	\$1.47	80	4.1%	-30.0%	8,266,640	11.0%	-1.0%
2013	\$1.41	77	2.5%	-32.8%	8,981,450	12.0%	-1.4%
2012	\$1.38	75	-1.6%	-34.4%	10,050,409	13.4%	-0.8%
2011	\$1.40	76	-6.5%	-33.4%	10,651,678	14.2%	-0.8%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$2.66	118	0.6%	1.4%	785,498	8.3%	0.5%
2026	\$2.64	117	0.2%	0.8%	714,172	7.8%	0.8%
2025	\$2.63	117	-0.3%	0.6%	625,914	7.0%	0.9%
2024	\$2.64	117	-1.6%	0.9%	538,773	6.1%	0.7%
2023	\$2.69	119	2.5%	2.5%	478,755	5.5%	0.3%
YTD	\$2.68	119	1.4%	2.5%	430,150	4.9%	-0.2%
2022	\$2.62	116	4.3%	0%	443,398	5.1%	-1.3%
2021	\$2.51	111	-0.1%	-4.1%	550,304	6.4%	0.4%
2020	\$2.51	112	2.2%	-4.0%	515,295	6.0%	0.1%
2019	\$2.46	109	5.8%	-6.0%	489,486	5.9%	0%
2018	\$2.33	103	1.8%	-11.2%	491,660	5.9%	-1.1%
2017	\$2.29	101	5.5%	-12.7%	584,940	7.0%	-0.8%
2016	\$2.17	96	6.3%	-17.3%	638,197	7.8%	-1.8%
2015	\$2.04	90	3.5%	-22.2%	784,079	9.6%	0.3%
2014	\$1.97	87	6.1%	-24.8%	760,742	9.3%	-4.3%
2013	\$1.86	82	2.0%	-29.1%	1,089,371	13.6%	-3.3%
2012	\$1.82	81	1.1%	-30.5%	1,351,805	16.9%	-1.2%
2011	\$1.80	80	-8.4%	-31.3%	1,420,015	18.0%	-1.9%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$2.17	112	0.7%	-0.3%	3,318,623	8.9%	0.4%
2026	\$2.15	111	0.3%	-1.1%	3,173,249	8.5%	0.5%
2025	\$2.15	111	-0.4%	-1.3%	3,003,937	8.0%	0.5%
2024	\$2.16	111	-1.7%	-1.0%	2,835,118	7.6%	0.7%
2023	\$2.19	113	0.7%	0.7%	2,556,614	6.8%	0.9%
YTD	\$2.19	113	3.1%	0.7%	2,386,317	6.4%	0.4%
2022	\$2.18	113	6.0%	0%	2,224,719	6.0%	-0.9%
2021	\$2.06	106	4.2%	-5.6%	2,540,798	6.9%	-0.7%
2020	\$1.97	102	2.4%	-9.4%	2,786,793	7.6%	0.7%
2019	\$1.93	100	3.5%	-11.6%	2,508,340	6.9%	-0.7%
2018	\$1.86	96	3.9%	-14.6%	2,752,507	7.6%	-0.7%
2017	\$1.79	93	3.5%	-17.8%	2,975,730	8.3%	-1.4%
2016	\$1.73	89	6.1%	-20.5%	3,475,849	9.7%	-0.5%
2015	\$1.63	84	5.7%	-25.1%	3,648,783	10.2%	-1.3%
2014	\$1.54	80	4.4%	-29.2%	4,089,539	11.5%	-1.0%
2013	\$1.48	76	2.1%	-32.1%	4,432,922	12.6%	-1.6%
2012	\$1.45	75	-0.2%	-33.5%	4,961,442	14.1%	-1.7%
2011	\$1.45	75	-6.3%	-33.4%	5,577,163	15.9%	-1.8%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$1.86	116	0.8%	-0.5%	2,516,570	8.0%	0.4%
2026	\$1.85	115	0.3%	-1.3%	2,399,627	7.6%	0.5%
2025	\$1.84	115	-0.3%	-1.6%	2,261,665	7.2%	0.5%
2024	\$1.85	115	-1.6%	-1.3%	2,111,558	6.7%	0.9%
2023	\$1.88	117	0.3%	0.3%	1,846,208	5.9%	-0.3%
YTD	\$1.88	117	2.7%	0.4%	1,635,844	5.2%	-0.9%
2022	\$1.87	117	8.3%	0%	1,931,668	6.1%	0.6%
2021	\$1.73	108	6.1%	-7.6%	1,750,560	5.5%	-0.6%
2020	\$1.63	102	5.4%	-12.9%	1,946,990	6.2%	-0.3%
2019	\$1.55	96	3.6%	-17.4%	2,034,122	6.4%	-0.4%
2018	\$1.49	93	4.3%	-20.2%	2,149,918	6.8%	-1.5%
2017	\$1.43	89	3.9%	-23.6%	2,628,030	8.3%	-0.9%
2016	\$1.38	86	4.0%	-26.4%	2,914,849	9.2%	-0.5%
2015	\$1.33	83	6.2%	-29.2%	3,069,610	9.7%	-1.1%
2014	\$1.25	78	2.8%	-33.3%	3,416,359	10.8%	-0.1%
2013	\$1.22	76	3.3%	-35.2%	3,459,157	10.9%	-0.9%
2012	\$1.18	73	-4.6%	-37.2%	3,737,162	11.7%	0.3%
2011	\$1.23	77	-5.9%	-34.2%	3,654,500	11.5%	0.6%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$186.39	125	8.5%
2026	-	-	-	-	-	-	\$182.28	122	8.7%
2025	-	-	-	-	-	-	\$179.73	121	8.8%
2024	-	-	-	-	-	-	\$180.79	121	8.9%
2023	-	-	-	-	-	-	\$192.49	129	8.5%
YTD	126	\$204.6M	1.7%	\$2,045,579	\$177.90	5.9%	\$202.71	136	8.1%
2022	356	\$764M	4.9%	\$2,372,810	\$208.22	5.9%	\$204.35	137	7.9%
2021	353	\$574.3M	3.9%	\$1,800,176	\$198.62	6.2%	\$210.34	141	7.4%
2020	290	\$464M	3.3%	\$1,834,031	\$190.64	6.7%	\$196.91	132	7.6%
2019	444	\$613.5M	5.2%	\$2,175,611	\$182.42	6.7%	\$184.73	124	7.9%
2018	477	\$662.7M	6.7%	\$2,482,037	\$175.46	6.9%	\$179.28	120	7.8%
2017	526	\$532.9M	7.2%	\$1,876,399	\$157.87	6.6%	\$173.19	116	7.6%
2016	401	\$481.5M	4.8%	\$1,837,937	\$166.29	6.8%	\$173.50	117	7.3%
2015	452	\$682.1M	7.2%	\$2,165,371	\$142.07	7.3%	\$164.91	111	7.3%
2014	400	\$391.4M	4.7%	\$1,571,838	\$134.41	7.8%	\$154.03	103	7.4%
2013	386	\$409.1M	5.6%	\$1,649,477	\$124.99	8.0%	\$142.42	96	7.7%
2012	350	\$292.2M	5.2%	\$1,688,814	\$114.37	8.8%	\$135.75	91	7.9%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$245.76	127	8.2%
2026	-	-	-	-	-	-	\$240.50	124	8.4%
2025	-	-	-	-	-	-	\$237.20	122	8.5%
2024	-	-	-	-	-	-	\$238.51	123	8.6%
2023	-	-	-	-	-	-	\$253.82	131	8.2%
YTD	4	\$59.5M	4.7%	\$14,877,500	\$144.34	-	\$267.09	138	7.9%
2022	6	\$59.4M	2.7%	\$9,904,444	\$256.89	5.4%	\$274.53	141	7.6%
2021	7	\$26M	2.6%	\$3,716,071	\$118.39	5.4%	\$296.28	153	7.0%
2020	6	\$26.9M	1.0%	\$6,737,125	\$319.35	6.6%	\$284.40	146	7.1%
2019	10	\$70.8M	3.6%	\$11,799,083	\$237.21	6.8%	\$272.55	140	7.3%
2018	43	\$136.8M	12.8%	\$13,675,713	\$212.70	6.4%	\$268.38	138	7.1%
2017	17	\$91.7M	13.5%	\$13,098,599	\$184.93	8.0%	\$259.11	133	7.0%
2016	6	\$63.8M	5.4%	\$15,938,077	\$203.76	-	\$260.18	134	6.7%
2015	9	\$128.9M	8.4%	\$14,327,288	\$187.33	7.0%	\$246.29	127	6.7%
2014	5	\$55.9M	4.2%	\$11,173,198	\$162.11	5.7%	\$221.54	114	6.9%
2013	7	\$55.8M	4.9%	\$11,150,321	\$175.38	8.0%	\$205.56	106	7.2%
2012	12	\$79.8M	10.7%	\$9,972,666	\$119.69	-	\$195.31	101	7.4%

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Sale Trends

Inland Empire Office

3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$193.83	124	8.5%
2026	-	-	-	-	-	-	\$189.59	121	8.6%
2025	-	-	-	-	-	-	\$186.98	119	8.8%
2024	-	-	-	-	-	-	\$188.13	120	8.9%
2023	-	-	-	-	-	-	\$200.34	128	8.5%
YTD	39	\$55.1M	0.7%	\$1,900,914	\$259.62	5.1%	\$210.81	135	8.1%
2022	122	\$407.2M	4.9%	\$3,770,584	\$228.75	6.2%	\$210.99	135	7.9%
2021	148	\$344.5M	4.3%	\$2,712,902	\$228.37	6.1%	\$217.78	139	7.4%
2020	118	\$296.7M	4.0%	\$2,772,474	\$206.96	6.6%	\$203.61	130	7.6%
2019	169	\$385M	6.2%	\$3,181,411	\$192.44	6.6%	\$191.68	122	7.9%
2018	178	\$385M	7.0%	\$3,406,764	\$184.77	7.2%	\$186.17	119	7.7%
2017	202	\$269.8M	6.5%	\$2,141,080	\$180.79	6.7%	\$179.75	115	7.6%
2016	135	\$249.1M	4.1%	\$2,541,796	\$198.14	6.7%	\$180.48	115	7.2%
2015	188	\$367.5M	7.8%	\$2,517,172	\$141.56	7.2%	\$171.52	109	7.3%
2014	139	\$206.5M	4.2%	\$2,129,274	\$158.24	7.3%	\$161.88	103	7.3%
2013	177	\$247M	6.6%	\$2,185,818	\$128.92	7.1%	\$149.65	96	7.6%
2012	159	\$158.7M	6.0%	\$1,935,532	\$116.30	7.0%	\$143.29	91	7.8%

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1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$161.03	127	8.6%
2026	-	-	-	-	-	-	\$157.41	124	8.7%
2025	-	-	-	-	-	-	\$155.14	122	8.9%
2024	-	-	-	-	-	-	\$156.03	123	9.0%
2023	-	-	-	-	-	-	\$166.13	131	8.6%
YTD	83	\$89.9M	1.9%	\$1,342,110	\$171.21	6.2%	\$175.18	138	8.2%
2022	228	\$297.4M	5.6%	\$1,429,784	\$179.38	5.6%	\$176.95	139	8.0%
2021	198	\$203.7M	3.8%	\$1,101,108	\$175.19	6.4%	\$177.60	140	7.5%
2020	166	\$140.4M	3.1%	\$988,779	\$153.25	6.8%	\$164.63	130	7.8%
2019	265	\$157.8M	4.5%	\$1,017,916	\$148.24	6.8%	\$152.05	120	8.1%
2018	256	\$141M	4.7%	\$979,044	\$134.21	6.7%	\$146.31	115	8.0%
2017	307	\$171.4M	6.4%	\$1,135,305	\$123.55	6.4%	\$141.50	112	7.8%
2016	260	\$168.7M	5.3%	\$1,054,319	\$127.24	6.9%	\$141.11	111	7.5%
2015	255	\$185.6M	6.2%	\$1,160,245	\$122.40	7.4%	\$134.43	106	7.5%
2014	256	\$129M	5.4%	\$877,429	\$102.20	8.3%	\$125.94	99	7.6%
2013	202	\$106.3M	4.6%	\$817,856	\$102.31	8.6%	\$116.26	92	7.9%
2012	179	\$53.7M	2.9%	\$646,625	\$102.59	10.1%	\$110.25	87	8.2%

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