

MARKET TRENDS

INLAND EMPIRE OFFICE

- ↓ VACANCY
- ↑ UNEMPLOYMENT
- ↔ RENTAL RATES
- ↓ CONSTRUCTION DELIVERIES

Year-Over-Year Change

TOP SALE TRANSACTIONS 1Q 2023

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
Northpointe	Inland Empire East	280,173	\$35,250,000	\$125.82	SAC Health System	Gpt Tpg Brier Drive Owner LP
58457 29 Palms Hwy	Inland Empire East	14,078	\$3,000,000	\$213.10	Okuno Associates Inc	Poshin Properties Inc
1900 E Washington St	Inland Empire East	11,507	\$2,989,000	\$259.75	Cci Pacey LLC	Bs Acquisitions LLC
The Heritage Building	Inland Empire East	23,235	\$950,054	\$40.89	Guadalajara Furniture	440 West Court Street LLC
29737 New Hub Dr	Inland Empire East	13,706	\$915,000	\$66.76	Fast Tortoise LLC	John & Johanna Regus Trust

TOP LEASE TRANSACTIONS 1Q 2023

Property	Submarket	SF	Transaction Date	Landlord	Tenant
1605 N Sierra Way	Inland Empire East	16,844	February 2023	First Church of Nazarene	First Church of Nazarene
Tri-City Corporate Centre	Inland Empire East	16,642	February 2023	SB Community College District	Undisclosed
Club Center	Inland Empire East	15,324	March 2023	Omni Dimension LLC	Undisclosed
11255 S Central Ave	Inland Empire West	15,000	March 2023	Central 55 Investment LLC	Undisclosed
Redlands Corporate Plaza	Inland Empire East	12,305	March 2023	BH Properties, LLC	Undisclosed

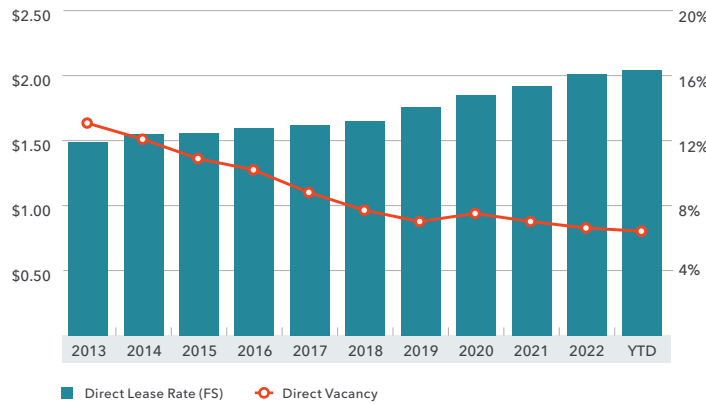
TOP UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery Date
Makena Murrieta MOB	Baxter Rd - Phase I	Inland Empire East	60,000	Espray LLC	December 2023
North Murrieta Business Park	35070 Antelope Rd - Building A	Inland Empire East	58,000	Makena Murrieta	May 2023
California Eye Care	25258 Redlands Blvd	Inland Empire East	30,000	POZ LLC	April 2023
Medical Office Condo	5632 Philadelphia St	Inland Empire West	25,000	Chino Villa LLC	April 2023
12490 Business Center Dr	12490 Business Center Dr	Inland Empire North	19,830	Nayyar Family Partnership	October 2023
Sundance Corporate Center	1588 E Eighth St	Inland Empire East	15,493	Beaumont Sundance LLC	June 2023

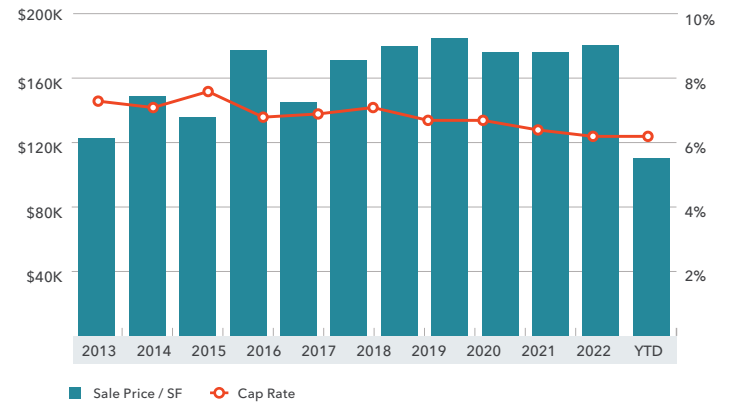
MARKET BREAKDOWN

	1Q23	4Q22	1Q22	Annual % Change
New Construction	42,982	93,000	68,062	-36.85%
Under Construction	219,471	202,453	263,052	-16.57%
Direct Vacancy Rate	6.2%	6.6%	6.9%	-10.14%
Direct Asking Leasing Rents	\$2.02	\$2.01	\$1.94	4.12%
Leased SF	\$110.19	\$188.55	\$169.53	-35.00%
Sold SF	6.2%	6.7%	6.3%	-1.59%
Total Net Absorption	273,492	(50,077)	149,227	N/A

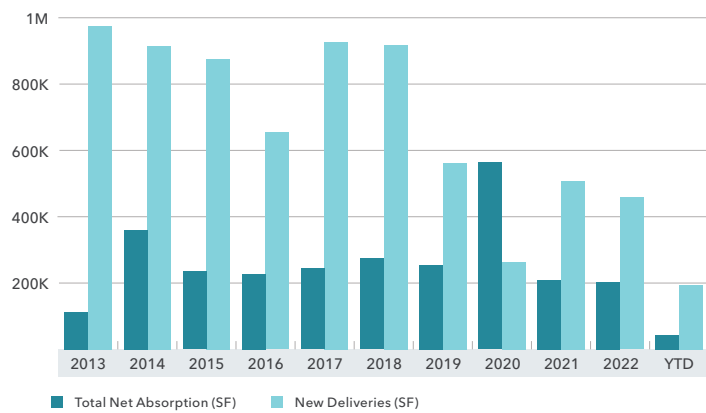
LEASE RATE & VACANCY



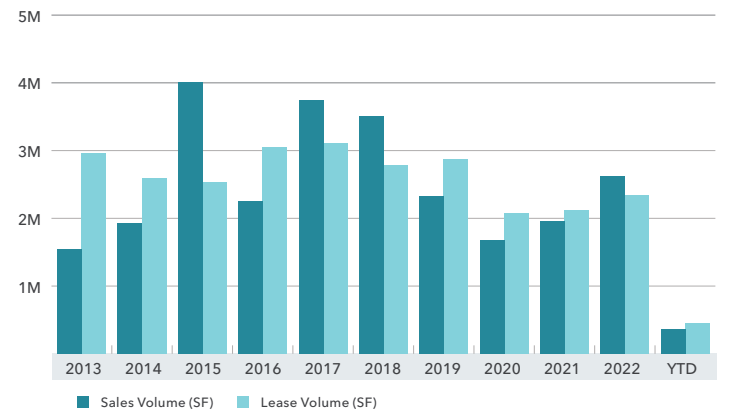
AVERAGE SALES PRICE/SF & CAP RATES



NET ABSORPTION & NEW DELIVERIES



SALE VOLUME & LEASE VOLUME



Data Source: CoStar



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The information in this report was composed by the Kidder Mathews Research Group.

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COMMERCIAL BROKERAGE	<i>\$12B</i> TRANSACTION VOLUME ANNUALLY	<i>32.1M</i> ANNUAL SALES SF	<i>41.2M</i> ANNUAL LEASING SF
ASSET SERVICES	<i>53M</i> MANAGEMENT PORTFOLIO SF	<i>771+</i> ASSETS UNDER MANAGEMENT	<i>250+</i> ASSET SERVICES CLIENTS
VALUATION ADVISORY	<i>2,600+</i> ASSIGNMENTS ANNUALLY	<i>46</i> TOTAL APPRAISERS	<i>23</i> WITH MAI DESIGNATIONS

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