Office Submarket Report

South Riverside

Inland Empire Market

PREPARED BY

MURRIETA/WILDOMAR CHAMBER OF COMMERCE

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CoStar™

OFFICE SUBMARKET REPORT

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Overview

South Riverside Office

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
79.1 K	176 K	6.0%	3.0%

The South Riverside Submarket encompasses Perris, Murrieta and Temecula, with most of the properties exceeding 50,000 SF located along I-15 in Murrieta and Temecula. Strong demand has compressed vacancies and kept them well below the submarket's historical average, even as more supply has delivered to South Riverside than to any other Inland Empire submarket since 2010. Rent growth has slightly beat the metro over past four quarters—growing by 3.0%—even as asking rents returned to their prerecession peak. Investor appetite has been strong since the start of 2015, with more 3 and 4 Star buildings trading than in previous years.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	1,099,551	3.9%	$31.94	5.3%	(2,618)	0	0
3 Star	4,392,084	8.0%	$24.32	9.0%	(843)	0	8,000
1 & 2 Star	3,572,969	4.2%	$17.57	6.1%	(4,231)	0	0
Submarket	**9,064,604**	**6.0%**	**$22.58**	**7.4%**	**(7,692)**	**0**	**8,000**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.1%	10.6%	6.0%	20.8%	2009 Q1	1.9%	2000 Q3
Net Absorption SF	176 K	212,271	178,432	519,994	2012 Q2	(64,926)	2001 Q3
Deliveries SF	79.1 K	235,521	211,344	1,070,882	2008 Q4	6,550	2013 Q4
Rent Growth	3.0%	2.2%	2.3%	12.3%	2001 Q2	-12.1%	2009 Q2
Sales Volume	$69.6 M	$45.0M	N/A	$145.4M	2018 Q4	$15.0M	2009 Q4

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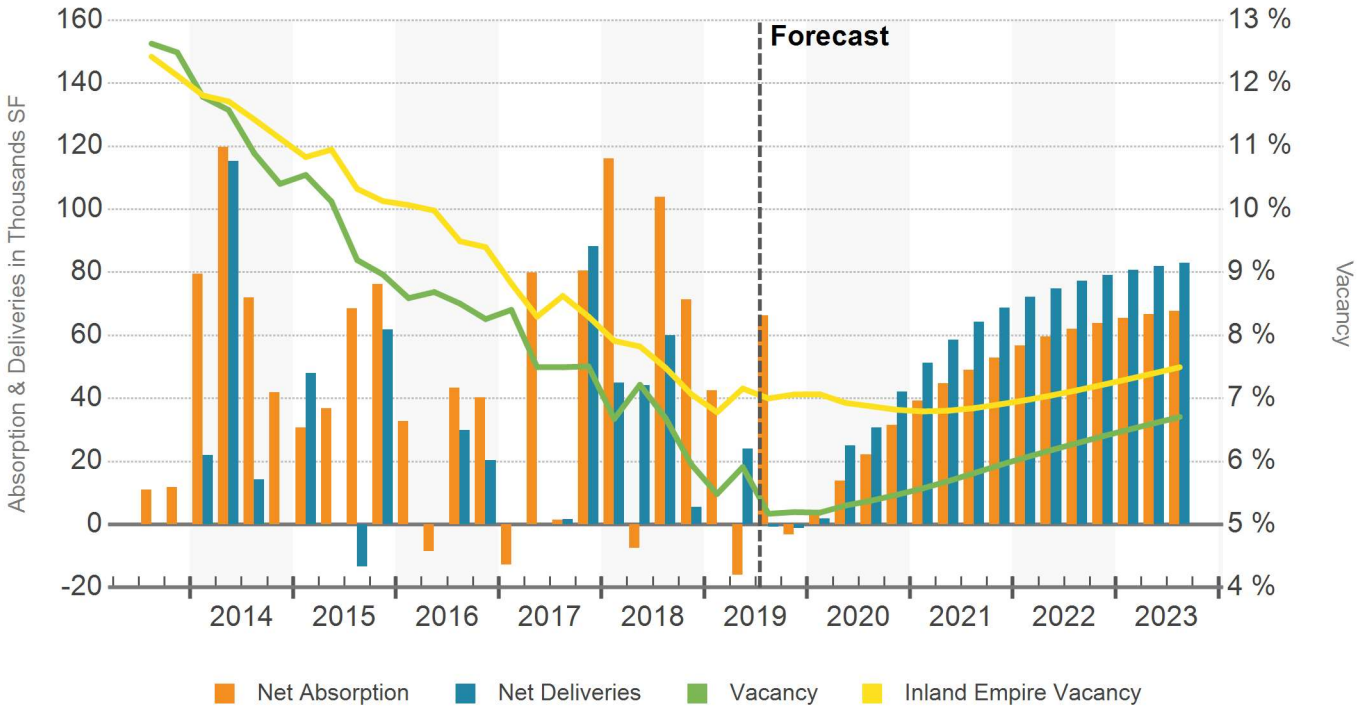
South Riverside's economy consists primarily of local serving businesses; demand is dominated by tenants who need to be located close to the communities they serve, such as health care providers and government agencies. Medical service providers are prevalent in the submarket and are major office users. Abbott Vascular remains one of the largest tenants—even after more than 100 workers were reportedly laid off in early 2016.

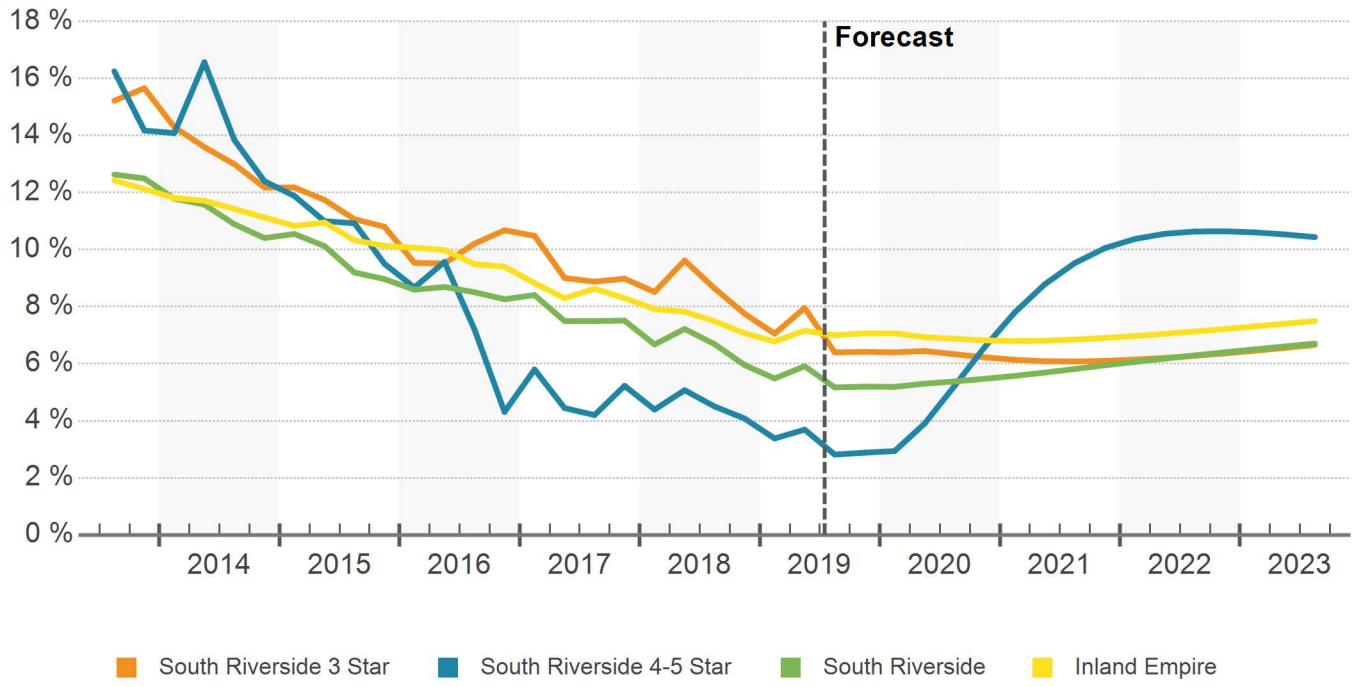
Demand has been robust throughout this cycle, and the submarket has been one of the few in the Inland Empire to add a substantial amount of new supply. The vacancy rate has fallen from over 20% at the peak of the downturn in 2008 to 6.0% this quarter. Leasing has been most prevalent for floor plates under 3,000 SF and for new supply.

The submarket's downtowns (Old Town Temecula and Old Town Murrieta) lack the mix of housing and office space for traditional retailers that has helped some downtowns in coastal communities prosper. One of the rare, mixed-use buildings with office space is The Truax Building in Old Town Temecula, which in 18Q1 had a few new tenants that leased almost 13,000 SF. Looking ahead, a proposed housing development just west of Old Town Temecula could add 1,750 units, potentially making downtown offices much more attractive. Persistent absorption in the submarket continued in 19Q1, but limited available space may deter some prospective tenants later in the year.

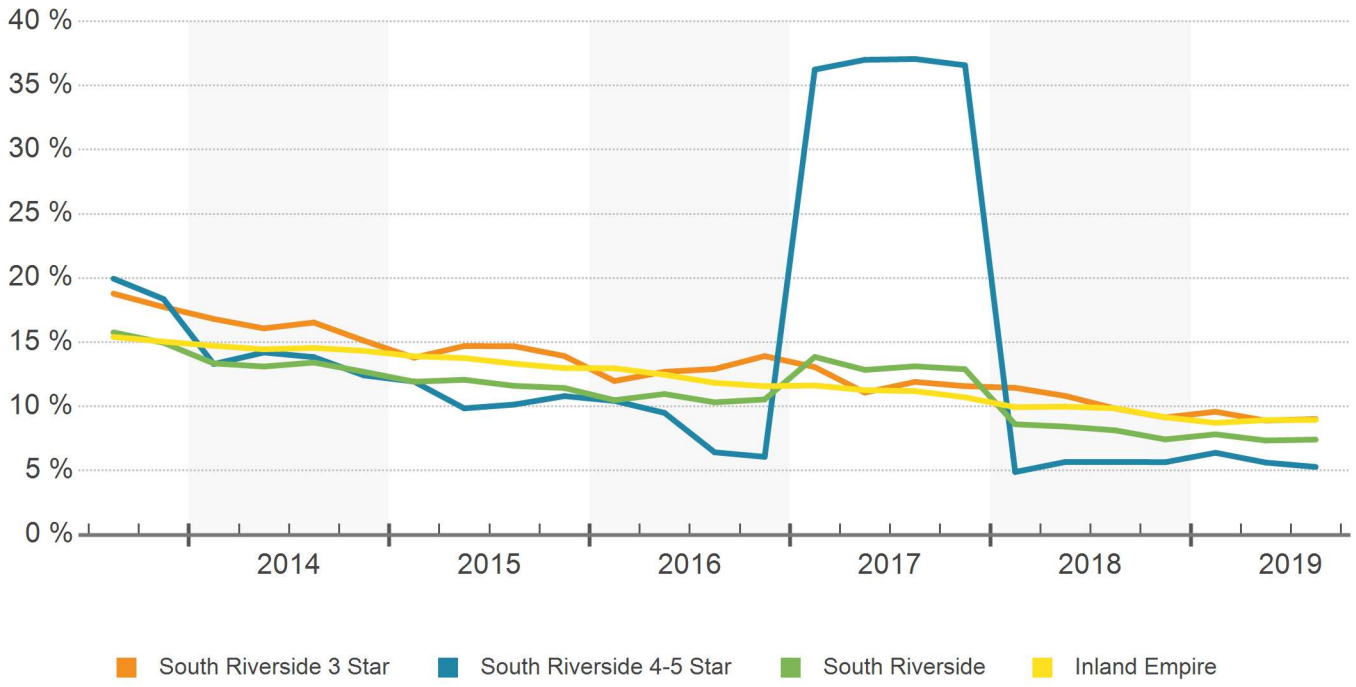
NET ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



AVAILABILITY RATE



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4 & 5 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	SF	Vacancy (QTD)	Net Absorption SF (QTD)
Vista Office Centre 43460 Ridge Park Dr	★★★★☆	46,785	7	10,832	3.6%	1,721
The Global Commerce Center 29970 Technology Dr	★★★★☆	55,363	2	1,759	3.2%	1,055
Rancho Pueblo Medical Center 31573 Rancho Pueblo Rd	★★★★☆	11,982	2	5,951	60.7%	0
28078 Baxter Rd	★★★★☆	152,797	1	4,579	0.9%	0
One Better World Circle 1 Better World Cir	★★★★☆	35,756	1	1,505	0%	0
25220 Hancock Ave	★★★★☆	76,486	5	21,955	5.7%	0
The Truax Building 41923 2nd St	★★★★☆	65,307	5	16,661	19.7%	0
4160 Temescal Canyon Rd	★★★★☆	160,000	3	8,215	8.6%	(5,394)

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3 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	SF	Vacancy (QTD)	Net Absorption SF (QTD)
Plaza Del Rio South 28999 Old Town Front St	★★★☆☆	22,013	8	17,831	12.8%	6,653
Silverhawk Corporate Center 38975 Sky Canyon Dr	★★★☆☆	40,085	8	12,387	3.5%	0
Highlands Office Building 40810 County Center Dr	★★★☆☆	29,055	5	10,476	0%	0
Bldg D 41197 Golden Gate Cir	★★★☆☆	19,145	5	5,470	13.9%	0
Packard Professional Building 41690 Enterprise Cir N	★★★☆☆	18,324	5	1,958	0%	0
Summit Office Building 1 Ridgegate	★★★☆☆	31,928	5	12,834	4.7%	0
Global Recordings Building 41823 Enterprise Cir N	★★★☆☆	20,000	4	17,582	0%	0
Tower Plaza Business Center 27393 Ynez Rd	★★★☆☆	13,773	4	2,006	11.3%	0
27555 Ynez Rd	★★★☆☆	72,250	4	10,513	10.7%	0
Winchester Plaza Office Build... 41593 Winchester Rd	★★★☆☆	47,197	4	4,235	5.8%	0
Temecula Corporate Place Ce... 27450 Ynez Rd	★★★☆☆	82,663	4	7,669	8.3%	0
Chaparral Center 28459-28465 Old Town Front St	★★★☆☆	15,716	4	1,116	0%	0
41951 Remington Ave	★★★☆☆	32,500	3	9,782	26.4%	0
29826 Haun Rd	★★★☆☆	56,000	3	11,940	0%	0
Jefferson Commerce Building 27710 Jefferson Ave	★★★☆☆	32,201	3	3,155	0%	0
Plaza Del Rio North 28991 Old Town Front St	★★★☆☆	21,251	3	4,657	0%	0
Vail Ranch Towne Square 32605 Temecula Pky	★★★☆☆	51,944	3	4,578	7.7%	0
2 Better World Cir	★★★☆☆	15,446	3	5,662	30.2%	0
Madison Avenue Plaza 27290 Madison Ave	★★★☆☆	34,432	3	9,048	2.9%	0
Ivy Plaza 41760 Ivy St	★★★☆☆	19,006	2	1,817	16.0%	0

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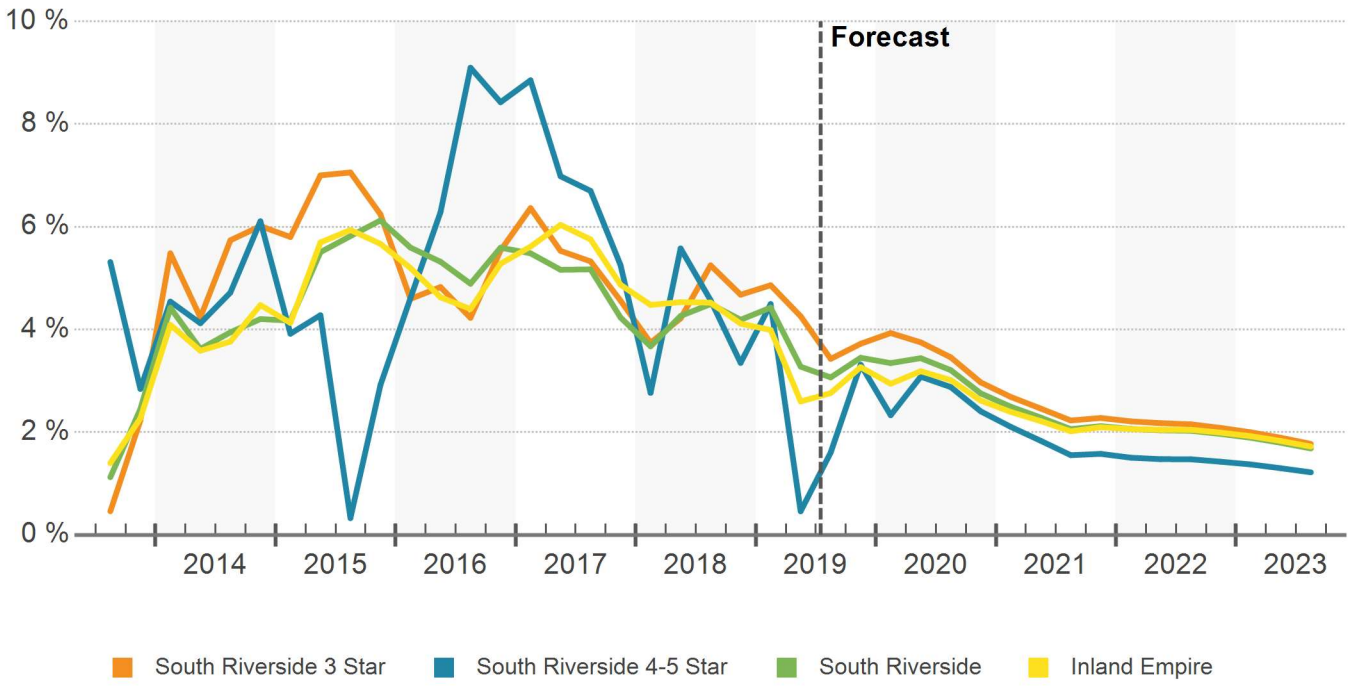
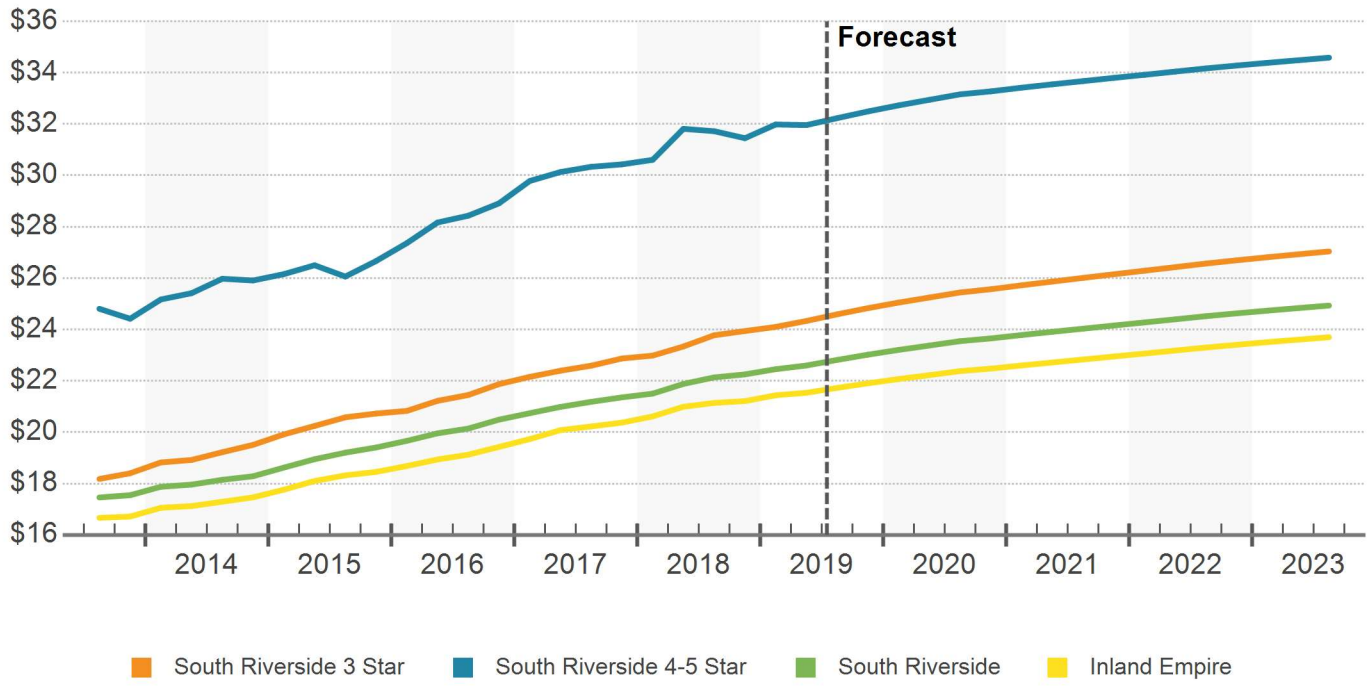
Office rent growth in South Riverside has outpaced the Inland Empire growth rate for the last past four quarters as they grew by 3.0%. Average gross asking rents for the submarket now stand at $22.58/SF—still short of their prerecession peak of $23.50/SF in 2008. Rent growth has been strongest among 3 Star properties during the last year, despite more vacancies in these buildings. Meanwhile 4 & 5 Star properties demonstrated the strongest gains in 2016 and 2017.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FOOT

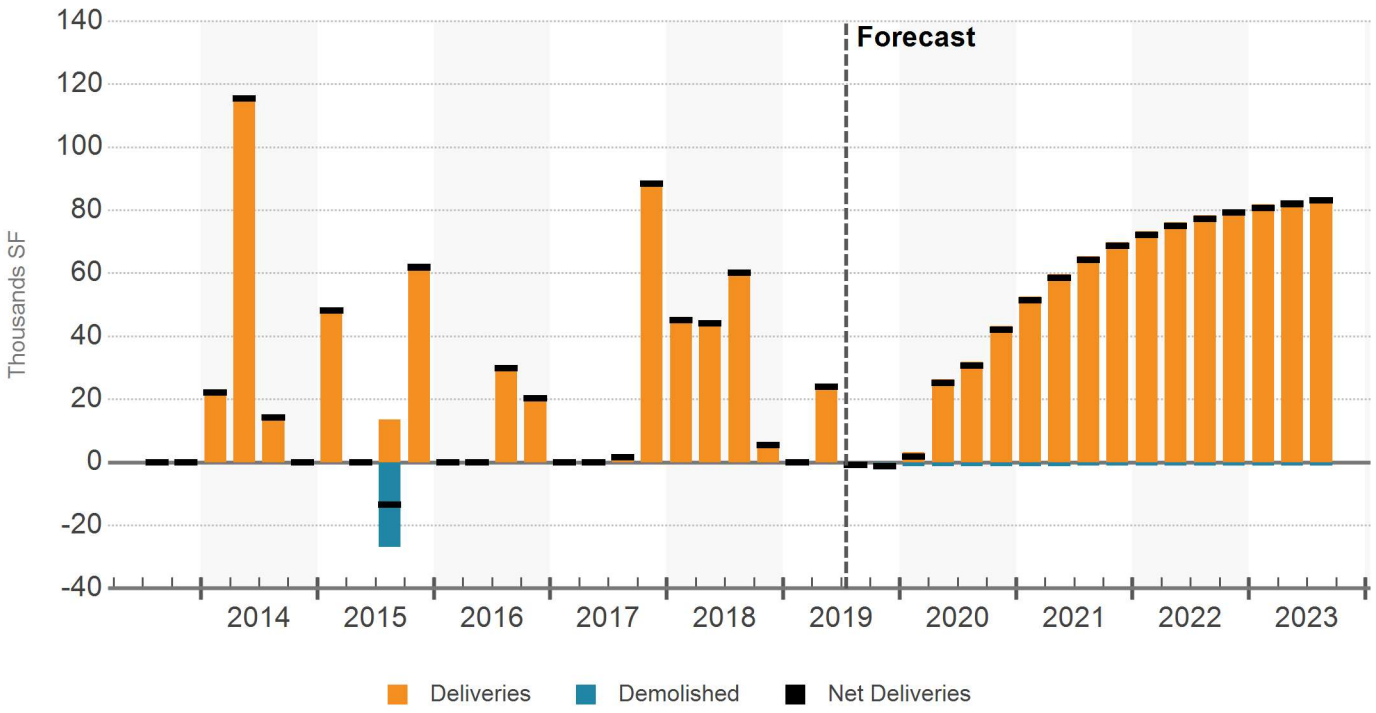


Deliveries have been rare in most Inland Empire submarkets this cycle, but South Riverside has been the clear exception. Approximately 875,000 SF has delivered since 2010, but not much construction is now underway.

ne of the largest recent deliveries is Kaiser Permanente's 80,000-SF medical office in Menifee. The 4 Star building is the first phase of Kaiser's plan to construct an 824,500-SF complex, which will include a hospital, diagnostic and treatment building, medical office building, and a central energy plant to power it all over the next 25 years. The next largest recent delivery is Rady Children's Medical Plaza, which delivered in June 2018 and remained 37% vacant as of May 2019.

Despite outpacing other Inland Empire submarkets, office development has been minimal compared to how much was built here during the last cycle. Over 1.25 million SF delivered in 2008–09, adding more than 18% to the submarket's inventory at an inopportune time. Yet persistent demand coupled with lower rents not only helped compress vacancies but also encouraged additional office development.

DELIVERIES & DEMOLITIONS

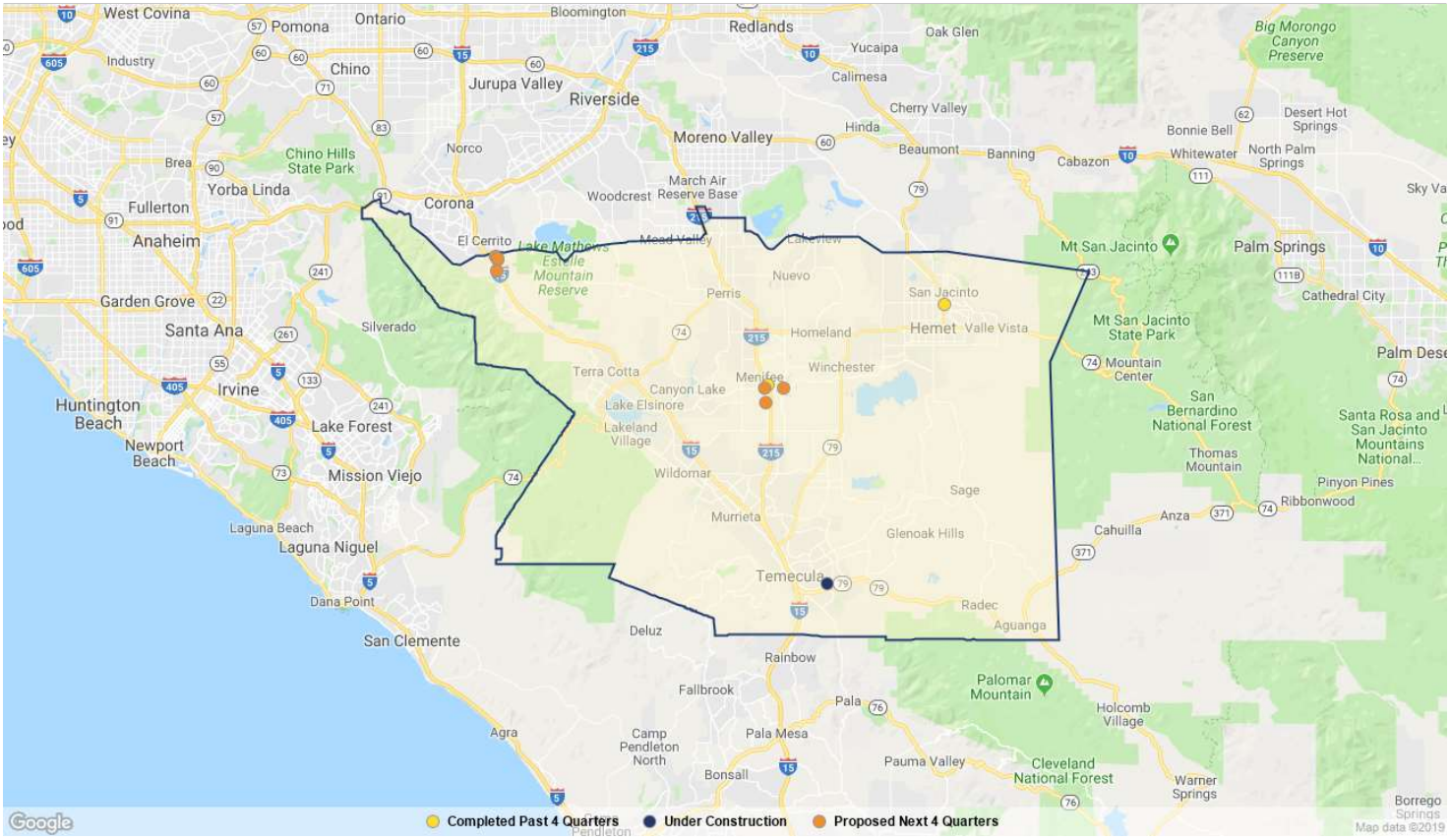


Construction

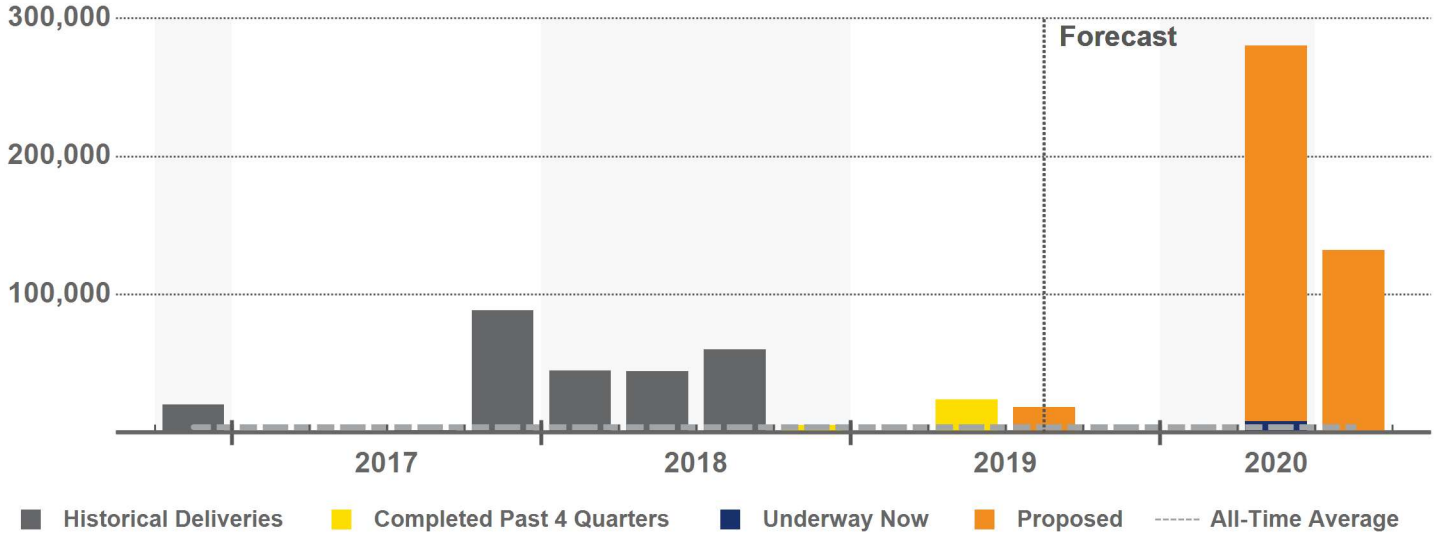
South Riverside Office

All-Time Annual Avg. SF	Delivered SF Past 4 Qtrs	Delivered SF Next 4 Qtrs	Proposed SF Next 4 Qtrs
16,128	29,500	8,000	422,513

PAST 4 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PAST & FUTURE DELIVERIES IN SQUARE FEET



Construction

South Riverside Office

RECENT DELIVERIES

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	**29844 Haun Rd**	★★★☆☆	24,000	2	Jan-2018	Apr-2019	Amber Management Amber Management Inc
2	**Pacific Dental** 1821 S San Jacinto Ave	★★★☆☆	5,500	1	May-2018	Dec-2018	Mark Development, Inc. Pacific Dental Services
3	**Rady Children's Medical…** 25170 Hancock Ave	★★★☆☆	60,000	3	Jun-2017	Jul-2018	- Rady Childrens Hospital

UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	**43970 Margarita Rd**	★★★☆☆	8,000	-	Apr-2019	Apr-2020	- -

PROPOSED

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	**4140 Temescal Canyon Rd**	★★★☆☆	149,621	4	Sep-2019	Jun-2020	Timberline Development Dos Lagos Office, LLC
2	**The Retreat Business Ce…** 21709 Retreat Pky	★★★★☆	100,000	3	Jul-2019	Apr-2020	- Riverside Medical Clinic
3	**SWC Menifee & Newport…**	★★★★☆	100,000	3	Jul-2019	Jul-2020	- Tu Nguyen
4	**Menifee Town Center Me…** Newport Rd	★★★★☆	32,000	2	Dec-2019	Aug-2020	Stone Creek Company -
5	**Bldg H** Holland Rd & Sherman Rd	★★★☆☆	18,282	2	Oct-2019	Aug-2019	- Pacific Land Development Partne…
6	**2770 Pronio Cir**	★★★☆☆	17,875	2	Aug-2019	Jun-2020	- Rexco Development
7	**2780 Pronio Cir**	★★★☆☆	4,735	1	Aug-2019	Jun-2020	- -

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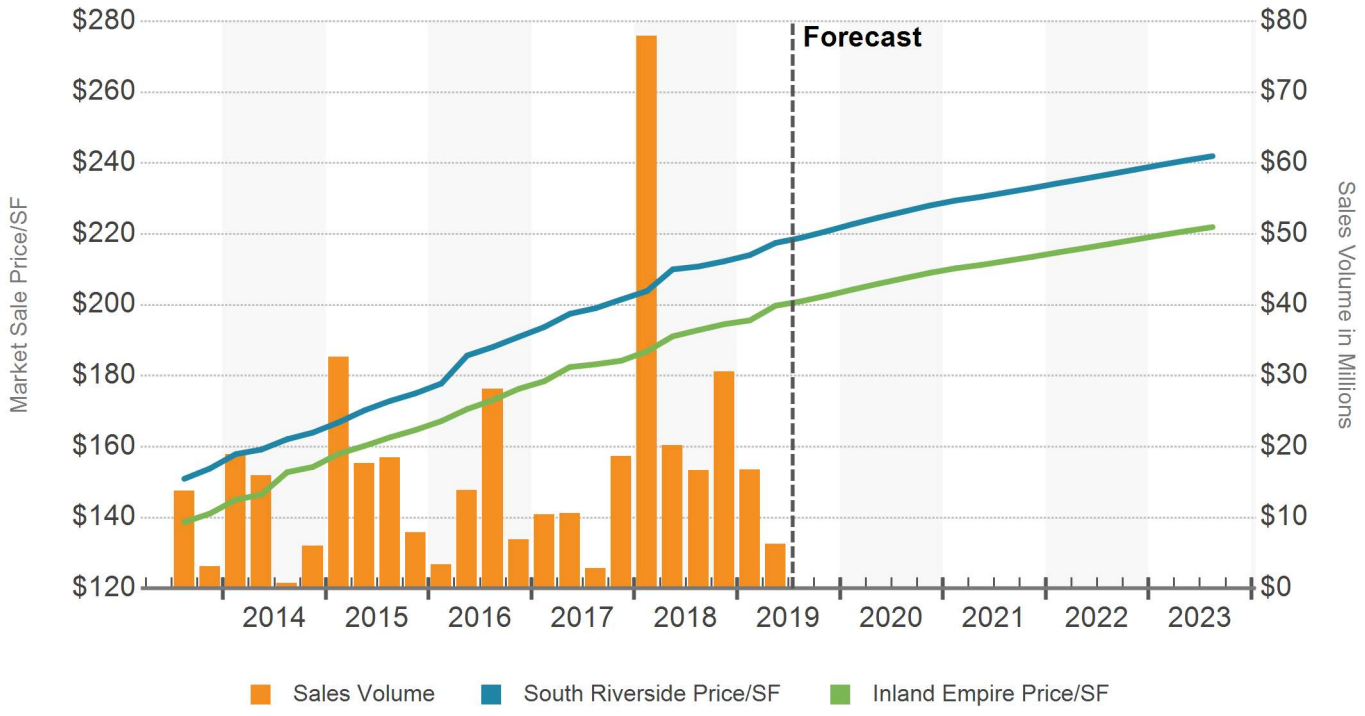
Sales volume is typically low in the submarket, but transaction activity has been accelerating since the start of 2015. Investors have turned their attention to 3 and 4 Star buildings, the latter of which rarely trade in the submarket due to their limited inventory.

Most assets trading hands over the last 12 months sold for under $7 million. A recent exception is a 25,000-SF medical building in Temecula that was purchased by Rancon Real Estate for $11.2 million ($448/SF). The medical building was fully leased by RadNet at the time of the transaction and traded at a 6.0% cap rate.

In March 2018, the Mt. San Jacinto Community College District purchased two buildings from Abbott Laboratories in the Abbott Vascular Campus for $56.5 million ($165/SF). Abbott Laboratories, which has been downsizing in the area for several years, was marketing the building for lease, but the District decided to purchase the two 170,000-SF offices instead. Also in March, Cypress West Realty Partners purchased the Redhawk Medical Center for $10.5 million ($325/SF) at a 6.8% cap rate. The 32,000-SF office was 95% leased at the time of the transaction.

SALES VOLUME & MARKET SALE PRICE PER SF

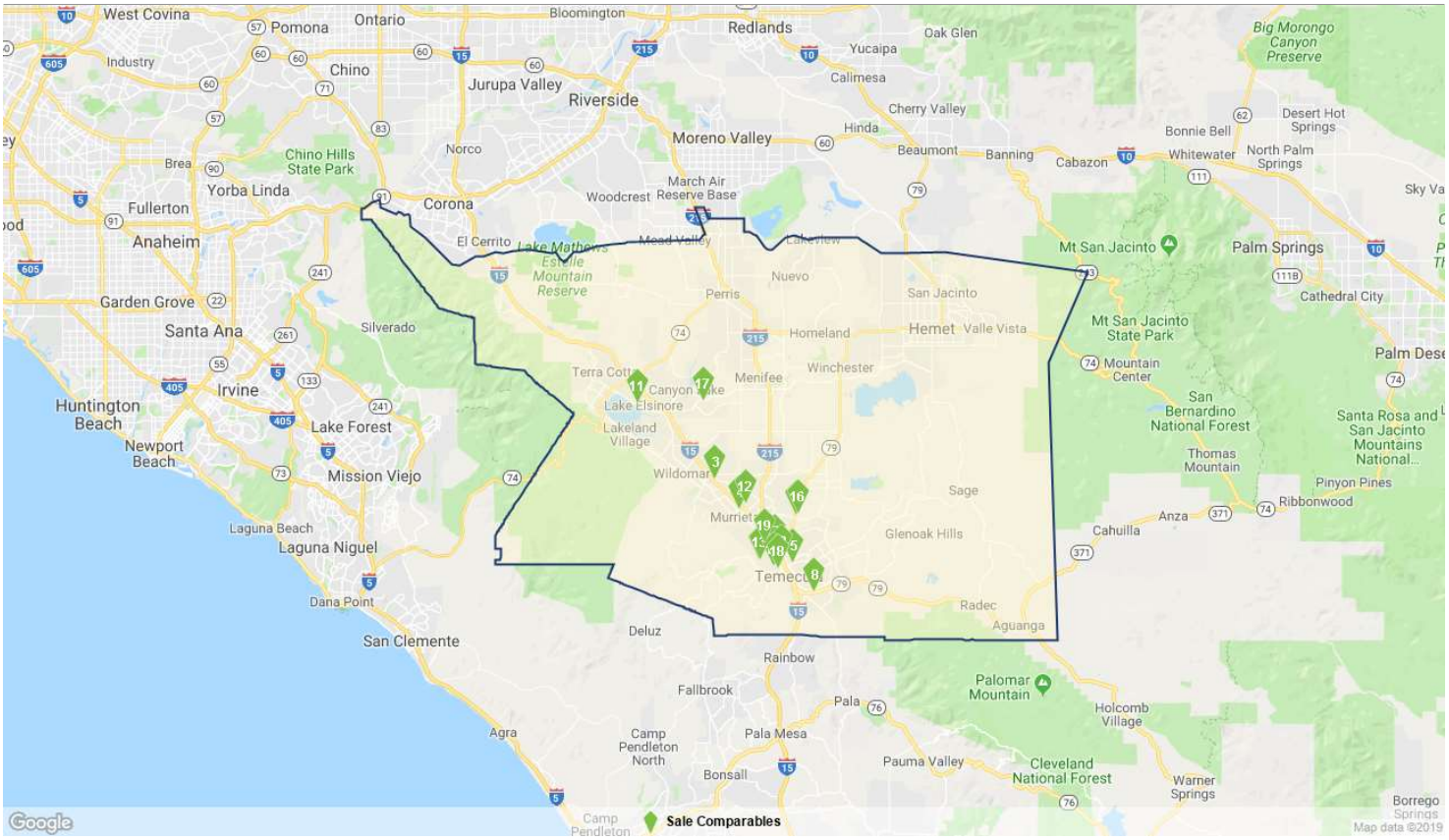


Sales Past 12 Months

South Riverside Office

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
70	6.6%	$158	6.7%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$80,000	$2,204,959	$1,105,650	$7,153,368
Price Per SF	$11	$158	$189	$822
Cap Rate	3.8%	6.6%	7.0%	8.5%
Time Since Sale in Months	1.1	7.1	8.5	12.0
Property Attributes	**Low**	**Average**	**Median**	**High**
Building SF	734	10,155	4,095	49,983
Stories	1	1	1	3
Typical Floor SF	734	5,644	3,312	36,665
Vacancy Rate At Sale	0%	6.7%	0%	97.7%
Year Built	1938	1984	1989	2012
Star Rating	★☆☆☆☆	★★☆☆☆ 2.2	★★☆☆☆	★★★☆☆

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Sales Past 12 Months

South Riverside Office

RECENT SIGNIFICANT SALES

	Property				Sale			
Property Name - Address	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 South Plaza 38977 Sky Canyon Dr	★★★☆☆	2007	40,115	10.7%	12/10/2018	$7,153,368	$178	7.5%
2 Silverhawk Corporate Ce… 38975 Sky Canyon Dr	★★★☆☆	2008	40,085	14.0%	12/10/2018	$7,146,632	$178	7.5%
3 Inland Valley Medical Off… 36243 Inland Valley Dr	★★☆☆☆	1990	36,307	17.8%	10/9/2018	$6,500,000	$179	3.8%
4 Olivewood Professional… 24640 Jefferson Ave	★★★☆☆	2012	18,899	0%	1/8/2019	$6,300,000	$333	6.5%
5 Rancho California Medic… 29645 Rancho California	★★☆☆☆	1987	36,093	25.3%	3/7/2019	$5,835,000	$162	7.4%
6 27715 Jefferson Ave	★★☆☆☆	1982	49,983	8.1%	9/10/2018	$5,682,563	$114	7.2%
3 Inland Valley Medical Off… 36243 Inland Valley Dr	★★☆☆☆	1990	36,307	17.8%	10/5/2018	$5,525,000	$152	4.5%
7 41540 Winchester Rd	★★☆☆☆	1991	6,818	0%	5/9/2019	$2,700,000	$396	-
8 Temecula Creek Village 31213 Temecula Pky	★★★☆☆	2005	11,800	16.0%	9/13/2018	$2,459,000	$208	-
9 27780 Jefferson Ave	★★★☆☆	1971	33,078	0%	9/6/2018	$2,200,000	$67	-
10 27226 Via Industria	★★★☆☆	2008	6,912	0%	2/26/2019	$2,001,000	$289	6.6%
11 The Centre 506 W Graham Ave	★★☆☆☆	1989	16,080	7.3%	8/31/2018	$1,450,000	$90	8.5%
12 40750 Symphony Park Ln	★★☆☆☆	-	6,530	0%	9/4/2018	$1,355,513	$208	-
13 Building D 27244 Via Industria	★★★☆☆	2007	4,608	0%	12/18/2018	$1,175,000	$255	-
14 43180 Business Park Dr	★★☆☆☆	1988	12,159	0%	11/1/2018	$1,150,000	$95	6.8%
15 Bldg M 43448-43450 Business Pa…	★★★☆☆	2006	4,095	0%	10/31/2018	$1,105,650	$270	-
16 Bldg 9 38750 Sky Canyon Dr	★★★☆☆	1999	7,722	46.6%	8/3/2018	$1,095,000	$142	-
17 31574-31594 Railroad Ca…	★★★☆☆	1989	3,000	0%	5/28/2019	$1,050,000	$350	-
18 43438 Business Park Dr	★★★☆☆	2006	4,095	0%	6/12/2019	$1,025,000	$250	-
19 41675-41695 Date St	★★☆☆☆	2000	4,792	0%	5/10/2019	$982,500	$205	-

Supply & Demand Trends

South Riverside Office

OVERALL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	10,037,411	329,479	3.4%	269,072	2.7%	1.2
2022	9,707,932	303,345	3.2%	241,915	2.5%	1.3
2021	9,404,587	242,621	2.6%	185,832	2.0%	1.3
2020	9,161,966	99,521	1.1%	70,203	0.8%	1.4
2019	9,062,445	21,841	0.2%	89,321	1.0%	0.2
YTD	9,064,604	24,000	0.3%	18,638	0.2%	1.3
2018	9,040,604	154,627	1.7%	283,693	3.1%	0.5
2017	8,885,977	89,835	1.0%	149,064	1.7%	0.6
2016	8,796,142	50,078	0.6%	107,764	1.2%	0.5
2015	8,746,064	96,418	1.1%	212,213	2.4%	0.5
2014	8,649,646	151,502	1.8%	313,079	3.6%	0.5
2013	8,498,144	5,004	0.1%	99,735	1.2%	0.1
2012	8,493,140	18,899	0.2%	359,389	4.2%	0.1
2011	8,474,241	162,797	2.0%	233,843	2.8%	0.7
2010	8,311,444	146,579	1.8%	153,417	1.8%	1.0
2009	8,164,865	250,148	3.2%	297,447	3.6%	0.8
2008	7,914,717	1,070,882	15.6%	249,280	3.1%	4.3
2007	6,843,835	591,912	9.5%	360,965	5.3%	1.6

4 & 5 STAR SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	2,085,788	334,166	19.1%	305,153	14.6%	1.1
2022	1,751,622	308,024	21.3%	266,664	15.2%	1.2
2021	1,443,598	247,429	20.7%	181,125	12.5%	1.4
2020	1,196,169	96,618	8.8%	49,508	4.1%	2.0
2019	1,099,551	0	0%	13,139	1.2%	0
YTD	1,099,551	0	0%	1,648	0.1%	0
2018	1,099,551	0	0%	12,607	1.1%	0
2017	1,099,551	80,000	7.8%	66,492	6.0%	1.2
2016	1,019,551	0	0%	52,938	5.2%	0
2015	1,019,551	21,982	2.2%	48,785	4.8%	0.5
2014	997,569	65,307	7.0%	73,752	7.4%	0.9
2013	932,262	0	0%	43,770	4.7%	0
2012	932,262	0	0%	265,797	28.5%	0
2011	932,262	152,797	19.6%	128,487	13.8%	1.2
2010	779,465	0	0%	25,597	3.3%	0
2009	779,465	0	0%	25,393	3.3%	0
2008	779,465	513,075	192.6%	131,332	16.8%	3.9
2007	266,390	128,486	93.2%	60,870	22.8%	2.1

Supply & Demand Trends

South Riverside Office

3 STAR SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	4,400,084	0	0%	(17,685)	-0.4%	-
2022	4,400,084	0	0%	(11,509)	-0.3%	-
2021	4,400,084	0	0%	5,432	0.1%	0
2020	4,400,084	8,000	0.2%	15,962	0.4%	0.5
2019	4,392,084	24,000	0.5%	80,664	1.8%	0.3
YTD	4,392,084	24,000	0.5%	12,202	0.3%	2.0
2018	4,368,084	154,627	3.7%	194,524	4.5%	0.8
2017	4,213,457	9,835	0.2%	80,231	1.9%	0.1
2016	4,203,622	20,259	0.5%	23,311	0.6%	0.9
2015	4,183,363	79,335	1.9%	127,202	3.0%	0.6
2014	4,104,028	86,195	2.1%	215,426	5.2%	0.4
2013	4,017,833	6,550	0.2%	836	0%	7.8
2012	4,011,283	18,899	0.5%	107,189	2.7%	0.2
2011	3,992,384	10,000	0.3%	84,236	2.1%	0.1
2010	3,982,384	146,579	3.8%	158,795	4.0%	0.9
2009	3,835,805	189,060	5.2%	221,551	5.8%	0.9
2008	3,646,745	477,580	15.1%	148,519	4.1%	3.2
2007	3,169,165	406,697	14.7%	228,447	7.2%	1.8

1 & 2 STAR SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	3,551,539	(4,687)	-0.1%	(18,396)	-0.5%	-
2022	3,556,226	(4,679)	-0.1%	(13,240)	-0.4%	-
2021	3,560,905	(4,808)	-0.1%	(725)	0%	-
2020	3,565,713	(5,097)	-0.1%	4,733	0.1%	-
2019	3,570,810	(2,159)	-0.1%	(4,482)	-0.1%	-
YTD	3,572,969	0	0%	4,788	0.1%	0
2018	3,572,969	0	0%	76,562	2.1%	0
2017	3,572,969	0	0%	2,341	0.1%	0
2016	3,572,969	29,819	0.8%	31,515	0.9%	0.9
2015	3,543,150	(4,899)	-0.1%	36,226	1.0%	-
2014	3,548,049	0	0%	23,901	0.7%	0
2013	3,548,049	(1,546)	0%	55,129	1.6%	-
2012	3,549,595	0	0%	(13,597)	-0.4%	-
2011	3,549,595	0	0%	21,120	0.6%	0
2010	3,549,595	0	0%	(30,975)	-0.9%	-
2009	3,549,595	61,088	1.8%	50,503	1.4%	1.2
2008	3,488,507	80,227	2.4%	(30,571)	-0.9%	-
2007	3,408,280	56,729	1.7%	71,648	2.1%	0.8

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Rent & Vacancy

South Riverside Office

OVERALL RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	$25.02	111	1.6%	0.1%	682,508	6.8%	0.4%
2022	$24.63	110	2.0%	-1.5%	621,243	6.4%	0.5%
2021	$24.15	108	2.1%	-3.4%	558,955	5.9%	0.5%
2020	$23.65	105	2.8%	-5.4%	501,266	5.5%	0.3%
2019	$23.02	103	3.4%	-7.9%	470,960	5.2%	-0.8%
YTD	$22.58	101	1.5%	-9.7%	543,522	6.0%	0%
2018	$22.25	99	4.2%	-11.0%	538,160	6.0%	-1.6%
2017	$21.36	95	4.2%	-14.6%	667,226	7.5%	-0.8%
2016	$20.49	91	5.6%	-18.0%	726,455	8.3%	-0.7%
2015	$19.40	86	6.1%	-22.4%	784,141	9.0%	-1.4%
2014	$18.28	81	4.2%	-26.9%	899,936	10.4%	-2.1%
2013	$17.55	78	2.4%	-29.8%	1,061,513	12.5%	-1.1%
2012	$17.13	76	-1.4%	-31.5%	1,156,244	13.6%	-4.0%
2011	$17.38	77	-6.1%	-30.5%	1,496,734	17.7%	-1.2%
2010	$18.51	82	-6.8%	-25.9%	1,567,780	18.9%	-0.4%
2009	$19.86	88	-11.5%	-20.6%	1,574,618	19.3%	-1.2%
2008	$22.45	100	-8.8%	-10.2%	1,621,917	20.5%	8.8%
2007	$24.62	110	-1.5%	-1.5%	800,315	11.7%	2.6%

4 & 5 STAR RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	$34.68	119	1.2%	10.3%	215,374	10.3%	-0.3%
2022	$34.28	118	1.4%	9.0%	186,389	10.6%	0.6%
2021	$33.80	116	1.6%	7.5%	145,059	10.0%	3.5%
2020	$33.27	114	2.4%	5.8%	78,778	6.6%	3.7%
2019	$32.49	111	3.3%	3.3%	31,698	2.9%	-1.2%
YTD	$31.94	110	1.6%	1.6%	43,189	3.9%	-0.1%
2018	$31.45	108	3.3%	0%	44,837	4.1%	-1.1%
2017	$30.43	104	5.3%	-3.2%	57,444	5.2%	0.9%
2016	$28.91	99	8.4%	-8.1%	43,936	4.3%	-5.2%
2015	$26.66	91	2.9%	-15.2%	96,874	9.5%	-2.9%
2014	$25.91	89	6.1%	-17.6%	123,677	12.4%	-1.8%
2013	$24.42	84	2.8%	-22.4%	132,122	14.2%	-4.7%
2012	$23.74	81	1.2%	-24.5%	175,892	18.9%	-28.5%
2011	$23.46	80	-5.1%	-25.4%	441,689	47.4%	-6.2%
2010	$24.73	85	-9.5%	-21.4%	417,379	53.5%	-3.3%
2009	$27.32	94	-6.3%	-13.1%	442,976	56.8%	-3.3%
2008	$29.15	100	-4.0%	-7.3%	468,369	60.1%	27.6%
2007	$30.37	104	0.3%	-3.4%	86,626	32.5%	18.7%

Rent & Vacancy

South Riverside Office

3 STAR RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	$27.14	115	1.7%	1.6%	297,607	6.8%	0.4%
2022	$26.69	113	2.1%	-0.1%	279,922	6.4%	0.3%
2021	$26.15	111	2.3%	-2.1%	268,413	6.1%	-0.1%
2020	$25.57	108	3.0%	-4.3%	273,845	6.2%	-0.2%
2019	$24.83	105	3.7%	-7.1%	281,807	6.4%	-1.3%
YTD	$24.32	103	1.6%	-9.0%	350,272	8.0%	0.2%
2018	$23.94	101	4.7%	-10.4%	338,474	7.7%	-1.2%
2017	$22.87	97	4.6%	-14.4%	378,371	9.0%	-1.7%
2016	$21.87	93	5.5%	-18.1%	448,767	10.7%	-0.1%
2015	$20.72	88	6.2%	-22.4%	451,819	10.8%	-1.4%
2014	$19.51	83	6.0%	-27.0%	499,686	12.2%	-3.5%
2013	$18.40	78	2.2%	-31.1%	628,917	15.7%	0.1%
2012	$18.00	76	-0.4%	-32.6%	623,203	15.5%	-2.3%
2011	$18.07	76	-6.9%	-32.4%	711,493	17.8%	-1.9%
2010	$19.40	82	-6.5%	-27.4%	785,729	19.7%	-1.1%
2009	$20.74	88	-12.3%	-22.4%	797,945	20.8%	-2.0%
2008	$23.64	100	-9.0%	-11.5%	830,436	22.8%	7.0%
2007	$25.97	110	-2.8%	-2.8%	501,375	15.8%	4.1%

1 & 2 STAR RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	$19.44	103	1.7%	-8.5%	169,527	4.8%	0.4%
2022	$19.11	101	2.1%	-10.1%	154,932	4.4%	0.3%
2021	$18.73	99	2.1%	-11.9%	145,483	4.1%	-0.1%
2020	$18.33	97	2.6%	-13.7%	148,643	4.2%	-0.2%
2019	$17.87	94	3.1%	-15.9%	157,455	4.4%	0.1%
YTD	$17.57	93	1.3%	-17.3%	150,061	4.2%	-0.1%
2018	$17.34	92	3.8%	-18.4%	154,849	4.3%	-2.1%
2017	$16.70	88	3.1%	-21.4%	231,411	6.5%	-0.1%
2016	$16.19	86	4.2%	-23.8%	233,752	6.5%	-0.1%
2015	$15.54	82	7.7%	-26.9%	235,448	6.6%	-1.1%
2014	$14.43	76	0.4%	-32.1%	276,573	7.8%	-0.7%
2013	$14.38	76	2.6%	-32.3%	300,474	8.5%	-1.6%
2012	$14.02	74	-4.4%	-34.0%	357,149	10.1%	0.4%
2011	$14.66	77	-5.5%	-31.0%	343,552	9.7%	-0.6%
2010	$15.51	82	-5.9%	-27.0%	364,672	10.3%	0.9%
2009	$16.48	87	-12.9%	-22.5%	333,697	9.4%	0.1%
2008	$18.92	100	-10.7%	-11.0%	323,112	9.3%	3.0%
2007	$21.18	112	-0.4%	-0.4%	212,314	6.2%	-0.6%

Sale Trends

South Riverside Office

OVERALL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	$243.09	147	7.1%
2022	-	-	-	-	-	-	$238.18	144	7.1%
2021	-	-	-	-	-	-	$232.98	141	7.1%
2020	-	-	-	-	-	-	$228.04	138	7.0%
2019	-	-	-	-	-	-	$220.80	133	7.0%
YTD	24	$23.0 M	1.3%	$1,677,385	$241.53	6.8%	$215.86	130	6.9%
2018	75	$145.4 M	11.3%	$4,956,853	$166.66	6.5%	$212.30	128	6.9%
2017	68	$42.5 M	4.4%	$1,476,785	$211.30	6.4%	$201.53	122	7.0%
2016	58	$52.2 M	5.3%	$1,745,769	$161.68	6.4%	$190.96	115	7.1%
2015	68	$76.6 M	7.8%	$2,099,506	$141.69	7.6%	$175.07	106	7.4%
2014	42	$41.6 M	5.4%	$1,550,444	$102.16	8.1%	$163.98	99	7.5%
2013	44	$33.5 M	4.5%	$1,580,342	$122.34	8.8%	$153.86	93	7.7%
2012	38	$21.4 M	8.5%	$1,749,463	$83.12	7.6%	$153.63	93	7.8%
2011	54	$29.2 M	4.1%	$2,073,865	$137.71	7.7%	$154.78	93	7.8%
2010	49	$18.6 M	3.4%	$739,277	$115.35	9.0%	$148.75	90	8.1%
2009	47	$15.0 M	2.4%	$559,788	$164.56	-	$135.96	82	8.8%
2008	72	$42.8 M	4.0%	$2,568,505	$234.32	7.1%	$165.74	100	8.0%

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4 & 5 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	$350.21	160	6.5%
2022	-	-	-	-	-	-	$345.01	158	6.5%
2021	-	-	-	-	-	-	$339.66	155	6.5%
2020	-	-	-	-	-	-	$334.64	153	6.4%
2019	-	-	-	-	-	-	$324.95	149	6.3%
YTD	-	-	-	-	-	-	$318.23	146	6.3%
2018	2	$56.5 M	31.0%	$28,250,000	$165.54	-	$314.33	144	6.3%
2017	1	$6.0 M	4.3%	$6,050,000	$129.31	8.0%	$300.53	138	6.3%
2016	-	-	-	-	-	-	$287.87	132	6.4%
2015	-	-	-	-	-	-	$257.44	118	6.7%
2014	-	-	-	-	-	-	$236.77	108	6.9%
2013	1	$0 M	5.6%	-	-	-	$220.95	101	7.1%
2012	1	$0 M	1.3%	-	-	-	$225.13	103	7.1%
2011	5	$4.4 M	7.9%	$4,350,000	$78.57	-	$221.68	101	7.2%
2010	3	$0.5 M	0.8%	-	$225.00	-	$205.35	94	7.6%
2009	6	$0.9 M	1.5%	-	$225.00	-	$184.01	84	8.3%
2008	6	$1.4 M	1.6%	-	$355.23	-	$218.54	100	7.7%

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Sale Trends

South Riverside Office

3 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	$234.55	141	7.2%
2022	-	-	-	-	-	-	$229.62	138	7.2%
2021	-	-	-	-	-	-	$224.31	135	7.2%
2020	-	-	-	-	-	-	$219.15	132	7.1%
2019	-	-	-	-	-	-	$211.70	127	7.1%
YTD	6	$10.7 M	0.9%	$2,555,250	$302.65	6.5%	$206.42	124	7.0%
2018	43	$64.8 M	10.4%	$3,960,353	$181.92	6.8%	$203.10	122	7.0%
2017	22	$14.3 M	4.3%	$3,019,250	$229.08	9.0%	$192.34	116	7.1%
2016	25	$25.5 M	5.9%	$2,255,752	$155.83	6.3%	$181.89	109	7.2%
2015	32	$53.2 M	10.8%	$3,152,844	$141.01	7.7%	$165.86	100	7.5%
2014	24	$29.0 M	8.0%	$2,347,544	$105.32	8.0%	$157.66	95	7.6%
2013	25	$21.1 M	5.3%	$1,962,000	$112.93	8.9%	$147.83	89	7.8%
2012	18	$12.7 M	14.3%	$3,934,048	$74.04	7.0%	$151.04	91	7.8%
2011	30	$15.5 M	4.6%	$2,114,504	$139.83	7.0%	$152.27	92	7.8%
2010	25	$14.8 M	4.0%	$1,035,772	$118.10	9.9%	$148.10	89	8.1%
2009	32	$11.8 M	4.2%	$1,030,541	$184.96	-	$135.94	82	8.7%
2008	54	$28.4 M	6.0%	$2,946,723	$279.86	6.5%	$166.25	100	8.0%

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1 & 2 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	$220.61	148	7.2%
2022	-	-	-	-	-	-	$215.82	145	7.2%
2021	-	-	-	-	-	-	$210.81	142	7.2%
2020	-	-	-	-	-	-	$206.16	138	7.1%
2019	-	-	-	-	-	-	$199.92	134	7.1%
YTD	18	$12.3 M	2.3%	$1,287,222	$205.63	7.4%	$195.96	132	7.0%
2018	30	$24.0 M	6.3%	$2,171,189	$137.72	6.2%	$192.19	129	7.0%
2017	45	$22.1 M	4.7%	$844,840	$240.99	5.3%	$182.36	123	7.1%
2016	33	$26.8 M	6.1%	$1,462,444	$167.67	6.5%	$172.29	116	7.2%
2015	36	$23.4 M	6.5%	$1,212,484	$143.28	7.5%	$161.05	108	7.4%
2014	18	$12.6 M	3.9%	$867,215	$95.54	8.2%	$149.36	100	7.6%
2013	18	$12.5 M	3.3%	$1,156,277	$142.42	8.6%	$140.64	94	7.8%
2012	19	$8.7 M	3.8%	$930,244	$101.16	9.0%	$134.80	91	8.0%
2011	19	$9.3 M	2.5%	$1,578,000	$204.52	8.0%	$137.26	92	8.0%
2010	21	$3.3 M	3.3%	$315,713	$98.01	8.0%	$132.13	89	8.3%
2009	9	$2.3 M	0.7%	$290,786	$99.34	-	$121.21	81	9.0%
2008	12	$13.0 M	2.5%	$2,039,000	$168.57	7.7%	$148.86	100	8.2%

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