



**SIOR**  
**Inland Empire**  
**Office Market Overview**  
**Year End 2010**

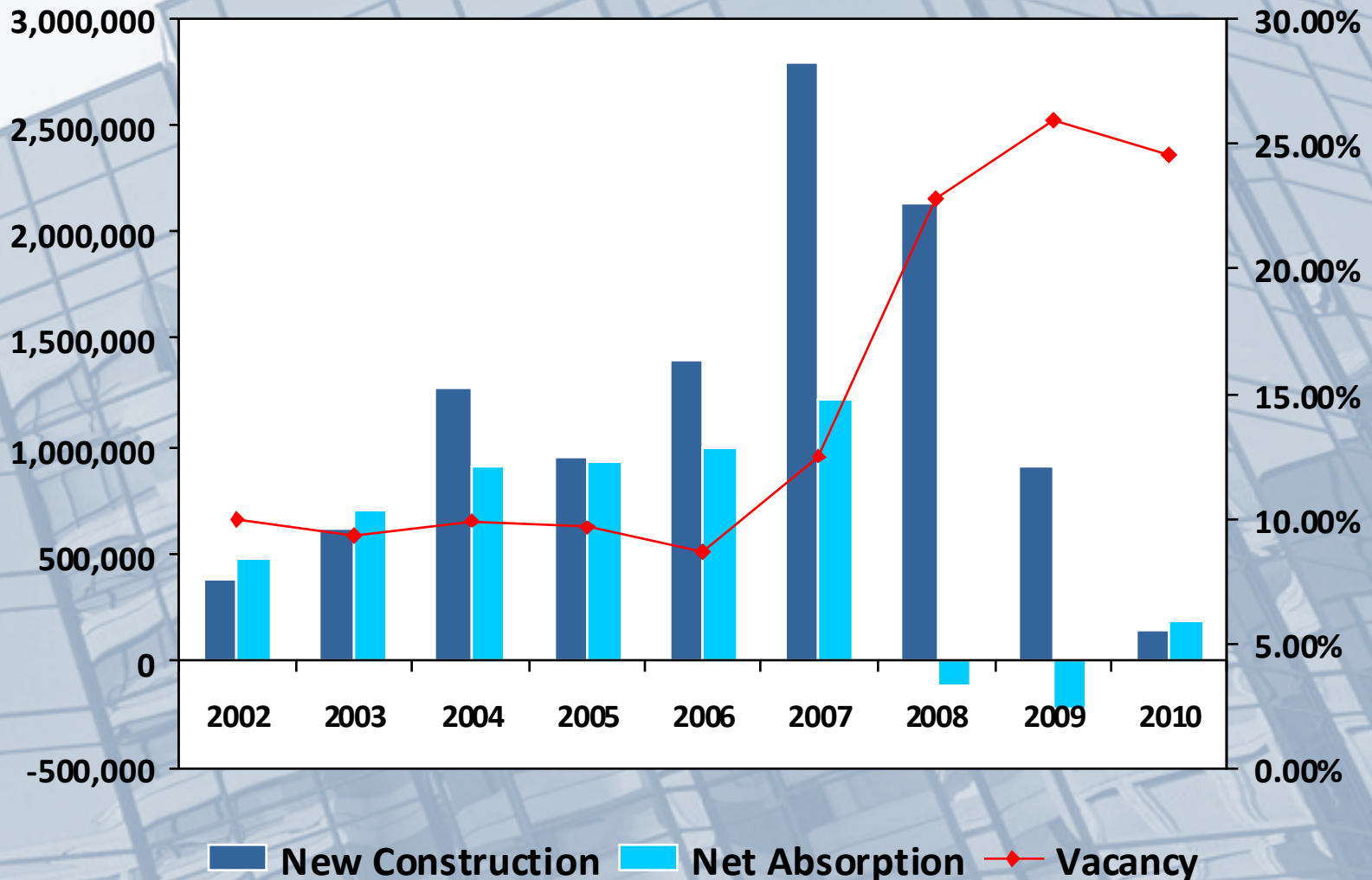
**Thomas P. Pierik, SIOR**  
Senior Vice President

**David G. Mudge, CCIM, SIOR**  
Senior Vice President

**Lee & Associates Commercial Real  
Estate Services, Inc. – Riverside**  
[www.inlandempireoffice.com](http://www.inlandempireoffice.com)



# Vacancy, Absorption & Construction Trend Analysis



# 2010/2011 Office Trends

- Office velocity slowly starting to increase
- Lease rates flatten
- Vacancy rates slowly declining
- Property values at or near bottom
- Investors still looking at 15-25% leveraged IRRs
- REO's starting to come to market
- Tremendous amount of Capital looking for a home

# Average Asking Lease Rates

## Riverside

**Class A \$1.85 - \$3.10 FSG**

**Class B \$1.50 - \$1.85 FSG**

**Class C \$1.00 - \$1.45 FSG**

## Ontario – Rancho Cucamonga

**Class A \$1.75 - \$2.25 FSG**

**Class B \$1.45 - \$1.80 FSG**

**Class C \$0.90 - \$1.45 FSG**

## San Bernardino

**Class A \$1.70 - \$1.95 FSG**

**Class B \$1.40 - \$1.65 FSG**

**Class C \$0.70 - \$1.25 FSG**

# Large Lease Comps

| Tenant              | Building   | Square Feet | Lease Term | Lease Rate          | TIs      |
|---------------------|--|-------------|------------|---------------------|----------|
| SCE                 | Empire Lake Corporate Center<br>Rancho Cucamonga | 72,581      | 55 months  | \$1.55<br>Effective | \$15 psf |
| NAMM                | Empire Towers V<br>Ontario                       | 47,033      | 10 years   | \$1.74<br>Effective | \$50 psf |
| Art Institute of CA | North Court Plaza<br>San Bernardino              | 35,753      | 5 years    | \$1.70<br>Effective | \$35 psf |

# Sale Comps

## Ontario Gateway I & II

### Ontario

- 125,000 SF
- Built 1984/1986
- \$70 PSF
- Sold August 2010
- REO Sale



## Athalon Centre I & II

### Rancho Cucamonga

- 78,303 SF
- Built 1988/1989
- \$73.43 PSF
- Sold September 2010
- REO Sale



# Sale Comps

## Redlands Spectrum

### Redlands

- 105,067 SF
- Built 2008
- \$50.44 PSF
- Sold September 2010
- Bulk sale to investor



## Mission Grove Business Center

### Riverside

- 69,187 SF
- Built 2007
- \$72 PSF
- Sold December 2010
- Bulk sale to investor



# Sale Comps

## Virginia Dare Winery Business Centre

Rancho Cucamonga

- 34,642 SF
- Built 1985
- \$105 PSF
- Sold December 2010
- Purchased by owner/user

