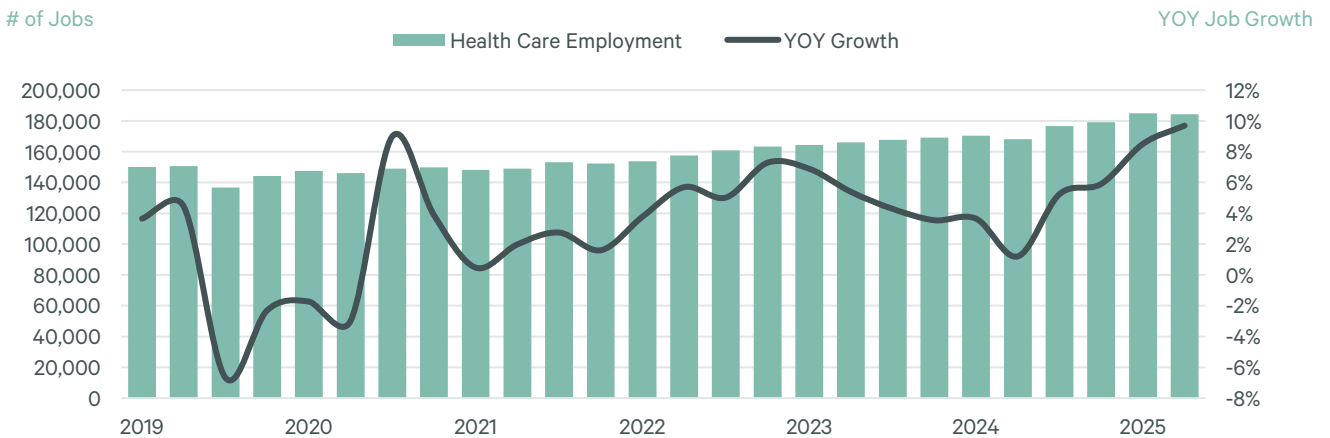


Medical Outpatient Report

In Q1 2026, the Inland Empire medical office sector showed resilience, supported by increased leasing activity and investment volume. Vacancy increased modestly by 10 basis-points (bps) from 5.2% in Q4 2025 to 5.3% this quarter, as available space went vacant. Healthcare employment declined by approximately 500 jobs this quarter, while posting a healthy annual growth of 9% year-over-year. Leasing volume improved, rising nearly 10% during the quarter, driven in part by a 5,000 sq. ft. lease in the City of Riverside. Net absorption weakened, shifting from 45,000 sq. ft. of positive absorption in Q4 2025 to negative 4,600 sq. ft. in Q1 2026, as new space entering the market outpaced leasing activity. Average asking lease rates continued to edge higher for the second consecutive quarter, increasing from \$1.82 FSG in Q4 2025 to \$1.84 FSG per sq. ft. per month, as higher-priced Class A space entered the market. Notably, investment activity surged for the second consecutive quarter, totaling \$67 million in Q1 2026, more than double the \$29 million recorded last quarter, and more than triple the \$17 million reported in Q3 2025. The increase was driven by Riverside County’s \$53 million acquisition of Jurupa Valley Medical Clinic and Corona Medical Arts Plaza, highlighting the continued role of the public sector in the market.

FIGURE 1: Health Care Employment



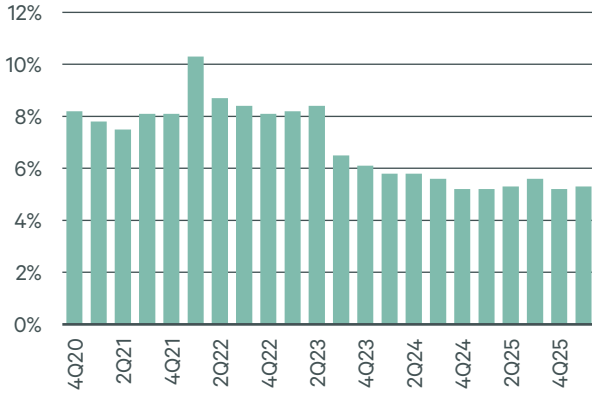
Source: CA EDD, January 2026.

FIGURE 2: Statistics by Submarket

| SUBMARKET | RBA | OVERALL VACANCY (%) | OVERALL AVAILABILITY (%) | NET ABSORPTION | UNDER CONSTRUCTION | AVG. ASKING LEASE RATE (\$PSF/MO/NNN) |
|-----------------------------|------------------|---------------------|--------------------------|----------------|--------------------|---------------------------------------|
| INLAND EMPIRE EAST | 2,982,708 | 5.9% | 5.9% | (3,476) | 17,809 | \$1.66 |
| INLAND EMPIRE WEST | 1,400,701 | 6.2% | 6.7% | (1,757) | 0 | \$2.34 |
| INLAND EMPIRE OUTLYING | 1,274,932 | 3.0% | 3.17% | 0 | 26,208 | \$1.60 |
| INLAND EMPIRE TOTALS | 5,658,341 | 5.3% | 5.5% | (4,558) | 44,017 | \$1.84 |

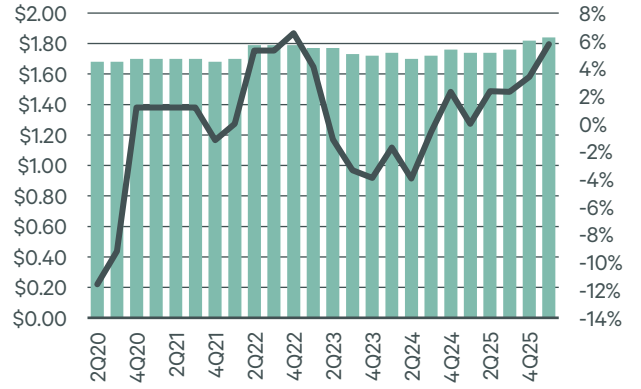
Source: CBRE Research, Q1 2026.

FIGURE 3: Overall Vacancy (%)



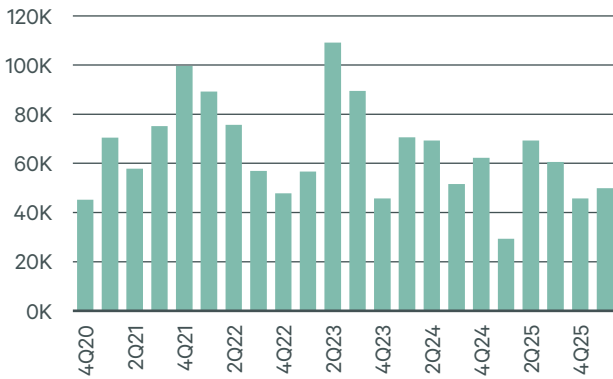
Source: CBRE Research, Q1 2026.

FIGURE 4: Average Asking Lease Rate (\$/PSF/MO/NNN)



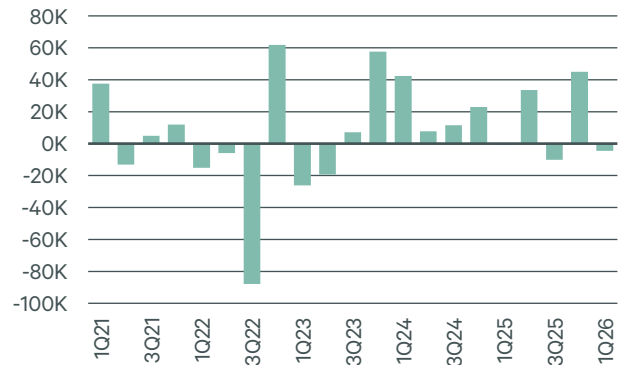
Source: CBRE Research, Q1 2026.

FIGURE 5: Leasing Activity



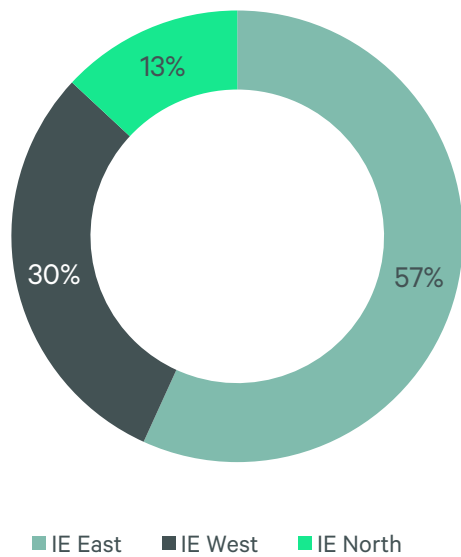
Source: CBRE Research, Q1 2026.

FIGURE 6: Net Absorption



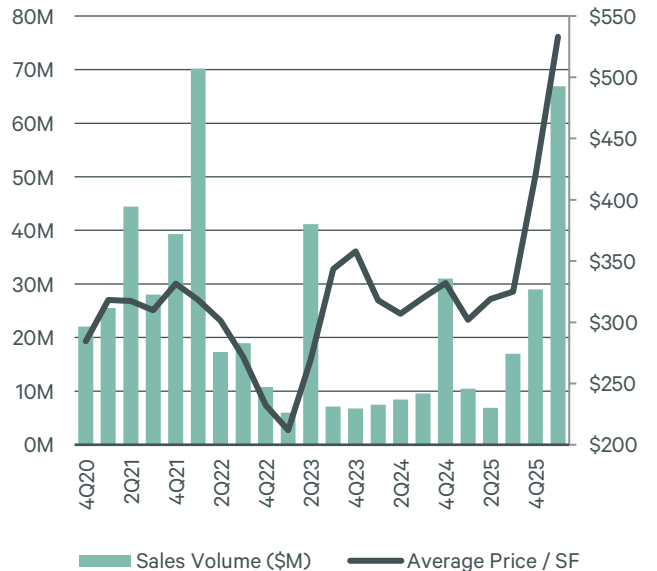
Source: CBRE Research, Q1 2026.

FIGURE 7: Available Space Distribution



Source: CBRE Research, Q1 2026.

FIGURE 8: Investment Sales Volume vs Avg Price PSF



Source: CBRE Research, Real Capital Analytics Q1 2026.

FIGURE 9: Market Statistics

| CITY | # OF BLDGS | TOTAL RBA | TOTAL AVAIL SF | TOTAL AVAIL % | TOTAL VACANT SF | OVERALL VACANCY % | NET ABSORPTION | CONST DELIVERIES | U/C BLDG SF | WEIGHTED AVG ASKING LEASE RATE (NNN) |
|-----------------------------|------------|------------------|----------------|---------------|-----------------|-------------------|----------------|------------------|---------------|--------------------------------------|
| APPLE VALLEY | 11 | 157,859 | 0 | 0 % | 0 | 0 % | 0 | 0 | 0 | \$0.00 |
| BARSTOW | 4 | 53,270 | 0 | 0 % | | 0 % | 0 | 0 | 0 | \$0.00 |
| BEAUMONT | 2 | 103,114 | 0 | 0 % | | 0 % | 0 | 0 | 0 | \$0.00 |
| CHINO | 8 | 265,308 | 33,554 | 12.7 % | 31,700 | 12.0 % | (300) | 0 | 0 | \$2.36 |
| CHINO HILLS | 4 | 116,440 | 9,171 | 7.9 % | 8,136 | 7.0 % | 0 | 0 | 0 | \$2.76 |
| COLTON | 5 | 83,494 | 0 | 0 % | 0 | 0 % | 0 | 0 | 0 | \$0.00 |
| CORONA | 23 | 623,947 | 52,825 | 8.5 % | 51,407 | 8.2 % | 0 | 0 | 17,809 | \$2.00 |
| EASTVALE | 1 | 30,000 | 0 | 0 % | 0 | 0 % | 0 | 0 | 0 | \$0.00 |
| FONTANA | 10 | 230,516 | 35,244 | 15.29 % | 35,244 | 15.3 % | 0 | 0 | 0 | \$2.37 |
| GRAND TERRACE | 1 | 12,272 | 0 | 0 % | 0 | 0 % | 0 | 0 | 0 | \$0.00 |
| HEMET | 20 | 375,472 | 2,500 | 0.7 % | 2,500 | 0.7 % | 0 | 0 | 0 | \$1.25 |
| HESPERIA | 2 | 51,822 | 0 | 0 % | 0 | 0 % | 0 | 0 | 0 | \$0.00 |
| INDIO | 6 | 96,695 | 22,058 | 22.8 % | 22,058 | 22.8 % | 0 | 0 | 0 | \$1.43 |
| LAKE ELSINORE | 1 | 32,794 | 0 | 0 % | 0 | 0 % | 0 | 0 | 0 | \$0.00 |
| LOMA LINDA | 4 | 256,242 | 3,450 | 1.4 % | 3,450 | 1.4 % | 0 | 0 | 0 | \$1.55 |
| MORENO VALLEY | 8 | 388,906 | 0 | 0 % | 0 | 0 % | 0 | 0 | 0 | \$0.00 |
| NORCO | 1 | 16,720 | 0 | 0 % | 0 | 0 % | 0 | 0 | 0 | \$0.00 |
| ONTARIO | 2 | 96,200 | 0 | 0 % | 0 | 0 % | 0 | 0 | 0 | \$0.00 |
| PALM DESERT | 3 | 92,594 | 6,512 | 7.0 % | 4,643 | 5.0 % | 0 | 0 | 0 | \$2.31 |
| PALM SPRINGS | 3 | 67,520 | 1,505 | 2.2 % | 1,505 | 2.2 % | 0 | 0 | 0 | \$2.15 |
| RANCHO CUCAMONGA | 17 | 324,124 | 15,298 | 4.7 % | 12,360 | 3.8 % | (1,457) | 0 | 0 | \$2.02 |
| RANCHO MIRAGE | 3 | 91,620 | 3,205 | 3.5 % | 3,205 | 3.5 % | 0 | 0 | 0 | \$1.85 |
| REDLANDS | 9 | 312,978 | 1,511 | 0.5 % | 1,511 | 0.5 % | 0 | 0 | 0 | \$1.95 |
| RIALTO | 5 | 101,738 | 3,860 | 3.8 % | 3,860 | 3.8 % | 0 | 0 | 0 | \$2.40 |
| RIVERSIDE | 37 | 819,733 | 17,359 | 2.1 % | 17,359 | 2.1 % | 0 | 0 | 0 | \$1.60 |
| SAN BERNARDINO | 6 | 386,379 | 96,834 | 25.1 % | 96,834 | 25.0 % | 0 | 0 | 0 | \$1.35 |
| SAN JACINTO | 3 | 79,234 | 3,266 | 4.1 % | 3,266 | 4.1 % | 0 | 0 | 0 | \$0.97 |
| UPLAND | 14 | 318,412 | 0 | 0 % | 0 | 0 % | 0 | 0 | 0 | \$0.00 |
| VICTORVILLE | 3 | 72,938 | 1,397 | 1.9 % | 1,397 | 1.9 % | 0 | 0 | 26,208 | \$1.85 |
| INLAND EMPIRE TOTALS | 216 | 5,658,341 | 309,549 | 5.5% | 300,435 | 5.3 % | (4,558) | 0 | 44,017 | \$1.84 |

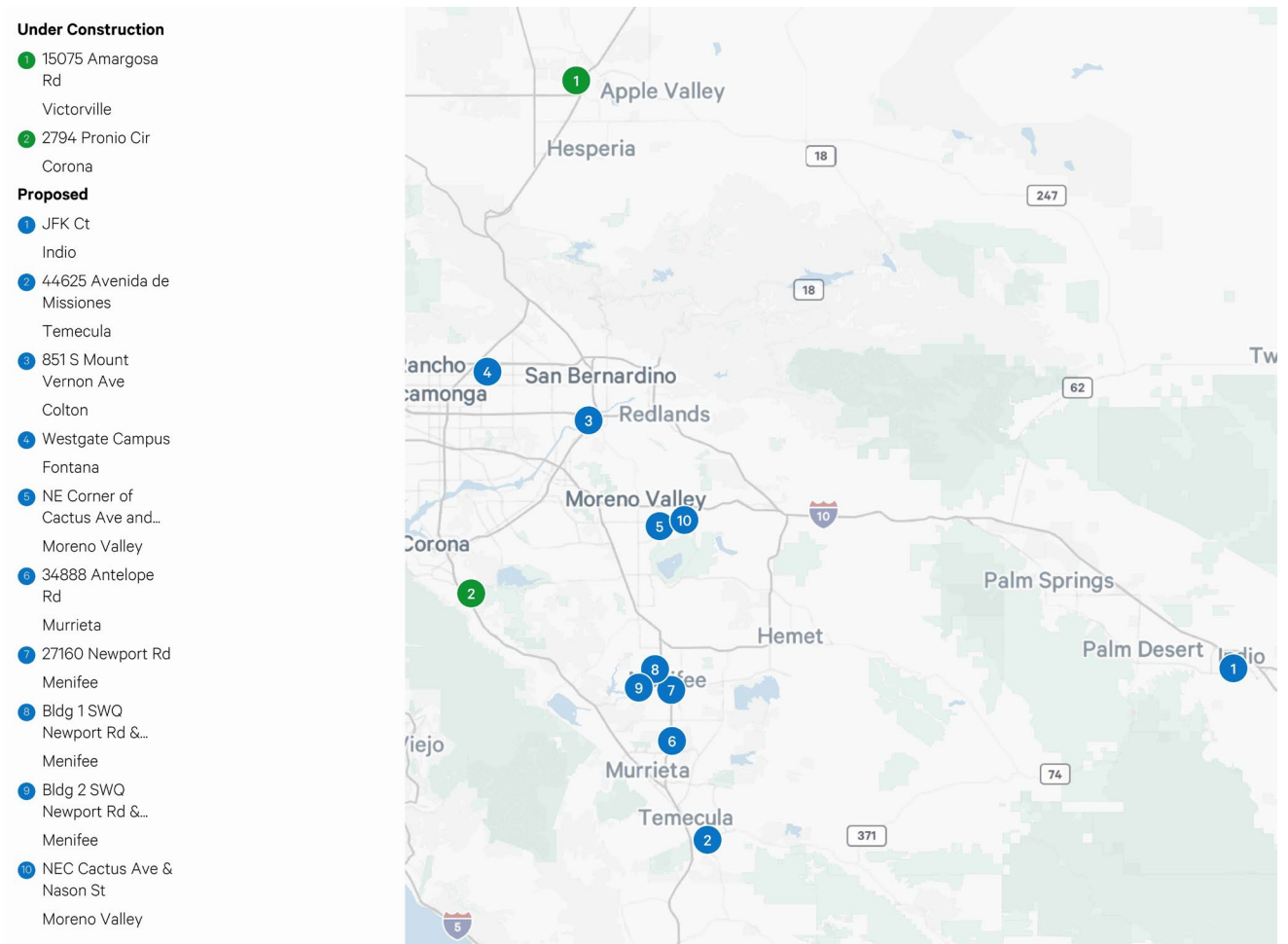
| SUBMARKET | # OF BLDGS | TOTAL RBA | TOTAL AVAIL SF | TOTAL AVAIL % | TOTAL VACANT SF | OVERALL VACANCY % | NET ABSORPTION | CONST DELIVERIES | U/C BLDG SF | WEIGHTED AVG ASKING LEASE RATE (NNN) |
|-----------------------------|------------|------------------|----------------|---------------|-----------------|-------------------|----------------|------------------|---------------|--------------------------------------|
| INLAND EMPIRE EAST | 98 | 2,982,708 | 175,839 | 5.9% | 170,945 | 5.6% | (3,476) | 0 | 17,809 | \$1.66 |
| INLAND EMPIRE WEST | 57 | 1,400,701 | 93,267 | 6.7% | 61,582 | 4.2% | (1,757) | 0 | 0 | \$2.34 |
| INLAND EMPIRE OUTLYING | 61 | 1,274,932 | 40,443 | 3.8% | 39,249 | 3.1% | 0 | 0 | 26,208 | \$1.60 |
| INLAND EMPIRE TOTALS | 216 | 5,658,341 | 309,549 | 5.5% | 271,776 | 4.7% | (4,558) | 0 | 44,017 | \$1.84 |

Source: CBRE Research, Q1 2026

DEVELOPMENT PIPELINE

In Q1 2026, the Inland Empire had two medical office projects under construction totaling 44,000 square feet, all scheduled to deliver this year. Ongoing demand has sustained strong developer interest, with 10 additional projects proposed or planned to break ground in the coming years, collectively adding nearly 1 million square feet to regional inventory. Among these is Westgate Campus, a landmark 800-acre development now expected to begin construction in October 2026, revised from an original April timeline. The project will deliver two new medical office buildings, significantly expanding and modernizing the Inland Empire’s medical office inventory.

FIGURE 10: Development Pipeline Locations



Source: CBRE Research, Q1 2026.

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