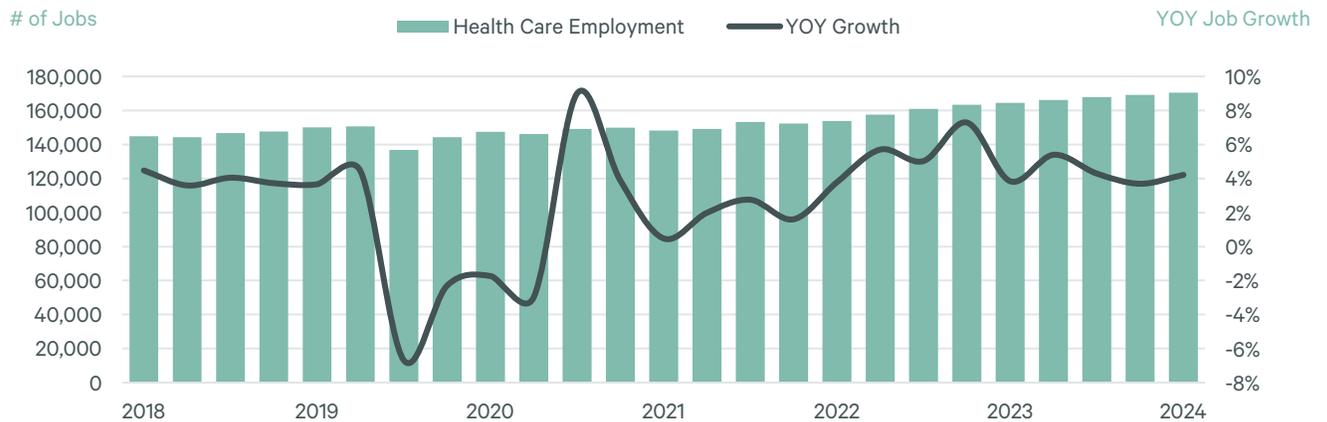


Medical Outpatient Report

In Q4 2024, the Inland Empire's health care sector saw encouraging growth. Employment in health care rose by 1,200 jobs from the previous quarter, reaching a total of 170,400 jobs. The average asking lease rate climbed to \$1.73 NNN per square foot per month. Overall vacancy dropped by 10 basis points (bps) to 4.6%, while the overall availability rate fell to 5%. The medical office market continued to outperform the general office market, which had a vacancy rate of 7.9%. Total net absorption was positive during this period, mainly due to tenants occupying space in the Inland Empire West submarket. The largest transaction that occurred was 12,287 sq. ft. at 2855 E Guasti Rd in Ontario.

FIGURE 1: Health Care Employment



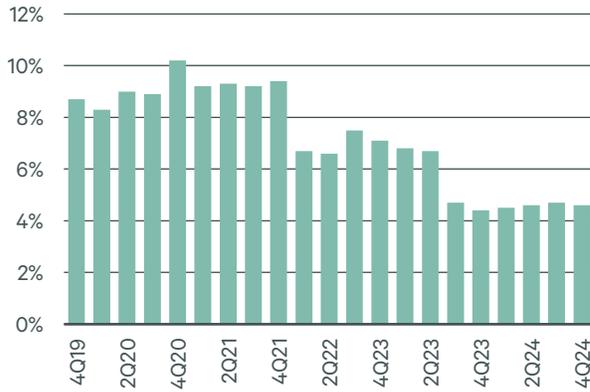
Source: CA EDD, November 2024.

FIGURE 2: Available Space Distribution by Submarket

SUBMARKET	RBA	OVERALL VACANCY (%)	OVERALL AVAILABILITY (%)	NET ABSORPTION	UNDER CONSTRUCTION	AVG. ASKING LEASE RATE (\$PSF/MO/NNN)
INLAND EMPIRE EAST	3,910,055	5.4%	5.8%	0	24,000	\$1.67
INLAND EMPIRE WEST	1,428,403	3.1%	4.5%	22,958	48,999	\$2.18
INLAND EMPIRE NORTH	1,338,598	2.9%	3.6%	0	0	\$1.54
INLAND EMPIRE TOTALS	5,957,056	4.6%	5.0%	22,958	72,999	\$1.73

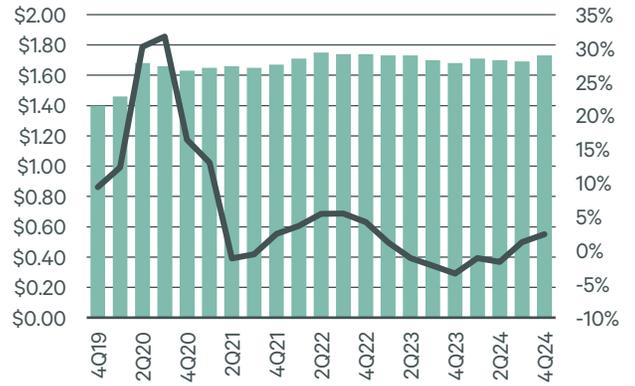
Source: CBRE Research, Q4 2024.

FIGURE 3: Overall Vacancy (%)



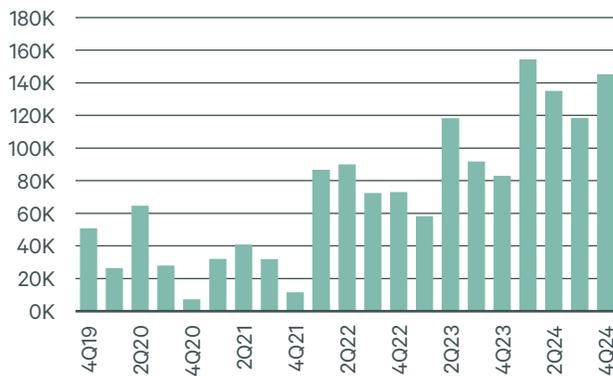
Source: CBRE Research, Q4 2024.

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



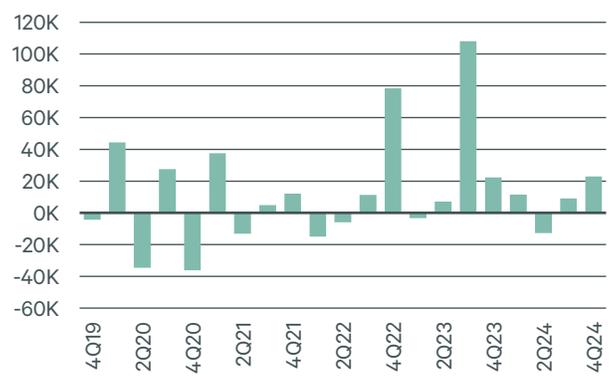
Source: CBRE Research, Q4 2024.

FIGURE 5: Leasing Activity



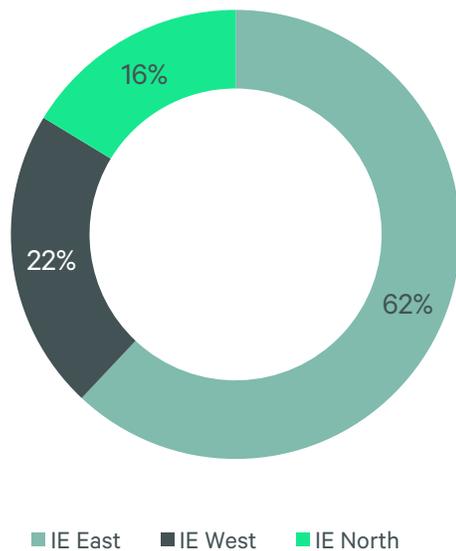
Source: CBRE Research, Q4 2024.

FIGURE 6: Net Absorption



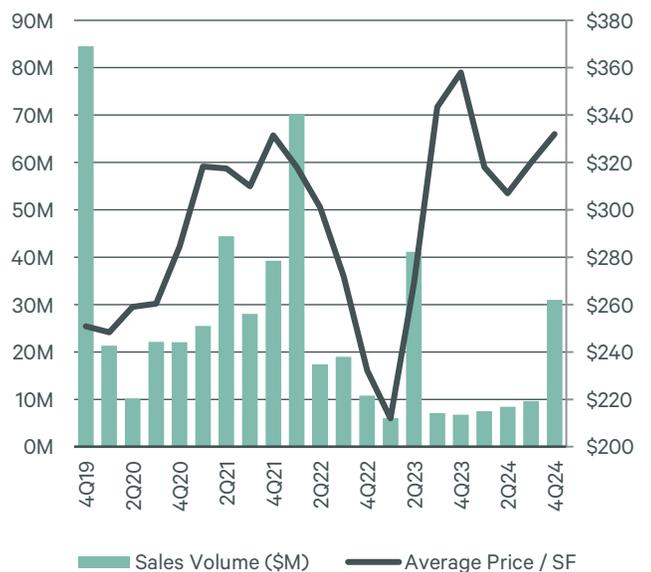
Source: CBRE Research, Q4 2024.

FIGURE 7: Available Space Distribution



Source: CBRE Research, Q4 2024.

FIGURE 8: Investment Sales Volume vs Avg Price PSF



Source: CBRE Research, Real Capital Analytics Q4 2024.

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	12	221,525	0	0%	0	0%	0	0	0	\$0.00
BARSTOW	4	53,270	0	0%	0	0%	0	0	0	\$0.00
BEAUMONT	2	103,114	0	0%	0	0%	0	0	0	\$0.00
CHINO	7	225,559	21,503	9.5%	17,097	7.6%	3,269	0	39,749	\$2.14
CHINO HILLS	4	116,440	3,129	2.7%	3,129	2.7%	2,807	0	0	\$2.75
COLTON	6	114,618	0	0%	0	0%	0	0	0	\$0.00
CORONA	26	690,789	58,457	8.5%	51,407	7.4%	10,500	0	0	\$1.94
FONTANA	10	231,210	15,108	6.5%	15,108	6.5%	4,498	0	9,250	\$2.10
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	\$1.19
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	396,271	0	0%	0	0%	0	0	24,000	\$0.00
NORCO	2	38,029	0	0%	0	0%	0	0	0	\$0.00
ONTARIO	2	96,200	3,738	3.9%	12,504	2.6%	0	0	0	\$2.37
PALM DESERT	3	92,594	6,512	7.0%	4,643	5.0%	0	0	0	\$2.28
PALM SPRINGS	3	67,520	1,505	2.2%	1,505	2.2%	(833)	0	0	\$2.07
RANCHO CUCAMONGA	19	397,385	19,669	4.8%	6,620	1.6%	0	0	0	\$2.08
RANCHO MIRAGE	3	91,620	8,894	9.7%	3,880	4.2%	2,717	0	0	\$1.72
REDLANDS	12	390,338	6,371	1.6%	1,511	0.4%	0	0	0	\$2.29
RIALTO	5	101,738	3,860	3.8%	3,860	3.8%	0	0	0	\$2.40
RIVERSIDE	39	873,354	17,359	2.1%	17,359	2.1%	0	0	0	\$1.58
SAN BERNARDINO	6	386,379	96,834	25.1%	93,358	24.2%	0	0	0	\$1.35
SAN JACINTO	3	79,234	5,746	7.3%	3,266	4.1%	0	0	0	\$0.96
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	0	\$1.79
INLAND EMPIRE TOTALS	227	5,957,056	280,090	5.0%	254,652	4.3%	22,958	0	72,999	\$1.73

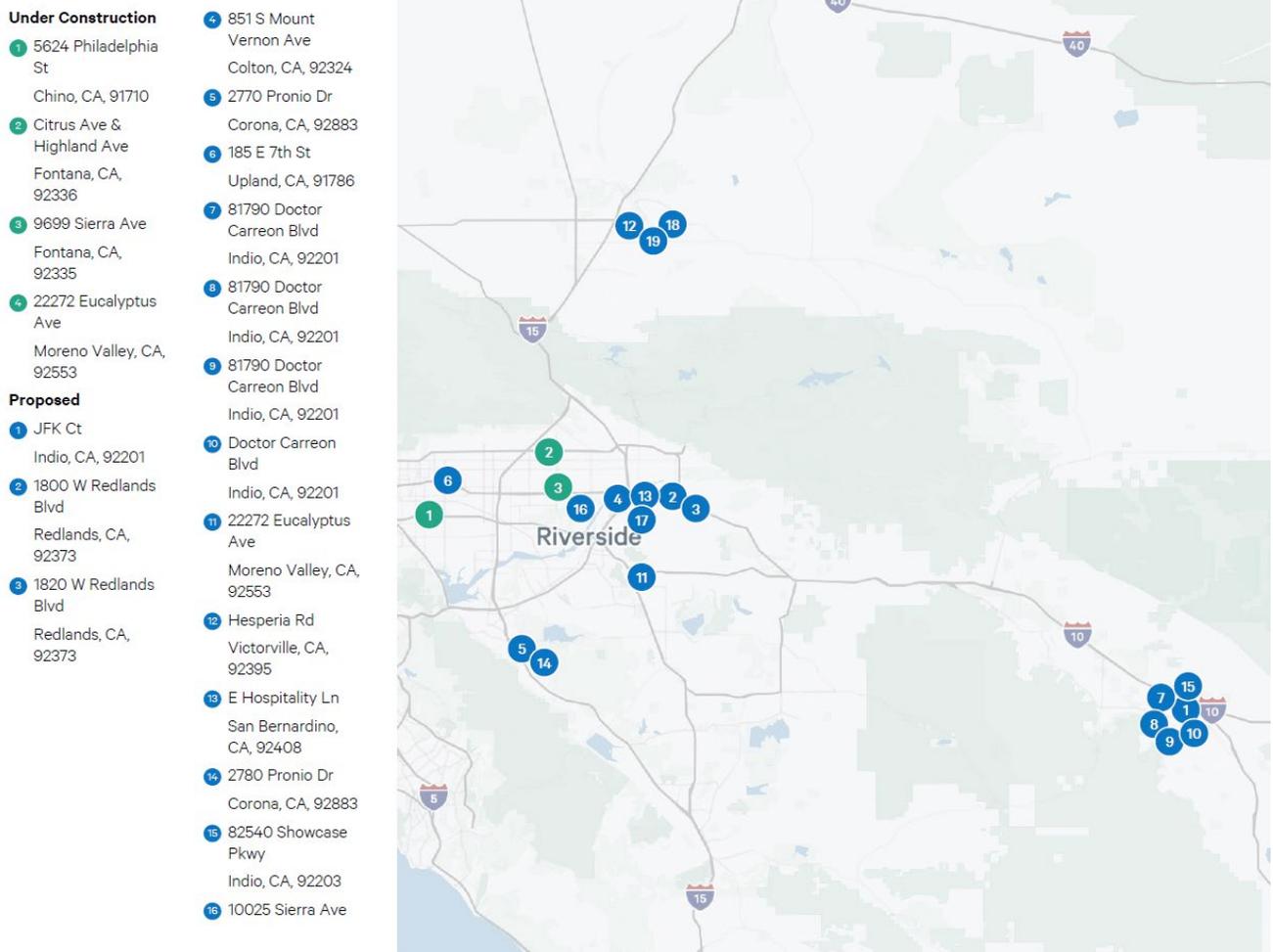
SUBMARKET	# OF BLDGS	TOTAL RBA	TOTAL AVAIL SF	TOTAL AVAIL %	TOTAL VACANT SF	OVERALL VACANCY %	NET ABSORPTION	CONST DELIVERIES	U/C BLDG SF	WEIGHTED AVG ASKING LEASE RATE (NNN)
INLAND EMPIRE EAST	107	3,910,055	178,409	5.8%	168,655	5.4%	0	0	24,000	\$1.67
INLAND EMPIRE WEST	58	1,428,403	91,012	4.5%	68,032	3.1%	22,958	0	48,999	\$2.18
INLAND EMPIRE NORTH	62	1,338,598	48,612	3.6%	39,249	2.9%	0	0	0	\$1.54
INLAND EMPIRE TOTALS	227	5,957,056	318,033	5.0%	275,936	4.6%	22,958	0	72,999	\$1.73

Source: CBRE Research, Q4 2024.

DEVELOPMENT PIPELINE

In Q4 2024, the Inland Empire had three medical office projects under construction, totaling 72,999 sq. ft. Construction began in October 2023 at 5624 Philadelphia St in Chino, with plans to deliver 31 medical office condos by early 2025. A 24,000 sq. ft. medical office at 22272 Eucalyptus Ave in Moreno Valley also started construction, along with two projects in Fontana totaling 9,250 sq. ft. A 2,800 sq. ft. medical office is being built at the northeast corner of Citrus Ave and Highland Ave, and a 6,450 sq. ft. medical office is under construction at 9699 Sierra Ave. The Inland Empire medical office market is poised for continued growth, with nineteen proposed buildings totaling approximately 370,000 sq. ft. which is the highest total on record.

FIGURE 10: Development Pipeline Locations



Source: CBRE Research, Q4 2024.

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