



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL**      **DATE: MARCH 21, 2017**  
**FROM: COMMUNITY & ECONOMIC DEVELOPMENT**      **WARDS: ALL**  
**DEPARTMENT**  
**SUBJECT: 2016 YEAR END OFFICE MARKET REPORT**

## **ISSUE:**

Receive an update on real estate office market conditions in the City of Riverside and surrounding region.

## **RECOMMENDATION:**

That City Council receive and file this update on real estate office market conditions in the City of Riverside and surrounding region.

## **BACKGROUND:**

As a part of an ongoing partnership with local commercial real estate brokerage firms, the Community & Economic Development Department receives periodic office market updates from Lee & Associates Commerical Real Estate Services.

## **DISCUSSION:**

The year end market analysis presentation will be made by Rich Erickson with Lee & Associates. It indicates the continuation of a seven year trend toward positive absorption in both regional and local office markets. Vacancy rates continue to drop even as new development comes to the region with the Riverside Market specifically having 232,000 square feet of positive absorption in 2016. A tightening market and an increase in rates is anticipated for 2017.

## **FISCAL IMPACT:**

There is no fiscal impact associated with this update.

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Approved by: Al Zelinka, FAICP, Assistant City Manager  
Approved as to form: Gary G. Geuss, City Attorney  
Attachment: Presentation