



2016 YEAR END OFFICE MARKET REPORT

Community & Economic Development

City Council
March 21, 2017

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INLAND EMPIRE OFFICE REGION SUMMARY

Total Office Region

	Ontario	Riverside	San Bernardino	Total Region
Number of Properties	228	267	158	653
Total Rentable Square Feet	7,539,451	8,695,526	5,969,521	22,204,498
Vacant Square Feet	720,680	1,094,580	932,182	2,747,442
Percent Vacant	9.6%	12.6%	15.6%	12.4%
Net Absorption 2016 Year End	364,395	232,211	143,352	739,958
New Construction	0	0	0	0



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INLAND EMPIRE OFFICE REGION VACANCY

Vacancy		
	Year End 2015	15.5%
	Year End 2016	12.4%

Large Blocks of Space (Greater than 30,000 SF)		
	Year End 2015	11
	Year End 2016	6

1. Marketing is tightening
2. Rates will rise

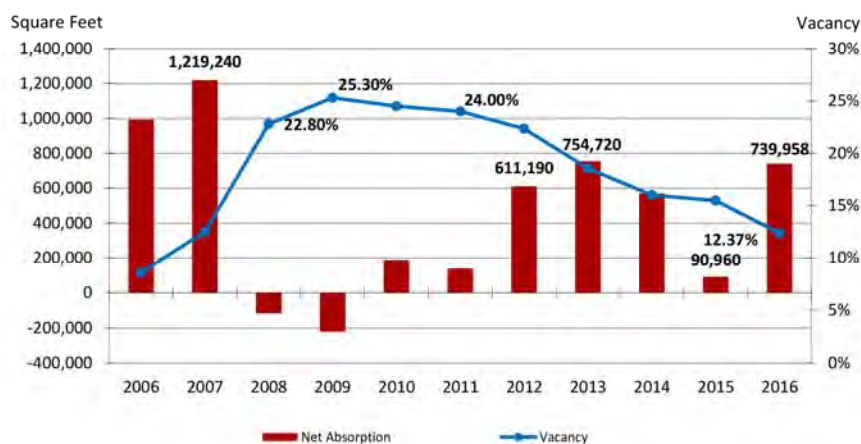


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Inland Empire Region Summary

Inland Empire Absorption & Vacancy Rates



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ABSORPTION

7 years of positive absorption

1. Vacancy continues to drop
2. New development being considered



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RIVERSIDE MARKET SUMMARY

Total Office Region

	West Riv./ Corona	Magnolia/ La Sierra	Downtown	Fairmont Park	Hunter Park	East Riv./ M.V.	Total Market
Number of Properties	50	67	36	18	43	53	267
Total Rentable Square Feet	2,439,962	1,331,131	1,486,531	402,703	1,490,601	1,544,598	8,695,526
Vacant Square Feet (Direct)	242,688	114,575	216,204	97,805	306,826	116,482	1,094,580
Percent Vacant	9.9%	8.6%	14.5%	24.3%	20.6%	7.5%	12.6%
Net Absorption 2016 Year End	65,817	41,655	(10,731)	31,420	30,156	73,894	232,211
New Construction	0	0	0	0	0	0	0



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RIVERSIDE MARKET VACANCY

Vacancy		
	Year End 2015	14.8%
	Year End 2016	12.6%

Downtown Riverside		
Class A, B & C Office Space	14.5%	<ol style="list-style-type: none"> 84,000 square feet of Downtown vacancy is in Riverside Metro Center Building (University & Market) If Riverside Metro Center was removed from the vacancy report, the number drops to 8.9%



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CONCLUSION

1. The Riverside Market had 232,000 square feet of positive absorption in 2016
2. 2017 is off to a good start led by Healthcare, Government and Professional Services and should continue the positive trend
3. New office development is being considered in Downtown Riverside
The Plant – a 58,000 square foot, two-story, office project on 14th Street



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