

# Ontario/Inland Empire, California

Tenant's Guide ■ North American Markets ■ Second Quarter 2010

## Overview

Vacancy rates for office space continued to be high in most of the Inland Empire. Although average asking lease rates remained the same, landlords continued to offer numerous concessions to attract tenants.

In the Western Region (Ontario Airport area) of the Inland Empire, the vacancy rates for industrial space continued to be on the rise, and it remained a tenant's market for the second quarter of this year. In the Eastern region (Redlands/Riverside areas), the vacancy rate for industrial space seemed to be on the decline, but the rental rates continued to be low. Purchase prices continued to fall in the area.

## Market Trends

- Vacancy rates continue to be in the double digits.
- Only build to suit construction is being offered.
- Purchase prices may continue to drop.
- Lease rates continue to fall.

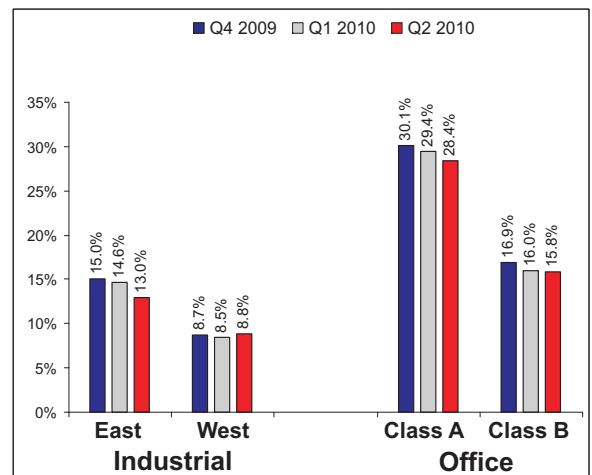
## Tenant's Perspective

It is still a great time for tenants to take advantage of market conditions. Tenants should consider early lease renewals or new locations. Tenants can receive significant concessions from landlords such as lease assumptions, free rent, and significant tenant improvement allowances.

## Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
ACT Fulfillment, LLC	606,925	Industrial	Lease
Commerce Corporation	274,152	Industrial	Lease
Target/Snapware	241,367	Industrial	Lease
CRI	100,000	Industrial	Purchase
RTI Electronics	150,345	Industrial	Lease
Corporate Vehicle Storage	51,885	Industrial	Lease

## Vacancy Rate



## Average Rental Rates

Industrial	Q4 2009	Q1 2010	Q2 2010
East	\$4.32	\$4.20	\$4.08
West	\$4.44	\$4.32	\$4.08

Office	Q4 2009	Q1 2010	Q2 2010
Class A Office	\$27.72	\$27.12	\$27.00
Class B Office	\$20.88	\$20.40	\$20.04

Prepared By CresaPartners  
3633 Inland Empire Blvd., Suite 550, Ontario, CA 91764  
909.944.6290 ■ www.cresapartners.com