

2024

QUARTER 4

SOUTH RIVERSIDE COUNTY

Medical Office Market Report



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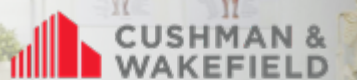


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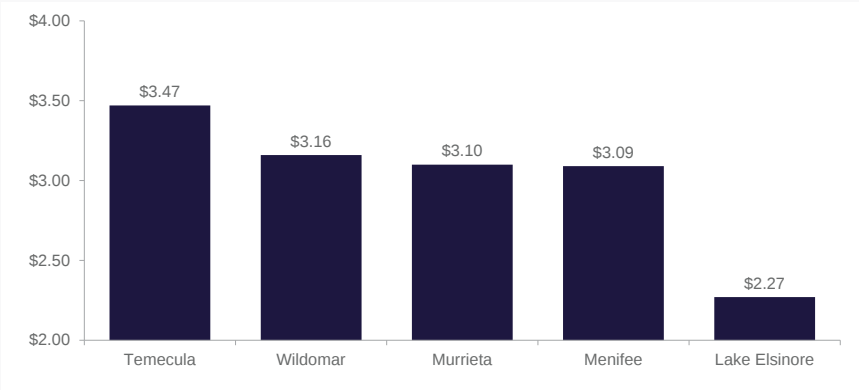
Market Highlights

In the face of past economic headwinds, the healthcare industry has been noticeably resilient. Through today's economic uncertainty, we can expect rising demand for care nationwide, as well as in Southwest Riverside, providing opportunities for investors and occupiers who are able to manage costs and offer services that match patient demographics and diagnosed needs.

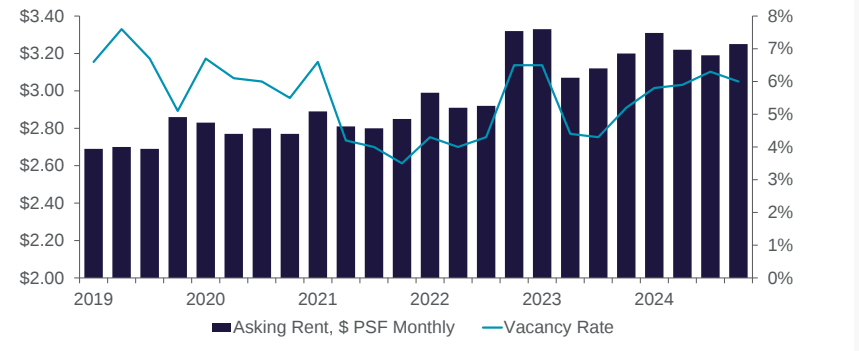
Southwest Riverside's medical office overall vacancy was 6.0% at the end of Q4 2024, a 30 bps decrease quarter-to-quarter (QOQ) and 90 bps higher than a year ago. The market lost 6,552 square feet (sf) of vacancy in Q4 2024. Occupancy changes were negative in Lake Elsinore, but positive in Menifee, Murrieta, Temecula, and net zero in Wildomar. Vacancy in Murietta is at 7.4%. Menifee is only 0.9% vacant, while Wildomar is at 3.6%. Lake Elsinore is 6.1% vacant and Temecula recorded a vacancy of 6.0%. Sublease vacancy is standing firm QOQ at 4,899 sf, continuing the trend of staying below 10,000 sf this year, despite much more sublease availability over the last 4 years.



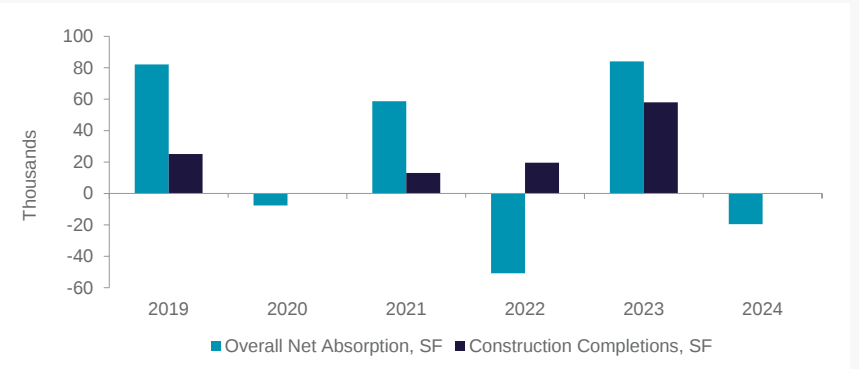
Asking Rent by Submarket \$/PSF Full Service



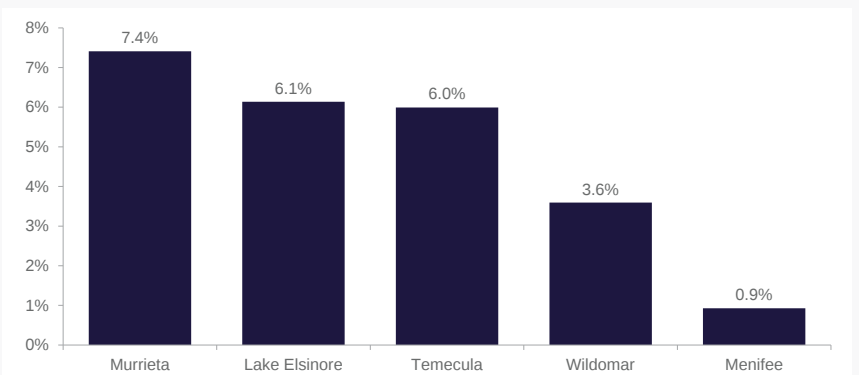
Direct Vacancy / Asking Rent \$/PSF Full Service



Space Demand / Deliveries



Submarket Direct Vacancy



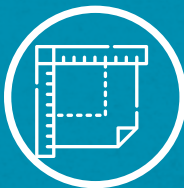
\$2.5M
TOTAL SALES VOLUME



6.0%
VACANCY



\$3.25
AVERAGE RATE



\$363
AVERAGE PRICE
PER SF

Market Statistics

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD GROSS ABSORPTION** (SF)	YTD CONSTR COMPLETIONS (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*
Lake Elsinore	121,689	0	7,469	6.1%	-2,367	4,953	12,135	0	27,000	\$2.27
Menifee	174,248	0	1,618	0.9%	1,032	196	6,614	0	27,000	\$3.09
Murrieta	970,052	0	71,890	7.4%	1,684	-6,600	16,722	0	59,292	\$3.10
Temecula	937,134	4,899	51,260	6.0%	6,203	-18,121	35,900	0	27,000	\$3.47
Wildomar	159,102	0	5,716	3.6%	0	0	0	0	27,000	\$3.16
SOUTHWEST RIVERSIDE TOTALS	2,362,225	4,899	137,953	6.0%	6,552	-19,572	71,371	0	59,292	\$3.25

*Rental rates reflect full service asking. **Leasing includes renewals.

Under Construction 2024

PROPERTY	SUBMARKET	TENANT	SIZE	OWNER / DEVELOPER
25420 Hancock Avenue	Murrieta	N/A	29,990 SF	Makena Medical

Key Lease Transactions Q4 2024

PROPERTY	SUBMARKET	SIZE	TYPE
24910 Las Brisas Road	Murrieta	3,000 SF	New Lease
29826 Haun Road	Menifee	2,226 SF	New Lease
41715 Winchester Road	Temecula	1,450 SF	New Lease
24640 Jefferson Avenue	Murrieta	1,240 SF	New Lease
29073 Overland Drive	Temecula	1,220 SF	New Lease

Key Sales Transactions Q4 2024

PROPERTY	SUBMARKET	TYPE	SIZE	PRICE / \$ PSF
41619 Margarita Road	Temecula	Owner-User	3,700 SF	\$1,300,000 / \$351 PSF
25096 Jefferson Avenue	Murrieta	Owner-User	3,264 SF	\$1,225,000 / \$375 PSF



Healthcare Service Lines Service Growth Projections

LAKE ELSINORE

Service Line	2023 Volume	2028 Volume	2033 Volume	5 Yr Growth	10 Yr Growth
Endocrinology	1,561	2,131	2,699	36.5%	72.9%
Psychiatry	108,165	137,952	158,503	27.5%	46.5%
Spine	1,359	1,726	2,071	27.0%	52.4%
Vascular	10,606	13,453	16,810	26.8%	58.5%
Cardiology	63,265	79,286	96,536	25.3%	52.6%
Ophthalmology	57,159	71,384	89,412	24.9%	56.4%
Podiatry	9,518	11,854	14,868	24.5%	56.2%
Physical Therapy/Rehabilitation	191,866	238,697	310,431	24.4%	61.8%
Pain Management	7,581	9,326	11,309	23.0%	49.2%
Lab	308,886	377,775	452,150	22.3%	46.4%



Market Scenario Planner displays the types of services patients in your market are expected to use and allows projections to be customized according to five key growth drivers; disease prevalence, care management, insurance, readmissions and technology shifts.

MURRIETA

Service Line	2023 Volume	2028 Volume	2033 Volume	5 Yr Growth	10 Yr Growth
Psychiatry	58,914	71,857	78,741	22.0%	33.7%
Vascular	6,197	7,502	8,902	21.1%	43.6%
Cardiology	36,712	44,015	50,961	19.9%	38.8%
Ophthalmology	33,594	40,122	47,790	19.4%	42.3%
Physical Therapy/Rehabilitation	105,047	125,039	155,029	19.0%	47.6%
Podiatry	5,968	7,060	8,346	18.3%	39.8%
Pain Management	4,353	5,105	5,878	17.3%	35.0%
Lab	173,979	203,949	232,972	17.2%	33.9%
Orthopedics	11,808	13,798	16,316	16.8%	38.2%
ENT	13,835	16,050	18,393	16.0%	32.9%

WILDOMAR

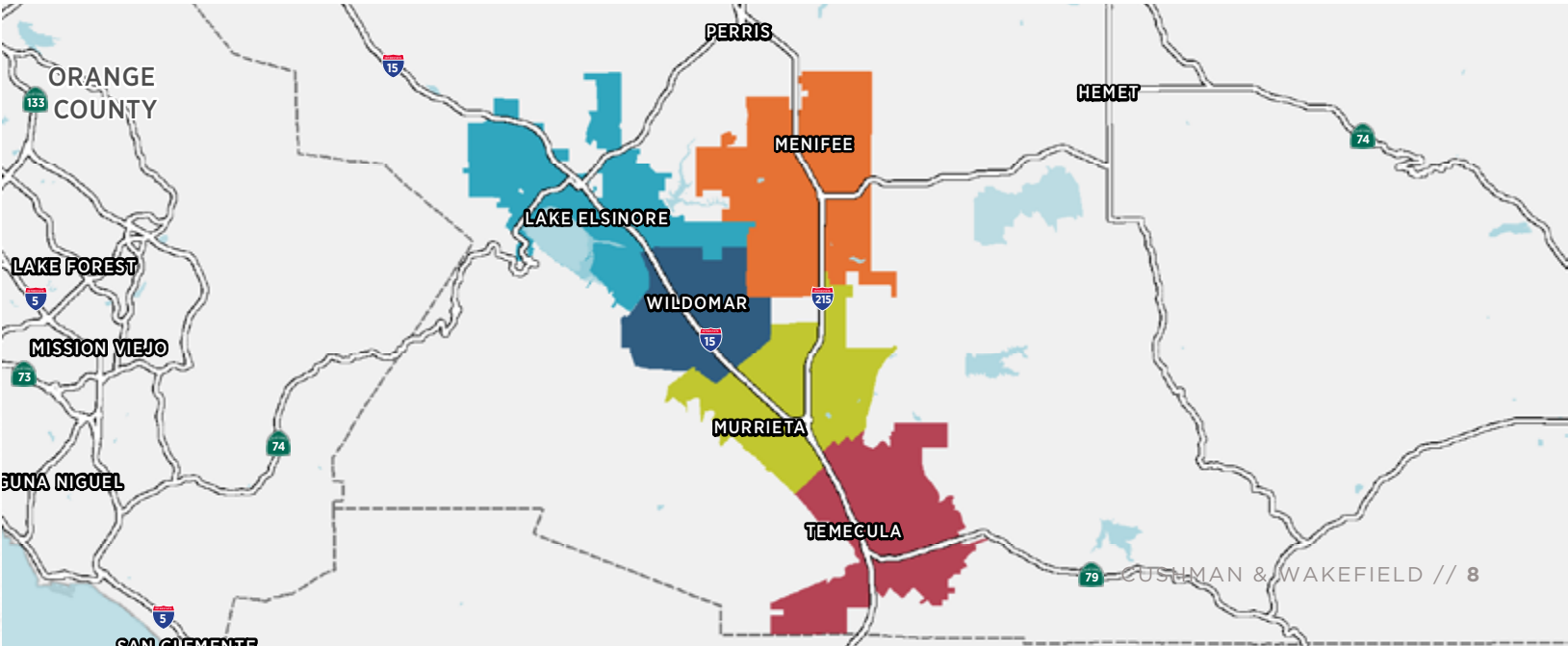
Service Line	2023 Volume	2028 Volume	2033 Volume	5 Yr Growth	10 Yr Growth
Psychiatry	65,506	83,108	95,131	26.9%	45.2%
Vascular	6,426	8,074	10,011	25.7%	55.8%
Cardiology	38,262	47,542	57,470	24.3%	50.2%
Ophthalmology	34,626	42,887	53,321	23.9%	54.0%
Physical Therapy/Rehabilitation	116,062	143,357	185,473	23.5%	59.8%
Podiatry	5,810	7,166	8,909	23.3%	53.3%
Pain Management	4,594	5,599	6,737	21.9%	46.6%
Lab	186,978	226,960	270,129	21.4%	44.5%
Orthopedics	12,677	15,329	18,895	20.9%	49.1%
Nephrology	2,151	2,578	3,052	19.8%	41.9%

TEMECULA

Service Line	2023 Volume	2028 Volume	2033 Volume	5 Yr Growth	10 Yr Growth
Endocrinology	1,126	1,423	1,662	26.3%	47.6%
Psychiatry	74,004	88,078	94,144	19.0%	27.2%
Spine	1,029	1,211	1,335	17.7%	29.8%
Vascular	8,428	9,832	11,234	16.7%	33.3%
Cardiology	49,806	57,575	64,286	15.6%	29.1%
Physical Therapy/Rehabilitation	136,399	157,426	189,338	15.4%	38.8%
Ophthalmology	45,239	52,182	59,899	15.3%	32.4%
Podiatry	8,021	9,128	10,417	13.8%	29.9%
Lab	228,899	259,824	287,187	13.5%	25.5%
Pain Management	5,861	6,641	7,373	13.3%	25.8%

MENIFEE

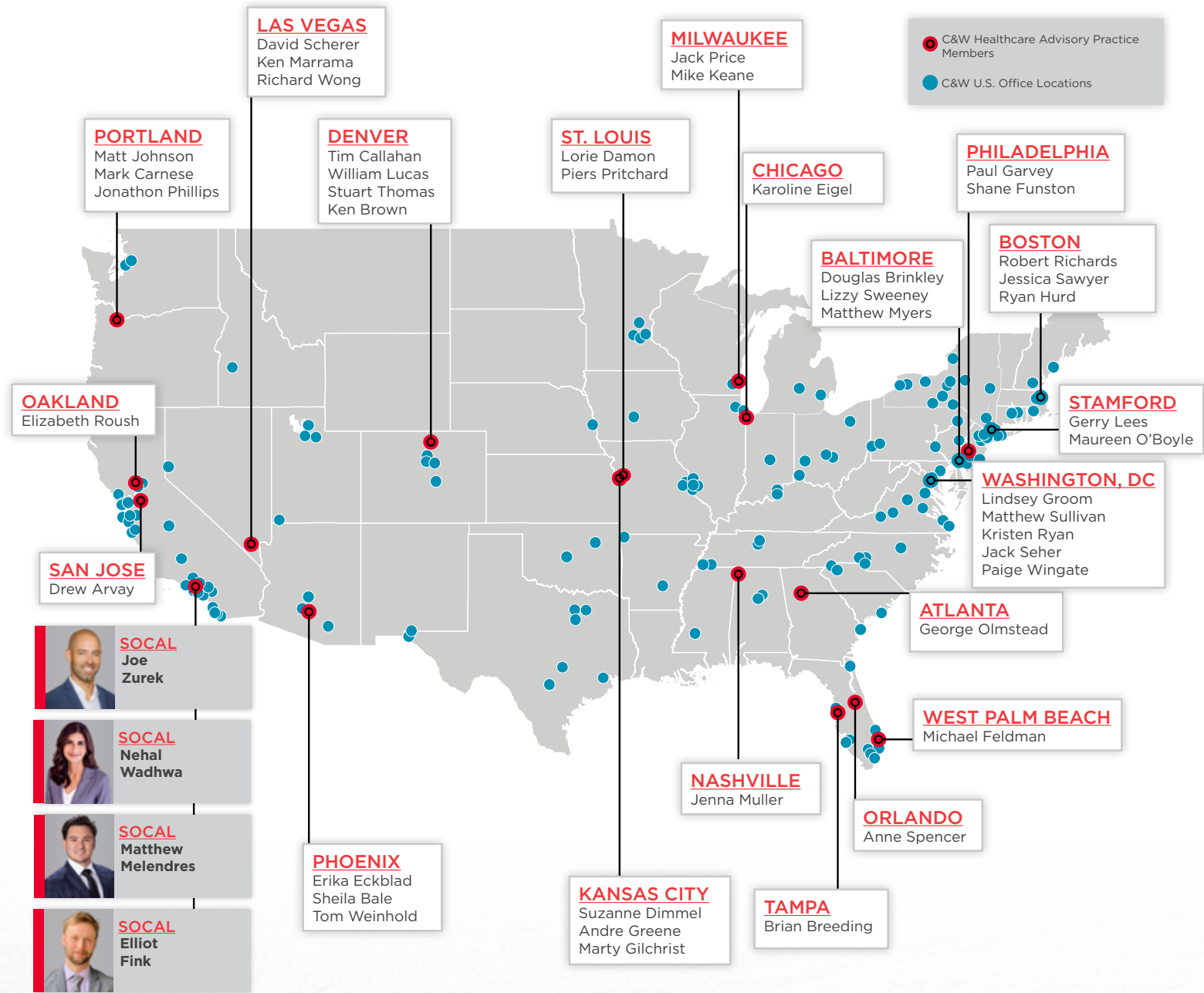
Service Line	2023 Volume	2028 Volume	2033 Volume	5 Yr Growth	10 Yr Growth
Endocrinology	1,027	1,474	1,967	43.5%	91.5%
Psychiatry	66,511	90,571	110,901	36.2%	66.7%
Physical Therapy/Rehabilitation	124,429	163,692	225,081	31.6%	80.9%
Vascular	8,200	10,626	13,607	29.6%	65.9%
Cardiology	48,193	62,054	77,723	28.8%	61.3%
Lab	217,460	277,903	347,543	27.8%	59.8%
Orthopedics	14,700	18,751	24,294	27.6%	65.3%
Ophthalmology	44,612	56,885	72,954	27.5%	63.5%
ENT	16,643	21,211	26,798	27.5%	61.0%
Pain Management	5,572	7,062	8,841	26.7%	58.7%



Healthcare Advisory Practice

The Healthcare Advisory Practice is comprised of 300+ real estate professionals from every major market around the country, drawn from a variety of disciplines including consulting, brokerage, project management, property/facilities management and valuation.

Featured Members



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