



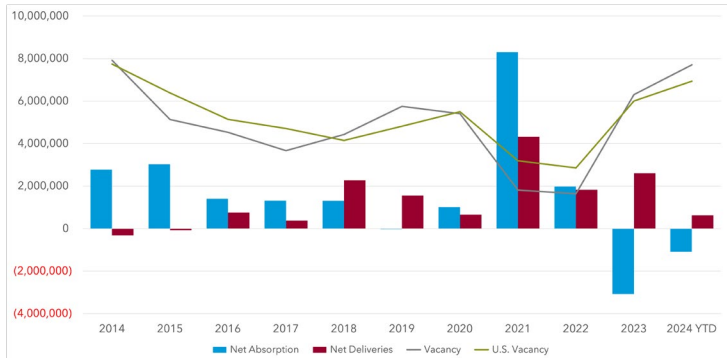
INDUSTRIAL MARKET OVERVIEW

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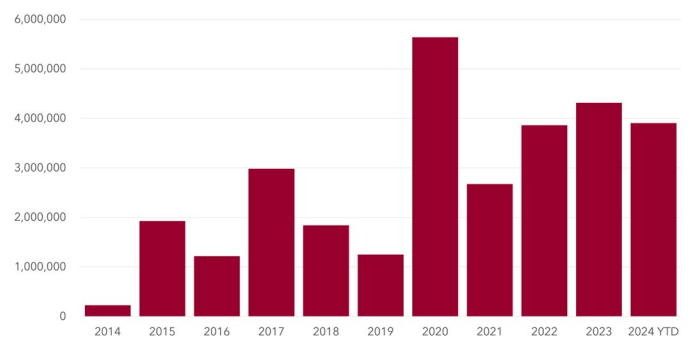
San Diego's industrial vacancy rate doubled to 6.6% since 2023 due to biotech firms and Wayfair vacating space. Over 1.4M SF of new space is unoccupied. Tenant demand softened, pushing availability rates to 2014 highs, exceeding national averages. Leasing in large properties dropped to 2019 levels, while smaller spaces see strong demand, giving landlords leverage. Asking rents grew by 0.7% in 23Q4. Elevated construction levels, especially in South County, may moderate rents. Otay Mesa developers may delay projects despite potential demand from the Port of Entry and Mexican onshoring.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▼ 12 Mo. Net Absorption SF	(3,111,111)	(3,069,749)	(1,966,622)	(1,349,627)	295,221
▲ Vacancy Rate	6.6%	5.9%	5.1%	4.6%	3.8%
▲ Avg NNN Asking Rate PSF	\$1.88	\$1.87	\$1.86	\$1.83	\$1.80
▼ SF Under Construction	3,903,803	4,316,509	5,215,922	4,543,223	3,518,453
▲ Inventory SF	210,109,039	209,479,265	208,291,360	207,916,714	207,070,036

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
195 Bosstick Blvd + 2946-54 Norman Strasse Road, San Marcos, CA	221,009 SF	\$50,000,000 \$226.24 PSF	Investcorp ShopCore Properties	Class A
7110-7122 Enrico Fermi Place San Diego, CA	198,858 SF	\$71,639,500 \$266.86 PSF	Zucarmex Ares Management Corp.	Class A
7949 Stromesa Court San Diego, CA	107,564 SF	\$26,500,000 \$246.37 PSF	Birtcher Anderson Davis George Damoose	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8830 Siempre Viva Road San Diego, CA	153,166 SF	TIAA / Nuveen / IDS	Marketing.com	Technical Services
755 Harvest Road San Diego, CA	127,141 SF	Sudberry Properties	Agorus	Construction
1462 Corporate Center Drive San Diego, CA	91,753 SF	Sudberry Properties	JMC Global	Transportation

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