



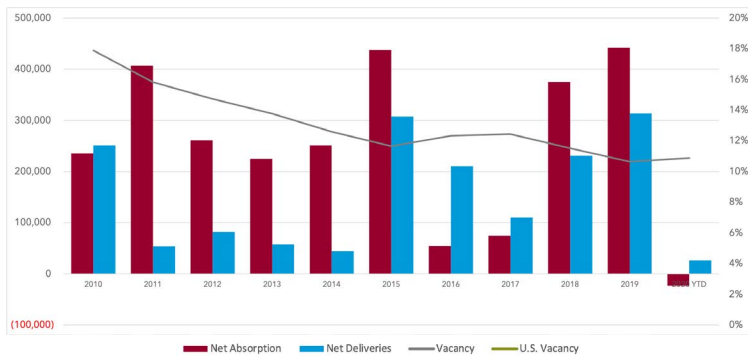
### OFFICE MARKET OVERVIEW

JAMES BENGALA, *Senior Associate*

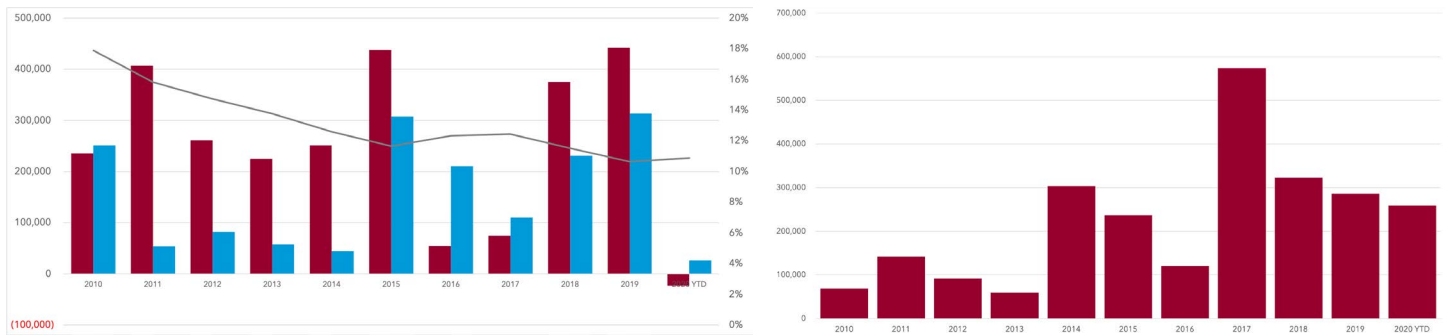
The North County San Diego office submarket continued to show positive signs in Q1 of 2020 despite the lead up to the corona virus pandemic. Although vacancy rates ticked up slightly both market rents and sales transactions experienced an increase of 1%-2% over Q4 of 2019. The last two weeks of Q1 were marred with massive spreading of covid-19 and media outlets sparked additional consumer fears and anxiety. We anticipate a surge in vacancies and a drop in market rents in Q2.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▼ Net Absorption	(60,751) SF	125,426 SF	42,655 SF	331,834 SF	(58,089) SF
▲ Vacancy Rate	11.10%	10.60%	10.90%	11.20%	12.00%
▼ Avg NNN Asking Rate	\$32.04/SF	\$00.00/SF	\$00.00/SF	\$00.00/SF	\$00.00/SF
▼ Under Construction	259,251 SF	285,604 SF	303,604 SF	191,427 SF	392,427 SF
▲ Inventory	19,028,425 SF	19,002,072 SF	18,924,072 SF	18,924,072 SF	18,723,072 SF

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1902 Wright Pl-part of multi-sale Carlsbad, CA	50,117 SF	\$10,406,501 \$207.64/SF	Harbor Associates LLC Wasatch Group	Class A
1903 Wright Pl-part of multi-sale Carlsbad, CA	48,150 SF	\$8,762,998 \$181.99/SF	Harbor Associates LLC Wasatch Group	Class A
1917 Palomar Oaks-part of multi-sale Carlsbad, CA	46,469 SF	\$8,444,567 \$181.72/SF	Harbor Associates LLC Wasatch Group	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5541 Fermi Court Carlsbad, CA	46,823 SF	Regent Properties, Inc.	Development, Inc.	Agri/Mining/Utilities
1811 Aston Ave Carlsbad, CA	28,903 SF	The Blackmore Co.	Undisclosed	-
355 E. Grand Ave Escondido, CA	12,290 SF	Watermen Investments	Undisclosed	-