



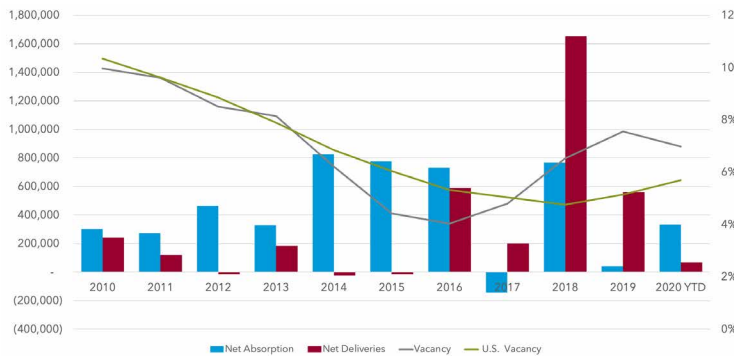
### INDUSTRIAL MARKET OVERVIEW

ISAAC LITTLE *Principal*

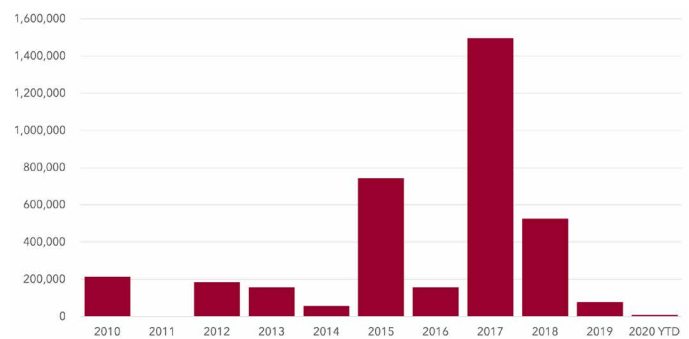
Approximately 80% of North County San Diego's 57.5 million SF of total industrial space is low finish industrial space and 20% is flex/R&D space. During Q1 and Q2 of 2020, tenant and Buyer demand slowed, vacancy rates rose and transaction volume was stagnant. In Q3 2020, activity for low finish industrial space has significantly increased, leading to new lease signings and closed escrows. Demand for space has increased, specifically for spaces of 40,000 SF and above. We anticipate overall vacancy rates to decrease in Q4 2020. Demand for flex/R&D product has been sluggish as the government mandated restrictions continue to impede that type of use and the outlook will continue to remain bleak until the restrictions are lifted.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▲ Net Absorption	301,242 SF	(220,101) SF	(54,864) SF	26,928 SF	37,980 SF
▼ Vacancy Rate	6.8%	7.4%	6.6%	7.6%	7.3%
▲ Avg NNN Asking Rate	\$11.88 PSF	\$11.76 PSF	\$11.64 PSF	\$11.40 PSF	\$11.52 PSF
◀▶ Under Construction	9,000 SF	9,000 SF	77,774 SF	77,774 SF	77,774 SF
◀▶ Inventory	46,990,231 SF	46,990,231 SF	46,921,457 SF	46,921,457 SF	46,921,457 SF

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
528 E Mission Road San Marcos, CA	101,139 SF	\$8,250,000.00 \$81.57 PSF	CapRock Partners Richard and Jacquelyn Martin	Class C
3927 Oceanic Drive Oceanside, CA	54,740 SF	\$10,300,000.00 \$188.16 PSF	Skout's Honor Rexford Industrial Realty, Inc.	Class B
1900 Aston Avenue Carlsbad, CA	44,757 SF	\$11,568,750.00 \$258.48 PSF	Providence Real Estate Group Diversified Properties	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1322 Rocky Point Drive Oceanside, CA	67,913 SF	EastGroup Properties, Inc.	Pirch, Inc	Professional, Scientific and Technical Services
2611 Commerce Way Vista, CA	55,296 SF	Hamann Companies	DIG	Services
1865 Ord Way Oceanside, CA	35,463 SF	Bentall Kennedy US LP	Paradox Foods, Inc.	Wholesaler

*The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.*

*The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property and Lee Proprietary Data. ©*

*© Copyright 2020 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com*