



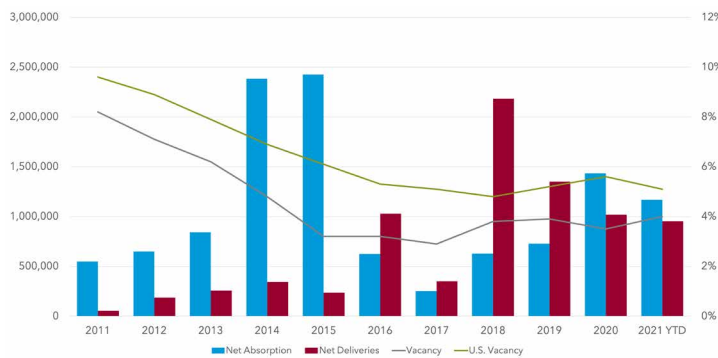
INDUSTRIAL MARKET OVERVIEW

TIM GOSSELIN, *Vice President*

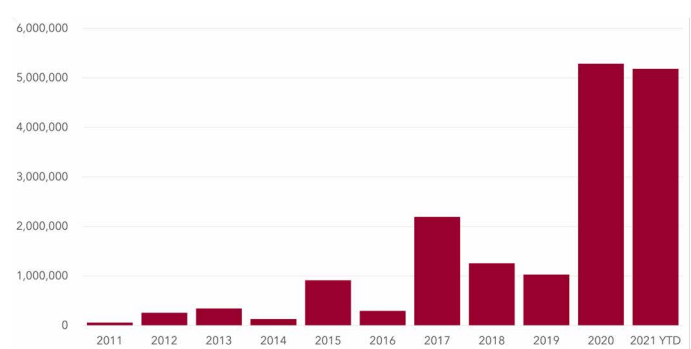
The San Diego Industrial Market has remained strong with leasing volume averaging over 3 million square feet of new leases for the past 4 quarters, including a 15 year high in 2021 Q2. This heightened demand has led to net absorption totaling over 3 million square feet over the past year and 1.4 million in 2021 Q2 alone. Annual rent growth remains positive with a long-term average of 5.7% compared to the national average of 5%. San Diego remains a market that attracts national investment due to a strong Life Sciences presence and a diverse tenant pool. The average NNN asking rent/SF is \$1.02 and the average market sale price/SF is \$270.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▲ 12 Mo. Net Absorption SF	1,446,963	241,315	611,732	767,308	(204,904)
▲ Vacancy Rate	4.60%	4.40%	4.30%	4.80%	4.90%
▲ Avg NNN Asking Rate PSF	\$12.24	\$12.00	\$12.24	\$12.00	\$11.88
▼ SF Under Construction	5,183,881	5,286,721	5,285,795	4,685,439	4,466,190
▼ Inventory SF	147,852,378	147,922,163	147,542,603	147,580,103	146,950,460

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
505 S Pacific Street San Marcos, CA	113,500 SF	\$42,200,000.00 \$371.81 PSF	Columbia California Pacific Ind LLC P8 San Marcos Owner, LLC	Class B
491 C Street Chula Vista, CA	111,806 SF	\$35,600,000.00 \$318.41 PSF	Greyhound Exposition Services Inc CH Realty IX-WPL I San Diego St LP	Class B
9485 Customhouse Plaza - Bldg 3 San Diego, CA	102,923 SF	\$13,000,000.00 \$126.31 PSF	Trea Frontera Business Park LLC ABCJ LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3266 Lionshead Avenue Carlsbad, CA	175,258 SF	BRE 3261 Lionshead Owner LLC	Amazon	Retailer
1395 Park Center Drive Vista, CA	155,069 SF	PCD Owner LLC	M2 Ingredients	Food Services
4100 Ocean Ranch Blvd Oceanside, CA	142,746 SF	Lincoln Property Company	Amazon	Retailer

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