



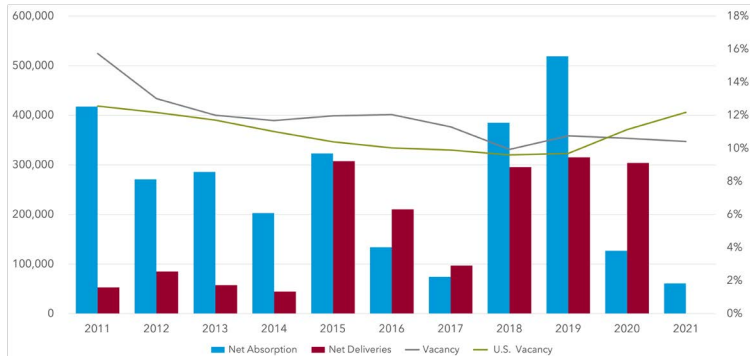
### OFFICE MARKET OVERVIEW

SELINA SOUNAKHENE, Associate

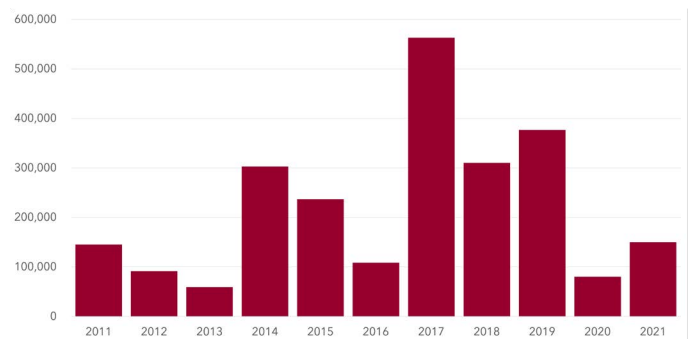
After the rise in leasing activity in Q3, this quarter was slow likely influenced by two things: the holiday season and the emergence of the omicron variant of COVID-19. There was a pause placed on making decisions regarding office leasing. The pandemic continues to affect office leasing activity. We are seeing many businesses reevaluate their needs and shrink their office footprints as more and more lean toward working from home or a hybrid situation. Sales volume continues to be through the roof in North County San Diego. The largest acquisition of the Q4 was the MAKE project in Carlsbad that went for a whopping \$91,500,000. This project will be converted to life sciences.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▲ 12 Mo. Net Absorption SF	27,970	(50,552)	76,082	(53,798)	255,156
▼ Vacancy Rate	12.2%	12.4%	12.1%	12.6%	12.3%
▼ Avg NNN Asking Rate PSF	\$29.64	\$29.88	\$30.36	\$30.72	\$30.36
▲ SF Under Construction	150,022	95,177	155,177	80,177	80,177
▲ Inventory SF	19,503,314	19,518,587	19,458,587	19,464,883	19,464,883

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5600 Avenida Encinas Carlsbad, CA	176,097 SF	\$91,500,000 \$519.60 PSF	Carlsbad1-Make Holding LLC MAKE-Carlsbad LLC	Class A
1430 Decision Street Vista, CA	111,639 SF	\$14,750,000 \$132.12 PSF	LBA Realty VEREIT, Inc.	Class B
1808 Aston Avenue Carlsbad, CA	84,010 SF	\$20,000,000 \$238.07 PSF	Miramar Capital Advisors MCR Industries	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
215 S Hickory Street Escondido, CA	29,501 SF	Neighborhood Healthcare	Undisclosed	Undisclosed
703 Palomar Airport Road Carlsbad, CA	14,566 SF	Brookwood Financial Partners LLC	Undisclosed	Undisclosed
910 Sycamore Avenue Vista, CA	10,141 SF	Medical Group of North County	Undisclosed	Undisclosed

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