



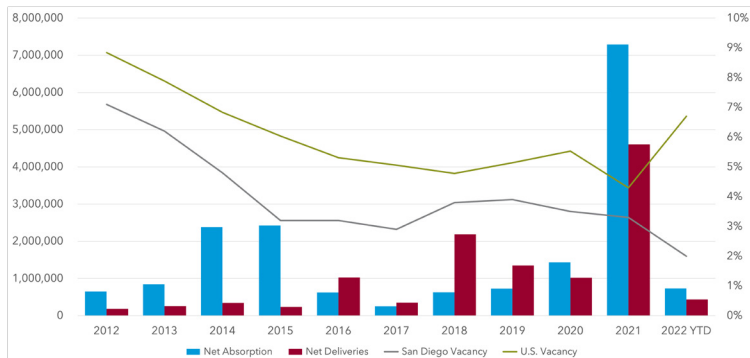
INDUSTRIAL MARKET OVERVIEW

TIM GOSSELIN, *Principal*

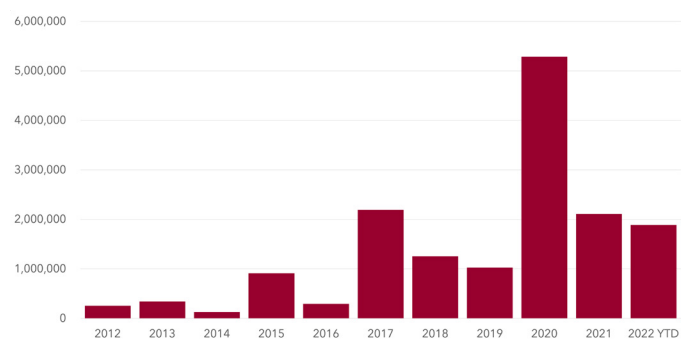
San Diego's industrial market remains well balanced between high demand for logistics space from last-mile distribution, and e-commerce tenants alongside demand for lab space within flex buildings that can accommodate the cutting-edge requirements of the region's life sciences firms. Heightened demand due to limited supply has also led to net absorption totaling 8.7M SF over the past 12 months. That, in turn, has led to a decrease in vacancy of 2.9% compared to the five-year average of 4.7%. Rental rates have increased across the county from \$1.55/SF in Q4 2021 to \$1.60/SF as of Q1 2022. Sale prices have also increased with sale prices per SF rising from \$286/SF in Q4 to \$303/SF in Q1 2022.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▲ 12 Mo. Net Absorption SF	8,616,590	2,600,000	4,038,409	1,446,963	241,315
▼ Vacancy Rate	2.00%	3.30%	4.20%	4.60%	4.40%
▲ Avg NNN Asking Rate PSF	\$1.13	\$1.08	\$1.05	\$1.02	\$1.00
▼ SF Under Construction	1,889,188	2,110,635	2,219,666	5,183,881	5,286,721
▲ Inventory SF	151,372,429	151,363,829	151,363,829	147,852,378	147,922,163

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2323 Avenida Costa Este - Bldg B San Diego, CA	106,607 SF	\$24,500,000 \$229.82 PSF	Greenlaw Partners MJW Investments	Class C
6800 Gateway Park Drive San Diego, CA	62,875 SF	\$15,750,000 \$250.50 PSF	Dalfen Industrial Babak Nassirzadet	Class B
6138-6150 Nancy Ridge Drive San Diego, CA	59,478 SF	\$34,000,000 \$571.64 PSF	Sorrento Ridge Research Pk LLC Prandium, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
717 Harvest Road San Diego, CA	202,408SF	Nunc Coepi LLC	Amazon	E-Commerce
9043 Siempre viva Road San Diego, CA	143,488SF	EastGroup Properties	Hologic	R&D
6060 Business Center Ct San Diego, CA	134,776 SF	Cabot Properties	Hybrid Apparel	Manufacturing

