



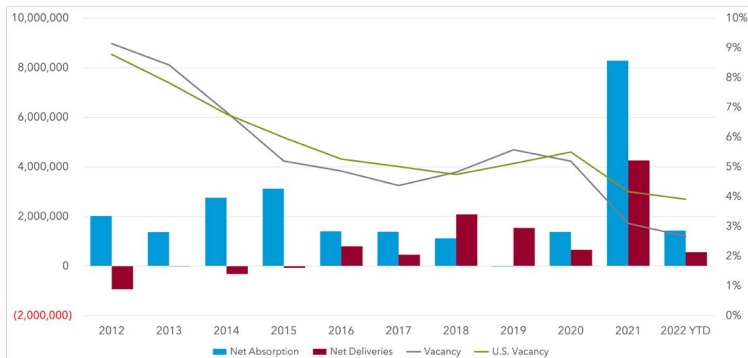
INDUSTRIAL MARKET OVERVIEW

TIM GOSSELIN, *Principal*

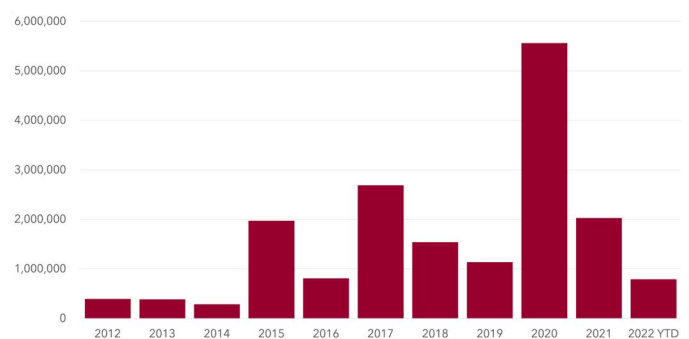
The industrial market in San Diego is well balanced between high demand for logistics space for nearby distribution and e-commerce tenants. San Diego increased entry lanes for cargo trucks to Otay Mesa Port of Entry from 9 lanes to 16 in 2022 to help increase volume and growth. Since mid 2020, the leasing volume per quarter has been averaging over 3 million square feet of new leases. This is 20% above the demand levels pre-pandemic. Vacancy this quarter has fallen to 2.7% (the 5-year average was 4.5%). Annual rent growth is steady at 12% in San Diego compared to the national rate of 12.2%.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▼ 12 Mo. Net Absorption SF	8,125,827	8,608,185	8,281,037	6,688,799	2,752,92
▼ Vacancy Rate	2.7%	2.8%	3.1%	4.2%	4.8%
▲ Avg NNN Asking Rate PSF	\$19.92	\$19.32	\$18.72	\$18.24	\$17.76
▼ SF Under Construction	2,900,000	3,000,000	2,700,000	2,500,000	5,800,000
◀▶ Inventory SF	203,000,000	203,000,000	203,000,000	203,000,000	199,000,000

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
12220 Scripps Summit Drive San Diego, CA	129,916 SF	\$76,100,000 \$585.76 PSF	DWF VI Northridge Summit LLC Northridge Summit TIC-16 LLC	Class A
10089 Willow Creek Road San Diego, CA	121,496 SF	\$25,300,000 \$208.24 PSF	Willow Creek SD, LLC LBA Realty Fund Holding Co I, LLC	Class B
10111 Riverford Road Lakewood, CA	72,783 SF	\$30,000,000 \$412.18 PSF	Costco Wholesale Southland Envelope Co, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4150 Campus Point Court San Diego, CA	170,000 SF	Alexandria Real Estate Equities, Inc.	Leidos	Manufacturing
2340 Cousteau Court Vista, CA	134,299 SF	Elion	Aptera Motors Corp.	Manufacturing
1 Viper Way Vista, CA	100,500 SF	CenterSquare Investment Mgmt	Cymer Laser Technologies	Manufacturing

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