



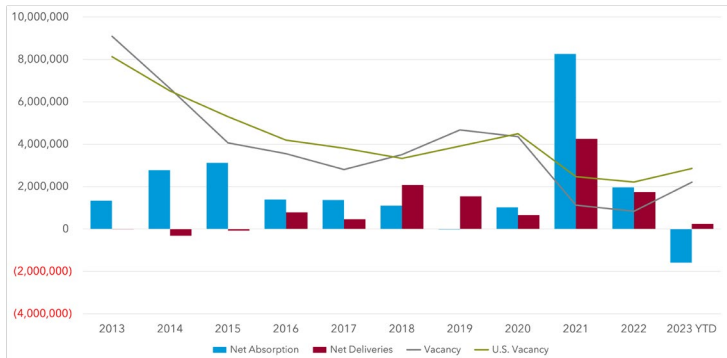
INDUSTRIAL MARKET OVERVIEW

SPENCER DOK, *Associate*

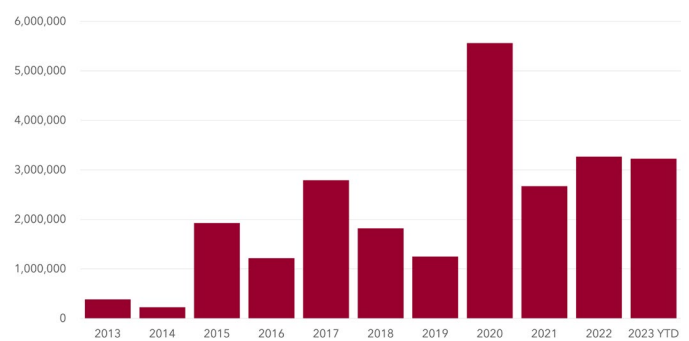
Demand for industrial space in San Diego remained strong but moderated slightly as vacancy increased by roughly 0.06% over the prior quarter to 3.8%. Despite a nominal increase in vacancy, average rents were up to \$1.80/SF; outperforming national rent growth averages. Cap rates for industrial product have largely remained steady around 5%. Average sale prices climbed to \$358 per square foot. Pricing has been supported by increased logistics and distribution requirements in a low inventory environment. Multifamily developers continue to target the region's central submarkets for adaptive reuse and redevelopment opportunities of office and industrial buildings.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ 12 Mo. Net Absorption SF	(219,156)	1,963,920	3,623,921	8,117,321	8,565,758
▲ Vacancy Rate	3.8%	3.1%	3.5%	2.8%	3.1%
▲ Avg NNN Asking Rate PSF	\$1.80	\$1.77	\$1.74	\$1.69	\$1.63
▼ SF Under Construction	3,227,888	3,267,363	3,215,506	2,806,795	2,887,616
▲ Inventory SF	205,451,637	205,211,327	205,134,364	204,016,716	203,946,907

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2020 Piper Ranch Road San Diego, CA	601,103 SF	\$126,836,500 \$211.01 PSF	LaSalle Investments ARES Management, LLC	Class B
13651 Danielson Street Poway, CA	51,071 SF	\$14,755,864 \$288.93 PSF	SENTRE, Inc. TA Realty	Class B
13691 Danielson Street Poway, CA	37,892 SF	\$8,442,046 \$222.79 PSF	SENTRE, Inc. TA Realty	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1610 Landmark Road San Diego, CA	240,975 SF	Majestic Realty/Sunroad	RL Jones	Logistics
505 Main Street Chula Vista, CA	79,611 SF	KKR	Ready Spaces	Warehousing
7615 Siempre Viva Road San Diego, CA	42,500 SF	Dalfen Industrial	HK Trans LLC	Logistics

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