



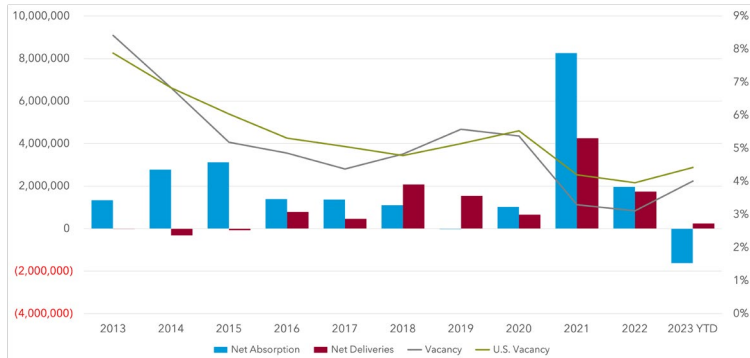
INDUSTRIAL MARKET OVERVIEW

DANIEL KNOKE, *Principal*

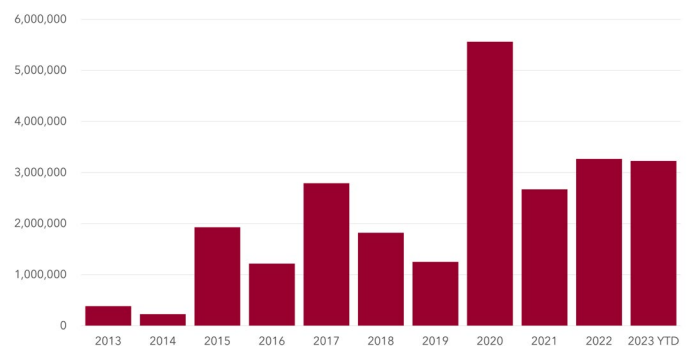
The last two quarters of 2022 saw some cooling in the market due to large ecommerce spaces returning to the market for sublease that we expect to be absorbed in the coming months. The net absorption for San Diego industrial properties in Q1 was approximately -200,000 square feet with leasing activity just under 2,000,000 square feet. Vacancy rates rose slightly to 3.1%, market rental rates increased at a slower rate to \$1.80 per square foot for high-finish and \$1.37 per square foot for low-finish. Although the sales volume saw a slight decrease, the average sale price rose from \$349 to \$355 per square foot. The 3,227,888 square feet of product under construction will help relieve the supply related pressure and increase transaction volume.

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	3.1%	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	205,446,512	205,206,202	205,129,239	204,011,591	203,941,782

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
220 Piper Ranch Road San Diego, CA	601,103 SF	\$126,836,500 \$211.01 PSF	LaSalle Investment Management 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
4909 Pacific Highway San Diego, CA	33,400 SF	\$12,597,000 \$377.16 PSF	RPSD 4909 LLC Ramin Pourteymour	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1610 Landmark Road San Diego, CA	240,795 SF	Sunroad Holding Corporation	RL Jones Customhouse Brokers	Import/Export
505 Main Street Chula Vista, CA	79,611 SF	Kohlberg Kravis Roberts & Co. L.P.	Jabil	Electronics Manufacturing
7077 Consolidated Way San Diego, CA	45,600 SF	7077 Associates	Confidential	Computer Component Manufacturing

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