



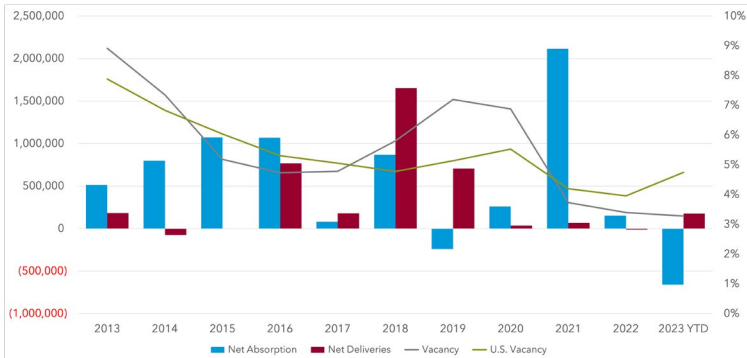
INDUSTRIAL MARKET OVERVIEW

DANIEL KNOKE, *Principal*

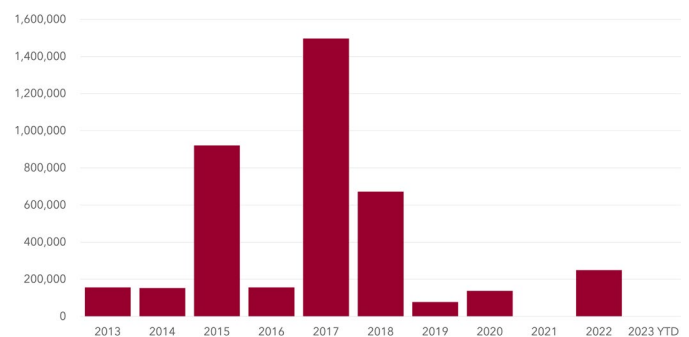
After starting this year with a slight increase in vacancy rates to 3.33%, the second quarter saw a small improvement to 3.23% with rental rates decreasing slightly by two cents per square foot. Both rental rates and occupancy levels remain well above pre-pandemic levels. The slight adjustments in availability will likely seesaw back and forth quarter-to-quarter as the market sees a combination of rampant small bay leasing activity and an uptick in larger distribution spaces being offered for sublease.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	(926,910)	(444,786)	154,403	1,234,001	1,773,436
▼ Vacancy Rate	3.23%	3.33%	3.44%	3.54%	3.49%
▼ Avg NNN Asking Rate PSF	\$1.43	\$1.45	\$1.47	\$1.49	\$1.51
◀ ▶ SF Under Construction	249,015	249,015	249,015	-	-
◀ ▶ Inventory SF	58,246,239	58,246,239	58,246,239	58,246,239	58,246,239

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1145 Industrial Avenue Escondido, CA	17,760 SF	\$3,996,000 \$225.00 PSF	Majestic Property Group, Inc. Philip M. & Arlette C. Larraburu	Class C
2349 La Mirada Drive Vista, CA	14,907 SF	\$4,100,000 \$275.04 PSF	Undisclosed Colors Enterprises, Inc.	Class B
1185 Joshua Way Vista, CA	12,160 SF	\$3,260,000 \$268.09 PSF	Auto Concierge KA Enterprises	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1900 Aston Avenue Carlsbad, CA	22,825 SF	Equity Oak Ventures LLC	Argonaut Manufacturing Services	Life Science
5803 Newton Drive, Suite A Carlsbad, CA	22,519 SF	EV Newton LLC	TAU Systems, Inc	Technology
155 Mata Way, Suites 103-106 San Marcos, CA	19,597 SF	Blackstone, Inc.	Grain to Green, Inc	Brewery

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