



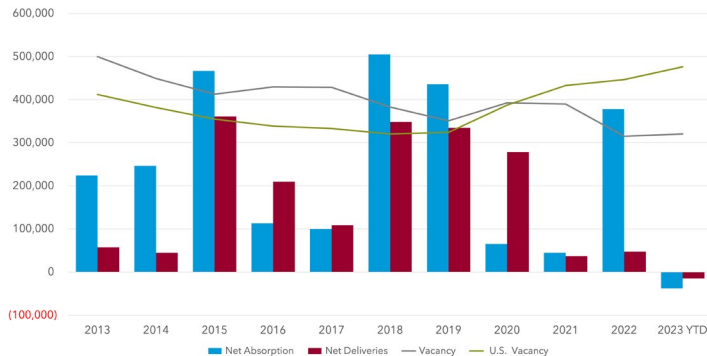
OFFICE MARKET OVERVIEW

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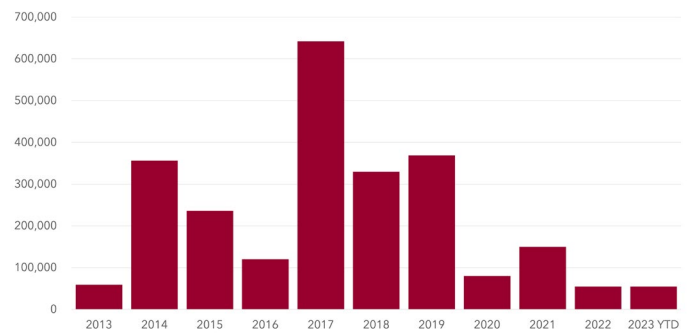
The San Diego office market continues to thrive, showcasing robust activity in both leasing and investment. With its prime coastal location, strong economy, and vibrant business environment, San Diego remains an attractive destination for companies seeking office space. Leasing activity is characterized by a diverse range of industries, including technology, biotech, healthcare, and defense, which are drawn to the region's skilled workforce and innovative ecosystem. The demand for flexible workspaces and modern amenities is on the rise, with an emphasis on collaborative environments and employee well-being. Simultaneously, the investment market in San Diego remains buoyant, with a steady flow of capital from institutional and private investors.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	26,454	142,264	378,043	406,262	338,180
▼ Vacancy Rate	9.64%	9.82%	9.49%	8.92%	9.56%
▲ Avg NNN Asking Rate PSF	\$33.00	\$32.88	\$33.60	\$33.00	\$33.00
◀ ▶ SF Under Construction	54,845	54,845	54,845	142,022	142,022
▲ Inventory SF	2,894,944	2,823,705	2,736,077	2,549,071	2,549,219

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2424 Vista Way Oceanside, CA	31,388 SF	\$5,700,000 \$181.60 PSF	Mohammad Pashmforoush The Jaeger Family Trust	Class B
1011 Devonshire Drive Encinitas, CA	10,007 SF	\$6,735,000 \$673.03 PSF	Mkntatoma Holdings, Inc. Tata Beachside LLC	Class C
1802 S. Escondido Boulevard Escondido, CA	7,474 SF	\$1,600,000 \$214.08 PSF	Integrity Eye VeniExpress	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
855 Brotherton Road Escondido, CA	20,747 SF	Bethel Southern Baptist	Undisclosed	Undisclosed
Highway 101 at Dahlia Solana Beach, CA	12,305 SF	Zephyr Solana LLC	Undisclosed	Undisclosed
1890 Hacienda Drive Vista, CA	10,000 SF	Ambassador Real Estate	Undisclosed	Undisclosed

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