



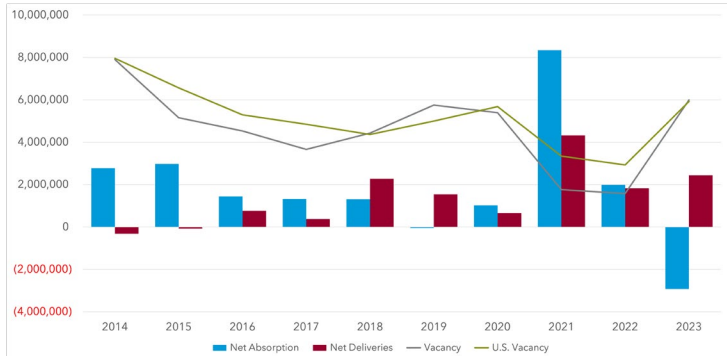
INDUSTRIAL MARKET OVERVIEW

SPENCER DOK, *Associate*

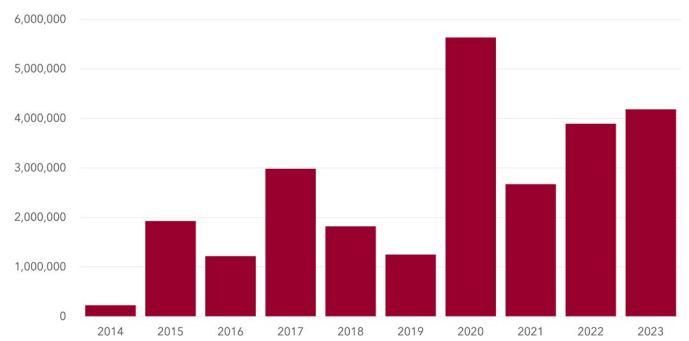
San Diego's vacancy rate climbed to 6.0% in Q1 2024, a notable increase attributed to market shifts, particularly in Sorrento Mesa and UTC where biotech firms and home goods retailers vacated spaces. Over 1.4 million SF of speculative deliveries from 2023 are available for lease. Buildings over 100,000 SF face declining leasing, contrasting with robust demand for small-bay properties. Modest growth in asking rents in 23Q4, coupled with positive indicators like improved consumer confidence and ongoing construction of a second port of entry, eases concerns about significant drops. The development is expected to fuel demand for logistics facilities exceeding 100,000 SF in the upcoming quarters.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	(2,922,602)	(1,832,625)	(1,174,393)	214,737	1,986,382
▲ Vacancy Rate	5.7%	5.0%	4.5%	3.8%	3.2%
▲ Avg NNN Asking Rate PSF	\$22.44	\$22.32	\$21.96	\$21.60	\$21.24
▼ SF Under Construction	4,181,793	5,077,645	4,404,341	3,551,504	3,893,363
▲ Inventory SF	208,989,293	207,969,949	207,590,830	206,957,425	206,549,318

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3390 Heritage Road Chula Vista, CA	105,550 SF	\$21,600,000 \$204.64 PSF	EQT Exeter Rockefeller Group	Class B
7498 Colchester Court San Diego, CA	102,099 SF	\$30,585,707 \$299.57 PSF	Hines Murphy Development	Class B
7222 Airway Road San Diego, CA	101,145 SF	\$30,331,793 \$299.88 PSF	Hines Murphy Development	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6212 Corte Del Abeto Carlsbad, CA	70,224 SF	Elion Partners	K1 Speed	Amusement
9050 Airway Road San Diego, CA	59,905 SF	ARES Management	Undisclosed	Undisclosed
480 N. Spruce Street Escondido, CA	48,976 SF	City of Escondido	Undisclosed	Undisclosed

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