



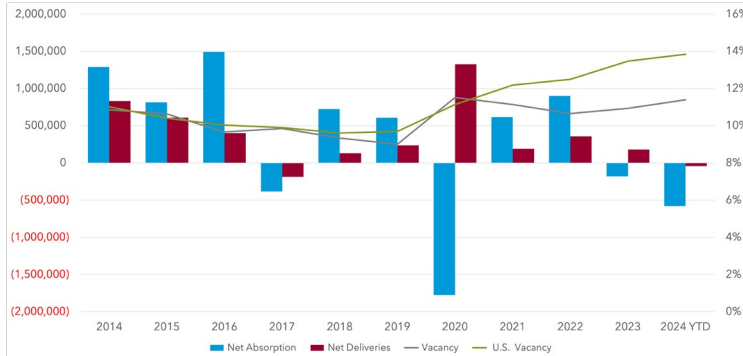
OFFICE MARKET OVERVIEW

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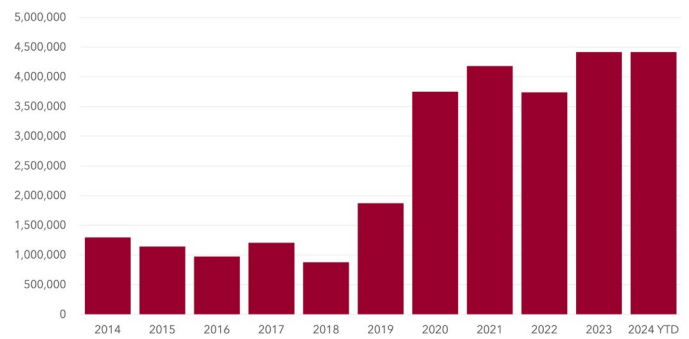
The office market in North County San Diego continues to limp along with the work-from-home era being firmly anchored into the fabric of our modern day society. Sales and leasing volume remain at all-time lows with a handful of transactions, taking place at high-quality assets or those with highly desirable coastal location and amenities. There are numerous local investment groups patiently waiting on the sidelines to acquire deals well below market comp valuations. The office sector is cautiously optimistic about a healthy uptick in activity for Q2/Q3 2024.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	544,920	180,438	677,128	1,049,570	352,378
▲ Vacancy Rate	11.28%	10.94%	11.16%	10.98%	10.75%
▼ Avg NNN Asking Rate PSF	35.64	35.88	35.88	36.48	36.24
◀ ▶ SF Under Construction	4,414,829	4,414,829	4,257,720	3,799,233	3,737,290
▼ Inventory SF	20,395,226	20,452,576	20,240,875	20,131,504	19,527,255

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
9040 Friars Road* San Diego, CA	87,306 SF	\$24,000,000 \$149.01 PSF	Intracorp Westbrook Partners	Class B
9050 Friars Road* San Diego, CA	73,762 SF	\$24,000,000 \$149.01 PSF	Intracorp Westbrook Partners	Class B
1111 6th Avenue San Diego, CA	70,602 SF	\$7,850,000 \$111.19 PSF	US Super Gas Expansive	Class B

* Part of a 2-Property Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
11208 El Camino Real San Diego, CA	118,731 SF	Breakthrough Properties LLC	Pfizer, Inc.	Pharmaceutical Preparation Mfg
11202 El Camino Real San Diego, CA	111,402 SF	Breakthrough Properties LLC	Pfizer, Inc.	Pharmaceutical Preparation Mfg
1111 Bay Boulevard Chula Vista, CA	19,867 SF	Inland Industries	San Diego Workforce Partnership	Public Administration- Govt, Legislative

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