



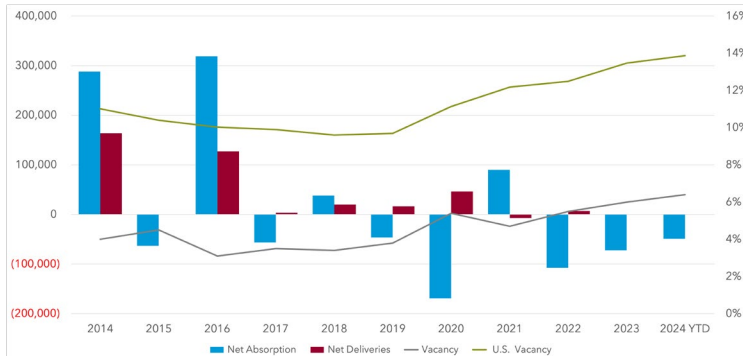
### OFFICE MARKET OVERVIEW

STEPHEN LEIDER, *Broker Associate*

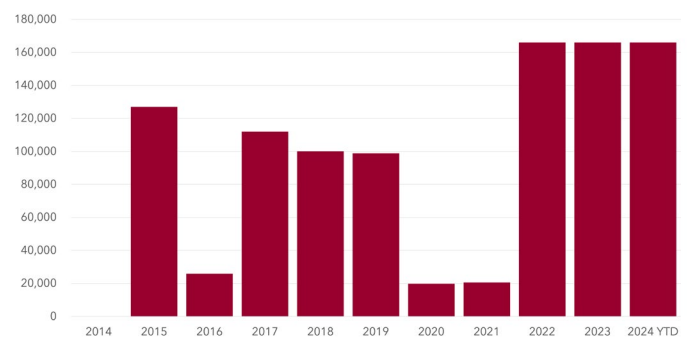
Santa Barbara's office market serves scores of tenants in healthcare and defense/aerospace, including companies linked to Vandenberg Air Force Base. Nevertheless, demand for space since Covid has fallen, albeit less than the national average. The vacancy rate is up from nearly 4% to 6.4%, the highest in a decade. Companies are opting for smaller and more efficient footprints, especially the larger occupiers. In the mixed-use commercial hub Paseo Nuevo, the former Nordstrom's on State Street is reopening with 165,000 SF redeveloped as office space. Quarterly leasing activity, excluding renewals, has averaged about 100,000 SF over the past eight quarters.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▼ 12 Mo. Net Absorption SF	(77,405)	(65,596)	(72,107)	(124,042)	(116,278)
▼ Vacancy Rate	6.3%	6.6%	6.0%	6.0%	5.8%
▲ Avg NNN Asking Rate PSF	\$32.69	\$32.64	\$32.52	\$32.68	\$32.52
◀ ▶ SF Under Construction	166,000	166,000	166,000	166,000	166,000
◀ ▶ Inventory SF	13,802,603	13,802,603	13,802,603	13,802,603	13,802,603

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2225 Skyway Drive Santa Maria, CA	5,150 SF	\$1,150,000 \$223.30 PSF	Angela Guggia Randy & Tracy Burdick	Class C
1300 E. Cypress Street Santa Maria, CA	2,560 SF	\$735,000 \$287.11 PSF	Care Net Pregnancy Center George Hanover	Class C
249 N. Turnpike Road Santa Barbara, CA	2,200 SF	\$675,000 \$306.82 PSF	Smith Family Trust Walpole Family Trust	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1155 Eugenia Place Carpenteria, CA	18,000 SF	Kent N Allen	Undisclosed	Undisclosed
749 Ward Drive Goleta, CA	17,224 SF	Edwrd Mark	Arthrex, Inc.	Services
175 Cremona Drive Goleta, CA	12,978 SF	Majestic Asset Management Inc.	Aptitude Medical Systems, Inc	Medical Services

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