



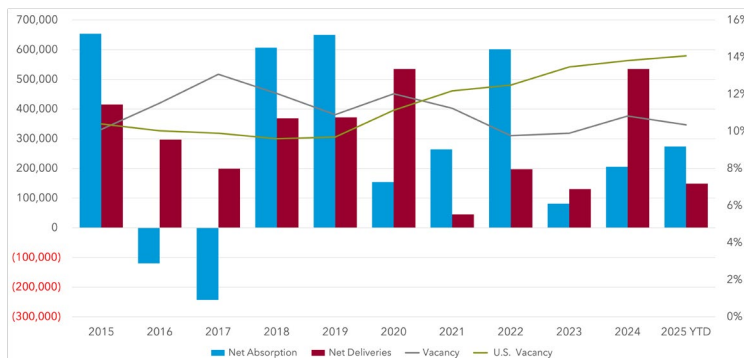
### OFFICE MARKET OVERVIEW

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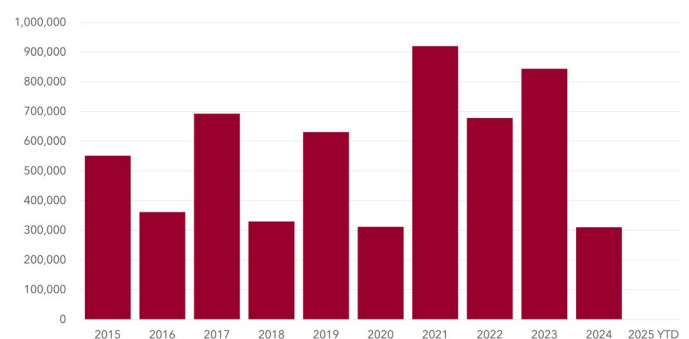
The North San Diego County office market remained relatively stable in Q3 2025, with a vacancy rate holding steady at 10.4%. Net absorption was slightly negative at -8,163 square feet, reflecting minimal tenant movement following the larger vacancy shifts earlier in the year. Average asking rents declined modestly to \$36.60 per square foot NNN annually, continuing a gradual downward trend from previous quarters. Despite this softness, overall fundamentals indicate a balanced market as tenants take a cautious approach amid ongoing economic uncertainty, while landlords focus on retention and competitive pricing to maintain occupancy levels.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	(8,163)	(55,508)	328,475	(22,940)	134,666
◀ ▶ Vacancy Rate	10.40%	10.40%	10.40%	10.20%	10.80%
▼ Avg NNN Asking Rent PSF	\$36.60	\$37.32	\$37.92	\$38.16	\$37.80
▲ Sale Price PSF	\$343.00	\$284.00	\$474.00	\$401.00	\$363.00
▲ Cap Rate	8.25%	8.23%	8.17%	8.13%	8.07%
◀ ▶ Under Construction	-	-	-	310,591	322,429
▼ Inventory	29,780,223	29,780,223	29,780,223	29,623,348	29,611,510

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
535 Encinitas Boulevard Encinitas, CA	18,845 SF	\$525,000 \$257.24 PSF	Ballout Van Duyse Trust Robert J. Blank	Class B
605 3rd Street Encinitas, CA	14,398 SF	\$11,000,000 \$764.00 PSF	GJS Properties LLC 605 Third Street LLC	Class B
2036 Corte Del Nogal Carlsbad, CA	11,840 SF	\$2,900,800 \$245.00 PSF	Bargain Norgal Building 1928 Kellogg LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5901 Priestly Drive Carlsbad, CA	17,885 SF	Hill Companies LLC	Fagen Friedman Fulfroost	Professional, Scientific, and Technical Services
12651 High Bluff Drive Del Mar, CA	12,467 SF	Sagard Real Estate	Zerigo Health	Medical
12265 El Camino Real Del Mar, CA	11,614 SF	The Irvine Company	Undisclosed	Undisclosed

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