



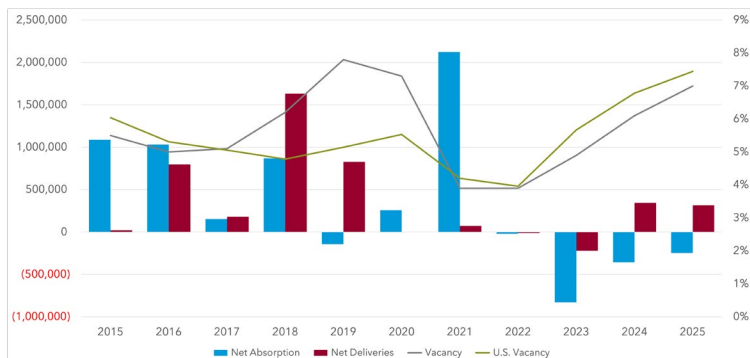
### INDUSTRIAL MARKET OVERVIEW

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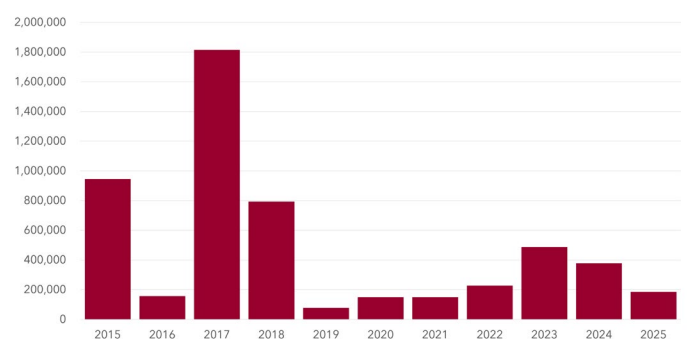
The North County San Diego industrial/flex market showed signs of positive with 12-month net absorption of approximately 332,000 square feet following several quarters of negative absorption. Vacancy declined quarter-over-quarter to 6.99%, down from 7.55% in Q3, indicating tightening conditions after peaking earlier in the year. Average NNN asking rents increased to \$16.32 PSF annually, reflecting modest upward pressure despite recent market volatility. While vacancies remain higher than late 2024 levels, the improvement suggests renewed tenant activity and improved space utilization. Rent growth has remained relatively flat but resilient, supported by limited new supply and sustained demand for functional industrial space.

| MARKET INDICATORS         | Q4 2025    | Q3 2025    | Q2 2025    | Q1 2025    | Q4 2024    |
|---------------------------|------------|------------|------------|------------|------------|
| ▲ 12 Mo. Absorption Units | 332,464    | (146,557)  | (167,055)  | (265,309)  | (177,281)  |
| ▼ Vacancy Rate            | 6.99%      | 7.55%      | 7.05%      | 6.62%      | 6.08%      |
| ▲ Avg NNN Asking Rent PSF | \$16.32    | \$15.96    | \$16.08    | \$16.44    | \$16.20    |
| ▲ Sale Price PSF          | \$278.00   | \$274.00   | \$274.00   | \$229.00   | \$297.00   |
| ▼ Cap Rate                | 5.85%      | 5.93%      | 4.85%      | 3.80%      | 6.47%      |
| ◀ ▶ Under Construction    | 185,704    | 185,704    | 350,704    | 319,479    | 377,981    |
| ◀ ▶ Inventory             | 59,757,081 | 59,757,081 | 59,592,081 | 59,499,601 | 59,441,099 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF           | SIZE       | SALE PRICE                   | BUYER / SELLER  | BUILDING CLASS |
|---------------------------------------|------------|------------------------------|---|----------------|
| 3125 Lionshead Avenue<br>Carlsbad, CA | 228,548 SF | \$72,886,000<br>\$318.91 PSF | New Pacific Realty Corporation<br>Hines                       | Class A        |
| 2285 Rutherford Road<br>Carlsbad, CA  | 128,745 SF | \$43,250,000<br>\$335.94 PSF | New Mountain Capital<br>Alexandria Real Estate Equities, Inc. | Class B        |
| 2470 Faraday Avenue<br>Carlsbad, CA   | 127,200 SF | \$22,086,000<br>\$173.63 PSF | BLT Enterprises<br>Beckman Coulter                            | Class B        |

| TOP LEASE TRANSACTIONS BY SF            | SIZE      | LANDLORD                                       | TENANT                | TENANT INDUSTRY                |
|---|-----------|--|-----------------------|--------------------------------|
| 5830 El Camino Real<br>Carlsbad, CA     | 36,169 SF | H.G. Fenton Co                                 | The Picklr            | Pickelball Club                |
| 2580 Pioneer Avenue<br>Vista, CA        | 32,660 SF | Church of Jesus Christ<br>of Latter-Day Saints | PennyPacker Packaging | Logistics/Packaging<br>Company |
| 2140 Enterprise Street<br>Escondido, CA | 26,000 SF | H.J.L Leasing Co, GP                           | Undisclosed           | Undisclosed                    |

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