



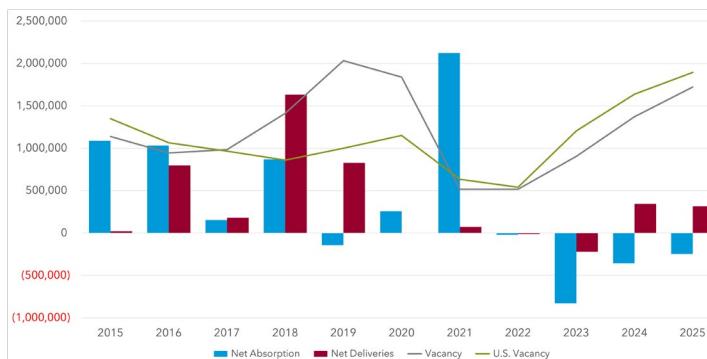
INDUSTRIAL MARKET OVERVIEW

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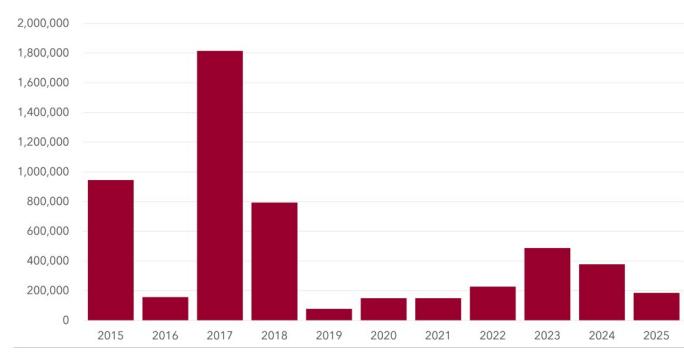
The North County San Diego industrial/flex market showed signs of positive with 12-month net absorption of approximately 332,000 square feet following several quarters of negative absorption. Vacancy declined quarter-over-quarter to 6.99%, down from 7.55% in Q3, indicating tightening conditions after 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 Carlsbad, CA	228,548 SF	\$72,886,000 \$318.91 PSF	New Pacific Realty Corporation Hines	Class A
2285 Rutherford Road Carlsbad, CA	128,745 SF	\$43,250,000 \$335.94 PSF	New Mountain Capital Alexandria Real Estate Equities, Inc.	Class B
2470 Faraday Avenue Carlsbad, CA	127,200 SF	\$22,086,000 \$173.63 PSF	BLT Enterprises Beckman Coulter	Class B

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



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