



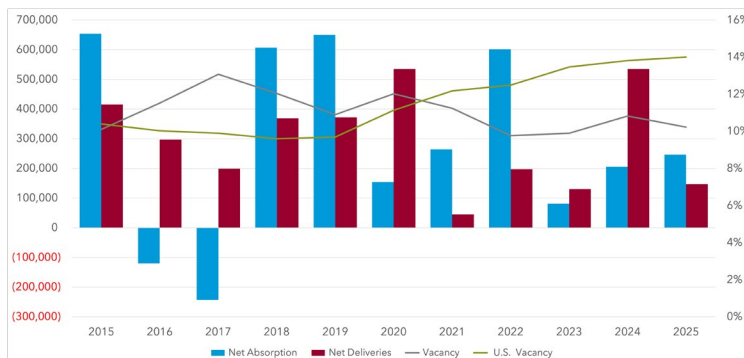
OFFICE MARKET OVERVIEW

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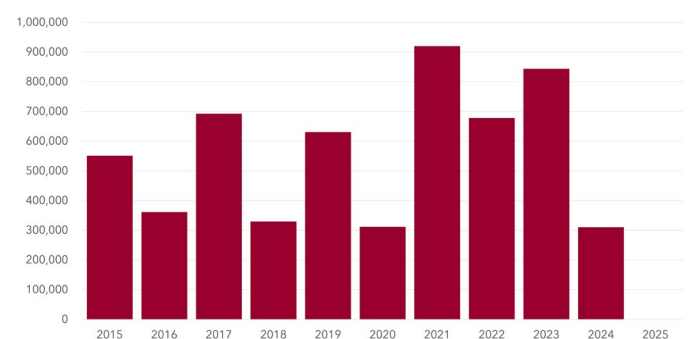
North County San Diego's office market remained relatively stable in Q4 2025, though absorption was modestly negative at approximately 5,100 square feet over the past 12 months. Vacancy held steady at roughly 10.2%, reflecting limited movement in overall occupancy. Average NNN asking rents increased to approximately \$43.05 PSF annually, marking a notable rise from prior quarters and signaling continued landlord confidence despite muted demand. Tenant activity remains selective, with users prioritizing quality, location, and value. Overall, the market continues to exhibit steady fundamentals, with pricing strength supported by constrained supply and disciplined leasing activity.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	(5,154)	(8,163)	(55,508)	328,475	(22,940)
▼ Vacancy Rate	10.20%	10.40%	10.40%	10.40%	10.20%
▲ Avg NNN Asking Rent PSF	\$43.05	\$36.60	\$37.32	\$37.92	\$38.16
▼ Sale Price PSF	\$319.00	\$343.00	\$284.00	\$474.00	\$401.00
▼ Cap Rate	8.10%	8.25%	8.23%	8.17%	8.13%
◀ ▶ Under Construction	0	0	0	0	310,591
◀ ▶ Inventory	29,780,223	29,780,223	29,780,223	29,780,223	29,623,348

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5600 Avenida Encinas Carlsbad, CA	180,999 SF	\$64,100,000 \$354.15 PSF	ABP Capital LLC Alexandria Real Estate Equities, Inc.	Class A
1265 Laurel Tree Lane Carlsbad, CA	85,000 SF	\$30,700,000 \$361.18 PSF	Sharp HealthCare Palomar Fitness Partners LP	Class B
488 E. Valley Parkway Escondido, CA	72,000 SF	\$36,400,000 \$505.56 PSF	Neighborhood Healthcare Remedy Medical Properties	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1808 Aston Avenue, Ste 170 Carlsbad, CA	10,330 SF	Miramar Capital	Undisclosed	Undisclosed
1890 Hacienda Drive Vista, CA	10,086 SF	Ambassador Real Estate	Golden View Learning Center	Education
5900 La Place Court, Ste 100 Carlsbad, CA	8,987 SF	Chesnut Properties	Undisclosed	Undisclosed

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