



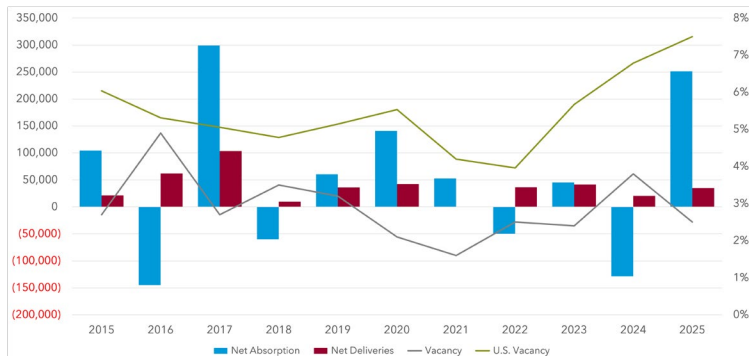
INDUSTRIAL MARKET OVERVIEW

MARTIN INDVIK, *Managing Director, Central Coast*

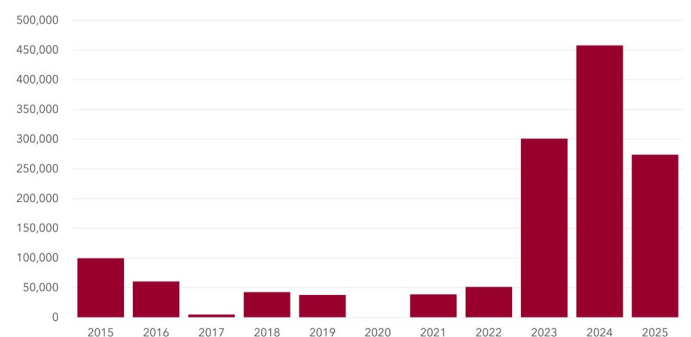
San Luis Obispo's industrial market remains exceptionally tight with vacancy declining to 2.5% in Q4 2025, well below long-term averages. Strong tenant demand drove 250,000 SF of net absorption over the past year, far exceeding limited new deliveries. Availability remains constrained at 2.8% though construction activity has increased to 270,000 SF underway, above historical norms. Average asking rents are \$16.10/SF led by higher flex pricing, though overall rents declined modestly year over year amid near-term market adjustment. Despite short-term softness, long-term rent growth remains strong reflecting the market's limited inventory, supply constraints, and sustained demand from local-serving and specialized industrial users.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▼ 12 Mo. Net Absorption SF	25,478	186,369	347,269	341,578	(128,582)
▲ Vacancy Rate	2.70%	2.40%	4.30%	4.20%	3.80%
▲ Avg NNN Asking Rate PSF	\$16.10	\$16.08	\$16.56	\$16.48	\$16.30
▼ Sale Price PSF	\$195.00	\$197.00	\$197.00	\$198.00	\$193.00
◀ ▶ Cap Rate	6.70%	6.70%	6.70%	6.64%	6.72%
▼ Under Construction SF	274,000	325,000	360,320	360,320	457,820
▲ Inventory SF	10,000,000	9,900,000	10167486	10,149,060	9,976,190

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1030 Huston Street Grover Beach, CA	17,042 SF	\$2,817,500 \$165.00 PSF	Tarltan Maderal LLC William Szymczak	Class B
921 Huston Street Grover Beach, CA	16,526 SF	\$2,800,000 \$169.00 PSF	NKT Commercial Kevin Kruse	Class C
863 Via Esteban	8,230 SF	\$1,900,000 \$231.00 PSF	Robert Gradwhol Rodney & Catherine Babcock Living Tr	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
860 Industrial Way San Luis Obispo, CA	10,000 SF	Dave Schlossberg	Poly Performance	Undisclosed
1650 Ramada Drive Paso Robles, CA	7,900 SF	Once Upon A Time PL	Undisclosed	Undisclosed
4675 Thread Lane San Luis Obispo, CA	7,580 SF	Janice Noll	Undisclosed	Undisclosed

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