



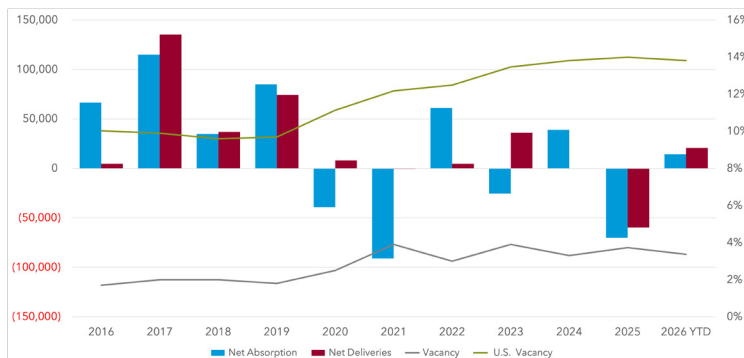
OFFICE MARKET OVERVIEW

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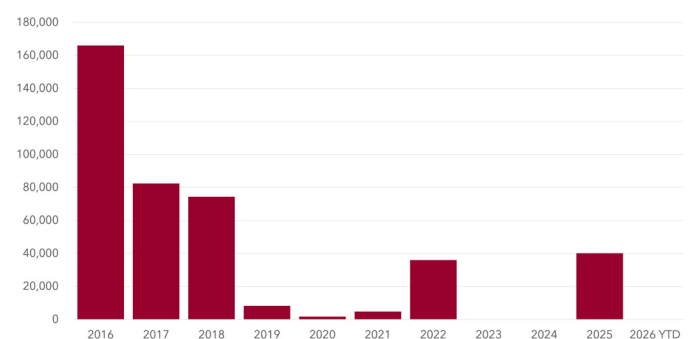
San Luis Obispo's office market remained relatively stable through Q3 2026, with vacancy near 3.4%, consistent with historical averages and reflecting limited available inventory. Negative net absorption of 21,000 SF over the trailing 12 months was partially offset by a reduction in existing inventory. Availability remains tight at 3.9%, representing approximately 270,000 SF of available space. Construction activity is nonexistent, with no new office developments underway, supporting continued supply constraints. Average asking rents reached \$31.00/SF, reflecting 2.2% annual growth and modestly outperforming national trends. Looking ahead, limited new supply and relatively stable tenant demand are expected to support consistent occupancy levels and moderate rent growth.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	(19,540)	(48,864)	(90,540)	(92,014)	46,615
▼ Vacancy Rate	3.37%	3.55%	3.96%	3.73%	2.80%
▼ Avg NNN Asking Rent PSF	\$31.26	\$31.39	\$30.52	\$30.19	\$29.40
▲ Sale Price PSF	\$250.00	\$245.00	\$237.00	\$233.00	\$236.00
▼ Cap Rate	8.87%	8.89%	9.18%	9.36%	9.40%
▼ Under Construction	-	32,500	35,900	40,150	43,550
▲ Inventory	6,931,656	6,834,147	6,767,820	6,796,776	6,825,293

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2261 Wisteria Lane Paso Robles, CA	31,458 SF	\$3,580,000 \$113.80 PSF	Michaeljoe Goldstein Dassault Systemes Americas Corp	Class B
2231 Wisteria Lane Paso Robles, CA	28,374 SF	\$3,920,000 \$138.04 PSF	Michaeljoe Goldstein Dassault Systemes Americas Corp	Class B
1338 Santa Rosa Street San Luis Obispo, CA	5,520 SF	\$1,650,000 \$298.91 PSF	Dusten S. Perry Jeffrey A. Hiltbrand	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1080 Court Street San Luis Obispo, CA	5,870 SF	Jamestown LP	Undisclosed	Undisclosed
145 Prado Road San Luis Obispo, CA	5,556 SF	Louise T Hugan	Undisclosed	Undisclosed
1880 Santa Barbara Ave San Luis Obispo, CA	3,311 SF	Railroad District LP	Polk Insurance Agency	Insurance

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