



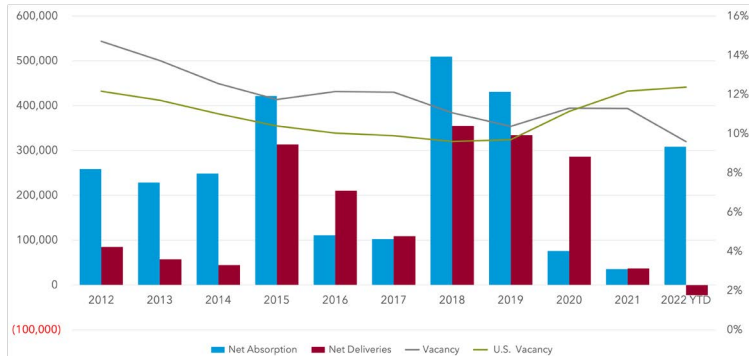
### OFFICE MARKET OVERVIEW

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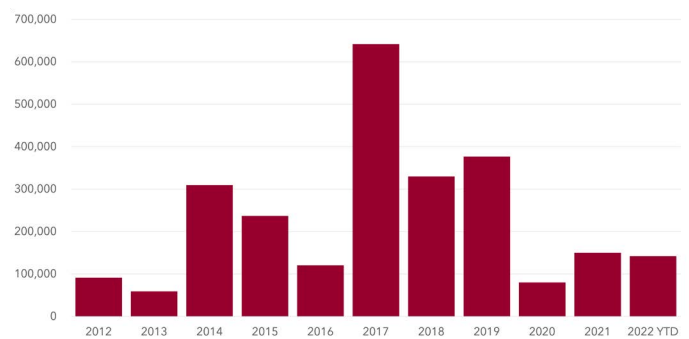
Leasing activity is on the rise in North County. We are beginning to see vacancy rates lower as more companies return to the office. Sublet activity has been favorable as companies seek reduced lease rates and term flexibility with the looming economic uncertainty. Biotech and life sciences continue to infiltrate North San Diego County. Two of the top three sales transactions based on square footage were life sciences. Investors are purchasing office buildings to convert them into lab space as demand in San Diego surges and life science companies have nowhere to go.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲ 12 Mo. Net Absorption SF	181,135	142,172	(3,522)	42,039	81,959
▼ Vacancy Rate	8.4%	9.5%	9.7%	9.7%	11.0%
▼ Avg NNN Asking Rate PSF	\$2.75	\$2.76	\$2.71	\$2.72	\$2.69
▼ SF Under Construction	142,022	150,022	150,022	95,177	155,177
▲ Inventory SF	19,500,498	19,492,498	19,523,022	19,538,295	19,478,295

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1950 Camino Vida Roble Carlsbad, CA	121,541 SF	\$35,576,522 \$292.71 PSF	Clarion Partners RAF Pacifica Group	Class A
5540 & 5541 Fermi Court Carlsbad, CA	115,000 SF	\$42,000,000 \$365.22 PSF	Menlo Equities Regent Properties, Inc.	Class B
1900 Wright Place Carlsbad, CA	34,423 SF	\$9,122,500 \$265.01 PSF	Magnate Worldwide Harbor Associates	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5966 La Place Court Carlsbad, CA	68,639 SF	Brookwood	MaxLinear, Inc.	Manufacturing
5600 Avenida Encinas Carlsbad, CA	49,130 SF	Alexandria	Undisclosed	Life Sciences
3156 Vista Way Oceanside, CA	18,537 SF	Concentric	Rockstar Games	Gaming

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