



OFFICE MARKET REPORT
SAN DIEGO, CA | Q4 OF 2023

NAI San Diego

SOURCE: COSTAR

OFFICE MARKET REPORT

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12 Mo Deliveries in SF

427K

12 Mo Net Absorption in SF

(261K)

Vacancy Rate

10.9%

12 Mo Rent Growth

1.3%

San Diego's office market continues to encounter obstacles. The average new lease size during 23Q3 was roughly 18% below the typical quarter between 2015 and 2019, a trend that has been consistent for several quarters now. While new leasing volume during 23Q3 largely matched the prior quarter, it was down almost 20% compared to the pre-pandemic period.

The amount of available space, 20.7 million SF, has increased by nearly 7 million SF since the beginning of 2020, reaching 16.6% of total inventory. That is trending at an all-time high. Nearly every primary office-using submarket has seen the availability rate surge, and nowhere more than Downtown. Availability has soared to nearly 40% with vacancy above 26%, compared to 21% and 18%, respectively, at the end of 2019. It is against that backdrop that Downtown is poised to receive a huge amount of new supply. There is more than 2.5 million SF in a mix of office and lab space under construction, and nearly all of it is available. The resulting deliveries are scheduled to begin in the coming months and are forecast to push San Diego's and Downtown's vacancy rates to new highs.

Although SANDAG signed the first new office lease Downtown bigger than 40,000 SF in more than six years with its 87,000-SF deal at Holland Partners' West development during 23Q3, it still resulted in a negative absorption event for Downtown. The deal shaves roughly 25% off its footprint at the 1980s-vintage Wells Fargo Plaza and exemplifies both the flight to quality trend and that of rightsizing footprints into smaller spaces.

A significant share of the available space across San Diego has been placed on the sublease market as tenants are still relinquishing under-utilized office space. The level has increased for eight straight quarters to a historic peak during the fourth quarter and has indicated that there is no one-size-fits-all solution for occupancy among office tenants. Many of the recent sublet additions have come from San Diego's leading industries, which has added upward pressure to local vacancy rates,

particularly in UTC, Sorrento Mesa and Del Mar Heights/Carmel Valley. It has also increased in newer vintage buildings.

The top-rated buildings in San Diego have seen negative absorption in four of the past five quarters with vacancy rising by more than 150 basis points year over year. Almost half of San Diego's vacant space is in these properties. Conversely, vacancy has fallen year over year in buildings that have delivered since 2015. That is the only vintage that has recorded positive absorption in each of the past four quarters. Age, location and modern amenities have played a more important role in terms of demand compared with a building's class. With roughly 10% of office space built since 2015 available for sublease, that is likely to make these buildings more attractive to tenants who might be able to secure new space at a discount, albeit without the bespoke build out.

While face rents have increased year over year by 1.3%, and outperformed the U.S. benchmark, tenants can typically secure one month of free rent for each year of a five-year term coupled with TIs which have increased by upwards of 50% since 2022. That has effectively led to falling rents. Landlords are increasingly pushing back on higher TI allowances, which has lengthened negotiations according to local brokers. At a certain point, the cost of lease concessions will eat so far into income that it will no longer make sense for a landlord to offer them at elevated levels. That could lead tenants to seek discounted sublet space as an alternative.

Buyers have shown more caution in the investment market due to the explosive growth in interest rates. Transaction activity has fallen to historically low levels, making valuation more difficult and pricing discovery more widespread. The number of sales during 23Q3 was roughly 30% of the quarterly average between 2015 and 2019, and sales volume was roughly 10% of the mid-2021 peak. The House View forecast anticipates a peak-to-trough value decline of roughly 20% by the end of 2025.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	42,186,529	14.4%	\$45.19	23.9%	450,801	70,000	4,498,311
3 Star	47,171,963	11.3%	\$36.03	15.5%	(166,949)	0	0
1 & 2 Star	30,320,228	5.3%	\$32.27	7.3%	79,655	0	0
Market	119,678,720	10.9%	\$38.56	16.6%	363,507	70,000	4,498,311

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.4%	10.4%	13.7%	14.4%	2010 Q1	5.3%	2000 Q2
Net Absorption SF	(261K)	1,009,595	105,021	4,585,491	2000 Q2	(1,764,820)	2021 Q1
Deliveries SF	427K	1,529,236	1,026,065	3,775,088	2007 Q3	234,858	2023 Q2
Rent Growth	1.3%	2.7%	-0.5%	17.1%	2001 Q1	-11.5%	2009 Q3
Sales Volume	\$645M	\$1.7B	N/A	\$4.1B	2007 Q3	\$260.8M	2009 Q3

Vacancy is roughly two percentage points above the 2019 year-end level as of the fourth quarter, and the gap is narrower in San Diego than it is nationally. The national benchmark's vacancy has increased by more than four percentage points since the end of 2019. Local market participants have noted that the vacancy rate is likely much higher when accounting for shadow space that is not being occupied. It has been noted that Downtown's true vacancy rate, for instance, is as high as 40%. Even when discounting shadow space, vacancy is anticipated to continue rising in the coming years. There are an estimated 50% of office leases that commenced before 2020 that have yet to roll over. As they do, firms are expected to continue rightsizing their footprints into smaller spaces. As that happens, new speculative space will deliver, driving vacancy toward a peak, according to the House View forecast.

New leasing activity has not recovered, and it is not expected to in the coming quarters. The average quarterly total has fluctuated between 15% to 20% below the average between 2015 and 2019. At the same time, the space occupied per employee has continued to decline, a trend that started following the Great Recession. The amount has fallen by roughly 10% since the end of 2019. This is consistent with several trends noted by market participants. One is that large tenants are reducing their footprints when making new leasing decisions. Another is that smaller firms are more commonly moving instead of renewing, which skews metrics toward users with smaller requirements.

There is a significant amount of available sublet inventory on the market as firms continue relinquishing under-utilized space. The level has peaked during the fourth quarter as a cluster of industries including biotech, high-tech and finance continue to shed space. It accounts for 2.4% of San Diego's office inventory, or roughly 3.0 million SF. It has reached more than 700,000 SF above the level of sublet space during the Great Recession. More than half of the available sublet space have lease terms longer than three years, making them more competitive with direct space, however, few firms are taking advantage of it. The amount of sublet space as a percentage of the total leased space is similar to the level seen between 2015 and 2019.

Some of San Diego's primary office nodes from UTC to Del Mar Heights/Carmel Valley have the highest levels of available sublet space. Downtown has been less exposed to sublet space, and the level has been similar to pre-2020 trends during the fourth quarter. Even San

Diego's newest buildings, those built since 2015, have seen available sublet space climb to more than 600,000 square feet. That represents nearly 10% of that inventory, which is more than double the percentage in 4 & 5 Star offices. The flight to quality could see tenants increasingly pivot to sublet space in new buildings, without the bespoke improvements, while securing discounted rents.

Illumina placed the last two properties of its three-building campus built in 2017 totaling more than 300,000 SF in UTC up for sublease during 23Q2. The lease term runs through 2027. In Scripps Ranch, MedImpact placed 160,000 SF on the sublet market and vacated the space after no longer needing it due to the effects of the pandemic. The firm had occupied the 2019-vintage property on a 20-year lease that expires in 2039. Those are among the many additions that have spread across the region.

Downtown's West office project secured the first new lease of more than 40,000 SF since 2017 during 23Q3 after SANDAG preleased two floors and nearly 90,000 SF. While stepping up into new construction, the government agency will shed 25% of its footprint from a 1980s office tower while paying less monthly gross rent. Downtown, which is one of the few CBDs across the country that sees a reverse commute due to traffic going to North County, is still burdened by the region's highest availability and vacancy rates among primary office submarkets in San Diego, with the rates sitting near 39% and 26%, respectively. Since the end of 2019, the availability rate has nearly doubled while vacancy is up more than 700 basis points.

One primary challenge for Downtown landlords and tenants is the rise of homelessness. Tents and tarps have become more ubiquitous since 2020. Another challenge is the submarket is filled with dated office towers that cannot compete with newer, better-amenitized buildings. Downtown did, however, secure its two largest biotech commitments to date in 2022. Excellos leased 36,000 SF at Genesis for its global headquarters in an expansion from Southeast San Diego. That followed Native Microbials leasing 27,000 SF at the property during 22Q2. Native's lease was twice the size of its space in Torrey Pines. A third, smaller, lease was signed in 23Q2.

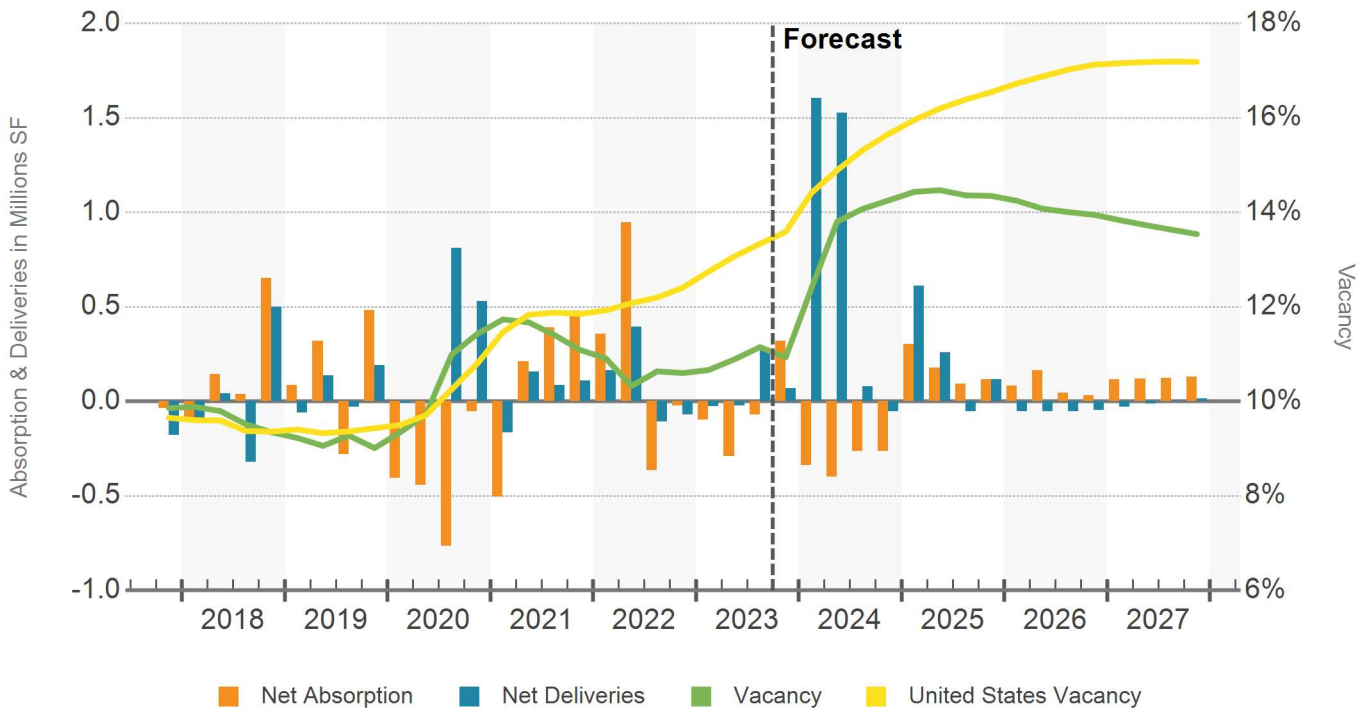
UTC is firmly cemented as one of the most attractive submarkets in San Diego to both live and do business in. It is the employment and educational core of San Diego,

and its easy accessibility via several arterial freeways positions it among a well-educated population. Apple has leased around 800,000 SF in a mix of build-to-suit offices, relet space, and subleases there over the past few years.

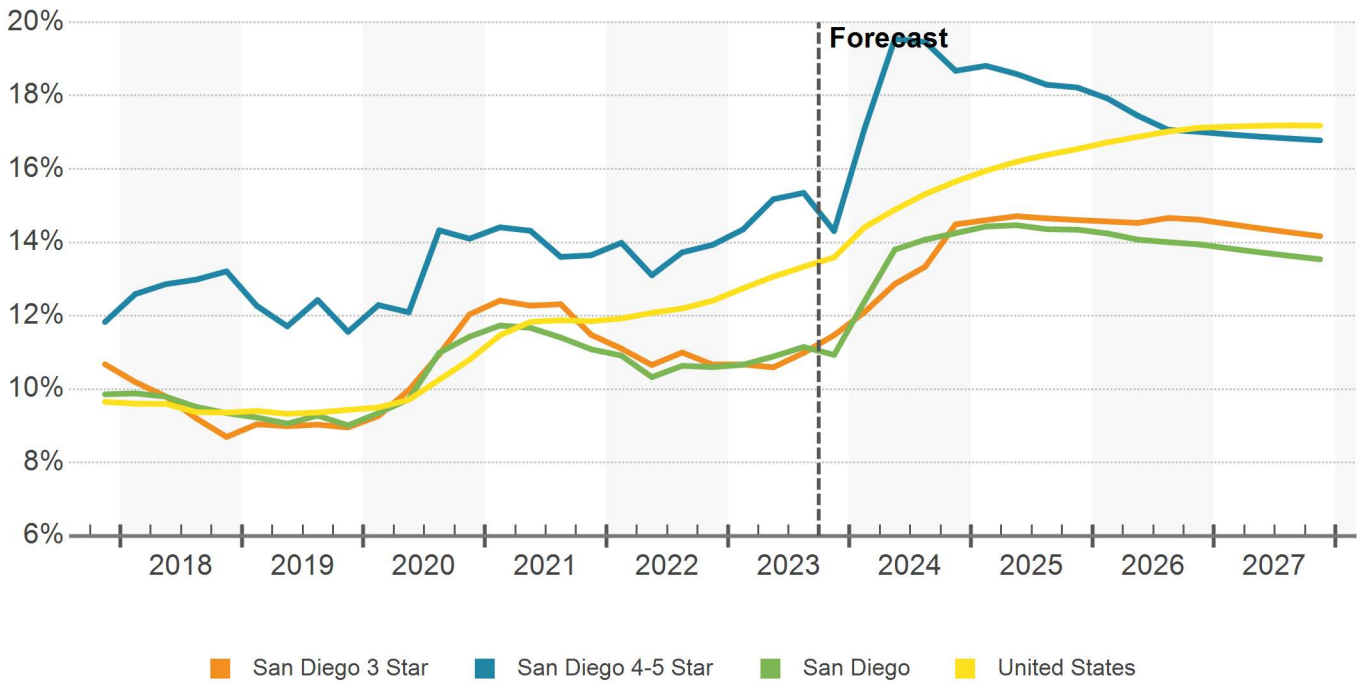
Yet it has not been able to sidestep the secular shift in office performance that has spread across the region.

Leasing volume has fallen to a 10-year low, driven in part by the slowdown in biotech demand. The availability and vacancy rates have more than doubled since the end of 2019. The current vacancy rate is around 10% and before 2019, vacancy averaged about 15%. Its new office buildings, however, should provide a steady level of demand even as leasing activity remains subdued.

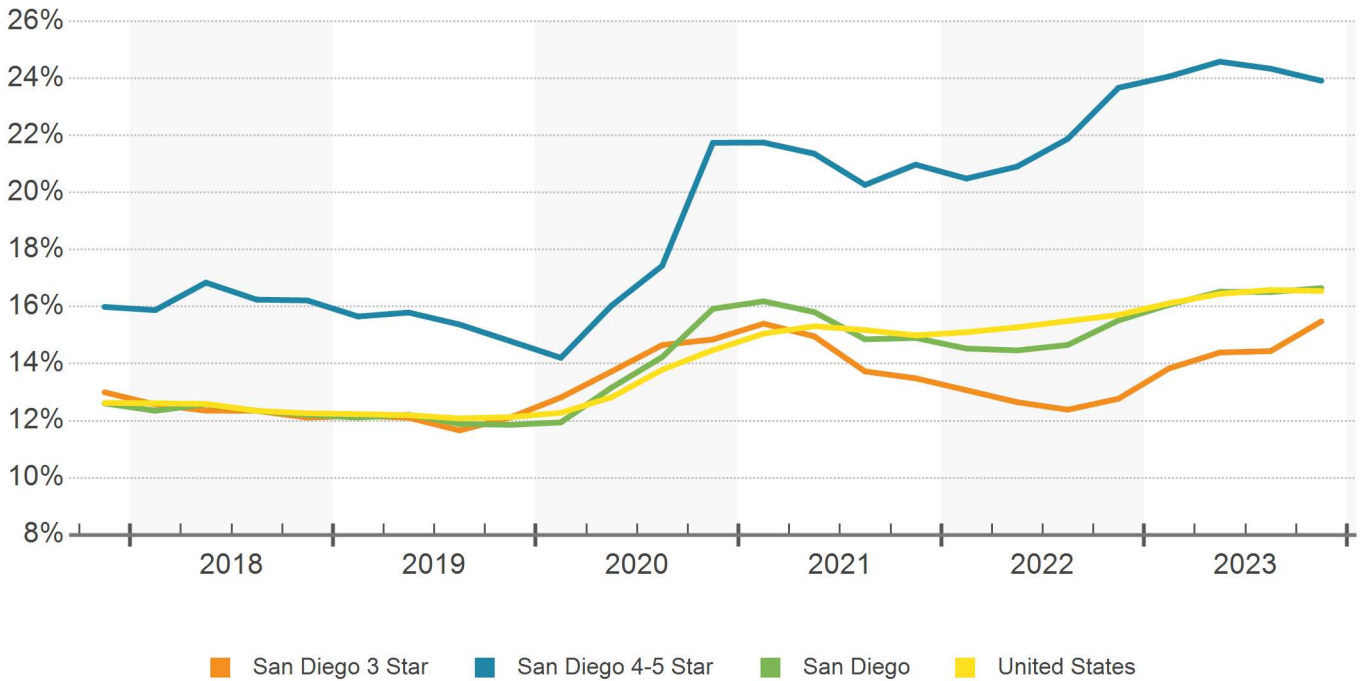
NET ABSORPTION, NET DELIVERIES & VACANCY



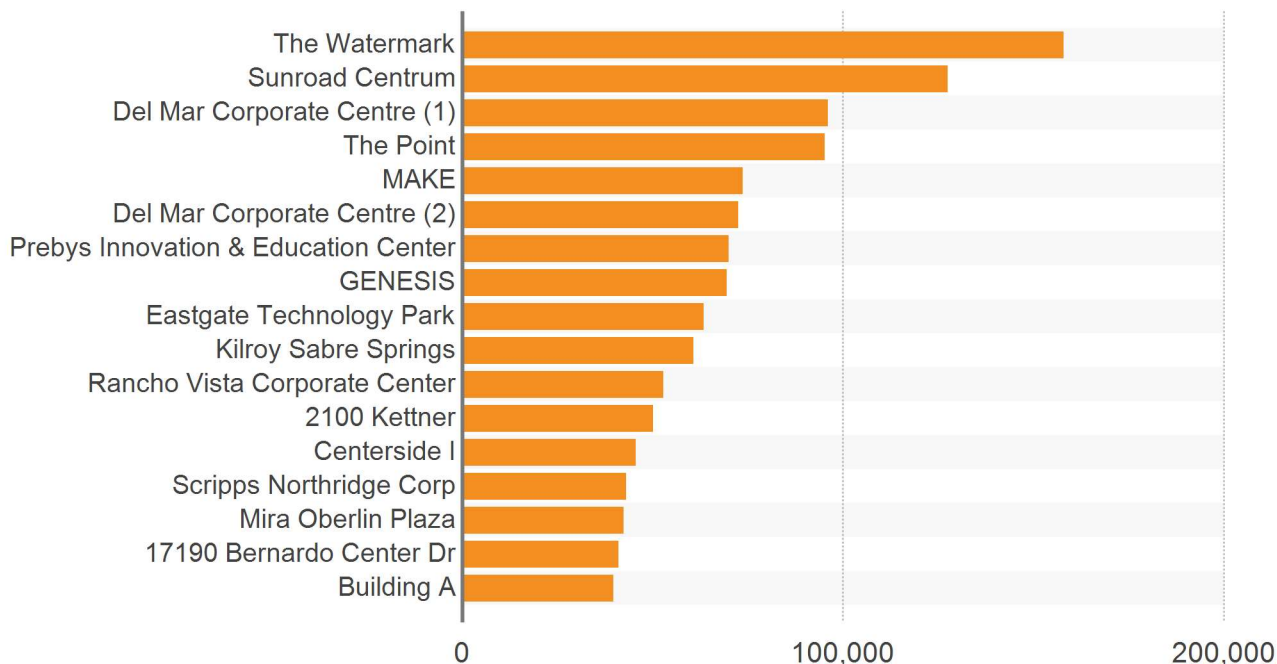
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
The Watermark	Scripps Ranch	158,000	0	0	0	0	158,000	158,000
Sunroad Centrum	Kearny Mesa	279,722	0	(3,104)	10,492	0	120,209	127,597
Del Mar Corporate Centre (1)	Del Mar Hts/Carmel...	108,888	0	95,997	0	0	0	95,997
The Point	Rancho Bernardo	95,166	0	95,166	0	0	0	95,166
MAKE	Carlsbad	176,097	0	17,242	0	0	64,062	73,644
Del Mar Corporate Centre (2)	Del Mar Hts/Carmel...	72,534	0	72,534	0	0	0	72,534
Prebys Innovation & Education...	Kearny Mesa	70,000	0	0	70,000	0	0	70,000
GENESIS	Downtown	203,439	123,000	26,050	34,018	8,932	500	69,500
Eastgate Technology Park	UTC	63,412	0	63,412	0	0	0	63,412
Kilroy Sabre Springs	Rancho Bernardo	154,157	68,649	0	(639)	(3,391)	63,781	60,757
Rancho Vista Corporate Center	Rancho Bernardo	158,003	0	52,800	0	0	0	52,800
2100 Kettner	Downtown	234,198	163,527	28,387	122	6,864	14,719	50,110
Centerside I	Mission Valley	223,145	8,483	(5,254)	(7,902)	35,602	24,277	45,579
Scripps Northridge Corp	Scripps Ranch	49,855	0	43,196	0	0	0	43,196
Mira Oberlin Plaza	Sorrento Mesa	85,953	21,334	0	40,843	0	0	42,456
17190 Bernardo Center Dr	Rancho Bernardo	66,769	14,487	0	0	0	41,092	41,092
Building A	Rancho Bernardo	195,217	132,165	0	0	0	63,052	39,711
Subtotal Primary Competitors		2,394,555	531,645	486,426	146,934	48,007	549,692	1,201,552
Remaining San Diego Market		117,284,165	12,509,988	(585,598)	(436,521)	(119,735)	(186,185)	(1,301,227)
Total San Diego Market		119,678,720	13,041,633	(99,172)	(289,587)	(71,728)	363,507	(99,675)

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
17089 Via Del Campo *	Rancho Bernardo	128,178	Q3 23	Northrop Grumman Corpo...	-	-
Wells Fargo Plaza *	Downtown	114,125	Q3 23	San Diego Association of...	-	Irvine Company Office...
Discovery Corporate Center *	Rancho Bernardo	90,610	Q1 23	Broadcom Inc.	CBRE	JLL
West - Office	Downtown	87,309	Q3 23	San Diego Association of...	-	JLL
Century Park *	Kearny Mesa	82,264	Q1 23	San Diego Gas & Electric...	-	-
Century Park *	Kearny Mesa	77,178	Q1 23	San Diego Gas & Electric...	-	-
Century Park *	Kearny Mesa	71,243	Q1 23	San Diego Gas & Electric...	-	-
Enclave Sorrento *	Sorrento Mesa	68,326	Q1 23	Verizon	-	-
Century Park *	Kearny Mesa	68,184	Q1 23	San Diego Gas & Electric...	-	-
Lusk Mira Mesa Bus Park *	Sorrento Mesa	62,415	Q4 22	DexCom	Savills	CBRE;Cushman & Wa...
The ESET Building *	Downtown	58,328	Q3 23	Eset, LLC	CBRE	-
Via Del Campo	Rancho Bernardo	55,227	Q3 23	ASML	JLL	JLL
Century Park *	Kearny Mesa	52,740	Q1 23	San Diego Gas & Electric...	-	-
MAKE	Carlsbad	51,495	Q2 23	-	-	Cushman & Wakefield
Century Park *	Kearny Mesa	50,700	Q1 23	San Diego Gas & Electric...	-	-
Enclave Sorrento *	Sorrento Mesa	46,101	Q2 23	Samsung	CBRE	CBRE;Cushman & Wa...
One La Jolla Center	UTC	45,706	Q2 23	CoStar Group	Cushman & Wakefield	Irvine Company Office...
Enclave Sorrento	Sorrento Mesa	43,268	Q2 23	Samsung	CBRE	CBRE;Cushman & Wa...
Carroll Ridge Business Pk	Mira Mesa/Miramar	42,872	Q1 23	Carlisle Medical Technolo...	-	-
Canyon Rim Industrial Pk *	Sorrento Mesa	40,754	Q1 23	Keck School of Medicine	-	-
16868 Via del Campo Ct	Rancho Bernardo	39,979	Q3 23	Regus	-	Kidder Mathews
Innovation Corporate Center	Rancho Bernardo	37,437	Q3 23	-	-	JLL
One Paseo Plaza	Del Mar Hts/Carmel Valley	35,016	Q3 23	-	-	JLL
Alexandria Tech Center	Sorrento Mesa	31,543	Q4 23	-	JLL	CBRE;Cushman & Wa...
DiamondView Tower *	Downtown	30,807	Q3 23	ClickUp	-	CBRE
Mira Oberlin Plaza	Sorrento Mesa	30,192	Q1 23	Innoflight	-	Newmark
Torrey View	Del Mar Hts/Carmel Valley	27,502	Q3 23	-	-	JLL
South Bay Corporate Center	National City	25,886	Q4 23	County of San Diego	-	JLL
5928 Pascal Ct *	Carlsbad	25,341	Q3 23	Capital Partner Services...	-	CBRE
Canvas on Willow	Scripps Ranch	24,519	Q4 22	Anchor General Insurance...	-	JLL
655 W Broadway	Downtown	24,233	Q3 23	Eset, LLC	-	CBRE
1081 Camino del Rio S	Mission Valley	23,400	Q4 23	-	-	Pacific Coast Commercial
One La Jolla Center	UTC	22,797	Q2 23	Wells Fargo Home Mortga...	-	Irvine Company Office...
655 W Broadway	Downtown	21,837	Q4 23	North Western Mutual	CBRE	CBRE
Centerside I *	Mission Valley	20,871	Q3 23	Farmers Insurance	-	JLL
101 West Broadway	Downtown	20,788	Q3 23	-	-	Irvine Company Office...
Bethel Baptist Church	Escondido	20,747	Q2 23	-	-	Kidder Mathews
Manchester Financial Centre @ 5th...	Uptown West/Park West	20,660	Q3 23	Olympus Corporation of th...	-	Cushman & Wakefield
Bldg 2	Del Mar Hts/Carmel Valley	20,300	Q2 23	Withers Bergman LLP	-	-
1 Columbia Place	Downtown	20,293	Q4 23	-	-	Newmark

Renewal

Face rents have shifted by 1.3% year over year, compared to the five-year average rate of 3.1%. Among major markets in California, San Diego is one of the top performers in terms of rent growth. However, while rents are rising nominally, when adjusting for inflation and concessions, rent growth in real terms has been in negative territory. Between 2015 and 2019, rent growth typically outpaced inflation as measured by the Consumer Price Index (CPI). Starting in 2021, inflation advanced rapidly, while rent growth moderated along with demand.

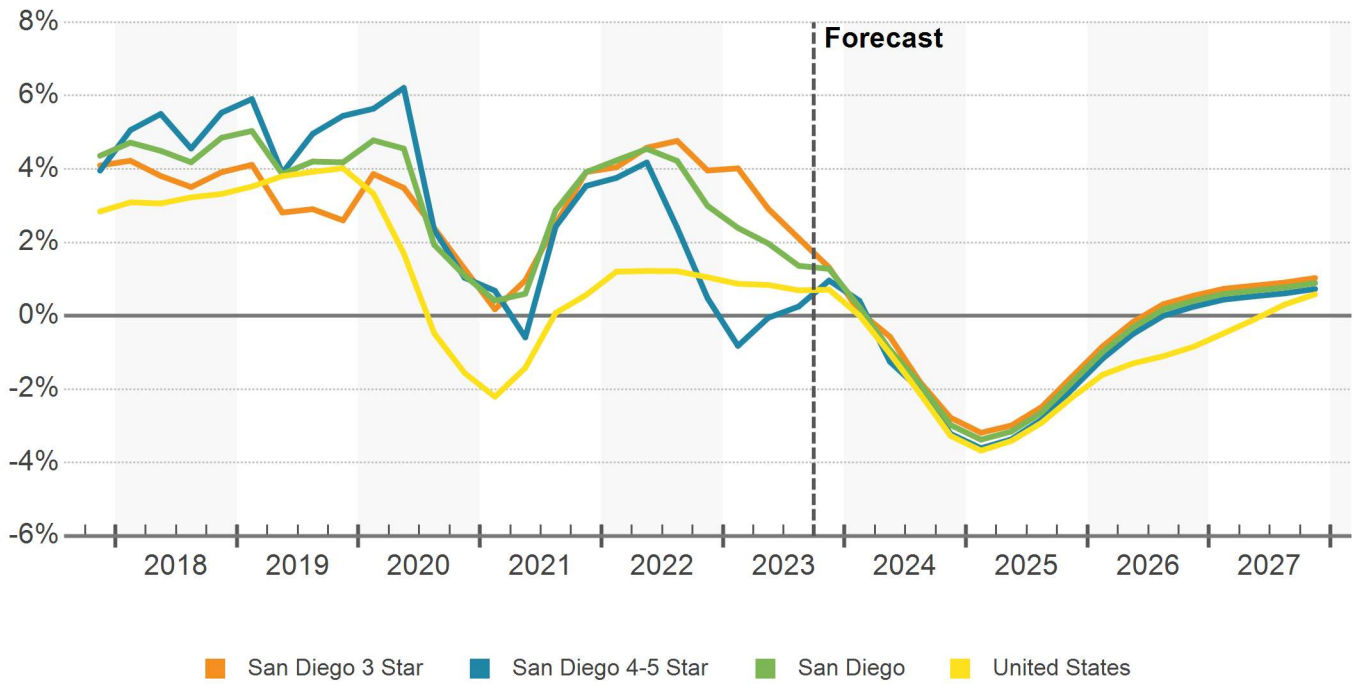
Escalations are typically in the range of 3.5% to 4%, and tenants often receive one month free for each year of a five-year term. Tenant improvements for lab space frequently rise about \$200/SF and can approach \$300/SF for first-generation space. TIs for more traditional office space have increased by roughly 50%, according to local brokers. But landlords' ability to offer such concessions may be reaching a ceiling. While tenants hold greater leverage in negotiations, the higher inflation and construction costs have significantly increased build-out expenses, which is why some landlords have pivoted from out-of-pocket expenses toward lowering asking rents and offering more free rent. Local market participants have noted that even long-term leases may have to provide concession packages worth several years of the total rent collected during the lease to secure the tenant. That has led to not only a longer lease cycle but also some spaces remaining vacant due to landlords holding firm.

Asking rents for lab space has reached levels largely unseen in San Diego before, with landlords asking for

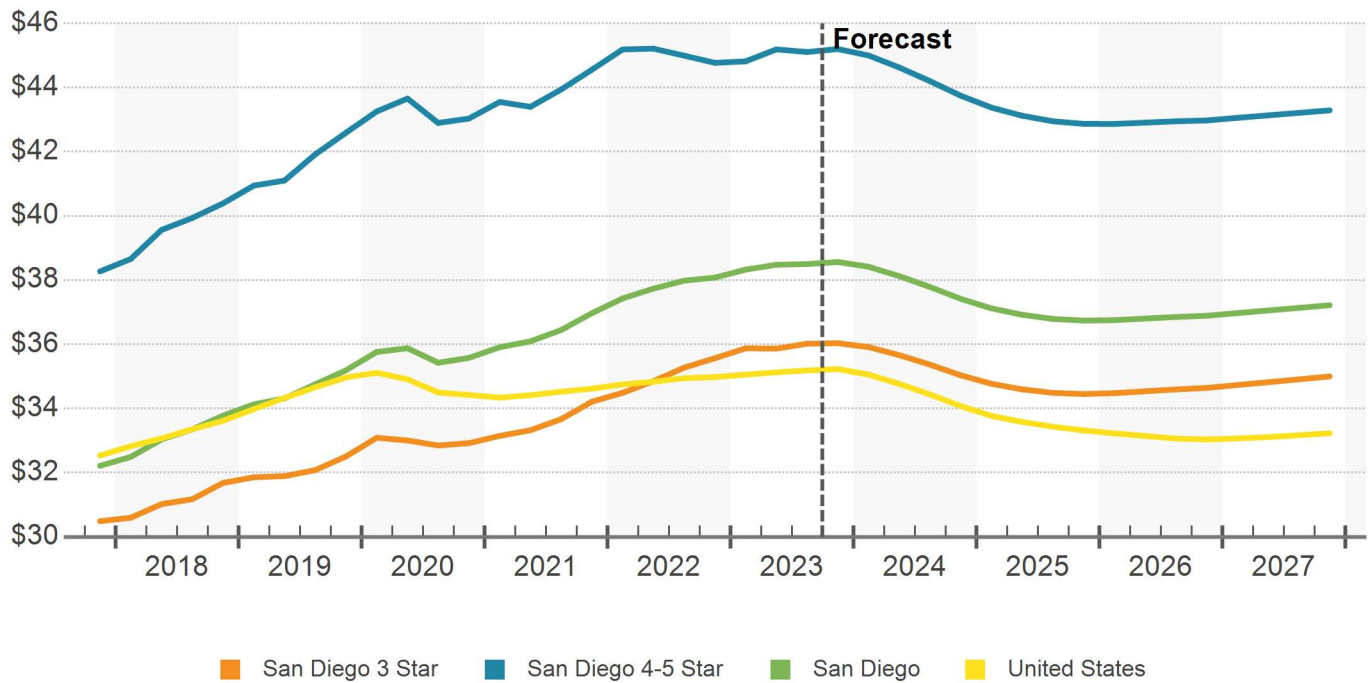
more than \$80/SF NNN in Torrey Pines and Sorrento Mesa. The 12-year, 200,000-SF deal that Singular Genomics signed at One Alexandria Square in Torrey Pines in 2022 has an effective rate of about \$80/SF FSG. The firm received seven months of free rent upfront and nearly \$300/SF in TIs for the first-generation space. Annual escalations were 3%. Although the lease with Singular Genomic was terminated at the end of 2023, it represented typical rent levels and concession packages for new lab space. Local life sciences brokers have noted that asking rents for new lab space are still holding firm. Many of the new developments were underwritten at those rent levels, and landlords have not yet adjusted expectations as biotech demand has moderated. If they do, that could send asking rents downward.

While Downtown offers a discount to primary office submarkets in North County, few firms have shown the willingness to relocate there to take advantage of lower rents, higher concessions, and an entrenched labor force spread across the apartment landscape. Larger leases here typically have 3.5% escalations, and free rent is typically more than one month per year of the term. SANDAG leased nearly 90,000 SF at the West project during 23Q3. The firm occupies more than 100,000 SF at the Wells Fargo Plaza and was paying about \$38/SF gross for the space that it has occupied for several decades. The new 15-year lease was signed for roughly \$50/SF gross. Because the agency is taking less space in the new building, it will be paying less gross rent each month for the new space. That space is likely discounted even further when accounting for the concession package.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Diego	\$0.85	\$1.31	\$1.06	\$4.60	\$4.66	\$12.48
Central San Diego	\$0.44	\$1.39	\$0.96	\$3.87	\$4.64	\$11.30
Downtown	\$1.26	\$1.80	\$0.86	\$4.22	\$7.40	\$15.54
I-15 Corridor	\$0.49	\$1.18	\$1	\$4.08	\$3.83	\$10.58
I-5 Corridor	\$0.74	\$1.39	\$0.93	\$5.11	\$4.18	\$12.35
North Central County	\$0.54	\$1.23	\$1.10	\$0.66	\$4.14	\$7.67
North San Diego	\$1.29	\$1.09	\$1.36	\$5.43	\$4.64	\$13.81
South Bay	\$0.47	\$1.36	\$1.13	\$3.29	\$4.80	\$11.05
SR-78 Corridor	\$0.54	\$1.20	\$0.90	\$3.08	\$3.56	\$9.28

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Diego	\$0.61	\$1.20	\$0.60	\$4.13	\$3.23	\$9.77
Central San Diego	\$0.48	\$1.07	\$0.59	\$3.90	\$3.38	\$9.42
Coronado	\$0.37	\$1.23	\$0.56	\$4.96	\$3.70	\$10.82
Downtown	\$1.13	\$1.57	\$0.77	\$3.52	\$5.53	\$12.52
I-15 Corridor	\$0.50	\$1.17	\$0.52	\$3.61	\$2.37	\$8.17
I-5 Corridor	\$0.92	\$1.47	\$0.55	\$4.48	\$2.95	\$10.37
North Central County	\$0.56	\$1.16	\$0.49	\$6.61	\$2.42	\$11.24
North San Diego	\$0.64	\$1.04	\$0.80	\$5.82	\$3.58	\$11.88
Outlying SD County N	\$0.49	\$1.10	\$0.46	\$2.39	\$2.32	\$6.76
Outlying SD County S	\$0.33	\$1.09	\$0.50	\$2.13	\$3.28	\$7.33
South Bay	\$0.36	\$1.17	\$0.54	\$3.33	\$3.53	\$8.93
SR-78 Corridor	\$0.51	\$1.13	\$0.47	\$3.41	\$2.12	\$7.64

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Diego	\$0.43	\$0.79	\$0.39	\$3.87	\$3.29	\$8.77
Central San Diego	\$0.50	\$1.04	\$0.38	\$3.92	\$3.31	\$9.15
Coronado	\$0.35	\$0.41	\$0.53	\$6.23	\$4.39	\$11.91
Downtown	\$0.65	\$1.38	\$0.23	\$5.27	\$4.71	\$12.24
I-15 Corridor	\$0.37	\$0.73	\$0.27	\$2.96	\$2.99	\$7.32
I-5 Corridor	\$0.39	\$0.89	\$0.35	\$5.35	\$4.20	\$11.18
MCAS Miramar	\$0.35	\$0.41	\$0.53	\$2.43	\$1.92	\$5.64
North Central County	\$0.37	\$0.69	\$0.28	\$6.54	\$3.04	\$10.92
North San Diego	\$0.55	\$0.98	\$0.38	\$4.57	\$3.80	\$10.28
Outlying SD County N	\$0.37	\$0.70	\$0.29	\$3.21	\$3.08	\$7.65
Outlying SD County S	\$0.34	\$0.42	\$0.52	\$4.89	\$2.86	\$9.03
South Bay	\$0.35	\$0.41	\$0.52	\$3.36	\$2.85	\$7.49
SR-78 Corridor	\$0.37	\$0.69	\$0.28	\$3.34	\$2.87	\$7.55

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

There is currently about 4.5 million SF under construction in San Diego as of the fourth quarter, and more than 60% of the pipeline is available for lease. Most of the projects had financing secured before the rapid rise in interest rates, and vacancy will rise as projects open.

Downtown has become the focal point of development, which could lead to a longer rise in the vacancy rate in the Downtown Submarket as that space delivers. There's roughly 2.7 million SF under construction Downtown, and 90% of that space is available for lease as of the fourth quarter. Two of the developments are hoping to attract life science demand that is typically concentrated in North County. Given that there are several speculative lab developments underway in the UC San Diego area, local life sciences brokers have noted that it could prove challenging to create a new biotech cluster here. While tenants will likely occupy these properties, they may be more traditional office-using tenants gleaned from Downtown's aging office towers.

Stockdale's redevelopment of Horton Plaza will inject about 700,000 SF into the Downtown core with a mix of office and life science space. The project also includes 300,000 SF of retail/experiential space and is scheduled to deliver the coming months. While negotiations with several tenants have reportedly been ongoing, none have reportedly been secured for the office portion as of the fourth quarter. The developer has called this the largest adaptive-reuse project in the United States and recently completed the build out for an 80,000-SF speculative lab space to attract tenants. Asking rents at the campus are whispered to be above \$60/SF.

IQHQ's \$1.5 billion Research and Development District is scheduled to begin delivering in the next few months. That campus will consist of more than 1.5 million SF of lab space. IQHQ's executive chairman, Alan Gold, was a co-founder of Alexandria Real Estate Equities and founder of BioMed Realty Trust. The anchor tenant will likely need to have drawing power to provide a significant lift for further life science demand in the submarket.

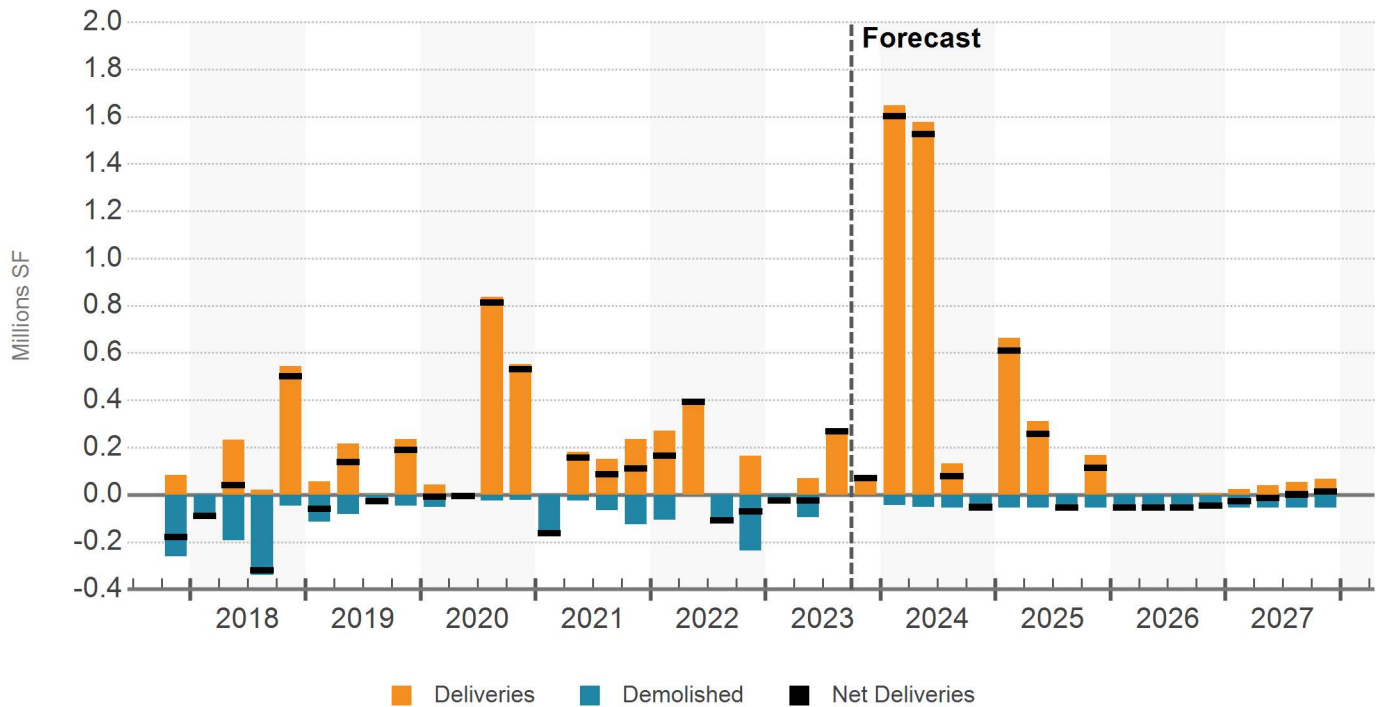
Similar to the Campus at Horton, no tenants have been announced as of the fourth quarter. Asking rents are whispered to be above \$80/SF.

Holland Partner Group is building the mixed-use West project Downtown. The budget has increased from \$400 million to \$467 million due to a combination of rising interest rates and the price of labor and materials. The 270,000-SF office pre-leased two full floors to SANDAG during 23Q3, and the project is anticipated to be ready in 2024. It will complement the 431 apartment units being built on top of the commercial space.

There have been discussions about converting some of the aging towers Downtown into housing, although that path is complicated by the age and layout of many of these properties. The last significant conversion was the Torbati Building on Broadway. That 1925-vintage building had roughly 14,000-SF floor plates and was converted into 231 market-rate apartments in 2020. The 315,000-square-foot 101 Ash Street building could be a template. An investor has expressed interest in converting the aging office tower into more than 400 affordable housing units. The floor plates are roughly 25,000 SF.

Just east of Interstate 5 near the SR-56 corridor in Carmel Valley in North County, Breakthrough Properties is building a life science campus where BD Biosciences pre-leased 220,000 SF. The full project will consist of roughly 500,000 SF, and amenities will rival other new life sciences projects. It will include a 25,000-SF clubhouse with dining and lounge space, conference center, gym, and exterior pickleball courts along with plenty of green space. Another 50,000 SF was leased at one of the other buildings, and the balance of the campus was available for lease during the fourth quarter ahead of its pending completion in 2024. An infrastructure project to add two additional lanes to the western portion of SR-56 is scheduled to complete in 2025 which should ease traffic congestion near I-5.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Downtown	9	2,716	256	9.4%	5	61,994	301,724	1
2	Del Mar Hts/Carmel Valley	7	973	733	75.4%	2	66,696	139,018	4
3	UTC	2	558	558	100%	1	99,231	279,092	2
4	Chula Vista	1	168	69	41.1%	4	12,824	168,000	3
5	Rancho Bernardo	1	83	55	66.2%	3	51,495	83,482	5
6	Carlsbad	0	-	-	-	-	23,524	-	-
7	College Area	0	-	-	-	-	10,793	-	-
8	Coronado	0	-	-	-	-	6,401	-	-
9	East County	0	-	-	-	-	8,163	-	-
10	Escondido	0	-	-	-	-	8,728	-	-
	All Other	0	-	-	-	-	19,666	-	-
Totals		20	4,498	1,672	37.2%		21,787	224,916	

Under Construction Properties

San Diego Office

Properties

Square Feet

Percent of Inventory

Released

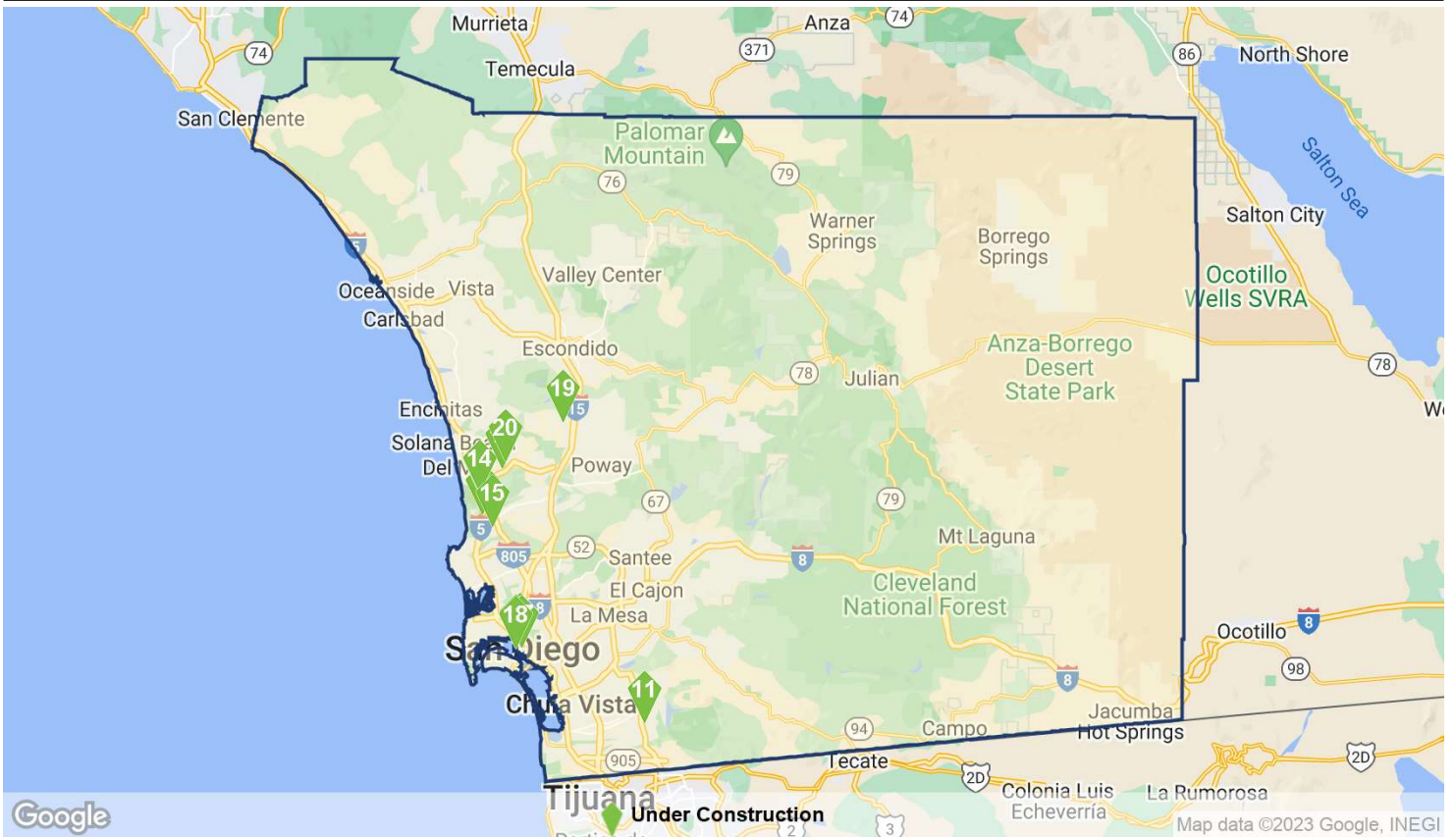
20

4,498,311

3.8%

37.2%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Building 2B-Rise 800 Pacific Coast Hwy	★★★★★	769,171	15	Oct 2020	Feb 2024	- IQHQ
2 Campus Point Dr	★★★★★	427,000	5	Sep 2023	Dec 2024	Alexandria Real Estate Equities, I... Teachers Insurance and Annuity...
3 Building 4B-Vida 925 Waterfront Pl	★★★★★	414,811	8	Oct 2020	Jan 2024	- IQHQ
4 The Campus at Horton-B... 100 Horton Plz	★★★★☆	388,359	10	Jun 2020	Mar 2024	- Stockdale Capital Partners
5 West - Office 1011 Union St	★★★★★	289,206	37	Jul 2020	Apr 2024	Holland Partner Group Lowe
6 The Campus at Horton-B... 200 Horton Plz	★★★★☆	255,483	5	Jun 2020	Mar 2024	- Stockdale Capital Partners
7 Building 3A-Core 950 Waterfront Pl	★★★★★	236,238	6	May 2022	Dec 2024	- IQHQ

Under Construction Properties

San Diego Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 Building C 11214 El Camino Real	★ ★ ★ ★ ☆	220,270	5	Oct 2021	Apr 2024	- Breakthrough Properties LLC
9 Phase II- Bldg 4B 6040 Edgewood Bend Ct	★ ★ ★ ★ ★	185,160	5	Oct 2023	Mar 2025	Lincoln Property Company -
10 Building A 11202 El Camino Real	★ ★ ★ ★ ☆	168,637	4	Oct 2021	Apr 2024	- Breakthrough Properties LLC
11 Think Campus: Phase 1 1785 Millenia Ave	★ ★ ★ ★ ★	168,000	4	Sep 2023	Nov 2025	- Chesnut Properties
12 Building 2A-Alley 825 N Harbor Dr	★ ★ ★ ★ ★	132,979	4	Oct 2020	Jan 2024	- IQHQ
13 Phase I - Bldg 3 6040 Edgewood Bend Ct	★ ★ ★ ★ ★	131,943	4	Jun 2023	Jan 2024	Lincoln Property Company -
14 Building B 11208 El Camino Real	★ ★ ★ ★ ☆	131,697	4	Oct 2021	Apr 2024	- Breakthrough Properties LLC
15 4555 Executive Dr	★ ★ ★ ★ ☆	131,183	5	Jul 2023	Jun 2024	- -
16 Phase II- Bldg 4A 6040 Edgewood Bend Ct	★ ★ ★ ★ ★	125,431	5	Oct 2023	Mar 2025	Lincoln Property Company -
17 The Campus at Horton-B... 600 Horton Plz	★ ★ ★ ★ ☆	124,029	5	Jun 2020	Mar 2024	- Stockdale Capital Partners
18 Building 4A-Edge 975 Waterfront Pl	★ ★ ★ ★ ★	105,242	4	Oct 2020	Jan 2024	- IQHQ
19 Via Del Campo 16705 Via del Campo Ct	★ ★ ★ ★ ☆	83,482	3	Jan 2022	Jan 2024	- Drawbridge Realty
20 Corallina 6155 Carmel Valley Rd	★ ★ ★ ★ ☆	9,990	1	Jul 2021	Jan 2024	- R&V Management

Explosive interest rate growth has impacted the region, and deal flow has moderated notably since mid-2022 as buyers reassess their options. During 23Q3, deal flow fell by 68% year over year and by more than 100 transactions compared to the peak in 2018. Sales volume fell by almost 75% year over year and by more than \$1 billion compared with the mid-2021 peak. Local lenders almost uniformly note that the investment market remains uncertain, given the cost of debt has entered a new regime since the middle of 2022. With so much less deal flow, pricing has become much more challenging for investors and appraisers as many parties navigate pricing discovery. The market has yet to see an uptick in financially distressed sales among investors due to rising interest rates on variable-rate loans and declining occupancy, although there is an expectation that it will soon. The House View forecast anticipates a peak-to-trough value decline of roughly 20% by the end of 2025.

The average transactional price has been about \$410/SF during the past 12 months, with cap rates typically between 6% and 7.5%. The average property size to trade hands has been about 15,000 SF during that period. Roughly 30% of sales volume during that stretch have involved REIT, private equity, or institutional investors, and foreign capital has also played a role. The equity fund Harrison Street Capital drove investment volume during 23Q3 with its purchase of the leasehold interest in the third phase of the Palomar Health Outpatient Center in Escondido. That \$60 million deal accounted for more than 40% of the sales volume during 23Q3. Similarly, the \$12.5 million sale of the Tri-City Medical Building in Oceanside to a user doing business as TrueCare was one of the largest deals in San Diego during 23Q4.

Much like the industrial market in San Diego, investors have been attracted to San Diego's life science nodes, where they have had the potential to convert older office buildings into lab space to accommodate the region's expanding biotech tenants. Yet, even as demand has fallen for biotech space, several recent deals still show

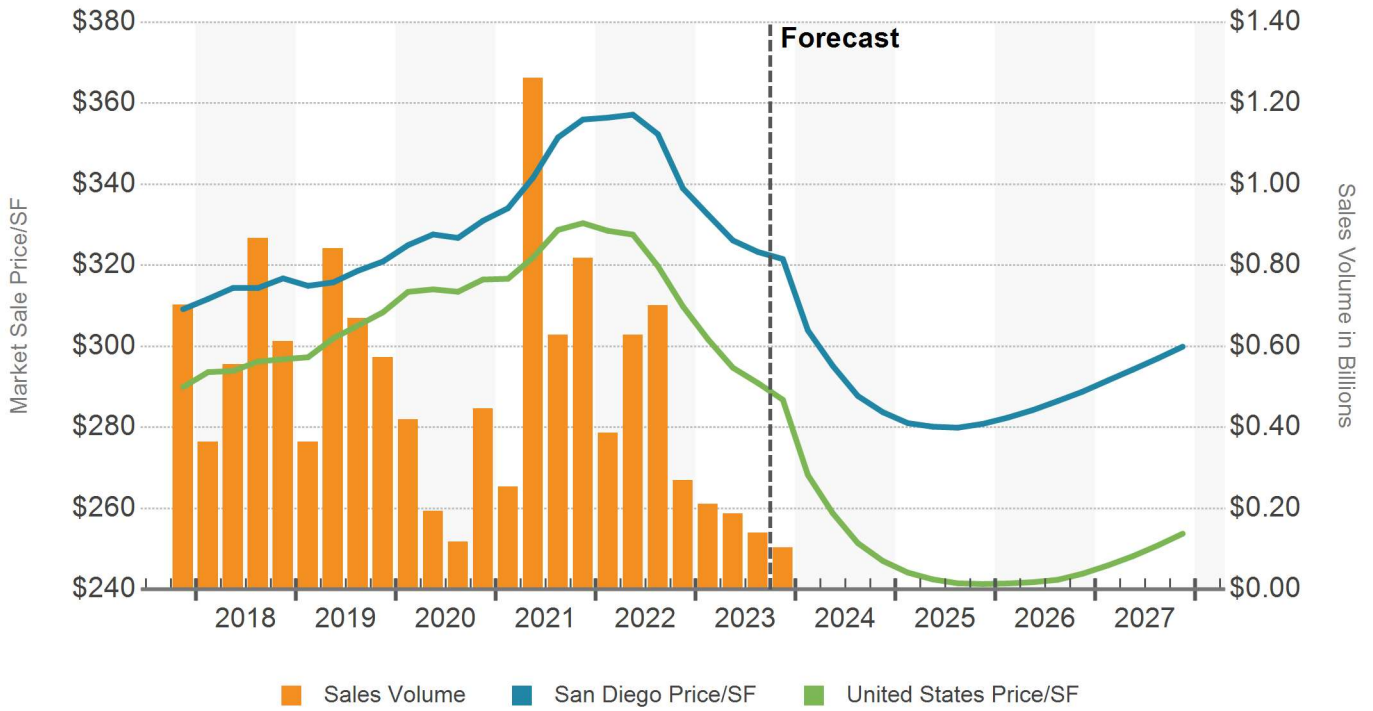
that pricing is stable there and in line with what it was prior to the rapid rise in interest rates.

At the end of 23Q2, Nuveen and Alexandria sold a 70% stake in the nearly 165,000-SF biotech facility at 9625 Towne Centre Drive in UTC at a valuation of \$160 million, or about \$980/SF, and a 4.5% cap rate. The 70% interest acquired by Clarion Partners worked out to \$112 million. The property was built for Takeda Pharmaceuticals in 2019. Alexandria's interest in the building remains at 30%, while Nuveen fully divested its ownership. Alexandria will retain operational oversight of the property, and the \$32 million in proceeds from the sale were intended to be invested in the firm's development pipeline.

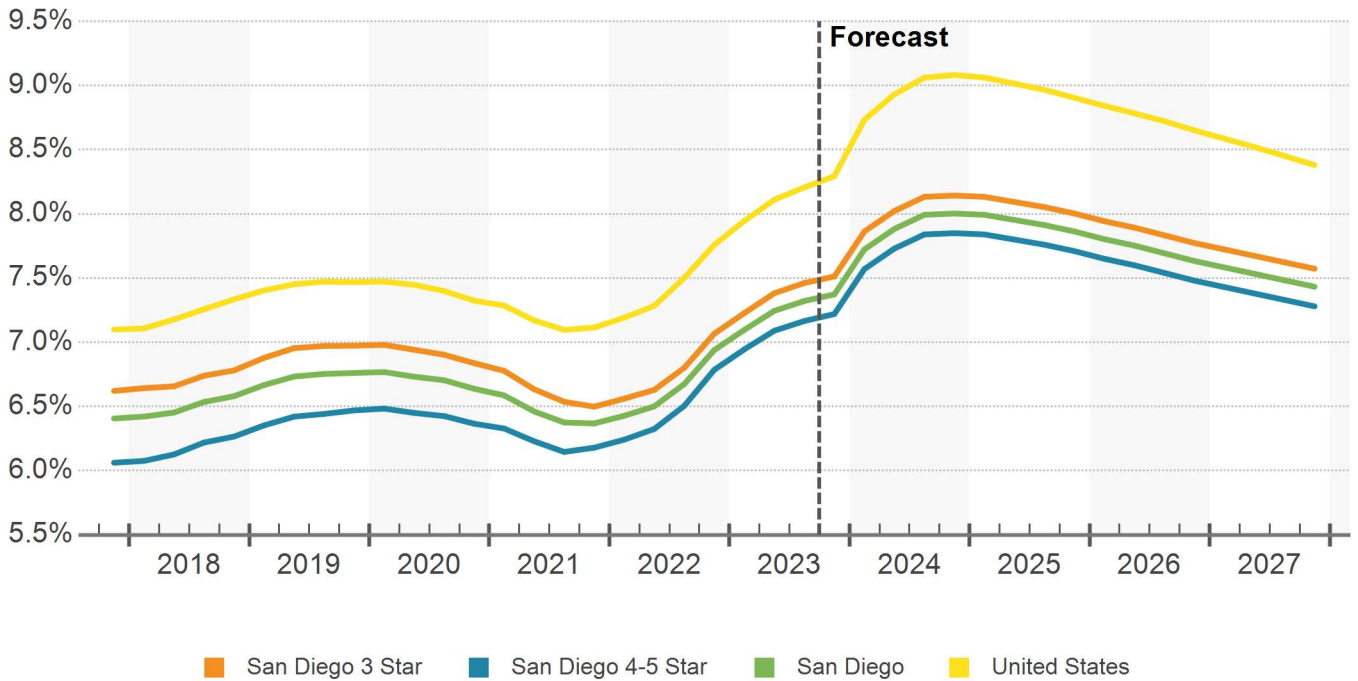
In one of the first transactions of the year in Sorrento Mesa, BioMed Realty acquired a building at Moda Sorrento during 23Q2 for \$11.25 million, or about \$563/SF. The 20,000-SF office property located at 5670 Oberlin Drive was built out with lab space and fully available for lease at the time of the sale. That property increased the buyer's stake to 100% of the office and flex campus that spans roughly 250,000 SF. The property last sold in 2018 for \$9.25 million.

That same quarter, Boston-based King Street Properties purchased the 60,000-SF office building located at 5825 Oberlin Drive in Sorrento Mesa for \$36 million, or about \$595/SF. It was King Street's first San Diego life science investment. The firm plans to "reposition the building to move-in ready, catering toward users in the kind of 15,000-SF range," according to the firm's managing director. "A number of small buildings have been demolished to make way for larger development projects," and they viewed this as an "underserved segment of the market." The firm intends to add lab space and update amenities by next year, and it secured a \$42 million loan for the project. The seller, New York-based investment manager Nuveen, acquired the property at the end of 2018 for \$24.8 million.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

San Diego Office

Sale Comparables

193

Avg. Cap Rate

6.5%

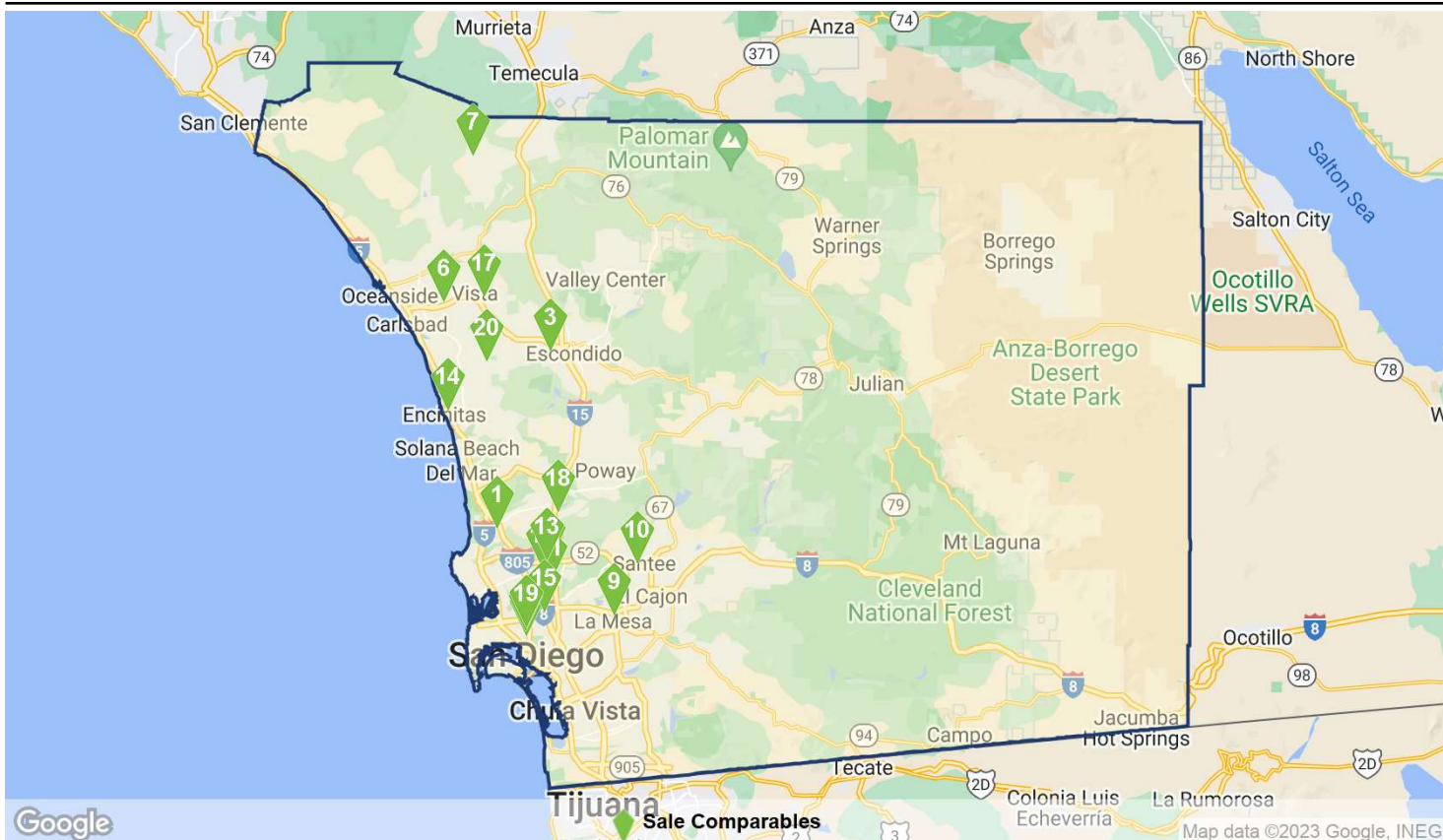
Avg. Price/SF

\$437

Avg. Vacancy At Sale

9.9%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$350,000	\$6,026,098	\$2,397,500	\$112,350,000
Price/SF	\$18	\$437	\$391	\$1,478
Cap Rate	4.5%	6.5%	5.9%	8.5%
Time Since Sale in Months	0.2	5.9	6.2	11.9
Property Attributes	Low	Average	Median	High
Building SF	436	16,105	5,601	163,648
Stories	1	2	2	5
Typical Floor SF	545	7,373	3,700	54,549
Vacancy Rate At Sale	0%	9.9%	0%	100%
Year Built	1887	1978	1980	2022
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

San Diego Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale				
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate	
1 9625 Towne Centre Dr	★★★★★	2018	163,648	0%	6/21/2023	\$112,350,000	\$981	4.5%	
2 New Cubic HQ -- Bldg B 9223 Balboa Ave	★★★★★	2020	129,017	0%	3/30/2023	\$60,702,069	\$470	-	
3 Palomar Health Phase III 2127 W Citracado Pky	★★★★★	2022	75,000	0%	7/12/2023	\$60,200,000	\$803	-	
4 New Cubic HQ -- Bldg A 9333 Balboa Ave	★★★★★	2020	119,562	0%	3/30/2023	\$56,477,579	\$472	-	
5 Canvas on Chesapeake 9555 Chesapeake Dr	★★★★★	1985	60,000	0%	7/3/2023	\$17,752,500	\$296	-	
6 Tri-City Medical Building 3998 Vista Way	★★★★★	1989	37,488	0%	10/2/2023	\$12,500,000	\$333	-	
7 Fallbrook Medical Arts 521 E Elder St	★★★★★	1988	33,643	19.6%	6/20/2023	\$9,700,000	\$288	-	
8 3043 4th Ave	★★★★★	1968	17,300	0%	10/25/2023	\$9,440,000	\$546	-	
9 La Mesa Village Plaza 4700 Spring St	★★★★★	1991	43,643	0%	12/14/2023	\$8,675,000	\$199	-	
10 Santee Medical/Professi... 8760 Cuyamaca St	★★★★★	1983	27,016	0%	3/24/2023	\$8,200,000	\$304	5.8%	
11 Building E 3710 Ruffin Rd	★★★★★	2006	20,060	100%	5/18/2023	\$7,890,000	\$393	-	
12 4933 Paramount Dr	★★★★★	2001	18,752	0%	8/14/2023	\$7,650,000	\$408	-	
13 5787 Chesapeake Ct	★★★★★	1982	23,288	0%	11/13/2023	\$7,250,000	\$311	-	
14 Devonshire Medical Bldg 1011 Devonshire Dr	★★★★★	1984	10,007	11.4%	6/30/2023	\$6,735,000	\$673	5.2%	
15 The Moran Building 2851 Camino Del Rio S	★★★★★	1986	32,000	4.0%	4/6/2023	\$6,695,000	\$209	-	
16 Tucker Professional Bldg 3636 4th Ave	★★★★★	1984	26,607	4.5%	7/24/2023	\$6,675,500	\$251	-	
17 Monte Vista Plaza 1070 S Santa Fe Ave	★★★★★	1980	31,840	0%	1/31/2023	\$6,675,000	\$210	-	
18 Scripps Executive Plaza 10085 Carroll Canyon Rd	★★★★★	1984	22,532	0%	5/25/2023	\$6,421,620	\$285	-	
19 3969 4th Ave	★★★★★	1982	25,000	0%	3/14/2023	\$6,415,000	\$257	-	
20 La Costa Meadows Busi... 1645 S Rancho Santa Fe Rd	★★★★★	1991	34,546	3.3%	1/18/2023	\$6,237,505	\$181	-	

San Diego's unemployment rate climbed from 4.1% to 4.2% in October, according to the latest jobs report released by the Bureau of Labor Statistics. One year ago, the local unemployment rate was 3.3%. The unadjusted statewide rate in California was 4.8% in October.

With the holidays on the doorstep, nonfarm employers added 15,500 jobs in October. Seasonal holiday employment in retail trade increased employment by 2,300, which represented two-thirds of the positions added in the trade, transportation and utilities employment sector.

Holiday hiring comes at a time when San Diego's retail market has been in one of its strongest positions in years. Tenants are having a difficult time sourcing space as the availability rate has fallen quarter over quarter and is trending at one of its lowest positions in years. Big-box available space, or those over 50,000 SF, has largely dried up, and Rite Aid's store closures at the end of 2023 due to its bankruptcy have totaled less than 100,000 SF. Those spaces are expected by local market participants to be backfilled by new tenants quickly.

Reversing the annual trend that has found the office-using employment sectors lose steam with more jobs lost than added, those sectors added 3,700 positions in October. That has been the most jobs added across the financial activities, information and professional and business services sectors in months.

On a year-over-year basis, the San Diego region saw the addition of 26,500 nonfarm positions to payrolls, for a 1.7% increase. That was better than the 1.6% annual increase in Los Angeles and below the 2.1% rise in Orange County.

Leisure and hospitality added the most jobs in the past 12 months, 11,100, with the majority in accommodation and food services. Office-using employers shed 2,200 positions during that time, concentrated in the business

and professional services sector declining by 3,800.

The effects of inflation continue to ripple across the region. The Consumer Price Index rose 4.7% for all items in the past 12 months through September, according to the Bureau of Labor Statistics. That was one percentage point higher than the national figure as local households continue to feel economic stress amid high housing costs and rising household debt.

Domestic migration in San Diego has typically trended in negative territory, and 2022 year was no different. More than 18,000 people left the county through mid-2022. That figure was partially offset by international migration, which exceeded 9,000, the most here in three years. High housing costs are one of the primary reasons that population growth has largely stalled.

More than 80 research institutes are located in San Diego, from Scripps Research Institute to Salk Institute for Biological Studies, in addition to five universities. This cluster of research in the Golden Triangle has created one of the strongest life science cores in the United States. Furthermore, Scripps Health has five campuses across the metro and announced that it is spending \$2.6 billion on upgrades to its facilities, further bolstering San Diego as a destination for "medical tourism."

San Diego is also home to more than 140,000 active duty and civilian military employees. The defense industry accounts for more than 350,000 jobs in the region according to the San Diego Military Advisory Council. That is close to 25% of the economy. The Navy's renewed focus on the Pacific theater of operation will result in a 60/40 split between the Pacific and Atlantic fleets, further solidifying San Diego's status as a major Navy hub.

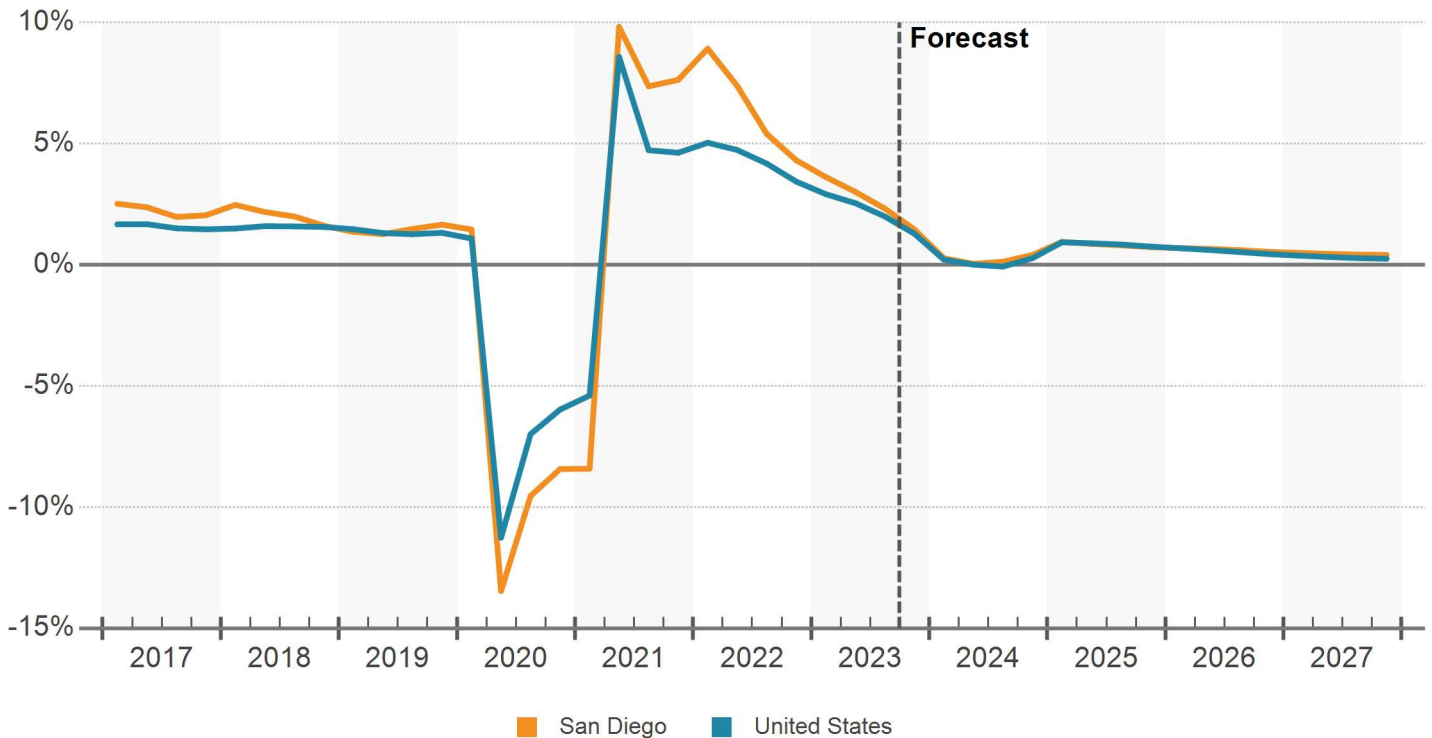
It is also why San Diego has one of the largest concentrations of millennials in the country, accounting for 25% of the population.

SAN DIEGO EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	118	0.9	-0.54%	0.05%	1.70%	0.72%	0.23%	0.08%
Trade, Transportation and Utilities	224	0.8	1.19%	0.21%	0.39%	1.07%	-0.03%	0.14%
Retail Trade	140	0.9	1.91%	0.48%	-0.24%	0.25%	-0.11%	0.09%
Financial Activities	79	0.9	3.41%	0.60%	1.19%	1.46%	-0.16%	0.14%
Government	249	1.1	0.49%	1.61%	0.90%	0.37%	0.35%	0.40%
Natural Resources, Mining and Construction	90	1.0	2.75%	1.56%	3.69%	2.35%	0.88%	0.27%
Education and Health Services	241	0.9	3.54%	3.15%	2.90%	1.88%	1.02%	0.66%
Professional and Business Services	287	1.2	-0.04%	0.79%	2.59%	2.02%	0.40%	0.50%
Information	22	0.7	-3.90%	-2.66%	-1.20%	1.11%	0.28%	0.33%
Leisure and Hospitality	208	1.2	3.17%	3.09%	2.01%	1.49%	1.09%	0.83%
Other Services	59	1.0	3.80%	1.78%	1.49%	0.64%	0.31%	0.27%
Total Employment	1,577	1.0	1.55%	1.36%	1.76%	1.31%	0.50%	0.40%

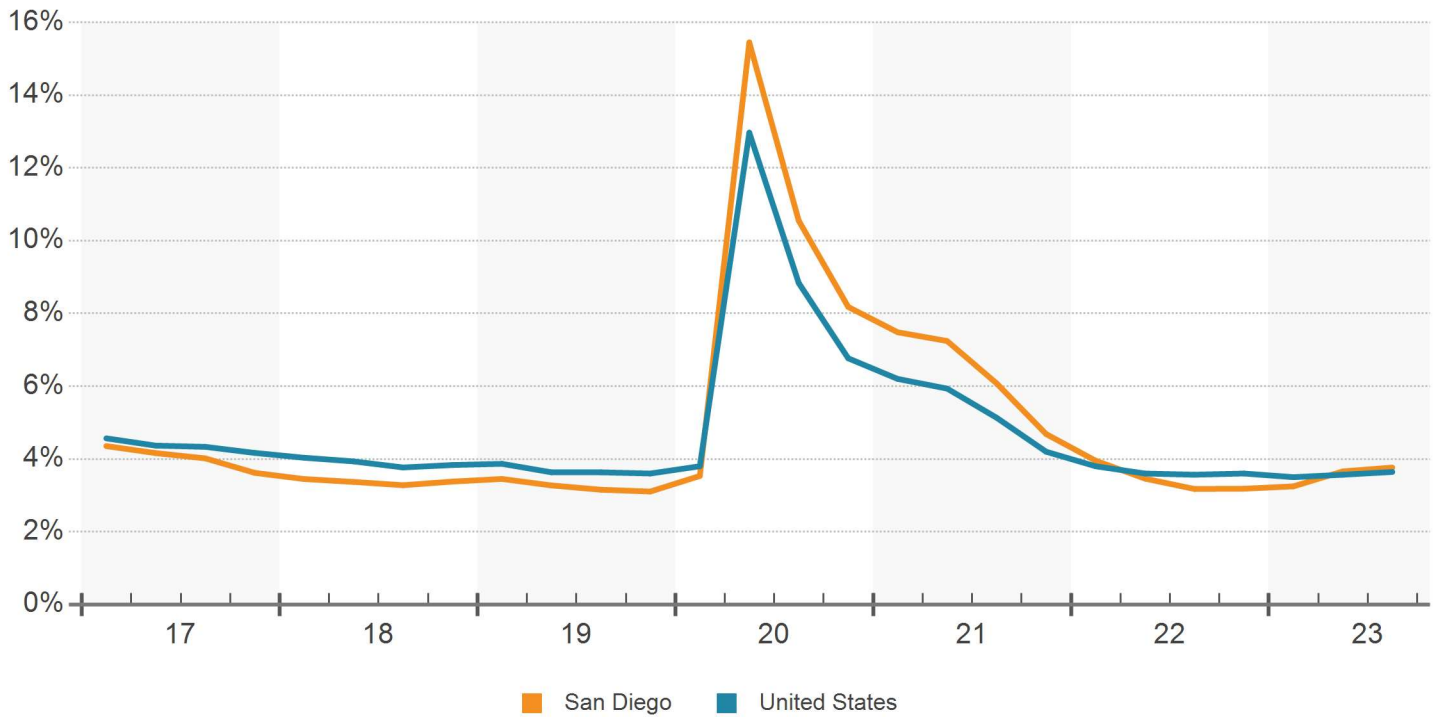
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

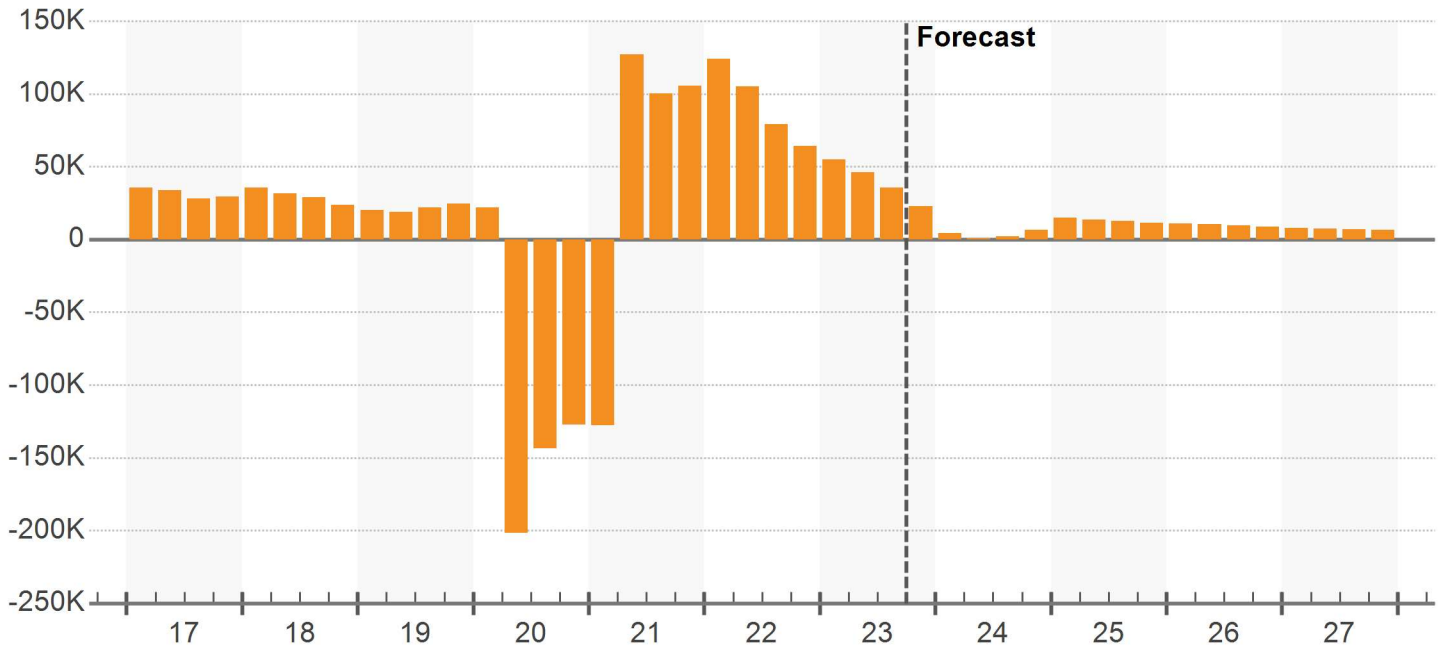


Source: Oxford Economics

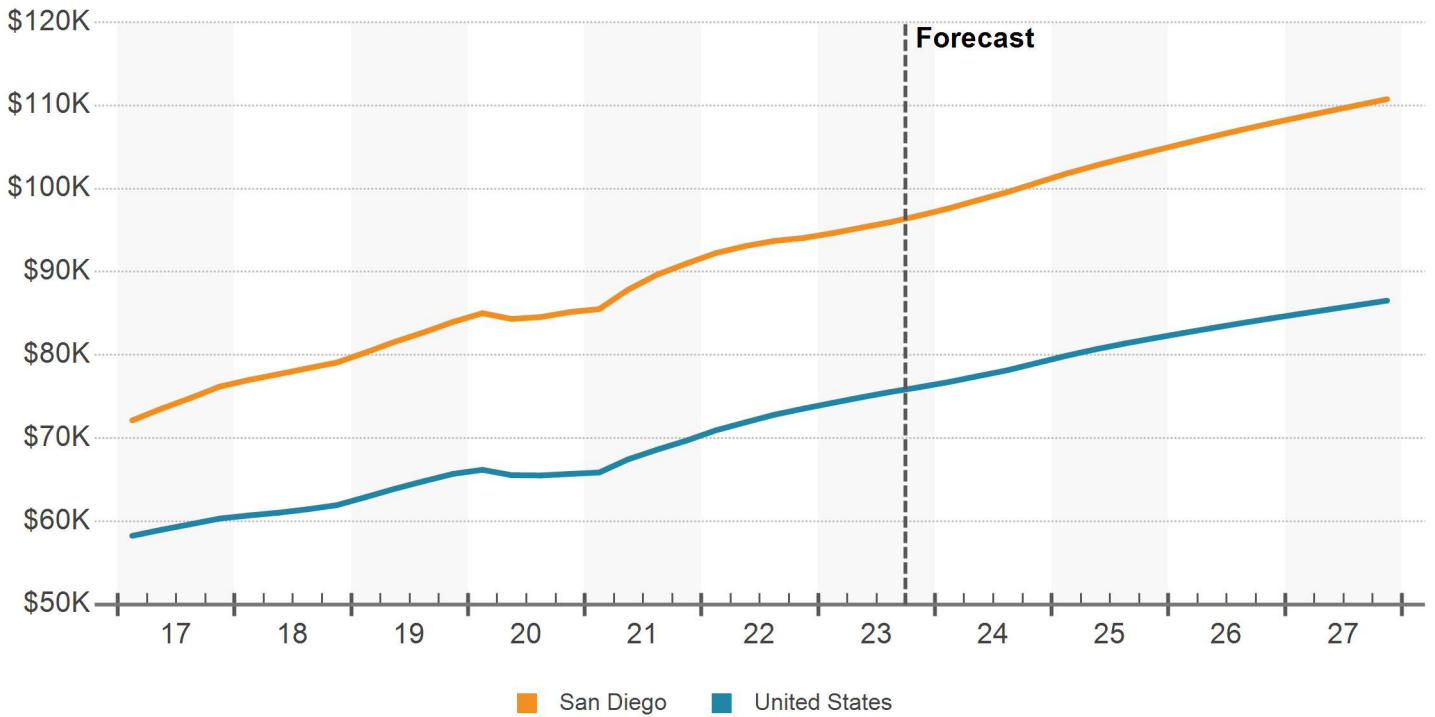
UNEMPLOYMENT RATE (%)



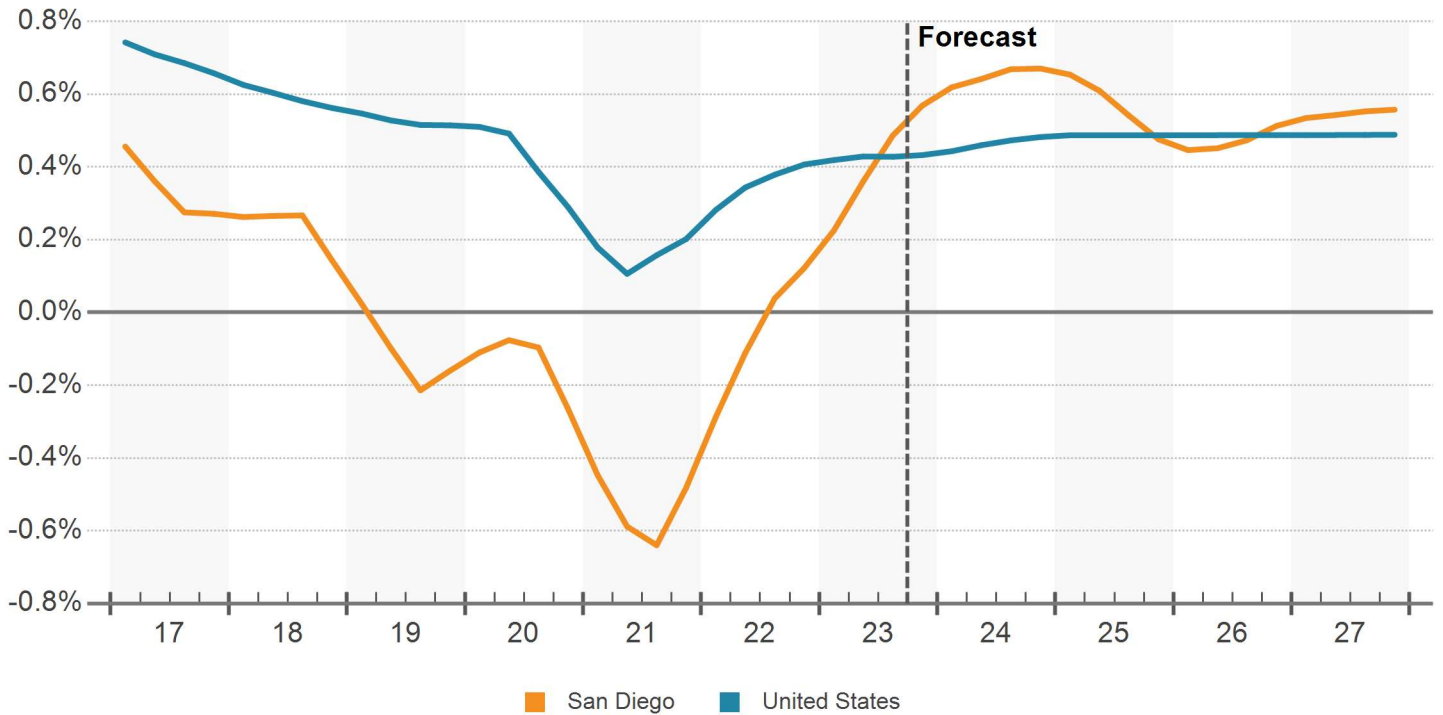
NET EMPLOYMENT CHANGE (YOY)



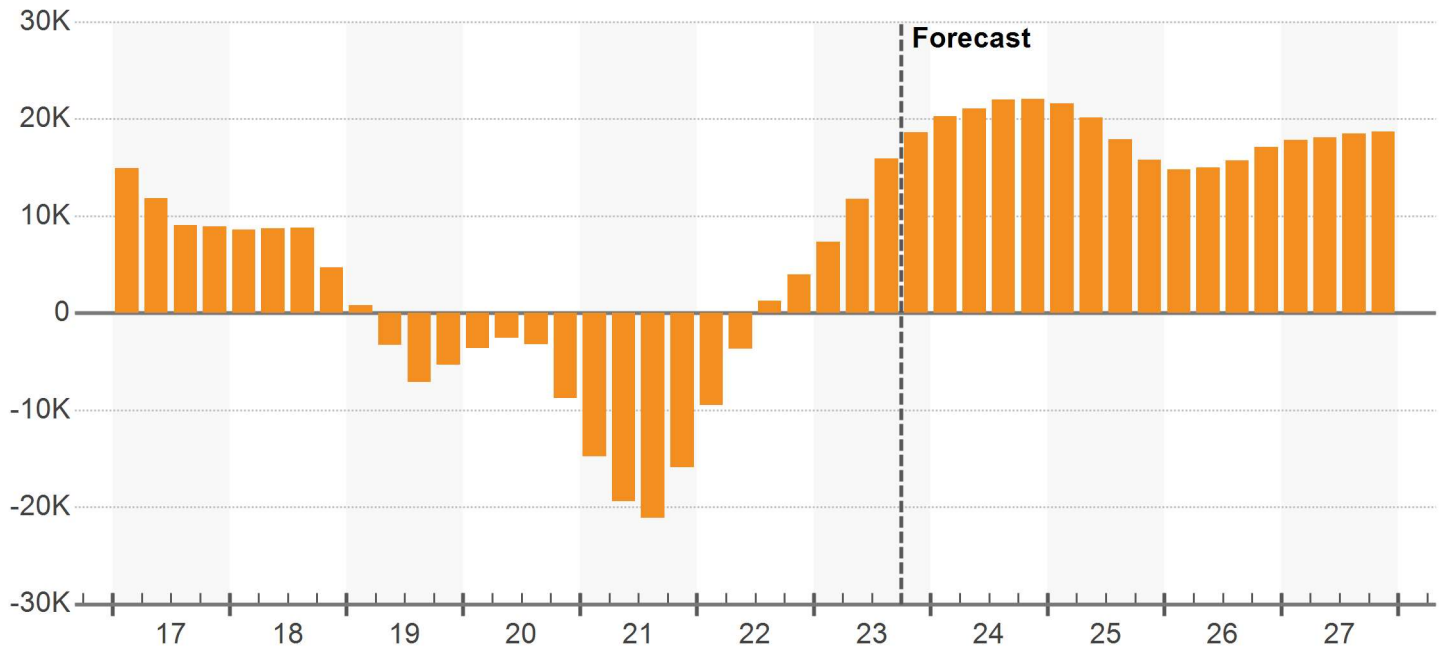
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

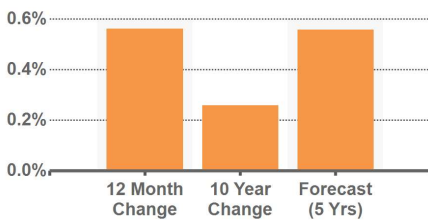


DEMOGRAPHIC TRENDS

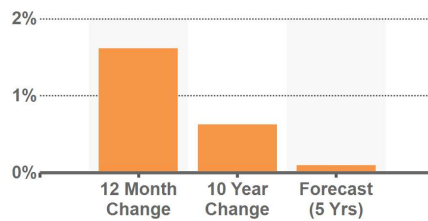
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,297,020	335,065,875	0.6%	0.4%	0.3%	0.5%	0.6%	0.5%
Households	1,186,111	130,811,625	0.7%	0.6%	0.5%	0.9%	0.7%	0.6%
Median Household Income	\$96,703	\$76,086	2.8%	3.6%	4.6%	3.8%	3.3%	3.1%
Labor Force	1,621,539	167,576,531	1.6%	1.8%	0.6%	0.8%	0.1%	0.2%
Unemployment	3.8%	3.6%	0.6%	0%	-0.4%	-0.3%	-	-

Source: Oxford Economics

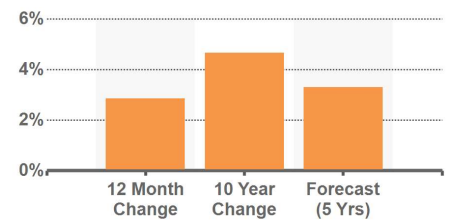
POPULATION GROWTH



LABOR FORCE GROWTH

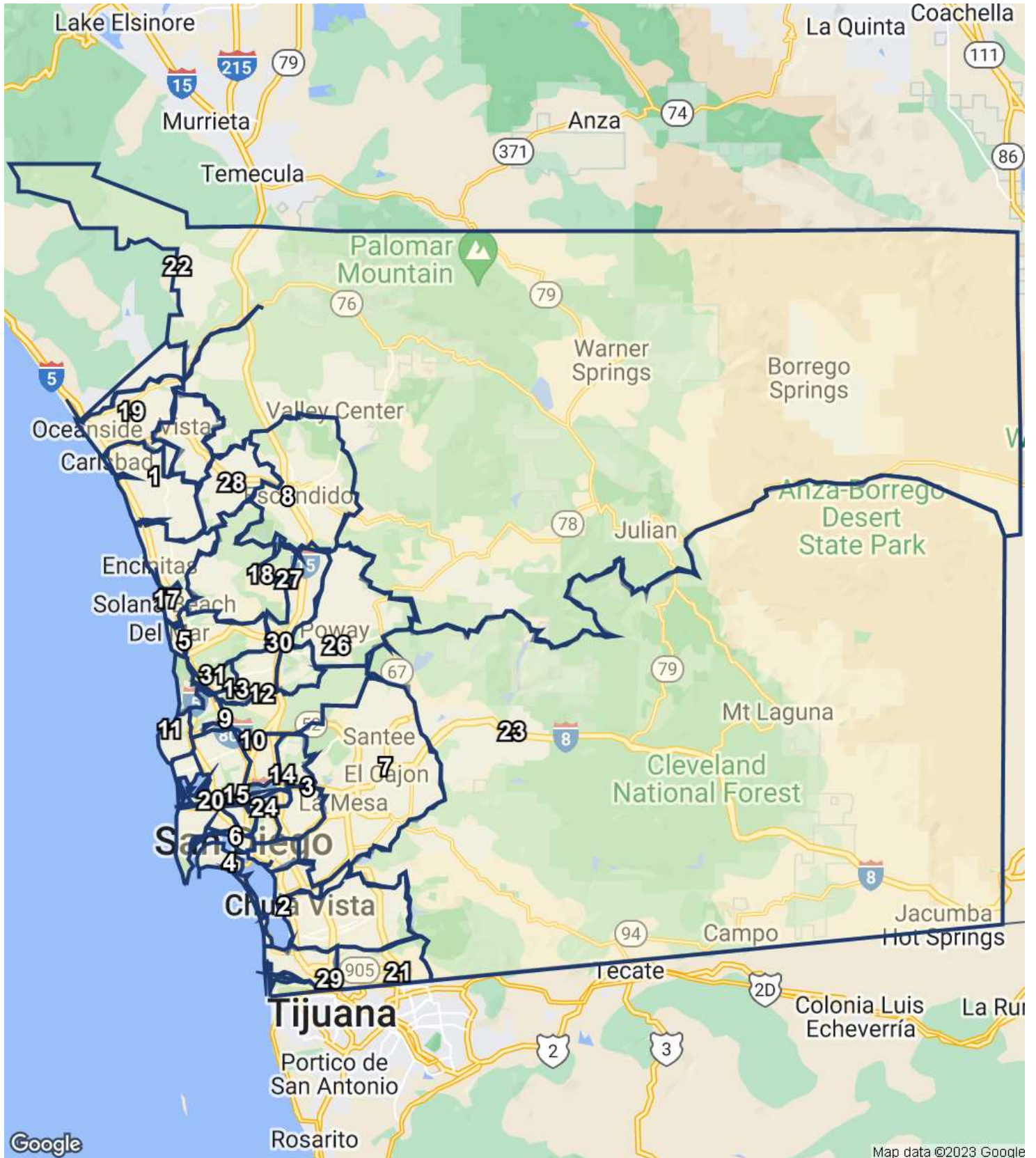


INCOME GROWTH



Source: Oxford Economics

SAN DIEGO SUBMARKETS



Submarkets

San Diego Office

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Carlsbad	330	7,763	6.5%	5	0	0	0%	-	0	-	-	-
2	Chula Vista	273	3,501	2.9%	10	0	0	0%	-	1	168	4.8%	4
3	College Area	151	1,630	1.4%	23	0	0	0%	-	0	-	-	-
4	Coronado	23	147	0.1%	37	0	0	0%	-	0	-	-	-
5	Del Mar Hts/Carmel Valley	86	5,736	4.8%	9	0	0	0%	-	7	973	17.0%	2
6	Downtown	229	14,197	11.9%	1	0	0	0%	-	9	2,716	19.1%	1
7	East County	704	5,747	4.8%	8	0	0	0%	-	0	-	-	-
8	Escondido	306	2,671	2.2%	16	1	9	0.3%	4	0	-	-	-
9	Governor Park	19	769	0.6%	26	0	0	0%	-	0	-	-	-
10	Kearny Mesa	290	11,805	9.9%	2	1	70	0.6%	2	0	-	-	-
11	La Jolla	112	1,673	1.4%	21	0	0	0%	-	0	-	-	-
12	MCAS Miramar	1	32	0%	38	0	0	0%	-	0	-	-	-
13	Mira Mesa/Miramar	44	1,542	1.3%	24	0	0	0%	-	0	-	-	-
14	Mission Gorge	44	767	0.6%	27	0	0	0%	-	0	-	-	-
15	Mission Valley	142	7,543	6.3%	6	1	0	0%	6	0	-	-	-
16	National City	86	851	0.7%	25	0	0	0%	-	0	-	-	-
17	North Beach Cities	323	3,390	2.8%	11	2	56	1.7%	3	0	-	-	-
18	North Central County	37	403	0.3%	31	0	0	0%	-	0	-	-	-
19	Oceanside	169	1,965	1.6%	17	0	0	0%	-	0	-	-	-
20	Old Twn/S Arena/Pt Loma	211	2,859	2.4%	15	0	0	0%	-	0	-	-	-
21	Otay Mesa	20	220	0.2%	35	0	0	0%	-	0	-	-	-
22	Outlying SD County N	163	745	0.6%	28	0	0	0%	-	0	-	-	-
23	Outlying SD County S	39	195	0.2%	36	0	0	0%	-	0	-	-	-
24	Park East	72	343	0.3%	32	0	0	0%	-	0	-	-	-
25	PB/Rose Canyon/Morena	208	1,872	1.6%	18	0	0	0%	-	0	-	-	-
26	Poway	84	1,644	1.4%	22	0	0	0%	-	0	-	-	-
27	Rancho Bernardo	127	6,540	5.5%	7	0	0	0%	-	1	83	1.3%	5
28	San Marcos	92	1,728	1.4%	20	0	0	0%	-	0	-	-	-
29	San Ysidro/Imperial Beach	37	270	0.2%	34	0	0	0%	-	0	-	-	-
30	Scripps Ranch	60	2,945	2.5%	14	0	0	0%	-	0	-	-	-
31	Sorrento Mesa	125	8,843	7.4%	4	0	0	0%	-	0	-	-	-
32	Sorrento Valley	26	640	0.5%	30	0	0	0%	-	0	-	-	-
33	Southeast San Diego	85	690	0.6%	29	0	0	0%	-	0	-	-	-
34	Torrey Pines	46	3,277	2.7%	13	1	9	0.3%	5	0	-	-	-
35	Uptown East	72	270	0.2%	33	0	0	0%	-	0	-	-	-
36	Uptown West/Park West	386	3,289	2.7%	12	0	0	0%	-	0	-	-	-
37	UTC	95	9,427	7.9%	3	2	283	3.0%	1	2	558	5.9%	3
38	Vista	176	1,751	1.5%	19	0	0	0%	-	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Carlsbad	\$38.11	12	0.4%	38	0.5%	32
2	Chula Vista	\$36.16	14	1.8%	21	0.6%	29
3	College Area	\$31.63	27	1.6%	23	0.6%	27
4	Coronado	\$41.87	8	1.9%	14	1.1%	6
5	Del Mar Hts/Carmel Valley	\$55.89	1	0.8%	34	0.9%	11
6	Downtown	\$34.89	16	0.5%	37	-0.6%	38
7	East County	\$30.98	29	2.2%	9	0.8%	13
8	Escondido	\$30.83	30	0.9%	31	0.8%	16
9	Governor Park	\$38.61	11	3.4%	2	0.4%	34
10	Kearny Mesa	\$33.73	20	1.2%	29	0.5%	33
11	La Jolla	\$46.95	6	2.3%	6	0.5%	31
12	MCAS Miramar	\$32.72	23	2.1%	10	1.1%	7
13	Mira Mesa/Miramar	\$35.07	15	3.3%	3	0.8%	14
14	Mission Gorge	\$28.64	37	1.6%	24	0.6%	26
15	Mission Valley	\$34.49	17	0.7%	36	0.2%	37
16	National City	\$30.74	31	2.3%	7	0.7%	19
17	North Beach Cities	\$47.58	5	0.8%	35	0.7%	24
18	North Central County	\$55.85	2	1.5%	26	0.5%	30
19	Oceanside	\$30.57	32	1.8%	16	0.7%	18
20	Old Twn/S Arena/Pt Loma	\$34.12	18	1.4%	28	0.4%	36
21	Otay Mesa	\$38.89	10	1.8%	20	0.4%	35
22	Outlying SD County N	\$27.86	38	2.5%	4	2.4%	1
23	Outlying SD County S	\$29.53	35	1.6%	22	0.6%	28
24	Park East	\$32.01	26	1.9%	13	0.9%	10
25	PB/Rose Canyon/Morena	\$30.40	33	1.8%	19	0.7%	17
26	Poway	\$32.09	25	1.1%	30	0.8%	12
27	Rancho Bernardo	\$39.49	9	0.9%	32	0.7%	23
28	San Marcos	\$32.27	24	1.5%	27	1.2%	3
29	San Ysidro/Imperial Beach	\$32.97	21	6.4%	1	0.8%	15
30	Scripps Ranch	\$37.91	13	0.8%	33	0.7%	20
31	Sorrento Mesa	\$43.19	7	1.8%	18	1.1%	4
32	Sorrento Valley	\$32.78	22	2.4%	5	0.9%	8
33	Southeast San Diego	\$31.49	28	2.2%	8	0.6%	25
34	Torrey Pines	\$48.60	4	1.8%	17	0.9%	9
35	Uptown East	\$29.56	34	2.1%	11	1.1%	5
36	Uptown West/Park West	\$33.84	19	1.5%	25	0.7%	21
37	UTC	\$51.84	3	2.0%	12	1.8%	2
38	Vista	\$28.85	36	1.9%	15	0.7%	22

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Carlsbad	919,242	11.8%	30	(64,378)	-0.8%	34	-
2	Chula Vista	120,682	3.4%	11	(6,164)	-0.2%	22	-
3	College Area	53,289	3.3%	10	(6,305)	-0.4%	23	-
4	Coronado	1,648	1.1%	5	(38)	0%	18	-
5	Del Mar Hts/Carmel Valley	730,794	12.7%	32	(25,720)	-0.4%	29	-
6	Downtown	3,739,405	26.3%	37	(315,929)	-2.2%	38	-
7	East County	177,554	3.1%	9	31,221	0.5%	6	-
8	Escondido	233,000	8.7%	24	(17,607)	-0.7%	28	-
9	Governor Park	78,059	10.2%	26	5,091	0.7%	13	-
10	Kearny Mesa	1,017,944	8.6%	23	217,137	1.8%	2	0.3
11	La Jolla	206,025	12.3%	31	(49,644)	-3.0%	33	-
12	MCAS Miramar	-	-	-	0	0%	-	-
13	Mira Mesa/Miramar	96,573	6.3%	17	(7,383)	-0.5%	24	-
14	Mission Gorge	3,552	0.5%	1	2,429	0.3%	16	-
15	Mission Valley	1,335,303	17.7%	35	(30,866)	-0.4%	31	-
16	National City	9,001	1.1%	4	4,966	0.6%	14	-
17	North Beach Cities	231,122	6.8%	19	38,238	1.1%	5	1.4
18	North Central County	47,688	11.8%	29	3,619	0.9%	15	-
19	Oceanside	165,433	8.4%	22	(8,610)	-0.4%	26	-
20	Old Twn/S Arena/Pt Loma	221,100	7.7%	20	(70,416)	-2.5%	35	-
21	Otay Mesa	51,206	23.3%	36	(43,857)	-19.9%	32	-
22	Outlying SD County N	29,128	3.9%	13	11,901	1.6%	9	-
23	Outlying SD County S	1,200	0.6%	2	5,500	2.8%	12	-
24	Park East	10,052	2.9%	8	(654)	-0.2%	19	-
25	PB/Rose Canyon/Morena	97,519	5.2%	15	20,574	1.1%	8	-
26	Poway	129,294	7.9%	21	(26,253)	-1.6%	30	-
27	Rancho Bernardo	769,344	11.8%	28	239,940	3.7%	1	-
28	San Marcos	74,930	4.3%	14	53,881	3.1%	4	-
29	San Ysidro/Imperial Beach	4,996	1.9%	7	(1,791)	-0.7%	20	-
30	Scripps Ranch	268,589	9.1%	25	201,336	6.8%	3	-
31	Sorrento Mesa	588,732	6.7%	18	(141,111)	-1.6%	37	-
32	Sorrento Valley	103,346	16.1%	34	(5,896)	-0.9%	21	-
33	Southeast San Diego	24,105	3.5%	12	(8,132)	-1.2%	25	-
34	Torrey Pines	50,311	1.5%	6	20,845	0.6%	7	-
35	Uptown East	2,780	1.0%	3	8,892	3.3%	11	-
36	Uptown West/Park West	192,821	5.9%	16	(12,949)	-0.4%	27	-
37	UTC	996,118	10.6%	27	(132,643)	-1.4%	36	-
38	Vista	259,748	14.8%	33	11,104	0.6%	10	-

Supply & Demand Trends

San Diego Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	123,523,300	(27,819)	0%	486,812	0.4%	-
2026	123,551,119	(207,030)	-0.2%	324,141	0.3%	-
2025	123,758,149	927,686	0.8%	685,289	0.6%	1.4
2024	122,830,463	3,151,743	2.6%	(1,260,892)	-1.0%	-
2023	119,678,720	287,632	0.2%	(142,136)	-0.1%	-
YTD	119,678,720	287,632	0.2%	(96,980)	-0.1%	-
2022	119,391,088	376,907	0.3%	916,351	0.8%	0.4
2021	119,014,181	188,133	0.2%	574,400	0.5%	0.3
2020	118,826,048	1,327,466	1.1%	(1,665,169)	-1.4%	-
2019	117,498,582	236,647	0.2%	607,331	0.5%	0.4
2018	117,261,935	129,730	0.1%	721,879	0.6%	0.2
2017	117,132,205	(190,289)	-0.2%	(382,659)	-0.3%	-
2016	117,322,494	400,632	0.3%	1,468,403	1.3%	0.3
2015	116,921,862	610,781	0.5%	883,789	0.8%	0.7
2014	116,311,081	830,771	0.7%	1,281,728	1.1%	0.6
2013	115,480,310	732,953	0.6%	1,155,183	1.0%	0.6
2012	114,747,357	399,160	0.3%	1,555,400	1.4%	0.3
2011	114,348,197	716,397	0.6%	1,343,977	1.2%	0.5

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	46,877,358	185,809	0.4%	262,424	0.6%	0.7
2026	46,691,549	6,927	0%	570,042	1.2%	0
2025	46,684,622	1,141,742	2.5%	1,140,449	2.4%	1.0
2024	45,542,880	3,356,351	8.0%	886,871	1.9%	3.8
2023	42,186,529	313,509	0.7%	110,784	0.3%	2.8
YTD	42,186,529	313,509	0.7%	63,769	0.2%	4.9
2022	41,873,020	726,396	1.8%	508,700	1.2%	1.4
2021	41,146,624	490,744	1.2%	607,301	1.5%	0.8
2020	40,655,880	1,212,063	3.1%	39,310	0.1%	30.8
2019	39,443,817	388,205	1.0%	987,311	2.5%	0.4
2018	39,055,612	760,743	2.0%	132,284	0.3%	5.8
2017	38,294,869	640,829	1.7%	117,165	0.3%	5.5
2016	37,654,040	404,298	1.1%	466,845	1.2%	0.9
2015	37,249,742	899,997	2.5%	472,503	1.3%	1.9
2014	36,349,745	871,000	2.5%	1,096,320	3.0%	0.8
2013	35,478,745	843,800	2.4%	637,883	1.8%	1.3
2012	34,634,945	439,270	1.3%	1,406,790	4.1%	0.3
2011	34,195,675	618,589	1.8%	1,302,619	3.8%	0.5

Supply & Demand Trends

San Diego Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	47,172,140	177	0%	213,516	0.5%	0
2026	47,171,963	0	0%	(5,499)	0%	-
2025	47,171,963	0	0%	(54,538)	-0.1%	-
2024	47,171,963	0	0%	(1,426,066)	-3.0%	-
2023	47,171,963	0	0%	(377,611)	-0.8%	-
YTD	47,171,963	0	0%	(317,356)	-0.7%	-
2022	47,171,963	(289,249)	-0.6%	127,307	0.3%	-
2021	47,461,212	(189,992)	-0.4%	97,064	0.2%	-
2020	47,651,204	201,668	0.4%	(1,285,160)	-2.7%	-
2019	47,449,536	5,392	0%	(117,952)	-0.2%	-
2018	47,444,144	(406,645)	-0.8%	575,798	1.2%	-
2017	47,850,789	(681,906)	-1.4%	(413,339)	-0.9%	-
2016	48,532,695	123,498	0.3%	605,461	1.2%	0.2
2015	48,409,197	(140,391)	-0.3%	146,354	0.3%	-
2014	48,549,588	76,989	0.2%	124,717	0.3%	0.6
2013	48,472,599	59,074	0.1%	569,842	1.2%	0.1
2012	48,413,525	287,819	0.6%	471,906	1.0%	0.6
2011	48,125,706	111,895	0.2%	(22,177)	0%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	29,473,802	(213,805)	-0.7%	10,872	0%	-
2026	29,687,607	(213,957)	-0.7%	(240,402)	-0.8%	-
2025	29,901,564	(214,056)	-0.7%	(400,622)	-1.3%	-
2024	30,115,620	(204,608)	-0.7%	(721,697)	-2.4%	-
2023	30,320,228	(25,877)	-0.1%	124,691	0.4%	-
YTD	30,320,228	(25,877)	-0.1%	156,607	0.5%	-
2022	30,346,105	(60,240)	-0.2%	280,344	0.9%	-
2021	30,406,345	(112,619)	-0.4%	(129,965)	-0.4%	-
2020	30,518,964	(86,265)	-0.3%	(419,319)	-1.4%	-
2019	30,605,229	(156,950)	-0.5%	(262,028)	-0.9%	-
2018	30,762,179	(224,368)	-0.7%	13,797	0%	-
2017	30,986,547	(149,212)	-0.5%	(86,485)	-0.3%	-
2016	31,135,759	(127,164)	-0.4%	396,097	1.3%	-
2015	31,262,923	(148,825)	-0.5%	264,932	0.8%	-
2014	31,411,748	(117,218)	-0.4%	60,691	0.2%	-
2013	31,528,966	(169,921)	-0.5%	(52,542)	-0.2%	-
2012	31,698,887	(327,929)	-1.0%	(323,296)	-1.0%	-
2011	32,026,816	(14,087)	0%	63,535	0.2%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$37.22	127	0.9%	-2.3%	16,724,601	13.5%	-0.4%
2026	\$36.89	126	0.4%	-3.1%	17,232,413	13.9%	-0.4%
2025	\$36.74	126	-1.8%	-3.5%	17,756,307	14.3%	0.1%
2024	\$37.42	128	-3.0%	-1.7%	17,506,435	14.3%	3.3%
2023	\$38.56	132	1.3%	1.3%	13,086,853	10.9%	0.3%
YTD	\$38.56	132	1.3%	1.3%	13,041,633	10.9%	0.3%
2022	\$38.08	130	3.0%	0%	12,657,021	10.6%	-0.5%
2021	\$36.97	126	3.9%	-2.9%	13,196,465	11.1%	-0.3%
2020	\$35.58	122	1.1%	-6.6%	13,582,732	11.4%	2.4%
2019	\$35.19	120	4.2%	-7.6%	10,590,097	9.0%	-0.3%
2018	\$33.78	115	4.9%	-11.3%	10,960,781	9.3%	-0.5%
2017	\$32.21	110	4.4%	-15.4%	11,549,688	9.9%	0.2%
2016	\$30.87	106	2.5%	-18.9%	11,350,551	9.7%	-0.9%
2015	\$30.10	103	5.3%	-20.9%	12,418,322	10.6%	-0.3%
2014	\$28.60	98	8.5%	-24.9%	12,691,330	10.9%	-0.5%
2013	\$26.36	90	3.4%	-30.8%	13,142,287	11.4%	-0.4%
2012	\$25.51	87	5.3%	-33.0%	13,564,517	11.8%	-1.1%
2011	\$24.21	83	-0.8%	-36.4%	14,720,757	12.9%	-0.6%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$43.29	123	0.7%	-3.3%	7,866,939	16.8%	-0.2%
2026	\$42.97	122	0.2%	-4.0%	7,944,155	17.0%	-1.2%
2025	\$42.87	122	-2.0%	-4.2%	8,507,432	18.2%	-0.5%
2024	\$43.74	124	-3.2%	-2.3%	8,506,349	18.7%	4.4%
2023	\$45.20	129	1.0%	1.0%	6,036,869	14.3%	0.4%
YTD	\$45.19	128	0.9%	0.9%	6,083,872	14.4%	0.5%
2022	\$44.77	127	0.5%	0%	5,834,132	13.9%	0.3%
2021	\$44.55	127	3.5%	-0.5%	5,616,436	13.6%	-0.5%
2020	\$43.03	122	1.0%	-3.9%	5,732,993	14.1%	2.5%
2019	\$42.59	121	5.4%	-4.9%	4,560,240	11.6%	-1.6%
2018	\$40.39	115	5.5%	-9.8%	5,159,346	13.2%	1.4%
2017	\$38.27	109	4.0%	-14.5%	4,530,887	11.8%	1.2%
2016	\$36.82	105	0.6%	-17.8%	4,000,456	10.6%	-0.3%
2015	\$36.61	104	3.1%	-18.2%	4,063,003	10.9%	0.9%
2014	\$35.53	101	11.5%	-20.6%	3,635,509	10.0%	-0.9%
2013	\$31.88	91	2.4%	-28.8%	3,860,829	10.9%	0.3%
2012	\$31.15	89	7.6%	-30.4%	3,654,912	10.6%	-3.0%
2011	\$28.94	82	0.1%	-35.4%	4,622,432	13.5%	-2.3%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$35	128	1.0%	-1.6%	6,683,530	14.2%	-0.5%
2026	\$34.64	127	0.5%	-2.6%	6,896,920	14.6%	0%
2025	\$34.45	126	-1.7%	-3.1%	6,891,421	14.6%	0.1%
2024	\$35.03	128	-2.8%	-1.5%	6,836,883	14.5%	3.0%
2023	\$36.03	132	1.3%	1.3%	5,410,817	11.5%	0.8%
YTD	\$36.03	132	1.4%	1.3%	5,350,525	11.3%	0.7%
2022	\$35.57	130	4.0%	0%	5,033,169	10.7%	-0.8%
2021	\$34.21	125	3.9%	-3.8%	5,449,725	11.5%	-0.6%
2020	\$32.92	121	1.3%	-7.4%	5,736,781	12.0%	3.1%
2019	\$32.51	119	2.6%	-8.6%	4,249,953	9.0%	0.3%
2018	\$31.68	116	3.9%	-10.9%	4,126,609	8.7%	-2.0%
2017	\$30.49	112	4.1%	-14.3%	5,109,052	10.7%	-0.4%
2016	\$29.29	107	4.1%	-17.6%	5,377,619	11.1%	-1.0%
2015	\$28.13	103	8.0%	-20.9%	5,859,582	12.1%	-0.6%
2014	\$26.04	95	7.0%	-26.8%	6,146,327	12.7%	-0.1%
2013	\$24.33	89	4.5%	-31.6%	6,194,055	12.8%	-1.1%
2012	\$23.28	85	3.6%	-34.5%	6,704,823	13.8%	-0.5%
2011	\$22.47	82	-2.0%	-36.8%	6,888,910	14.3%	0.2%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$31.33	135	1.0%	-1.1%	2,174,132	7.4%	-0.7%
2026	\$31.02	134	0.5%	-2.1%	2,391,338	8.1%	0.2%
2025	\$30.86	133	-1.7%	-2.6%	2,357,454	7.9%	0.7%
2024	\$31.38	135	-2.8%	-1.0%	2,163,203	7.2%	1.8%
2023	\$32.28	139	1.9%	1.9%	1,639,167	5.4%	-0.5%
YTD	\$32.27	139	2.0%	1.9%	1,607,236	5.3%	-0.6%
2022	\$31.68	137	7.1%	0%	1,789,720	5.9%	-1.1%
2021	\$29.58	128	4.8%	-6.6%	2,130,304	7.0%	0.1%
2020	\$28.23	122	0.9%	-10.9%	2,112,958	6.9%	1.1%
2019	\$27.97	121	4.2%	-11.7%	1,779,904	5.8%	0.4%
2018	\$26.86	116	5.0%	-15.2%	1,674,826	5.4%	-0.7%
2017	\$25.58	110	5.8%	-19.3%	1,909,749	6.2%	-0.2%
2016	\$24.17	104	4.4%	-23.7%	1,972,476	6.3%	-1.6%
2015	\$23.15	100	5.7%	-26.9%	2,495,737	8.0%	-1.3%
2014	\$21.90	95	4.1%	-30.9%	2,909,494	9.3%	-0.5%
2013	\$21.04	91	3.7%	-33.6%	3,087,403	9.8%	-0.3%
2012	\$20.29	88	3.3%	-36.0%	3,204,782	10.1%	0.1%
2011	\$19.65	85	-0.7%	-38.0%	3,209,415	10.0%	-0.2%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$299.93	127	7.4%
2026	-	-	-	-	-	-	\$288.85	123	7.6%
2025	-	-	-	-	-	-	\$280.88	119	7.9%
2024	-	-	-	-	-	-	\$283.77	120	8.0%
2023	-	-	-	-	-	-	\$321.57	137	7.4%
YTD	178	\$641.2M	1.6%	\$4,580,193	\$423.55	6.4%	\$324	138	7.3%
2022	352	\$2B	5.2%	\$6,445,377	\$371.42	5.4%	\$339.01	144	6.9%
2021	361	\$3B	6.9%	\$9,370,699	\$373.24	6.0%	\$356	151	6.4%
2020	254	\$1.2B	3.0%	\$5,331,491	\$341.04	5.9%	\$331.02	141	6.6%
2019	371	\$2.4B	5.9%	\$9,524,801	\$376.80	6.3%	\$320.96	136	6.8%
2018	423	\$2.4B	6.9%	\$7,895,095	\$340.40	6.1%	\$316.79	135	6.6%
2017	395	\$2.3B	7.0%	\$8,301,830	\$293.98	6.3%	\$309.19	131	6.4%
2016	364	\$1.7B	6.6%	\$6,025,375	\$266.35	6.4%	\$306.27	130	6.2%
2015	473	\$2.4B	9.9%	\$6,805,739	\$241.13	6.4%	\$301.85	128	6.1%
2014	409	\$2B	8.6%	\$6,469,814	\$229.06	7.0%	\$282.63	120	6.2%
2013	334	\$1.8B	6.3%	\$7,648,877	\$264.62	7.3%	\$261.09	111	6.4%
2012	320	\$1.3B	5.7%	\$6,770,067	\$226.09	6.5%	\$243.81	104	6.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$342.41	116	7.3%
2026	-	-	-	-	-	-	\$330.14	112	7.5%
2025	-	-	-	-	-	-	\$321.39	109	7.7%
2024	-	-	-	-	-	-	\$325.18	110	7.8%
2023	-	-	-	-	-	-	\$369.43	125	7.2%
YTD	5	\$254.9M	1.0%	\$50,986,430	\$576.92	4.5%	\$372.19	126	7.2%
2022	11	\$388.3M	2.7%	\$43,147,290	\$412.47	5.7%	\$390.63	132	6.8%
2021	26	\$1.3B	8.4%	\$53,293,054	\$402.68	7.6%	\$415.86	141	6.2%
2020	13	\$472.4M	2.7%	\$36,340,315	\$432.49	-	\$393.72	133	6.4%
2019	24	\$1.3B	6.5%	\$53,110,592	\$498.15	6.2%	\$383.10	129	6.5%
2018	28	\$1B	7.1%	\$39,460,611	\$414.91	7.1%	\$380.96	129	6.3%
2017	17	\$754.2M	5.6%	\$47,135,474	\$360.37	6.1%	\$375.61	127	6.1%
2016	35	\$940.3M	9.2%	\$39,177,713	\$316.54	6.1%	\$370.20	125	5.9%
2015	21	\$557.1M	5.6%	\$32,769,343	\$294.90	6.4%	\$371.37	125	5.7%
2014	25	\$933.2M	9.7%	\$46,659,630	\$281.72	6.1%	\$349.51	118	5.8%
2013	26	\$842.9M	7.3%	\$36,648,816	\$327.65	6.6%	\$324.46	110	6.0%
2012	14	\$686.6M	7.1%	\$49,040,493	\$279.98	7.1%	\$304.25	103	6.2%

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3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$275.28	133	7.6%
2026	-	-	-	-	-	-	\$265	128	7.8%
2025	-	-	-	-	-	-	\$257.59	124	8.0%
2024	-	-	-	-	-	-	\$260.04	125	8.1%
2023	-	-	-	-	-	-	\$293.56	142	7.5%
YTD	66	\$183.7M	1.8%	\$3,828,044	\$355.35	7.3%	\$295.78	143	7.5%
2022	133	\$1B	6.9%	\$9,696,931	\$386.17	5.6%	\$309.94	149	7.1%
2021	138	\$1.3B	7.0%	\$11,499,183	\$386.14	5.9%	\$324.04	156	6.5%
2020	81	\$411M	2.8%	\$6,133,651	\$318.43	6.0%	\$296.92	143	6.8%
2019	122	\$857.6M	6.7%	\$8,167,326	\$292.32	6.5%	\$287.10	138	7.0%
2018	147	\$1B	7.3%	\$8,855,362	\$318.34	6.4%	\$284.18	137	6.8%
2017	100	\$1.2B	8.8%	\$13,264,576	\$291.19	6.5%	\$275.78	133	6.6%
2016	110	\$491.6M	5.9%	\$5,015,849	\$210.50	6.5%	\$275.13	133	6.4%
2015	163	\$1.4B	14.8%	\$10,271,381	\$234.09	6.8%	\$268.20	129	6.3%
2014	139	\$819.4M	9.0%	\$7,187,713	\$210.35	7.2%	\$251.06	121	6.4%
2013	123	\$738M	6.8%	\$7,935,984	\$234	7.6%	\$232.39	112	6.6%
2012	88	\$425.7M	5.3%	\$7,467,911	\$191.87	6.9%	\$216.40	104	6.9%

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1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$272.92	146	7.5%
2026	-	-	-	-	-	-	\$262.42	141	7.7%
2025	-	-	-	-	-	-	\$254.77	137	7.9%
2024	-	-	-	-	-	-	\$256.96	138	8.0%
2023	-	-	-	-	-	-	\$291.48	156	7.4%
YTD	107	\$202.5M	2.3%	\$2,328,147	\$364.98	6.3%	\$293.73	158	7.3%
2022	208	\$559.3M	6.1%	\$2,912,911	\$325.82	5.3%	\$304.77	164	7.0%
2021	197	\$417.2M	4.9%	\$2,292,294	\$281.62	5.7%	\$313.57	168	6.5%
2020	160	\$294.9M	3.7%	\$2,091,353	\$275.08	5.8%	\$287.57	154	6.7%
2019	225	\$315.7M	4.1%	\$2,466,019	\$314.38	6.1%	\$278	149	6.9%
2018	248	\$355.8M	6.0%	\$2,182,616	\$257.99	5.7%	\$268.77	144	6.8%
2017	278	\$308.5M	5.9%	\$1,847,274	\$208.14	6.3%	\$258.91	139	6.6%
2016	219	\$315.5M	4.8%	\$1,878,217	\$251.47	6.4%	\$256.32	138	6.4%
2015	289	\$356.2M	7.3%	\$1,884,910	\$207.33	5.9%	\$247.20	133	6.3%
2014	245	\$291.9M	6.7%	\$1,603,677	\$169.95	7.1%	\$228.82	123	6.5%
2013	185	\$193.6M	4.2%	\$1,668,709	\$197.69	7.2%	\$208.19	112	6.7%
2012	218	\$194.4M	4.9%	\$1,593,321	\$175.37	5.2%	\$193.42	104	7.0%

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