

Q2 2023 ***END QTR*** ***OFFICE REPORT*** ***SAN DIEGO MARKET***



**PACIFIC COAST
COMMERCIAL**
SALES - MANAGEMENT - LEASING

TCN 
WORLDWIDE
REAL ESTATE SERVICES

OFFICE MARKET REPORT

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12 Mo Deliveries in SF

270K

12 Mo Net Absorption in SF

(997K)

Vacancy Rate

11.3%

12 Mo Rent Growth

1.6%

San Diego's office market is supported by a mix of defense contractors, healthcare providers, life sciences firms, and tech companies. Several top universities, including UC San Diego, University of San Diego, and San Diego State University provide a talent pool of job-seeking graduates and collaborative workers with firms and research institutes. That, in turn, has formed a strong biotech ecosystem and incubator atmosphere, particularly in the UC San Diego area, that helps drive demand.

Even so, challenges have spread across the office landscape that are likely to last for the foreseeable future. That is particularly true following the drop in biotech demand since mid-2022. Several brokers have noted that many biotech deals have been placed on hold since then. That has been one important factor in why new leasing activity has fallen for four straight quarters, with the most recent completed quarters recording a similar level as in early 2020.

The office environment has become more bifurcated since 2020. High-quality, well-located newer assets have the upper hand, according to many local participants. Buildings that have delivered since 2010 have the lowest vacancies, which are below 9%, and have been trending down. Conversely, older vintage properties have seen the vacancy rate climb to twice that level.

Net absorption has been positive for all but three quarters over the past two years. San Diego is one of the few major markets bucking the national trend as absorption has been marginally positive following the onset of the pandemic. While vacancy has fallen from a high of 11.8% in 2021, it is still well above the 2019 year-end rate of 9.2%. That is better than the national benchmark, where vacancy has risen more than 300

basis points since then.

Tenants are still relinquishing under-utilized office space, and there is about 2.9 million SF of sublet space available, which is trending near a 15-year high. The sustained level of sublease availability has indicated that there is no one-size-fits-all solution for businesses operating in the current environment. That is particularly true as the sublet space coming to market has spread across nearly every sector, from biotech and high-tech to lending and healthcare.

Local rent growth is outperforming the national benchmark, but in real terms when accounting for inflation, rents are falling year over year. Landlords have increased concessions and one month free for each year of the term has become common, while build-out allowances have increased by roughly 50%.

It is against this backdrop that San Diego is poised to receive its largest injection of spec development since prior to the global financial crisis. Developers are working on several projects Downtown, including the mixed-use 1 million-SF Campus at Horton, which is scheduled to complete in 2023, and the Research and Development District, with its first phase estimated to be ready in 2023. Neither project has announced any tenants as of the second quarter, and it has been more than five years since a tenant signed a lease for more than 40,000 SF there as the submarket grapples with a market-high vacancy of 26% and availability rate of almost 40%.

Buyers have shown more caution in the investment market as interest rates have risen. Pricing is anticipated to soften as cap rates rise to compensate for the high cost of debt. Consequently, investment activity has fallen to a level last seen in early 2020 with many participants navigating a period of pricing discovery.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	41,562,533	15.7%	\$3.74	25.2%	(379,737)	70,000	3,981,045
3 Star	47,316,615	10.9%	\$3.02	14.7%	(56,408)	0	0
1 & 2 Star	30,406,886	5.8%	\$2.70	8.0%	(12,641)	0	0
Market	119,286,034	11.3%	\$3.21	16.9%	(448,786)	70,000	3,981,045

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.8%	10.5%	14.7%	14.5%	2010 Q1	5.3%	2000 Q2
Net Absorption SF	(997K)	1,015,526	(528,039)	4,588,117	2000 Q2	(1,668,725)	2021 Q1
Deliveries SF	270K	1,538,759	900,253	3,856,239	2007 Q3	307,853	2020 Q2
Rent Growth	1.6%	2.8%	-1.6%	17.1%	2001 Q1	-11.4%	2009 Q3
Sales Volume	\$1.4B	\$1.8B	N/A	\$4.1B	2007 Q3	\$259.8M	2009 Q3

While overall leasing during 23Q1 was buttressed by renewals from SDG&E, Dexcom, and Broadcom, new leasing activity has fallen to its lowest level since 2020. As more leases roll over, firms will likely continue using less space. The average lease signed over the past 12 months has been roughly 10% smaller than the average signed in the four years prior to the pandemic. And although the median time on the market for available space has steadily fallen over the past year, it is still roughly 25% longer than the four years prior to 2020.

The vacancy rate has shifted by 0.8% to 11.3% over the past year, which compares to the five-year average of 10.5%. Vacancy is still well above the 2019 year-end rate close to 9%, although the gap is narrower here than it is nationally. The amount of available space, 20.8 million SF, has increased by more than 6 million SF since the beginning of 2020, reaching 16.9% of total inventory. That is trending at an all-time high.

Overall occupancy gains since 2020 have been driven by 4&5 Star inventory, as well-located and amenitized buildings are finding more demand, while mid-tier and Class C offices have yet to recover the occupancy losses since the start of 2020. Tellingly, newer vintage buildings that have delivered since 2010 have the tightest vacancies, below 9%. That rate will likely rise, however, as new inventory delivers Downtown. Properties that were built before 2010 with less than 75% occupancy could struggle to land tenants. There are more than 100 buildings accounting for an excess of 10% of San Diego's office inventory that fall into that category.

There is a significant amount of available sublet inventory on the market as firms continue relinquishing under-utilized space. The level is trending at a peak during the second quarter as a cluster of industries including biotech, high-tech and finance continue to shed space. It accounts for 2.3% of San Diego's office inventory, or roughly 2.9 million SF. It has reached more than 600,000 SF above the level of sublet space during the global financial crisis. It may take time to work through that space, too. The amount of sublet space leased as a percentage of total leasing volume since the start of 2022 aligns with the period between 2016-19.

Illumina placed 100,000 SF up for sublease at its UTC campus at the end of 2022 with a term through 27Q4. That space was added as Illumina announced that it was cutting 5% of its global workforce, including about 200 positions here. In Scripps Ranch, MedImpact placed 160,000 SF on the sublet market and vacated the space

during 22Q3 after no longer needing it due to the effects of the pandemic. The firm had occupied the property on a 20-year lease that expires in 2039. Surgalign Spine placed its 95,000-SF space at Muse Torrey Pines up for sublease at the end of 2022 with a term that runs until 2034. Guild Mortgage placed 140,000 SF up for sublease at the Terraces at Copley Point in Kearny Mesa for a term that expires in 2030. Similarly, Guild no longer required the space due to the effects of the pandemic coupled with a pullback in demand for their services amid high interest rates.

It has been more than five years since a tenant signed a lease for more than 40,000 SF Downtown, which is one of the few CBDs across the country that sees a reverse commute due to traffic going to North County. The submarket is burdened by the region's highest availability and vacancy rates among primary office submarkets in San Diego, with the rates sitting near 35% and 25%, respectively. Each was already elevated prior to the pandemic but has increased with the slowdown in demand and rise in speculative development and sublet space.

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.

The UC San Diego area has seen the surfeit of demand from biotech and high-tech firms, even as that leasing activity has moderated in recent quarters. Bristol Myers Squibb pre-leased 427,000 SF at Alexandria Point in UTC in the first half of 2022 which will be an expansion of more than 100,000 SF of its current footprint here. Amazon leased nearly 125,000 SF of office space at the Collection at UTC located at Westfield in 2022 to add to its local footprint of non-logistics space and announced they were hiring more than 700 with the expansion. Those hiring plans may be shelved for the time being after the company laid off 100 workers at the beginning of 2023, and the space is still in shell condition. While those deals drove office leasing, the largest biotech deal in an office building since mid-2022 in the UC San

Diego area has only been about 30,000 SF.

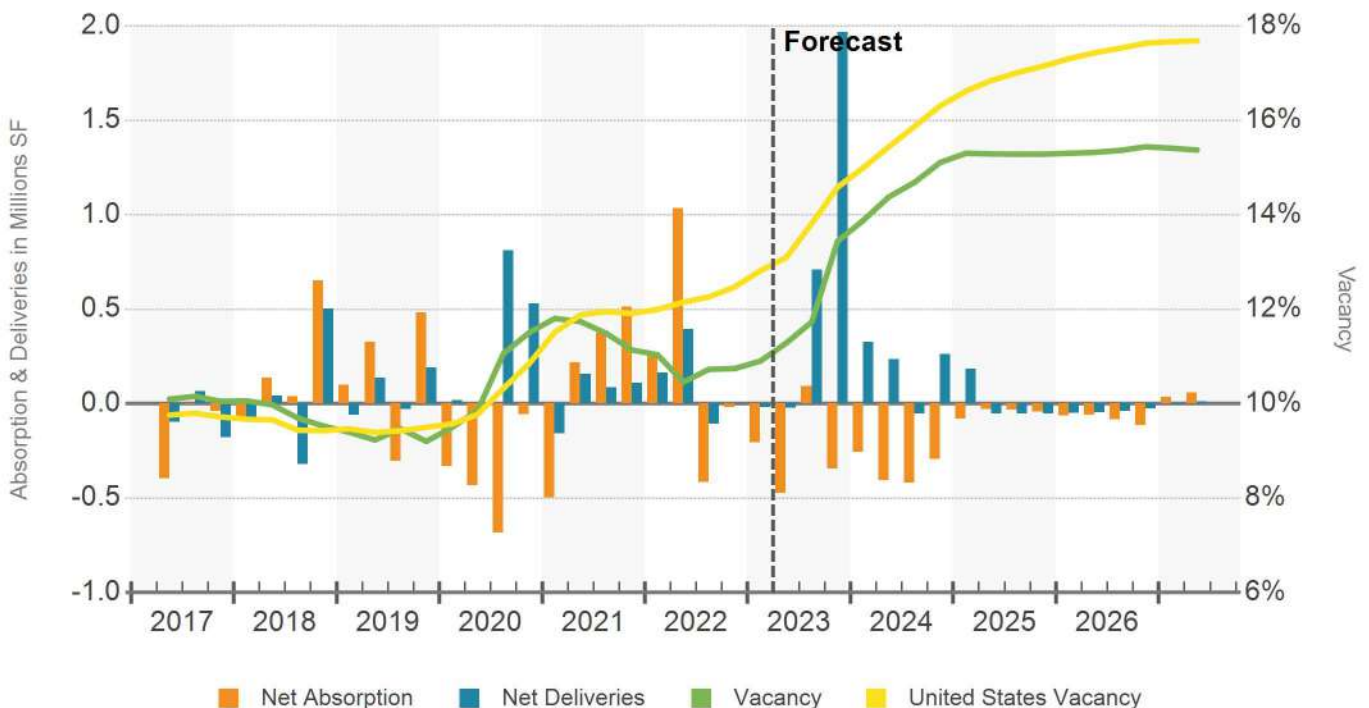
Apple has leased around 800,000 SF in UTC in a mix of build-to-suit offices, relet space, and subleases. Among its most recent leases was for 63,000 SF of sublet space at Eastgate that Oracle had placed on the market. UTC has had one of the strongest recoveries in the region, with the vacancy rate largely returning to pre-2020 levels. There has been rising concern among local participants that the slowdown will lead to rents falling in real terms as fewer firms actively seek space.

Apple has also leased roughly 600,000 SF in Rancho Bernardo across several deals since the start of 2020, including two recent deals totaling 150,000 SF at Rancho Vista Corporate Center and The Point in 2022. After Apple acquired Intel's mobile division in 2019, it assumed its existing 130,000-SF lease at Northridge Summit in Scripps Ranch which was extended in mid-2022.

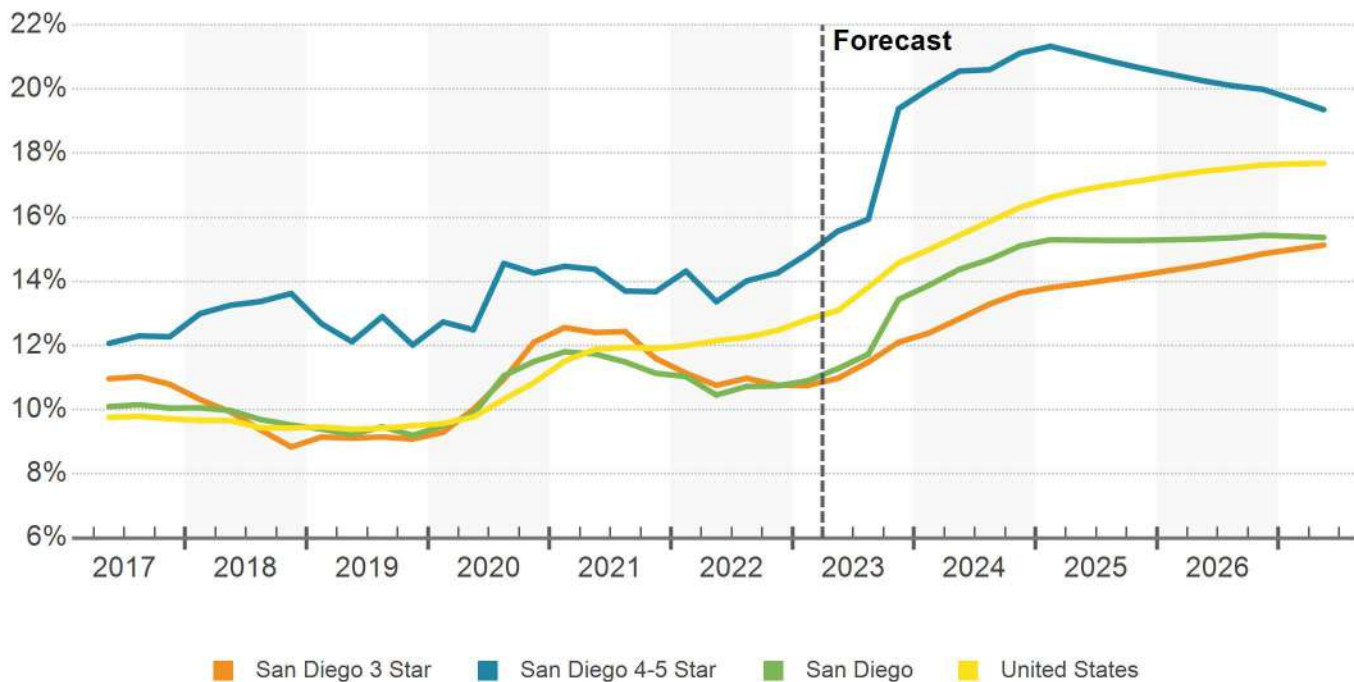
Biotech firms have also pivoted to Del Mar Heights/Carmel Valley, a natural extension from the UC

San Diego area and Sorrento Mesa. And like those areas, it is located amid a dense population of well-educated residents with a high concentration of STEM degrees. Neurocrine Biosciences leased the entire Aperture Del Mar campus spanning four buildings and 535,000 SF in 2022. That was an expansion from about 275,000 SF in the submarket. Consequently, the firm has already begun subleasing its current buildings, which will apply upward pressure to the vacancy rate. BD Biosciences pre-leased 220,000 SF at Torrey View, which is scheduled to deliver in 2023, and that is an expansion from its existing footprint. Other recent biotech expansions in the submarket include Janux Therapeutics in 47,000 SF at Torrey Plaza, Dermtech in 90,000 SF at Del Mar Corporate Center, and Tandem Diabetes in 180,000 SF on High Bluff Drive. Each of those leases have the option to add additional space, and all of them more than doubled their former footprints. Yet like the UC San Diego area, demand among biotech firms has moderated since mid-2022, and the largest biotech lease signed since then has been for less than 20,000 SF.

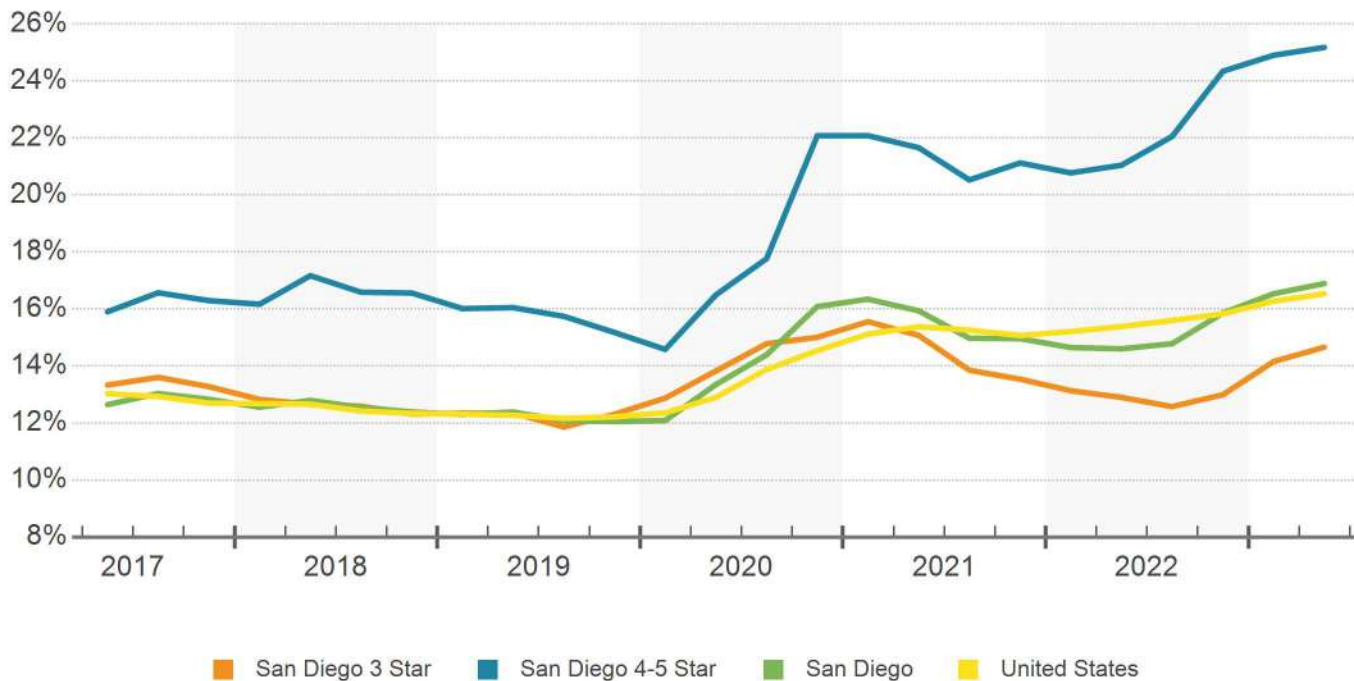
NET ABSORPTION, NET DELIVERIES & VACANCY



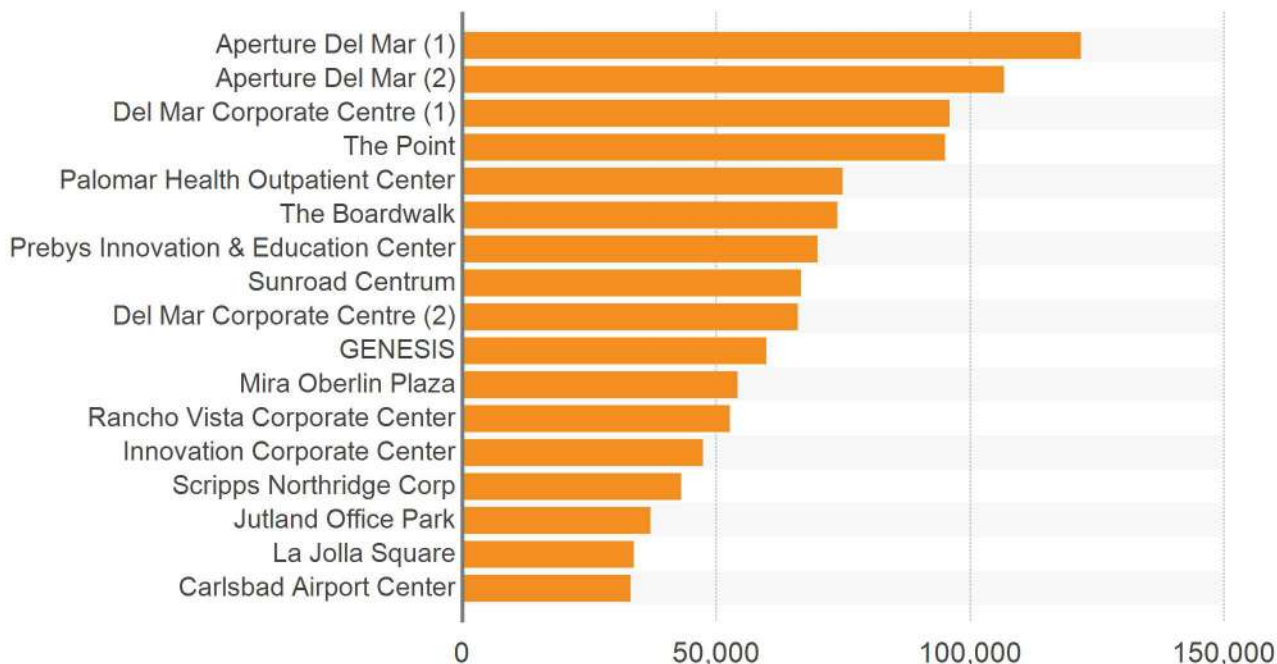
VACANCY RATE



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
Aperture Del Mar (1)	Del Mar Hts/Carmel...	121,928	0	0	0	0	0	121,928
Aperture Del Mar (2)	Del Mar Hts/Carmel...	106,734	0	0	0	0	0	106,734
Del Mar Corporate Centre (1)	Del Mar Hts/Carmel...	95,997	0	95,997	0	0	0	95,997
The Point	Rancho Bernardo	95,166	0	95,166	0	0	0	95,166
Palomar Health Outpatient Center	Escondido	75,000	0	0	0	0	0	75,000
The Boardwalk	Torrey Pines	74,000	0	0	0	0	0	74,000
Prebys Innovation & Education...	Kearny Mesa	70,000	0	0	70,000	0	0	70,000
Sunroad Centrum	Kearny Mesa	279,722	120,209	(3,104)	10,492	0	0	66,821
Del Mar Corporate Centre (2)	Del Mar Hts/Carmel...	72,534	0	72,534	0	0	0	66,157
GENESIS	Downtown	203,439	132,500	26,050	33,950	0	0	59,912
Mira Oberlin Plaza	Sorrento Mesa	85,953	21,334	0	40,843	0	0	54,335
Rancho Vista Corporate Center	Rancho Bernardo	158,003	0	52,800	0	0	0	52,800
Innovation Corporate Center	Rancho Bernardo	65,638	18,149	32,819	0	0	0	47,489
Scripps Northridge Corp	Scripps Ranch	49,855	0	43,196	0	0	0	43,196
Jutland Office Park	PB/Rose Canyon/Mo...	40,659	0	3,500	0	0	0	37,186
La Jolla Square	UTC	268,407	21,046	(12,428)	8,420	0	0	33,905
Carlsbad Airport Center	Carlsbad	34,423	0	0	0	0	0	33,171
Subtotal Primary Competitors		1,897,458	313,238	406,530	163,705	0	0	1,133,797
Remaining San Diego Market		117,388,576	13,119,386	(611,418)	(612,491)	0	0	(2,130,944)
Total San Diego Market		119,286,034	13,432,624	(204,888)	(448,786)	0	0	(997,147)

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Sequence Drive Alexandria *	Sorrento Mesa	132,802	Q4 22	Dexcom	Savills	CBRE;Cushman & Wa...
Sunroad Centrum	Kearny Mesa	120,209	Q4 22	GSA	Carpenter/Robbins...	Cushman & Wakefield
Discovery Corporate Center *	Rancho Bernardo	90,610	Q1 23	Broadcom Inc.	CBRE	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...	-	-
Kilroy Sabre Springs	Rancho Bernardo	63,781	Q1 23	MediaTek, Inc.	Colliers	CBRE
Eastgate Technology Park	UTC	63,412	Q3 22	Apple	CBRE	CBRE
Lusk Mira Mesa Bus Park *	Sorrento Mesa	62,415	Q4 22	Dex Com Inc	Savills	CBRE;Cushman & Wa...
Pacific Tech Center	Sorrento Mesa	54,232	Q3 22	Maravai LifeSciences	-	CBRE
Century Park *	Kearny Mesa	52,740	Q1 23	San Diego Gas & Electric...	-	-
Century Park *	Kearny Mesa	50,700	Q1 23	San Diego Gas & Electric...	-	-
Innovation Corporate Center	Rancho Bernardo	47,489	Q3 22	Peraton	-	JLL
Canyon Rim Industrial Pk *	Sorrento Mesa	40,754	Q1 23	Keck School of Medicine	-	-
Scripps Northridge Corp	Scripps Ranch	38,600	Q3 22	Firmenich	-	JLL
Copley Corporate Center	Kearny Mesa	36,648	Q3 22	AT&T	CBRE	CBRE
GENESIS	Downtown	36,000	Q4 22	Excellos	Hughes Marino	JLL;Kidder Mathews
The Plaza	UTC	35,713	Q3 22	National Funding, Inc.	-	Irvine Company Office...
Sports Arena Village Office Center	Old Twn/S Arena/Pt Loma	32,500	Q4 22	SAIC	-	-
Carlsbad Research Center	Carlsbad	31,866	Q2 23	Breg Inc	-	CBRE
La Jolla Area Office	PB/Rose Canyon/Morena	31,530	Q4 22	Comic-Con	Strom Commercial...	CBRE
The Paladion	Downtown	30,471	Q4 22	Regus	JLL	JLL
One Paseo	Del Mar Hts/Carmel Valley	30,294	Q2 23	-	-	Savills
Mira Oberlin Plaza	Sorrento Mesa	30,192	Q1 23	Innoflight	-	Newmark
Stonecrest Office Project	Kearny Mesa	29,706	Q3 22	Jack Henry & Associates	-	CBRE
2100 Kettner	Downtown	28,387	Q3 22	Boston Consulting	-	Cushman & Wakefield
The Paladion	Downtown	28,379	Q3 22	Gomez Trial Attorneys	Hughes Marino	JLL
Paseo Del Mar	Del Mar Hts/Carmel Valley	26,877	Q4 22	Sheppard, Mullin, Richter...	-	-
Mission Valley Heights	Mission Valley	25,635	Q3 22	VCA Animal Hospitals	-	CBRE
Canvas on Willow	Scripps Ranch	24,519	Q4 22	Anchor General Insurance...	-	JLL
Miramar Center	Mira Mesa/Miramar	23,915	Q3 22	-	-	Voit Real Estate Services
Enclave Sorrento	Sorrento Mesa	23,452	Q2 23	-	-	CBRE;Cushman & Wa...
One La Jolla Center	UTC	22,853	Q2 23	-	-	Irvine Company Office...
Carlsbad Research Center	Carlsbad	22,830	Q3 22	BREG, Inc.	CBRE	Cushman & Wakefield
Bethel Baptist Church	Escondido	20,747	Q2 23	-	-	Kidder Mathews
501 West Broadway	Downtown	20,465	Q3 22	-	-	Irvine Company Office...
501 West Broadway	Downtown	20,177	Q4 22	-	-	Irvine Company Office...
The Plaza	UTC	19,988	Q2 23	-	-	Irvine Company Office...

Renewal

Year-over-year rent growth of 1.6% compares to the five-year average rate of 3.6%. 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 is still in negative territory.

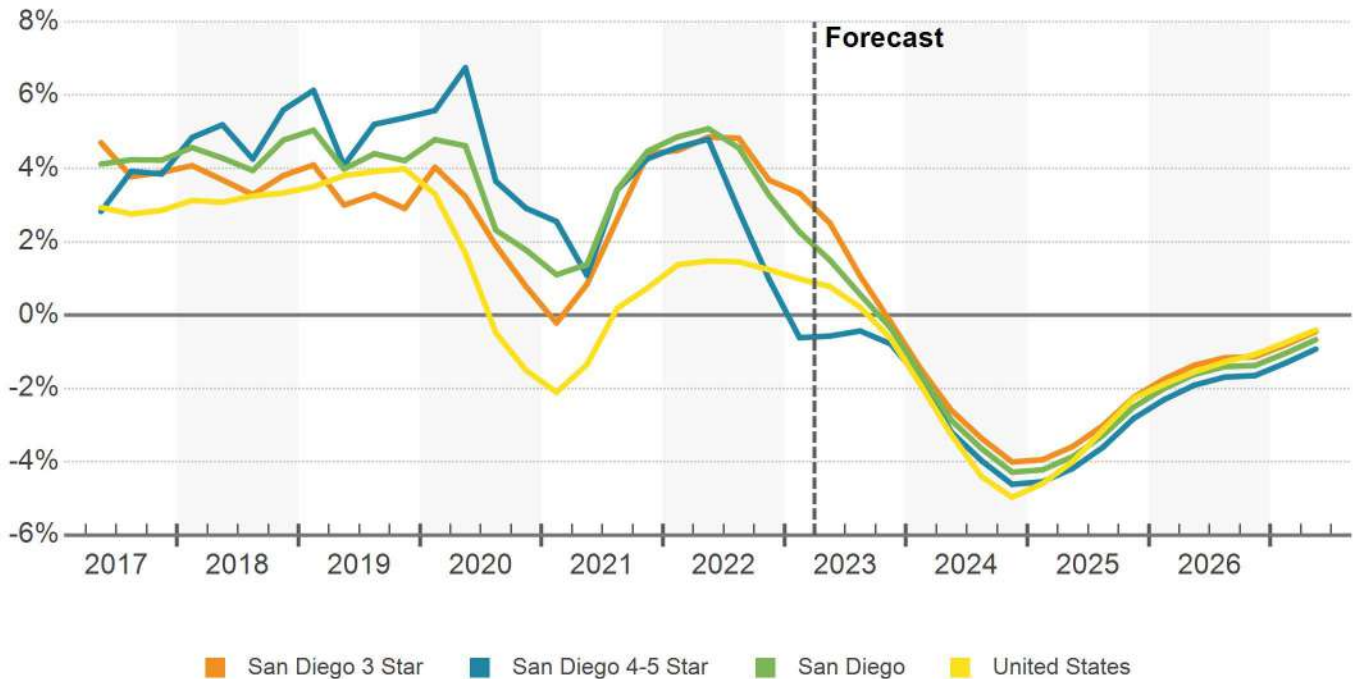
Escalations are typically in the range of 3.5% to 4%, and tenants often receive one month free for each year of the lease term for leases less than 10 years. Tenant improvements for lab space often rise about \$200/SF for first-generation space. TIs for more traditional office space have increased by roughly 50%.

Asking rents for lab space has reached levels largely unseen in San Diego before, with landlords asking for more than \$75/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

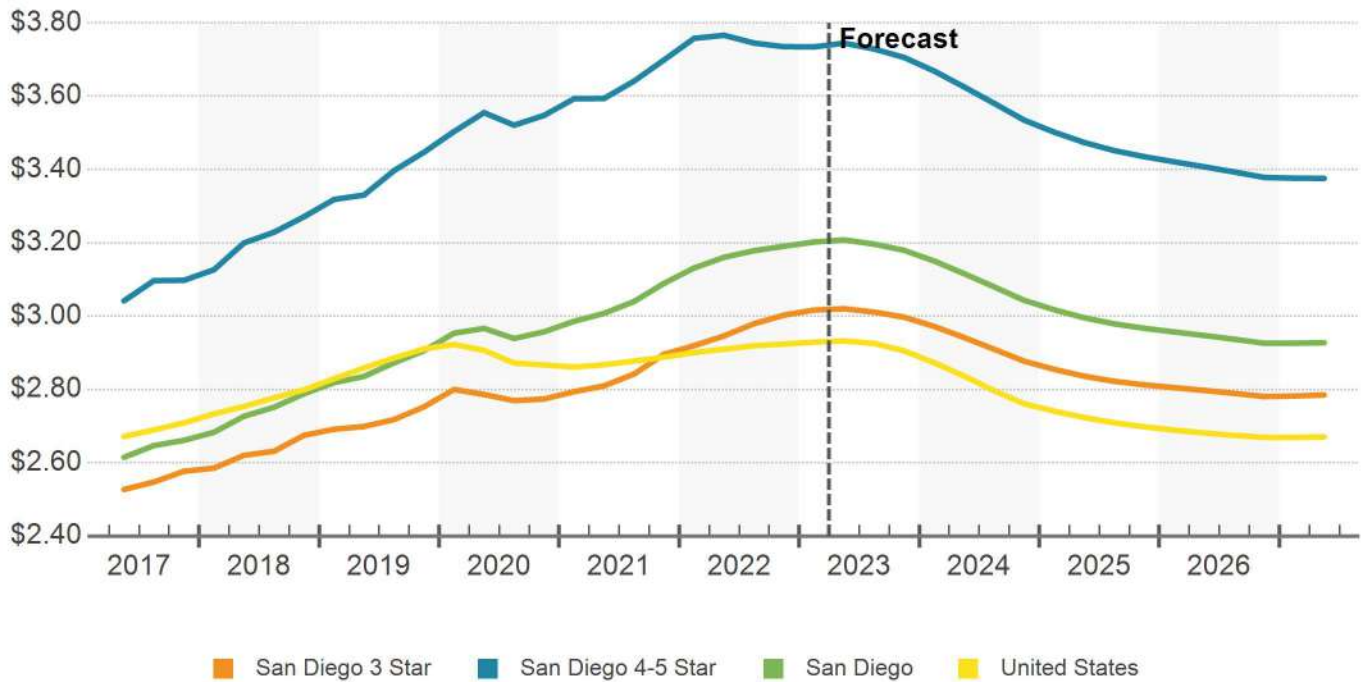
FSG. The firm received seven months of free rent upfront and nearly \$300/SF in TIs for the first-generation space. Annual escalations are 3%.

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. One tenant searching for space there is SANDAG. The firm occupies more than 100,000 SF at the Wells Fargo Tower and is paying about \$38/SF gross for the space that it has occupied for several decades. Given that few firms of their stature or size have entered the market in recent years, SANDAG is expected to receive significant concessions in their new space, be it at the Wells Fargo Tower or any of Downtown's newest buildings. Negotiations were reportedly underway at the West project, although SANDAG was said to have walked away, according to market participants.

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	\$1.29	\$1.05	\$4.53	\$4.62	\$12.34
Central San Diego	\$0.43	\$1.37	\$0.94	\$3.84	\$4.58	\$11.16
Downtown	\$1.25	\$1.78	\$0.85	\$4.15	\$7.30	\$15.33
I-15 Corridor	\$0.49	\$1.19	\$1.01	\$4.10	\$3.88	\$10.67
I-5 Corridor	\$0.74	\$1.38	\$0.92	\$5.01	\$4.13	\$12.18
North Central County	\$0.54	\$1.21	\$1.08	\$0.65	\$4.07	\$7.55
North San Diego	\$1.28	\$1.07	\$1.34	\$5.28	\$4.56	\$13.53
South Bay	\$0.46	\$1.35	\$1.11	\$3.24	\$4.73	\$10.89
SR-78 Corridor	\$0.53	\$1.18	\$0.89	\$3.04	\$3.51	\$9.15

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	\$0.60	\$1.19	\$0.59	\$4.08	\$3.18	\$9.64
Central San Diego	\$0.47	\$1.06	\$0.58	\$3.84	\$3.34	\$9.29
Coronado	\$0.36	\$1.21	\$0.55	\$4.88	\$3.65	\$10.65
Downtown	\$1.11	\$1.55	\$0.76	\$3.47	\$5.45	\$12.34
I-15 Corridor	\$0.49	\$1.14	\$0.50	\$3.55	\$2.33	\$8.01
I-5 Corridor	\$0.90	\$1.45	\$0.55	\$4.45	\$2.95	\$10.30
North Central County	\$0.55	\$1.14	\$0.48	\$6.51	\$2.39	\$11.07
North San Diego	\$0.63	\$1.01	\$0.78	\$5.71	\$3.50	\$11.63
Outlying SD County N	\$0.48	\$1.09	\$0.45	\$2.35	\$2.29	\$6.66
Outlying SD County S	\$0.32	\$1.08	\$0.49	\$2.10	\$3.23	\$7.22
South Bay	\$0.35	\$1.16	\$0.53	\$3.30	\$3.50	\$8.84
SR-78 Corridor	\$0.51	\$1.12	\$0.46	\$3.37	\$2.08	\$7.54

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	\$0.42	\$0.78	\$0.38	\$3.81	\$3.25	\$8.64
Central San Diego	\$0.50	\$1.03	\$0.37	\$3.86	\$3.27	\$9.03
Coronado	\$0.35	\$0.40	\$0.52	\$6.14	\$4.33	\$11.74
Downtown	\$0.64	\$1.36	\$0.22	\$5.20	\$4.65	\$12.07
I-15 Corridor	\$0.36	\$0.72	\$0.26	\$2.92	\$2.95	\$7.21
I-5 Corridor	\$0.38	\$0.88	\$0.34	\$5.27	\$4.15	\$11.02
MCAS Miramar	\$0.35	\$0.40	\$0.52	\$2.40	\$1.90	\$5.57
North Central County	\$0.36	\$0.68	\$0.28	\$6.44	\$3	\$10.76
North San Diego	\$0.55	\$0.98	\$0.37	\$4.49	\$3.78	\$10.17
Outlying SD County N	\$0.37	\$0.69	\$0.28	\$3.16	\$3.03	\$7.53
Outlying SD County S	\$0.34	\$0.41	\$0.51	\$4.82	\$2.82	\$8.90
South Bay	\$0.34	\$0.40	\$0.51	\$3.31	\$2.82	\$7.38
SR-78 Corridor	\$0.36	\$0.68	\$0.28	\$3.29	\$2.83	\$7.44

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 4.0 million SF under construction in San Diego as of the second quarter, and a full 85% of that pipeline is available for lease. That is both the highest level of inventory under construction and space available in the pipeline in more than 10 years. Most of the projects had financing secured prior to the recent rise in interest rates. With roughly 2.6 million SF scheduled to deliver this year, vacancy is expected to rise in the process.

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 nearly all of that space is available for lease as of the second quarter.

Kilroy delivered the 235,000-SF 2100 Kettner in Little Italy at the end of 2021. Boston Consulting became the first tenant to lease space, 28,000 SF, at the end of 2022. As of the second quarter, that has been the only new office lease signed at the building. The developer also purchased a full block site across from 2100 Kettner for \$42 million in 2021. Kilroy plans to develop a 275,000-SF office property on the site, and they also have a parcel in the East Village for a planned office project. It is expected that Kilroy will begin on the Little Italy project before turning to the East Village, as plans were filed with the city at the beginning of 2023.

Kilroy is among several developers Downtown vying to lure big tech companies to the Central Business District. One of those is Stockdale, which is targeting tech and life sciences firms at the mixed-use Campus at Horton that includes 300,000 SF of retail and 700,000 SF of office and lab space that is scheduled to deliver in 2023. As of the second quarter, no tenants have been announced.

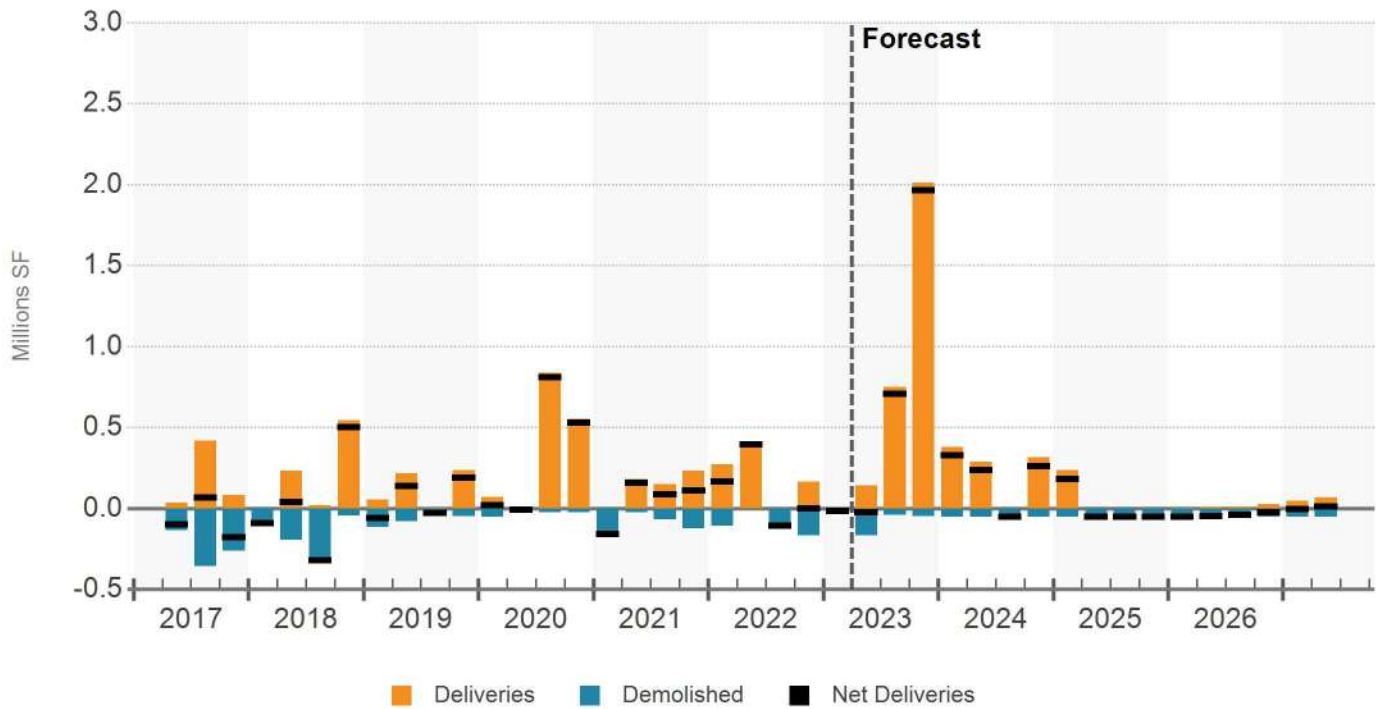
Others, like IQHQ, which broke ground on its \$1.5 billion Research and Development District in 21Q3 and is scheduled to begin delivering in 2023, are targeting biotech firms. That campus will consist of more than 1.5 million SF. IQHQ's executive chairman, Alan Gold, was a co-founder of Alexandria Real Estate Equities and founder of BioMed Realty Trust. The anchor tenant will likely have drawing power and 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 second quarter.

The West project, formerly Courthouse Commons, joined the pipeline in 21Q3 when Holland Partner Group broke ground on the \$400 million mixed-use project. The budget has increased to \$467 million due to a combination of rising interest rates and the price of labor and materials. The 270,000-SF office portion was fully available at the groundbreaking and is anticipated to be ready in 2024 and will complement the 431 apartment units being built on top of the commercial space. Given the general sluggish leasing activity for traditional office space in Downtown, and coupled with a substantial amount of newly renovated space sitting on the market, leasing could prove challenging.

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. The balance of the campus was available for lease during the second quarter. This corridor, in particular, has several similar projects, including Merge56 and Santa Fe Summit, in the pipeline that could begin going verticle in the coming year. It is along this corridor that the first two buildings at Aperture Del Mar opened in 2022 and were fully leased to Neurocrine Biosciences. 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.

Alexandria Real Estate Equities has a redevelopment at ARE Sunrise in Torrey Pines called Alexandria Square that is expected to begin in the coming months after demolition work is complete on the existing buildings. Singular Genomics pre-leased more than 200,000 SF there. The deal will more than double the footprint that Singular Genomics currently occupies in the submarket. Boundless Bio pre-leased a third building at the project for a significant expansion within the submarket. That was among several leases that Alexandria has signed for new projects. Bristol Meyers Squibb pre-leased more than 400,000 SF in UTC at Alexandria Point in 22Q1, and development is anticipated to begin in the coming months. That expansion deal will increase its local footprint by about 100,000 SF.

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	168	6.2%	4	62,372	301,724	2
2	Del Mar Hts/Carmel Valley	4	530	234	44.1%	2	66,563	132,465	4
3	Sorrento Mesa	1	314	0	0%	5	70,184	314,489	1
4	UTC	2	283	70	24.7%	3	98,403	141,426	3
5	Rancho Bernardo	1	83	0	0%	5	51,108	83,482	5
6	North Beach Cities	1	55	36	65.6%	1	10,379	54,845	6
7	Carlsbad	0	-	-	-	-	23,421	-	-
8	Chula Vista	0	-	-	-	-	12,676	-	-
9	College Area	0	-	-	-	-	10,660	-	-
10	Coronado	0	-	-	-	-	6,205	-	-
	All Other	0	-	-	-	-	15,617	-	-
Totals		18	3,981	508	12.8%		21,704	221,169	

Under Construction Properties

San Diego Office

Properties

Square Feet

Percent of Inventory

Released

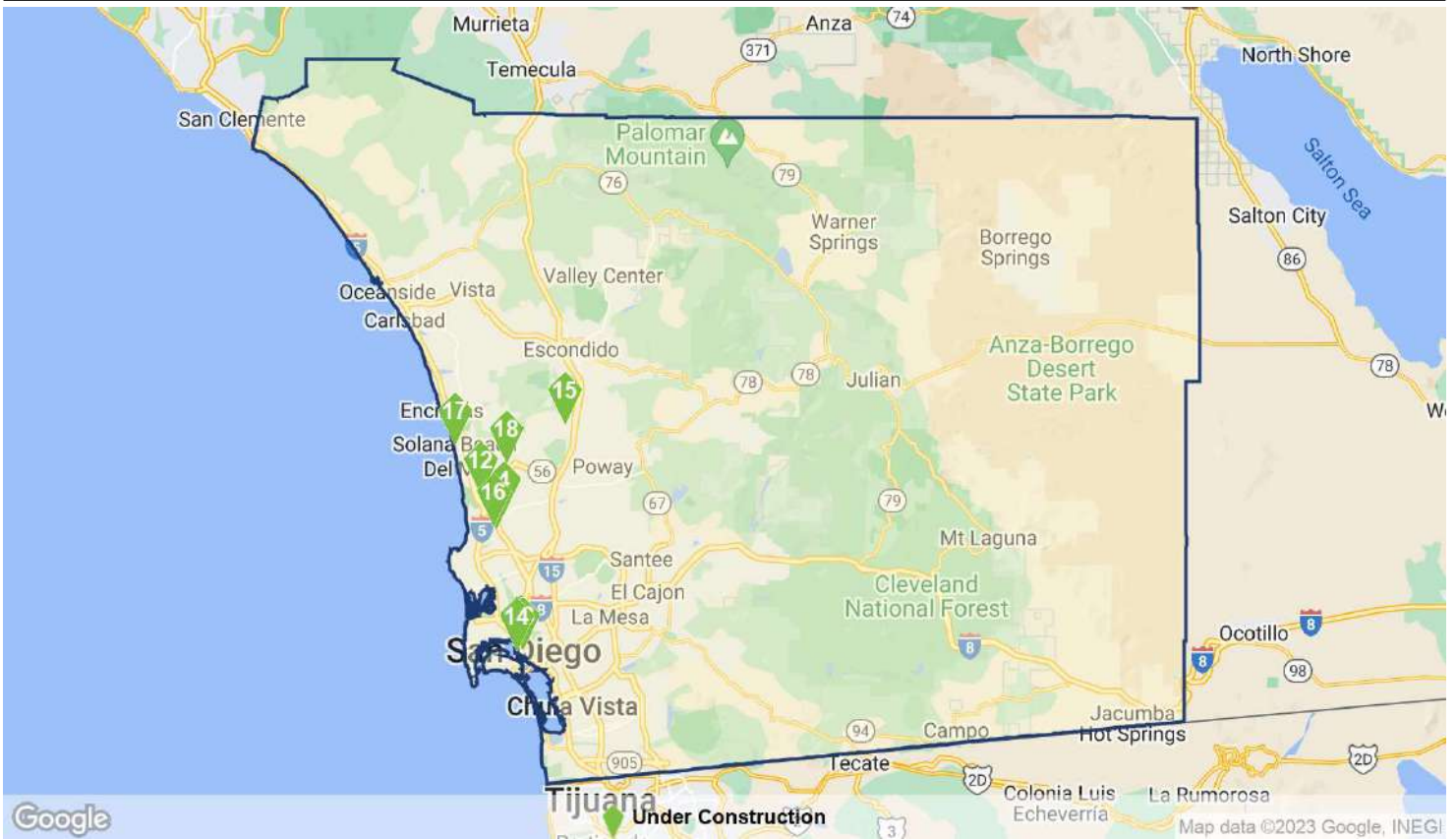
18

3,981,045

3.3%

12.8%

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	Sep 2023	- IQHQ
2 Building 4B-Vida 925 Waterfront Pl	★★★★★	414,811	8	Oct 2020	Sep 2023	- IQHQ
3 The Campus at Horton-B... 100 Horton Plz	★★★★☆	388,359	10	Jun 2020	Oct 2023	- Stockdale Capital Partners
4 Bioterra 5889 Oberlin Dr	★★★★☆	314,489	5	Dec 2022	Oct 2024	- Longfellow Real Estate Partners
5 West - Office 1011 Union St	★★★★★	289,206	37	Jul 2020	Mar 2024	Holland Partner Group Lowe
6 The Campus at Horton-B... 200 Horton Plz	★★★★☆	255,483	5	Jun 2020	Dec 2023	- 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	Jul 2023	- Breakthrough Properties LLC
9 La Jolla Commons Towe... 4727 Executive Dr	★ ★ ★ ★ ★	212,851	11	Oct 2021	Jul 2023	The Whiting-Turner Contracting... American Assets Trust, Inc.
10 Building A 11202 El Camino Real	★ ★ ★ ★ ☆	167,700	4	Oct 2021	Jul 2023	- Breakthrough Properties LLC
11 Building 2A-Alley 825 N Harbor Dr	★ ★ ★ ★ ★	132,979	4	Oct 2020	Sep 2023	- IQHQ
12 Building B 11208 El Camino Real	★ ★ ★ ★ ☆	131,900	4	Oct 2021	Sep 2023	- Breakthrough Properties LLC
13 The Campus at Horton-B... 300 Horton Plz	★ ★ ★ ★ ☆	124,029	5	Jun 2020	Dec 2023	- Stockdale Capital Partners
14 Building 4A-Edge 975 Waterfront Pl	★ ★ ★ ★ ★	105,242	4	Oct 2020	Sep 2023	- IQHQ
15 Via Del Campo 16705 Via del Campo Ct	★ ★ ★ ★ ☆	83,482	3	Jan 2022	Jul 2023	- Drawbridge Realty
16 9514 Towne Centre Dr	★ ★ ★ ★ ☆	70,000	2	Mar 2022	Oct 2023	Kilroy Realty Corporation Kilroy Realty Corporation
17 Sandbox Highway 101	★ ★ ★ ★ ☆	54,845	2	Oct 2021	Jul 2023	Zephyr Solana, LLC Zephyr Solana, LLC
18 Corallina 6155 Carmel Valley Rd	★ ★ ★ ★ ☆	9,990	1	Jul 2021	Jul 2023	- R&V Management

Explosive interest rate growth has impacted the region, and deal flow has moderated notably since mid-2022 to a level last seen during the beginning of 2020 as buyers reassess their options. The number of deals in 23Q1 fell 33% quarter over quarter and more than 50% year over year. 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.

The average transactional price has been about \$370/SF during the past 12 months with cap rates typically between 6% -7.5%. The average property size to trade hands has been about 20,000 SF during that period. Roughly 50% of sales volume during that stretch have involved REIT, private equity, or institutional investors, and foreign capital has also played a role. There is anticipation that cap rates may rise more than 100 basis points in 2023, with non-core assets seeing an increase approaching 150 basis points.

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. However, many of those deals have dried up in Sorrento Mesa after more than 50% of inventory has turned over in the past few years.

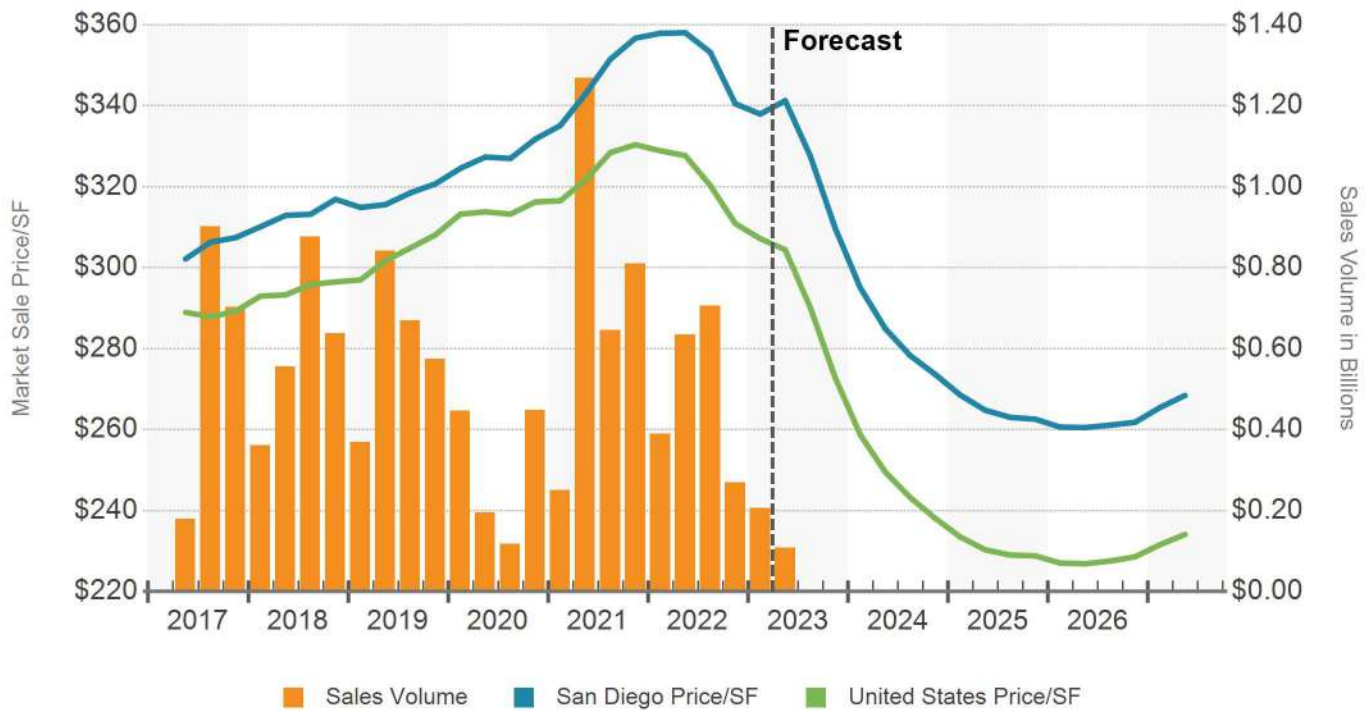
In one of the first transactions of the year in Sorrento Mesa, BioMed Realty acquired a building at Moda

Sorrento during 23Q2 for \$11.25 million, or about \$563/SF. The 20,000-SF office property located at 5670 Oberlin Dr 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.

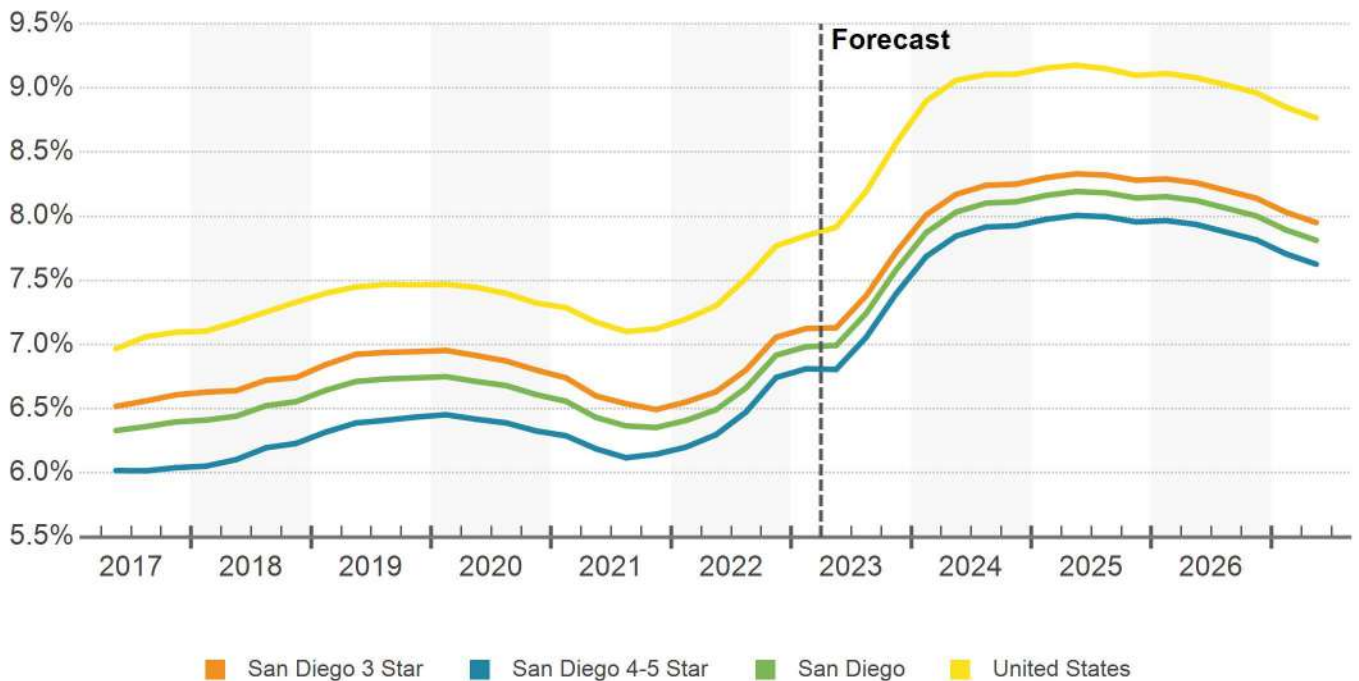
One of the most active investors in San Diego over the past few years has been Alexandria Real Estate Equities. The firm has invested roughly \$1.2 billion in San Diego commercial properties since 2019. Most of the properties it acquires provide the opportunity for further development and are located in the UC San Diego area and Torrey Pines, although it has also made recent investments in Scripps Ranch. Among its most recent deals was for three buildings totaling 240,000 SF at Campus Point in UTC. The properties traded for \$106.4 million, or about \$446/SF, at the end of 2022. Alexandria has approved plans to develop and expand the properties. Future development is planned to encompass an additional 750,000 SF at the Campus Point site.

An investor MJL Properties purchased two North County buildings in Carlsbad and Vista at the end of 2022 for \$13.9 million, or almost \$200/SF, at a 7.36% cap rate. The two buildings measured 71,000 SF and were 100% leased at the time of the sale by a total of 13 tenants, although there was roughly 25,000 SF available for lease. The buildings were purchased by the seller in separate transactions since 2018 for about \$9.9 million.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

San Diego Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

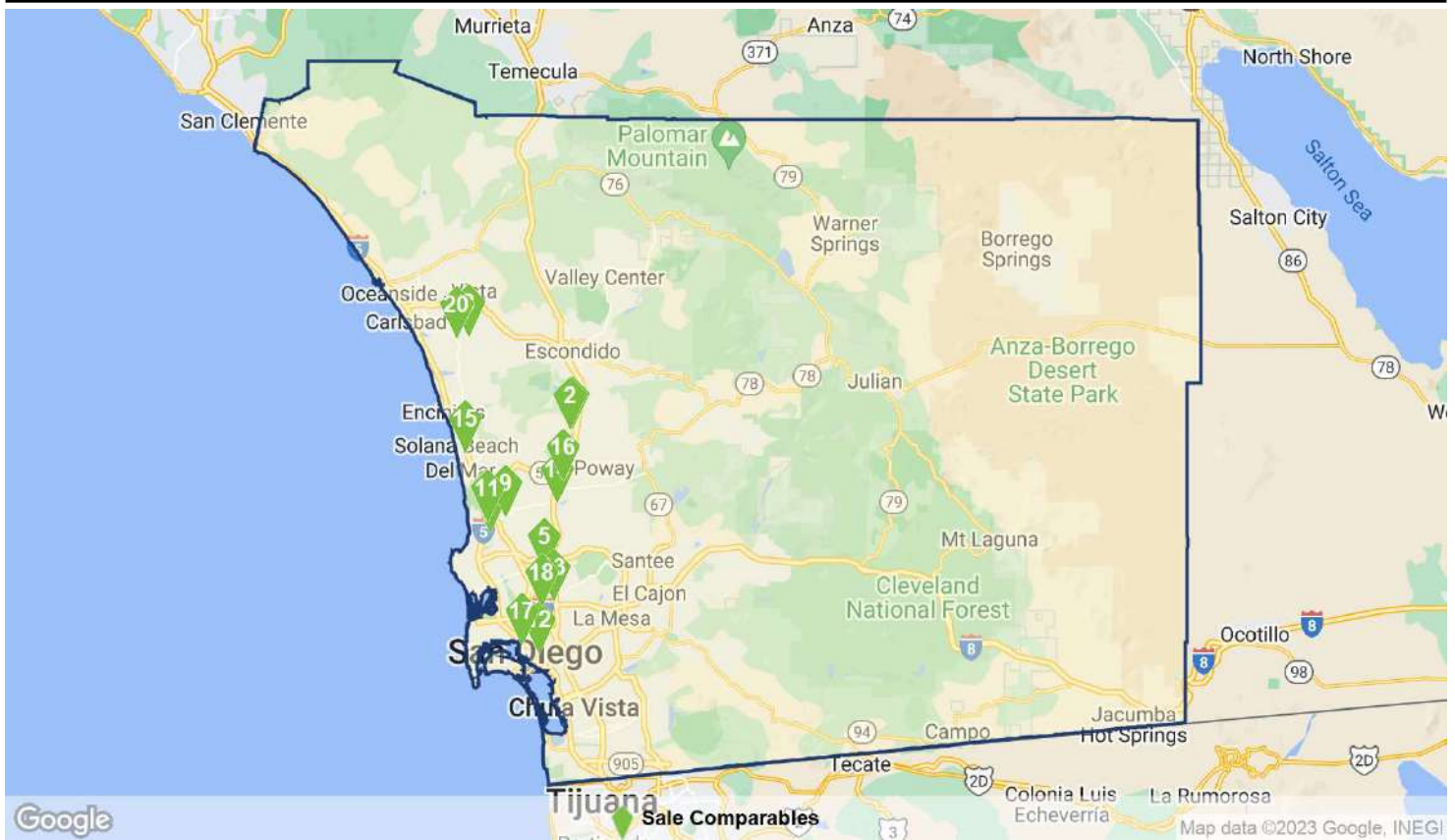
272

5.8%

\$359

13.0%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$191,181	\$7,326,966	\$2,905,000	\$103,692,737
Price/SF	\$13	\$359	\$391	\$2,353
Cap Rate	2.9%	5.8%	5.7%	8.4%
Time Since Sale in Months	0.2	7.1	7.6	12.0
Property Attributes	Low	Average	Median	High
Building SF	436	20,945	10,519	158,003
Stories	1	2	2	6
Typical Floor SF	545	10,157	6,307	138,137
Vacancy Rate At Sale	0%	13.0%	0%	100%
Year Built	1887	1979	1981	2020
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.4	★ ★ ★ ★ ★	★ ★ ★ ★ ★

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 16409 W Bernardo Dr	★★★★★	1997	158,003	33.4%	7/27/2022	\$103,692,737	\$656	-
2 16397 W Bernardo Dr	★★★★★	1981	129,185	0%	7/27/2022	\$71,230,229	\$551	-
3 New Cubic HQ -- Bldg B 9223 Balboa Ave	★★★★★	2020	129,017	0%	3/30/2023	\$61,251,535	\$475	-
4 Regents Park Financial... 4180 La Jolla Village Dr	★★★★★	1985	100,000	9.3%	8/23/2022	\$57,000,000	\$570	-
5 New Cubic HQ -- Bldg A 9333 Balboa Ave	★★★★★	2020	119,562	0%	3/30/2023	\$56,958,829	\$476	-
6 Beta 5919 Sea Otter Pl	★★★★★	2016	138,137	13.5%	7/27/2022	\$51,516,252	\$373	-
7 4275 Campus Point Ct	★★★★★	1980	107,955	0%	9/29/2022	\$42,593,910	\$395	-
8 Alpha 5909 Sea Otter Pl	★★★★★	2016	92,820	26.4%	7/27/2022	\$37,233,748	\$401	-
9 Yard 5825 5825 Oberlin Dr	★★★★★	1985	60,518	30.3%	5/19/2023	\$36,000,000	\$595	-
10 Campus Point 10140 Campus Point Dr	★★★★★	1987	67,955	0%	9/29/2022	\$32,082,127	\$472	-
11 Campus Point II 10010 Campus Point Dr	★★★★★	1990	62,435	0%	9/29/2022	\$31,703,963	\$508	-
12 446 26th St	★★★★★	1973	75,000	0%	7/18/2022	\$22,200,000	\$296	-
13 3838 CDRN 3838 Camino del Rio N	★★★★★	1981	94,612	15.7%	11/15/2022	\$21,575,000	\$228	8.0%
14 Scripps Technology Plaza 10650 Scripps Ranch Blvd	★★★★★	1986	62,244	15.2%	7/20/2022	\$20,600,000	\$331	-
15 Pacific View Center 674 Via de la Valle	★★★★★	1960	21,564	0%	7/5/2022	\$17,137,500	\$795	-
16 GENESIS – Summit 10616 Scripps Summit Ct	★★★★★	2002	49,855	86.6%	12/15/2022	\$17,000,000	\$341	-
17 State Street Center 1500-1520 State St	★★★★★	1972	29,100	0%	9/14/2022	\$14,500,000	\$498	-
18 2650 Camino del Rio N	★★★★★	1982	71,450	20.8%	6/29/2022	\$14,100,000	\$197	-
19 5900 La Place Ct	★★★★★	1989	44,600	49.2%	6/23/2022	\$12,834,307	\$288	-
20 5950 La Place Ct	★★★★★	1989	44,600	18.0%	6/23/2022	\$11,960,693	\$268	-

With roughly 20,000 people leaving the civilian labor force in April, San Diego's unemployment rate fell to 3.3% in April, according to the latest report from the Bureau of Labor Statistics. That's a drop from March's 3.7% unemployment rate, and it is 100 basis points below California's statewide rate.

Between March and April, nonfarm employment rose by 9,000. Leisure and hospitality once again led the month-over-month increase with 2,900 new hires. That marks 10 out of the past 12 months that this employment sector led hiring in San Diego.

The manufacturing and professional and business services industries were the only sectors to have posted job losses in the past month.

That was largely the driving factor behind the office-using sectors, recognized as financial activities, professional and business services and information, to see the loss of 900 jobs between March and April. That's a month after those same industries added only 200 positions.

According to Work Adjustment and Retraining Notices, known as WARN notices, filed with the State of California, several more firms have announced pending layoffs in San Diego. Among the latest are from Cue Health, which announced more than 300 layoffs from its manufacturing sites in Vista to its lab space in Sorrento Mesa. Jenny Craig also laid off nearly 150 workers and announced it was closing its Carlsbad headquarters and all of its retail locations. The weight-loss company had five centers locally.

Those layoffs are expected to lead to more space becoming available. For instance, after Sorrento Therapeutics filed for bankruptcy in February and announced it was laying off more than 500 workers, the biotech firm has placed two buildings and roughly 220,000 square feet on the market. Those were the first of its 600,000-square-foot local footprint to become available.

That could spell further trouble for the office market, which has seen rents fall in real terms over the past 12 months, and vacancy rise 50 basis points. That has coincided with sublet space rising to a record high during

the second quarter.

Yet there were 10,000 more jobs ads month over month in the City of San Diego, according to California's Employment Development Department. The professional, scientific and technical services sector along with finance and insurance were among the industries with the most job ads in April, with an uptick in 2,000 more ads compared with the trailing month. Firms are still in hiring mode, even as they right-size their footprint.

San Diego saw marginal population growth after falling each of the previous two years, according to the latest U.S. census data looking at the change in county population numbers between July 2021 and July 2022. Both Orange County and Los Angeles saw their populations continue to fall. Domestic migration in San Diego has typically trended in negative territory, and last year was no different. More than 18,000 people left the county through mid-2022. Last year's July 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. And 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.

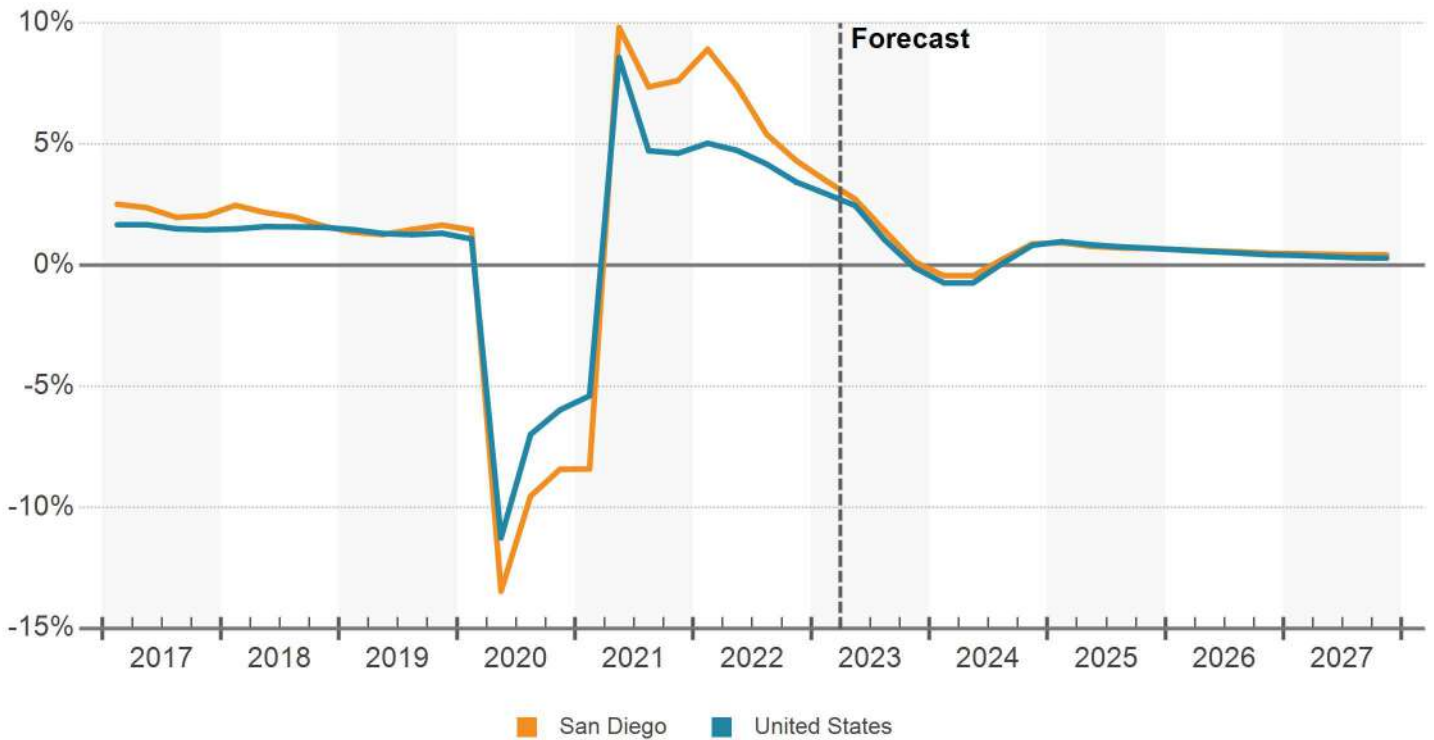
It is also why San Diego has one of the largest concentrations of millennials in the country, accounting for 25% of the population.

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	119	0.9	1.18%	1.69%	1.85%	0.80%	0.08%	-0.11%
Trade, Transportation and Utilities	223	0.8	-0.11%	1.00%	0.41%	1.21%	-0.13%	-0.03%
Retail Trade	138	0.9	-0.55%	0.69%	-0.13%	0.41%	-0.11%	-0.02%
Financial Activities	77	0.8	-1.68%	1.12%	0.77%	1.49%	-0.19%	-0.04%
Government	249	1.1	1.98%	1.82%	0.98%	0.29%	0.35%	0.44%
Natural Resources, Mining and Construction	89	1.0	0.87%	3.06%	3.79%	2.53%	0.75%	0.08%
Education and Health Services	238	0.9	5.57%	3.82%	2.82%	1.77%	0.87%	0.53%
Professional and Business Services	290	1.2	2.77%	2.26%	2.89%	2.16%	0.19%	0.21%
Information	22	0.7	-0.27%	-0.87%	-0.94%	1.16%	0.04%	0.14%
Leisure and Hospitality	206	1.2	6.62%	6.06%	2.11%	1.60%	0.89%	0.85%
Other Services	58	1.0	7.52%	3.15%	1.60%	0.69%	0.15%	0.16%
Total Employment	1,570	1.0	2.79%	2.50%	1.83%	1.36%	0.37%	0.27%

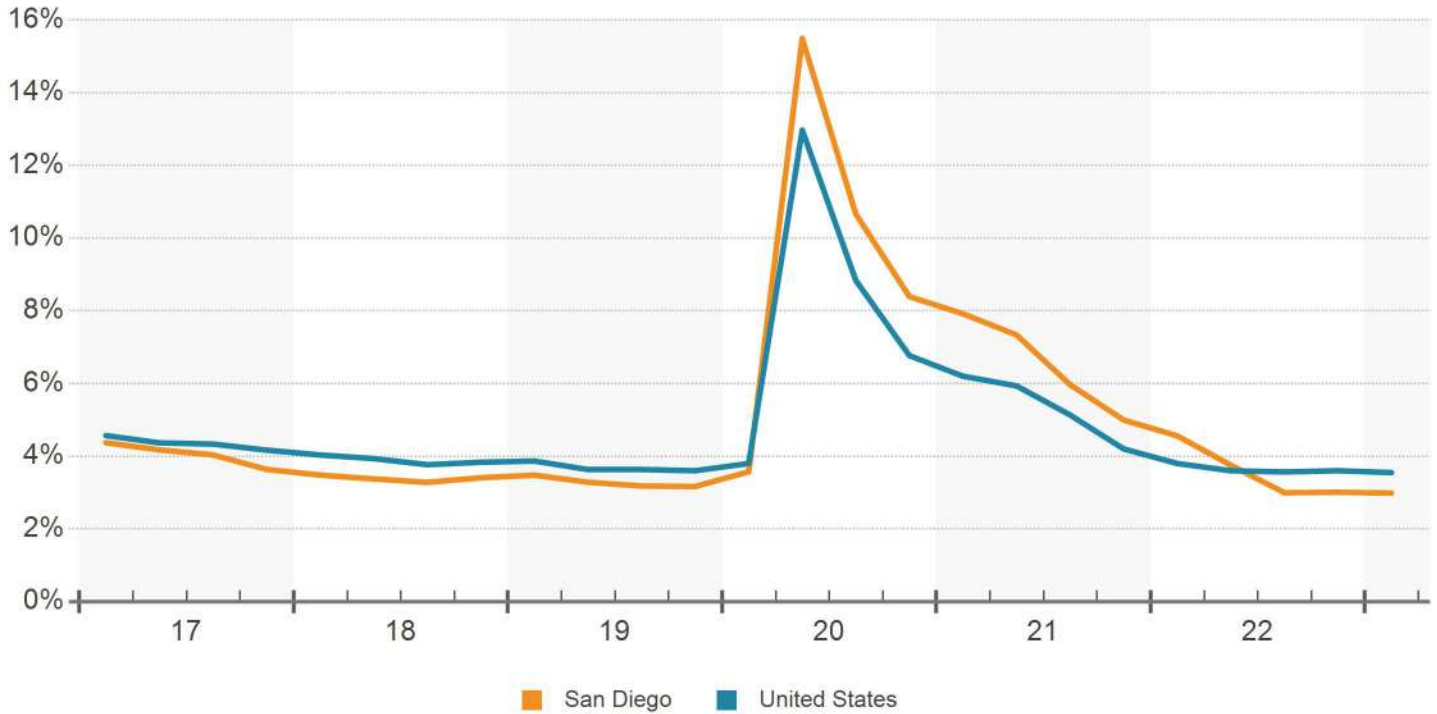
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

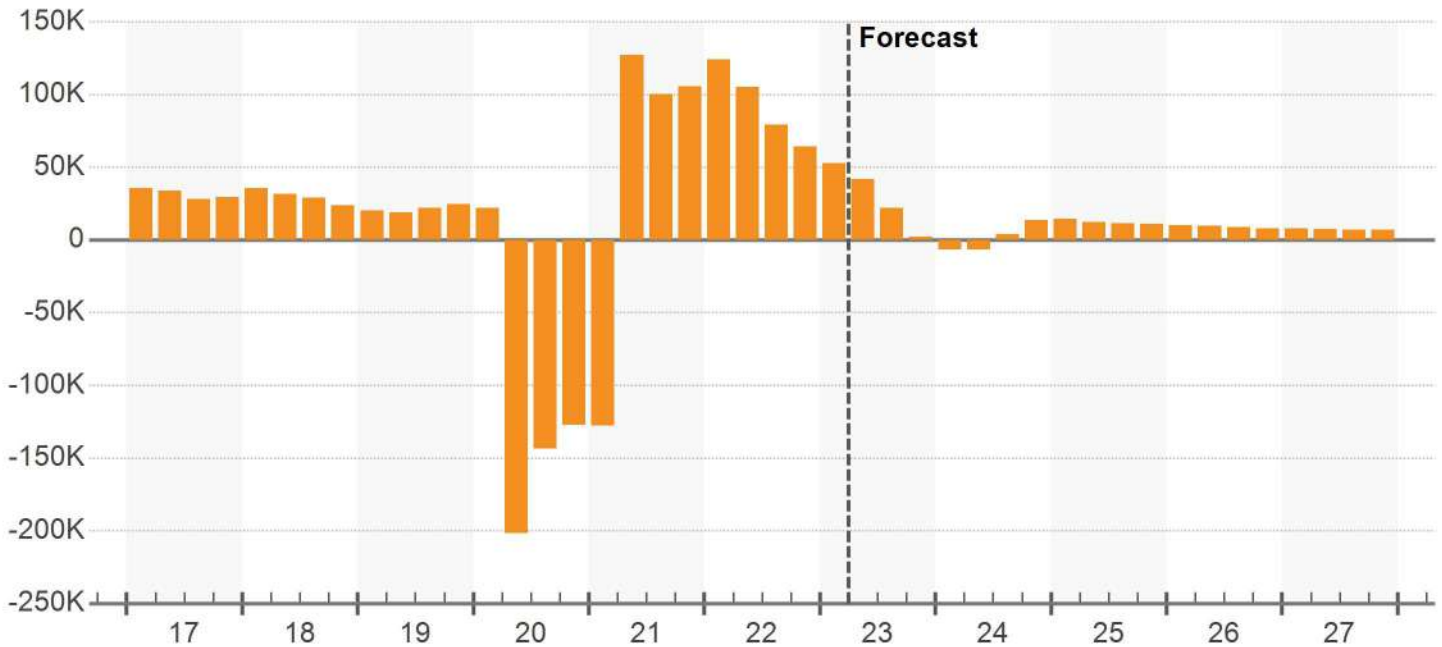


Source: Oxford Economics

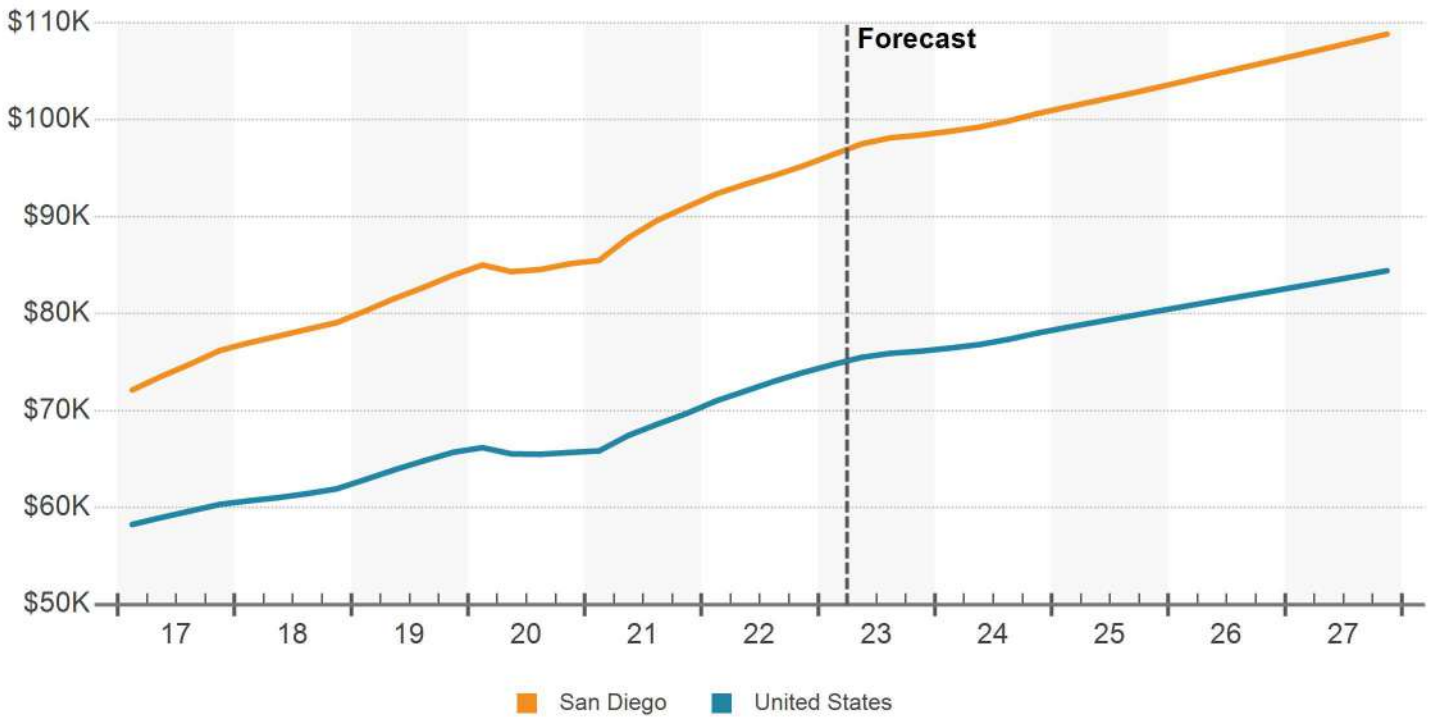
UNEMPLOYMENT RATE (%)



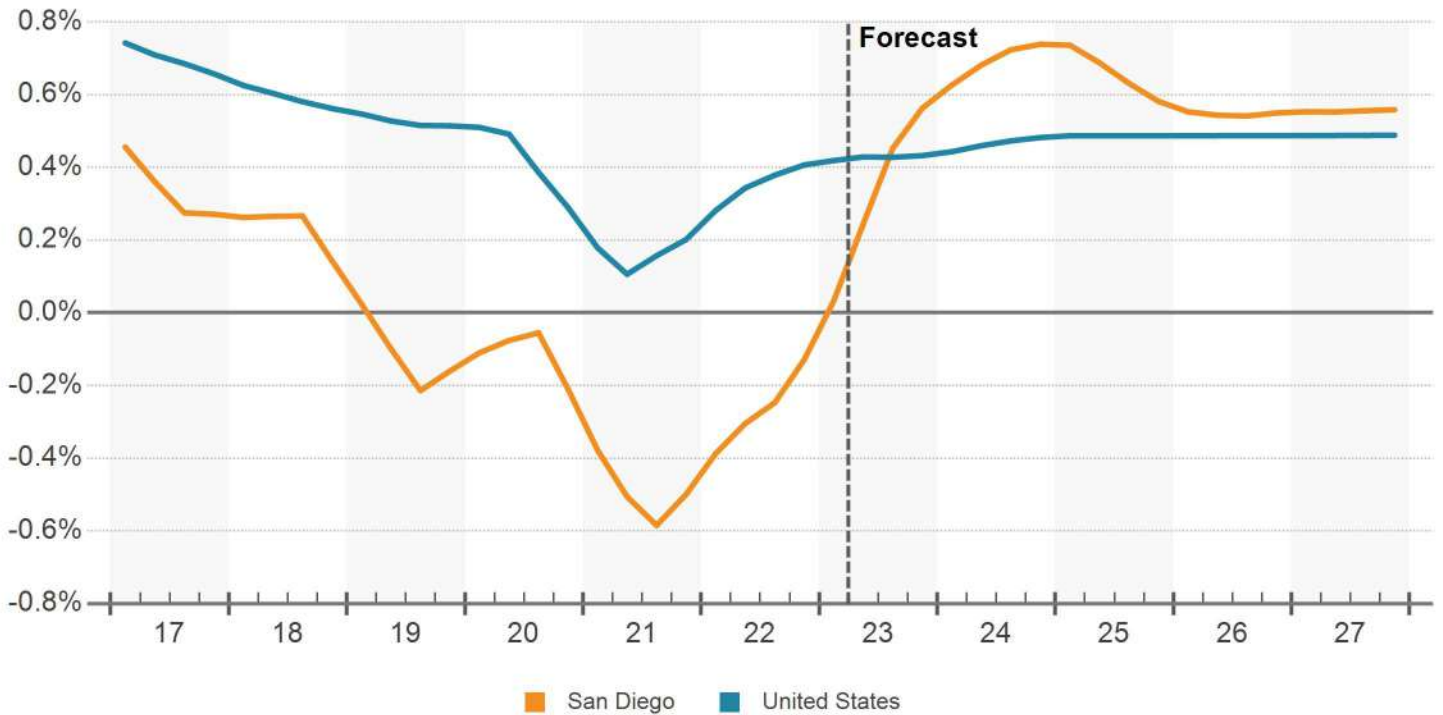
NET EMPLOYMENT CHANGE (YOY)



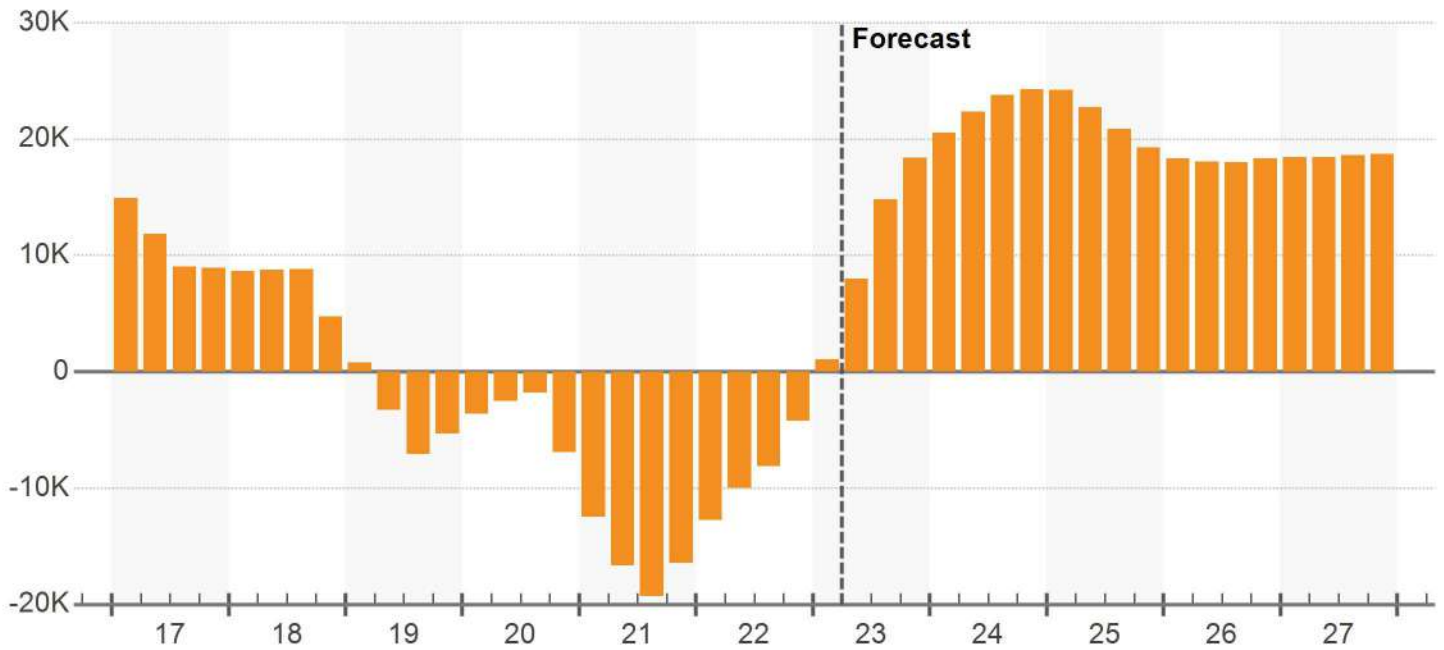
MEDIAN HOUSEHOLD INCOME



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	3,279,580	334,338,031	0.2%	0.4%	0.3%	0.6%	0.6%	0.5%
Households	1,172,520	129,785,711	0.6%	0.8%	0.4%	0.9%	0.7%	0.6%
Median Household Income	\$97,432	\$75,448	4.5%	4.9%	4.8%	3.8%	2.5%	2.5%
Labor Force	1,589,540	165,371,063	1.1%	0.8%	0.4%	0.6%	0.4%	0.4%
Unemployment	3.0%	3.5%	-0.8%	-0.1%	-0.5%	-0.4%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



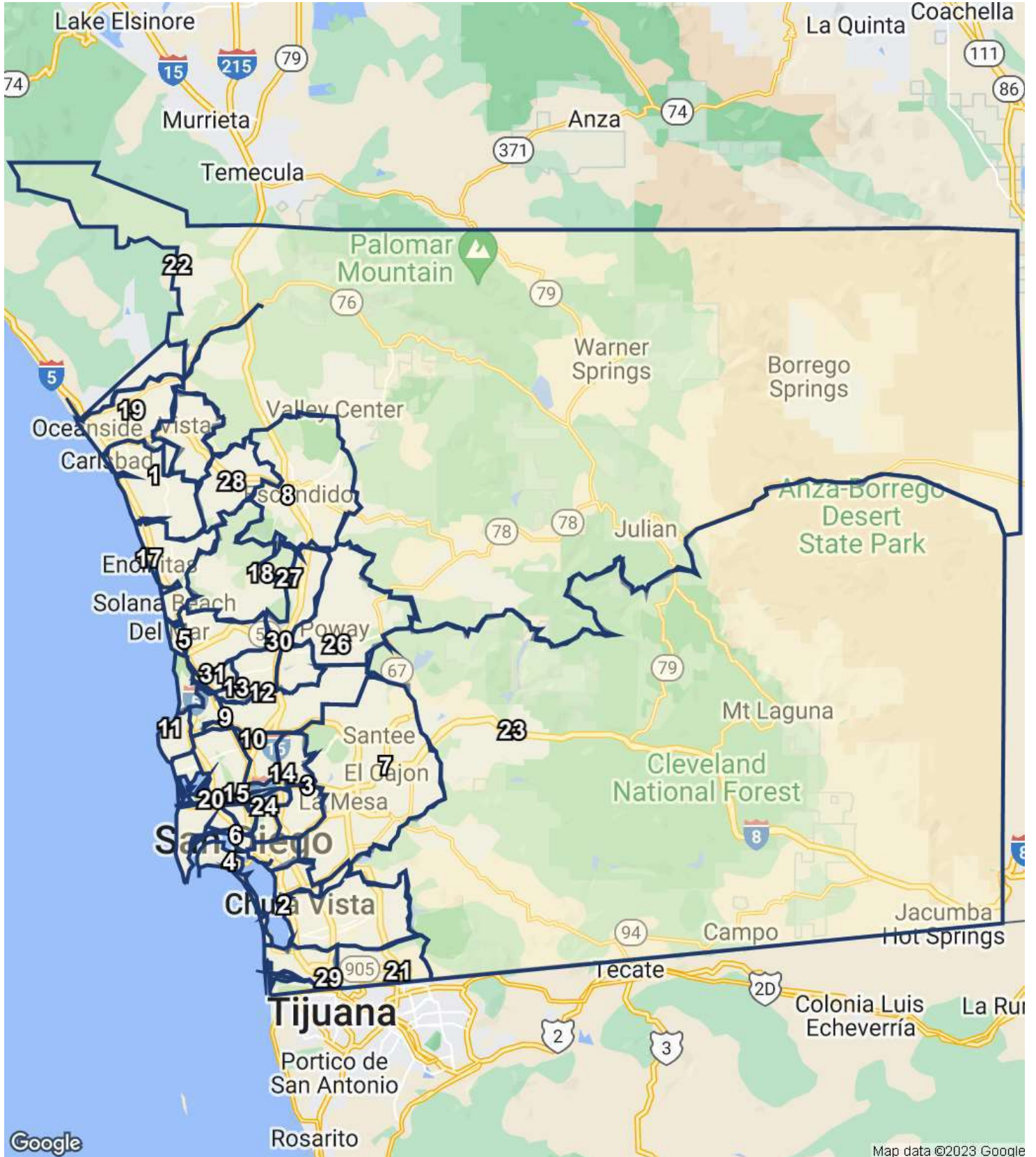
INCOME GROWTH



Source: Oxford Economics

Submarkets

SAN DIEGO SUBMARKETS



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	328	7,682	6.4%	5	0	0	0%	-	0	-	-	-
2	Chula Vista	276	3,498	2.9%	10	0	0	0%	-	0	-	-	-
3	College Area	151	1,610	1.3%	23	0	0	0%	-	0	-	-	-
4	Coronado	23	143	0.1%	37	0	0	0%	-	0	-	-	-
5	Del Mar Hts/Carmel Valley	86	5,724	4.8%	9	0	0	0%	-	4	530	9.3%	2
6	Downtown	229	14,283	12.0%	1	0	0	0%	-	9	2,716	19.0%	1
7	East County	701	5,729	4.8%	8	0	0	0%	-	0	-	-	-
8	Escondido	306	2,670	2.2%	16	1	75	2.8%	1	0	-	-	-
9	Governor Park	19	770	0.6%	26	0	0	0%	-	0	-	-	-
10	Kearny Mesa	291	11,801	9.9%	2	1	70	0.6%	3	0	-	-	-
11	La Jolla	113	1,678	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	43	756	0.6%	27	0	0	0%	-	0	-	-	-
15	Mission Valley	141	7,503	6.3%	6	1	4	0%	7	0	-	-	-
16	National City	88	821	0.7%	25	0	0	0%	-	0	-	-	-
17	North Beach Cities	324	3,363	2.8%	11	2	13	0.4%	6	1	55	1.6%	6
18	North Central County	36	403	0.3%	31	0	0	0%	-	0	-	-	-
19	Oceanside	169	1,960	1.6%	17	0	0	0%	-	0	-	-	-
20	Old Twn/S Arena/Pt Loma	210	2,845	2.4%	14	0	0	0%	-	0	-	-	-
21	Otay Mesa	21	220	0.2%	35	0	0	0%	-	0	-	-	-
22	Outlying SD County N	163	745	0.6%	28	1	0	0%	9	0	-	-	-
23	Outlying SD County S	38	193	0.2%	36	0	0	0%	-	0	-	-	-
24	Park East	71	341	0.3%	32	0	0	0%	-	0	-	-	-
25	PB/Rose Canyon/Morena	209	1,877	1.6%	18	0	0	0%	-	0	-	-	-
26	Poway	84	1,644	1.4%	22	0	0	0%	-	0	-	-	-
27	Rancho Bernardo	128	6,542	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	36	242	0.2%	34	0	0	0%	-	0	-	-	-
30	Scripps Ranch	58	2,817	2.4%	15	0	0	0%	-	0	-	-	-
31	Sorrento Mesa	129	9,054	7.6%	4	1	16	0.2%	5	1	314	3.5%	3
32	Sorrento Valley	28	681	0.6%	30	0	0	0%	-	0	-	-	-
33	Southeast San Diego	85	685	0.6%	29	0	0	0%	-	0	-	-	-
34	Torrey Pines	46	3,222	2.7%	13	1	74	2.3%	2	0	-	-	-
35	Uptown East	72	270	0.2%	33	0	0	0%	-	0	-	-	-
36	Uptown West/Park West	388	3,298	2.8%	12	1	0	0%	8	0	-	-	-
37	UTC	93	9,151	7.7%	3	1	18	0.2%	4	2	283	3.1%	4
38	Vista	176	1,763	1.5%	19	0	0	0%	-	0	-	-	-

Submarkets

San Diego Office

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Carlsbad	\$3.23	10	1.2%	32	0.6%	21
2	Chula Vista	\$2.89	17	2.9%	19	0.1%	36
3	College Area	\$2.63	26	2.0%	27	0.4%	28
4	Coronado	\$3.42	8	4.0%	8	0.6%	20
5	Del Mar Hts/Carmel Valley	\$4.74	2	0.2%	38	1.0%	4
6	Downtown	\$2.95	14	0.4%	37	0.1%	34
7	East County	\$2.56	30	3.2%	16	0.7%	13
8	Escondido	\$2.58	27	3.8%	9	0.9%	7
9	Governor Park	\$3.21	11	4.9%	3	0.6%	16
10	Kearny Mesa	\$2.80	20	1.2%	33	0.7%	12
11	La Jolla	\$3.89	6	4.5%	6	0.3%	32
12	MCAS Miramar	\$2.71	21	4.7%	5	0.5%	23
13	Mira Mesa/Miramar	\$2.93	15	5.3%	1	0.9%	10
14	Mission Gorge	\$2.40	36	2.2%	24	0.3%	31
15	Mission Valley	\$2.90	16	0.9%	35	0.2%	33
16	National City	\$2.54	32	3.8%	10	1.0%	6
17	North Beach Cities	\$3.96	5	3.8%	11	0.4%	26
18	North Central County	\$4.75	1	3.2%	15	0.5%	22
19	Oceanside	\$2.53	34	3.1%	18	0.6%	17
20	Old Twn/S Arena/Pt Loma	\$2.85	19	2.0%	26	0.4%	25
21	Otay Mesa	\$3.10	13	2.9%	20	0.4%	29
22	Outlying SD County N	\$2.25	38	4.4%	7	1.7%	1
23	Outlying SD County S	\$2.53	33	3.5%	14	0.4%	27
24	Park East	\$2.64	25	2.2%	25	0.1%	37
25	PB/Rose Canyon/Morena	\$2.56	28	2.3%	22	0.1%	35
26	Poway	\$2.69	23	3.5%	13	0.9%	11
27	Rancho Bernardo	\$3.29	9	1.3%	30	0.9%	9
28	San Marcos	\$2.65	24	1.5%	28	0.6%	15
29	San Ysidro/Imperial Beach	\$2.56	29	4.8%	4	0.6%	14
30	Scripps Ranch	\$3.16	12	1.2%	31	1.1%	3
31	Sorrento Mesa	\$3.57	7	1.1%	34	1.0%	5
32	Sorrento Valley	\$2.70	22	5.0%	2	0.3%	30
33	Southeast San Diego	\$2.56	31	3.6%	12	0.5%	24
34	Torrey Pines	\$4.04	4	1.5%	29	0.9%	8
35	Uptown East	\$2.47	35	2.6%	21	0%	38
36	Uptown West/Park West	\$2.86	18	2.3%	23	0.6%	18
37	UTC	\$4.26	3	0.8%	36	1.2%	2
38	Vista	\$2.39	37	3.2%	17	0.6%	19

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Carlsbad	972,335	12.7%	29	(94,697)	-1.2%	31	-
2	Chula Vista	115,645	3.3%	8	27,885	0.8%	6	-
3	College Area	42,514	2.6%	4	7,038	0.4%	12	-
4	Coronado	2,810	2.0%	2	(1,200)	-0.8%	18	-
5	Del Mar Hts/Carmel Valley	602,785	10.5%	26	331,358	5.8%	1	-
6	Downtown	3,761,579	26.3%	36	(292,329)	-2.0%	38	-
7	East County	192,825	3.4%	10	(12,231)	-0.2%	24	-
8	Escondido	218,072	8.2%	23	37,320	1.4%	4	1.7
9	Governor Park	81,237	10.6%	27	(138,899)	-18.0%	32	-
10	Kearny Mesa	1,185,795	10.0%	25	47,170	0.4%	3	1.5
11	La Jolla	205,710	12.3%	28	2,278	0.1%	14	-
12	MCAS Miramar	-	-	-	0	0%	-	-
13	Mira Mesa/Miramar	69,745	4.5%	12	22,688	1.5%	8	-
14	Mission Gorge	19,976	2.6%	5	(13,159)	-1.7%	25	-
15	Mission Valley	1,414,464	18.9%	35	(236,068)	-3.1%	37	-
16	National City	12,459	1.5%	1	(3,625)	-0.4%	21	-
17	North Beach Cities	198,379	5.9%	19	25,674	0.8%	7	0.5
18	North Central County	56,312	14.0%	30	(17,754)	-4.4%	26	-
19	Oceanside	113,959	5.8%	18	14,237	0.7%	10	-
20	Old Twn/S Arena/Pt Loma	142,694	5.0%	15	1,608	0.1%	15	-
21	Otay Mesa	59,437	27.0%	37	(53,749)	-24.4%	30	-
22	Outlying SD County N	37,913	5.1%	16	(1,863)	-0.2%	19	-
23	Outlying SD County S	6,497	3.4%	9	(267)	-0.1%	17	-
24	Park East	21,607	6.3%	21	(12,169)	-3.6%	23	-
25	PB/Rose Canyon/Morena	72,265	3.9%	11	33,984	1.8%	5	-
26	Poway	102,828	6.3%	20	(19,789)	-1.2%	28	-
27	Rancho Bernardo	974,666	14.9%	32	(139,404)	-2.1%	33	-
28	San Marcos	79,125	4.6%	13	50,029	2.9%	2	-
29	San Ysidro/Imperial Beach	6,936	2.9%	6	(3,056)	-1.3%	20	-
30	Scripps Ranch	431,723	15.3%	33	(144,442)	-5.1%	34	-
31	Sorrento Mesa	702,780	7.8%	22	(175,687)	-1.9%	35	-
32	Sorrento Valley	120,260	17.7%	34	(19,060)	-2.8%	27	-
33	Southeast San Diego	16,748	2.4%	3	7,001	1.0%	13	-
34	Torrey Pines	185,605	5.8%	17	(53,239)	-1.7%	29	-
35	Uptown East	8,654	3.2%	7	(11,125)	-4.1%	22	-
36	Uptown West/Park West	153,304	4.6%	14	11,272	0.3%	11	-
37	UTC	782,648	8.6%	24	(192,395)	-2.1%	36	-
38	Vista	260,333	14.8%	31	19,520	1.1%	9	-

Supply & Demand Trends

San Diego Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	122,660,143	73,295	0.1%	292,487	0.2%	0.3
2026	122,586,848	(164,584)	-0.1%	(325,488)	-0.3%	-
2025	122,751,432	22,228	0%	(188,108)	-0.2%	-
2024	122,729,204	770,850	0.6%	(1,374,403)	-1.1%	-
2023	121,958,354	2,630,256	2.2%	(934,810)	-0.8%	-
YTD	119,286,034	(42,064)	0%	(653,674)	-0.5%	-
2022	119,328,098	448,721	0.4%	869,657	0.7%	0.5
2021	118,879,377	192,573	0.2%	607,237	0.5%	0.3
2020	118,686,804	1,352,077	1.2%	(1,505,298)	-1.3%	-
2019	117,334,727	236,647	0.2%	606,338	0.5%	0.4
2018	117,098,080	130,882	0.1%	735,167	0.6%	0.2
2017	116,967,198	(190,366)	-0.2%	(366,234)	-0.3%	-
2016	117,157,564	400,632	0.3%	1,468,321	1.3%	0.3
2015	116,756,932	610,781	0.5%	787,874	0.7%	0.8
2014	116,146,151	830,771	0.7%	1,277,690	1.1%	0.7
2013	115,315,380	732,955	0.6%	1,167,297	1.0%	0.6
2012	114,582,425	399,160	0.3%	1,549,400	1.4%	0.3
2011	114,183,265	716,397	0.6%	1,351,098	1.2%	0.5

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	45,878,272	285,645	0.6%	706,054	1.5%	0.4
2026	45,592,627	49,049	0.1%	339,415	0.7%	0.1
2025	45,543,578	236,238	0.5%	401,249	0.9%	0.6
2024	45,307,340	983,207	2.2%	6,248	0%	157.4
2023	44,324,133	2,737,413	6.6%	76,964	0.2%	35.6
YTD	41,562,533	(24,187)	-0.1%	(627,425)	-1.5%	-
2022	41,586,720	726,396	1.8%	385,269	0.9%	1.9
2021	40,860,324	490,744	1.2%	658,052	1.6%	0.7
2020	40,369,580	1,238,416	3.2%	183,298	0.5%	6.8
2019	39,131,164	388,205	1.0%	977,699	2.5%	0.4
2018	38,742,959	760,743	2.0%	144,649	0.4%	5.3
2017	37,982,216	640,752	1.7%	114,803	0.3%	5.6
2016	37,341,464	404,298	1.1%	475,699	1.3%	0.8
2015	36,937,166	864,053	2.4%	408,255	1.1%	2.1
2014	36,073,113	871,000	2.5%	1,112,904	3.1%	0.8
2013	35,202,113	843,800	2.5%	641,515	1.8%	1.3
2012	34,358,313	439,270	1.3%	1,373,935	4.0%	0.3
2011	33,919,043	618,589	1.9%	1,314,180	3.9%	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	47,318,596	1,711	0%	(161,487)	-0.3%	-
2026	47,316,885	270	0%	(314,217)	-0.7%	-
2025	47,316,615	0	0%	(264,660)	-0.6%	-
2024	47,316,615	0	0%	(726,914)	-1.5%	-
2023	47,316,615	0	0%	(632,190)	-1.3%	-
YTD	47,316,615	0	0%	(49,967)	-0.1%	-
2022	47,316,615	(217,435)	-0.5%	202,124	0.4%	-
2021	47,534,050	(189,992)	-0.4%	74,302	0.2%	-
2020	47,724,042	201,668	0.4%	(1,259,296)	-2.6%	-
2019	47,522,374	5,392	0%	(112,436)	-0.2%	-
2018	47,516,982	(406,645)	-0.8%	565,741	1.2%	-
2017	47,923,627	(681,906)	-1.4%	(387,842)	-0.8%	-
2016	48,605,533	123,498	0.3%	616,305	1.3%	0.2
2015	48,482,035	(104,447)	-0.2%	119,066	0.2%	-
2014	48,586,482	76,989	0.2%	116,853	0.2%	0.7
2013	48,509,493	59,076	0.1%	579,773	1.2%	0.1
2012	48,450,417	287,819	0.6%	491,901	1.0%	0.6
2011	48,162,598	111,895	0.2%	(13,376)	0%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	29,463,275	(214,061)	-0.7%	(252,080)	-0.9%	-
2026	29,677,336	(213,903)	-0.7%	(350,686)	-1.2%	-
2025	29,891,239	(214,010)	-0.7%	(324,697)	-1.1%	-
2024	30,105,249	(212,357)	-0.7%	(653,737)	-2.2%	-
2023	30,317,606	(107,157)	-0.4%	(379,584)	-1.3%	-
YTD	30,406,886	(17,877)	-0.1%	23,718	0.1%	-
2022	30,424,763	(60,240)	-0.2%	282,264	0.9%	-
2021	30,485,003	(108,179)	-0.4%	(125,117)	-0.4%	-
2020	30,593,182	(88,007)	-0.3%	(429,300)	-1.4%	-
2019	30,681,189	(156,950)	-0.5%	(258,925)	-0.8%	-
2018	30,838,139	(223,216)	-0.7%	24,777	0.1%	-
2017	31,061,355	(149,212)	-0.5%	(93,195)	-0.3%	-
2016	31,210,567	(127,164)	-0.4%	376,317	1.2%	-
2015	31,337,731	(148,825)	-0.5%	260,553	0.8%	-
2014	31,486,556	(117,218)	-0.4%	47,933	0.2%	-
2013	31,603,774	(169,921)	-0.5%	(53,991)	-0.2%	-
2012	31,773,695	(327,929)	-1.0%	(316,436)	-1.0%	-
2011	32,101,624	(14,087)	0%	50,294	0.2%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$2.93	121	0.2%	-8.1%	18,715,742	15.3%	-0.2%
2026	\$2.93	121	-1.4%	-8.3%	18,928,120	15.4%	0.2%
2025	\$2.97	123	-2.5%	-7.0%	18,760,229	15.3%	0.2%
2024	\$3.04	126	-4.3%	-4.6%	18,542,342	15.1%	1.7%
2023	\$3.18	132	-0.4%	-0.4%	16,389,023	13.4%	2.7%
YTD	\$3.21	133	1.6%	0.5%	13,432,624	11.3%	0.5%
2022	\$3.19	132	3.3%	0%	12,821,014	10.7%	-0.4%
2021	\$3.09	128	4.5%	-3.2%	13,241,950	11.1%	-0.4%
2020	\$2.96	122	1.8%	-7.3%	13,656,614	11.5%	2.3%
2019	\$2.91	120	4.2%	-8.9%	10,799,139	9.2%	-0.3%
2018	\$2.79	115	4.8%	-12.6%	11,155,717	9.5%	-0.5%
2017	\$2.66	110	4.2%	-16.6%	11,756,760	10.1%	0.2%
2016	\$2.55	106	2.6%	-20.0%	11,574,125	9.9%	-1.0%
2015	\$2.49	103	5.3%	-22.0%	12,664,651	10.8%	-0.2%
2014	\$2.36	98	8.5%	-26.0%	12,841,744	11.1%	-0.5%
2013	\$2.18	90	3.4%	-31.8%	13,288,663	11.5%	-0.5%
2012	\$2.11	87	5.2%	-34.0%	13,723,005	12.0%	-1.0%
2011	\$2	83	-0.9%	-37.2%	14,873,245	13.0%	-0.6%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$3.38	119	0%	-9.6%	8,692,025	18.9%	-1.0%
2026	\$3.38	119	-1.6%	-9.5%	9,113,026	20.0%	-0.7%
2025	\$3.44	121	-2.8%	-8.0%	9,403,875	20.6%	-0.5%
2024	\$3.53	125	-4.6%	-5.4%	9,568,886	21.1%	1.7%
2023	\$3.71	131	-0.8%	-0.8%	8,591,927	19.4%	5.1%
YTD	\$3.74	132	-0.6%	0.2%	6,534,705	15.7%	1.5%
2022	\$3.73	132	1.0%	0%	5,931,467	14.3%	0.6%
2021	\$3.70	131	4.3%	-1.0%	5,590,340	13.7%	-0.6%
2020	\$3.55	125	2.9%	-5.0%	5,757,648	14.3%	2.2%
2019	\$3.45	122	5.4%	-7.7%	4,702,530	12.0%	-1.6%
2018	\$3.27	115	5.6%	-12.4%	5,278,911	13.6%	1.3%
2017	\$3.10	109	3.9%	-17.1%	4,662,817	12.3%	1.2%
2016	\$2.98	105	0.6%	-20.1%	4,130,101	11.1%	-0.3%
2015	\$2.97	105	3.1%	-20.6%	4,201,502	11.4%	1.0%
2014	\$2.88	101	11.7%	-23.0%	3,745,704	10.4%	-0.9%
2013	\$2.57	91	2.4%	-31.1%	3,987,608	11.3%	0.3%
2012	\$2.51	89	7.5%	-32.7%	3,785,323	11.0%	-2.9%
2011	\$2.34	83	0.1%	-37.4%	4,719,988	13.9%	-2.3%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$2.79	120	0.4%	-7.0%	7,196,564	15.2%	0.3%
2026	\$2.78	120	-1.1%	-7.4%	7,033,443	14.9%	0.7%
2025	\$2.81	121	-2.2%	-6.3%	6,718,972	14.2%	0.6%
2024	\$2.88	124	-4.0%	-4.2%	6,454,312	13.6%	1.5%
2023	\$3	129	-0.2%	-0.2%	5,727,398	12.1%	1.3%
YTD	\$3.02	130	2.6%	0.6%	5,145,152	10.9%	0.1%
2022	\$3	130	3.7%	0%	5,095,185	10.8%	-0.8%
2021	\$2.90	125	4.4%	-3.6%	5,514,744	11.6%	-0.5%
2020	\$2.77	120	0.8%	-7.6%	5,779,038	12.1%	3.0%
2019	\$2.75	119	2.9%	-8.3%	4,317,974	9.1%	0.2%
2018	\$2.67	115	3.8%	-10.9%	4,200,146	8.8%	-2.0%
2017	\$2.58	111	3.9%	-14.2%	5,172,532	10.8%	-0.5%
2016	\$2.48	107	4.2%	-17.4%	5,466,596	11.2%	-1.0%
2015	\$2.38	103	8.0%	-20.7%	5,959,403	12.3%	-0.4%
2014	\$2.21	95	7.0%	-26.5%	6,182,916	12.7%	-0.1%
2013	\$2.06	89	4.4%	-31.3%	6,222,780	12.8%	-1.1%
2012	\$1.97	85	3.5%	-34.2%	6,743,477	13.9%	-0.5%
2011	\$1.91	82	-2.1%	-36.4%	6,947,559	14.4%	0.2%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$2.48	128	0.3%	-6.9%	2,827,153	9.6%	0.2%
2026	\$2.47	127	-1.2%	-7.2%	2,781,651	9.4%	0.5%
2025	\$2.51	129	-2.3%	-6.1%	2,637,382	8.8%	0.5%
2024	\$2.57	132	-4.1%	-3.8%	2,519,144	8.4%	1.5%
2023	\$2.67	138	0.3%	0.3%	2,069,698	6.8%	0.9%
YTD	\$2.70	139	4.4%	1.1%	1,752,767	5.8%	-0.1%
2022	\$2.67	137	7.7%	0%	1,794,362	5.9%	-1.1%
2021	\$2.48	128	5.1%	-7.1%	2,136,866	7.0%	0.1%
2020	\$2.36	121	1.1%	-11.6%	2,119,928	6.9%	1.1%
2019	\$2.33	120	4.1%	-12.6%	1,778,635	5.8%	0.4%
2018	\$2.24	115	4.8%	-16.0%	1,676,660	5.4%	-0.7%
2017	\$2.14	110	5.7%	-19.8%	1,921,411	6.2%	-0.1%
2016	\$2.02	104	4.3%	-24.2%	1,977,428	6.3%	-1.7%
2015	\$1.94	100	5.6%	-27.3%	2,503,746	8.0%	-1.3%
2014	\$1.84	95	4.2%	-31.2%	2,913,124	9.3%	-0.5%
2013	\$1.76	91	3.7%	-33.9%	3,078,275	9.7%	-0.3%
2012	\$1.70	88	3.2%	-36.3%	3,194,205	10.1%	0.1%
2011	\$1.65	85	-0.7%	-38.3%	3,205,698	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	-	-	-	-	-	-	\$272.75	117	7.7%
2026	-	-	-	-	-	-	\$261.83	112	8.0%
2025	-	-	-	-	-	-	\$262.61	113	8.1%
2024	-	-	-	-	-	-	\$273.68	117	8.1%
2023	-	-	-	-	-	-	\$309.79	133	7.6%
YTD	85	\$314.5M	0.9%	\$5,072,095	\$351.26	6.4%	\$342.18	147	7.0%
2022	356	\$2B	5.2%	\$6,424,125	\$373	5.4%	\$340.51	146	6.9%
2021	363	\$3B	7.0%	\$9,356,613	\$371.19	6.0%	\$356.72	153	6.4%
2020	255	\$1.2B	3.1%	\$5,447,643	\$339.07	5.9%	\$331.81	142	6.6%
2019	371	\$2.5B	5.9%	\$9,510,713	\$377.03	6.3%	\$320.74	138	6.7%
2018	424	\$2.4B	7.0%	\$7,969,801	\$341.22	6.1%	\$316.91	136	6.6%
2017	396	\$2.3B	7.0%	\$8,274,041	\$296.49	6.3%	\$307.44	132	6.4%
2016	362	\$1.7B	6.6%	\$6,043,745	\$267.24	6.4%	\$304.53	131	6.2%
2015	475	\$2.4B	9.9%	\$6,798,700	\$242.65	6.4%	\$300.64	129	6.1%
2014	411	\$2.1B	8.7%	\$6,465,393	\$229.11	7.0%	\$281.16	121	6.2%
2013	333	\$1.7B	6.3%	\$7,575,259	\$259.70	7.3%	\$259.67	111	6.4%
2012	321	\$1.3B	5.7%	\$6,770,067	\$227.43	6.5%	\$242.11	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	-	-	-	-	-	-	\$309.81	107	7.5%
2026	-	-	-	-	-	-	\$297.84	103	7.8%
2025	-	-	-	-	-	-	\$299.35	103	8.0%
2024	-	-	-	-	-	-	\$312.82	108	7.9%
2023	-	-	-	-	-	-	\$355.41	122	7.4%
YTD	3	\$154.2M	0.7%	\$51,403,455	\$498.91	-	\$393.44	136	6.8%
2022	10	\$379.6M	2.5%	\$47,447,595	\$433.43	-	\$390.11	134	6.7%
2021	26	\$1.3B	8.5%	\$53,293,054	\$402.68	7.6%	\$414.76	143	6.1%
2020	14	\$499.9M	2.9%	\$35,706,253	\$420.32	-	\$392.31	135	6.3%
2019	24	\$1.3B	6.5%	\$53,110,592	\$498.15	6.2%	\$380.71	131	6.4%
2018	28	\$1B	7.3%	\$40,231,284	\$415.74	6.8%	\$378.79	131	6.2%
2017	17	\$754.2M	5.6%	\$47,135,474	\$363.20	6.1%	\$371.29	128	6.0%
2016	34	\$935.8M	9.2%	\$40,687,613	\$316.28	5.7%	\$365.25	126	5.8%
2015	21	\$556.8M	5.7%	\$32,754,586	\$294.48	6.4%	\$367.53	127	5.7%
2014	26	\$950.6M	10.1%	\$45,266,250	\$278.95	6.1%	\$345.44	119	5.8%
2013	25	\$812.9M	7.5%	\$36,950,032	\$312.07	6.6%	\$320.36	110	6.0%
2012	14	\$686.6M	7.1%	\$49,040,493	\$279.98	7.1%	\$299.69	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	-	-	-	-	-	-	\$254.20	122	7.9%
2026	-	-	-	-	-	-	\$243.80	117	8.1%
2025	-	-	-	-	-	-	\$244.12	118	8.3%
2024	-	-	-	-	-	-	\$253.82	122	8.3%
2023	-	-	-	-	-	-	\$286.16	138	7.7%
YTD	37	\$81.6M	1.0%	\$3,263,731	\$220.51	8.1%	\$315.04	152	7.1%
2022	135	\$1B	6.8%	\$9,331,578	\$383.57	5.6%	\$313.31	151	7.1%
2021	139	\$1.3B	7.1%	\$11,491,142	\$381.63	5.9%	\$326.99	157	6.5%
2020	81	\$413.6M	2.8%	\$6,172,478	\$317.24	6.1%	\$300.86	145	6.8%
2019	121	\$863.4M	6.7%	\$8,223,146	\$292.45	6.5%	\$290.05	140	6.9%
2018	147	\$1B	7.3%	\$8,907,572	\$319.71	6.4%	\$287.78	139	6.7%
2017	101	\$1.2B	8.8%	\$13,128,741	\$292.06	6.5%	\$277	133	6.6%
2016	109	\$491.6M	5.8%	\$5,016,449	\$213.60	6.5%	\$276.66	133	6.4%
2015	164	\$1.5B	14.8%	\$10,275,530	\$235.27	6.9%	\$269.86	130	6.3%
2014	141	\$817.2M	9.0%	\$7,045,124	\$210.35	7.2%	\$252.34	122	6.4%
2013	122	\$741.2M	6.7%	\$8,056,347	\$236.26	7.6%	\$233.80	113	6.6%
2012	88	\$425.7M	5.2%	\$7,467,911	\$194.89	6.9%	\$217.52	105	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	-	-	-	-	-	-	\$246.11	132	7.8%
2026	-	-	-	-	-	-	\$235.95	126	8.1%
2025	-	-	-	-	-	-	\$236.37	126	8.2%
2024	-	-	-	-	-	-	\$246	132	8.2%
2023	-	-	-	-	-	-	\$278.26	149	7.6%
YTD	45	\$78.7M	1.0%	\$2,313,713	\$363.94	6.0%	\$307.66	165	7.0%
2022	211	\$601.2M	6.5%	\$3,098,867	\$328.74	5.3%	\$308.58	165	7.0%
2021	198	\$420.9M	5.0%	\$2,299,743	\$281.09	5.8%	\$316.06	169	6.4%
2020	160	\$295.9M	3.7%	\$2,098,817	\$275.59	5.8%	\$289.39	155	6.7%
2019	226	\$315.7M	4.0%	\$2,447,126	\$316.66	6.1%	\$278.70	149	6.9%
2018	249	\$360.4M	6.0%	\$2,197,592	\$256.75	5.7%	\$269.59	144	6.8%
2017	278	\$308.5M	5.8%	\$1,847,274	\$213.48	6.3%	\$259.23	139	6.6%
2016	219	\$319.2M	4.8%	\$1,900,091	\$250.30	6.4%	\$257	137	6.4%
2015	290	\$356.8M	7.2%	\$1,877,858	\$211.63	5.9%	\$248.38	133	6.3%
2014	244	\$288.2M	6.6%	\$1,592,095	\$171.42	7.1%	\$229.77	123	6.4%
2013	186	\$195.8M	4.3%	\$1,673,506	\$196.56	7.2%	\$209.06	112	6.7%
2012	219	\$194.4M	4.9%	\$1,593,321	\$175.32	5.2%	\$194.15	104	7.0%

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HOW CAN WE HELP YOU REACH YOUR COMMERCIAL REAL ESTATE GOALS?

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