



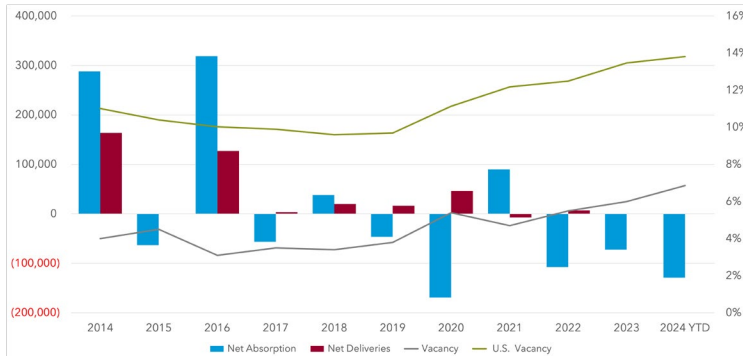
OFFICE MARKET OVERVIEW

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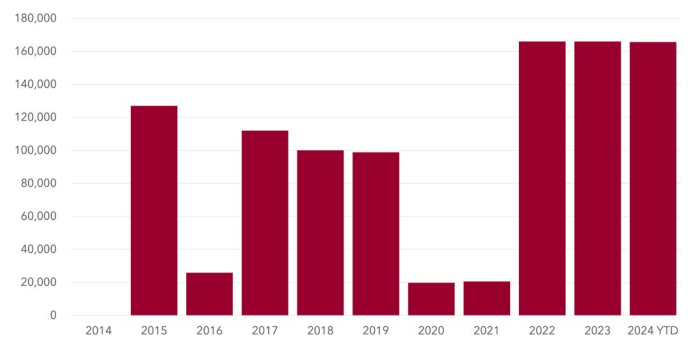
Santa Barbara's office market has a vacancy rate of 6.9%, the highest in a decade, driven by supply pressures, including the redevelopment of the former Nordstrom on State Street into a 165,000-SF office space, fully available for lease in Q4 2024. Rent growth has been minimal, at just 0.1% over the past year, though rents have risen 31.5% in the last decade. Sales volume has remained subdued, with no quarter surpassing \$20 million since late 2022. The average sale price is \$490 per square foot, with both volume and pricing at levels not seen since the early 2010s. Recovery is expected to begin in 2025.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	(128,903)	(77,405)	(65,596)	(72,107)	(124,042)
▲ Vacancy Rate	6.86%	6.30%	6.60%	6.00%	6.00%
▲ Avg NNN Asking Rate PSF	\$32.93	\$32.69	32.64	\$32.52	\$32.68
◀▶ Sale Price PSF	\$326.00	\$326.00	\$326.00	\$328.00	\$335.00
▼ Cap Rate	7.48%	7.49%	7.47%	7.41%	7.28%
▼ Under Construction SF	165,641	166,000	166,000	166,000	166,000
▲ Inventory SF	13,888,544	13,802,603	13,802,603	13,802,603	13,802,603

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
801 E. Chapel Street Santa Maria, CA	8,098 SF	\$1,500,000 \$185.23 PSF	Jeff Robert Jeffery Jeff Robert Jeffery	Class C
2418 Fletcher Avenue Santa Barbara, CA	5,383 SF	\$2,015,000 \$374.33 PSF	Fletcher SB LLC 2420 Fletcher Partners LP	Class B
2613-2615 De La Vina Street Santa Barbara, CA	4,569 SF	\$1,500,000 \$328.30 PSF	David Beck Isabelle Clara Greene	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1020 State Street Santa Barbara, CA	14,989 SF	State Street Holdings Co LLC	Undisclosed	Undisclosed
530 E. Montecito Street Santa Barbara, CA	13,880 SF	Santa Barbara Business Center	New Beginnings Counselling	Health Care
124 Carmen Lane Santa Maria, CA	7,491 SF	Tate Family Trust	Department of Probation	Public Administration

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