



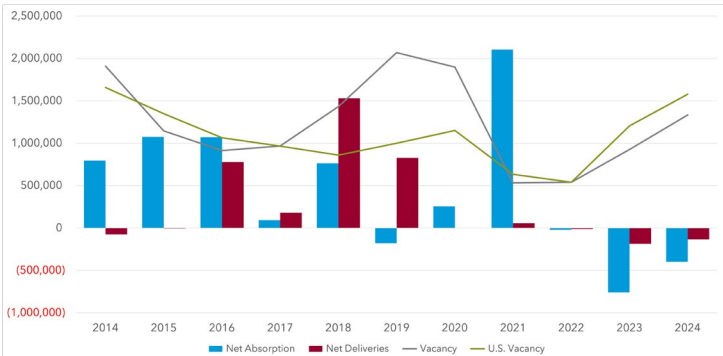
INDUSTRIAL MARKET OVERVIEW

DANIEL KNOKE, *Principal*

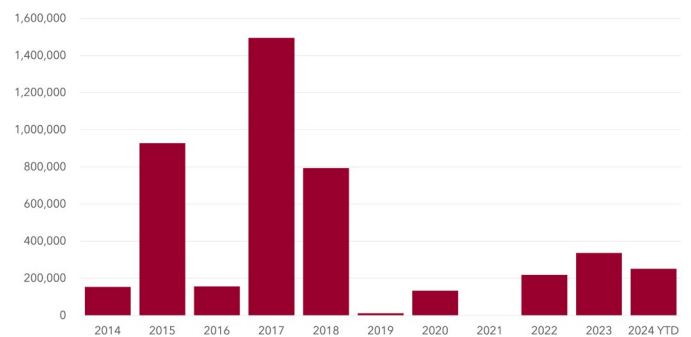
The fourth quarter of 2024 saw several large sale transactions to close out the year, which points to positive start to 2025. Average sale price and asking NNN lease rates both closed out the year on the rise as well. Vacancy has slowly but steadily risen quarter to quarter for the last two years and we are seeing for lease product sit on the market typically 3-6 months. Despite this slowing of activity, lease rates have stayed within \$0.03 for the past 5 quarters as we are seeing concessions such as free rent return to be the market standard. All signs point to a healthy start to 2025 and a steady climb back to pre covid market norms.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Absorption Units	198,941	128,327	44,200	512,007	172,586
▲ Vacancy Rate	11.75%	11.86%	11.61%	11.20%	10.78%
▲ Avg NNN Asking Rent PSF	\$37.19	\$35.76	\$35.76	\$35.64	\$35.88
▲ Sale Price PSF	\$225.00	\$168.00	\$243.00	\$259.00	\$261.00
▲ Cap Rate	6.50%	6.46%	8.41%	6.45%	7.20%
◀ ▶ Under Construction	2,625,192	3,250,208	3,667,511	4,477,946	4,417,946
◀ ▶ Inventory	20,400,258	20,460,309	20,184,997	20,030,294	20,055,382

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
839 E Grand Aveue Escondido, CA	11,400 SF	\$6,150,000 \$539.47 PSF	NC Oral & Facial Surgery Center Ian McDonald	Class B
2755 Jefferson Street Carlsbad, CA	10,150 SF	\$4,400,000 \$433.50 PSF	Rincon Homes Fleischer & Ravreby	Class B
2764 Gateway Road Carlsbad, CA	7,920 SF	\$2,000,000 \$252.53 PSF	Lawgistics, Inc Fenghai International, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1225 Park Center Drive Vista, CA	26,080 SF	BGO	All in One Good Faith	Services
300 Rancheros Drive San Marcos, CA	9,366 SF	Brookwood Financial Partners	Undisclosed	Undisclosed
3220 Executive Ridge Vista, CA	7,008 SF	Galardo Family Trust	Undisclosed	Undisclosed

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