



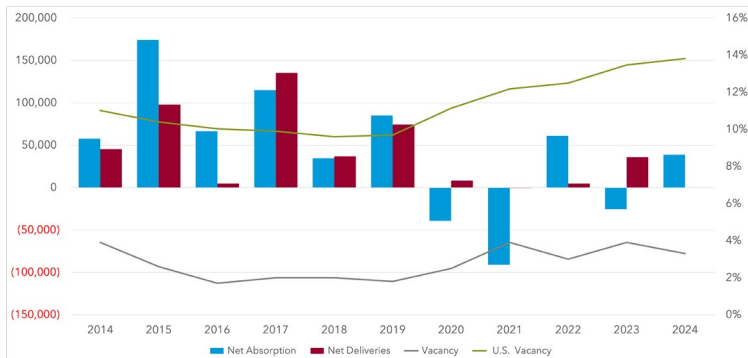
OFFICE MARKET OVERVIEW

TAYLOR CASTANON, *Vice President*

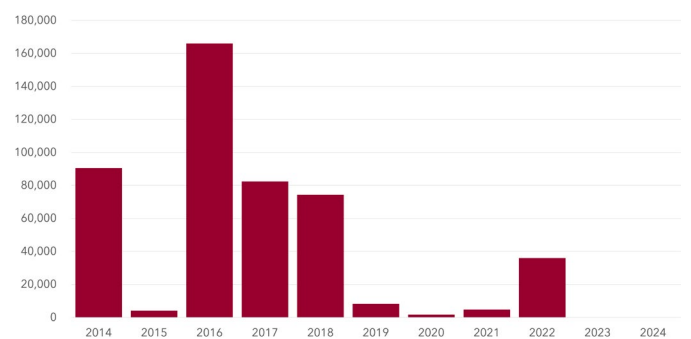
The San Luis Obispo office market has a vacancy rate of 3.3% as of the first quarter of 2025. Over the past year, the market's vacancy rate has changed by -0.5%, a result of no net delivered space and 36K SF of net absorption. Rents have increased by 2.9% at an average rate of \$29.27 PSF. As of the first quarter of 2025, there is no office space under construction in San Luis Obispo. The San Luis Obispo office market contains roughly 6.8MSF. Rent growth and vacancy are anticipated to remain flat through 2025. 110K SF of office traded in all of 2024, across 24 sales, averaging \$229 PSF. Market cap rates are estimated at 9.3%.

| MARKET INDICATORS | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| ▲ 12 Mo. Net Absorption SF | 38,901 | 31,047 | 15,960 | (2,085) | (25,459) |
| ▼ Vacancy Rate | 3.30% | 3.66% | 3.6% | 3.8% | 3.9% |
| ▲ Avg NNN Asking Rent PSF | \$29.27 | \$29.00 | \$28.65 | \$28.62 | \$28.44 |
| ▼ Sale Price PSF | \$229 | \$241 | \$242 | \$242 | \$246 |
| ▲ Cap Rate | 9.30% | 8.66% | 8.67% | 8.65% | 8.54% |
| ◀ ▶ Under Construction | - | - | - | - | - |
| ▲ Inventory | 6,754,297 | 6,706,084 | 6,696,493 | 6,696,493 | 6,696,493 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|----------|-----------------------------|--|----------------|
| 1551 Bishop Street San Luis Obispo, CA | 9,556 SF | \$1,250,000 \$130.81 PSF | Eugene A. Brughelli Edard Attala | Class B |
| 1154 E. Grand Avenue Arroyo Grande, CA | 4,443 SF | \$2,300,000 \$517.67 PSF | Eugene A. Brughelli RSPaul Company, Inc. | Class B |
| 862 Meinecke Avenue San Luis Obispo, CA | 2,699 SF | \$1,150,000 \$426.08 PSF | Skin and Cancer Institute Gregg-Pfeiffer Family Trust | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|----------|--------------------------------------|-------------|-----------------|
| 5905 Capistrano Avenue Atascadero, CA | 3,200 SF | Lori Filipponi | Undisclosed | Undisclosed |
| 1551 Bishop Street San Luis Obispo, CA | 3,065 SF | Byrne Real Estate Investments LLC | Undisclosed | Undisclosed |
| 641 Higuera Street San Luis Obispo, CA | 2,618 SF | Billie and Chris Lange | Undisclosed | Undisclosed |

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