

MARKET TRENDS | **SAN DIEGO**

OFFICE

**3RD QUARTER
2020**

▲ VACANCY | ▼ ABSORPTION | ▲ RENTAL RATE | ▲ CONSTRUCTION DELIVERIES

TOP SALE TRANSACTIONS FOR 3Q 2020

Property	Submarket	Square Feet	Sale Price	Price/SF	Buyer	Seller
The Pointe at Torrey Pines	Torrey Pines	139,135	\$97,500,000	\$700.76	Alexandria Real Estate Equities, Inc.	National University System
Carlsbad Medical Center	Carlsbad	46,199	\$24,750,000	\$535.73	Scripps Health	H.G. Fenton Company
Pomerado Professional Plaza	Poway	46,183	\$17,000,000	\$368.10	Healthcare Realty Trust	Milan Capital Management
2160 S El Camino Real	Oceanside	13,500	\$6,650,000	\$492.59	Zachary Duchene	GW Green Properties
5928 Pascal Ct	Carlsbad	38,276	\$6,150,000	\$160.68	Mesa Centers	Sterling Trustees

TOP LEASE TRANSACTIONS FOR 3Q 2020

Property	Submarket	Square Feet	Transaction Date	Landlord	Tenant
Scripps Ranch Tech Park	Scripps Ranch	30,245	July 2020	CUSO Financial Services	CUSO Financial Services
Sorrento Towers	Sorrento Mesa	19,978	September 2020	Shorenstein Properties, LLC	DexCom, Inc.
Gateway at Torrey Hills	Del Mar Hts/Carmel Valley	19,105	August 2020	The Irvine Company	Zeku
Carlsbad Airport Center	Carlsbad	11,583	September 2020	Doumani Living Trust	Undisclosed
7862 El Cajon Blvd	East County	9,367	September 2020	Medicus Property Group	Undisclosed

TOP UNDER CONSTRUCTION

Property	Address	Submarket	Square Feet	Owner	Delivery Date
The Campus at Horton	324 Horton Plz	Downtown	750,000	Stockdale Capital Partners	July 2022
2100 Kettner	2100 Kettner Blvd	Downtown	234,000	Kilroy Realty Corporation	March 2021
Apex	9775 Towne Centre Dr	UTC	204,000	The Blackstone Group L.P.	December 2021
9455 TCD	9455 Towne Centre Dr	UTC	165,000	Kilroy Realty Corporation	December 2020
Cubic HQ	9333 Balboa Ave	Kearny Mesa	125,000	Cubic Corporation	December 2020

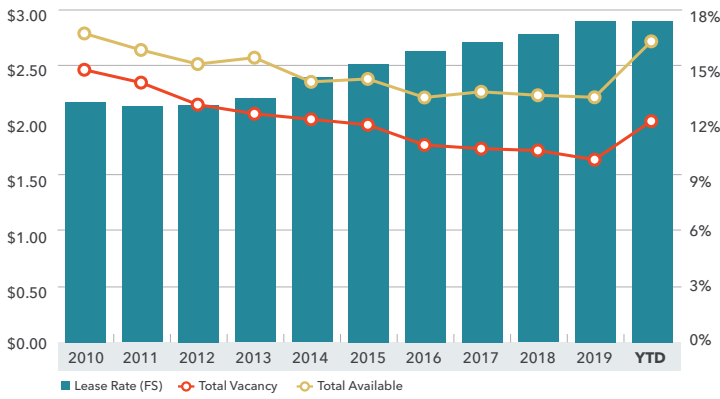
Market Breakdown

	3Q20	2Q20	3Q19	Annual % Change
Vacancy Rate	12.0%	10.7%	10.3%	16.50%
Availability Rate	16.4%	15.0%	13.4%	22.39%
Asking Lease Rate	\$2.90	\$2.94	\$2.86	1.40%
Lease Transactions (SF)	667,222	831,285	2,793,076	-76.11%
Sale Transactions (SF)	268,874	424,464	1,711,584	-84.29%
Net Absorption	-536,507	-122,270	-192,101	N/A

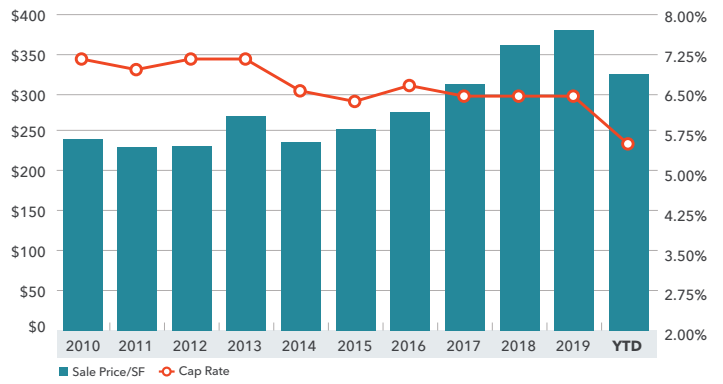
SAN DIEGO SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	Total Available Rate	3Q Direct Net Absorption	YTD Direct Net Absorption	3Q Total Leasing Activity	YTD Total Leasing Activity	Average Direct Rental Rate (FS)
Carlsbad	6,903,300	16.3%	17.0%	19.5%	(31,107)	(42,010)	45,852	310,983	\$2.70
Escondido	1,766,571	12.1%	12.4%	17.1%	30,102	10,054	10,047	45,356	\$1.99
Oceanside	1,350,466	7.8%	7.9%	11.0%	16,226	18,275	24,399	37,028	\$1.96
San Marcos	1,464,541	7.8%	7.8%	14.6%	(6,428)	(24,521)	4,494	32,081	\$2.52
Vista	1,285,312	15.4%	24.1%	28.2%	(20,461)	(18,233)	5,857	20,370	\$2.18
North County	12,770,190	13.7%	15.0%	18.6%	(11,668)	(56,435)	90,649	445,818	\$2.45
Poway	1,263,220	1.5%	2.1%	6.3%	386	(6,702)	2,370	12,300	\$2.20
Rancho Bernardo	6,846,168	11.4%	12.7%	15.0%	(131,028)	(123,353)	48,155	436,657	\$2.99
Scripps Ranch	2,916,228	14.4%	16.2%	15.9%	(53,163)	7,114	45,108	286,488	\$2.79
I-15 Corridor	11,025,616	11.0%	12.4%	14.3%	(183,805)	(122,941)	95,633	735,445	\$2.85
Del Mar Heights/Carmel Valley	5,098,960	15.2%	15.8%	24.2%	104,647	141,828	44,132	180,091	\$4.29
Governor Park	899,461	11.5%	12.4%	15.3%	(11,297)	(23,318)	7,470	23,668	\$2.70
La Jolla	1,328,629	19.5%	19.6%	22.7%	(56,569)	(88,128)	4,238	16,374	\$3.32
Miramar	1,451,242	5.9%	6.2%	13.9%	14,524	(25,943)	14,899	37,051	\$1.98
North Beach Cities	2,394,084	7.2%	7.8%	13.6%	(11,334)	(31,140)	24,529	67,087	\$3.69
Sorrento Mesa	9,538,997	9.4%	11.7%	16.3%	(33,117)	(35,856)	59,465	274,525	\$3.17
Sorrento Valley	742,572	14.6%	21.9%	26.0%	1,233	(30,809)	11,688	17,774	\$2.27
Torrey Pines	3,206,337	8.2%	8.2%	7.8%	(31,222)	(55,955)	44,591	140,009	\$4.43
UTC	8,858,725	5.9%	7.0%	11.2%	(102,705)	(60,571)	37,361	203,699	\$3.67
North Cities	33,519,007	9.5%	10.8%	15.5%	(125,840)	(209,892)	248,373	960,278	\$3.55
Kearny Mesa	11,101,127	9.7%	10.1%	12.6%	27,170	(298,054)	47,222	269,886	\$2.51
Mission Gorge	581,130	0.6%	0.6%	1.3%	4,868	2,465	2,854	8,550	\$1.67
Mission Valley	7,269,799	10.7%	11.7%	16.8%	(85,628)	(53,029)	72,645	254,030	\$2.71
Old Town/Sports Arena/Pt. Loma	2,419,065	3.4%	3.6%	9.0%	(8,683)	(1,795)	10,764	56,434	\$2.87
PB/Rose Canyon/Morena	1,297,671	6.6%	7.4%	11.6%	(3,175)	(16,297)	5,715	33,888	\$2.10
Central Suburban	22,668,792	8.9%	9.6%	13.2%	(65,448)	(366,710)	139,200	622,788	\$2.57
College Area	1,216,139	5.4%	5.4%	8.7%	(7,766)	(9,252)	330	10,862	\$2.22
East County	3,666,012	4.1%	4.1%	5.3%	(12,211)	(839)	30,897	61,762	\$2.12
East County	4,882,151	4.4%	4.4%	6.2%	(19,977)	(10,091)	31,227	72,624	\$2.14
Park East	117,084	9.1%	9.7%	23.8%	250	(1,660)	1,519	3,813	\$2.51
Uptown East	117,238	4.4%	4.4%	3.9%	(2,857)	6,164	2,650	15,999	\$1.82
Uptown West/Park West	2,225,121	8.2%	8.3%	11.7%	(46,801)	(67,859)	13,679	53,946	\$2.72
Uptown	2,459,443	8.1%	8.2%	11.9%	(49,408)	(63,355)	17,848	73,758	\$2.67
Downtown	13,502,505	20.2%	21.3%	29.7%	(82,612)	(206,178)	21,058	191,706	\$2.84
Downtown	13,502,505	20.2%	21.3%	29.7%	(82,612)	(206,178)	21,058	191,706	\$2.84
Chula Vista	2,840,782	6.5%	6.5%	10.2%	1,820	1,589	18,010	58,255	\$2.53
Coronado	111,541	2.4%	2.4%	3.8%	0	(1,500)	0	300	\$4.00
National City	528,493	2.1%	2.1%	2.0%	(12)	(10,353)	2,000	2,000	\$2.10
Otay Mesa	187,078	6.2%	6.2%	24.6%	0	0	0	1,634	\$2.01
San Ysidro/Imperial Beach	132,746	0.0%	0.0%	0.9%	0	4,198	0	0	\$2.20
Southeast San Diego	460,835	14.8%	14.8%	18.4%	443	10,242	0	443	\$2.03
South County	4,261,475	6.5%	6.5%	10.2%	2,251	4,176	20,010	62,632	\$2.25
San Diego Total	105,089,179	11.0%	12.0%	16.4%	(536,507)	(1,031,426)	663,998	3,165,049	\$2.90
Class A	39,540,181	14.3%	15.4%	21.3%	(59,574)	(274,406)	171,239	1,357,256	\$3.45
Class B	51,394,567	9.7%	10.8%	14.6%	(390,459)	(575,415)	372,598	1,513,664	\$2.72
Class C	14,154,431	6.8%	6.9%	9.1%	(84,302)	(182,930)	121,669	297,642	\$2.15

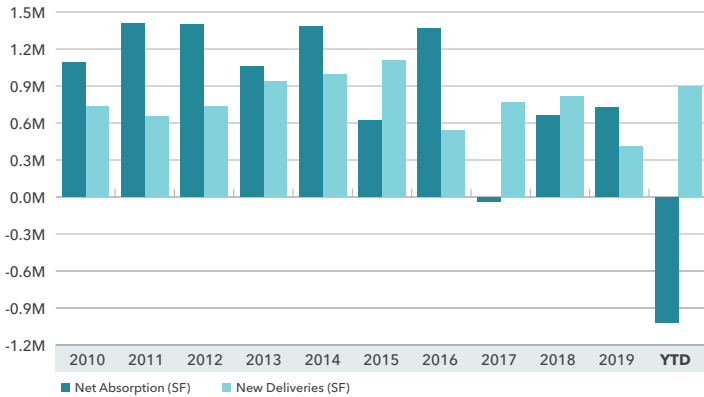
LEASE RATE, VACANCY & AVAILABILITY



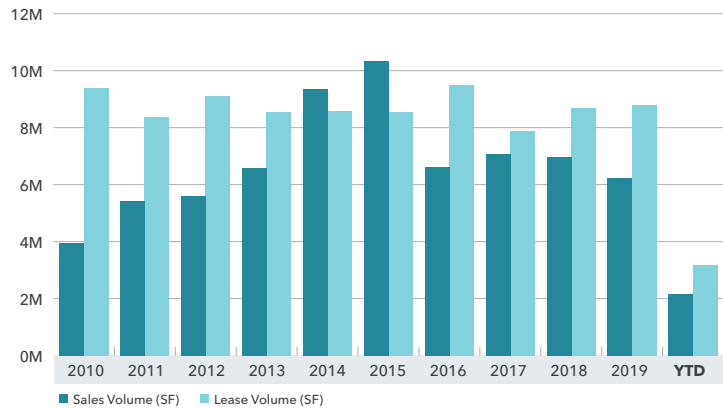
AVERAGE SALES PRICE/SF & CAP RATES



NET ABSORPTION & NEW DELIVERIES



SALE VOLUME & LEASE VOLUME



Kidder Mathews is the largest, independent commercial real estate firm on the West Coast, with 900 real estate professionals and staff in 22 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, and debt equity finance services for all property types.

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COMMERCIAL BROKERAGE

27M ANNUAL SALES SF **450+** NO. OF BROKERS
\$9.6B ANNUAL TRANSACTION VOLUME **42M** ANNUAL LEASING SF

VALUATION ADVISORY

1,680+ APPRAISALS ANNUALLY **37/23** TOTAL NO. APPRAISERS/MAI'S

PROPERTY MANAGEMENT

70M+ MANAGEMENT PORTFOLIO SF **\$12B+** IN ASSETS UNDER MANAGEMENT

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