

By Submarket (All Product Types)	INVENTORY		VACANCY %			AVAIL.	NET ABSORPTION SF		UNDER	ASKING RENT (\$PSF Mo. NNN)		
	# of Bldgs.	Total SF	Direct	Sublease	Total	Total %	Current	YTD	CONSTRUCTION SF	WH/Dist.	R&D/Flex	Total
NORTH COUNTY												
Carlsbad	415	15,602,722	7.7%	1.8%	9.5%	11.7%	518,264	972,941	331,385	\$1.05	\$1.22	\$1.14
Escondido	439	6,913,435	2.2%	0.4%	2.6%	3.4%	(75,311)	190,816	103,500	\$1.10	-	\$0.90
Oceanside	374	9,658,364	4.2%	0.1%	4.3%	6.7%	42,179	(53,629)	277,793	\$0.89	\$0.87	\$0.92
San Marcos	365	7,687,058	5.0%	0.2%	5.2%	6.2%	16,464	128,238	0	\$1.02	-	\$0.93
Vista	443	13,435,015	4.1%	2.7%	6.8%	14.6%	(47,880)	96,868	77,725	\$0.93	-	\$0.92
SUBTOTAL	2,036	53,296,594	5.1%	1.3%	6.4%	9.6%	453,716	1,335,234	790,403	\$0.96	\$1.22	\$1.00
CENTRAL COUNTY												
Carmel Mountain	26	1,546,114	1.8%	5.1%	6.9%	7.5%	(3,146)	(19,840)	0	-	\$1.95	\$1.83
East County	556	13,739,000	1.8%	0.9%	2.7%	4.6%	(57,675)	(169,001)	0	\$0.83	\$0.91	\$0.99
Kearny Mesa	399	14,660,099	4.1%	0.3%	4.4%	6.0%	105,944	108,191	21,302	\$1.13	\$2.02	\$1.50
Miramar	379	14,221,106	2.1%	0.9%	3.0%	5.7%	1,402	110,790	256,818	\$1.12	\$1.19	\$1.15
Mission Valley	61	2,145,624	1.3%	0.0%	1.3%	1.5%	1,320	10,475	0	\$1.31	-	\$1.32
Morena	63	1,428,084	0.7%	2.5%	3.2%	3.4%	(8,187)	19,262	0	\$1.90	-	\$1.24
Poway	211	8,993,138	1.7%	0.5%	2.2%	3.1%	(35,206)	313,704	82,742	\$0.87	\$1.18	\$1.04
Rancho Bernardo	88	4,858,459	9.7%	0.4%	10.1%	12.1%	64,603	24,219	0	-	\$1.63	\$1.60
Rose Canyon	44	1,618,047	3.0%	0.2%	3.2%	7.7%	(1,596)	(15,038)	0	-	\$1.10	\$0.96
Scripps	27	1,233,573	8.0%	0.0%	8.0%	8.2%	29,815	20,771	0	-	\$1.25	\$1.24
Sorrento Mesa	311	11,604,760	6.9%	2.6%	9.5%	11.8%	(205,958)	(214,889)	0	\$1.00	\$2.09	\$1.73
Sorrento Valley	97	2,698,933	3.5%	1.3%	4.8%	6.9%	13,428	(12,856)	0	-	\$1.54	\$1.43
Torrey Pines	23	2,390,494	0	0	0	0.0%	0	170,523	0	-	-	-
SUBTOTAL	2,285	81,137,431	3.5%	1.0%	4.6%	6.4%	(95,256)	346,311	360,862	\$1.06	\$1.70	\$1.39
SOUTH COUNTY												
Chula Vista	83	5,242,520	5.4%	0.1%	5.5%	8.3%	52	(183,992)	0	\$0.81	\$1.37	\$1.00
Downtown	125	3,965,763	0.9%	1.4%	2.3%	2.6%	2,400	22,664	0	-	-	\$0.91
National City	37	2,162,291	0.9%	0.0%	0.9%	1.0%	(6,097)	34,266	0	\$1.05	-	\$1.13
Otay Mesa	269	15,710,192	8.2%	0.6%	8.8%	8.6%	91,290	405,805	216,050	\$0.65	-	\$0.67
San Ysidro	26	1,314,193	1.1%	1.7%	2.8%	3.7%	(11,860)	17,759	0	\$0.65	\$0.75	\$0.80
South City	26	1,134,794	0.0%	0.0%	0.0%	1.6%	0	0	0	-	-	-
Sports Arena	59	1,220,104	0.9%	0.0%	0.9%	2.2%	(3,041)	(7,531)	0	-	\$1.20	\$1.19
SUBTOTAL	625	30,749,857	5.4%	0.6%	6.0%	6.5%	72,744	288,971	216,050	\$0.67	\$1.35	\$0.76
GRAND TOTAL	4,946	165,183,882	4.4%	1.0%	5.4%	7.5%	431,204	1,970,516	1,367,315	\$0.83	\$1.55	\$1.11
By Product Type (All Submarkets)												
R&D/Flex	840	33,938,506	6.9%	1.9%	8.8%	10.0%	135,984	304,836	360,318			\$1.55
General IND (MFG)	2,462	64,770,530	3.1%	0.9%	4.0%	7.4%	22,576	385,870	216,769			\$0.99
Incubator (IMT)	628	20,630,944	3.1%	0.8%	3.9%	5.0%	34,955	1,887	0			\$1.23
Warehouse/Distribution	1,016	45,843,902	4.8%	0.6%	5.4%	6.7%	237,689	1,277,923	790,228			\$0.83
GRAND TOTAL	4,946	165,183,882	4.4%	1.0%	5.4%	7.5%	431,204	1,970,516	1,367,315			\$1.11

INDUSTRIAL TERMS AND DEFINITIONS

Inventory: Industrial inventory includes multi-tenant, single tenant and owner-occupied buildings 10,000 SF and over, except in select submarkets where the competitive set requires the inclusion of smaller buildings.

Industrial Product Types: Industrial buildings are categorized as warehouse/distribution, general industrial, research and development (R&D)/flex and incubator multi-tenant (IMT) based on their physical characteristics including percent office build-out, clear height, typical bay depth, typical suite size, type of loading and typical uses. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Under Construction: Buildings where actual ground breaking has occurred and construction is ongoing but

for which a certificate of occupancy has not yet been issued.

Total Vacancy: The total amount of space that is physically vacant, allowing immediate occupancy, divided by the inventory and includes direct and sublease vacant space.

Direct Vacancy: The vacancy rate in space offered on the market directly by the landlord in single and multi-tenant buildings and is physically vacant, allowing immediate occupancy. This excludes vacant space offered for sublease and vacant space that is not offered on the market, for whatever reason.

Net Absorption: The net change in physically occupied space over a period of time. Net Absorption includes direct space and excludes sublease space.

Asking Rent: The monthly costs of occupancy for a particular space quoted on a per square foot basis. Industrial rents are expressed as triple net (NNN) where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a pro rata basis. The asking rent for each building in the market is weighted by the total amount of direct available square footage in the building.

NOTE: Total numbers may not add up due to rounding.

By Submarket (All Product Types)	INVENTORY		VACANCY					AVAILABILITY				NET ABSORPTION SF		UNDER CONSTRUCTION SF	ASKING RENT (\$PSF Mo. FS)				
	# of Bldgs.	Total SF	Direct SF	Sublease SF	Total SF	Direct %	Sublease %	Total %	Direct SF	Sublease SF	Total SF	Total %	Current	YTD		WH/Dist.	R&D/Flex	Total	
NORTH COUNTY																			
Carlsbad	415	15,602,722	1,203,960	287,889	1,491,849	7.7%	1.8%	9.5%	1,530,005	287,889	1,817,894	11.7%	518,264	972,941	331,385	\$1.05	\$1.22	\$1.14	
Escondido	439	6,913,435	152,249	29,635	181,884	2.2%	0.4%	2.6%	206,020	29,635	235,655	3.4%	(75,311)	190,816	103,500	\$1.10	-	\$0.90	
Oceanside	374	9,658,364	401,412	14,145	415,557	4.2%	0.1%	4.3%	631,824	14,145	645,969	6.7%	42,179	(53,629)	277,793	\$0.89	\$0.87	\$0.92	
San Marcos	365	7,687,058	384,906	16,942	401,848	5.0%	0.2%	5.2%	461,497	16,942	478,439	6.2%	16,464	128,238	0	\$1.02	-	\$0.93	
Vista	443	13,435,015	550,036	361,827	911,863	4.1%	2.7%	6.8%	1,593,864	361,827	1,955,691	14.6%	(47,880)	96,868	77,725	\$0.93	-	\$0.92	
SUBTOTAL	2,036	53,296,594	2,692,563	710,438	3,403,001	5.1%	1.3%	6.4%	4,423,210	710,438	5,133,648	9.6%	453,716	1,335,234	790,403	\$0.96	\$1.22	\$1.00	
CENTRAL COUNTY																			
Carmel Mountain	26	1,546,114	27,090	78,756	105,846	1.8%	5.1%	6.9%	37,284	78,756	116,040	7.5%	(3,146)	(19,840)	0	-	\$1.95	\$1.83	
East County	556	13,739,000	244,155	129,560	373,715	1.8%	0.9%	2.7%	505,127	129,560	634,687	4.6%	(57,675)	(169,001)	0	\$0.83	\$0.91	\$0.99	
Kearny Mesa	399	14,660,099	601,413	41,021	642,434	4.1%	0.3%	4.4%	845,676	41,021	886,697	6.0%	105,944	108,191	21,302	\$1.13	\$2.02	\$1.50	
Miramar	379	14,221,106	295,542	131,625	427,167	2.1%	0.9%	3.0%	673,133	131,625	804,758	5.7%	1,402	110,790	256,818	\$1.12	\$1.19	\$1.15	
Mission Valley	61	2,145,624	26,844	0	26,844	1.3%	0.0%	1.3%	32,411	0	32,411	1.5%	1,320	10,475	0	\$1.31	-	\$1.32	
Morena	63	1,428,084	10,187	35,925	46,112	0.7%	2.5%	3.2%	12,996	35,925	48,921	3.4%	(8,187)	19,262	0	\$1.90	-	\$1.24	
Poway	211	8,993,138	156,799	41,337	198,136	1.7%	0.5%	2.2%	233,843	41,337	275,180	3.1%	(35,206)	313,704	82,742	\$0.87	\$1.18	\$1.04	
Rancho Bernardo	88	4,858,459	470,048	19,381	489,429	9.7%	0.4%	10.1%	568,281	19,381	587,662	12.1%	64,603	24,219	0	-	\$1.63	\$1.60	
Rose Canyon	44	1,618,047	49,253	3,442	52,695	3.0%	0.2%	3.2%	121,211	3,442	124,653	7.7%	(1,596)	(15,038)	0	-	\$1.10	\$0.96	
Scripps	27	1,233,573	99,159	0	99,159	8.0%	0.0%	8.0%	101,610	0	101,610	8.2%	29,815	20,771	0	-	\$1.25	\$1.24	
Sorrento Mesa	311	11,604,760	804,070	301,391	1,105,461	6.9%	2.6%	9.5%	1,067,391	301,391	1,368,782	11.8%	(205,958)	(214,889)	0	\$1.00	\$2.09	\$1.73	
Sorrento Valley	97	2,698,933	93,566	34,681	128,247	3.5%	1.3%	4.8%	152,261	34,681	186,942	6.9%	13,428	(12,856)	0	-	\$1.54	\$1.43	
Torrey Pines	23	2,390,494	0	0	0	0.0%	0.0%	0.0%	0	0	0	0.0%	0	170,523	0	-	-	-	
SUBTOTAL	2,285	81,137,431	2,878,126	817,119	3,695,245	3.5%	1.0%	4.6%	4,351,224	817,119	5,168,343	6.4%	(95,256)	346,311	360,862	\$1.06	\$1.70	\$1.39	
SOUTH COUNTY																			
Chula Vista	83	5,242,520	283,542	4,392	287,934	5.4%	0.1%	5.5%	431,445	4,392	435,837	8.3%	52	(183,992)	0	\$0.81	\$1.37	\$1.00	
Downtown	125	3,965,763	36,948	55,796	92,744	0.9%	1.4%	2.3%	46,108	55,796	101,904	2.6%	2,400	22,664	0	-	-	\$0.91	
National City	37	2,162,291	18,423	0	18,423	0.9%	0.0%	0.9%	21,223	0	21,223	1.0%	(6,097)	34,266	0	\$1.05	-	\$1.13	
Otay Mesa	269	15,710,192	1,285,217	97,525	1,382,742	8.2%	0.6%	8.8%	1,254,694	97,525	1,352,219	8.6%	91,290	405,805	216,050	\$0.65	-	\$0.67	
San Ysidro	26	1,314,193	14,774	22,547	37,321	1.1%	1.7%	2.8%	26,100	22,547	48,647	3.7%	(11,860)	17,759	0	\$0.65	\$0.75	\$0.80	
South City	26	1,134,794	0	0	0	0.0%	0.0%	0.0%	18,700	0	18,700	1.8%	0	0	0	-	-	-	
Sports Arena	59	1,220,104	11,177	0	11,177	0.9%	0.0%	0.9%	27,234	0	27,234	2.2%	(3,041)	(7,531)	0	-	\$1.20	\$1.19	
SUBTOTAL	625	30,749,857	1,650,081	180,260	1,830,341	5.4%	0.6%	6.0%	1,825,504	180,260	2,005,764	6.5%	72,744	288,971	216,050	\$0.67	\$1.35	\$0.76	
GRAND TOTAL	4,946	165,183,882	7,220,770	1,707,817	8,928,587	4.4%	1.0%	5.4%	10,599,938	1,707,817	12,307,755	7.5%	431,204	1,970,516	1,367,315	\$0.83	\$1.55	\$1.11	
By Product Type (All Submarkets)																			
R&D/Flex	840	33,938,506	2,339,108	638,186	2,977,294	6.9%	1.9%	8.8%	2,761,260	638,186	3,399,446	10.0%	135,984	304,836	360,318			\$1.55	
General IND (MFG)	2,462	64,770,530	2,024,403	609,387	2,633,790	3.1%	0.9%	4.0%	4,185,772	609,387	4,795,159	7.4%	22,576	385,870	216,769			\$0.99	
Incubator (IMT)	628	20,630,944	640,415	163,154	803,569	3.1%	0.8%	3.9%	872,834	163,154	1,035,988	5.0%	34,955	1,887	0			\$1.23	
Warehouse/Distribution	1,016	45,843,902	2,216,844	297,090	2,513,934	4.8%	0.6%	5.4%	2,780,072	297,090	3,077,162	6.7%	237,689	1,277,923	790,228			\$0.83	
GRAND TOTAL	4,946	165,183,882	7,220,770	1,707,817	8,928,587	4.4%	1.0%	5.4%	10,599,938	1,707,817	12,307,755	7.5%	431,204	1,970,516	1,367,315			\$1.11	
Corporate Headquarters (All Submarkets)																			
Corporate HDQ - Yes																			
R&D	243	16,710,446	1,235,604	367,375	1,602,979	7.4%	2.2%	9.6%	1,293,768	367,375	1,661,143	9.9%	30,360	204,170	256,818			\$1.78	
MFG	80	5,331,861	108,285	106,792	215,077	2.0%	2.0%	4.0%	655,092	106,792	761,884	14.3%	(88,512)	(43,177)	0			\$1.00	
IMT	3	162,912	0	5,897	5,897	0.0%	3.6%	3.6%	20,011	5,897	25,908	15.9%	0	6,257	0			\$1.20	
DIST	14	820,613	0	0	0	0.0%	0.0%	0.0%	142,609	0	142,609	17.4%	106,000	120,241	0			\$1.05	
SUBTOTAL	340	23,025,832	1,343,889	480,064	1,823,953	5.8%	2.1%	7.9%	2,111,480	480,064	2,591,544	11.3%	47,848	287,491	256,818			\$1.53	
Corporate HDQ - No																			
R&D	597	17,228,060	1,103,504	270,811	1,374,315	6.4%	1.6%	8.0%	1,467,492	270,811	1,738,303	10.1%	105,624	100,666	103,500			\$1.40	
MFG	2,382	59,438,669	1,916,118	502,595	2,418,713	3.2%	0.8%	4.0%	3,530,680	502,595	4,033,275	6.8%	111,088	429,047	216,769			\$0.99	
IMT	625	20,468,032	640,415	157,257	797,672	3.1%	0.8%	3.9%	852,823	157,257	1,010,080	4.9%	34,955	(4,370)	0			\$1.23	
DIST	1,002	45,023,289	2,216,844	297,090	2,513,934	4.9%	0.7%	5.6%	2,637,463	297,090	2,934,553	6.5%	131,689	1,157,682	790,228			\$0.82	
SUBTOTAL	4,606	142,158,050	5,876,881	1,227,753	7,104,634	4.1%	0.9%	5.0%	8,488,458	1,227,753	9,716,211	6.8%	383,356	1,683,025	1,110,497			\$1.04	
GRAND TOTAL	4,946	165,183,882	7,220,770	1,707,817	8,928,587	4.4%	1.0%	5.4%	10,599,938	1,707,817	12,307,755	7.5%	431,204	1,970,516	1,367,315			\$1.11	

	Year-End											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Inventory SF												
R&D	36,476,506	38,082,692	37,829,991	37,931,595	36,887,993	34,712,219	33,601,007	33,257,139	32,109,063	31,780,032	33,955,346	33,938,506
MFG	67,809,341	69,513,033	68,534,570	68,157,661	68,775,060	66,278,558	66,229,320	64,442,820	64,246,856	64,769,897	63,895,809	64,770,530
IMT	21,183,531	23,198,354	23,446,784	23,781,935	23,557,413	22,688,802	21,057,621	20,355,065	20,241,439	20,331,091	20,522,833	20,630,944
DIST	39,791,718	42,601,055	43,047,221	43,166,729	43,363,587	45,305,714	43,666,779	43,030,715	44,486,490	44,486,490	44,600,365	45,843,902
Total	165,261,096	173,395,134	172,858,566	173,037,920	172,584,053	168,985,293	164,554,727	161,085,739	159,608,173	161,367,510	162,974,353	165,183,882
New Deliveries SF												
Total	3,053,219	1,023,055	769,198	436,476	230,398	179,101	254,598	365,770	289,497	1,182,206	586,433	2,947,522
Net Absorption SF (excl. Sublease)												
R&D	377,921	237,831	(1,101,146)	309,092	(59,991)	426,704	757,520	224,003	278,365	216,024	(171,041)	304,836
MFG	471,741	(72,846)	(1,678,321)	352,976	354,618	395,846	653,320	925,901	926,831	(100,204)	867,200	385,870
IMT	89,737	(294,952)	(739,319)	122,717	168,846	417,999	456,260	355,175	299,001	154,883	143,906	1,887
DIST	168,861	598,704	(696,951)	181,668	231,404	1,469,273	459,632	842,243	1,281,409	482,891	151,237	1,277,923
Total	1,108,260	468,737	(4,215,737)	966,453	694,877	2,709,822	2,326,732	2,347,322	2,785,606	753,594	991,302	1,970,516
Average Annual Net Absorption SF (excl. Sublease)												
	Pre-recession	Recession		Post-recession								
R&D	847,374	(431,658)		253,946								
MFG	969,063	(875,584)		529,151								
IMT	133,241	(517,136)		235,630								
DIST	830,822	(49,124)		708,631								
Total	2,780,500	(1,873,500)		1,727,358								
Direct Vacancy %												
R&D	9.5%	9.1%	13.2%	12.1%	12.9%	11.5%	9.3%	7.9%	6.9%	6.3%	7.0%	6.9%
MFG	5.4%	5.9%	8.0%	7.5%	7.2%	6.6%	5.7%	4.5%	3.3%	3.5%	2.7%	3.1%
IMT	7.4%	8.8%	12.0%	11.6%	10.9%	9.0%	7.0%	5.5%	4.0%	3.8%	3.2%	3.1%
DIST	9.3%	9.0%	11.9%	11.6%	10.6%	8.2%	7.7%	5.9%	3.0%	3.8%	3.6%	4.8%
Total	7.5%	7.8%	10.6%	10.1%	9.8%	8.4%	7.1%	5.7%	4.1%	4.2%	3.9%	4.4%
Sublease Vacancy %												
R&D	3.0%	3.4%	3.6%	3.3%	2.1%	1.6%	1.0%	1.6%	1.9%	1.6%	1.7%	1.9%
MFG	0.7%	0.7%	1.4%	1.3%	1.3%	0.5%	0.4%	0.2%	0.4%	0.8%	0.3%	0.9%
IMT	0.5%	0.5%	0.8%	1.2%	0.5%	0.7%	0.6%	0.4%	0.4%	0.7%	0.7%	0.8%
DIST	1.1%	0.8%	2.4%	1.6%	1.4%	1.6%	1.2%	1.0%	1.1%	1.3%	1.0%	0.6%
Total	1.3%	1.3%	2.1%	1.8%	1.4%	1.1%	0.7%	0.7%	0.9%	1.1%	0.9%	1.0%
Total Vacancy % (Direct + Sublease)												
R&D	12.5%	12.5%	16.8%	15.4%	15.0%	13.1%	10.3%	9.5%	8.8%	7.9%	8.7%	8.8%
MFG	6.1%	6.6%	9.4%	8.8%	8.5%	7.1%	6.1%	4.8%	3.7%	4.3%	3.0%	4.0%
IMT	7.9%	9.3%	12.8%	12.8%	11.4%	9.7%	7.6%	5.9%	4.4%	4.5%	3.9%	3.9%
DIST	10.4%	9.8%	14.3%	13.2%	12.0%	9.8%	8.9%	6.9%	4.1%	5.1%	4.6%	5.4%
Total	8.8%	9.1%	12.7%	11.9%	11.2%	9.5%	7.8%	6.4%	5.0%	5.3%	4.8%	5.4%
Average Annual Total Vacancy % (Direct + Sublease)												
	Pre-recession	Recession		Post-recession								
R&D	11.7%	14.7%		10.8%								
MFG	5.9%	8.0%		5.6%								
IMT	6.6%	11.1%		7.1%								
DIST	9.5%	12.1%		7.8%								
Total	8.2%	10.9%		7.5%								
Total Vacancy SF												
R&D	4,553,693	4,743,690	6,368,029	5,840,888	5,541,174	4,541,276	3,450,382	3,153,617	2,826,950	2,506,451	2,935,711	2,977,294
MFG	4,174,807	4,556,385	6,406,663	6,037,077	5,844,633	4,764,007	4,025,487	3,078,325	2,373,640	2,735,065	1,935,583	2,633,790
IMT	1,682,852	2,155,632	3,007,458	3,025,432	2,684,500	2,205,718	1,585,944	1,191,273	900,065	921,566	797,209	803,569
DIST	4,118,191	4,208,994	6,173,614	5,716,426	5,212,556	4,458,174	3,874,382	2,977,142	1,788,885	2,258,897	2,088,151	2,513,934
Total	14,529,543	15,664,701	21,955,764	20,619,823	19,282,863	15,969,175	12,936,195	10,400,357	7,889,540	8,421,979	7,756,654	8,928,587
Asking Rents (\$PSF Mo. NNN)												
R&D	\$1.37	\$1.39	\$1.26	\$1.12	\$1.09	\$1.12	\$1.09	\$1.15	\$1.39	\$1.43	\$1.42	\$1.55
MFG	\$0.85	\$0.84	\$0.78	\$0.72	\$0.70	\$0.70	\$0.75	\$0.76	\$0.85	\$0.85	\$0.93	\$0.99
IMT	\$1.00	\$0.98	\$0.89	\$0.85	\$0.82	\$0.85	\$0.80	\$0.90	\$0.92	\$1.03	\$1.11	\$1.23
DIST	\$0.65	\$0.67	\$0.64	\$0.62	\$0.61	\$0.58	\$0.57	\$0.58	\$0.69	\$0.75	\$0.75	\$0.83
Total	\$0.95	\$0.98	\$0.89	\$0.81	\$0.79	\$0.79	\$0.78	\$0.81	\$0.96	\$1.01	\$1.03	\$1.11
Average Annual Asking Rents (\$PSF Mo. NNN)												
	Pre-recession	Recession		Post-recession								
R&D	\$1.24	\$1.33		\$1.26								
MFG	\$0.81	\$0.81		\$0.81								
IMT	\$1.00	\$0.94		\$0.95								
DIST	\$0.66	\$0.66		\$0.66								
Total	\$0.93	\$0.94		\$0.90								