RESEARCH

MARKET IN MINUTES

San Diego

Industrial – Q3 2026

savills

Inventory	Y-O-Y CHANGE	Vacancy rate	Y-O-Y CHANGE	Asking rental rate (monthly)*	Y-O-Y CHANGE	Net absorption YTD	Y-O-Y CHANGE	Deliveries YTD	Y-O-Y CHANGE	Under construction	Y-O-Y CHANGE
120.4 msf	↗	**9.0 %**	→	**$1.29 psf (NNN)**	↘	**0.1 msf**	→	**0.7 msf**	↘	**0.6 msf**	↗
Q3 2025: 118.7 msf		Q3 2025: 9.0%		Q3 2025: $1.34		Q3 2025: 0.1 msf		Q3 2025: 1.6 msf		Q3 2025: 0.1 msf	

* Based on all classes of available inventory

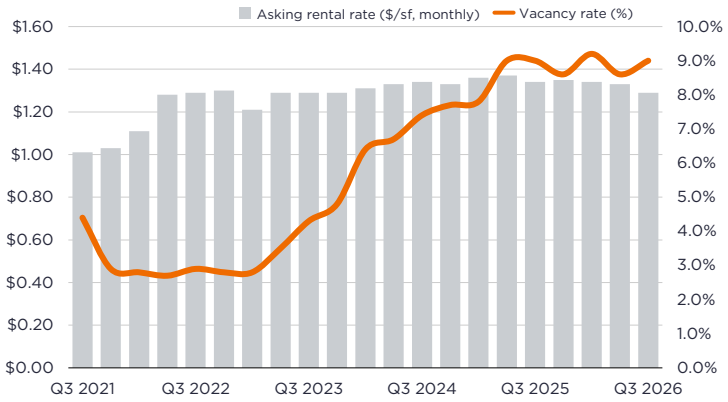
Market trends

01 Quarterly net absorption fell to 19,102 square feet (sf) from 795,395 sf in Q2 2026. Vacancy rose to 9.0% while average monthly asking rents declined to $1.29 per square foot (psf), reflecting a continued softness in the market.

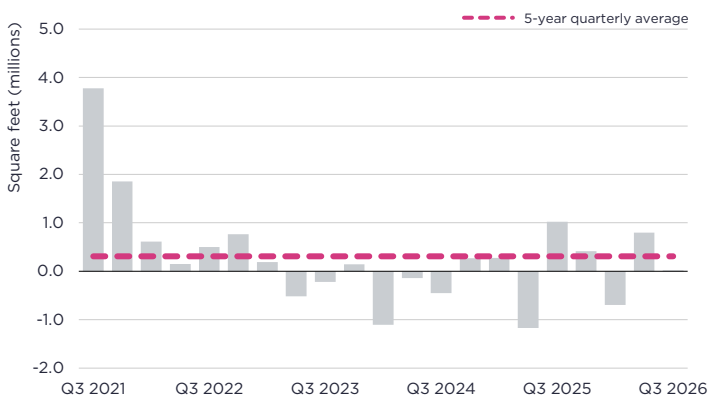
02 South County accounted for all 612,240 square feet (sf) of Q3 deliveries and recorded the county's highest vacancy rate at 14.3%. Construction declined to 0.6 million square feet (msf), potentially easing future supply pressures.

03 Four of the quarter's notable leases were renewals, led by Northrop Grumman's 223,000-square-foot (sf) commitment in Central County, suggesting tenants are retaining existing space rather than expanding.

ASKING RENT AND VACANCY



NET ABSORPTION



NOTABLE LEASES

Source: Savills Research

Tenant	Size (sf)	Submarket	Address	Transaction type	Industry
Northrop Grumman Corporation	223,000	Central County	16550 W Bernardo Dr	Renewal	Aviation & Aerospace
OnTrac	103,984	North County	2800 Whiptail Loop	Renewal	Logistics & Distribution/3PLs
A.O. Reed & Co.	100,596	North County	2611 Business Park Dr	New Lease	Construction Materials & Building Fixtures
Expeditors International of Washington	98,822	South County	1470 Exposition Way	Renewal	Logistics & Distribution/3PLs
Acon Laboratories	97,162	Central County	9440 Carroll Park Dr	Renewal	Biosciences / Medical / Pharmaceuticals

Savills Research

For more information, please contact us:

savills.us

Savills San Diego
11321 El Camino Real
San Diego, CA 92130
+1 858 793 8600

Finn McDevitt
Research Analyst
fmcdevitt@savills.us
+1 858 793 8619

Unless otherwise noted, all rents quoted throughout this report are average asking net (NNN) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical vacancy and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills