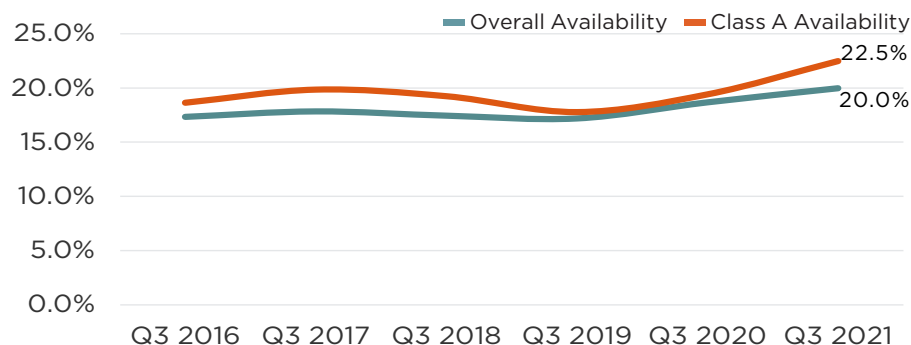
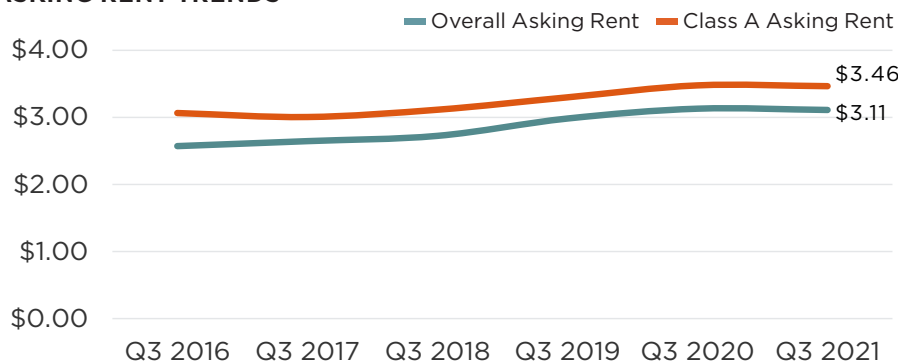




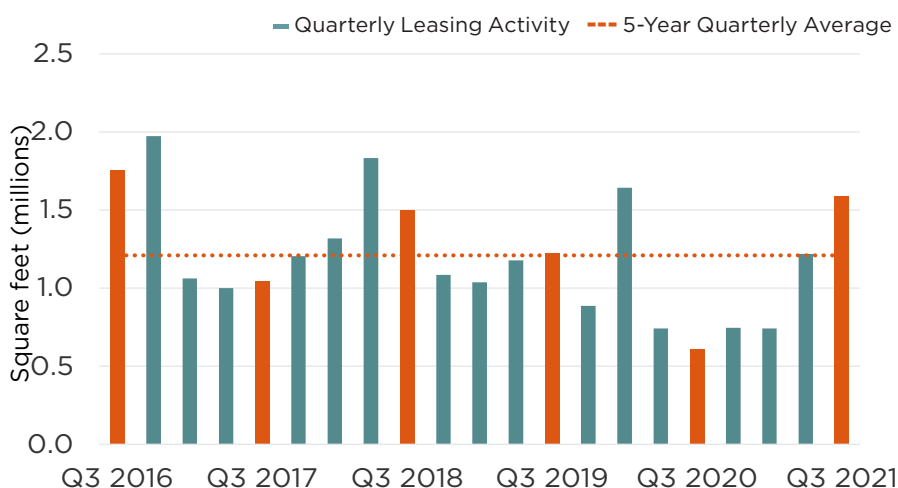
AVAILABILITY TRENDS



ASKING RENT TRENDS



QUARTERLY LEASING ACTIVITY



NOTABLE TRANSACTIONS

TENANT	SF
Tandem Diabetes Care - 12400 High Bluff Dr	181,949 SF
DermTech - 12340 El Camino Real	95,997 SF
Rockstar Games - 5759 Fleet St	81,522 SF
Arrowhead General Insurance - 701 B St	71,289 SF
Sorrento Therapeutics - 4690 Executive Dr	47,234 SF

KEY STATISTICS

	Q3 2020	Q3 2021	Y-o-y Change
Overall Availability Rate (%)	18.7%	20.0%	▲
Sublease Availability (MSF)	2.0 MSF	1.6 MSF	▼
Overall Asking Rent (\$/PSF)	\$3.13	\$3.11	▼
Class A Asking Rent (\$/PSF)	\$3.48	\$3.46	▼
Quarterly Leasing Activity	0.6 MSF	1.6 MSF	▲

TAKEAWAYS

- After rising for a few quarters, the overall availability rate in San Diego finally declined in Q3 2021, dropping 70 basis points from 20.7% reported in Q2 2021 to 20.0%.
- The market's overall average asking rent continued to decrease, now at \$3.11 psf per month, and is down 0.6% from a year ago.
- Q3 leasing activity of 1.6 million square feet (msf) was up from 1.2 msf in Q2 and is now the highest reported quarterly leasing activity since COVID's onset.
- The region's technology and life sciences sectors remain bright spots in an office market continuing to adjust to remote work policies and hybrid workplace strategies - and with venture capital funding at all-time highs, both sectors are expected to see no slowdown though year-end and into 2022.

For more information, please contact us:

Savills
3579 Valley Centre Drive
Suite 100
San Diego, CA 92130 | +1 858 793 8600

Michael Soto | Research Director,
Southern California Region
+1 213 553 3833 | msoto@savills.us

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