

San Diego

Office - Q3 2026

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Leasing loses momentum after strong Q2 activity

San Diego office leasing totaled 1.0 million square feet (msf) in Q3 2026, down 20.7% from the prior quarter but a 3.0% increase year over year. Activity fell back below the five-year quarterly average, indicating that the rebound in Q2 did not translate into sustained momentum. Notable transactions included the County of San Diego's 60,000-square-foot (sf) renewal in Kearny Mesa and McCarthy Building Companies' 44,161-sf renewal in Del Mar Heights/Carmel Valley. Year-to-date leasing totaled approximately 3.0 msf, 6.6% above the same period in 2025.

Inventory reset lifts headline availability as available space falls

Overall availability increased 40 basis points (bps) to 21.0% in Q3, masking sharper changes across key submarkets. Downtown availability rose 490 bps to 35.8%, reflecting the removal of roughly 2.7 msf of obsolete buildings from inventory rather than new vacancy. UTC rose 420 bps to 21.7%, largely due to ServiceNow listing 157,000 sf of sublease space in late September. By contrast, availability in Sorrento Mesa fell 280 bps to 21.1% and the I-15 Corridor recorded a 190-bps decline to 18.9%. Sorrento Mesa's decrease was spread across several buildings, led by Whova Inc's 43,942-sf renewal. The I-15 drop stemmed from the sale of 12220 Scripps Summit Drive to an owner-user, removing roughly 130,000 sf of available space.

Rent trends reflect differing submarket conditions

Average asking rents fell 1.9% from the previous quarter to \$3.61 per square foot (psf) per month, reversing Q2's increase, and declined 2.0% year over year. The decrease was concentrated in a few submarkets, with only three of 17 dropping more than 2%. Among larger submarkets, only the I-15 Corridor saw a notable decline, with rents falling 5.4% to \$2.91 psf. The Scripps Summit sale drove much of it, removing space listed at \$4.00 psf, above the submarket average. Carlsbad rents rose 1.6% to \$2.60 psf as availability fell 170 bps and lower-priced space left the market. Approximately three-quarters of buildings held asking rates flat, so the decline reflects the mix of available space, not landlords cutting rents.

KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory*	65.1 msf	61.9 msf	-3.2 msf
Availability rate	21.4%	21.0%	-40 bps
Asking rental rate	\$3.69	\$3.61	-2.0%
Class A asking rental rate	\$4.22	\$4.14	-1.8%
Quarterly leasing activity	1.0 msf	1.0 msf	0.0 msf
Available sublease space	1.8 msf	1.5 msf	-0.3 msf

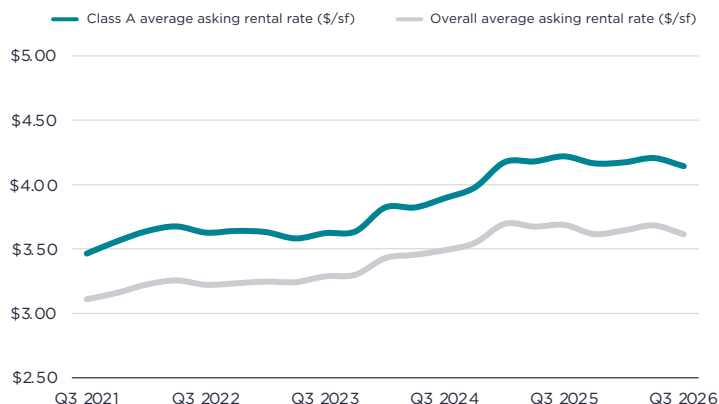
*Inventory includes office buildings 20,000 sf and greater.

Outlook

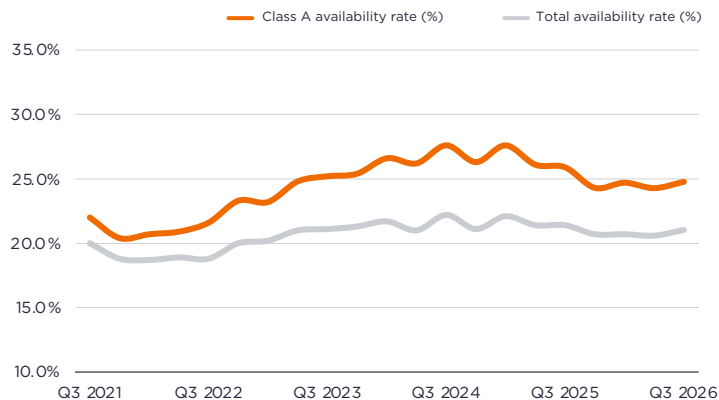
- 01** Downtown, with a third of the market's available space, will likely keep overall availability above 20% even as Sorrento Mesa and other suburban submarkets tighten.
- 02** Quarterly leasing volume is likely to stay below the 1.1 msf five-year average until larger tenants re-enter the market.

- 03** Asking rents are likely to hold near current levels, as most landlords are keeping rates flat and shrinking sublease supply removes a source of discounted competition.

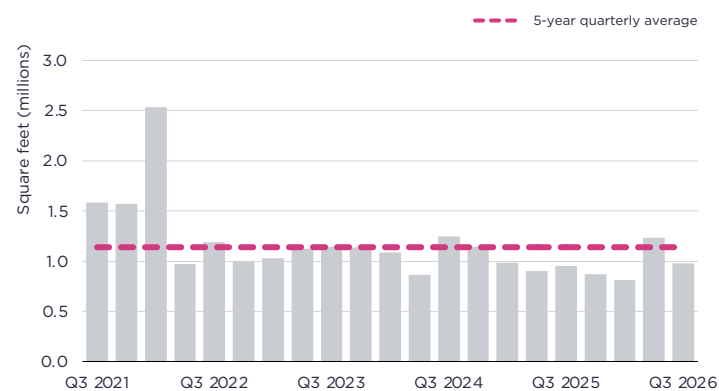
ASKING RENT



AVAILABILITY



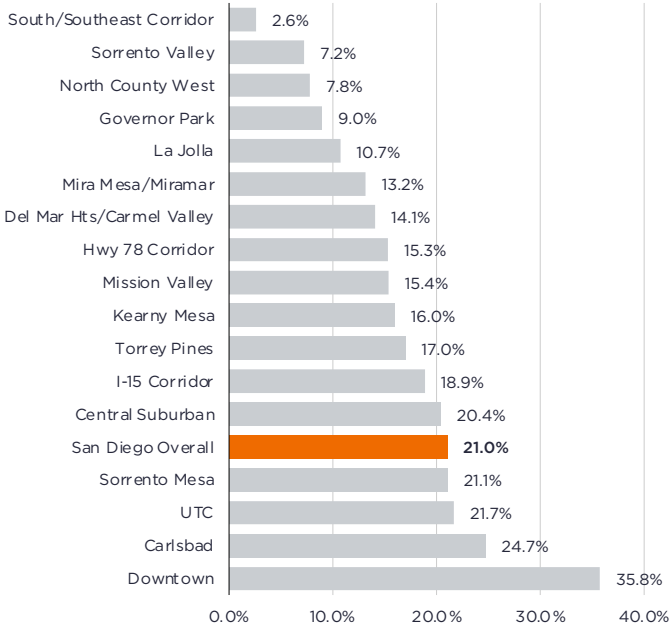
LEASING ACTIVITY



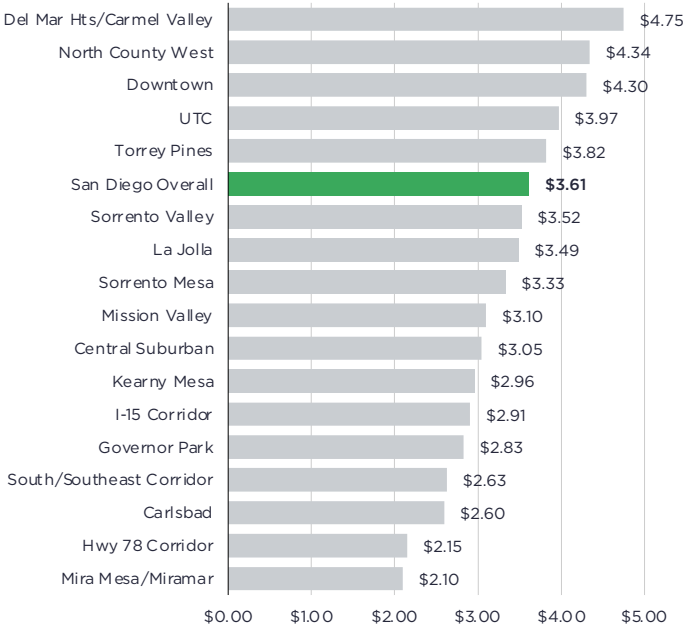
NOTABLE LEASES

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
County of San Diego	Government	Kearny Mesa	3666 Kearny Villa Road	60,000	Renewal
McCarthy Building Companies, Inc	Architecture, Engineering & Construction	Del Mar Hts/ Carmel Valley	12830 El Camino Real	44,161	Renewal
Whova, Inc	Technology, Advertising, Media & Information	Sorrento Mesa	10182 Telesis Court	43,942	Renewal
Central Region Child Welfare Services	Government	Central Suburban	4305 University Avenue	37,986	Renewal
AT&T Services	Technology, Advertising, Media & Information	Kearny Mesa	5855 Copley Drive	36,648	Renewal
U.S. Bank	Financial Services & Insurance	UTC	4747 Executive Drive	31,501	Renewal
Morgan Stanley Smith Barney Financing	Financial Services & Insurance	Downtown	101 W Broadway	29,528	Renewal
Exagen Inc	Life Sciences	Carlsbad	2175 Salk Avenue	28,094	New Location
Greenberg Traurig, LLP	Legal Services	Del Mar Hts/ Carmel Valley	3661 Valley Centre Drive	27,220	New Location
Snell & Wilmer, LLP	Legal Services	Del Mar Hts/ Carmel Valley	3611 Valley Centre Drive	26,544	New Location

AVAILABILITY RATE COMPARISON (%)
SAN DIEGO SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)
SAN DIEGO SUBMARKETS



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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability 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