



**THE LONDON GROUP**  
REALTY ADVISORS



# SAN DIEGO



**Flex Market Overview**

**2009**



# San Diego Flex Overview

## Historical Flex Market Conditions

### SAN DIEGO COUNTY FLEX MARKET

#### *Historical Year-End Statistics*

<b>Period</b>	<b>Total Inventory</b>	<b>Occupied S.F.</b>	<b>Net Absorption</b>	<b>Vacancy Rate</b>	<b>Construction S.F.</b>	<b>Gross Absorption</b>	<b>Cum. Absorp.</b>	<b>Avg. Rents</b>	<b>Change in Rent</b>	<b>% Change</b>
1999	37,634,908	33,014,680	1,055,066	12.3%	1,905,421	4,211,156	1,055,066	\$0.89		
2000	38,277,549	35,402,551	2,387,871	7.5%	642,641	9,097,206	3,442,937	\$0.98	\$0.09	9.32%
2001	38,966,546	35,392,659	(9,892)	9.2%	688,997	4,487,725	3,433,045	\$1.38	\$0.40	28.92%
2002	39,518,720	34,602,562	(790,097)	12.4%	552,174	4,502,413	2,642,948	\$1.22	(\$0.16)	-13.23%
2003	39,685,781	34,647,255	44,693	12.7%	167,061	4,270,572	2,687,641	\$1.19	(\$0.03)	-2.88%
2004	39,879,326	35,072,309	425,054	12.1%	193,545	4,442,143	3,112,695	\$1.28	\$0.10	7.41%
2005	40,897,407	36,748,045	1,675,736	10.1%	1,018,081	5,622,010	4,788,431	\$1.36	\$0.07	5.47%
2006	42,057,231	37,809,676	1,061,631	10.1%	1,159,824	4,602,670	5,850,062	\$1.40	\$0.04	2.75%
2007	42,597,611	37,888,621	78,945	11.1%	540,380	3,615,426	5,929,007	\$1.46	\$0.06	4.18%
2008	42,962,042	37,323,152	(565,469)	13.1%	364,431	3,402,694	5,363,538	\$1.46	\$0.00	0.23%
2009 QTD	43,163,763	36,133,190	(1,189,962)	16.3%	201,721	3,130,278	4,173,576	\$1.21	(\$0.25)	-20.76%



# San Diego Flex Overview

## Historical Flex Conditions by Submarket

### SAN DIEGO COUNTY FLEX SUBMARKETS

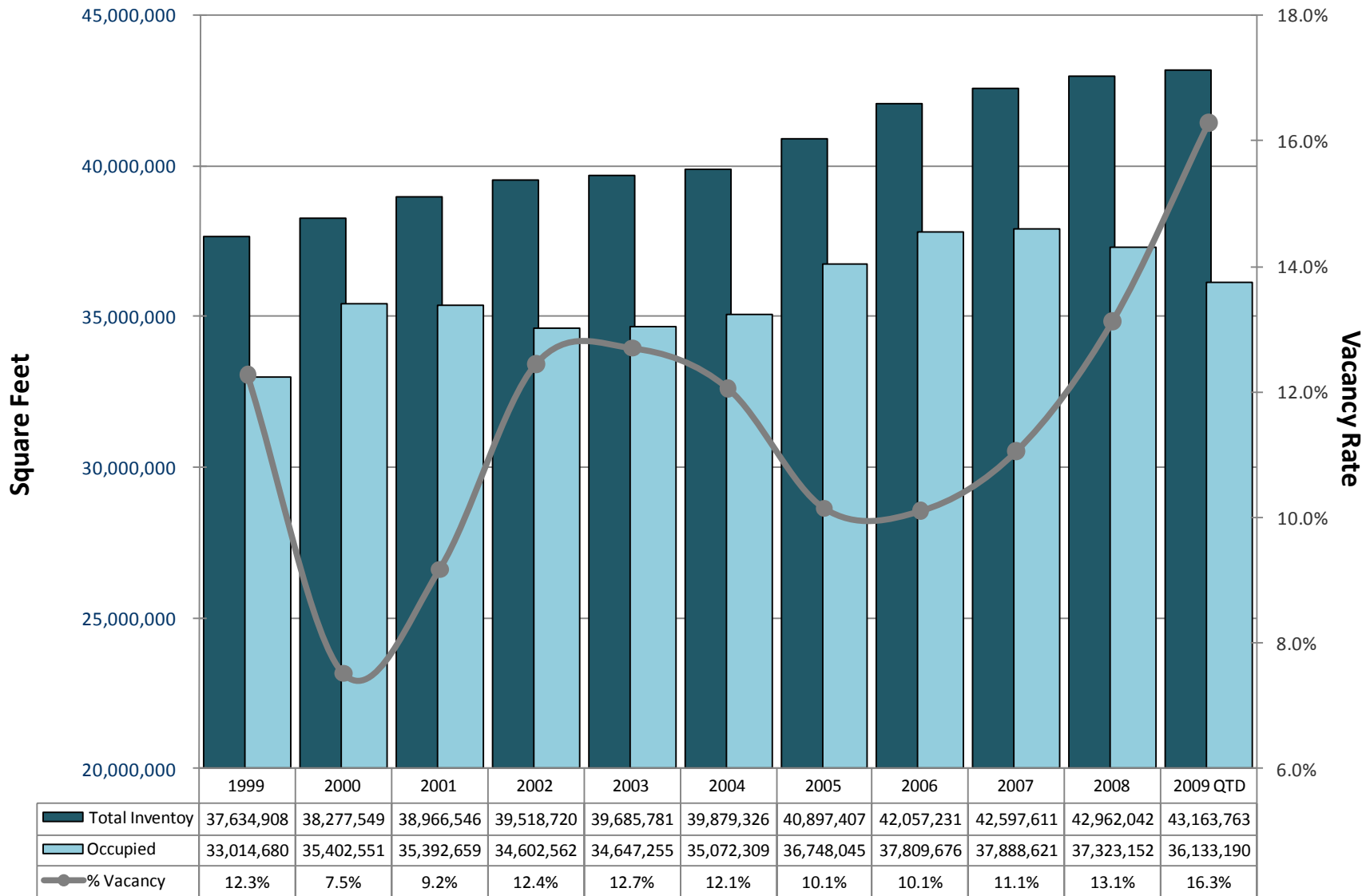
*Historical Year-End Statistics - 2009 QTD*

<b>Market</b>	<b>Total Inventory</b>	<b>Occupied S.F.</b>	<b>Total Vacant</b>	<b>Vacancy Rate</b>	<b>Avg. Rents</b>
Central Suburban	6,607,700	5,965,397	642,303	9.7%	\$1.21
Downtown	54,454	44,542	9,912	18.2%	\$1.60
Hwy-78 Corridor	3,430,150	2,989,888	440,262	12.8%	\$1.36
I-15 Corridor	7,412,640	5,781,066	1,631,574	22.0%	\$1.22
North Cities	16,092,643	13,581,535	2,511,108	15.6%	\$1.26
North County West	4,615,427	3,479,459	1,135,968	24.6%	\$1.10
South/Southeast Corridor	3,581,936	3,350,620	231,316	6.5%	\$1.06



# San Diego Flex Overview

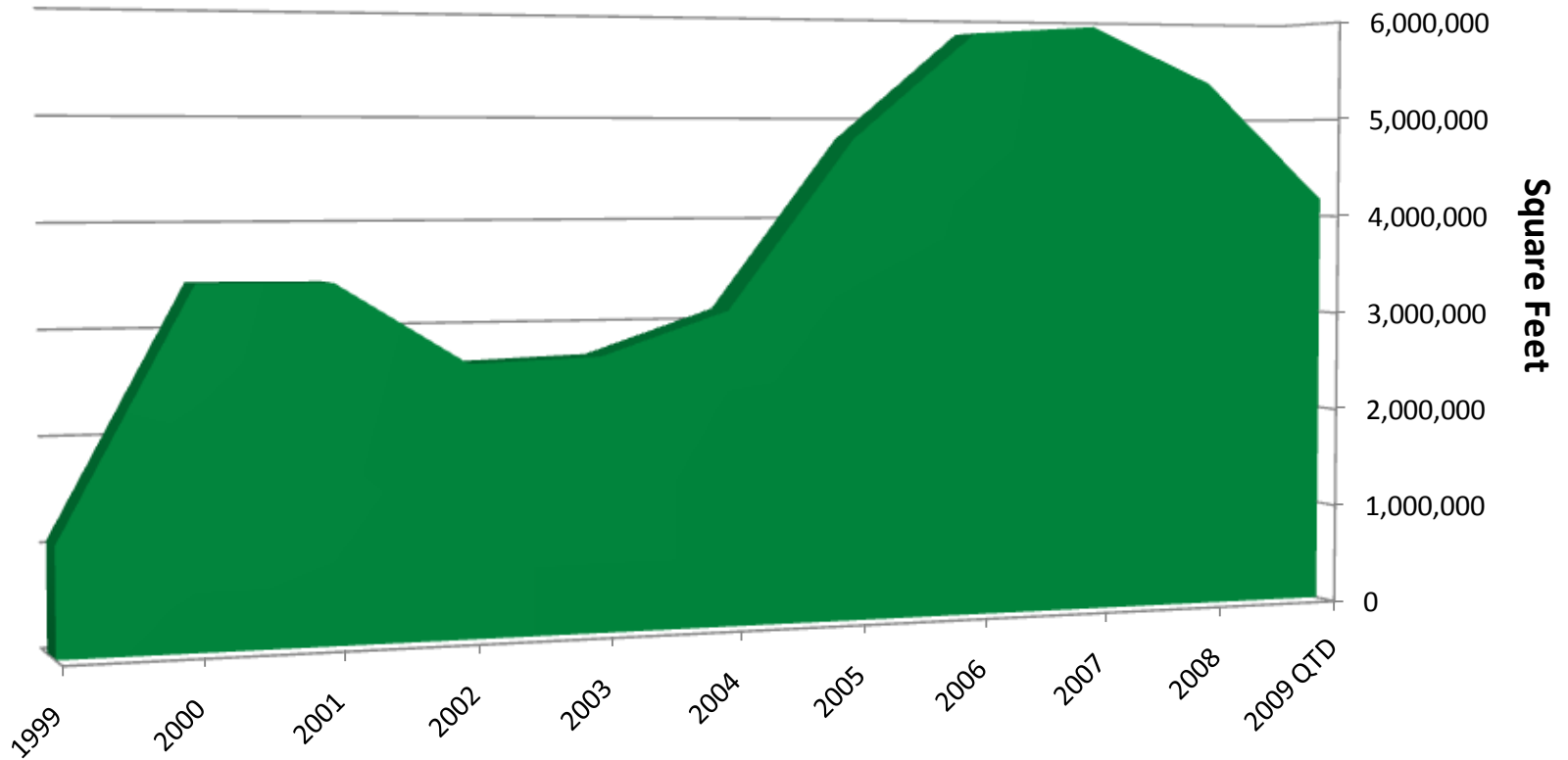
## Historic Inventory, Occupancy & Vacancy Rates





# Historic Flex Growth

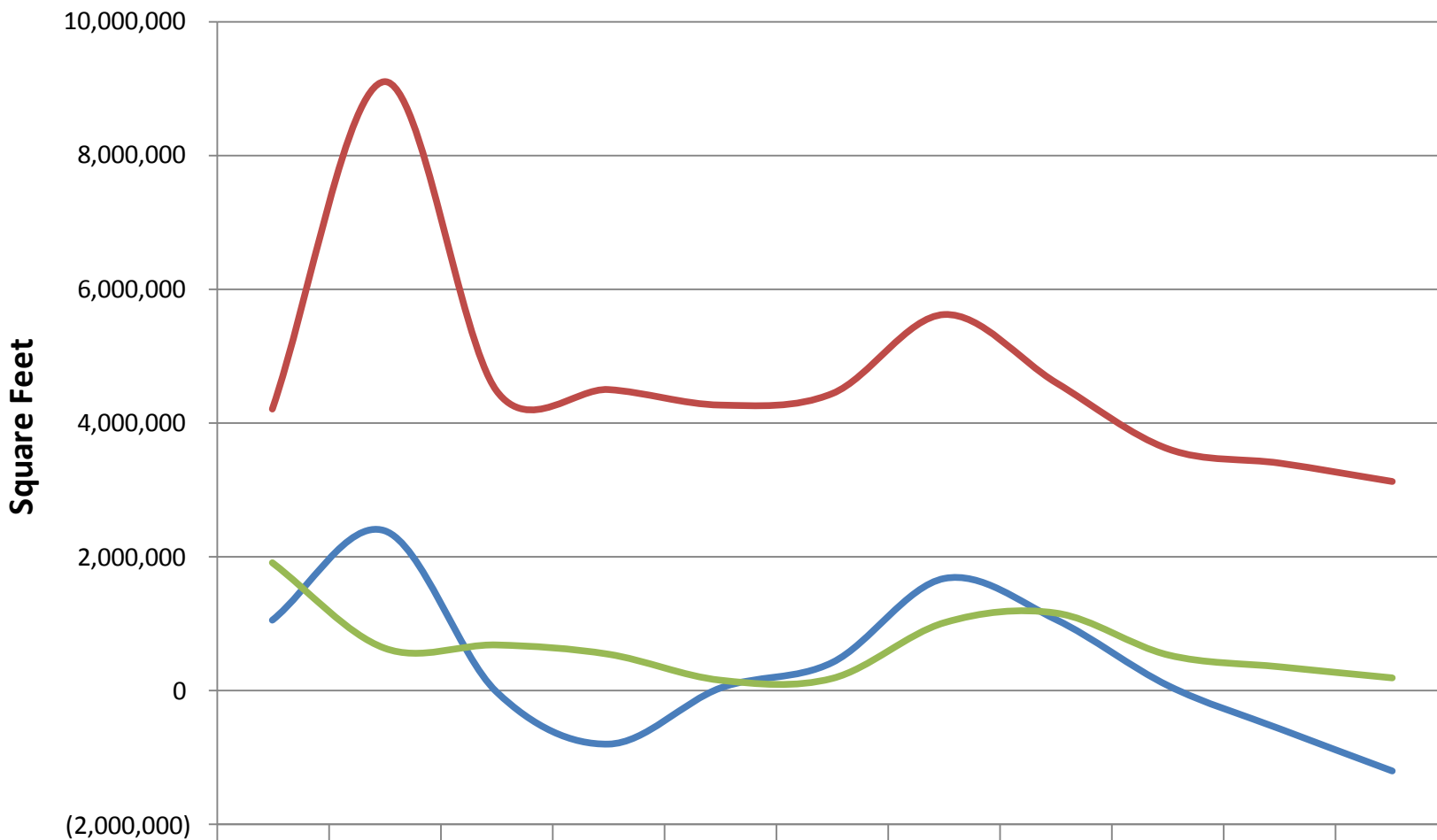
Cumulative Absorption, 1999 – 2009 QTD





# San Diego Flex Overview

## Historic Construction and Absorption

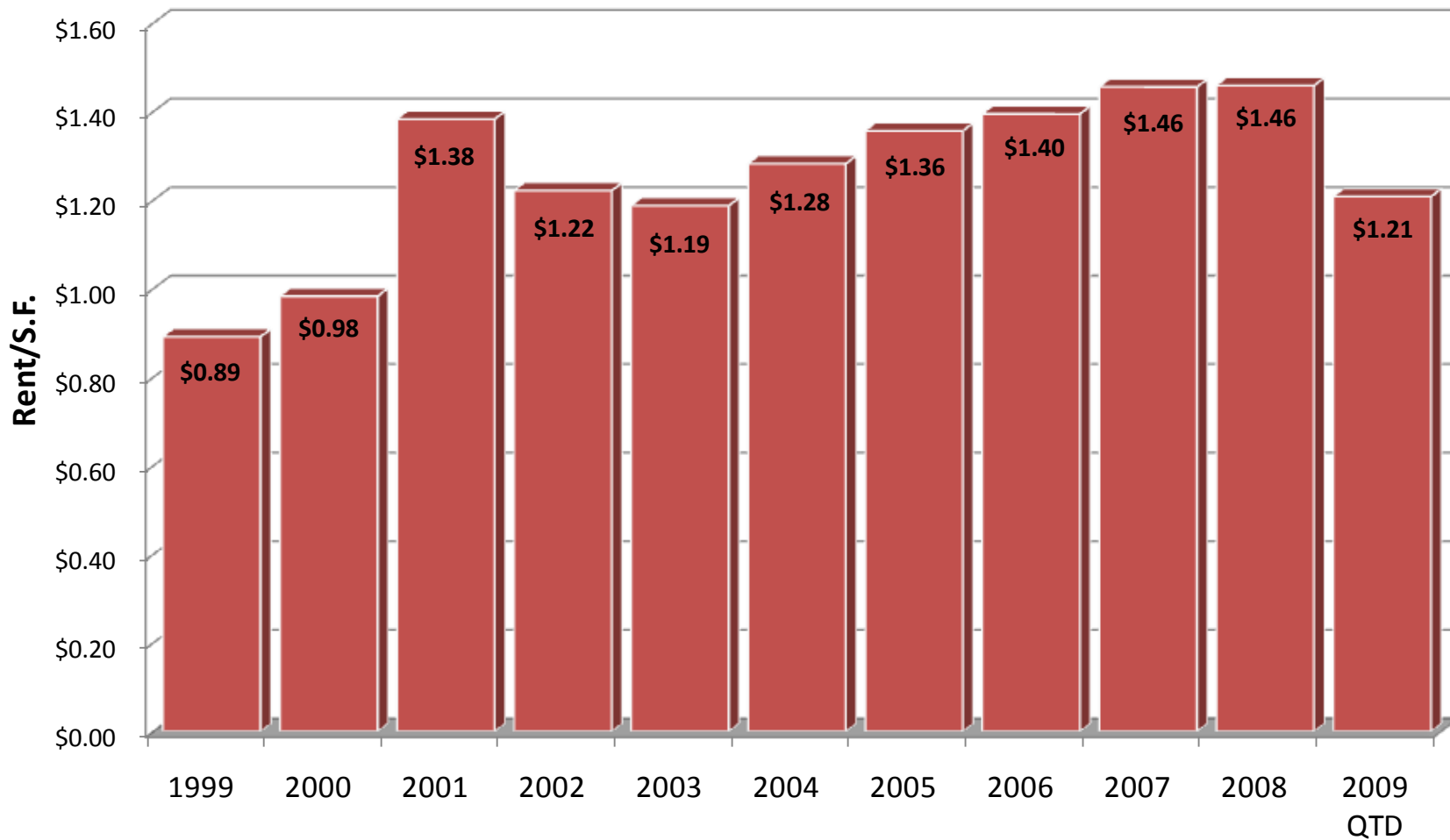


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 QTD
Net Absorption	1,055,066	2,387,871	(9,892)	(790,097)	44,693	425,054	1,675,736	1,061,631	78,945	(565,469)	(1,189,96
Gross Absorption	4,211,156	9,097,206	4,487,725	4,502,413	4,270,572	4,442,143	5,622,010	4,602,670	3,615,426	3,402,694	3,130,278
Construction S.F.	1,905,421	642,641	688,997	552,174	167,061	193,545	1,018,081	1,159,824	540,380	364,431	201,721



# Historical Flex Rental Rates

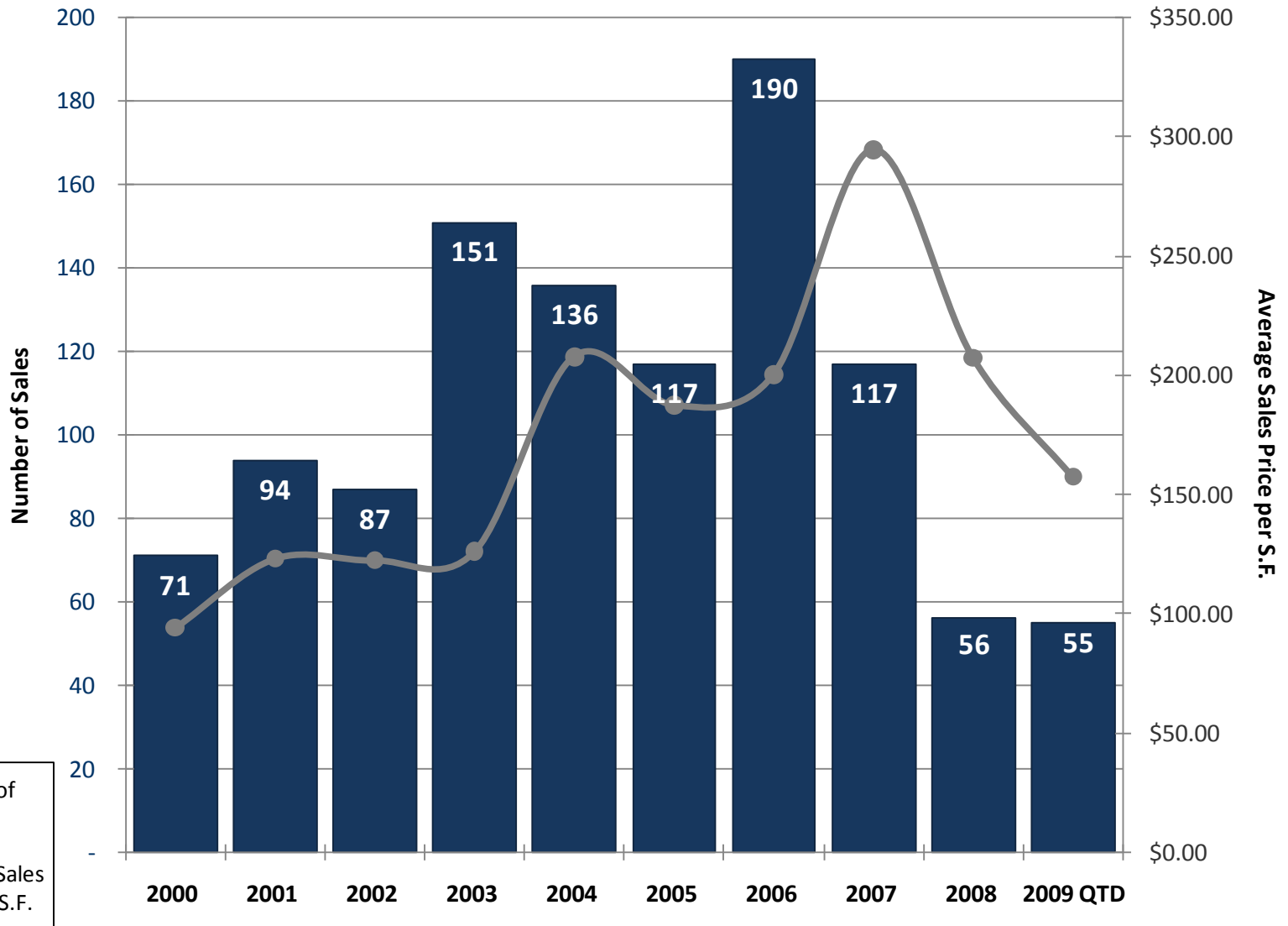
Average Rents per Square Foot





# San Diego Flex Transactions

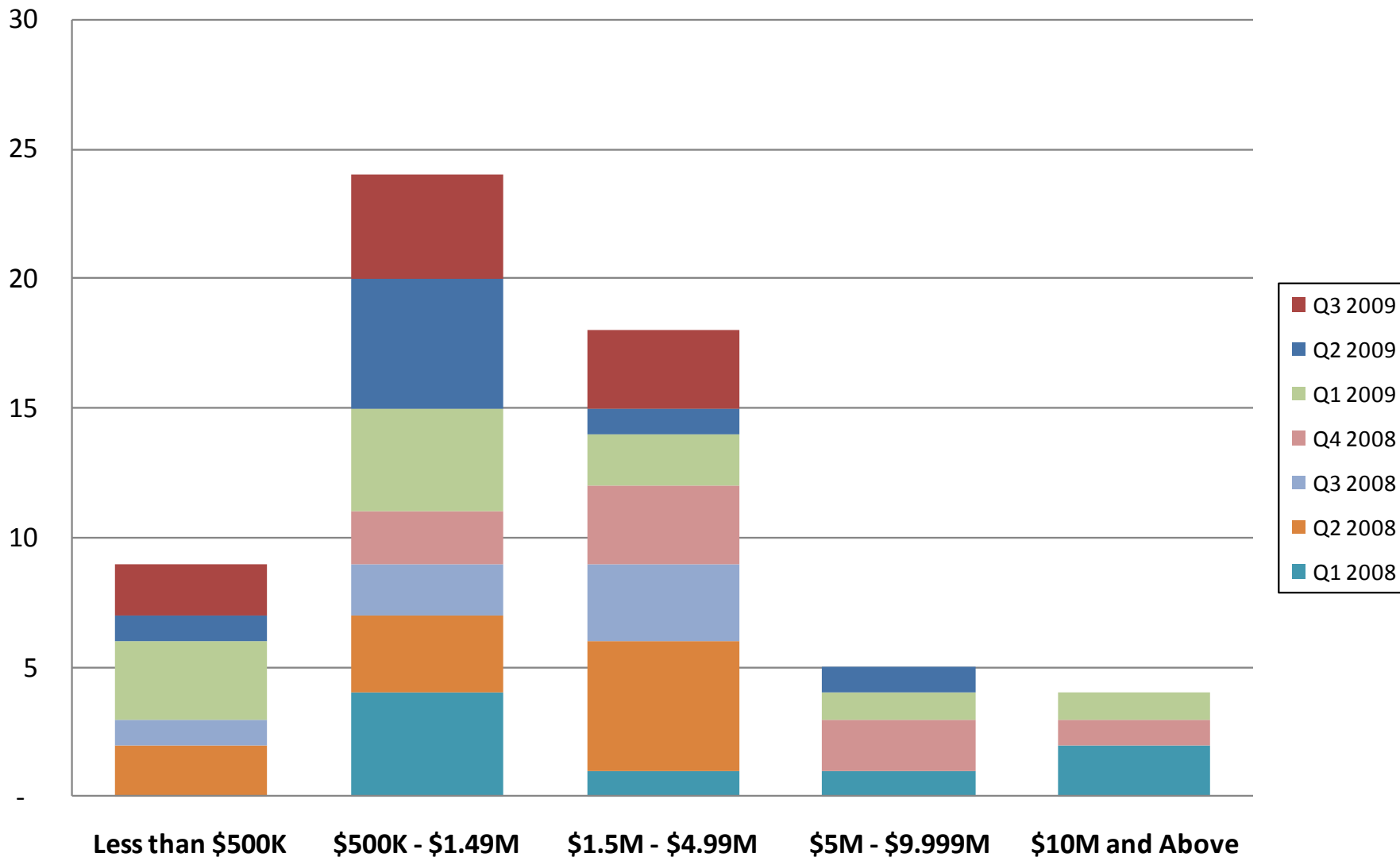
Total Number of Sales & Average Sales Price per Square Foot





# San Diego Flex Transactions

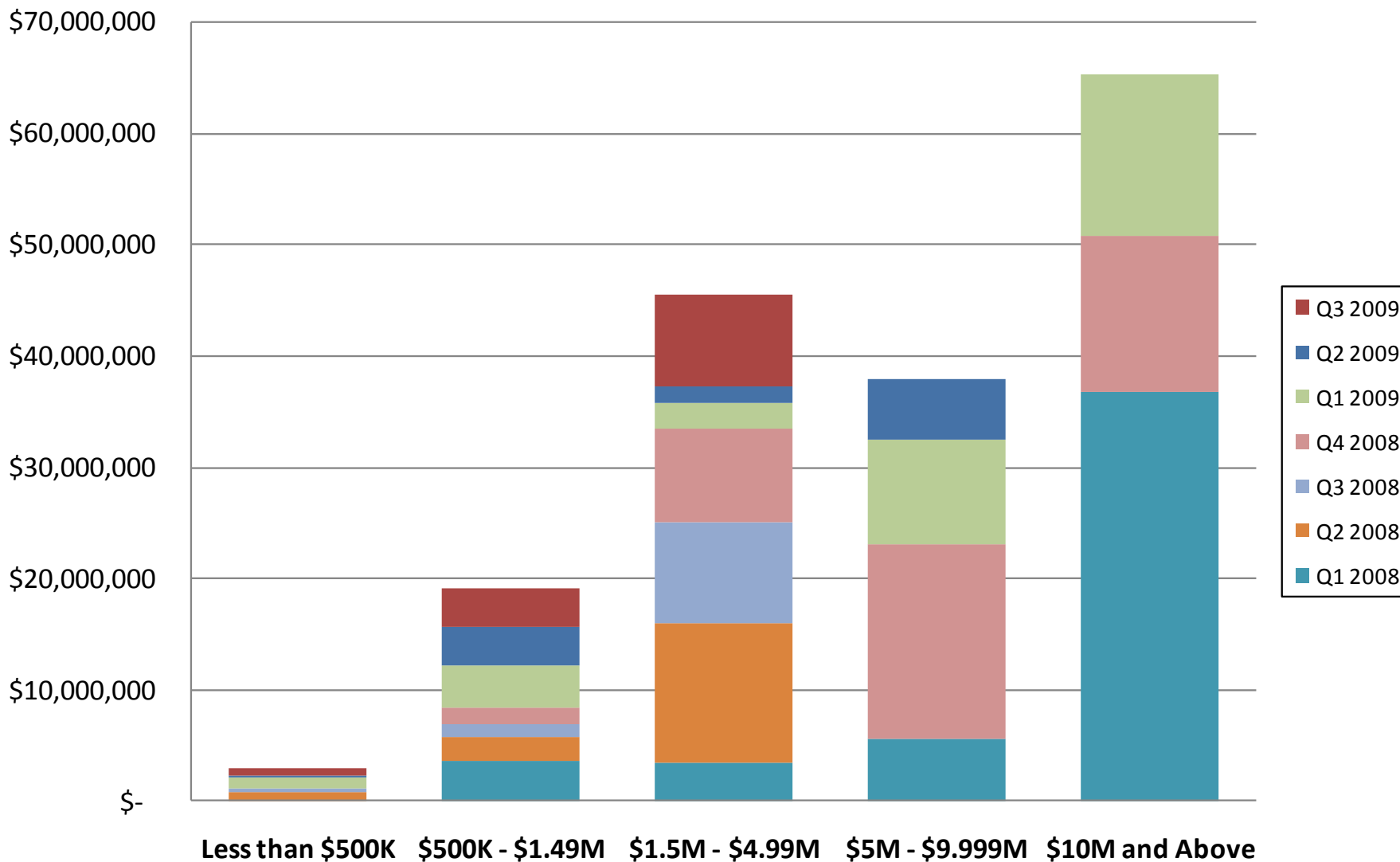
## Flex Number of Sales by Quarter





# San Diego Flex Transactions

## Flex Dollar Sales Volume by Quarter



**THE LONDON GROUP**  
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**Providing strategic vision, analysis, capital and deal access to developers, investors, lenders, attorneys and public agencies for over 25 years**

**We are analysts...and deal packagers.  
We study projects...then we find the capital.  
We provide strategies, in new opportunities and in distress.**

We answer these questions:

- What is the salvageable value of your real property assets?
- What is a defensible strategy to take your property out of distress?
- What type of project should we invest in at the market bottom?
- Where should we concentrate our financial resources and development efforts?
- Where are the opportunities?
- How do we access capital?



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