

VISTA

AT A GLANCE



OVERVIEW

Investors and owner-occupiers took advantage of the few remaining distressed/challenged real estate opportunities by purchasing four properties with an average sale price of \$69/SF. Demand from occupiers helped Vista post its third consecutive quarter of positive net absorption resulting in a current vacancy rate of 8.1%. Vista continues to plod a slow and steady course to recovery.

ACTIVITY

Investors showed confidence in the market by purchasing two vacant buildings, which included 65,000 square feet at 1081 Poinsettia Avenue and 39,672 square feet at 2390 Oak Ridge Way. Prices well below replacement cost and continued positive net absorption are helping boost investor confidence. Investors were not alone as owner-occupiers purchased two more buildings totaling 61,000 square feet at an average price of \$75/SF.

Leasing activity consisted of three transactions all occurring in the 20-25,000 square foot range. Two of the tenants, PCA and Stroke Rehab, relocated from within the park and Balboa Cal was a new tenant representing positive net absorption.

FORECAST

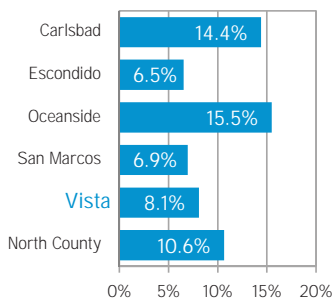
There are several transactions underway at the end of Q1 that will likely help boost activity when they are completed during Q2. Look for investors and tenants to lead the way, while owner-occupiers find it difficult to locate good quality properties or are reluctant to fill the price gap that has been created by recent distressed sales. Lease rates will move sideways in the near term, but should begin to increase later in the year as vacancy continues its slow decline. The current supply of spaces between 25-50,000 SF for lease will force landlords to complete aggressively for these tenants.

MARKET INDICATORS

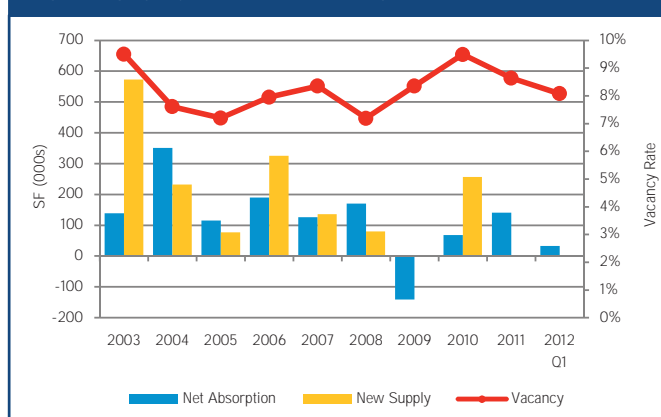
	Q1 2012	Q2 2012 (forecast)
VACANCY	↓	↓
NET ABSORPTION	↑	↑
CONSTRUCTION	→	→
RENTAL RATE	→	→
LEASE CONCESSIONS	→	→

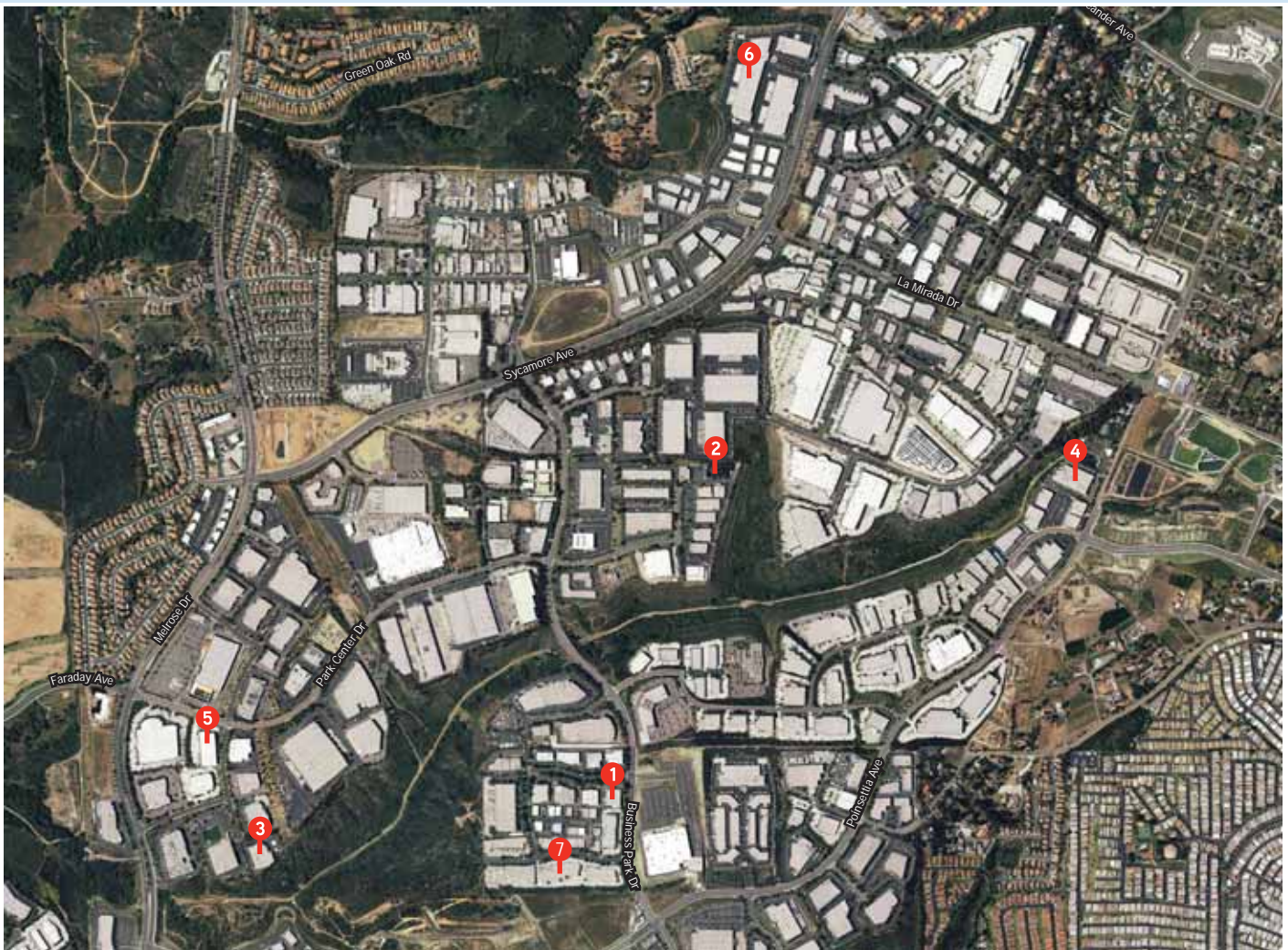
INDUSTRIAL/R&D VACANCY RATES

Q1 2012



VISTA HISTORICAL MARKET TRENDS





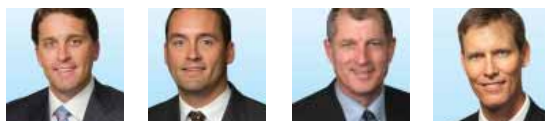
TRANSACTION ACTIVITY - Q1 2012

SALES ACTIVITY

#	PROPERTY NAME/ADDRESS	BUYER TYPE	SIZE (SF)	SALE PRICE	PRICE/SF
1	1211 Liberty Way	Owner User	25,189	\$2,100,000	\$83.37
2	991 Park Center	Owner User	36,404	\$2,395,000	\$65.78
3	2390 Oak Ridge Way	Investor	39,672	\$2,760,000	\$69.57
4	1081 Poinsettia Avenue	Investor	65,000	\$3,770,000	\$58.00

LEASING ACTIVITY

#	PROPERTY NAME/ADDRESS	TENANT NAME	SIZE (SF)	TERM	EFF RATE/SF
5	1389 Park Center Drive Ste B	Balboa Cal, Inc.	23,493	84 months	\$0.51 NNN
6	1335 Sycamore Avenue Ste F	PCA	25,394	60 months	Undisclosed
7	1255 Keystone Avenue	Stroke Rehab	21,065	60 months	Undisclosed



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