



North San Diego County Quarterly Report

# INDUSTRIAL MARKET

SECOND QUARTER 2018



We continue to see ongoing strengthening in all sectors with tremendous tenant and investor demand in the industrial product sector. North County has become San Diego Region's Hottest Industrial Market. Attracted by a business-friendly environment and desirable quality of life, growing startups are playing a leading role in the growth and prosperity of North San Diego County. Many of these startups, which include tech/digital, life science/biotech, action sports and cleantech R&D and manufacturing, are putting their production or research and corporate headquarters under one roof, setting off a boom in development of speculative industrial-flex projects, with a combination of warehouse features, creative office space and amenities for workers. (Source: Biznow)

The San Diego Industrial market ended the second quarter 2018 with a vacancy rate of 5.3%. The total vacancy was down below the previous quarter (5.4%). Net absorption totalling positive 157,090 square feet in the second quarter. Rental rates ended the second quarter at \$0.90 per square foot, a decrease over the previous quarter (\$1.14). (Source: CoStar)

At Lee & Associates North San Diego County, we are dedicated to providing our customers with unparalleled representation by providing real estate solutions with accuracy and efficiency. We appreciate your business and invite you to contact us with any questions you might have regarding commercial properties in North San Diego County.

## MARKET SNAPSHOT

North County totals are based on the 5 major cities of Lee & Associates NSDC (Carlsbad, Escondido, Oceanside, San Marcos and Vista)

### San Diego County

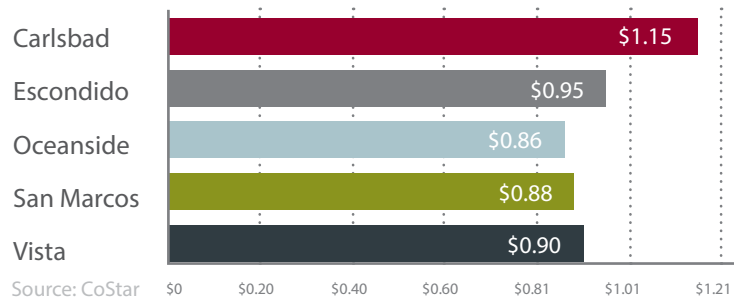
San Diego Inventory:	193,267,678
San Diego Availability:	9,021,532
San Diego Availability Rate:	4.7%
San Diego Absorption:	346,157
San Diego Rental Rates:	\$1.11

### North County

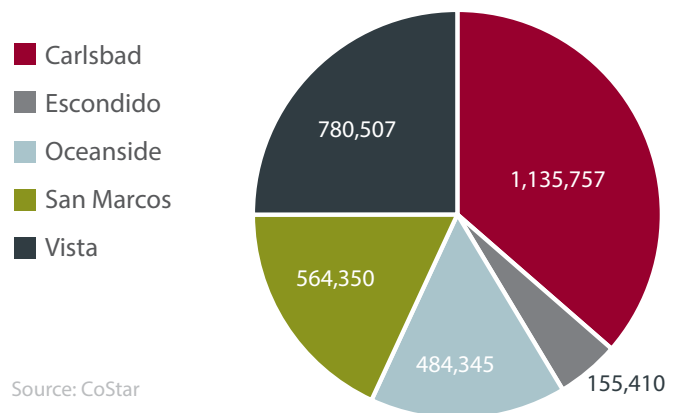
North County Inventory:	55,545,213
North County Availability:	3,120,369
North County Availability Rate:	5.6%
North County Absorption:	157,090
North County Rental Rates:	\$0.95

Source: CoStar

## RENTAL RATES BY SUBMARKET



## TOTAL AVAILABLE SF BY SUBMARKET



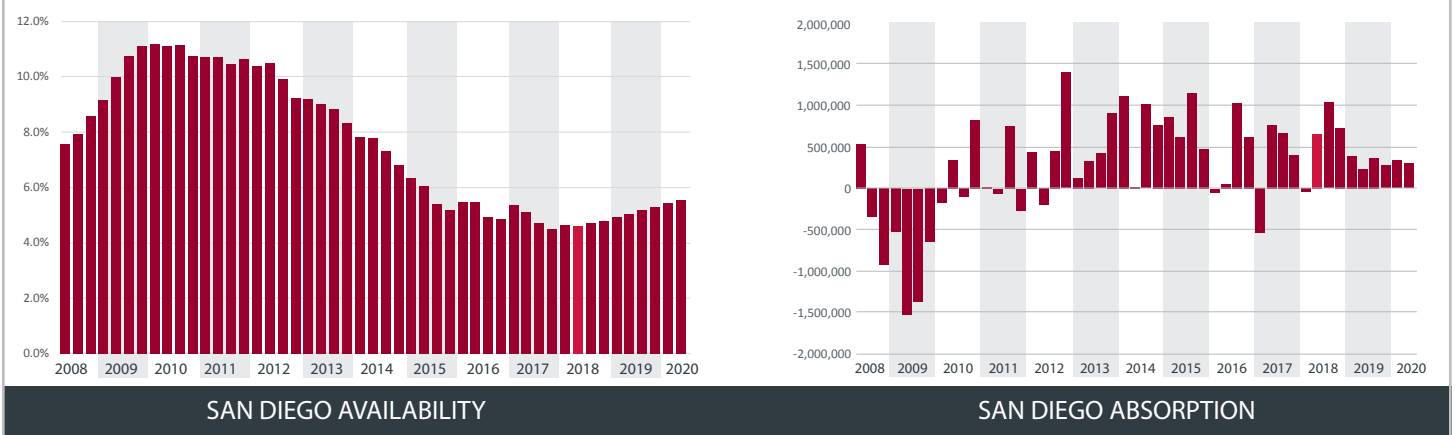
Lee & Associates - NSDC maintains an up-to-date database of all available properties and sold/leased properties.

## SUBMARKET STATISTICS

MARKET	INVENTORY		AVAILABILITY			AVAILABILITY RATE	
	Buildings	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total
<b>CARLSBAD</b>							
Industrial/Warehouse	234	8,242,426	634,511	2,796	637,307	7.69%	7.73%
Flex/R&D	253	6,221,483	478,062	20,388	498,450	7.68%	8.01%
<b>TOTAL</b>	<b>487</b>	<b>14,463,909</b>	<b>1,112,573</b>	<b>23,184</b>	<b>1,135,757</b>	<b>7.69%</b>	<b>7.87%</b>
<b>ESCONDIDO</b>							
Industrial/Warehouse	629	7,352,836	131,522	13,623	145,145	1.79%	1.97%
Flex/R&D	79	748,951	10,265	0	10,265	1.37%	1.37%
<b>TOTAL</b>	<b>708</b>	<b>8,101,787</b>	<b>141,787</b>	<b>13,623</b>	<b>155,410</b>	<b>1.75%</b>	<b>1.92%</b>
<b>OCEANSIDE</b>							
Industrial/Warehouse	405	9,043,833	449,007	4,098	453,105	4.96%	5.01%
Flex/R&D	33	985,977	31,240	0	31,240	3.17%	3.17%
<b>TOTAL</b>	<b>438</b>	<b>10,029,810</b>	<b>480,247</b>	<b>4,098</b>	<b>484,345</b>	<b>4.79%</b>	<b>4.82%</b>
<b>SAN MARCOS</b>							
Industrial/Warehouse	469	7,740,931	506,423	5,200	511,623	6.54%	6.60%
Flex/R&D	60	1,059,862	51,027	1,700	52,727	4.81%	4.97%
<b>TOTAL</b>	<b>529</b>	<b>8,800,793</b>	<b>557,450</b>	<b>6,900</b>	<b>564,350</b>	<b>6.33%</b>	<b>6.41%</b>
<b>VISTA</b>							
Industrial/Warehouse	527	12,755,220	657,044	57,389	714,433	5.15%	5.60%
Flex/R&D	62	1,393,694	49,482	16,592	66,074	3.55%	4.74%
<b>TOTAL</b>	<b>589</b>	<b>14,148,914</b>	<b>706,526</b>	<b>73,981</b>	<b>780,507</b>	<b>4.99%</b>	<b>5.51%</b>

Source: CoStar

## HISTORICAL AVAILABILITY / ABSORPTION RATES



Source: CoStar

# NEW CONSTRUCTION

INDUSTRIAL MARKET Q2 2018

**2856 Whooptail Loop - Lot 17  
4-Star Industrial Warehouse**



Size: 128,402 SF  
Developer: Haman  
Completion Date: August 2018

**Create - Carlsbad Oaks North  
Class B Industrial Warehouse**

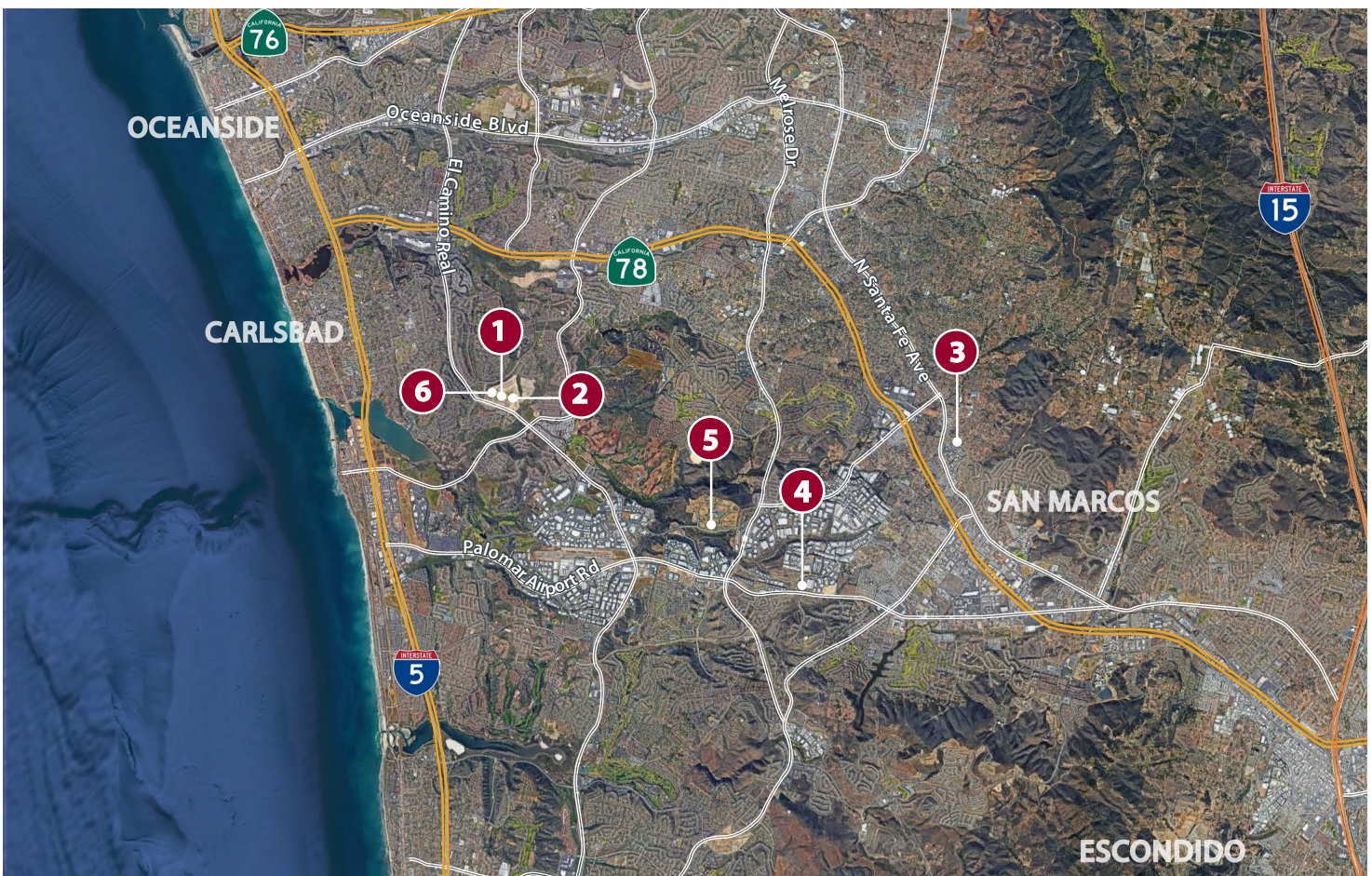


Size: 146,108 SF  
Developer: RAF Pacifica Group  
Completion Date: August 2018

**Pro-duction (Production at Bosstick Blvd)  
Class A 5-Star Industrial Warehouse**



Size: 222,028 SF  
Developer: RAF Pacifica Group  
Completion Date: October 2018



**Keystone Innovation Industrial Park  
Class A Industrial Warehouse**



Size: Two Buildings (77,805 SF) 5 Acres  
Developer: Badiie Development Inc.  
Completion Date: February 2019

**Pacific Vista Commerce Center  
Class A 5-Star Industrial Warehouse**



Size: 3 Buildings (411,000 SF)  
Developer: Ryan Companies US, Inc.  
Completion Date: January 2019

**Carlsbad Raceway Business Park  
Class B 4-Star Industrial Warehouse**



Size: 277,350 SF  
Developer: RAF Pacifica Group  
Completion Date: July 2018

## TOP INDUSTRIAL SALES IN NORTH SAN DIEGO COUNTY

<b>2819 Loker Ave, Suite E Carlsbad, CA</b>	<b>260 S Pacific Street San Marcos, CA</b>	<b>4039 Calle Platino Oceanside, CA</b>	<b>1319 Rocky Point Drive Oceanside, CA</b>	<b>1395 Park Center Drive Vista, CA</b>
<b>Size: 166,310 SF Price: \$40,000,000 (\$240.51/SF)</b>	<b>Size: 170,822 SF Price: \$21,600,000 (\$126.45/SF)</b>	<b>Size: 143,274 SF Price: \$20,000,000 (\$139.59/SF)</b>	<b>Size: 124,581 SF Price: \$19,932,960 (\$160.00/SF)</b>	<b>Size: 157,176 SF Price: \$18,440,000 (\$117.32/SF)</b>
<b>3817 Ocean Ranch Blvd Oceanside, CA</b>	<b>3809 Ocean Ranch Blvd Oceanside, CA</b>	<b>3801 Ocean Ranch Blvd Oceanside, CA</b>	<b>660 N. Twin Oaks Valley Rd San Marcos, CA</b>	<b>1958 Kellogg Avenue Carlsbad, CA</b>
<b>Size: 104,895 SF Price: \$17,012,632 (\$162.19/SF)</b>	<b>Size: 63,905 SF Price: \$10,364,576 (\$162.19/SF)</b>	<b>Size: 57,420 SF Price: \$9,312,792 (\$162.19/SF)</b>	<b>Size: 49,330 SF Price: \$7,120,308 (\$144.34/SF)</b>	<b>Size: 38,900 SF Price: \$6,457,400 (\$166.14/SF)</b>

## TOP INDUSTRIAL LEASES IN NORTH SAN DIEGO COUNTY

<b>2819 Loker Ave, Suite E Carlsbad, CA</b>	<b>2820 Whiptail Loop Carlsbad, CA</b>	<b>Palomar Corporate Center Vista, CA</b>	<b>1905 Aston Avenue Carlsbad, CA</b>	<b>Oak Ridge Business Center Vista, CA</b>
<b>Size: 166,310 SF Tenant: Acushnet Company</b>	<b>Size: 121,093 SF Tenant: Pods</b>	<b>Size: 67,476 SF Tenant: Earthlite</b>	<b>Size: 48,282 SF Tenant: Full Swing Golf</b>	<b>Size: 45,360 SF Tenant: N/A</b>
<b>2793 Loker Ave W Carlsbad, CA</b>	<b>2843 Benet Road Carlsbad, CA</b>	<b>1969 Kellogg Avenue Carlsbad, CA</b>	<b>2425 Auto Park Way Escondido, CA</b>	<b>1880 Diamond Street San Marcos, CA</b>
<b>Size: 42,268 SF Tenant: Heat Factory</b>	<b>Size: 35,000 SF Tenant: Arctic Glacier, Inc.</b>	<b>Size: 34,413 SF Tenant: Mayesh</b>	<b>Size: 33,690 SF Tenant: N/A</b>	<b>Size: 31,246 SF Tenant: Hollywood Chairs</b>

Source: CoStar

**FOR SALE!**

Oceanside  
**2604 Temple Heights Drive**



**Industrial/Manufacturing**

Building Size: 25,208 SF  
Lot Size: 1.2 Acres (52,272 SF)

Lee & Associates - NSDC Agent:  
Isaac Little | Marko Dragovic  
TJ Donnelly

**FOR SALE!**

Oceanside  
**2614-2616 Temple Heights Drive**




**Industrial Building**

Building Size: 28,900 SF  
Second Office Size: 25,208 SF

Lee & Associates - NSDC Agents:  
Chris Roth | Rusty Williams, SIOR

**FOR SALE!**

Escondido  
**837-847 Metcalf Street**



**Two Industrial Buildings**

Building Size: 2 Buildings (15,945 SF)  
Lot Size: 37,514 SF

Lee & Associates - NSDC Agents:  
Garrett Sholer | Trent France

**FOR SALE!**

Escondido  
**2615 Auto Park Way**



**Industrial/Manufacturing**

Building Size: 5,500 SF  
Lot Size: 19,166 SF

Lee & Associates - NSDC Agent:  
Isaac Little | Marko Dragovic  
TJ Donnelly

**FOR SALE!**

San Marcos  
**350 Mulberry Drive**



**Industrial Building**

Building Size: 7,808 SF  
Lot Size: 19,100 SF

Lee & Associates - NSDC Agents:  
Steve Crockett | Chris Roth  
Rusty Williams, SIOR

**FOR LEASE!**

Carlsbad  
**5607 Palmer Way**



**Industrial/Flex Building**

Building Size: 16,532 SF  
Office Space: 8,266 SF

Lee & Associates - NSDC Agents:  
Chris Roth | Rusty Williams, SIOR

**FOR LEASE!**

Carlsbad  
**1965 Kellogg**



**Industrial/Flex Building**

Building Size: 18,071 SF  
Lot Size: 1.26 Acres

Lee & Associates - NSDC Agent:  
Kelly Nicholls

**FOR LEASE!**

Oceanside  
**2555 Jason Court**



**Industrial/Manufacturing**

Building Size: 18,920 SF  
Lot Size: 1.13 Acres

Lee & Associates - NSDC Agent:  
Isaac Little | Rusty Williams, SIOR

**FOR LEASE!**

Escondido  
**120 Engel Street**



**Industrial Building**

Building Size: 4,880 SF  
Lot Size: 19,166 SF

Lee & Associates - NSDC Agents:  
Steve Crockett | Chris Roth  
Rusty Williams, SIOR

Lee & Associates - NSDC maintains an up-to-date database of all available properties and sold/leased properties. For more information, log on to our website and click on the properties link.

All information furnished regarding property for sale, rental or financing is from sources deemed reliable, but no warranty or representation is made to the accuracy thereof and same is submitted to errors, omissions, change of price, rental or other conditions prior to sale, lease or financing or withdrawal without notice. No liability of any kind is to be imposed on the broker herein.

Agent	Title	Phone #	Email	Specialties
Jeff Abramson	Principal	760.929.7835	jabramson@lee-associates.com	Office, Industrial & Investment Brokerage
Al Apuzzo	Principal	760.448.2442	aapuzzo@lee-associates.com	Land, Retail & Investment Brokerage
Victor Aquilina	Associate	760.448.1370	vaquilina@lee-associates.com	Retail
Ryan Barr	Principal	760.448.2446	rbarr@lee-associates.com	Net Leased Investments - Nationwide
Ryan Bennett	Principal	760.448.2449	rbennett@lee-associates.com	Net Leased Investments - Nationwide
Nicholas Cosenza	Associate	760.448.1366	ncosenza@lee-associates.com	Land, Retail & Investment Brokerage
Steve Crockett	Associate	760.448.2439	scrockett@lee-associates.com	Industrial, Office & Investment Brokerage
TJ Donnelly	Associate	760.929.7843	tjdonnelly@lee-associates.com	Industrial, Office & Investment Brokerage
Marko Dragovic	Principal	760.929.7839	mdragovic@lee-associates.com	Industrial, Office & Investment Brokerage
Marc Dudzik	Principal	760.448.2456	mdudzik@lee-associates.com	Retail & Investment Brokerage
Trent France	Principal	760.929.7838	tfrance@lee-associates.com	Industrial Sales & Leasing Brokerage
Dan Gaston	Associate	760.448.2441	dgaston@lee-associates.com	Industrial, Manufacturing & Distribution Properties
Greg Gershman	Principal	760.929.7861	ggershman@lee-associates.com	Industrial & Office Brokerage
Tim Gosselin	Associate	760.929.8134	tgosselin@lee-associates.com	Industrial, Office & Investment Brokerage
Bo Havlik	Principal	760.448.2454	bhavlik@lee-associates.com	Transactional Restaurant & Tenant Representation
Daniel Knoke	Principal	760.929.7836	dknoke@lee-associates.com	Industrial Sales & Leasing Brokerage
Isaac Little	Principal	760.929.7862	ilittle@lee-associates.com	Industrial, Office & Investment Brokerage
Peter Merz	Principal	760.448.1362	pmerz@lee-associates.com	Industrial & Investment Brokerage
Monique Medley	Associate	760.448.2438	mmedley@lee-associates.com	Industrial, Office & Investment Brokerage
Patrick Miller, CCIM	Principal	760.929.9700	pmiller@lee-associates.com	Land & Investment Brokerage
Alma Miluso	Jr. Associate	760.448.2451	amiluso@lee-associates.com	Tenant Representation Brokerage
Tim Moore	Sr. Vice President	760.448.2450	tmoore@lee-associates.com	Industrial, Office & Retail Brokerage
Kelly Nicholls	Sr. Vice President	760.448.2440	knocholls@lee-associates.com	Tenant Representation & Investment Brokerage
Drew Olson	Associate	760.448.1372	dolson@lee-associates.com	Net Leased Investments - Nationwide
John Orlando	Vice President	760.448.2455	jorlando@lee-associates.com	Retail & Industrial Sales
Greg Pieratt, SIOR	Principal	760.929.7837	gpieratt@lee-associates.com	Tenant Representation & Investment Brokerage
Garrett Sholer	Principal	760.448.1363	gsholer@lee-associates.com	Self-Storage, Industrial, Retail, Investment & Development Brokerage
Chris Roth	Principal	760.448.2448	croth@lee-associates.com	Industrial, Office, Medical Office & Investment Brokerage
Matt Weaver	Principal	760.448.2458	mweaver@lee-associates.com	Residential and Commercial Land Brokerage
Alex Weiss	Associate	760.448.2452	aweiss@lee-associates.com	Tenant Representation Brokerage
Rusty Williams, SIOR	Principal	760.448.2453	rwilliams@lee-associates.com	Industrial, Office & Investment Brokerage

**ABOUT LEE & ASSOCIATES**

Lee & Associates, founded in 1979, is one of the largest regional commercial real estate providers in the United States.

Since 1979, our seasoned, motivated shareholders and professionals have been offering comprehensive quality service nationally and locally in a pro-active manner. We develop customized solutions for all your real estate needs through our market-to-market knowledge in all property types. Our unique business model and extensive experience has helped us become one of the largest commercial real estate providers in the United States.



The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy.

Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., BizNow, GlobeSt.com, CoStar Property and Lee Proprietary Data. © Copyright 2018 Lee & Associates all rights reserved.