



North San Diego County Quarterly Report

OFFICE MARKET

SECOND QUARTER 2018



We continue to see ongoing strengthening in all sectors in North San Diego County. North County is known for its ever growing economy, influx of microbreweries, public transportation infrastructure, dynamic walkable communities, miles of beaches, beautiful weather, and local colleges; Mira Costa College, San Diego State San Marcos, which is opening a School of Engineering this fall, Palomar College, Saint Katherine College and the University of Saint Augustine. Mayors from the five cities created a collaborative hub, Innovate78, to drive talent and creative capital to North County cities along State Highway 78 — known as the 78 Corridor — to ultimately boost economic prosperity in all North County cities. All of these factors and countless others are what is driving businesses to seek out North County for their office locations. (Source: Biznow)

The San Diego Office market ended the second quarter 2018 with a vacancy rate of 9.5%. The total vacancy was down below the previous quarter (9.5%). Net absorption totalling positive 241,462 square feet in the second quarter. Rental rates ended the second quarter at \$2.70 per square foot, a 2% increase over the previous quarter (\$2.68). (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

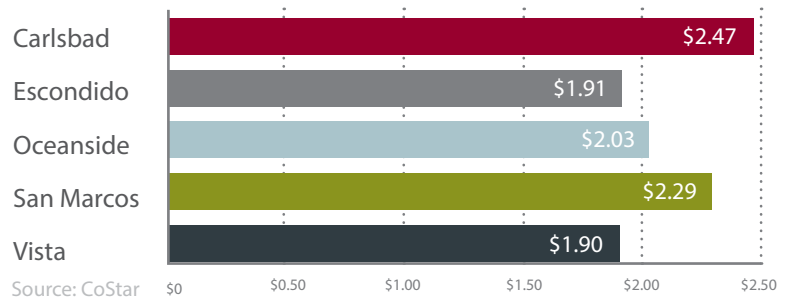
San Diego Inventory:	115,337,560
San Diego Availability:	10,980,018
San Diego Availability Rate:	9.5%
San Diego Absorption:	241,462
San Diego Rental Rates:	\$2.70

North County

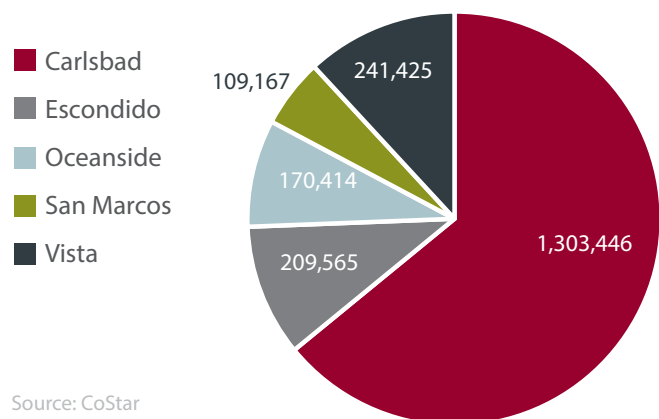
North County Inventory:	14,835,894
North County Availability:	2,034,017
North County Availability Rate:	13.7%
North County Absorption:	57,658
North County Rental Rates:	\$2.12

Source: CoStar

RENTAL RATES BY SUBMARKET



TOTAL AVAILABLE SF BY SUBMARKET



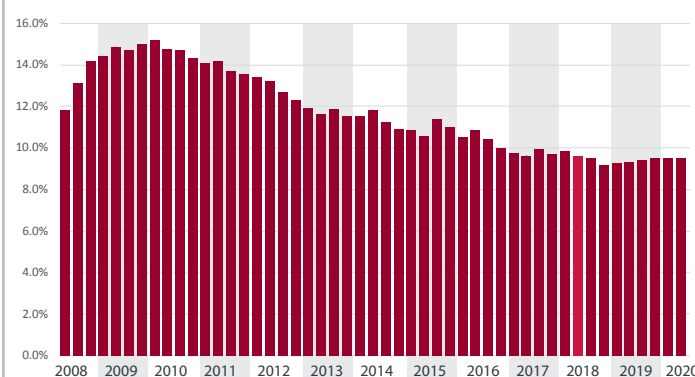
Lee & Associates - NSDC maintains an up-to-date database of all available properties and sold/leased properties.

SUBMARKET STATISTICS

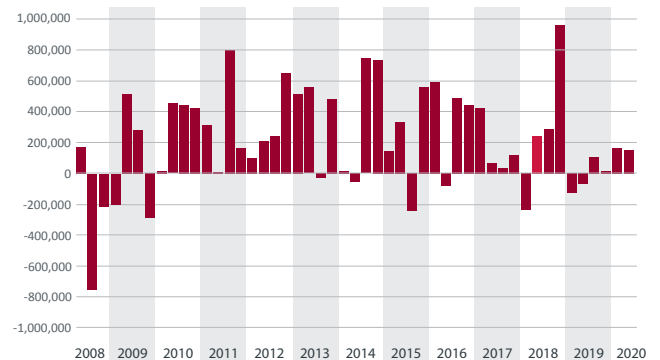
MARKET		INVENTORY		AVAILABILITY			AVAILABILITY RATE	
		Buildings	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total
CARLSBAD	Class A	28	1,841,163	335,895	62,175	398,070	18.24%	21.62%
	Class B	221	4,911,611	841,088	11,446	852,534	17.12%	17.36%
	Class C	81	397,776	52,642	200	52,842	13.23%	13.28%
	TOTAL	330	7,150,550	1,229,625	73,821	1,303,446	17.20%	18.22%
	ESCONDIDO	Class A	2	119,327	13,000	0	13,000	10.89%
	Class B	101	1,234,167	80,026	0	80,026	6.48%	6.48%
	Class C	210	1,179,304	115,956	583	116,539	9.83%	9.88%
	TOTAL	313	2,532,798	208,892	583	209,565	8.25%	8.27%
OCEANSIDE	Class A	4	171,154	15,438	3,179	18,617	9.02%	10.88%
	Class B	80	1,188,297	121,612	4,937	126,549	10.23%	10.65%
	Class C	82	422,224	25,248	0	25,248	5.98%	5.98%
	TOTAL	166	1,781,675	162,298	7,716	170,414	6.67%	9.56%
	SAN MARCOS	Class A	7	519,003	39,009	0	39,009	7.52%
Class B		36	697,329	62,611	0	62,611	8.98%	8.98%
Class C		51	420,309	7,547	0	7,547	1.80%	1.80%
TOTAL		94	1,636,641	109,167	0	109,167	6.67%	6.67%
VISTA		Class A	0	0	0	0	0	0.00%
	Class B	86	1,107,920	191,586	230	191,816	17.29%	17.31%
	Class C	92	626,310	49,609	0	49,609	7.92%	7.92%
	TOTAL	178	1,734,230	241,195	230	241,425	13.91%	13.92%

Source: CoStar

HISTORICAL AVAILABILITY / ABSORPTION RATES



SAN DIEGO AVAILABILITY



SAN DIEGO ABSORPTION

Source: CoStar

TOP OFFICE SALES IN NORTH SAN DIEGO COUNTY

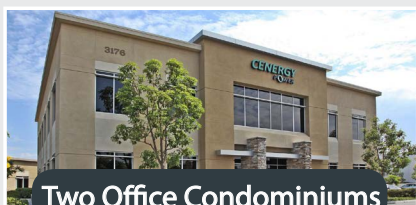
5919 Sea Otter Place - Beta Carlsbad, CA	6010 Hidden Valley Road Carlsbad, CA	5909 Sea Otter Place - Alpha Carlsbad, CA	6005 Hidden Valley Road Carlsbad, CA	2701 Loker Avenue W Carlsbad, CA
Size: 138,019 SF Price: \$34,086,351 (\$290.55/SF)	Size: 49,580 SF Price: \$30,050,000 (\$606.09/SF)	Size: 93,773 SF Price: \$23,159,149 (\$290.55/SF)	Size: 71,563 SF Price: \$19,000,000 (\$265.50/SF)	Size: 81,810 SF Price: \$17,000,000 (\$207.80/SF)
5540 Fermi Court Carlsbad, CA	2282 Faraday Avanye Carlsbad, CA	3220 Executive Ridge Vista, CA	5541 Fermi Court Carlsbad, CA	5770 Fleet Street Carlsbad, CA
Size: 65,090 SF Price: \$16,200,618 (\$292.82/SF)	Size: 28,704 SF Price: \$14,000,000 (\$487.74/SF)	Size: 60,649 SF Price: \$12,800,000 (\$211.05/SF)	Size: 49,910 SF Price: \$12,422,382 (\$292.82/SF)	Size: 48,904 SF Price: \$12,144,536 (\$248.33/SF)

TOP OFFICE LEASES IN NORTH SAN DIEGO COUNTY

Ventana 2175 Salk Avenue Carlsbad, CA	Palomar Heights Corporate Center 5860-5876 Owens Ave Carlsbad, CA	Paseo Summit - Building B 6185 Paseo Del Norte Carlsbad, CA	MAKE 5600 Avenida Encinas Carlsbad, CA	Lift - Building A 6023 Innovation Way Carlsbad, CA
Size: 25,136 SF Tenant: N/A	Size: 25,065 SF Tenant: Avanti Workspace ExSuites	Size: 21,654 SF Tenant: Ostendo Technologies	Size: 19,173 SF Tenant: N/A	Size: 17,510 SF Tenant: Ezoic
MAKE 5600 Avenida Encinas Carlsbad, CA	Pacific View Plaza 5973 Avenida Encinas Carlsbad, CA	Ventana 2175 Salk Avenue Carlsbad, CA	Pacific View Plaza 5973 Avenida Encinas Carlsbad, CA	MAKE 5600 Avenida Encinas Carlsbad, CA
Size: 17,242 SF Tenant: N/A	Size: 15,904 SF Tenant: N/A	Size: 12,691 SF Tenant: N/A	Size: 8,013 SF Tenant: N/A	Size: 17,242 SF Tenant: N/A

Source: CoStar

FOR SALE! Carlsbad
3176 Lionshead Avenue



Two Office Condominiums

Condo Size: 5,785 & 6,391 SF
Lot Size: 62,601 SF

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

FOR SALE! Carlsbad
3156 Lionshead Avenue

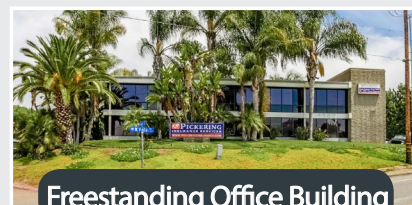


Two Office Condominiums

Condo Size: 4,895 & 4,874 SF
Currently demised into two (2) suites (8,086 & 1,683 SF)

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

FOR SALE! Vista
1365 W Vista Way

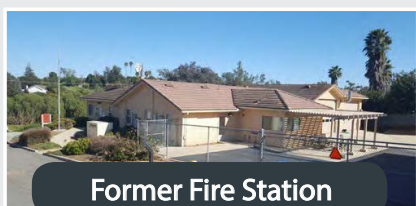


Freestanding Office Building

Building Size: 9,600 SF
Lot Size: 27,007 SF

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

FOR SALE! Fallbrook
4157 Olive Hill Road



Former Fire Station

Building Size: 1,700 SF
Lot Size: 1.2 Acres

Lee & Associates - NSDC Agent:
Patrick Miller, CCIM

FOR SALE! Carlsbad
3164 Lionshead Avenue, Ste B



Office Condominium

Condo Size: 3,921 SF
Parking: 4 Spaces per 1,000 SF

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

FOR LEASE! San Marcos
1284 W San Marcos Boulevard



Coleman Center Office

Size: 4,680-13,150 SF
Office Space: 8,266 SF

Lee & Associates - NSDC Agents:
Jeff Abramson | Greg Gershman

FOR LEASE! Oceanside
2204 El Camino Real

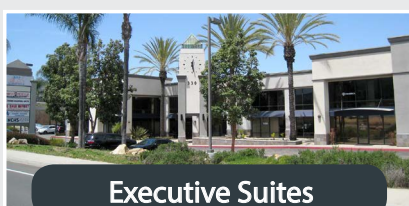


Office/Medical Space

Size: 600 - 7,600 SF
Parking: 5 Spaces per 1,000 SF

Lee & Associates - NSDC Agent:
Jeff Abramson

FOR LEASE! San Marcos
330-340 Rancheros Drive



Executive Suites

Building Size: 960 - 7,348 SF
Lot Size: 1.13 Acres

Lee & Associates - NSDC Agents:
John Orlando | Monique Medley

FOR LEASE! Vista
2575 Pioneer Avenue, 101 C&D



Office/Distribution

Size: 7,945 SF
Parking: 2 Spaces per 1,000 SF

Lee & Associates - NSDC Agents:
Isaac Little | Marko Dragovic

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.

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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.



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