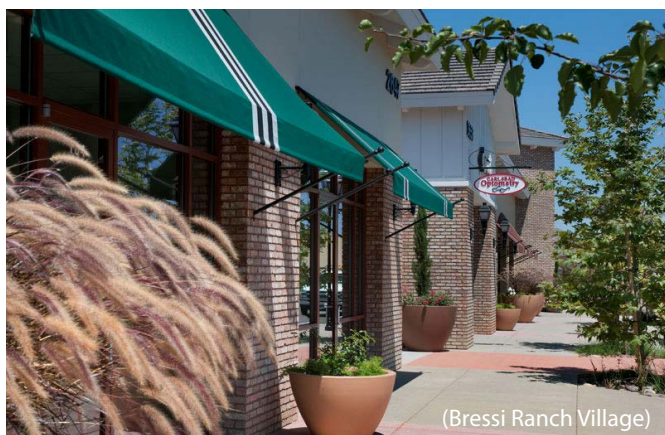




North San Diego County Quarterly Report

RETAIL MARKET

SECOND QUARTER 2018



We continue to see ongoing strengthening in all sectors in North San Diego County. Retail is having a tough go of it in many places, but properties in strong markets like San Diego are as attractive to investors as they have ever been. The North County Retail market is also attractive to tenants — and there are quite a few — who are still expanding. Retail tenants are itching to be in strong San Diego retail locations, despite the reported national malaise in the retail sector. In separate deals, Shea Properties has inked leases with the first round of retailers at The Square at Bressi Ranch, an 87K SF neighborhood center at Palomar and El Fuerte in Carlsbad. The retailers expanding into the property include CVS and BevMo, which sells alcoholic and non-alcoholic beverages, as well as a yet-to-be named local grocery store.

(Source: Biznow)

The North County Retail market did not experience much change in the second quarter 2018. The vacancy rate went from 3.6% in the previous quarter to 3.7% in the current quarter. Net absorption was negative (140,394) square feet, and vacant sublease space increased by 20,021 square feet. Quoted rental rates ending the second quarter at \$2.00 per square foot per month an increase over the previous quarter (\$1.88). (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

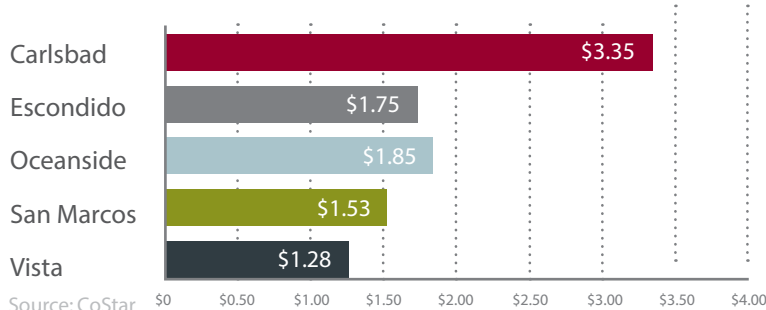
San Diego Inventory:	140,203,109
San Diego Availability:	5,146,968
San Diego Availability Rate:	3.7%
San Diego Absorption:	(224,515)
San Diego Rental Rates:	\$2.00

North County

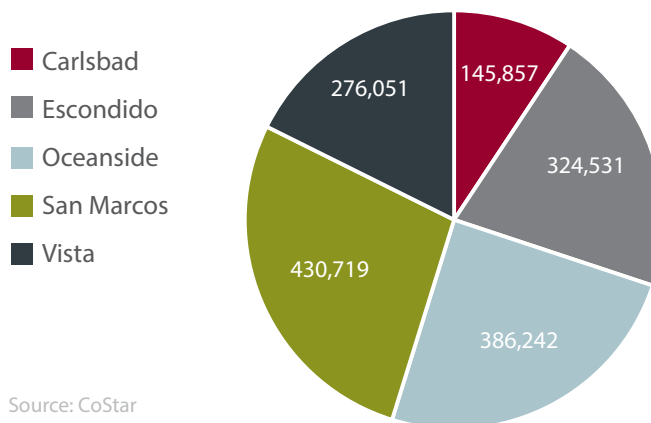
North County Inventory:	33,182,541
North County Availability:	1,563,400
North County Availability Rate:	4.7%
North County Absorption:	(141,777)
North County Rental Rates:	\$1.95

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	
	Bldgs/Ctrs	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total
CARLSBAD							
General Retail	198	1,481,794	40,560	0	40,560	2.74%	2.74%
Shopping Center	28	2,091,580	94,754	3,625	98,379	4.53%	4.70%
TOTAL	369	5,591,380	142,232	3,625	145,857	2.54%	2.61%
ESCONDIDO							
General Retail	584	4,097,956	95,270	1,000	96,270	2.32%	2.35%
Shopping Center	85	4,020,496	223,721	0	223,721	5.56%	5.56%
TOTAL	847	10,142,558	323,531	1,000	324,531	3.19%	3.20%
OCEANSIDE							
General Retail	420	2,281,005	40,239	0	40,239	1.76%	1.76%
Shopping Center	65	3,592,344	295,285	2,500	297,785	8.22%	8.28%
TOTAL	710	7,496,169	379,377	6,865	386,242	5.06%	5.15%
SAN MARCOS							
General Retail	121	1,436,086	201,762	0	201,762	14.05%	14.05%
Shopping Center	52	2,874,132	217,858	0	217,858	7.58%	7.58%
TOTAL	309	4,667,919	430,719	0	430,719	9.22%	9.22%
VISTA							
General Retail	368	2,143,784	111,807	15,120	126,927	5.22%	5.92%
Shopping Center	63	2,517,625	131,180	5,867	137,047	5.21%	5.44%
TOTAL	546	5,284,515	255,064	20,987	276,051	4.83%	5.22%

Source: CoStar

HISTORICAL AVAILABILITY / ABSORPTION RATES



Source: CoStar

TOP RETAIL SALES IN NORTH SAN DIEGO COUNTY

CAMPUS MARKETPLACE 300-320 S Twin Oaks Valley Rd San Marcos, CA	PACIFIC STATION 687 S Coast Hwy 101 Encinitas, CA	MERCEDES BENZ 1101 W 9th Avenue Escondido, CA	GELSON'S MARKET 7660 El Camino Real Carlsbad, CA	GELSON'S MARKET 7660 El Camino Real Carlsbad, CA
Size: 104,335 SF Price: \$53,565,235 (\$513.40/SF)	Size: 38,828 SF Price: \$24,000,000 (\$618.11/SF)	Size: 114,625 SF Price: \$22,550,000 (\$196.73 SF)	Size: 50,689 SF Price: \$21,900,000 (\$432.05/SF)	Size: 50,689 SF Price: \$18,000,000 (\$355.11/SF)
BEST PLAZA 1702-1706 Oceanside Blvd Oceanside, CA	WALGREENS 4181 Oceanside Blvd Oceanside, CA	ESCONDIDO VALLEY CENTER 1356 W Valley Parkway Escondido, CA	ROOSEVELT PLAZA 560 Carlsbad Village Drive Carlsbad, CA	WALGREENS 3507 Cannon Road Oceanside, CA
Size: 59,211 SF Price: \$13,092,014 (\$221.11/SF)	Size: 14,319 SF Price: \$9,200,000 (\$642.50/SF)	Size: 26,536 SF Price: \$9,018,915 (\$339.87 SF)	Size: 19,950 SF Price: \$8,195,000 (\$410.78/SF)	Size: 14,380 SF Price: \$7,400,000 (\$514.60/SF)


TOP RETAIL LEASES IN NORTH SAN DIEGO COUNTY

COLLEGE PLAZA 3504 College Boulevard Oceanside, CA	PALM TREE PLAZA 3501-3555 Cannon Road Oceanside, CA	1706 Descanso Avenue San Marcos, CA	404 S Coast Highway Oceanside, CA	WINDMILL BUILDING 890 Palomar Airport Road Carlsbad, CA
Size: 58,646 SF Tenant: Hobby Lobby	Size: 45,750 SF Tenant: EOS Fitness	Size: 19,592 SF Tenant: West Pace	Size: 11,400 SF Tenant: N/A	Size: 11,000 SF Tenant: The Windmill Food Hall
PLAZA LAS PALMAS 960-968 W Valley Parkway Escondido, CA	THE QUAD 210 E Barham San Marcos, CA	BEST PLAZA 1702 Oceanside Blvd Oceanside, CA	MISSION DOUGLAS PLAZA 3905 Mission Avenue Oceanside, CA	CROSSROADS SHOPPING CENTER 3821 Plaza Drive Del Mar, CA
Size: 8,150 SF Tenant: Boot Barn	Size: 6,297 SF Tenant: Cal State San Marcos	Size: Drive Thru Pad Tenant: Jack in the Box	Size: 6,000 SF Tenant: N/A	Size: 4,395 SF Tenant: N/A

Source: CoStar

FOR SALE!

Oceanside
4180 Avenida De La Plata



Navy Federal Credit Union

Building Size: 6,877 SF
Asking Price: \$4,550,000

Lee & Associates - NSDC Agents:
Ryan Barr | Ryan Bennett

FOR SALE!

Escondido
224-228 E Grand Avenue



Retail & Creative Office

Building Size: 13,500 SF
Asking Price: \$2,092,500

Lee & Associates - NSDC Agent:
Michael Golden

FOR SALE!

Oceanside
121-127 S Coast Highway



Two Suites w/ Private Parking

Building Size: 2,830 SF
Asking Price: \$1,750,000

Lee & Associates - NSDC Agents:
Isaac Little | Matt Weaver

FOR LEASE!

Oceanside
2007-2041 Mission Avenue



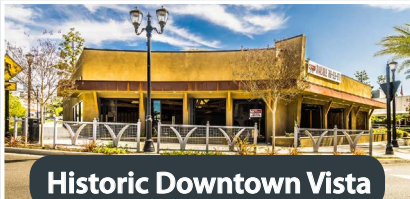
Oceanside Plaza

Available:
880 SF - 16,350 SF

Lee & Associates - NSDC Agents:
Marc Dudzik | Randall Dalby

FOR LEASE!

Vista
306 S Santa Fe Avenue



Historic Downtown Vista

Building Size: 8,242 SF
Lot Size: 0.51 Acres

Lee & Associates - NSDC Agents:
Isaac Little | Greg Gershman

FOR LEASE!

Oceanside
1575 S Coast Highway



Prominent Retail Building

Building Size: 7,000 SF
Lot Size: 27,475 SF

Lee & Associates - NSDC Agents:
Trent France | Greg Gershman

FOR LEASE!

Vista
221 Main Street



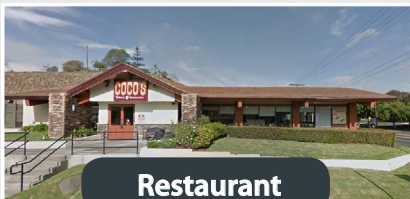
Restaurant Redevelopment

Size:
6,500 SF

Lee & Associates - NSDC Agents:
Victor Aquilina | Kelly Nicholls

FOR LEASE!

Vista
605 W. Vista Way



Restaurant

Building Size: 6,200 SF
Lot Size: 1.12 Acres

Lee & Associates - NSDC Agent:
Bo Havlik

FOR LEASE!

Carlsbad
925 Palomar Airport Road



Proposed Retail Pad

Size:
5,600 SF

Lee & Associates - NSDC Agents:
Bo Havlik

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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