



North San Diego County Quarterly Report

# RETAIL MARKET

## THIRD 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. More evidence that San Diego is an unusually resilient retail market: there has been a recent surge of interest in big-box spaces, specifically in lower-priced residential submarkets, according to CBRE data. That is challenging the assumption that such space is becoming a thing of the past.

In the current retail climate in most places, such an influx of big-box space would count as bad news. But in metro San Diego, new tenants are showing interest in some of these spaces already, mitigating the fear that they will sit vacant. During the second quarter, Aldi took two spaces in the market totaling about 53K SF, while 24 Hour Fitness took two spaces for a total of 68K SF. Other retailers taking San Diego-area big-boxes during Q2 included Target, Dollar Tree, Hobby Lobby and Punch Bowl Social. (Source: Biznow)

The North County Retail market did not experience much change in the third quarter 2018. The vacancy rate went from 3.7% in the previous quarter to 3.7% in the current quarter. Net absorption was negative (3,290) square feet, and vacant sublease space decreased by (10,799) square feet. Quoted rental rates ending the third quarter at \$2.00 per square foot per square foot per month (\$2).

(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

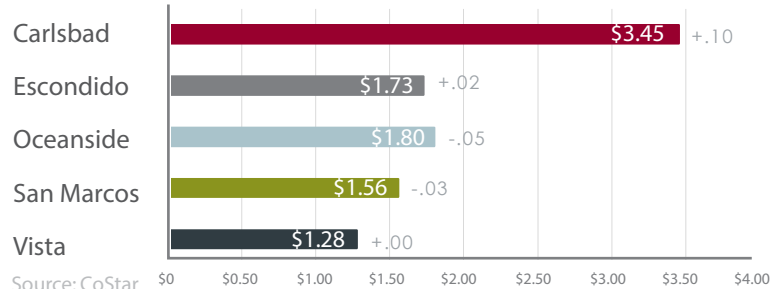
San Diego Inventory:	140,512,027
San Diego Availability:	5,234,733
San Diego Availability Rate:	3.7%
San Diego Absorption:	(221,509)
San Diego Rental Rates:	\$2.00

### North County

North County Inventory:	33,270,654
North County Availability:	1,581,543
North County Availability Rate:	5.2%
North County Absorption:	(141,777)
North County Rental Rates:	\$1.95

Source: CoStar

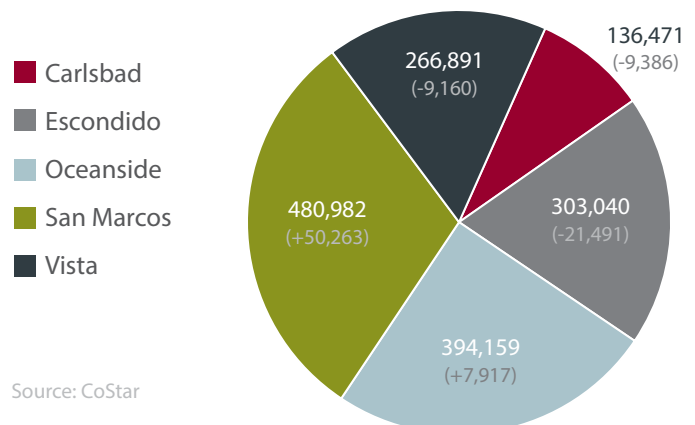
## RENTAL RATES BY SUBMARKET



Source: CoStar

## TOTAL AVAILABLE SF BY SUBMARKET

(compared to previous quarter)



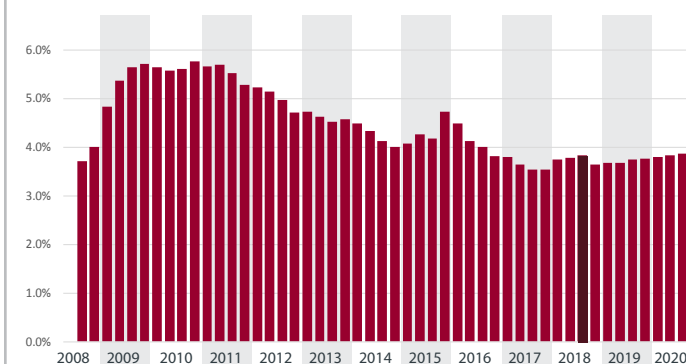
Source: CoStar

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

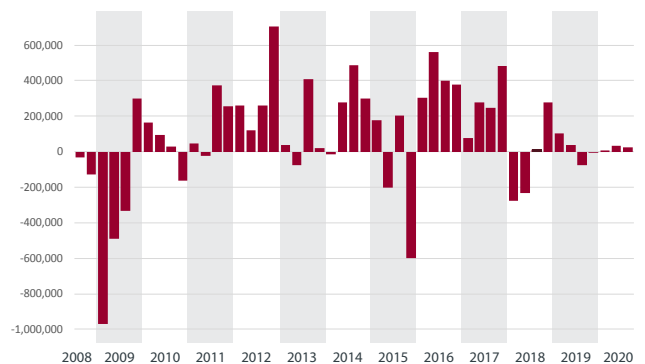
**SUBMARKET STATISTICS**

MARKET	INVENTORY		AVAILABILITY			AVAILABILITY RATE	
	Bldgs/Ctrs	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total
<b>CARLSBAD</b>							
General Retail	199	1,494,649	32,230	0	32,230	2.16%	2.16%
Shopping Center	28	2,091,580	91,914	3,625	95,539	4.39%	4.57%
<b>TOTAL</b>	<b>370</b>	<b>5,600,088</b>	<b>132,849</b>	<b>3,622</b>	<b>136,471</b>	<b>2.37%</b>	<b>2.44%</b>
<b>ESCONDIDO</b>							
General Retail	584	4,099,727	91,950	0	91,950	2.24%	2.24%
Shopping Center	86	4,070,921	206,550	0	206,550	5.07%	5.07%
<b>TOTAL</b>	<b>850</b>	<b>10,194,754</b>	<b>303,040</b>	<b>0</b>	<b>303,040</b>	<b>2.97%</b>	<b>2.97%</b>
<b>OCEANSIDE</b>							
General Retail	422	2,289,613	60,393	0	60,393	2.64%	2.64%
Shopping Center	65	3,627,149	305,671	2,500	308,171	8.43%	8.50%
<b>TOTAL</b>	<b>712</b>	<b>7,539,582</b>	<b>387,294</b>	<b>6,865</b>	<b>394,159</b>	<b>5.14%</b>	<b>5.23%</b>
<b>SAN MARCOS</b>							
General Retail	120	1,425,083	193,459	0	193,459	13.58%	13.58%
Shopping Center	52	2,884,182	230,341	0	230,341	8.00%	8.00%
<b>TOTAL</b>	<b>312</b>	<b>4,666,966</b>	<b>480,982</b>	<b>0</b>	<b>480,982</b>	<b>10.31%</b>	<b>10.31%</b>
<b>VISTA</b>							
General Retail	367	2,126,116	101,686	20,120	121,806	4.78%	5.73%
Shopping Center	63	2,520,042	133,076	3,307	136,383	5.28%	5.41%
<b>TOTAL</b>	<b>546</b>	<b>5,269,264</b>	<b>243,464</b>	<b>23,427</b>	<b>266,891</b>	<b>4.62%</b>	<b>5.07%</b>

Source: CoStar

**HISTORICAL AVAILABILITY / ABSORPTION RATES**

SAN DIEGO AVAILABILITY



SAN DIEGO ABSORPTION

Source: CoStar



## TOP RETAIL SALES IN NORTH SAN DIEGO COUNTY



**CAMPUS MARKETPLACE**  
300-320 S Twin Oaks Valley Rd  
San Marcos, CA

Size: 104,335 SF  
Price: \$53,565,235  
(\$513.40/SF)



**PACIFIC STATION**  
687 S Coast Hwy 101  
Encinitas, CA

Size: 38,828 SF  
Price: \$24,000,000  
(\$618.11/SF)



**MERCEDES BENZ**  
1101 W 9th Avenue  
Escondido, CA

Size: 114,625 SF  
Price: \$22,550,000  
(\$196.73 SF)



**SOLD: 04/05/2018**

**GELSON'S MARKET**  
7660 El Camino Real  
Carlsbad, CA

Size: 50,689 SF  
Price: \$21,900,000  
(\$432.05/SF)



**SOLD: 01/02/2018**

**GELSON'S MARKET**  
7660 El Camino Real  
Carlsbad, CA

Size: 50,689 SF  
Price: \$18,000,000  
(\$355.11/SF)



**BEST PLAZA**  
1702-1706 Oceanside Blvd  
Oceanside, CA

Size: 59,211 SF  
Price: \$13,092,014  
(\$221.11/SF)



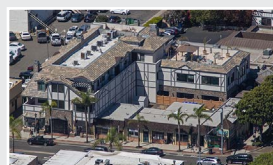
**WALGREENS**  
4181 Oceanside Blvd  
Oceanside, CA

Size: 14,319 SF  
Price: \$9,200,000  
(\$642.50/SF)



**ESCONDIDO VALLEY CENTER**  
1356 W Valley Parkway  
Escondido, CA

Size: 26,536 SF  
Price: \$9,018,915  
(\$339.87 SF)



**ROOSEVELT PLAZA**  
560 Carlsbad Village Drive  
Carlsbad, CA

Size: 19,950 SF  
Price: \$8,195,000  
(\$410.78/SF)



**WALGREENS**  
3507 Cannon Road  
Oceanside, CA

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

Size: 58,646 SF  
Tenant: Hobby Lobby



**PALM TREE PLAZA**  
3501-3555 Cannon Road  
Oceanside, CA

Size: 45,750 SF  
Tenant: EOS Fitness



**THE SQUARE AT BRESSI RANCH**  
2629 Gateway Road  
Carlsbad, CA

Size: 28,000 SF  
Tenant: Sprouts



**404 S Coast Highway**  
Oceanside, CA

Size: 11,400 SF  
Tenant: N/A



**WINDMILL BUILDING**  
890 Palomar Airport Road  
Carlsbad, CA

Size: 11,000 SF  
Tenant: The Windmill Food Hall



**PLAZA LAS PALMAS**  
960-968 W Valley Parkway  
Escondido, CA

Size: 8,150 SF  
Tenant: Boot Barn



**THE QUAD**  
210 E Barham  
San Marcos, CA

Size: 6,297 SF  
Tenant: Cal State San Marcos



**BEST PLAZA**  
1702 Oceanside Blvd  
Oceanside, CA

Size: Drive Thru Pad  
Tenant: Jack in the Box



**MISSION DOUGLAS PLAZA**  
3905 Mission Avenue  
Oceanside, CA

Size: 6,000 SF  
Tenant: N/A



**CROSSROADS SHOPPING CENTER**  
3821 Plaza Drive  
Del Mar, CA

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!**

San Diego  
7875 Highlinds Village Place



**Suite in Major Shopping Center**

Available:  
1,264 SF

Lee & Associates - NSDC Agents:  
Victor Aquilina | Randall Dalby

**FOR LEASE!**

Oceanside  
502-518 Oceanside Blvd



**Seaside Crossroads**

Building Size: 1,017 SF  
Lot Size: 2 Acres

Lee & Associates - NSDC Agent:  
Marc Dudzik

**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!**

Oceanside  
2216-2224 S El Camino Real



**North County Place**

Suite Size: 945 SF  
Building Size: 42,000 SF

Lee & Associates - NSDC Agents:  
Victor Aquilina | Marc Dudzik

**FOR LEASE!**

San Marcos  
14 & 16 Creekside Drive



**New Retail Space**

Suite Size: 824 SF - 2,823 SF  
New Multi-Purpose Development

Lee & Associates - NSDC Agent:  
Victor Aquilina | Randall Dalby

**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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