

North San Diego County Office Report Q4 2017



2017 North San Diego County Economy Spotlight

NSDC EXISTING INVENTORY

1,080
OFFICE
BUILDINGS

Source: COSTAR

San Diego County
is home to
1,100 LIFE SCIENCE
Companies
+ 80 independent & university
research institutes

Source: SD Regional EDC

510,000
WITHIN
NORTH SD COUNTY
IN 2016



GREATER EMPLOYMENT THAN 9 US STATES

NORTH COUNTY PROSPECTS VIA
NORTH SAN DIEGO COUNTY ECONOMIC DEVELOPMENT COUNCIL

HOME TO... 26 cities &
unincorporated
communities
8 of the county's
fastest growing
cities

NORTH SAN DIEGO COUNTY
ECONOMIC DEVELOPMENT COUNCIL

Lee & Associates named
Top 5 CRE
Brokerage
IN SAN DIEGO COUNTY

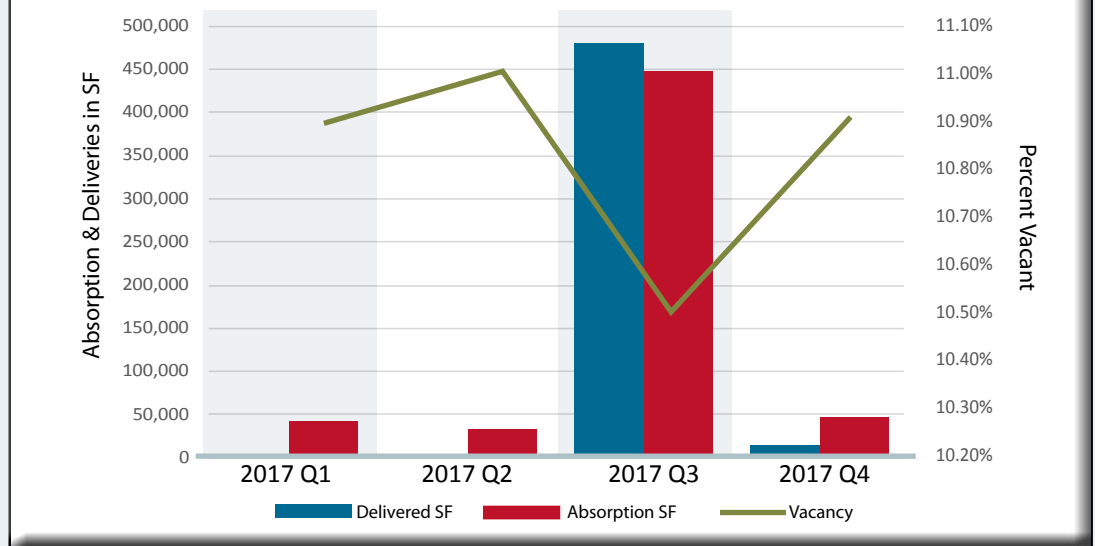
San Diego Business Journal
Ranked by local licensed agents

Market Tracker	Vacancy		YTD Net Absorption		Rental Rates/SF	
	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017
San Diego County	9.6%	9.9%	1,128,299 SF	714,550 SF	\$ 2.67 NNN	\$2.64 NNN
North County	10.9%	10.5%	563,932 SF	290,903 SF	\$ 2.44 NNN	\$2.43 NNN

FOURTH QUARTER SUMMARY The San Diego Office market ended the fourth quarter 2017 with a vacancy rate of 9.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 324,986 square feet in the fourth quarter. Vacant sublease space decreased in the quarter, ending the quarter at 647,501 square feet equating to an approximate 18.9% reduction over the 3rd quarter. Rental rates ended the fourth quarter at \$31.98, an increase over the previous quarter. One building delivered to the market this quarter totaling 11,800 square feet, with 699,858 square feet still under construction at the end of the quarter.

The five focal cities of Lee & Associates NSDC (Carlsbad, Escondido, Oceanside, San Marcos, Vista, however, ended the quarter with decreased vacancy and stabilized rental rates.

ALL NSDC DELIVERIES, VACANCY RATE, NET ABSORPTION | Q4



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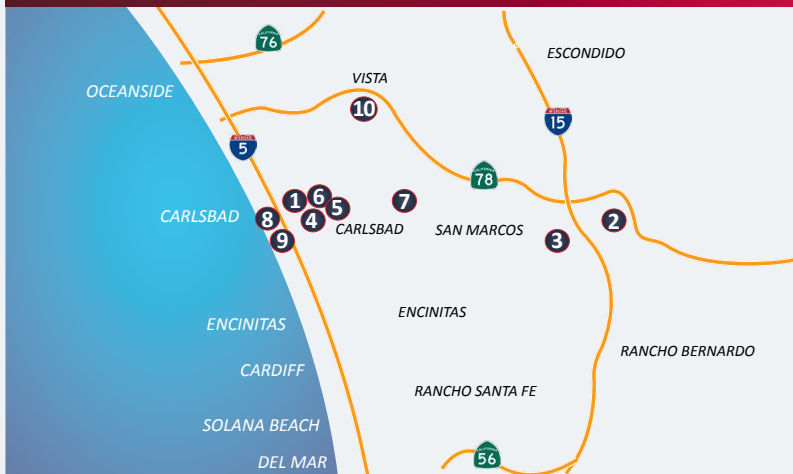
Q4 2017

Q4 2017 NORTH SAN DIEGO COUNTY OFFICE STANDINGS - 5 SUBMARKETS

SELECT SUB MARKETS	EXISTING INVENTORY		OVERALL VACANCY			YTD ABSORPTION (SF)	YTD DELIVERIES	# SF UNDER CONSTRUCTION	QUOTED RATES
	TOTAL BUILDINGS	TOTAL SF	DIRECT VACANT SF	TOTAL SF	% VACANCY				
Carlsbad	329	7,074,342	1,259,004	1,321,163	18.7 %	75,589	35,675	82,258	\$2.45
Escondido	312	2,522,854	200,889	200,889	8.0 %	(20,889)	0	76,400	\$2.03
Oceanside	166	1,780,575	164,448	169,385	9.5 %	39,795	0	0	\$1.95
San Marcos	93	1,627,204	159,477	159,477	9.8 %	18,725	60,000	0	\$2.21
Vista	179	1,760,566	239,175	239,287	13.6 %	3,792	11,800	0	\$1.90
Total	1,079	14,765,541	2,022,993	1,985,080	11.9 %	117,012	107,475	158,658	\$2.11

Source: CoStar

2017 TOP 10 OFFICE SALES IN NORTH SAN DIEGO COUNTY



	Address	Size	Sales Price	Price/SF*
1	6010 Hidden Valley Rd	49,580 SF	\$30,050,000	\$606.09
2	488 E Valley Parkway	70,058 SF	\$25,500,000	\$363.98
3	625 W Citricado Parkway	47,654 SF	\$21,850,000	\$458.51
4	6005 Hidden Valley Road	71,563 SF	\$19,000,000	\$265.50
5	2701 Loker Avenue W	81,810 SF	\$17,000,000	\$207.80
6	2282 Faraday Avenue	28,704 SF	\$14,000,000	\$487.74
7	3220 Executive Ridge	60,649 SF	\$12,800,000	\$211.05
8	5050 Avenida Encinas	49,080 SF	\$10,542,500	\$214.80
9	6120 Paseo Del Norte	30,388 SF	\$8,550,000	\$281.36
10	380 S Melrose Drive	50,246 SF	\$4,845,204	\$96.43

*Land Size is not taken into consideration for Price/SF

2017 SELECT OFFICE LEASES IN NORTH SAN DIEGO COUNTY

	Submarket	Size	Address/Building	Tenant
1	Carlsbad	88,858 SF	5919 Sea Otter Place	N/A
2	Vista	51,806 SF	2022 University Drive	Brightwood College
3	Escondido	51,400 SF	Palomar Health Outpatient Center I	Palomar Health
4	Carlsbad	37,700 SF	5909 Sea Otter Place	Synteract HCR
5	Escondido	36,000 SF	Palomar Health Outpatient Center II	Palomar Health
6	Carlsbad	29,177 SF	2173 Salk Avenue	N/A
7	Carlsbad	21,399 SF	1555 Faraday Avenue	Proficio

Source: CoStar

about lee & associates - north san diego county:

Founded in 1990, the Lee & Associates North San Diego County office consists of 33 brokerage professionals and a well-organized staff. Lee & Associates-North San Diego County is one of the many regional offices that are part of Lee & Associates, the largest broker-owned commercial real estate firm in the United States and Canada. Lee & Associates provides superior market intelligence in office, industrial, retail, investment and appraisal to meet the specialized needs of our clients. For the latest news from Lee & Associates, visit www.lee-associates.com/sandiegonth/ or follow us on Facebook, LinkedIn, and Twitter.