



North San Diego County Quarterly Report

INDUSTRIAL MARKET

FOURTH QUARTER 2018



At the close of 2018, the San Diego Industrial market rental rates again set an all-time high, while the vacancy rate increased over the previous quarter with a significant amount of new construction coming on line. **Key noted trends for 2019:** Investors are on the prowl in San Diego for strong industrial properties, including those that will serve the growing need for last-mile distribution. That is because demand for such properties is high among tenants, especially retailers and the logistics firms that help them get more goods to more consumers faster. San Diego's life science industry has kicked into high gear lately, with capital pouring into the market and employment in the sector up. The trend is driving demand for specialized space. About a year ago, employment in San Diego County's life science industry surpassed Orange County for the first time, putting the area at No. 3 in the state as a life science employment node. Employment growth in the sector is expected to continue. (Source: Biznow)

The San Diego Industrial market ended the fourth quarter 2018 with a vacancy rate of 4.8%. The total vacancy was up above the previous quarter (4.4%). Net absorption totalling negative (251,234) square feet in the fourth quarter. Rental rates ended the fourth quarter at \$1.27 per square foot, an increase 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

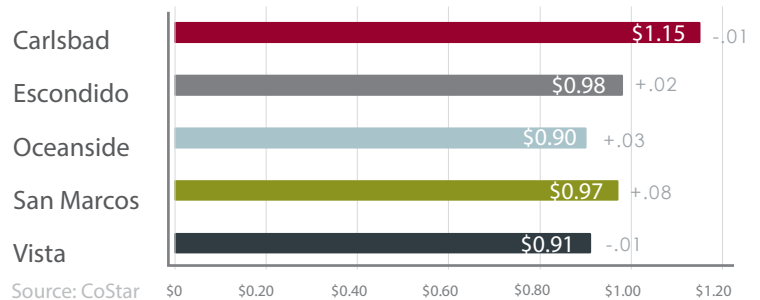
San Diego Inventory:	194,726,079
San Diego Availability:	8,677,239
San Diego Availability Rate:	4.8%
San Diego Absorption:	1,336,870
San Diego Rental Rates:	\$1.27

North County

North County Inventory:	56,616,522
North County Availability:	3,520,780
North County Availability Rate:	5.8%
North County Absorption:	677,622
North County Rental Rates:	\$0.98

Source: CoStar

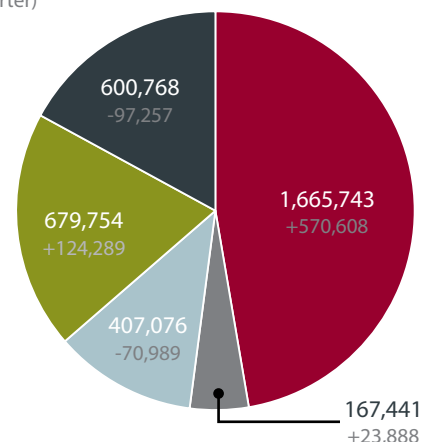
RENTAL RATES BY SUBMARKET



TOTAL AVAILABLE SF BY SUBMARKET

(compared to previous quarter)

- Carlsbad
- Escondido
- Oceanside
- San Marcos
- Vista



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							
Industrial/Warehouse	238	8,813,388	1,084,803	157,072	1,241,875	12.31%	14.09%
Flex/R&D	253	6,234,935	398,885	24,983	423,868	6.40%	6.80%
TOTAL	491	15,048,323	1,483,688	182,055	1,665,743	9.86%	11.07%
ESCONDIDO							
Industrial/Warehouse	634	7,574,587	112,961	32,878	145,839	1.49%	1.93%
Flex/R&D	79	751,904	21,602	0	21,602	2.87%	2.87%
TOTAL	713	8,326,491	134,563	32,878	167,441	1.62%	2.01%
OCEANSIDE							
Industrial/Warehouse	403	9,050,418	386,170	0	386,170	4.27%	4.27%
Flex/R&D	33	984,170	20,906	0	20,906	2.12%	2.12%
TOTAL	436	10,034,588	407,076	0	407,076	4.06%	4.06%
SAN MARCOS							
Industrial/Warehouse	472	7,945,059	617,292	4700	621,992	7.77%	7.83%
Flex/R&D	61	1,094,862	51,595	6,167	57,762	4.71%	5.28%
TOTAL	533	9,039,921	668,887	10,867	679,754	7.40%	7.52%
VISTA							
Industrial/Warehouse	528	12,773,505	499,786	58079	557,865	3.91%	4.37%
Flex/R&D	62	1,393,694	32,768	10,135	42,903	2.35%	3.08%
TOTAL	590	14,167,199	532,554	68,214	600,768	3.76%	4.24%

SUBMARKET TOTALS FOR NORTH COUNTY

	Buildings	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total
Industrial/Warehouse	2275	46,156,957	2,701,012	252,729	2,953,741	5.85%	6.40%
Flex/R&D	488	10,459,565	525,756	41,285	567,041	5.03%	5.42%
TOTAL	2763	56,616,522	3,226,768	294,014	3,520,782	5.70%	6.22%

Source: CoStar

HISTORICAL AVAILABILITY / ABSORPTION RATES



Source: CoStar

NEW DELIVERIES



1
Pacific Vista Commerce Center
2800 Whiptail Loop
Carlsbad, CA

Size: 411,000 SF
Developer: Ryan Companies US, Inc.
Delivery Date: Fall 2018
% Leased: 27%



2
Exeter Industrial Park
1925-2005 Harmony Grove Rd
Escondido, CA

Size: 212,088 SF
Developer: Badlee Development Inc.
Delivery Date: Fall 2018
% Leased: 100%



3
dis.trib.ute
3266 Lionshead Ave - Lot 15
Carlsbad, CA

Size: 277,351 SF
Developer: RAF
Delivery Date: Q3 2018
% Leased: 25%



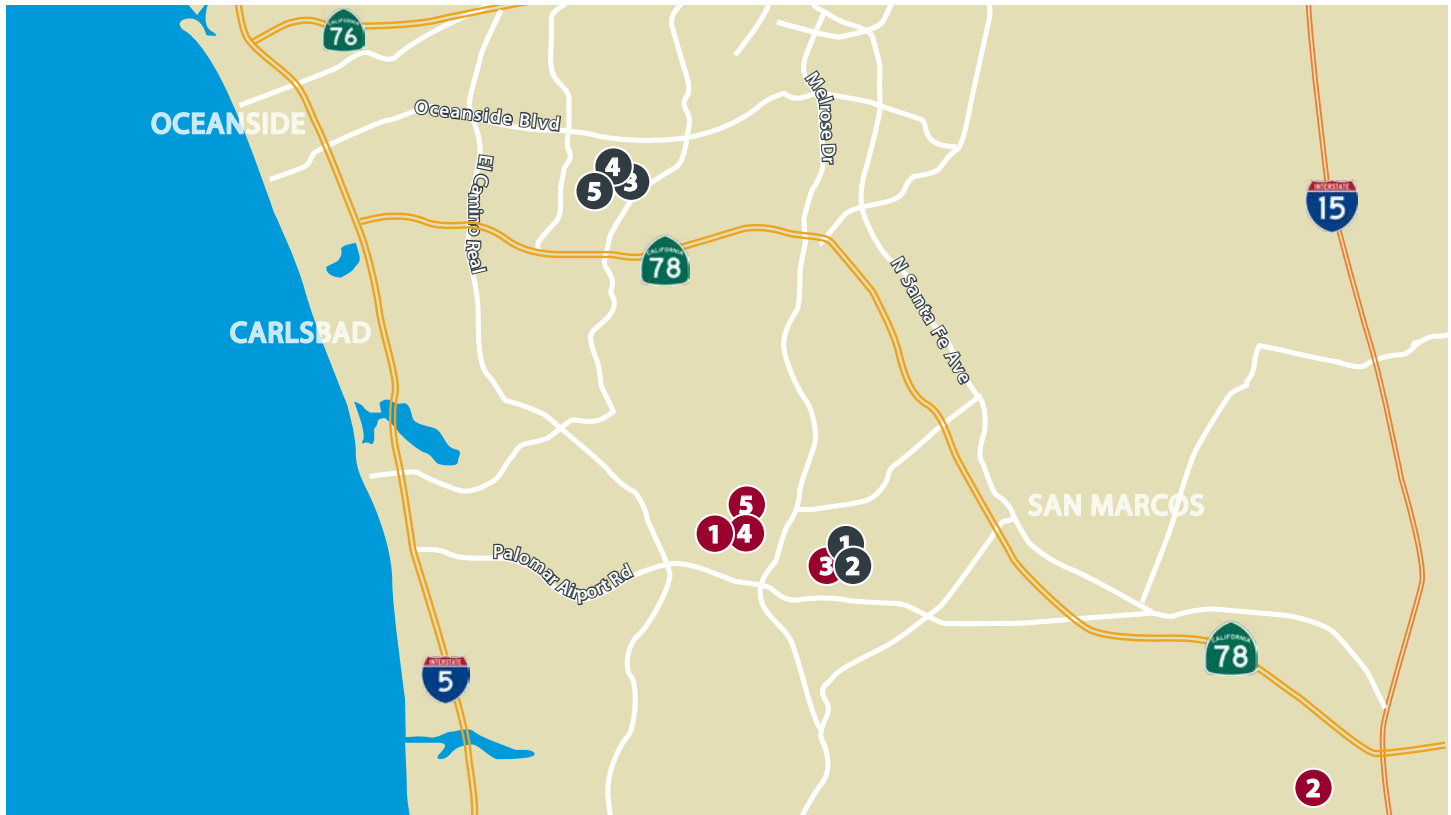
4
vec.tor at Carlsbad Oaks North
2882 Whiptail Loop E
Carlsbad, CA

Size: 172,655 SF
Developer: RAF
Delivery Date: May 2018
% Leased: 61.5%



5
HM Electronics
2848 Whiptail Loop
Carlsbad, CA

Size: 140,000 SF
Developer: Hamann Companies
Delivery Date: March 2018
% Leased: 100%



TOP CONSTRUCTION



1
Keystone Innovation Industrial Park
1347 Keystone Way
Vista, CA

Size: 30,520 SF
Developer: Badlee Development Inc.
Delivery Date: Q1 2019



2
Keystone Innovation Industrial Park
1349 Keystone Way
Vista, CA

Size: 47,205 SF
Developer: Badlee Development Inc.
Delivery Date: Feb 2019



3
Pacific Coast Collection
1291 Rocky Point Dr - Phase 2
Oceanside, CA

Size: 117,528 SF/6,377 ofc
Developer: Black Creek Group
Delivery Date: March 2019



4
Pacific Coast Collection
1322 Rocky Point Dr
Oceanside, CA

Size: 109,163 SF/6,377 ofc
Developer: Black Creek Group
Delivery Date: March 2019



5
Pacific Coast Collection
1339 Rocky Point Dr
Oceanside, CA

Size: 51,102 SF/3,652 ofc
Developer: Black Creek Group
Delivery Date: March 2019

Q4 TOP INDUSTRIAL SALES IN NORTH SAN DIEGO COUNTY

3250 Business Park Dr Vista, CA	2710 Progress St Vista, CA	1235 Activity Dr Vista, CA	2445 Cades Way Vista, CA	130 Bosstick Blvd San Marcos, CA
Size: 221,660 SF Price: \$31,150,000 (\$140.53/SF)	Size: 135,020 SF Price: \$24,715,000 (\$183.05/SF)	Size: 24,944 SF Price: \$3,750,000 (\$150.34/SF)	Size: 24,014 SF Price: \$3,710,000 (\$154.49/SF)	Size: 17,631 SF Price: \$3,077,000 (\$174.52/SF)
2345 La Mirada Dr - Bldg 7 Vista, CA	2768 Loker Ave W Carlsbad, CA	2448 Cades Way Vista, CA	2772 Loker Ave W Carlsbad, CA	2530 Pioneer Ave Vista, CA
Size: 13,295 SF Price: \$2,600,000 (\$195.56/SF)	Size: 14,580 SF Price: \$2,546,000 (\$174.62/SF)	Size: 12,108 SF Price: \$2,206,000 (\$182.19/SF)	Size: 11,486 SF Price: \$2,078,966 (\$181.00/SF)	Size: 9,150 SF Price: \$1,790,000 (\$195.63/SF)

Q4 TOP INDUSTRIAL LEASES IN NORTH SAN DIEGO COUNTY

2819 Loker Avenue Carlsbad, CA	2081 Faraday Ave Carlsbad, CA	3817 Ocean Ranch Blvd Oceanside, CA	1385 Decision Street Oceanside, CA	3809 Ocean Ranch Blvd Oceanside, CA
Size: 166,310 SF Tenant: Acushnet	Size: 134,000 SF Tenant: Gnarlywood	Size: 66,780 SF Tenant: Boral Roofing	Size: 43,988 SF Tenant: Distinctive Plastics	Size: 23,490 SF Tenant: A1 Delivery
195 Bosstick Blvd San Marcos, CA	1255 Keystone Way Vista, CA	195 Bosstick Blvd, Ste 101 San Marcos, CA	215 Bingham Drive San Marcos, CA	3261 Lionshead Avenue Carlsbad, CA
Size: 33,967 SF Tenant: Bernardo Moving & Storage	Size: 22,360 SF Tenant: Surf Hardware International	Size: 20,674 SF Tenant: Redline Express	Size: 18,720 SF Tenant: Pacific Lasertec	Size: 18,288 SF Tenant: Resers

Source: CoStar

FOR SALE!

San Diego
7964 Arjons Drive, Suite B



Flex Industrial

Suite Size: \pm 7,520 SF
Office: 90% HVAC office

Lee & Associates - NSDC Agent:
Tim Gosselin

FOR SALE!

San Marcos
1566-1570 Cherokee Street



Industrial Multi-Tenant Building

Building Size: 8,377 SF
Suites: 1,589-2,359 SF

Lee & Associates - NSDC Agents:
Peter Merz | Daniel Knoke

FOR SALE!

San Marcos
1255 Stone Drive



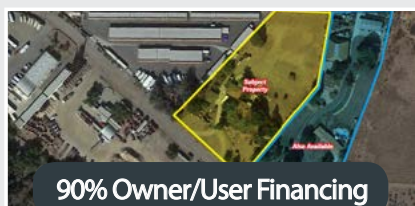
Industrial Building

Building Size: 6,571 SF
Unit A: 2,000 SF | Unit B: 4,571 SF

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

FOR SALE!

Valley Center
28361 Cole Grade Road



90% Owner/User Financing

Building Size: 4,380 SF
Lot Size: 3 Acres

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

FOR SALE/LEASE!

San Marcos
1709 La Costa Meadows Dr



Industrial Facility

Building Size: 63,800 SF
Office: 12,000 SF

Lee & Associates - NSDC Agents:
Marko Dragovic | Isaac Little
Daniel Knoke | Peter Merz

FOR LEASE!

Oceanside
1319 Rocky Point Drive



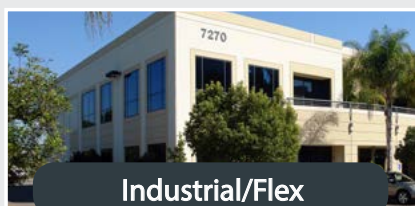
Industrial Building

Building Size: 124,581 SF
Lot: 7.52 Acres

Lee & Associates - NSDC Agents:
Rusty Williams, SIOR | Chris Roth
Mark Jerue | Craig Fitterer

FOR LEASE!

San Diego
7270 Trade Street



Industrial/Flex

Rentable SF: \pm 7,239 - 9,820 SF
First Floor SF: \pm 7,239 SF
Second Floor SF: \pm 2,581 SF

Lee & Associates - NSDC Agents:
Alex Weiss | Tim Gosselin

FOR LEASE!

Carlsbad
5607 Palmer Way



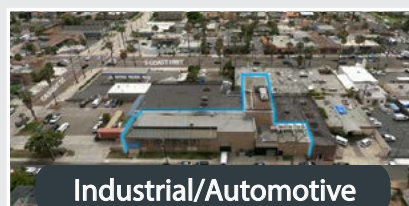
Industrial/Flex Building

Rentable SF: 16,532 SF
 \pm 8,266 SF of corporate office space
 \pm 3,300 SF of creative/open production
space with HVAC

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

FOR SUBLEASE!

Oceanside
1722 S Coast Highway



Industrial/Automotive

Building Size: 11,506 SF
Rare coastal industrial suite

Lee & Associates - NSDC Agent:
Greg Gershman

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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